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INTERROGATION

of Dr. August von Knieriem
by Mr. William A. Zeck

Requested by Lawyer- Zeck; Section - Heath

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Q. Do you swear that the statements you will make in response to my questions are the truth, so help you God?

A. I will.

Q. What is your full name, please?

A. August von Knieriem.

Q. Dr. von Knieriem, my name is William Zeck. Within the next few weeks I will have several discussions with you. I would like to go into a number of things chiefly in connection with Farben's corporate organization and structure. I am sure you will be able to give me a complete picture of the corporate organization. I have here a series of German forms - forms in German - containing questions about personal information, also some information about your political connections and your work with Farben and any other business organizations that you might have been associated with. I would like you to take this along with you and fill out the questions. Return them to me, if you please, the next time we see each other, which will probably be in the early or middle part of next week.

A. They are all different. No, they are all the same.

Q. All different. They are separately numbered. There are three different forms here. They bear our symbol number NI QS, Roman numerals 1, 2, 3.

A. I must do it with pencil. I have nothing else.

Q. Dr. von Knieriem, when did you first become associated with I.G. Farben?

A. I entered the board of I.G. Farben on 1 January 1923 from Badische Anilin and Sodafabrik. That was the other company, one of the companies which made merger to I.G. Farbenindustrie, and I was ordered some months before just to present myself with the company but I think you may safely take as

00001

Int. of Dr. August von Knieriem 11/22/46

principle date 1 January 1923. And the Badische Sodafabrik merged with I.G. 19 March and with several other companies October 1925. There were about 7 big chemical companies in Germany and these companies merged in October 1925 and took the name I.G. Farbenindustrie.

Q. What was your position on I.G. Farben at the time of the merger in 1925?

A. In 1925 I was member of the board and assistant to the first lawyer of the previous Badische Sodafabrik. The legal branch of these 7 companies continued to certain extent to exist after the merger and so the board of the Badische Sodafabrik, situated in Ludwigshaven, kept its legal branch and I was the assistant to the then chief.

Q. What was his name?

A. Michel.

Q. And at the time of the merger did you become a member of the Farben Vorstand?

A. Yes, I did. All of the members of the Vorstand of these about 7 different companies entered the board so the board was enormous big, enormous large, about 84 people, and since a board of this size couldn't work there was formed a committee, a working committee out of this big board of 84 consisting of about 23 people, something like that. I was not member of this.

Q. During what years did this board operate, this working committee?

A. This small working committee of the Vorstand was in existence until about 1937. Then so many people of the board had died or retired that the whole board which, as I told you formerly, was about 84 was reduced to a number of about 25 or 30 - 25 or 30 - so that then it was no use any more to form a special committee while now the whole board was small enough to be a suitable working unit.

Q. Wouldn't you say that the change in the organization of the Vorstand roughly coincided with the passage of the Aktiengesetz of 1938?

A. Exactly. It was at the same time. It was at the same time of the company law.

Q. I understand, Doctor, that you were a member of one or two German law associations such as the Academie for Deutsche Rechts and the Ausschuss

Int. of Dr. August von Kierien 11/22/46

for G.m.b.H.?

A. I tell you about that. I can't quite tell you the year. It must be 1933 or 1934. The Academie of Deutsche Rechts was founded and 3 people out of I.G. were taken in this academy. That was Duisberg, the chairman of the I.G.; Bosch, the president of the I.G.; and Schmitz. Not I. I was became member some years later, out of this reason. In Germany existed a very old association 75 years old for patents, for the interest of patents and trademarks and unfair competition and copyrights. And I was president of this old association. Now this association worked and cooperated with the government, as I told you, since a long run of years when patent law was changed or trade mark law was changed or copyright or something like that. And there existed in this organization a committee for patent then and committee for trade mark and committee for unfair competition and for copyright and since the Academie for Deutsches Rechts wanted to embrace all things which were connected with law they start to work also on these things so that here was an organization working on these things and here was an organization working on these things and they made up their mind to take over these committee organization and put it in a committee for Deutsche Rechts and on this occasion I was made a member of the Academie for Deutsche Rechts and started now to work for these things.

Q. What year was that that you became a member?

A. Well, I couldn't quite tell you by heart but it was certainly some years after the academy was formed and since academy was formed about 1934 I should believe it may be 1938. I can't tell you quite exactly.

Q. What about the Ausschuss for G.m.b.H.?

A. Well, the Academie for Deutsche Rechts worked on the whole topic of law and had quite a lot, perhaps 30 little committees. One committee was for company law, one was for G.m.b.H., one was for patents, one was for copyrights and my special thing -- I know a little about law, about the company laws questions and the patent question.

Int. of Dr. August von Knieriem 11/22/46

Q. It is pretty obvious from this little picture, background, you have given us that you are one of Germany's outstanding legal experts on corporate law.

A. Yes. You see I combine some things which are easy to combine. I know a little bit about company law. I know a little bit about patents and I was very often in your country and had to do with the International Law and I speak a little bit of English and all these things are coming together and then I had vast experience flowing to me coming out of I.G. and you hardly find many people who are fairly good in all these things.

Q. Before the 'Aktiengesetz of 1937 became law did Vorstand of Farben actively hold a meeting which all the members attended?

A. No, they - it really didn't. The whole Vorstand up till 1937 never had a meeting. They couldn't have a meeting with 84 people but only the working committee of the Vorstand of about 25, something like that, came together.

Q. Who was the head of that working committee?

A. At the time of the merger the head of the working committee was the president of the I.G., Bosch, until 1935. In 1935 the chairman of the company, Duisberg, died and Bosch was his successor. In 1935 Schmitz became president of this working committee.

Q. I am a little bit confused, Doctor, about your reference to the chairman of the company.

A. I mean, as I say, chairman of the company. I mean chairman for the Aufsichtsrat.

Q. Maybe you can define Aufsichtsrat?

A. Because we have 2 chairmans and you only one. At the time of the merger of the merger - you have one board and we have 2 boards.

Q. Let us, from now on, use the terms Vorstand and Aufsichtsrat.

A. Yes.

Q. Who was president of the Vorstand from the time of the merger until 1935, Doctor?

Int. of Dr. August von Knieriem 11/22/46

A. Until 1935 Dr. Bosch was president of the Vorstand and Duisberg president of the Aufsichtsrat. In 1935 then Duisberg died and Bosch became president of the Aufsichtsrat and Schmitz president of the Vorstand.

Q. Schmitz was president of the Vorstand until when?

A. Until last year.

Q. How long did Bosch serve?

A. Bosch lived until 1940, then he died and his successor was Krauch.

Q. Before 1937 did the Aufsichtsrat have an active part in the management of the company?

A. No. You could not say that. As to the structure and the usual way in which German companies do their business the business is run by the Vorstand and the Aufsichtsrat has the task to nominate the members of the board but still the president of the Aufsichtsrat has a lot to say, you see. That's firstly because he has to select, as a matter of fact, certain future members of the board and he is the man who makes them to settle together with the Vorstand the selection and especially a man of great personality like Bosch who was a leading character but more out of his personality and his technical knowledge than out of the fact that he was president of the Aufsichtsrat.

Q. The working committee that you refer to that existed before 1937. Was that the same as the Zentral Ausschuss?

A. No. The working committee functioned like the whole Vorstand. Now I tell you something about the Zentral Ausschuss. When I.G. Farben was formed in 1925 or very shortly afterward a small personnel committee was formed, consisting of perhaps 4 or 5 members of this working committee and they settled more personnel questions. The Zentral Ausschuss was formed in 1931 and consisted out of about 7 members of this working committee and was superseding the working committee, and in the first years I think that the Zentral Ausschuss was an important thing. It was meant to be an important thing. There is no question about it. But I was not member of the Zentral Ausschuss until about 1938. And when I entered the Zentral Ausschuss in 1938 it must have entirely changed its activities and I think it changed

Int. of Dr. August von Knieriem 11/22/46

its activities when Schmitz became president of the Vorstand in 1935 and there was only very little left to the Zentral Ausschuss but not important then. Every year about April or something like that when we met in Berlin we made the advancements, I mean we fixed which people should get procurer or which people should get title director or something like that. These things were made by the Zentral Ausschuss. But this is, as a matter of fact, the only thing which the Zentral Ausschuss did, but when I was member there we talked all things over in the whole board.

Q. How often did that working committee meet?

A. The whole working committee?

Q. Between 1931 and 1937?

A. 1931 and 1937 - I think it met once a month.

Q. Where?

A. In Frankfurt, mostly.

Q. Did that committee keep minutes of its meetings? Were there records of meetings?

A. Yes. I am sure it did but if you will remember that I was not member at that time of the working committee. I couldn't tell you very much then. I have no doubt that they did make minutes.

Q. How often did the entire body of the Vorstand meet between 1931 and 1937?

A. Never. I told you never, because it was too large.

Q. Did the law of 1937 result in any important changes in the structure of the Farben Vorstand and Aufsichtsrat and in their duties and activities?

A. Well, one of the principle ideas of the New law was this - until then the balance sheet and the amount of dividends payable were fixed by the shareholder's committee but the company law changed it that the balance sheet was and the appointment of the profits which are dividable. The company law changed it to the effect that Vorstand plus Aufsichtsrat could make the balance sheet alone.

Q. The Vorstand could make the balance sheet and Aufsichtsrat approved?

A. They both worked together. And if they both approved then the balance sheet was fixed for the shareholder's committee and if they did not approve

Int. of Dr. August von Knieriem 11/22/46

then the shareholders committee was asked. It was not the same as in your country, you see.

Q. After 1937 did the entire body of the Vorstand meet regularly?

A. Yes, they did.

Q. How often?

A. Approximately, I should say, every 6 weeks about.

Q. They met in Frankfurt?

A. That was different. Very often was in Berlin or in the places of the big plants - Ludwigshaven, Leverkusen. It was kind of changing, you see.

Q. Did the entire membership usually attend these meetings?

A. They did very often. Sometimes there were 25 but as a rule one or two was missing but it was tendency that all should meet.

Q. At these Vorstand meetings were there reports made by the various Farben groups such as the sales combines, etc. and the technical committee?

A. Yes, it started in this way. It began with the technical report made by the chief of the Technisches Ausschuss. That was ter Meer. And then the technical report made by the chief of the whole sales organization. That was Mr. von Schnitzler. And then things were talked over when somebody of the members had an especially important thing to ask the board. Then he made a speech you see and explained the thing and the board approved.

Q. At these meetings of the entire board did you have normally discussions relating to new acquisitions if you were taking over a new plant?

A. Yes. That is quite right. That was the type of matter which should have been discussed and was discussed.

Q. Did you discuss things like the use of labor in the various plants at these meetings?

A. No. I don't think so. No. I don't think so.

Q. How about production figures?

A. Production figures and new acquisitions.

Q. Production problems?

A. Not insofar as they went into technical details because this would have been discussed more in the Technische Ausschuss because only a part of the members of the board were technical men.

Int. of Dr. August von Knieriem 11/22/46

- Q. Well, for example, at Ludwigshaven if you were undertaking some particular type of production and if the labor supply was inadequate, would that be the sort of thing that would be discussed at the Vorstand meeting?
- A. You mean, if we had less workmen?
- Q. Yes, if you needed more workmen for a particular kind of production.
- A. No. That would not have been discussed. You see, in such a big organization all these people there had a very vast field to look after and you couldn't take up these things in the Vorstand. We had - the organization was like this. The big plants in the whole Germany were in works combines and they had, each of them had, a chief, a betriebsfuehrer, technical men, and these questions about a supply of workmen was taken care of by the different betriebsfuehrers.
- Q. Were these betriebsfuehrer members of the Vorstand?
- A. I should say that the betriebsfuehrer of the very biggest plants were members of the Vorstand. And now is one important thing, perhaps, for you. All these betriebsfuehrers, they had a special committee the betriebsfuehrer committee and just social questions with regard to workmen and these things came up in this special committee. This special committee was headed by Schneider who was member of the board and at this occasion there might come up those questions. I am not so absolutely sure but I am sure that all questions in connection with social works and money to spend all these things were taken care of by the betriebsfuehrer meeting.
- Q. How often did the Zentral Ausschuss meet?
- A. The Zentral Ausschuss met just before the Vorstand met. Either in just the day before or some hours before and very often since I attended the Zentral Ausschuss meetings which was since 1938 there was no meeting of the Zentral Ausschuss. We came together and then Schmitz said "I don't think that we have anything to discuss since we have our board meeting tomorrow or in the afternoon and those will be settled there."
- Q. Were minutes kept of these meetings of the Zentral Ausschuss?
- A. No, but of the Vorstand.

Int. of Dr. August von Knieriem 11/22/46

- Q. I'd like you to tell me something about the capital stock structure of I.G. Farben.
- A. This stock consisted of 1360 millions of marks of common shares and 40 million of preferred shares with additional voting rights.
- Q. What were these additional voting rights?
- A. Twelve and a half the last time.
- Q. Twelve and one half preferred to one common?
- A. Yes.
- Q. Was the ownership of the common stock rather well separated?
- A. It was very, very much distributed. Very, very much distributed. Also you certainly can not be quite sure because we have bearer shares. You don't know who it is but still you know a lot about these and the capital of I.G. was very, very distributed in a lot of channels.
- Q. How about the ownership of the preferred stock? Who owned that?
- A. The preferred stock of 40 million marks was owned 38 million by Ammoniakwerke Merseburg and 2 million by the Deutsche Laenderbank but after the new law the new structure and company law, Ammoniakwerke at Merseburg was not allowed to vote because no subsidiary is allowed to vote with shares of its mother in the share holding of the mother.
- Q. Did I.G. Farben hold or own Ammoniakwerke Merseburg stock?
- A. Entirely.
- Q. Did Ammoniakwerke Merseburg ever vote?
- A. No, they couldn't. That was forbidden.
- Q. When was it presented? I don't suppose that if Ammoniakwerke had shares which had to be voted there is any reason why they couldn't be transferred?
- A. You couldn't do that because you would risk that the decision of the share holders committee would be found void. You can't risk that in big companies. I mean you can't do that. It is not conceivable.
- Q. Well, Mr. Schmitz indicated it could be done.
- A. It could be done in a legal and fair way. I mean we had discussed sometimes the question that we have no use of this additional voting right. It is lying with the company because this is not allowed to vote but it is a very difficult

Int. of Dr. August von Knieriem 11/22/46

question to transfer these shares to somebody else in a fair deal and in a seriously meant deal.

Q. Did the general stockholders meet every year?

A. Yes.

Q. What were the questions the general stockholders meeting pass on?

A. Well, it was only the fixing of the dividend. I mean, after the new company law. As I told you before, Vorstand and Aufsichtsrat made up the balance sheets and said there is a profit made of 60 million marks I could say for instance and then the shareholders committee made the decision to give 6 percent dividend, or something like that. That was the first thing and the second thing was that annually part of the Aufsichtsrat was newly elected or reelected because every 4 years one-fourth had to step out so that every year it had to reelect one-fourth but they were always reelected.

Q. Did the Vorstand prepare the list of Aufsichtsrat members in the annual election?

A. No. This, as a rule, was a thing which was taken care of by Bosch and Schmitz. I mean by the president of the Vorstand and Aufsichtsrat. The Vorstand didn't discuss these things. This is a rule. It is not put down in the law. The highest policy was made by these two people.

Q. You said Bosch and Schmitz then really amended this list?

A. Yes. Yes, as long as Bosch was there. After Bosch Krauch and Schmitz.

Q. How about after Bosch died? Was there much change in the Aufsichtsrat membership?

A. No, there was not.

Q. Did the membership of the Aufsichtsrat normally represent mainly families who had pretty large stock holdings?

A. That was originally the case. There were. There was a family, for instance, coming out of the Badische Sodafabrik and there may be some families - with Duisberg coming out of Leverkusen but, as a rule, this point was not so very important any more because no group owned so many shares that it could have any influence with this enormous capital. If one of these groups owned perhaps 10 million shares it was quite a lot of money but 10 to 1960 was not much. So afterwards, as a rule, the members of the Aufsichtsrat were taken either out of former members of the Vorstand

Int. of Dr. August von Knieriem 11/22/46

who were retired or some outstanding bankers.

Q. At these annual meetings did you have the largest percentage of your stock voted by proxy?

A. Yes, it was so. As a rule the German shareholder has its shares lying in the bank and the bank writes to the shareholders perhaps a month before the share holding committee a letter and writes in the forthcoming shareholders committee of I.G. Farbenindustrie we have in mind to vote with the suggestion of the Vorstand and Aufsichtsrat, and if you have any other opinion please write to me. But nobody did that, you see, so that as a matter of fact the bank voted all the shares which was lying as deposit with the bank so that, for instance, in the shareholders committee of I.G. Farben the Deutsche Bank came and voted with about 400 million shares and the Dresdner Bank with 200 million. The only thing that the bank had to do with after the new company law was to tell which part of the 400 million, the example I gave, was voted with shares belonging to the bank and which part was voted for the shareholders by the bank but the bank was not obligated to give the names of the shareholders.

Q. Beside Deutsche Bank and Dresdner Bank, were there any other banks?

A. Dresdner Bank was not so very active. I took just the name as an example. I think the biggest were Deutsche Bank and Laender Bank and all other banks in Germany without exception.

Q. Can you give us the value of the shares voted normally and approximately by the various banks?

A. No, but you see I am without any files whatsoever. But you have all these things. You have all the documents and each share holder committee has a kind of record where all these things is put down. All these things you have in Frankfurt. But 400 million in the Deutsche Bank is not so bad an estimate.

Q. Who owned the largest block of the common stock? Can you tell us without your records, Doctor?

A. Well, this is a question which nobody can answer accurately because nobody

Int. of Dr. August von Knieriem 11/22/46

knows that but it might be that one of the very greatest stockholders was Solvay, the Belgian Company Solvay, because at one time we made a change of shares with Solvay. But I have not that. I mean I really couldn't give you the figure but just to give you an idea it was probably not more than 20 million marks.

Q. Couldn't you tell us what percentage of all stock holders share were voted by proxy, approximately? 70, 80, 90, 95 percent?

A. Well, I would always -- I myself didn't bother about these things but I always let my shares voted by the bank but some people played a little bit about that. You see they divided theirs then and they took one-tenth of those and voted by themselves and left nine-tenths voted by the bank or split it up between two banks so as not to disclose what they had done. A silly thing but some people like those things.

Q. Aside from Solvay can't you think of any other company or individual which owned a sizeable block of common stock?

A. Well, there was a block of stock in some South German family. Coming out, as I told you before, from Badische Sodafabrik, you see, and there was a man, member of the board. His name was Schrenk-Notsing and he came from one of the founder families of the board of Badische Sodafabrik and in his family and in his relatives there was a very substantial amount. I can't give you the figure. I can give them but I am afraid they may be wrong but I should say that might be 8 or 9 million. Then I should say that the Duisbergs probably owned some.

Q. About how much did the Duisberg family own?

A. Well, I couldn't tell you that. One of the members of the board, Bruggemann, he was executor of Duisberg's last will. He could certainly tell you that.

Q. Do you know what the share holdings were of Farben officials themselves?

A. No, because we never spoke about these things. I can give you my own but hardly anything else.

Q. How much did you own?

A. I owned about 640 thousand.

Q. Do you know whether any of the other Farben people owned stock themselves?

A. Schmitz will certainly have owned and probably much more than I but he

would never

Int. of Dr. August von Knieriem 11/22/46

would never tell me that.

Q. Who else? Did all of the Vorstand own shares?

A. I think all of the Vorstand owned shares. And all of the Aufsichtsrat, I am sure. It is not in our country any forcible holding of shares by the members of administration as in all other countries but I am quite sure that everybody owned shares but certainly not so many that it would come up to any very high amount. You must always keep in mind that the whole figure is 1360 million.

Q. Well, regardless of the individual ownership at the annual meetings of the general stockholders they all approved the actions of the Vorstand and Aufsichtsrat?

A. Always. It was hardly ever discussed. I mean you asked me before which were the different things the share holders committee had to do and I gave you the essential principle things which always came up but after the company law there are some occasions where you must ask the share holders committee too, where you change the charter of the company or if you make a kind of, if you issue convertible bonds, then you have also to ask and if you increase the capital. Then on annual company business and on the approval of the balance sheet and on the designation of the members of the Aufsichtsrat.

Q. Did you have the stockholders approval?

A. Yes.

Q. After 1937 did the Aufsichtsrat in any way attempt to control the activities of the Vorstand in regard to the corporation?

A. No.

Q. I believe you told us, Dr. von Knieriem, that the heads of the works combines were responsible for the policy at the plant level, or is that what you said?

A. Yes. What I know is this. That the different betriebsfuehrer met at a

Int. of Dr. August von Knieriem 11/22/46

certain place in a betriebsfuhrer meeting headed by Schneider and there they talked over all these questions but since I told you, since I never took part in these things and I never saw a record of these things I am a little bit off side.

Q. Did they go to the Vorstand on questions of policy at any time?

A. Not that I remember. One important thing is to consent to the spending of money. If money is spent in the company the Vorstand has to be asked and beforehand and in the Technische Ausschuss where ter Meer, chairman, all these things were talked over and I remember that for instance if we are going to erect a new plant or to replace something or electrical plants. On such things there was a list prepared and all the different items were assented to first by the Technische Ausschuss and then by the Vorstand, all things which were in connection social work were talked over beforehand in the betriebsfuhrer meeting and there consented to in a block in the Vorstand so that was certainly a kind of general policy.

Q. With the understanding that the Vorstand would approve?

A. Yes. May I tell you one thing. In the camp I was living for a long time then I went together with some associates of the board and one day the English people asked us to make a kind of draft about the different committees of I.G. and who was the head of, and what did they do, and what did Schmitz do, and what was especially the task of Schmitz, etc, and we prepared this paper - what did the Zentral Ausschuss do and all these things - and I am not quite sure whether these things have come to the American people too so I could imagine that this would perhaps fit in with the ideas which you have now and I have a copy left of these things and I wanted to suggest whether I shouldn't give it to you.

Q. Yes. We should like to have it. Do you have it with you?

A. No. Not with me. It is in German. Will that make any difference?

Q. We can have it translated. Will you please bring it with you the next time?

A. Yes. I think that would give you very good inside facts.

Q. Dr. von Knieriem, in 1943 at the annual stockholders meeting the Farben

Int. of Dr. August von Knieriem 11/22/46

records show that approximately 865,128,300 RM were voted and that of this number 830,155,900 RM were voted by proxy. Roughly that indicates a 96% vote by proxy. Was that typical of the voting at your annual meetings generally?

A. Well, I should say that it may be typical because, as I told you, nearly all shares are voted by the banks.

Q. What were your other duties with Farben in addition to being the general counsel of the firm?

A. I am not quite sure whether general counsel is the right expression. I was taken last year by plane to New York to serve as a witness for U.G. government in a big lawsuit between U.S. government and Standard Oil and at that time the Assistant General Attorney with whom I was working together before along this question and investigated my activities and said "well, we shouldn't say general counsel. We should better say chief lawyer". As I told you in the beginning of our discussion the different formerly units of I.G. kept their legal branch and the head of these different legal branches and some outside outstanding lawyers of I.G. - we formed a legal committee and I was chairman of this legal committee but this legal committee met only 2 or 3 times a year.

Q. Who were the other members?

A. Shall I give you the names?

Q. Yes, please.

A. It was Bruggemann coming from Leverkusen; Brendel, Ludwigshaven; and Keupper, Frankfurt. Knepper was the legal advisor and had the legal committee for all the banks and Stein coming from Frankfurt and Schram coming from Leverkusen and Silcher coming from Berlin. And some others. There were all in all about 25 to 30 lawyers within I.G. There were 6 legal committees in I.G. - in Ludwigshaven, 2 in Frankfurt, 1 in Leverkusen and 2 in Berlin and there were - they also worked insofar with regard to different plants but to different branches of activities and then I had to do - I was the first man with regard to patents. Within I.G. we had, all in all, 5 big patent departments. In Ludwigshaven, Höchst, Leverkusen,

Int. of Dr. August von Knieriem 11/22/46

Wolffen Film and Wolffen Farben. Each of these 5 patent departments consisted of about 8 to 15 men, mostly technical men and some lawyers. And the heads of these 5 patent departments they formed the patent committee and I was presided at the patent committee and took care for the board of all patent questions. So that my activities so as I should be quite short is first the chairmanship of the legal committee and then the chairmanship of the patent committee. And then I had to do by myself but certainly with the assistance of the other lawyers all these things which are connected with the inner structure legal work of I.G. for instance share holders committee and the legal corporation with balance sheets and the issuing of bonds and the increase of capital and all these things. And then, formerly, especially I had to do with some big contractual affairs where I made negotiations and made contracts but this year by year was a little less because the other activities were too big, you see, so I was in very long years a great deal of my time was taken up with the relationship to Standard Oil.

- Q. Did you draft the contracts that Farben made with the German government?
- A. No. Not lately, any more. This very vast big field of I.G. Farben activities it is impossible to make all these contracts by one man.
- Q. I mean your legal committee?
- A. This legal committee did not talk over contract questions because you see -- take for instance the question of the dyestuffs branch made a big contract in another country. I mean that they were coming together and negotiate together - then they had their special lawyer and when these special people, the technical people and the sales people and the other lawyers came to an understanding with the other party and it doesn't look good for another person to go into the details, to look into the subject. This legal committee talked about questions generally for the whole I.G. I will give you a good example. During the war the question came up whether under International Law all our big contracts with other countries were ended or not. That is a very stiff legal question and I proceeded in by myself but I think one of my younger associates prepared a very long opinion on whether

Int. of Dr. August von Knieriem 11/22/46

the contracts with America, the Standard Oil were ended by the war or not and this question is, as you will admit, was to be decided, to decide in the same way. It wouldn't do that Farben would decide that this contract will remain in force and another would not and these things were talked over and then new laws.

Q. What other Vorstand committees were there in Farben?

A. This is especially the thing I will bring you the next time but I am sorry it is in German. Will that make any difference? There you will find all the important committees of I.G. quite shortly condensed. What they had to do and then they are Technische Ausschuss, Kaufmannische Ausschuss and then a lot of other things, for instance we had a South East Commission for the questions in South East Europe.

Q. Were you on any of these committees?

A. No, but I used, as a rule, to attend not as a member but just be present in the Technische Ausschuss because in the Technische Ausschuss, as a rule, patent questions were discussed or questions of licensing, agreements, or questions of cooperation with some other firm along technical lines and since there came up the legal question of patents I used to attend the technical committee.

Q. How about Kaufmaenischer Ausschuss? Did you attend there?

A. Well, sometimes but only after special request of Schnitzler. For instance, Schnitzler would tell me "Tomorrow we have our sales committee and there comes up a question regarding cartels and would you please be so kind as to attend if you have time?" And then I had to go, to attend. Do I make myself clear?

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Dulowoj, v. 27.11.46

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München
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1948/56

INTERROGATION OF DR. VON KNIERLEM
by Mr. Zeck, 27 November 1946,
1004-1025, Room 158, Palace of
Justice, Nurnberg, Germany.

Also Present: Mr. Cove; Miss
Rita M. Gaylord, Court Reporter

TO THE WITNESS BY MR. ZECK:

Q You have the questionnaires which I gave you and asked you to fill out?

A Yes.

Q You have completed all three?

A Yes. And I have this other thing which you wanted to have about the organization of I.G. and different committees.

Q Before we take this up, Doctor, I would like you to read this oath supporting the questionnaires.

(Oath administered in German)

Q Now, will you tell me what this report is?

A Yes. The English officers asked from us in our camp—we were there with a lot of I.G. people to fill out some 126 job sheets for executives of the former I.G. Farben industry, and they expected from us to add a memorandum in which we explained the working of the Vorstand and the functions of the president of the Vorstand, Schmitz, and the different committees of I.G. What they had to do. How they worked and who was the chairman and how they fitted together. And I certainly have not 126 job sheets because I have copies of these, but I have these other things, and I think it would give you a good explanation.

Q Who collaborated with you in preparing this?

A We collaborated all together. We were asked to work together. This is crossed out because this explains a certain part of the job sheet which you haven't got, you see, so it wouldn't interest you.

Q This document is dated 14 April 1946 at Kramsberg and it is captioned as follows: "Anlagsuden 126 Job Sheet for the executives of the former I.G. Farben industry".

You submit this as your statement of the matters which are mentioned in here. As I understand it, this was prepared by several people, but you have read it and you are submitting it as your statement with respect to the truth of the things you state in here?

A Yes, I can do that. I especially made those things which were connected with my personal. But the other things are true, to the best of my knowledge. You see here specially. (indicating) That is a legal committee; the functions of the legal committee; and the functions of the patent committee. They are especially my things, but the others are true as well and I can submit that as my statement.

Q Would you tell me something about the organization of Amorgana?

A Amorgana was a little company, 100 per cent owned by I.G., and the idea of Amorgana was that the Reich had built some plants by its own money. The Reich paid the cost of the plant and we designed the plant--and Amorgana, which was just a small company owned entirely by I.G. was running the plant and leased them.

Q At which plant did Amorgana operate?

A Amorgana operated at Gendorf and Dyrenfurth.

Q What was produced at those plants, Doctor?

A In Gendorf was produced a lot of different chemicals. I am not so acquainted with these things because there are some different chemicals with which I am not so very much acquainted with details, because I am not a technical man. But it was some kind of (dugly) coal, which was used as far

as I know. But I am not quite sure about these things. Some kind of ammunition for flaks. Do you know what flaks is? I mean flak are those things to shoot the planes. And it was also designed for making lost. Lost is a kind of--

Q Mustard gas?

A Something--mustard gas. I am not quite sure whether the production of lost was started in Gendorf. I don't think so. I think they prepared it, but it wasn't completed.

Q Which of the I.G. directors were responsible for the operation of Gendorf and Dyrenfurth?

A The member of the board, Ambros.

Q Was Ter Meer connected with it?

A Ter Meer was connected because insofar as Ter Meer is the head of the Technical Committee and he was also connected, and he was chairman of Amorgana, but Ambros was manager--was running the plant.

Q Was the plant at Elberfeld completely owned by Farben?

A Yes.

Q Do you know what was produced at Elberfeld?

A Elberfeld was the most important place for pharmaceuticals. Pharmaceuticals were produced within I.G. on two places, or perhaps it's better to say, in three places: Elberfeld, Leverkusen and Höchst. Now, Elberfeld did more scientific work in the field of pharmaceutical and all the laboratories were in Elberfeld. And Leverkusen and Höchst did more of the real fabricating of the stuff itself.

Q Who was in charge of the operation of Elberfeld?

A Hoerlein.

Q Who was Professor Gross?

A Professor Gross was working in Elberfeld and was subordinate to Hoerlein, and he was Doctor of Medicine and he took care of all these things, you see. He, to a certain extent, had all the business connected with the different doctors of the different plants. You see, there are special diseases which you must look after in chemical plants. And the different doctors of the different plants reported; for instance, (Toemans) made all the work to protect workmen for diseases and these things, and he had to look after the different prescriptions of government which were made for chemical plants. And he was a specialist in such diseases which may arise in subsequent to these kind of applications and all these things.

Q What was the Zentralstelle?

A Well, Zentralstelle--that is a very general expression. We have a lot of Zentralstellen.

Q What was the Zentralstelle at Elberfeld? Do you know what was done there?

A That is a rather colorless expression, and I don't know what Elberfeld called Zentralstelle.

Q Wasn't the Zentralstelle at Elberfeld the place where Professor Gross made his experiments?

A Yes, it was a kind of Zentralstelle, but I didn't know this expression with regard to Elberfeld. You can call it so because to a certain extent Gross had a certain kind of Zentralstelle.

Q Was tabun produced at Elberfeld?

A No. As far as I know it was not produced at Elberfeld--but tabun and saren, I think as far as I am acquainted with these things, were originated in Elberfeld. I told you before that Elberfeld was a kind of central place

for scientific laboratory work..And so I think that these stuff was originated in Elberfeld and afterwards produced, as far as I know. But my knowledge on these things is a very slightly one--in Dyrenfurth--

Q If experiments were made in developing the gases, you would say they would have been made at Elberfeld?

A I think that in the course of events, the thing would go so that when Elberfeld found the stuff, they made first experiments--whether it was a useful one--

Q Don't you know, Dr. Von Knieriem, that Professor Gross, with the knowledge and consent of Horlein experimented with poison gases on human beings?

A No, I certainly don't know anything about it, and I don't think that is true.

Q You made a statement about poison gases to Major Tilley last year?

A I did.

Q What did you tell Major Tilley?

A I told Major Tilley about the following: That to the best of my knowledge, I don't know anything about poisonous gas and the fabrication of poisonous gas until about 1941, or something like that. Until then, legal questions which were in connection with negotiations with government, as far as legal questions arose, were taken care of by the lawyer, Dr. Buhl, who died in a motor accident--I think quite in the end of 1940. And then about Spring 1941, I would say about, I took up these legal questions and then the contracts with the government were already made with regard to Gendorf and to Dyrenfurth. And then I told Major Tilley that the contracts were working in that way that Gendorf and Dyrenfurth were built at the expense of the government and the plants were owned by the government and

I.G. took over the management. And then I told him that the manager and the men who run the plants were Ambros, member of the board. And then I told him that in the end of the war, there was the plan of a third big plant, _____, as I remember, not very far from Berlin--near a place Falkenheim. And when this idea came up, I was asked to help in the foreshadowing of a contract with the government. And then I told my people that I didn't like very much the way the contracts were made up with regard to Gendorf and Dyrenfurth. These two contracts worked in that way that I.G. had the management of the plants and the profits of these two plants were split up between government and I.G. And I took the position that also we couldn't help to make this stuff. I didn't like the feeling to make profits on these. These are very bad things. The profits were not high in Gendorf and Dyrenfurth, but still I suggested that if I.G. took place in these things, it would be better not to have profits at all. And I suggested a scheme that I.G. should run the third plant, Falkenheim, contrarily to the two others, Gendorf and Dyrenfurth. Just in that way that it was run entirely on account of the government so that government paid the expenses and government got the eventual profits, so that I.G. would get nothing. The government did not like very much this. But I suggested that we should keep this line and if we must do it, do it only under this conditions and this negotiations in which I, myself, didn't take part. I just gave this idea, and it was not finished because then came the end of 1944, you see, and then '45, and in these times, not very much did happen any more. It was left. And as far as I know, the plant was never finished.

Q With which I.G. directors did you discuss these negotiations?

A With Ambros and Ter Meer. And Ambros was a man who talked, as far as I know. It was probably only Ambros who talked over with the government.

Q You know that these gases that Farben manufactured were used in concentration camps?

A I don't know anything about it.

Q At Auschwitz? At Lublin?

A I don't know anything about it.

Q At Maideneck?

A I have never heard anything about it, and I don't think so.

Q Schnitzler knew about it.

A Schnitzler? I would be very much surprised if Schnitzler knows anything about it because it's entirely outside of his line. But I can really tell you, and I will tell you all and everything I know, and people who have interrogated me will tell you that they always admitted that I never told them anything wrong, that I have not the slightest idea that these things were used there.

Q You know Mr. Muller-Conradi?

A Yes.

Q Who is he?

A Muller-Conradi was a member of the board and was especially running in the last year the Oppau Plant and Muller-Conradi died, I think, either in the beginning of '46 or already in the summer of '45. Certainly he died after the occupation.

Q Would you be surprised to know that Mr. Muller-Conradi told Mr. Schnitzler that poisonous gases and chemicals manufactured by Farben were being used for the murder of human beings in contraction camps?

A Yes, I would be surprised to hear that--very.

Q Mr. Schnitzler told us that.

A Mr. Schnitzler told you that?

Q Yes. As I understand it, you are familiar with corporate structure, Dr. Von Knieriem, tell us why Anorgana was formed to operate these plants, why I.G. Farben didn't operate them directly?

A You see, it is a quite usual thing that in making special products, we knew that way that we make it in a special company. That is, as a rule, convenient. For instance, with regard to book accounting--keeping separate and so on. And there may be also the idea too because these things had to be kept secretly on command of the government that for this reason they made Anorgana. But Anorgana was made before I stepped into these things; therefore, I can't tell you absolutely sure what was the special reason. I also considered this as a not very important thing whether you go this way or this way. As long as you have 100 per cent; it's just a very slight difference in form: whether a special plant is brought in in a small company and owned 100 per cent by I.G. or whether I.G. does it themselves.

Q Of course, there is usually some good reason for deciding to do one or the other, isn't there?

A Yes, very often. We were very much in doubt to do one thing or the other and in some part of it, business people may decide this way and another part this way.

Q Did you usually make the decision as the legal adviser?

A No. Very often the people who run this special kind of production--the technical people--or, in other cases, the sales people made the suggestions to go this way or this way; and from the legal standpoint, I never saw any great different.

Q Did the Zentralausschuss make that decision?

A No. I think the decision was made by those people who were factually, who took care of this kind of production.

Q Did the Vorstand have to approve the final decision?

A No. You see, in my opinion that is really the truth. This decision is a very unimportant one.

Q Whose idea was it to form Anorgana?

A It will be the idea of Ambros, probably.

Q And Ter Meer?

A Maybe, because at that time, Ter Meer and Ambros were already in these things, and since I was not, I couldn't tell you exactly what was their reason; but these two people probably.

Q Well, wasn't the purchase or formation of a new company something that had to be determined by the Vorstand or approved by the Vorstand under your company charter?

A No.

Q That is about all for this morning, Doctor.

Autogram v. 5.12.46

23-23-23

Institut für Zeitgeschichte - Archiv

1439

Of: Doctor AUGUST von KNIERIEM
By: Mr. Russell Thayer.
Requested by: Mr. Russell Thayer,
Section - Heath
Date: 5 December 1946
Time: 9:30 AM, Room 162
Place: Nurnberg, Germany
Stenographer: Katherine Mance



Q. I think the first thing to do is for me to summarize what we have gone over and if you wish to correct me do so. Before the court reporter arrived Dr. von Knieriem was listing for me the personnel of the Betriebsfuehrer Committee which formerly had been called the Social Commission. That committee had charge of welfare and employee relationships such as wage policies; welfare activities such as hospital and medical care, the feeding of workers, the building of barracks, etc.

Although it was called a Betriebsfuehrer or Works Leader Committee, there were representatives on it, also, of two of the main offices - which were not "Works" in the technical sense - and who represented only employees and not workers. I will repeat the names he gave me: The Chairman of the Betriebsfuehrer Committee was Dr. Christian Schneider. The members, whom Dr. von Knieriem recalls were:

Dr. Wurster - representing Ludwigshafen
Dr. Ambros - " Ludwigshafen
Dr. Mueller-Conradi - " Oppau
Dr. Lentenschlager - " Höchst
Dr. von Schnitzler - " Frankfurt (not tech)
Dr. Kuehne - " Leverkusen
Dr. Hoerlein - " Elberfeld

Dr. Gajewski - representing Wolfen 25-353-70
Dr. Buergen - " Bitterfeld
Dr. Ilgner - " Berlin
(not tech)
Dr. Buete fish - " Leuna

All of the members of the Betriebsfuehrer Committee (or Social Commission as it was formerly called) whom Dr. von Knieriem was able to recall were members of the Vorstand. These members had responsibility for the welfare activities and other functions of the committee in respect to their plants although some of the duties were carried out by assistant managers or representatives of these members of the committee. This was the case, for example, in Gendorf where Dr. Wittwer was the manager and carried out policies of the committee, although Dr. Ambros was responsible for that plant and was the member of the committee representing that plant. I.G. paid out funds which had been approved by the Betriebsfuehrer Committee. The TEA Buero approved the payment of funds which had been passed upon and approved by the Betriebsfuehrer Committee. The TEA Buero did this more or less automatically?

A. Automatically, yes.

Q. The Vorstand gave formal approval and as far as you know they made minutes of these meetings. These minutes went to SCHMITZ?

A. Yes, he got all the minutes.

Q. Did anyone else get copies of these minutes?

A. I am not sure which people got the minutes, but I am

sure also other people got the minutes. He got all minutes - that was exactly the rule of I.G.

Q. Did Schmitz discuss any of the minutes with you?

A. No, but I know that Schmitz got minutes of committees of I.G.

Q. Do you have knowledge that he read all those minutes? It was his duty to read all those minutes?

A. Yes, because it would be silly if he didn't.

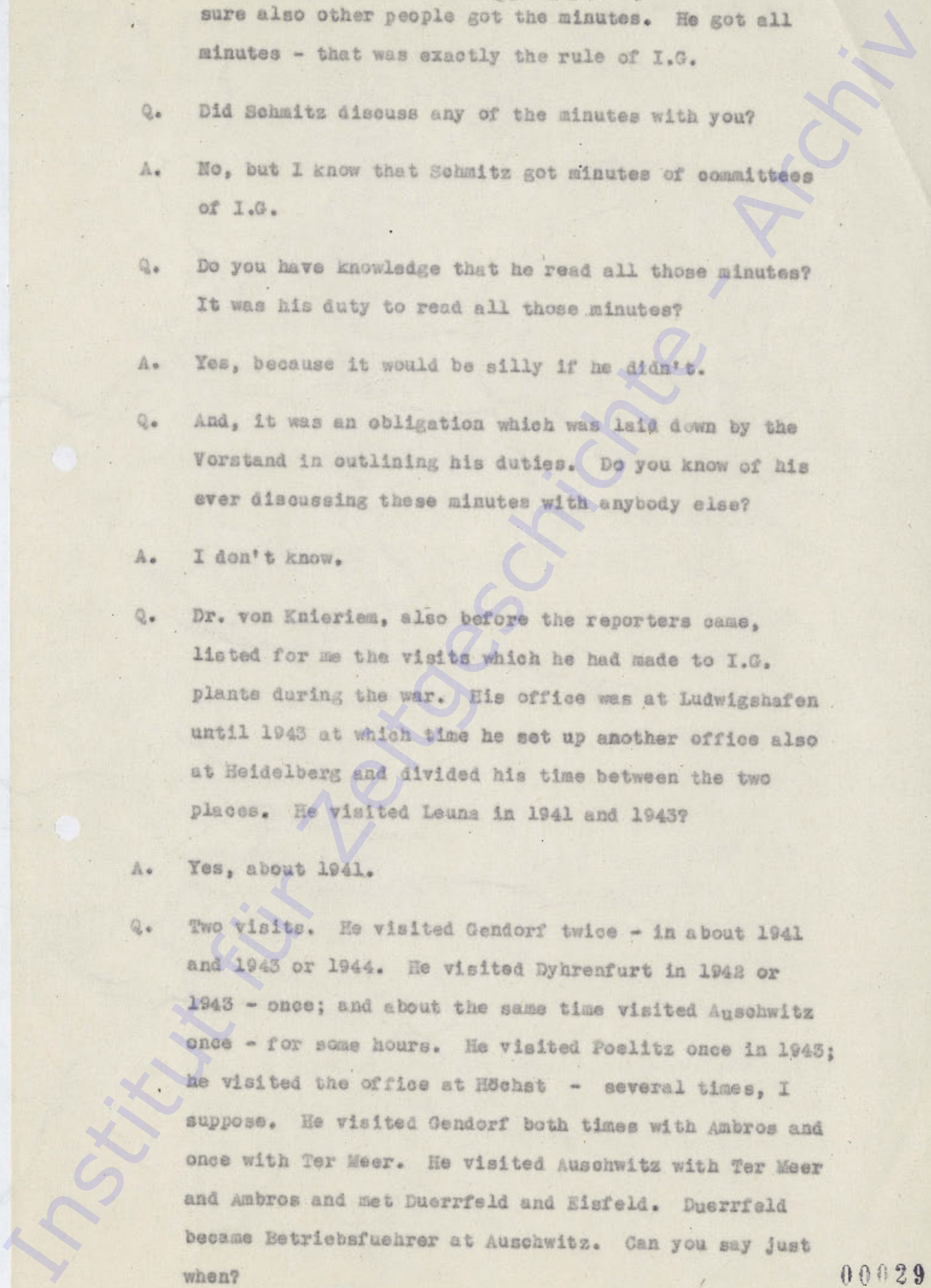
Q. And, it was an obligation which was laid down by the Vorstand in outlining his duties. Do you know of his ever discussing these minutes with anybody else?

A. I don't know.

Q. Dr. von Knieriem, also before the reporters came, listed for me the visits which he had made to I.G. plants during the war. His office was at Ludwigshafen until 1943 at which time he set up another office also at Heidelberg and divided his time between the two places. He visited Leuna in 1941 and 1943?

A. Yes, about 1941.

Q. Two visits. He visited Gendorf twice - in about 1941 and 1943 or 1944. He visited Dyhrenfurt in 1942 or 1943 - once; and about the same time visited Auschwitz once - for some hours. He visited Poeslitz once in 1943; he visited the office at HSchst - several times, I suppose. He visited Gendorf both times with Ambros and once with Ter Meer. He visited Auschwitz with Ter Meer and Ambros and met Duerrfeld and Eisfeld. Duerrfeld became Betriebsfuehrer at Auschwitz. Can you say just when?



A. Yes, would say about 1943 or 1944, something like that.

Q. Would you say assistant? The real Betriebsfuehrer was Ambros?

A. And, perhaps to certain extent Buetefisch.

Q. Ambros had charge of "buna" affairs and Buetefisch of methanol?

A. And sometimes connected with oil.

Q. Doctor von Knieriem met Buetefisch and Schneider on his visit to Leuna. That is a fair summary of our discussion before the reporters arrived?

A. I think so. It is rather difficult to remember the years.

Q. Yes. I think you may want to correct ----. I think the impression that Mr. Zeck received the other day was that the Vorstand never discussed labor matters. We have the minutes of the Vorstand. I have an excerpt in which there is an indication to the contrary - an example of one of the meetings in 1943 - there was a discussion of Professor Krauch's plan to cut down the number or percentage of German workers to 30%. I would like to have you --- do you wish to make any correction? I think you were at that meeting when that happened.

A. Yes. I don't remember it. It was quite possible. It was one time the policy and instruction from the government I think that we shall try or that it was desirable

to cut down the number of the German workmen to about 1/3. I don't remember if it came up in the Vorstand. It is possible, but I don't remember all of the details. It probably would be safe to make the assumption.

Q. I think that will be all this morning, but I would like to talk with you again within a few days or just as soon as we can arrange it. I have some things to go over with you at a later date. There will be written into the transcript those lists of names, etc. so that you will be able to sign the transcript of the record as it is made here?

A. Yes.

Q. It is better for your protection, I think also?

A. Yes.

Q. I would like to see you again in a few days and that will be all for this morning. Thank you Dr. von Knieriem. Good-bye.

A. Good-bye.

2 Interviews v. 15.4.47

205-385-344

Institut für Zeitgeschichte - Archiv

Interrogation of: Dr. von Knieriem
April 15, 1947 - Morning Session
Interrogator: Mr. Morris Amchan
Reporter: Miss Ann Thrash

Institut f. Zeitgeschichte
München
ARCHIV
1948/56

- Q. Dr. von Knieriem, will you raise your right hand. Do you solemnly swear that the testimony you are about to give shall be the truth, the whole truth, and nothing but the truth, so help you God?
- A. I will, so help me God.
- Q. Now please speak slowly so she can get it on the record.
- A. Yes.
- Q. I am going to interrogate you formally, Dr. von Knieriem. How long have you been a lawyer--approximately?
- A. I passed my second examination as a lawyer in 1913.
- Q. Did you ever practice law in Germany?
- A. Yes, I was a member of a big firm of attorneys in Hamburg.
- Q. For how long?
- A. From the beginning of 1914 to the beginning of the outbreak of the first World War, August, 1914. Then I went to war.
- Q. In what capacity?
- A. As a reserve officer. I was badly wounded in October, 1914.
- Q. In what branch of the service were you?
- A. Infantry. I was badly wounded in October, 1914.
- Q. Did you see any further active service after being wounded in 1914?
- A. No. I don't know what you mean. I was wounded and in the beginning of 1915 I went back to work in this firm of attorneys and was then in about April, 1915, ordered to do service in the Ministry of War in Berlin until the end of the war.
- Q. What was the nature of the service you performed in the Ministry of War from April, 1915, until the end of the war?
- A. I was in a department for economic questions.
- Q. What was the nature of the questions?
- A. The economic raw materials and we had to negotiate with representatives of the German industries to build plants and such things so that I had to do with questions which were connected with the legal aspect.
- Q. Then, is this a fair statement, Dr. von Knieriem, to say that from April, 1915, until the end of the war when you were in service with the Ministry of War, that your duties related to economic questions

of supply, particularly negotiating with the German industries for the construction of plants to produce war materials. Is that a fair statement?

A. That goes a little bit too far.

Q. Is it generally a fair statement?

A. Yes, but it looks as if I had nothing else to do.

Q. Did you negotiate with industry in connection with construction of facilities for war material?

A. On occasions.

Q. What else did you do beside negotiate with industry for the construction of facilities to produce war materials?

A. That was a long time ago.

Q. Give me your best recollection.

A. We had, for instance, I had to do with the distribution of liquid fuels and for explosives, benzine, gasoline, and for instance, I had to help in the distribution as to which part had to go to the civilians and which had to go to the military.

Q. Is it fair to say, Dr. von Krieriem, that among the duties you performed in the Ministry of War during the first World War was the allocation of fuel and other things?

A. Fuel and other by-products of the industry that was especially--

Q. That with respect to these products, your function was to allocate a certain percentage to the civilian population and a certain percentage to the military?

A. In helping to allocate.

Q. You did not have final authority but you were in the office and you personally were working on these problems. And is it fair to say that you became familiar with these problems of allocating these products between the military and civilian. Is that a fair statement?

A. Yes, certainly, because we had to do it to--

Q. What other functions of importance did you perform while you were in the Ministry of War during the first World War?

A. I can't remember any other things.

Q. Are the two things you just mentioned the main things you did?

A. Yes.

Q. How long were you with the War Ministry--until what date?

- Q. November, 1918?
- A. Yes, I think maybe the beginning of 1919.
- Q. The Legal Committee, as I understand, consisted of about 12 members?
- A. About that.
- Q. And were you the chairman of the Legal Committee?
- A. Yes.
- Q. Who were the principal members of the Legal Committee?
- A. Brueggemann.
- Q. Was he the most important man next to you?
- A. Yes, he was the only man of the Vorstand--he was also member of the Vorstand and on the Legal Committee.
- Q. Where is Brueggemann located now?
- A. He used to be in Leverkusen.
- Q. Where is he today?
- A. I don't know where he is.
- Q. When did you last hear from Mr. Brueggemann?
- A. Well, a long time ago. I think that somebody or my associates when we could get together, but somebody would have told me when we were together--that which we cannot do now.
- Q. When is the last time you, yourself, heard from Brueggemann?
- A. More than two years ago. I am arrested now more than two years.
- Q. The last time you heard was two years ago. What was his position in the Vorstand. Brueggemann?
- A. He was substitute betriebsfuehrer in Leverkusen and he attended especially very thoroughly to all matters, as far as I recall, in connection with legal questions.
- Q. Did Dr. Brueggemann look after the legal matters in regard to pharmaceuticals for Leverkusen or for all of I. G. Farben?
- A. Leverkusen and Bitterfeld, and since the whole of pharmaceuticals was handled by Leverkusen, it came to that also Brueggemann handled, as far as I can say, all legal questions with the whole I. G. Farben and pharmaceuticals.
- Q. Dr. Brueggemann, if I understand you correctly, handled all the legal matters in connection with pharmaceuticals because the major portion of the sales of pharmaceuticals went through Leverkusen. What did Dr. Brueggemann do on the Vorstand. First, did he attend all the

meetings of the Vorstand. Did you see him at the meetings of the Vorstand?

A. Yes.

Q. You were at all the meetings of the Vorstand?

A. I think I attended all the meetings.

Q. From 1933 to 1945?

A. 1937 to 1945.

Q. Never member of the Working Committee?

A. Never.

Q. But from 1937 on--

A. About 1937, I think I attended all or nearly all of the meetings of the Vorstand.

Q. In 1935, when Dr. Bosch succeeded Mr. Duisberg, did you begin to attend the meetings at that time?

A. No, as far as I remember, I began to attend the meetings when the whole Vorstand replaced the Working Committee, which was about 1937 to the best of my knowledge.

Q. Were you kept informed prior to 1937 of what the Working Committee was doing?

A. No, I don't think so. They may have circulated some kind of minutes, I am not sure, but if so, they were very short.

Q. Who were the members of the Working Committee prior to 1937?

A. Prior to 1937, I couldn't give them by heart.

Q. Your best recollection. The main people?

A. Schmitz, von Schnitzler, Ter Meer, Krauch at that time was not a member, Hoerlein, Kuehne, Weber-Andrae, Gajewski--

Q. Bueteffisch?

A. No. Waibel--there are a lot missing and lot have died between.

Q. Who was the chief legal advisor to the Working Committee at that time?

A. That hadn't gone to a special man. I think if questions would have come up, they would have asked four people--four lawyers--who were, as far as I know, members of the Working Committee. They were Selck, Doermer, Wuidlich, and Buhl.

Q. These four men were lawyers who were on the Working Committee?

A. Doermer was the chief lawyer of Leverkusen, Selck was the chief lawyer at Casella in Frankfurt, and Buhl in Griesheim.

- Q. What was your position in the company at the time?
- A. My position was prior to 1937--about this time, perhaps even one or two years--as early as 1935 or 1936, I was made head of the Legal Committee and about the same time head of the Patent Committee, but I was not member of the Working Committee and I was not member of the Central Ausschuss and Selck also at the time was head of the Legal Committee and the only lawyer member of the Working Committee in Central Ausschuss as well.
- Q. I don't understand you. Now you are referring to Selck. You say Selck was the only lawyer who was on the Legal Committee and on the Working Committee of the Vorstand and the Central Ausschuss prior to 1937. If I understand you, you say that in 1935 or 1936 you became the chief of the Legal Committee and the chief of the Patent Committee.
- A. About that time--
- Q. As chief of the Legal Committee, were you legal advisor to the Working Committee of the Vorstand?
- A. No. You couldn't say that because I was not--I never attended its meetings.
- Q. Were you higher in legal authority than the four people you mentioned?
- A. No, I was not.
- Q. Were those four people members of the Legal Committee?
- A. Of these four people, probably I think Doermer was at that time.
- Q. In 1935 or 1936, when you became chairman of the Legal Committee, the only two active lawyers who were members of the Vorstand were Selck and Buhl. Is that correct?
- A. Yes, I think that is correct.
- Q. So that when you became Chairman of the Legal Committee in 1935 and 1936, were you ever consulted by the Working Committee of the Vorstand for advice?
- A. No.
- Q. In 1935 and 1936, who advised the Working Committee of the Vorstand as to legal matters?
- A. Legal matters, as far as I remember, were brought up to the Working Committee, for instance, a contract. Then this contract was handled by one lawyer, likely by this or this or this, in some cases myself, or by another one. He would make a contract and then it was sent to a

committee or talked over with technical and commercial men, then it was sent to the Working Committee and the Working Committee consented. It was not necessary to ask a special lawyer to act for the corporation on the Working Committee.

Q. Would the Legal Committee know what matters the various lawyers were working on which were to be submitted to the Working Committee of the Vorstand. Do you understand?

A. Whether the Legal Committee was acquainted with the different matters which came up in the Working Committee. No.

Q. In 1935, what were some of the principal contracts you were working on?

A. I think the most important contracts were those arising out of the relationship with Standard Oil.

Q. Do you recall the first contract which I. G. Farben made with the Wehrmacht or the other officials of the German government in connection with the construction of a magnesium plant?

A. I certainly will have seen it but--

Q. Do you recall anything about it?

A. I can't recall anything.

Q. The very first contract I. G. made with the German government for the construction of a magnesium plant--do you remember anything about that?

A. No. I think only I knew that we were in touch with them in regard to magnesium. We would have been in touch with the Government but I can't give you any details.

Q. Was the Legal Committee consulted in connection with the arrangement of the contract to be made between I. G. Farben and the government?

A. No, it was not the way we worked at that time. It was not also that every contract--

Q. I am talking about the first contract.

A. No, I don't remember.

Q. Do you mean to say that the very first contract that I. G. Farben made with the government in connection with magnesium was made by I. G. Farben without consulting the Legal Committee?

A. Certainly not.

Q. Where did I. G. Farben get its legal advice?

A. It was handled--on these contracts, it got legal advice from the men

of the Legal Department which took care of these questions. You won't understand these things if you don't realize the way which the legal questions worked in I. G. Farben. There were different legal departments as I told you. One of these legal departments took care of questions of metals and light metals and magnesium, and the lawyer which probably made this was Buhl. He was the head of the Legal Committee at this time.

Q. Could you prepare between now and two o'clock a short statement as to procedure before the Legal Committee?

A. I would be glad if you would give me more time. It would be a little hard.

Q. Could you prepare by tomorrow about 12 noon?

A. Now, tell me exactly what you want.

Q. Will you make a little note of this? Tell me exactly how the Legal Committee operated. How often did it hold meetings, what was the agenda, what problems were discussed in the Legal Committee, how and what action would the Legal Committee take. Did they make recommendations to the Vorstand and were those recommendations written or oral? Do you understand the nature--

A. May I tell you one thing. You won't get a clear picture if at the same time you don't know ^{the organization} preparation of the different legal departments.

Q. When you prepare the statement, you set it out clearly. The only thing I would appreciate is that you do not give too much detail. I want the main outline of how it then operated. Not too much detail.

A. I will make it quite short.

Q. You could illustrate by specific questions as to how you operated.

A. I would like to give you a full picture but I can't do it in one day.

Q. My present plan is to give you all morning tomorrow. I will continue to interrogate you this afternoon so you will be free after 5 o'clock until 2 o'clock tomorrow afternoon. So do the best you can.

I, Ann Thrash, AGO No. A 446966, hereby certify that the above pages which bear my initials, constitute a true and correct transcript of the stenographic notes made by me on April 15, 1947, of the interrogation of Dr. August von Knieriem.

18/ Ann Thrash

Interrogation of: Dr. von Knieriem
 April 15, 1947 - Afternoon Session
 Interrogator: Mr. Morris Archan
 Reporter: Miss Ann Thrash

- Q. I have just shown you Dr. von Knieriem a transcript of your interrogation made on August 25, 1945, by Mr. Glasser, representing the government of the United States. I show you this transcript and ask you whether it correctly records your testimony. Does it?
- A. It is very hard--you have the original, then it is clear.
- Q. You have previously signed this?
- A. I can only answer that in my remembrance it will be the same thing as I have signed.
- Q. Could you sign this again now. Is it your recollection that this is a copy of what you signed?
- A. Yes, I remember the whole thing. I take this is the proper copy of what I have signed.
- Q. Could you sign now--I think a notation that this is a correct copy of the original you signed. Would that--
- A. I can't. You see--isn't this asking too much.
- Q. You want to see the original?
- A. You tell me this is exactly a copy. I certainly believe that, but if you have original. If I should sign this again, there might be some little misprint.
- [Witness reads the document.]
- Q. Have you found any misprint. The transcript that you now read, the one of August 25, 1945, which you recall, you certified,--is that a correct transcript?
- A. Yes, as far as I recall, I have signed such a thing.
- Q. You have signed this statement that I have now shown you. Would you please initial the pages for identification purposes?
- A. That is meaning, in my recollection, this is the same I have signed at the time.
- Q. That is a fair statement. Dr. von Knieriem has just initialed 7 pages constituting a copy of the transcript of his testimony of August 25, 1945. He initialed these 7 pages with the statement that it is for purposes of identification only and that his recollection is that he signed the original of the interrogation previously and that the transcript which he has now initialed is to the best of his recollection a true copy of the original. Did you hear my statement. Is that a fair statement?
- A. That is proper.
- Q. Is it proper and fair and does it accurately state what actually transpired?
- A. Yes.

Q. I hand you herewith the affidavit that we discussed this morning. Are you prepared to sign this affidavit?

A. Yes; but--

Q. You understand, Dr. von Krierem, that you have sworn the facts herein stated are true.

A. Everything is said to the best of my knowledge but that goes without saying.

Q. You may insert at the bottom that this is to the best of your knowledge and belief.

* * * * *

Interrogation of: Dr. von Knieriem
(Continued)

- Q. I recall, Dr. von Knieriem, you stated this morning that after the completion of your service in 1919 with the Ministry of War, you returned to the law firm in Hamburg. Is that correct?
- A. I returned to the law firm in Hamburg until about something like, May, 1919. Just for a very short time.
- Q. What did you do after that?
- A. I was asked by Badische Anilin and Sodafabrik whether I was willing to help in the negotiations with the German government regarding the Leuna plant.
- Q. Where was the Leuna plant located?
- A. In the middle of Germany close to Holne.
- Q. Did they indicate to you what the nature of the negotiations were to be?
- A. Yes, certainly. This Leuna plant was built during the war and there was a very complicated contractual schedule.
- Q. Relating to what?
- A. Relating to the help which the government had given to Badische in financial respects.
- Q. Relating to the reimbursement by the German government to the Badische Anilin with respect towards its expenses?
- A. And the entire contracts were rearranged and that took about--
- Q. The entire contract was rearranged between Badische and the German government--when did that take place?
- A. That took place from spring, 1919, until about summer. And meanwhile, the Badische started to form the German Nitrogen Syndicate. Badische was about to constitute a nitrogen syndicate and they asked me whether I would continue to work with them during the foundation of the nitrogen syndicate.
- Q. While you were with the German Ministry of War, did you negotiate any feature of the contract between the German government and Badische with respect to Leuna?
- A. No.
- Q. So in 1919, Badische asked you if you were interested in undertaking negotiations with the German government with respect to the Leuna plant and assist with the formation of the nitrogen syndicate?
- A. This was nearly finished--meanwhile, the Badische had started constituting a nitrogen syndicate and they wanted to know if I won't stop and help them in this matter and

I agreed and the nitrogen syndicate was formed and I was made counsel of the nitrogen syndicate and stepped out of my Hamburg position.

Q. When did that happen?

A. 1919.

Q. So in 1919, you severed or cut-off your relationship with the Hamburg firm and became associated with nitrogen syndicate and you became the counsel in 1919 and you were also associated, if I correctly understand you, with Badische at that time.

A. Badische was the most important part of the nitrogen syndicate and after my work regarding the Leuna plant had been finished, they asked me to step in the nitrogen syndicate where also there were other participants. And I was a member of the Badische and counsel of the nitrogen syndicate.

Q. And you continued in this position until the end of 1922?

A. From 1919 until the end of 1922.

Q. You were counsel to the nitrogen syndicate--then Badische asked you whether you would care to join the board of the Badische. Do you mean the Vorstand?

A. Yes, I was supposed to replace the chief counsel of the Badische who was old and sick.

Q. What year was that?

A. In 1922. So I went to Badische, I think, in October, 1922, just for two or three months, so we got acquainted and I joined the board as substitute member in the first of January, 1923.

Q. And you became permanently associated with Board of Badische in January, 1923?

A. Which was the predecessor of I. G. because in the big merger the Badische took over the other I. G. firms.

Q. What is the nature of the work that you did between 1923 and 1925--that is, the period before the merger?

A. I was, if you may say so, kind of assistant lawyer to the chief lawyer, I stayed at Badische, I think, until the end of 1925.

Q. This chief lawyer of Badische, I understand from you, was well on in years, and for all practical purposes, you were the chief attorney in fact?

A. No, to give you an example, I did not even at that time participate in the Legal Committee.

Q. How many lawyers did Badische have?

A. At that time Badische had about nine, I should say.

- Q. In order of importance, what number would you say you were?
- A. I was relatively a young man at that time but since I was to succeed the chief lawyer and I was member of the board, even as a substitute, and I think it would be safe to say I was Number 2. But--
- Q. Is this a fair statement? That your chief--
- A. You asked me what my activities were during the time from 1923 until 1925. It was my task at that time to learn the very complicated things of Badische and I. G. I have read a lot of files and papers and to learn at that time--not so much actual work but take it in me.
- Q. You were just becoming acquainted with the operation and the relationship of I.G. and Badische? Did you continue as counsel for the nitrogen syndicate from that period of 1923 to 1925?
- A. No.
- Q. You were no longer counsel to the nitrogen syndicate?
- A. I was made member of the Aufsichtsrat but not quite sure of the time.
- Q. Is it your recollection that prior to 1925 you were made a member of the Aufsichtsrat of the nitrogen syndicate?
- A. I am not quite sure whether I was made a member at that time or later.
- Q. How much later. Could you fix the time when you became a member?
- A. No.
- Q. Do you think it was before the merger of I. G. Farben?
- A. It may have been.
- Q. In I. G. Farben, what was Verwaltungsrat?
- A. In earlier times, the most important members of the Aufsichtsrat that came together into a body--
- Q. Was that a Legal Committee of the Aufsichtsrat or was it an unofficial body?
- A. It was an official body. Also the name for Verwaltungsrat is not a legally accepted name.
- Q. When you say it was an official body, what do you mean? Did the law provide for that?
- A. The law did not provide for that but the law permitted it. There was in fact such a committee of the Aufsichtsrat.
- Q. During what period of time was this committee in existence? Was it in existence after you became chief counsel?
- A. Yes, it was, certainly. It was formed in 1925 and I think it may have been in existence to the middle thirties. I couldn't tell you, really.

- Q. Was it in existence in 1935 when Dr. Bosch succeeded Mr. Duisberg?
- A. Yes, I think so. While Mr. Duisberg was head of the Aufsichtsrat.
- Q. What functions did the Verwaltungsrat perform? Did it have any power?
- A. Yes, it certainly had power. The power of Verwaltungsrat was, I think, more through the importance of its personalities than by by-laws because the original Verwaltungsrat were the general directors of the seven I. G. Farben plants, which were where the merger was made.
- Q. Prior to 1935, was the Verwaltungsrat more important in the operation and management of I. G. Farben or was the Vorstand?
- A. After the rule of the law, the Vorstand is the body which runs the company, but sometimes, and that is a question of personalities, sometimes the head of the Aufsichtsrat or special group of the Aufsichtsrat may be very important. It is hard to say.
- Q. That may be important merely by the personalities?
- A. They were the people who nominated members of the board of Vorstand and they were people who settled the nomination of some members of the Vorstand.
- Q. Prior to 1935, who actually looked after the management of I. G. Farben--the Vorstand or the Verwaltungsrat?
- A. Prior to 1935, I should say the Vorstand, but the Verwaltungsrat was not unimportant at that time.
- Q. Would the Verwaltungsrat interfere with the Vorstand prior to 1935? Did they interfere with the management of the Vorstand?
- A. We would always participate in the board meetings.
- Q. Let me see if I understand. You say the members of the Verwaltungsrat participated in the meetings of the Vorstand.
- A. They were present and expressed their opinion and since they were important people, they might have had some influence, and furthermore, the whole field of I. G. was a little sub-divided between the members of the Verwaltungsrat. There was a member who had a kind of supervision for patent questions. I give you this example because he always attended the Patent Committee meeting, also at the time, I think he was Chairman of the Patent Committee.
- Q. How many members were there on the Verwaltungsrat prior to 1935?
- A. I should say about 9.
- Q. These nine members,--let me have the names?

- A. Duisberg, von Rath, Haeseler, Arthur and Carl von Weinberg (two of them), Oppenheim, von Simson, Kalle, Ter Meer, the father of Dr. ter Meer.
- Q. Now, do I correctly understand you, Dr. von Knieriem, that these nine members of the Verwaltungsrat participated in the meetings of the Working Committee of the Vorstand?
- A. Yes.
- Q. And the decision as to management or policy of the company was made by the Vorstand?
- A. And maybe influenced by advice of these nine men. If you will remember, I was not present at the meetings of the Working Committee. It is very hard for me to tell you more.
- Q. But at that time you were a member of the Vorstand--did you not know how the company operated and who were the responsible agents of the company?
- A. Yes, certainly.
- Q. And did everybody understand at that time that the Vorstand was the agent that was responsible for the management of the company?
- A. The Vorstand was responsible--
- Q. Everybody understood that--and the Verwaltungsrat of the Aufsichtsrat also permitted the Vorstand to conduct the business of the company? Is that correct?
- A. I didn't get the question.
- Q. The Verwaltungsrat of the Aufsichtsrat permitted the Vorstand to conduct the business of the company and look after its management?
- A. Yes, after the German law, the Vorstand has certain kind of power and it is not necessary for Verwaltungsrat and Aufsichtsrat to give this power to them.
- Q. Would the Verwaltungsrat and the Aufsichtsrat have interfered with the management of the Vorstand prior to 1935?
- A. To say that they would interfere is very difficult--they gave advice and--
- Q. But they did not look after the daily operation of the business--the Vorstand did is that correct?
- A. Yes, I think that is right. I gave you the very best that I can. If you want more of these things, the man who knows is Schmitz.
- Q. I would like to have your recollection. Is it a fair statement to say that the Working Committee of the Vorstand had the same authority before 1937 as it did after 1937?
- A. After 1937, there was no Working Committee anymore.

Q. Is it a fair statement to say that the authority which the Working Committee had before 1937 was the same as the Vorstand itself had after 1937. That would be right?

A. Yes.

Q. As far as you know, that is a fair statement of how I. G. Farben operated from 1925 until 1937 and from 1937 on?

A. Yes, that is right.

Q. While you were with the Ministry of War from 1915 to 1919, did you negotiate and prepare contracts for the Government in connection with the construction of plants and factories?

While I tell you that is seldom I negotiated myself with industry, you mustn't forget I was also a young fellow but I was there. They wanted to have another lawyer on the Ministry of War. I was a young man, but my superiors made the negotiations and I was sitting by their side as a substitute and helped them in drafting the contracts.

Q. Is it a fact that you assisted in the preparation of the contract while you were with the Ministry of War?

A. Yes.

Q. And you were very familiar with the nature of the contracts that the Government entered into?

A. On quite a little field and the men who were my superiors had to do with the by-products of the nitrogen process and only in this field with regard to nitrogen--a special field--only in this field occasionally a contract was made.

Q. What field?

A. By-products of nitrogen process-coke ovens.

Q. Without going into the technical details in the field relating to by-products of coke oven, did you prepare any contracts?

A. Yes, very seldom.

Q. But you did prepare some contracts and you knew that the terms of the contracts were that the Government required in connection with these products. With respect to nitrogen, what did you do in negotiating these contracts?

A. Nothing.

Q. Do you remember in 1940 having seen a legal memorandum which was submitted to you dealing with the application of the Hague Convention?

- A. No, I don't remember.
- Q. Don't you recall any legal opinion on the application of the Hague Convention at all?
- A. I was asked about three weeks ago and there was shown me an opinion about it. I had no opportunity to read it--that touched some questions arising out of the occupation of the Netherlands.
- Q. You mean the document shown you was an opinion written by someone relating to legal questions--relating to the occupation of the Netherlands?
- A. And in this opinion probably the following questions will be cited that some big Dutch company just before Germany entered their country had transferred its domicile to the colonies and the German occupation authorities made a law retransferring the domicile of the Dutch corporation back to the Netherlands which in my opinion was nonsense.
- Q. I don't understand you. This opinion that was shown to you three weeks ago related to the question whether a Dutch corporation could change its domicile to one of its colonies after Germany entered the Netherlands?
- A. That was the question.
- Q. Who put the question to you?
- A. I couldn't tell you anymore. Probably one of the people of I. G. The question was this. Before Germany occupied the Netherlands, a Dutch company had changed its domicile from the Hague to the Dutch colonies before the Germans came. Since the Germans came and occupied the Netherlands, the German authorities made a kind of law that this transfer was void and had to be retransferred to the Netherlands.
- Q. In other words, the German government, when it occupied the Netherlands, tried to say that a Dutch corporation had no power to transfer its domicile?
- A. This question was also dealt with in the sense that afterwards it was wrong.
- Q. Why would they submit such questions to you?
- A. I think they did not ask this question but it had to do with some companies in the Hague and it is very complicated. I am not quite sure, I think it was the question of the power of licensing and patents and if it was a Dutch company, it was looked upon another way than if it was another company. But since you have all my files, it is probably in there.
- Q. Do you recall whether at any time there was a discussion as to the application of the Hague Convention to the activities of the German government or to I. G. Farben?
- A. I don't remember.

- Q. Did anybody in I. G. Farben or the German government ever call your attention to or even make any inquiries about the application of the Hague Convention?
- A. No.
- Q. If I understand you correctly; during the entire period from 1939 to 1945, you were never called upon to give any opinion relating to the Hague Convention and its activities of Farben--nobody ever discussed with you the application of the Hague Convention?
- A. No.
- Q. You are definite on that?
- A. To the best of my knowledge.
- Q. Did you know that slave labor was used by Farben?
- A. No.
- Q. You did not know? Wait please--Did you know or did you not know?
- A. No, but I knew there were foreign workment but I took it was absolutely sure that they were under private contract.
- Q. Did you attend the meetings of the TEA when Mr. Ambros discussed the Auschwitz Buna plant?
- A. I do not think that I ever did.
- Q. Did you say you were never present--Did you see the charts on the walls of the TEA board at the TEA meetings?
- A. Some ones I have seen--they had lots of charts.
- Q. Did you notice they had red and yellow figures--slave labor, German, and non-German, being employed--Do you remember seeing those charts?
- A. No, but it is likely I have seen them--It is clear to me that we had foreign workers in our plants.
- Q. When did you visit Auschwitz Buna plant?
- A. I was only there once.
- Q. When?
- A. It may be 1942 or about 1943--something like that. I couldn't tell you the year.
- Q. How soon after Buna was started, did you visit it?
- A. I couldn't tell you.
- Q. When was it started--Do you remember?
- A. No, I don't remember, but I would say I was there about 1942 or something like that.
- Q. Are you friendly with ter Meer?
- A. Yes.

Q. Very friendly?

A. Yes. I know him very long time.

Q. Did you people go out socially---Were you friendly in a social way?

A. Yes.

Q. In addition to a business way?

A. Yes.

Q. Did you read the judgment of the court in the first Warburg trial?

A. Yes.

Q. Are you familiar with it?

A. I had once a chance to read it but only a very short time.

Q. Did you discuss with your former I. G. Farben colleagues the judgment of the court?

A. I read a very long time ago---about one year and a quarter ago.

Q. Who was we?

A. That was Schmitz, Gajewski, ter Meer, Hoerlin, Ilgner, Pueterfisch, Schnitzler,
and then Pier and some others.

Q. And you were together 1 year and a quarter at Kraneburg?

A. Yes, and certainly we have discussed a lot of things, and I have heard a lot of things I hadn't known before because---

Q. Did you people hold meetings?

A. Well, yes. Sometimes we would meet in a room.

Q. Did you have formal discussions--Were minutes taken--Were notes taken?

A. Yes, sometimes.

Q. Who took the notes?

A. Not a special man. Everybody took notes that was interested--we discussed a lot of things--labor questions--

Q. Did you discuss the nature of the testimony the various people had been giving to the occupation authorities?

A. At that time, most of us were not really interrogated.

Q. These people who were interrogated, did they tell you what they were interrogated about?

A. The first time the interrogators attached much importance, there would be no talking. I, for instance, have promised once not to talk with the others and I did not. Then I had a long interrogation by an American interrogator. "Did you talk about these

things with Schmitz"? Then he said, "Why didn't you talk with him? I am surprised you didn't." So we learned they hadn't attached any importance to security anymore, so from then on we talked. And we discussed between ourselves a lot of things.

Q. And in those discussions, would the other people tell you what they had told the occupation authorities?

A. It was not so much.

Q. Did you discuss these things with Dr. ter Meer?

A. Yes.

Q. Did you advise Dr. ter Meer on any matters--Did he ask you for advice?

A. No, I don't think so. I gave him advice.

Q. He did ask you for advice?

A. I don't think he did.

Q. Would he discuss these things with you?

A. Which things?

Q. The various matters being discussed there.

A. Ter Meer was not interrogated at that time and if he was interrogated, we had a talk because nobody told us not to talk together.

Q. Did you talk with ter Meer at Eransbert?

A. Yes.

Q. Have you talked to ter Meer at Nürnberg?

A. No.

Q. You haven't talked with ter Meer at Nürnberg?

A. No.

Q. Has he written to you or you to him?

A. No.

Q. When did you last see ter Meer?

A. By long distance very often but we don't talk.

Q. Do you pass any notes? Does he pass any to you?

A. Never.

Q. Do other people talk to you and tell you what is going on?

A. No, they can't.

Q. Are you kept informed on what is going on in the various interrogations?

A. No.

- Q. Do you know that ter Meer is being interrogated now?
- A. This morning the cells are opened and we were led here in this room, but we didn't--
- Q. You know when people are being interrogated?
- A. Only by chance when we are left together in the room.
- Q. Do you people find out what one interrogation is about?
- A. No.
- Q. You don't discuss it?
- A. No, it is impossible to get in touch.

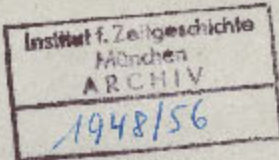
I, Ann Thrash, AGO No. A 446966, hereby certify that the above pages which bear my initials, constitute a true and correct transcript of the stenographic notes made by me on April 15, 1947, of the interrogation of Dr. August von Knaierem.

/s/ Ann Thrash

Zukawa, v. 214.47.

1957-1958

Institut für Zeitgeschichte - Archiv



Interrogation of: Dr. von Knieriem
April 21, 1947
Interrogator: Mr. Morris Amchan
Reporter: Miss Ann Thrash

Q. Dr. von Knieriem, you understand you are still under oath?

A. Yes.

Q. Now, on Thursday I asked you to reflect and recall what were the main questions of a legal nature that you were called upon to advise the officials of I. G. Farben? Do you recall?

A. Yes, you said between 1935 and 1940.

Q. Yes.

A. I tried to remember. I have made some notes. The following things I am telling you. My cooperation was different--in some matters more closely and only slightly in others, but on all the following matters I have been at least informed and occasionally consulted. I will first deal with the question of Buna in this way, dividing the different matters. In 1936 we started to build the Schkopau plant. In all matters of Buna, I had to do with Ter Meer, who took care of the Buna questions of I. G. primarily. The cost of the Schkopau plant was about 200,000,000 marks. At that time it was not possible to get cash by increase of capital or issuing bonds because the capital market was reserved for Government loans.

Q. You mean it was unfavorable on the financial market to raise money to finance the plant?

A. Yes, it was a law that you were not permitted to increase capital or issue private loans unless you got special permission of the Government.

Q. And you didn't get this?

A. I. G. got a loan for the building of Schkopau from the Government in the amount of 80,000,000 marks with interest to be paid, and that amount to be repaid within ten years. As far as I recall, in 1937--

Q. Is that the main matter that you were consulted on in 1936?

A. Yes, this is a matter where I can recollect special questions but certainly I have occasionally talked with Ter Meer about these things and I was informed.

Q. One further question. Would it be fair to state that Ter Meer consulted you through 1936 as to all the legal matters in connection with the arrangements to be made with the Government for the

construction of the Schkopau plant.

A. No, it would not be in this case because the Buna questions--the running legal questions with regard to Buna--were taken care of by Mr. Buhl.

Q. What do you mean by running legal questions?

A. All of the Buna questions. He was a lawyer and member of the board and died in the end of 1940 by motor accident.

Q. I still don't understand whether you were advised or kept informed?

A. Well, I quite certainly was kept informed in this matter although there were a lot of other matters which were not so important in other fields where I was not kept informed. Secondly, I can't remember the details but I think I would have to make a fair statement, that in all probability also in these questions of law and repayment and such things, I will have been occasionally consulted.

Q. At this time in 1936 Dr. Krauch was already sent over to Goering's office. Do you recall?

A. Yes, I am not sure about the year. I am not quite sure whether Krauch went over to the Four Year Plan in 1936 or 1937. About this time.

Q. And were you consulted by Krauch in connection with these matters also?

A. No, I was not. I was once in my whole life in Berlin in Krauch's office. In 1945.

Q. Did Krauch confer or consult with you in your office in I. G?

A. No, I don't remember one case.

Q. Is it fair to say that Ter Meer informed you as to the purpose of the Schkopau plant and asked you for your legal advice as to the necessary arrangements to be made with the Reich Government. Is that fair?

A. Ter Meer quite certainly will have brought up this matter in the board meeting. There is no question about it, and I think that aside from my knowledge acquired in the board meeting, we have talked over about this question of law.

Q. All right, in 1937?

A. In 1937, a second Buna plant, as far as I recollect, might have been 1938, a second plant was started in the neighborhood of Huls and it was started jointly by I. G. and Hybernia. Hybernia was owned by the state but was run like a usual company--like a private company.

I. G. took 74% and Hybernia 26% of the stock and I remember that I have talked about this division with Ter Meer.

Q. Any significance in the numbers?

A. In the share you mean? It is just a little more than 25%. The significance lies in this--If you have 26%, you have much more than when you have 24% because there is needed three-fourths majority sometimes in some instances. It is called 25% "Blocking Minority", same as in your country. For this plant the Government gave also the loan.

Q. To I. G.?

A. To Huls, and as far as I recollect, about the same amount and same conditions as Schkopau. Also, in this matter primarily, Buhl helped Ter Meer as far as legal questions were concerned and I may point out that I, myself, never had any discussion with men from the Government neither in case of Schkopau or Huls.

Q. Were you kept informed as to what Dr. Buhl was doing in this matter?

A. Yes, I was. He occasionally told me about it and I looked through the contract before it was signed.

Q. And this matter was discussed at a Vorstand meeting?

A. Yes, certainly, it must have been. While in these two domestic cases Buhl was advising Ter Meer, it was my part to advise him on questions connected with Buna abroad, especially United States.

Q. You mean Ter Meer?

A. Yes, advise Ter Meer. This originates out of the fact that Buna, as far as oil of all sorts or natural gas is used as raw material, the fabrication of Buna came within the scope of Jasco Agreement with Standard Oil which I had not only drawn but negotiated myself. You see in the Jasco Agreement--

Q. The Jasco Agreement was first negotiated in what year?

A. In 1930. My cooperation with Buna abroad was much stronger.

Q. If it will help you, I have seen a copy of the Jasco Agreement. You go ahead in your own way.

A. In 1938 there were discussions with Du Pont company.

Q. The details--just in general what happened.

A. In 1936 there were discussions with regard to licensing our Buna process on a basis of carbide.

Q. Is that a technical term you are using?

A. Just say, on other basis than oil.

Q. You offered to license Dupont your "know-how" on Buna?

A. Offered to license the patent.

Q. Including the patents relating to the production of Buna excluding oil?

A. The oil patents for the manufacture and production of Buna were reserved for Standard Oil. And we approached Dupont with the expressed consent of Standard Oil but these negotiations didn't come to any result because the Dupont company did not think at that time that Buna could ever compete with natural rubber on account of its higher cost, and further because the Dupont company had developed a certain process of its own to make its specific kind of Buna which was oil-resistant.

Q. Oil-resisting?

A. Yes.

Q. If I understand you correctly, the cost for the production of Buna under the I. G. patents was higher than the production of natural rubber?

A. Yes.

Q. And everybody in I. G. Farben knew that, in 1935?

A. Yes.

Q. That is one of the reasons Dupont was not interested?

A. Not interested and Dupont had its specific process for certain kind of Buna which was oil-resisting. This was also much more expensive than natural rubber but since it had its special specific value you could balance a higher selling price. In this case and also in the next mentioned case, I did not take part in negotiation itself. I was not in America these years but Ter Meer used to talk over with me currently these Buna questions for reasons I told you before.

Q. You were kept informed of the state of the negotiation?

A. Yes, it may be more that I may have been consulted. You see when two people are talking about things it is very difficult to determine whether you are being consulted or informed.

Q. About the next year? 1936.

A. Goodyear and Goodrich became interested in the Buna question and would have liked to be licensed and get "know-how".

Q. From I. G.?

A. From I. G. But they were not willing to obligate themselves to start

productions on broad scale.

Q. Did Goodyear and Goodrich approach I. G. Farben?

A. I think they did. I am not quite sure which way the connection was. But they were not willing to obligate themselves to start production on a large scale.

Q. Do you recall just what they were willing to do?

A. I think they wanted to have a license and to start on a scale basis by themselves as to how much they fabricated.

Q. In other words your recollection is that in 1936 Goodrich and Goodyear requested that they be licensed under I. G. Farben patents to produce synthetic rubber but that I. G. insisted that under the license they engage in full scale production but Goodyear and Goodrich, on the other hand, wanted to determine for themselves the extent to which they would produce.

A. That is right. This would have meant bad business for I. G. because if production was only small, the incoming royalties would have been small and I. G. would have given away its valuable "know-how".

Q. Was there any discussions about controlling the amount of production under the license?

A. No, not control, but if you are giving a license it is usual way to deal that you are licensing either a certain amount of production or at least that the licensee has to produce a minimum amount of it. In 1938, Ter Meer went over to the United States with some technical assistant to take up in a fundamental way the question of production of Buna in the United States with Standard Oil.

Q. Incidentally, the negotiations with Goodrich and Goodyear, did they relate to the patents of the process that were included in the Standard Oil arrangement?

A. I think, yes, I think you are quite right to question. I think Goodyear and Goodrich would have been interested on the basis of oil and certainly these negotiations were with the consent of Standard Oil--maybe with the assistance of Standard.

Q. It covered the field that was included in the Jacco Agreement?

A. Yes, I am quite sure.

Q. All right, in 1938 Ter Meer-

A. And Ter Meer has told me that he was present in a board meeting of

Standard Oil where the question was broadly discussed.

Q. What question?

A. The question of starting production of Buna on a large scale on basis of oil in United States. Also Standard Oil was not so very interested. They made the decision to go ahead provided that some further experimental work which had to be done in Germany during 1939 would have been successful.

Q. I am sorry, I didn't understand that? When Ter Meer in 1938 discussed this with Standard Oil, Standard Oil was not ready to commit itself to full scale production.

A. Not at that moment. They wanted first to see the results of some further experimental work to be done yet.

Q. By I. G.?

A. By I. G. in Germany. I think it was with regard to abrasion of tires. This experimental work was done in 1939.

Q. By I. G.?

A. Yes, in Germany. Turned out to be with good results.

Q. And is it your understanding that when you concluded your conference with Standard in 1938 that Standard Oil was ready to undertake full production provided the further experiment on the abrasions of tires proved successful?

A. Only one little detail. Standard Oil was willing to start full scale production, I mean it might not have been the production of Standard itself, but to try to start production in the United States. It could have been also more profitable to start on a licensing basis with new discussions with a rubber company.

Q. Under the Jasco Agreement, could Goodrich and Goodyear or any other rubber company in the United States, have secured the Buna patents from I. G. without the consent of Standard Oil?

A. No.

Q. So that in 1938, if Standard Oil had objected to Goodyear and Goodrich being licensed, that would have been the end of the matter? You couldn't license Goodyear or Goodrich without the consent of Standard Oil? Is that right?

A. Well, I don't think we would have done it. You see, it was like this. After the Jasco contract, whoever of both parties found a new process making a chemical product out of raw materials of oil had to give

the licensing rights to Jasco on 50-50. It was a provision in the Jasco Agreement to some extent that if parties disagreed, that party would have been given the deciding vote, which had brought into the process to Jasco. That would have been I. G. But on the other hand, I don't think really that we could start a big development on Buna in the United States against the will of Standard Oil.

Q. Why?

A. Because they owned the raw materials. You would have had to build the plant on natural gas. That is another matter.

Q. That is unrelated to the Jasco Agreement.

A. Yes, but it is a situation. In 1939, Ter Meer and I had in mind to go over to the United States in the fall to make the setting up of exploitation on Buna in the United States, negotiating the whole thing with Standard, but this matter didn't come to any effect because the war broke out.

Q. In 1938, when Ter Meer went to the United States and discussed the matter of full scale production with Standard Oil, was I. G. Farben ready and willing and able to deliver the "know-how" and secret formula for the production of Buna?

A. Yes, certainly willing and certainly able and we had special permission from the Government.

Q. Did you consult with Government before the negotiations?

A. Ter Meer consulted with the Government before he went over in 1938 to America and this is a very good example of what I have told you the other day with Vermittlungsetelle W. This was one of those cases where to be on the safe side, we would have been wise to ask the Government beforehand to give this extremely important technical knowledge abroad.

Q. So that when Ter Meer left in 1938 for the United States, he knew from the German officials what he could disclose there and what he could not disclose.

A. He knew he could disclose the whole thing as far as Buna was concerned, because we would not have put Standard Oil in the situation to get only four-fifths of the knowledge.

Q. Did you inform Standard Oil that you had kept the German officials advised on the status of the negotiations?

A. I am pretty sure Ter Meer would have told them.

Q. You don't know?

- A. No.
- Q. In 1939, you and Ter Meer contemplated visiting the United States. All right, go ahead. I don't think we finished 1939. Were any discussions held in 1939 by the I. G. Farben representatives and Standard Oil?
- A. Yes, with regard to Buna. I have no doubt that in all probability, Ter Meer will have transferred the results of those experiments I told you of before to Standard Oil and since these results will have been acceptable to Standard Oil, he will have arranged--
- Q. I don't understand? In 1939, you said you intended to make a trip in the fall to the United States. You never made that trip because war broke out. After September, 1939, did Standard Oil officials discuss this matter with I. G. Farben?
- A. You mean after the outbreak of war. Yes, they did. They did in 1940.
- Q. Tell us about what happened then.
- A. I told you the other day that after the outbreak of the continental war in September, 1939, there had been discussions in the Hague between Standard Oil and I. G. regarding a change of Jasco Agreement.
- Q. I don't recall your telling me all about what happened at the Hague. Could you please tell me now what those discussions were in 1939 at the Hague?
- A. Yes, after the original Jasco Agreement--Jasco was owned 50-50 by Standard and I. G. and had the licensing right or patent rights on all Buna patents throughout the whole world with the exception of Germany, regarding to oil. In the Hague discussion Standard Oil suggested a change to the effect that instead of this said 50-50 division of Jasco, the interests of both parties should be divided geographically, meaning that Standard Oil should get the rights for United States, United Kingdom, and France, and I. G. should get the rights for all other parts of the world.
- Q. Standard made that proposal?
- A. Yes, I am pretty sure they made it. It came out perhaps during discussion but I always took it, I think also Standard Oil admitted always, it came from Standard. Further on it was agreed upon in the Hague that we transfer the American, English, and French patents in the Buna field.
- Q. Which I. G. held?

- A. Which we held. They were put on the records in the Patent Office but the agreement stood that licensing rights were owned by Jasco, that the title was transferred to Standard.
- Q. Title to the patents?
- A. Yes. Because this seemed advisable since I. G. could not act in France and Britain any more and not defend its patents and even in America the war might have created situations where the connection with Standard was not so close anymore because of traveling difficulties and communicating difficulties.
- Q. For executing all these things as transfers in 1939 at the Hague Conference, do I understand that Standard and I. G. agreed to the geographical division of the patents. Was there such an agreement reached?
- A. To the geographical division of the whole Jasco Agreement.
- Q. Of the patents covered by Jasco?
- A. Yes. I would like for you to get this point clear. Until then it was a whole thing, each owning 50-50. Now the world was split up geographically. The sphere of influence for Standard being United States, France, and Great Britain and for I. G. the other part of the world.
- Q. Was it agreed to that Jasco would be omitted for that purpose?
- A. Yes, it was. Jasco was passed by a little bit. Jasco was not of any much interest anymore because the title of patents were transferred immediately to Standard.
- Q. When you say the title of patents, do you mean that the title that I. G. Farben had to the Buna patent for the United States, United Kingdom, and France, were transferred to Standard Oil?
- A. Yes.
- Q. Was there any discussion at the Hague Conference as to the reason for such a transfer of I. G. patents to Standard?
- A. Yes. I gave you one reason before--that the handling of the patents in at least the United Kingdom and France was made nearly impossible because we had gone to war with these countries and we couldn't defend the patents.
- Q. Was the feeling of I. G. that by transferring the I. G. patents in England and France to Standard Oil that Standard Oil would then be in a position to protect the I. G. patents---That

they would probably get a better right to the patent than I. G. would if it retained ownership in itself?

A. Yes, certainly. Standard would have been in the usual position to defend the patents and I. G. would not.

Q. So it was to I. G.'s benefits to transfer those patents to prevent seizure?

A. To benefit of both parties I think.

Q. To persons of both parties?

A. I must add this important thing. I told you before about this geographical division. This geographical division didn't seem to be quite fair because of its regard to Buna, United States, United Kingdom, and France with all colonies and protectorates, all of the entire empire, so we made an additional agreement (we phrased this special paragraph in the agreement) that if afterwards it did turn out that this kind of division would wrong one party, probably I. G., it would have been made good by some other arrangement.

Q. When you say afterwards, do you mean after the war?

A. Yes, I think it was put down in the agreement that, I am not quite sure, afterwards a period of say five years to stop and contemplate whether the result of this division was fair or unfair.

Q. And to renegotiate?

A. And should be made another kind of settlement. It was left open whether making good for this unfairness would be done in money or re-division of countries.

Q. Now in the patents belonging to I. G. which were transferred to Standard Oil as a result of Hague Conference in 1939, did you discuss the Buna patent for the manufacture of synthetic rubber.

A. Yes, certainly. You will remember that I was not in the Hague but there is no question it has been discussed because what I am just telling you next that in April, 1940, Howard of Standard Oil, came over to Switzerland to finish up the formal necessities of this transfer and, in my opinion, that was probably more important for Howard to try still to get the technical "know-all" of Buna.

Q. I am afraid I didn't understand? Did he ask for the technical "know-how" as to Buna in September, 1939, at the Hague?

A. No, I don't think he asked but he may have. I don't know. But

certainly as did ask in April, 1940.

- Q. I have trouble in trying to understand this. There would be no point in his coming to you in April, 1940, as to technical "know-how" as to Buna if at the Hague you had already discussed it and it was covered in the Hague understanding.
- A. In the Hague understanding we were not covering the question of giving "know-how" but was discussing the geographical division of these things. He may have asked in the Hague for the "know-how" but the men who were negotiating for I. G. in the Hague were certainly in no position with regard to technical "know-how" to say yes or no. He was in a position to make this agreement because we knew what would come up in the Hague--the division geographically. But if Howard was probably very likely to have touched the question of technical "know-how" in the Hague, this man would have said: "That is not my account. Please ask Ter Meer".
- Q. Is it fair to say that the I. G. representatives negotiating at the Hague in 1939 were not authorized to discuss the transfer of the technical "know-how" to Standard?
- A. They were not authorized. No.
- Q. What would have happened in September, 1939, if you had not transferred the patents that you had in France and the United Kingdom to Standard? Would you have lost those patents?
- A. We would have the title of the patents, but the patents would have been seized in a moment. Great Britain would have insisted upon an alien property custodian but an alien property custodian could only seize the patents subject to prior rights granted to Jasco, so that the British alien property custodian would not have had the right to license the British patents on Buna on oil basis, but would have been in a position to license those patents on a coal basis.
- Q. Coal basis?
- A. Coal. Coal basis--technical men will know of its meaning.
- Q. Did England at that time, if you remember, have an alien property custodian?
- A. No.
- Q. So when you had the discussion at that time, the patents were not seized at the time?

A. No, but it might be I have heard something about it during my stay in the United States in 1948 with regard to the lawsuit. I have been told by the Assistant Attorney General when it came to that Standard Oil presented our transcript of transfer to British Patent Office or French Patent Office, either one refused to accept the transfer of the patents. Now you will understand that it was good sense that in 1940 in Basle when Ter Meer was present, Howard approached the subject and asked for technical knowledge of the Buna field. Especially in the Buna field was the technical knowledge important. You see, there are cases where you couldn't do much with just a paper license.

Q. The "know-how" was not transferred to Standard Oil?

A. As a matter of fact, all of the "know-how" had not been transferred during this period though Standard could always have gotten it.

Q. Could Standard have gotten the "know-how" if they had asked you in 1939 for it.

A. No.

Q. Why could they not have gotten it?

A. You see, I don't think that Ter Meer would have considered the special permission to negotiate on things in 1938 with Standard. Things had changed, the war had broken out, and I don't think it was feasible to transfer the "know-how" to United States at that time. The Government would not have permitted it because it was likely to flow through the channel of Standard Oil to Great Britain and it was very likely to flow because the title of patents was about to pass to Standard the title of the British patents. Therefore, you see when Howard brought the subject up in Basle in 1940, Ter Meer was not in a position to give him something. It was very freely discussed and I think Howard himself must have been the point because also in your country things were handled just in the same way. That was without Government permission it could not be given to him.

Q. You, as I understand, meaning I. G., kept the Government authorities informed in 1939 of the conference with Standard Oil.

A. Of the Hague Conference. I do think to remember we had asked for permission to transfer the patents.

Q. Not including the "know-how" of Buna. Did you ask for permission to transfer the "know-how" of Buna?

A. I don't think Ter Meer tried.

Q. You don't think he tried. Your recollection is that Howard didn't ask for the "know-how"?

A. He may have asked. If he had asked, certainly I. G. representative would have told him I am not able to decide this question.

Q. And was the main purpose of Mr. Howard's visit to Basle in April, 1940, to try to secure for Standard the "know-how"?

A. I don't know whether it was the main purpose. One purpose was to finish the formalities of the transfer of patents and certainly other purpose was to attempt to secure the "know-how" for the Buna process.

Q. Were there any discussions or were you informed of any discussions at the Hague Conference in 1939 whether the transfer to Standard Oil was to protect the patents in the event of the war with the United States?

A. Since I wasn't there, it is difficult to answer the question but there might be.

Q. Were the members of the Vorstand informed as to these negotiations and the understanding reached at the time?

A. I think they would have been.

Q. Were they also informed of the purpose of the transfer of the patents to Standard Oil in September, 1939?

A. I don't think that they will be informed about the detailed questions.

Q. The general purpose?

A. I am not sure if they were informed but I think probably they will have been informed on quite a short way. For instance, probably myself would have told in the meeting of the Vorstand that there had been discussion in the Hague regarding change of Jasco Agreement and that we might split up and transfer patents. Now I come to the next field and that is synthetic gasoline. Here the different discussions were mostly with Buetefisch.

Q. You and Buetefisch discussed these matters?

A. As far as legal advice was necessary, Buetefisch would have applied to me or in the details to one of my special assistants in Ludwigshafen.

Q. And starting with the year 1936?

A. In 1936, upon special request of Mr. Schacht, a company was formed with the name of Brabag. The name means "following". Brown coal gasoline, that is meaning gasoline coming out of lignite. By special Governmental order, I think it was a real law, people in Germany who owned lignite had to join after a certain schedule and put money to building

plants to produce gasoline out of lignite.

- Q. Let me see if I understand. All the owners of lignite mines were required to join this Brabag Corporation and contribute according to a fixed percentage.
- A. A fixed percentage and--
- Q. A fixed percentage of shares? And Brabag with the money it received was supposed to construct plants and facilities to produce synthetic gasoline from lignite using the I. G. process as a licensee.
- A. The percentage of I. G. was 13%. Buetefisch joined the Vorstand of the Brabag and it would be fair to say that he was technical father of the picture.
- Q. The technical head?
- A. Yes, the technical manager. The most important member of the board for technical questions.
- Q. Did I. G. receive any royalties from the use of its license?
- A. Yes, certainly.
- Q. Who else were the principal members of Brabag?
- A. Well, I remember only one and I don't think there were many more than two of the Vorstand. That was a man by name of Kranefuss.
- Q. Did he hold any position in the Government?
- A. I don't know, but Kranefuss was a man I met only once in my life but I think he was rather close to Himmler.
- Q. And he was an important person in Brabag?
- A. Yes, I don't know who put him on the board but I don't know how he came to join the board of Brabag, but he was a SS man.
- Q. And you were consulted by Buetefisch on the question of organizing?
- A. Now another thing on which my cooperation was closer.
- Q. Now just one minute, was the Vorstand informed of the whole Brabag situation?
- A. Yes.
- Q. Let me ask you one thing. Why was it necessary to form Brabag if they were going to use the I. G. process exclusively. Why couldn't I. G. expand its facilities to produce synthetic gasoline? Was there any discussions as to that?
- A. I don't know. Also in this case and in the next one, I was never participant in questions with Government and there must have been a

lot of discussion but, as far as I remember, Schacht wanted to start this but he didn't find people who liked to so it had to be made forcibly. It goes without saying that in all these things Buetefisch could tell you more. Now comes Foelitz. It was a very big hydrogenation plant in the neighborhood of Stettin. Now this is a funny thing. As to my recollection, these things started in this way. Standard and the Royal Dutch Shell had both 100% subsidiaries in Germany which owned the whole transportation facilities and filling stations in Germany and all those things. Very big one. Now these both companies distributed the gasoline and the oil of Standard and Shell respectively throughout whole Germany and they got the money and certainly made profits. These profits could be used in Germany by the 100% owned subsidiaries of their mother countries, but this money could not have been transferred. These marks could not have been transferred nor changed into dollars and transferred in accordance with regulations to foreign currency.

- Q. You mean the German law in 1937 prevented the export of--
- A. And made it impossible to pay dollars from marks and send the money to America. Now during all this time, you must have in mind that foreign currency regulations started as early as, I think, 1931. Now the result was they had a lot of marks in Germany not knowing what to do with it.
- Q. Standard and Dutch Shell?
- A. Or 100% subsidiaries respectively. And the Government approached them asking them to join hands with I. G. and for that money and spend the money in building a big hydrogenation plant. I did not take part in any negotiations for the Government but I went to London to talk the thing over with Standard and Shell in about 1937, and I had long discussions with Standard and Shell about this and the trouble was that they did not like to create a plant which made gasoline out of imported oil.
- Q. Out of imported oil?
- A. Yes, but they said as long as coal is used, we are willing to do it. Now it was a bad point because the scene is very easy to reach by sea and would have been very easy and advisable to take fuel--liquid fuel, the residual of oil refining as raw material. And I remember there were long discussions about these things but the details I don't quite remember but the important thing was that in the end a company was

00066

formed where Shell, Standard, and I. G. took about 1/3.

Q. Of the stock?

A. Yes, of the stock. It was not quite exactly 1/3 because Standard, I. G., and Shell owned all of the Gasoline Co., a small distributing company in Germany where each had 1/3 and this small jointly-owned company I think was also in the picture.

Q. Now this new company that was formed as a result of your London discussion. What was the name of the company?

A. Hydrier Werke. I think it is possible that we had afterwards to change a little bit the name because the Norsk-Hydro of Norway objected to the similarities of name on trademark.

Q. If I understand you correctly, Standard and Dutch Shell each acquired 1/3 interest in this Hydrier Werke and this new corporation constructed the hydrogenation plant.

A. Yes.

Q. At what place?

A. At Poelitz. After the advice and help and drawings of I. G. and made a license contract with I. G.

Q. The new corporation Hydrier Werke used I. G.'s process. Is that correct?

A. Yes.

Q. The contribution that Standard and Dutch Shell made to Hydrier Werke was out of the "blocked marks" they had in Germany?

A. Yes.

Q. So is it fair to say that Standard and Dutch Shell had no alternative but to join in this company because otherwise they could not get the benefit of the credits and money they had in Germany?

A. Well, that is a very difficult question. These things relating to foreign currency are a very difficult one. I think you could use within Germany your "blocked marks" to a certain extent. At least I don't see any reason why they couldn't have gotten permission to build a hotel or something, but you have to spend it in Germany.

Q. What benefit was it to Standard and Dutch Shell to join this Hydrier Werke?

A. It may have been a benefit for them in being participants in a very, very modern hydrogenation plant set up according to the very best current knowledge, to get further still acquainted with also the running technical knowledge. It was the very newest thing.

them build plants in their own countries?

A. They were not only licensed but were shareholders. But not only usual shareholders but shareholders together in the majority. And they had people on the Vorstand of the Hydrierwerke. Also their position was a much stronger one than a position of a private person who just bought some shares.

Q. Whose idea would you say it was to have Standard and Dutch Shell to make available their credits in Germany to build this hydrogenation plant?

A. I think the idea came from the Government. It would have been natural, after what I told you before, to use money which was lying useless.

Q. Did the Government approach I. G. and ask them to take it up with Standard and Dutch Shell?

A. I can't tell you that. My remembrance is that the first step was taken by the Government to approach these two subsidiaries of Standard and Shell and since we are in very close touch because we had very important agreements together. I. G. on the one side and DAPG, subsidiary of Standard, and the Rhenania, that was the subsidiary of Shell. We had very important agreements together and were organizing and cooperating very closely together on the distribution of the homemade gasoline.

Q. Cooperating with whom?

A. With I. G.

Q. So I. G. had very close relationship with subsidiaries of Standard and Dutch Shell?

A. When we made very big transaction with Standard in 1927 and 1929 giving them all the I. G. patents on hydrogenation throughout the whole world, we insisted on making an agreement for the German market that they would stand ready to market throughout Germany through their subsidiaries, the DAPG and Rhenania, the hydrogenated gasoline fabricated by I. G. to German customers through their filling stations.

Q. I. G. did not have its own distributing facilities in Germany?

A. That is quite what we had in mind. To use the distributing facilities of Standard and Dutch Shell subsidiaries. First to save the money in building up their own filling stations.

Q. I. G.?

A. I. G., which would have made necessary enormous amount of money

and there were already too many. And second because you see the German public in the beginning was not so very eager to use the German synthetic gasoline for they always thought that the natural gasoline coming from United States and Dutch was the better one and if we marketed our things through their filling stations, the public took it without knowing it, finding it was exactly the same so they got used to it.

Q. Let me see if I understand. Was it part of your understanding with Standard Oil that in consideration of your making available to them the patents and "know-how" on the hydrogenation process that they would make available to you their distributing facilities to sell I. G. synthetic gasoline and the understanding also contemplated that you could obligate them to sell your synthetic gas and not their own natural gas?

A. I am sure I have something I didn't say until now. One of the most important features of this German agreement which was as you--

Q. Between I. G. and subsidiaries of Standard and Dutch?

A. It was made first with the mother company and then transferred to subsidiary. The most important German sales agreement was to the benefit of I. G. but it was not the only compensation we got for the patents. And it was to that effect that Standard and Shell through their subsidiaries market precedent the I. G. gasoline, and only on the top of it, as far as necessary, would import. That was stepped back, step to step, as far as the German production went up, take the gas--

Q. I think I understand you. The understand was that: I. G. gasoline was to be sold ahead of their own gasoline and that as I. G. increased its production of synthetic gasoline, they limited the sale or import of their own gasoline in order to sell first the I. G. gasoline.

A. And this was the method to avoid price cutting which I. G. could not have tolerated. It would have been too bad.

Q. Was the production cost of synthetic gasoline higher than the cost of natural gasoline?

A. Yes, much higher, and the relation between the lower cost for natural gasoline and the higher cost for synthetic gasoline was much higher than in the case of Buna.

Q. I don't think we need that detail for the moment. When was this agreement made between I. G. and Standard and Dutch Shell whereby

Standard and Dutch Shell was to act as distributing agent to market synthetic gasoline?

A. It was first made in 1929 alone with Standard. The whole big transaction of 1929 was made first alone with I. G. and Standard but Standard at the same time asked I. G. if it would be willing to make a change in this agreement so that the Royal Dutch Shell should step in as 50% part of Standard.

Q. Why would Standard make such an agreement. What benefit would it derive from it?

A. With I. G.?

Q. What benefit was it to Standard Oil to say that it will sell I. G. gasoline ahead of its own?

A. It was the condition. If Standard would not have been willing to make this agreement, we would not have made the whole agreement at all.

Q. You would not have made an agreement which was of such tremendous importance at all?

A. The agreement to transfer to Standard throughout the whole world all of our patents regarding hydrogenation and other processes for refining.

Q. Why would Standard have been anxious to secure from you the patents on the hydrogenation? Why were they so anxious to get that?

A. The Standard was probably in a technical respect--the Standard Oil Company of New Jersey--probably the most outstanding oil company in the world. We had made developments of a special kind of treating oil under high pressure and high temperatures and with catalysts, and these processes were of tremendous importance for Standard. Standard stepped with our help into making a new field of technical development.

Q. Could it have been, by these discoveries by I. G. of this process, you could have competed with Standard in the field and driven them out of business. Could that have been the reason it was so important to Standard to know about that?

A. Yes, certainly, it was a very, very important process and it was especially important on the basis of coal because all countries in the world which owned coal but no oil would have jumped on it and then Standard would have lost its imports.

Q. Imports of gasoline to that country?

- A. Take the case of England. It would have made hydrogenation of coal to make gasoline of England's coal, then it would not have been necessary for England to import from Standard gasoline.
- Q. In other words, the hydrogenation process which I. G. developed would have enabled every country which had sufficient coal to become independent from oil. Is that right?
- A. Yes.
- Q. So that Standard would have lost the oil market for all these countries that had enough coal from which they could produce oil?
- A. But the importance went far beyond this. You see, never would anybody contemplate the idea of building hydrogenation plants on coal in the United States because the United States had enough oil and the oil from natural resources and the gasoline made by refining would always be cheaper than gasoline made out of coal. But there was quite a new field of working on oil if you use this process in special cases. Take for instance--this was to be considered one of the most important cases in which hydrogenation process would be useful, also for United States. You know that it is a process--distilling, refining, and cracking. And in the cracking plants there is invested a tremendous amount of money in the United States, hundreds of millions of dollars. Now there is some kind of crude oil which is in a condition that it can't be cracked on account of its sulphuric content and such things. Now it was feasible to take this crude oil which couldn't be cracked, then submit it to a certain step of the hydrogenation process and make a product, which not being gasoline itself, but would then be able to be cracked. Then you could leave the hydrogenation process so that you could make every kind and every shadow of lubricating oil with all the different qualities and therefore it was quite a new field.
- Q. I understand from what you told me the importance of the hydrogenation process, as as you say, in giving Standard your patents and "know-how" to hydrogenation you received in return and from Dutch Shell an agreement that would make available to you their marketing facilities in Germany to sell I. G. synthetic gasoline?
- A. The main consideration we got for this tremendous thing was about 546,011 shares of the stock of Standard Oil Company of New Jersey, which was given to I. G. Chemie, Basle and these

were worth quite a lot of money.

Q. What was the value of the stock?

A. At the time we signed the deal, it was about \$30,000,000.

Q. So that I. G. Farben received as consideration stock of Standard Oil valued at \$30,000,000.

A. And then we had as another consideration (we had asked for just that in the beginning) the German sales agreement and that was help on the German market.

Q. That was in 1929?

A. So you were quite right--

Q. I understand. Now we are back in 1937 with the organization of the Hydrier Werke?

A. And you just asked where these two subsidiaries--why did they do it. I said they were approached by the Government. They had money lying around which they could have spent in other interests but they were distributors of oil, because why should they build hotels. You said if that any other interest they could have--it was probably also in their mind that it would be useful to be kept in close touch with technical development.

Q. Alright. Do you recall who in the Government originated this idea?

A. No. Buetefisch could tell you.

Q. And as the result of the organization of this Hydrier Werke, a hydrogenation plant was constructed. At Poelitz, was it?

A. Yes.

Q. Was the Vorstand informed of all of it?

A. Yes, certainly.

Q. Who in the Vorstand asked you to undertake those negotiations in London?

A. Well, probably Buetefisch. Buetefisch and Fischer. Fischer was not in the Vorstand but was specific selling man for all oil questions.

Q. OK. That is 1937?

A. Well, there were some other hydrogenations plants built up in Germany about this time which were all licensed by I. G. but which were owned by other people and I. G. was not participant in the stock of these companies.

Q. Is it fair to say that during the period 1936-1937-1938 that I. G.'s interests in the construction of hydrogenation plants was to see that its process was to be used for the production of synthetic 0072

gasoline. Is that a fair statement?

A. Yes.

Q. In other words, I. G. would be interested in having additional plants constructed regardless of whether it constructed or owned the plant so long as its process was being used?

A. The thing is like this. If I. G. has developed such a valuable process, as a rule it would fabricate itself, but to erect so many hydrogenation plants by itself would have passed over the money power of I. G.

Q. Would have been beyond its financial capacity?

A. Yes. And I. G. had certainly interests to get some return for its licensing hydrogenation because I. G. had spent such a tremendous amount of money in developing this process that even after these considerations of the Standard and even with the royalties I. G. was getting, I am quite sure until 1945 I. G. will have still had red figures in its hydrogenation account.

Q. You mean the cost of producing synthetic gasoline was so great--?

A. The cost of developing process was so great.

Q. So great that it was financially unprofitable even though everybody in Germany who was using synthetic gasoline had to use your process and pay you royalty.

A. I am going to say, if you put on one side cost spent in developing process and on other side the consideration of Standard Oil and all the amounts of royalties flowing to I. G., the left side was still bigger than the right side.

Q. The loss exceeded the profit?

A. Yes.

Q. Why did I. G. go ahead with the hydrogenation if they were losing money?

A. Because in the end of it, I. G. expected to get the money back and it got it back to a great extent, not quite I am sure, but it got it back to a greater extent.

Q. Was there a time when I. G. was considering abandoning it because it was too expensive?

A. There was one time.

Q. When was that?

A. I remember myself I was working together with one of our technical

men considering whether one could still take responsibility to work on the process which cost so much money, considering the fact that this process could be used in Germany only as long as there was a protective duty from the German government. To make that quite clear in the case of Buna, the cost of the natural rubber was on a scale from about two marks to 50 pfennings and the cost of the Buna itself started perhaps with three marks going down to 2.5 to two, so it was in the neighborhood of the other thing without any help of protective duty.

Q. But you needed a protective duty in regard to synthetic gasoline. In 1932 was there any discussion--?

A. In 1932. That came up in an interrogation I have signed with the purchase of oil the other day. I had been asked whether I knew anything about Buetevisch having talked with Hitler and I told them that, as a matter of fact at that time, I didn't know but learned it afterwards that there had been a talk on the special order of Bosch to that effect.

Q. From whom did you learn it?

A. In Krensburg.

Q. I know about that. What else have you in 1937?

A. I have nothing else.

Q. All right. 1938?

A. About years 1936 to 1939, one of my biggest jobs which took a tremendous lot of my time were my discussions with Schmitz regarding I. G. Chemie Basle and when you were talking about the different steps of I. G. to safeguard its foreign assets in case of war, there were none of these by far so important as this case with regard to I. G. Chemie. When I touched this question the other day you said you were not interested in it and therefore I will only very, very short tell you why it was so important. The very valuable plants in United States with regard to dyestuffs firm and photographic was the General Anilin and Film Corporation. The shares of the General Anilin were not owned by I. G. Farben but were held under option, but they were owned by I. G. Chemie and held under option by I. G. Farben.

Q. What do you mean they were held by option? Did I. G. have an option?

A. I. G. had an option to take out all assets of I. G. Chemie, Basle at the book value at the time, and on the other hand, by the same contract,

I. G. was obligated to guarantee the dividend which I. G. Chemie paid its shareholders. In that way, whenever I. G. Chemie was not able to pay out of its own profits to its shareholders the same dividend as I. G. Farben paid its shareholders, I. G. Farben would have to pay over to I. G. Chemie such amount of money that I. G. Chemie, out of this money, was able to pay the same dividend. Now look, this is very important. If I. G. would have held this option on General Anilin against I. G. Chemie after the outbreak of the war with the United States, there was a danger that I. G. Chemie, if the alien property custodian of the United States, taking away the shares of the General Anilin because it was Germany controlled, would have lost its main source of income. In that case I. G. Chemie would not have been able to pay its shareholders the dividend, then the guarantee of I. G. Farben given to I. G. Chemie would have come in force.

Q. Who were the principal shareholders of I. G. Chemie?

A. They were on the market. I. G. didn't own one share.

Q. They didn't own one share of I. G. Chemie?

A. No, let me continue. If I. G. Chemie would have lost its main source of income, I. G. Farben would have to pay the guarantee but I. G. Farben couldn't have done it because I. G. Farben would never get permission to transfer the money to Switzerland. Then this is bound to happen. I. G. Chemie would have to sue I. G. Farben in Switzerland. It could make such a lawsuit in Switzerland because I. G. Farben had property in Switzerland, at least patents. I. G. Farben was bound to have lost this lawsuit because after the way of all international courts, the fact that a German dealer was not able to pay abroad on account of foreign currency laws in Germany was not considered to be force majeure. So I. G. would have lost its lawsuit and probably I. G. Chemie would have taken its patents. Now this is not an idea I give you now but this is exactly the thing which had happened to two other German concerns. The two big electrical companies, Aeg and Siemens. Exactly the same thing. They were not in a position to pay interest on a foreign loan. They were sued in Switzerland they would lose the lawsuit because it was not considered force majeure.

Q. You now do say that although I. G. had no real foreign assets in the United States since the shares of General Anilin were owned by I. G. Chemie, the whole question of this contract was a matter where I. G. had to protect its interests in case of a future war.

A. And there was no case whatsoever which could compare in its importance to this case. And I handled this case by myself together with Schmitz and it came to the conclusion to advise Schmitz and the Board to cancel after negotiations with I. G. Chemie the whole contract of community interest embodying first the option of I. G. and the obligation of guarantee and it was done so after very long discussion within the Vorstand. It is done so in 1940.

Q. You have already explained the other factors in transferring to friendly interests in the United States your interests in General Anilin and Film. Now at the time you discussed with Mr. Schmitz and with other members of the Vorstand the necessary steps to be taken with respect to I. G. Chemie and General Anilin and Film to protect your interest in event of war with the United States, did you about the same time or even before that have similar discussions as to what steps should be taken to protect your interests in other countries in the event of war?

A. I don't remember.

Q. All right.

A. Then I have made a note here. This comes up in 1940. That was after the occupation of France. I. G. has found together with the French dyestuff industry--Francolor industry--and this was made and negotiated with the French people by Ter Meer, Schnitzler, and Ambros, and these three people afterwards stepped into the board of Francolor and the legal advisor at that time was the head of the Legal Department for dyestuffs, Kuepper. I am not quite sure whether Selk took any place but I remember that I was kept well informed about these things and I was asked and I gave all the advice on it.

Q. During the entire stage of the negotiation?

A. No, I was asked specific things; I tell you the general history.

The French dyestuffs industry that formed a new company--

Q. I know the details of the Francolor agreement.

A. I need to tell you only two things. First, at the same time,

as far as I know, our people considered participation of 50-50 and that then the French people asked for a provision in the charter that always the president of the body of administration should be a Frenchman. If this would have been done, the dominant position of the French partner was quite established because after the new French law for companies, the position of the president of this administrative board was a very, very strong one.

Q. Why did I. G. Farben want to acquire control of the French dyestuffs industry?

A. They didn't want to acquire control. They wanted to make it balanced 50-50.

Q. Why were you interested in the French dyestuffs industry. Why did you want such a participation?

A. Because we were willing to give all our "know-how" and technical knowledge in the whole thing to the French company and since we, at least, it was the opinion, our men were superior in technique, we thought to be entitled to a 50-50 share.

Q. I will take that part up with you some other time. I have here a chart which is entitled Legal and Patent Departments of I. G. Farben and is identified as Chart No. 3. Could you please look at that and tell me whether that chart correctly sets forth the organization of the Legal and Patent Departments of I. G.? (Chart is handed to Dr. von Knieriem). In regard to Mr. Brueggemann, what was his position on the Legal Committee? Was he an important man?

A. Besides myself, he was only member of the Vorstand.

Q. Was he kept informed of the legal matters coming before the Vorstand?

A. If ever legal matters were brought up in the Vorstand, only two members were present, myself and Brueggemann, after the death of Suhl.

Q. One other thing, would Brueggemann himself handle any special matters?

A. Yes. He was the first lawyer of Leverkusen and he was advisor of Hoerlein, Mann, and Kuehne, who were the three members of the board of Leverkusen.

Q. Would it be fair to say that Brueggemann was the chief legal advisor of all matters at Leverkusen?

A. Yes, certainly.

Q. And did he have anything to do with policy decision and management

at Leverkusen?

A. Yes, as far as Leverkusen was concerned, Yes.

Q. In addition to being a lawyer and member of the Legal Committee, did he have additional authority by being in the Vorstand?

A. You know what Betriebsfuehrer is. Kuehne was the betriebsfuehrer of Leverkusen. Brueggemann was the second betriebsfuehrer or representative betriebsfuehrer.

Q. What were his duties as betriebsfuehrer?

A. I don't think his duties were as far reaching as Kuehne was, but when Kuehne was not there, they would apply to Brueggemann so that part of his duties were outside of the legal field.

Q. And what would it cover?

A. In this committee of betriebsfuehrers headed by Schneider, I think, Brueggemann was a member. Here is a little thing you have touched. I, myself, was never a kind of representative betriebsfuehrer of Ludwigshafen. If Wurster or Ambros were prevented to go, it would never come to me so I was never attended a meeting of the committee of betriebsfuehrers, but it might be, but I do think Brueggemann, as a representative of Kuehne, participated in the meetings of the committee of betriebsfuehrer held by Schneider.

Q. Would Brueggemann ever discuss with you or Vorstand members while you were present, or were you ever informed of any discussion regarding labor in I. G. Farben plants?

A. No, I don't think Brueggemann brought up that question.

Q. Was there any discussion in the Vorstand, TEA, or elsewhere at which you were present and were you informed about use of prisoners-of-war in I. G. Farben plants.

A. No discussions were held.

Q. I. G. Farben did use prisoners-of-war as laborers in their plants. Did they consult anybody whether they could use these prisoners?

A. And they did it also in the last war, because I. G. was not an armament plant. I. G. was of tremendous importance but I. G. did not fabricate things which were immediately connected with warfare as arms and munitions.

Q. Who informed the Vorstand and the respective officials of I. G. Farben that it was not an armament plant, that the use of prisoners-of-war in the plant would not be in violation of the Hague Convention?

A. Nobody, but since these questions have turned up during Nuernberg trial, we of the Vorstand have discussed it when sitting together at Krensberg. Ter Meer told me once in the first World War in the plants of his father, prisoners-of-war were at work in making sulphuric acid.

Q. Do you recall whether you were informed of Mr. Schmitz making a report to the Aufsichtsrat that I. G. Farben should use foreign labor and prisoners-of-war to meet their labor need?

A. No.

Q. Will you please identify this chart by marking for identification and sign your name so when he have any further discussion, we will have reference to the same chart. I am only asking you to identify it?

A. I can't understand how far-reaching this is.

Q. Does this chart you have just marked for identification, does that in a general way fairly represent the Legal and Patent Departments of I. G. Farben in a general way?

A. In a general way, Yes. There is something to tell about Taxation Department but in a general way, it is fairly done.

Q. What departments listed on this chart do you think are not accurately set forth? Just name the departments.

A. Well probably they are all right but would like to tell something about Taxation Department.

Q. Is that the only department you feel you have to tell me about to tell me whether this is correct or not?

A. Yes, I think that is the only thing. Then I can't swear upon it myself. There might--you must put a time on it since you are giving names. It applies to certain time and here is nothing to indicate which time. Do you mean 1945 or 1939. They have changed all of these people. Some stepped out and some new ones came. It would have been good to say the time for which this was made.

Q. What time do you think this would apply to?

A. The structure for the whole period of the war, but not about the names.

Q. Would that be a fair chart of the organization as it existed in 1938?

A. Yes, I think it would be but not with regard to names.

Q. You are not sure to names?

A. This man Beiner joined I. G. I think in 1943.

Q. There are only details which you would criticize? All you would want to discuss tomorrow would be the Central Taxation Committee. Otherwise this fairly represents with exception of the names which you are not definite about the organization and line of responsibility is fairly set forth in this chart.

A. Yes, you can say that.

Q. It is alright?

A. Yes.

To the best of my knowledge and belief.

/s/ A. v. Klierien

Institut für Zeitgeschichte - Archiv

Wittberg, v. 22.4.47

25-355-85

Institut für Zeitgeschichte, Archiv

25-953-86
interrogation of: Dr. von Knieriem
April 22, 1947
Interrogator: Morris Amshan
Reporter: Ann Thrash

Institut f. Zeitgeschichte
München
ARCHIV

1948/56

- Q. Dr. von Knieriem, you understand you are still under oath?
- A. Yes.
- Q. Yesterday you were telling me of your participation in the Hydrier Werke and that was in what year?
- A. That was about 1937.
- Q. All right. Will you go ahead from there on?
- A. Then I talked to you about Francolor and you were acquainted with the details. Then in 1937 and 1938, a great deal of that time was taken up about the new company law or new charter of Germany. I having nothing else special to remember about I. G. Chemie.
- Q. Anything further in 1938?
- A. No, I don't think so.
- Q. Anything further in 1939?
- A. Well, I. G. Chemie thing was not until 1937. No, I don't think so.
- Q. Yesterday you told me the I. G. Chemie was in 1940 and that was in connection with General Aniline and Film?
- A. The thing was like this. The work on I. G. Chemie thing was started earlier, I think perhaps 1937 or something like that, because the contract didn't work any more with regard to the deflation of the dollar and the Swiss--
- Q. No, I don't think that is exactly what we spoke of. As I recall it, you told me yesterday that in 1940 you discussed with Mr. Schmitz, and Mr. Schmitz consulted you on the steps to be taken to have I. G. transfer its assets to friendly interests in America in connection with the General Aniline and Film, and for that purpose, I. G., among other things, severed its connections with I. G. Chemie in Basle?
- A. In this case, we didn't transfer any things in the United States to friendly hands but we dropped the contract.
- Q. I understood that.
- A. But your question was I should mention important things which I have worked upon as a chief lawyer and there was another thing that this I. G. Chemie was a very troublesome and difficult matter quite apart from protecting I. G.'s interest in case of war.

- Q. That only related to international affairs of I. G.?
- A. International affairs because the contract was not workable anymore.
- Q. I don't think that is connected with any point of inquiry we are interested in. Have you stopped now with 1939?
- A. The only thing which was in 1940 was the Francolor contract.
- Q. Let's get back to 1936. Do you recall about March, 1938, when the Germans took over Austria. Around the time of the Austrian invasion, what matters were you consulted about and what were you kept informed about?
- A. I can't remember anything special.
- Q. Were there any special problems arising in connection with I. G. Farben business?
- A. In that time I made a Mediterranean trip and it was during this trip that I heard about this thing.
- Q. What did you hear?
- A. I heard of the invasion of Austria.
- Q. You heard the Germans invaded Austria. Where were you when you heard this?
- A. I was in Beyreth.
- Q. Were you in touch with I. G. Farben officials at that time?
- A. No, entirely private trip with my wife.
- Q. When did you get back from that trip?
- A. Well, I couldn't tell you exactly. Perhaps two weeks later from Beyreth.
- Q. In April, 1938, were you in Germany?
- A. Yes.
- Q. When you got back, were you informed or was your advice requested in connection with I. G. Farben in Austria.
- A. No.
- Q. Did you know I. G. Farben was negotiating for the Skodawerke in Austria?
- A. Well, I knew we were in connection with these things. These are not Skodawerke, the big armament plant, but quite a special chemical plant in Austria.
- Q. I am talking about Austria.
- A. No, I was not consulted and I hardly can remember quite the connections but there were connections. I think we bought these Skoda plants

and I think that they had on previous times thought about it. This is one of the many things we have talked about at Kranzburg and, as far as I remember, Ilgner at that time told me that the plant had already in previous years been offered to I. G. at a certain price and that after Germany had invaded Austria, we bought it at a higher price than offered previously.

Q. Who did you buy the plant from?

A. I can't tell you that. And then I think I know that the plant was brought in the new company Donau Chemie but also I can't tell you about that.

Q. Were you informed as to whether negotiations were carried on between I. G. Farben and the Deutsche Bank for the acquisition of the Creditanstalt Bank?

A. Never heard the name Creditanstalt Bank.

Q. Creditanstalt Bank was the bank in Austria which owned the controlling interest. Were you advised of the financial arrangements made to acquire the interest of Skodawerke?

A. No.

Q. Who handled the negotiation and the drawing up of the contracts for it?

A. I am not quite sure but most likely Ilgner.

Q. Would Ilgner have drawn up the contract?

A. No, not himself, but he would have used lawyers in the place but had with him Kersten and Gierlich. I think that he was afterwards president of the Aufsichtsrat of the Donau Chemie.

Q. But the lawyers who assisted in preparing the contracts, did they keep you informed of the nature of the contract?

A. I don't remember, though it is possible that afterwards perhaps I have seen the contract but I don't remember.

Q. In 1939, the time of the Munich Pact, were there any discussion in I. G. Farben in which you participated or were you informed on any matters relating to I. G. Farben activities in Czechoslovakia?

A. I don't remember but there must have been. There were discussions in the Vorstand about Prager Verein and Schnitzler was telling that in the Vorstand meeting.

Q. What was he telling?

A. He was explaining the situation that the Prager Verein was prepared to

sell, I remember, two plants in Sudetenland, one for nitrogen and one for dyestuffs. And since we have also talked about these matters in Kransberg, I remember that the thing was handled in this way. That a German chemical company with the name of Heyden and I. G. took these plants jointly on a 50-50 basis. I think it was, that is to the best of my knowledge.

Q. Were you in Germany at the time Schnitzler negotiated with the Prager Verein for its acquisition and purchase?

A. I don't know exactly when he was negotiating and where I was at the time, but I was at that time in Germany and participated in the meeting of the Vorstand when Schnitzler brought the whole matter before the Vorstand.

Q. Was any question ever presented to you whether the commissars who were appointed to operate and manage the plants of the Prager Verein in the Sudetenland as to their authority to operate the Prager Verein?

A. No, never. There were commissars--officials which were at the new plant, you mean?

Q. Do you know who the officials were that were put in charge of the Prager Verein in Sudetenland?

A. No.

Q. Did Schnitzler tell at the meeting that I. G. representatives had been placed in charge of the Prager Verein in the Sudetenland?

A. I can't remember.

Q. Did Schnitzler tell you who he was negotiating with for the acquisition of these plants?

A. I don't remember but I have slight recollection that was the name of Adolf.

Q. Did you ever hear of the name Zinsser?

A. Yes, yes. That name was mentioned and Zinsser, I don't know him, but know by name he was director of the Dresdner Bank.

Q. In what connection was his name mentioned?

A. Well, I think only that in some way or another, also the Dresdner Bank was tied up with it. Must be that--could only be that--but I remember the name Zinsser.

Q. Why should the Dresdner Bank be tied up with I. G. Farben trying to acquire the plants of Prager Verein?

A. I remember that coming out of earlier times, the Dresdner Bank

had relationship with Prager Verein. That wouldn't be any surprising thing.

- Q. Did you have any relationships or business dealings with the Dresdner Bank before this?
- A. You see, to a certain extent, I think I. G. was working together with all banks in Germany. That goes without saying, but that was only usual business.
- Q. Why should I. G. Farben ask the Dresdner Bank to participate in negotiations with Prager Verein?
- A. No reason at all but could have been that in earlier times Dresdner Bank and Prager Verein were related in some way but I don't know anything about it, but this could be the reason their name was in touch with Dresdner Bank.
- Q. You say Mr. Zinsser's name was mentioned in the Vorstand in connection with this matter. Who mentioned his name?
- A. To the best of my recollection, if somebody took it up, probably it must have been Schnitzler because in my recollection, but this recollection is a good one, he told us in a meeting of the Vorstand a good bit about the whole thing.
- Q. He, meaning who?
- A. Schnitzler. When the name was mentioned, it was probably mentioned by Schnitzler.
- Q. Was your advice requested in regard to the matter?
- A. No, none at all. I do know it was certainly possible if Schnitzler would have dealt with the I. G. lawyer in this case, he probably would have dealt with Kuepper.
- Q. And di Kuepper inform you of the matter?
- A. No, as a rule, not. I mean if there would have come up quite special questions it might be, as a rule not. For instance, in the Francolor case, Ter Meer and Ambros applied to me and asked especially for my advice with regard to the way--how to scheme the exchange of experiences, that was quite a special question, and that when I had some special experience in these things coming out of my dealings with Standard Oil, they asked my advice--how to phrase this and manage this and flowing around experience, and there would be a case where one of the lawyers or associates would apply to me but in this thing, we are talking about now, I don't remember if my

advice was ever asked.

Q. Was the contract submitted to you relating to the purchase of the Prager Verein?

A. That might be. I gave you--I told you, as a rule--all contracts had to be sent to the Central Department for Contracts to find out whether there could be an collision with prior obligations of I. G. Now in purchasing a plant, there is probably no danger of collision.

Q. Was this a special kind of purchase?

A. What do you mean special kind?

Q. Was this a little outside of the usual business dealings of I. G. Farben?

A. No, I don't know why. Perhaps it was singularly that we acquire together with another chemical company.

Q. Was it unusual to negotiate for the acquisition of a plant where part of the country was being occupied by German forces?

A. Well, this is certainly unusual, because, as a rule, there are no territories occupied by somebody. Certainly unusual, you see--

Q. You mean the occupation of the Sudetenland by Germany was unusual?

A. I mean unusual--you asked whether the contract was--

Q. The entire negotiations for the purchase under those circumstances, would that be unusual?

A. The whole time unusual, certainly.

Q. If they were unusual, it would not be an ordinary matter to send the contract to the Central Contract Department?

A. The contract once done and once negotiated had to be examined by the Central Department of Commerce in the usual way because afterwards it was a usual contract even for the circumstances, and had to be examined whether there was any danger of collision. It might be possible it was not sent to the Central Department of Contracts, but it may be.

Q. Do you recall whether you did see the contract?

A. No.

Q. Do you recall whether you are informed of the contents of the contract and the nature of its terms?

A. I remember only the discussion in the Vorstand.

Q. Was Schnitzler discussing that?

A. Yes.

Q. In 1939 after the invasion of Poland, was there any discussion as to I. G. acquiring plants in Polish territory?

A. I don't remember at that time in 1939 I have heard anything about it. But when we went to Krensberg in our discussions there, some cases of minor things were mentioned by Schnitzler, but I don't remember the name anymore. There was one or two plants for dyestuffs--one plant was, I think, partly owned by some big French dyestuffs company.

Q. Did you ever hear of the Boruta plant?

A. Yes, that was one of the names Schnitzler mentioned in Krensberg and Wolla. I remember further that at that time in Krensberg that Schnitzler told in one of these cases, I think it was Wolla, we acquired only inventories and probably he has mentioned for the other case that we have acquired from some governmental authority in Germany I think. But at that time in 1939, I don't remember that I have heard anything and I don't remember having seen the contract or I don't remember in this case that it has been discussed in the meeting of the Vorstand, although it is not impossible.

Q. Your recollection, as I understand, is based solely on what Mr. von Schnitzler, Ter Meer, and other members told you at Krensberg?

A. Yes.

Q. You have no recollection other than that what they told you at Krensberg?

A. No.

Q. Do you know whether I. G. Farben paid for the Boruta plants?

A. If I. G. Farben had bought them, they must have paid for them.

Q. Do you know to whom they paid money for the plants?

A. No, but it is, to my recollection, likely that Schnitzler told at Krensberg that they purchased from some German governmental authority they probably will have paid to them.

Q. Was there any question ever discussed in I. G. Farben at that time as to whether the German agencies had authority under international law to sell a plant located in Poland?

A. No, certainly not.

Q. Would I. G. Farben be concerned as to whether it could acquire a good title when it buys a plant?

A. But it may be that the owners may have consented out of its own free will without being forced.

Q. How could the owners consent to sell its plant when German armed forces were already occupying the plant? You just told me of Schnitzler's negotiation with authorities to acquire the plant. What do you know about the transaction?

A. I know only what I told you and what is based on the information in Krensberg. I have no recollection whatsoever to have heard about this previously to the talks at Krensberg.

Q. Would you, as chief legal advisor to I. G. Farben, have permitted them to acquire a plant without advising them to get a good title to it?

A. I told the story about the whole thing then depending upon what I have told--

Q. Did Schnitzler tell you who was the legal advisor in this matter?

A. No.

Q. Do you know who was the legal advisor in this matter?

A. Since it is a dyestuff plant and since Schnitzler was talking of these things primarily, I think it was probably Kuepper. I am not sure.

Q. Were any of these things mentioned in the meetings of the Legal Committee?

A. I don't remember anything at all.

Q. Were any questions of international law discussed in the meetings of the Legal Committee?

A. Well, it is a question of international law whether international contracts are curbed by war; I gave you this as an example being discussed.

Q. In what way did you discuss that question. Do you recall. Was that before the war?

A. Not before the war. But it is not impossible that it was between after the outbreak of the continental war and before the outbreak of the war with the United States. I think it was later--I think it was about 1941 or 1942 or 1943. Something like that. It can't be after about 1942 because the lawyer who made it was sent afterwards to the war.

Q. Who made what?

A. Made the opinion about the influence of war on international contracts.

Q. Influence of war?

A. The lawyer who gave the opinion of the influence of the war.

Q. The effect of war. Was that a written opinion?

A. there was a very long written opinion and this written opinion was shown to me one day during the time of my arrest and then it was translated in English and I had to check the translation and it was put with those things. I talked to you some days ago which I have been working with Mr. Luskay and sent to Washington.

Q. I will ask you this thing again. Will you give me your best recollection Prior to 1939 at the outbreak of the continental war, what questions relating to international law were you consulted on or were you informed about in I. G. Farben?

A. If you mean international law, you will not have now in mind contracts with companies of other countries.

Q. No.

A. You mean the law of nations or what is law of rights of a government to do one thing in connection with war. Prior to 1939, I don't recall anything in this connection.

Q. After 1939. From 1939 and to 1940. Do you recall any international law questions with respect to occupation or policy for instance?

A. I recall one thing. I recall that after the occupation of Holland-- Netherlands--there arose some difficult questions which--legal questions-- which came out of the following facts in Holland. There was a Dutch company, International Hydrogenation Patents Company, and this company owned the former I. G. Farben patents on hydrogenation for work outside of the United States and we had some dealings with this company. Now just before, some days before, the occupation of Holland, this company, as I told you already, changed its scene of business from Hague to Curacao and the German occupation forces made a kind of law or something like that in which it was put down that this change of scene of the company was void and that still the scene was in Holland and since we had to do with this company, the question was interesting for us and as far as I recollect, I took the position that this was a silly thing to do and entirely inconsistent thing from the German occupation force and about this question and some others connected with this, there was made an opinion within I. G.

Q. In giving that opinion--

A. But this opinion was only internal within I. G.

Q. In giving that opinion, would you necessarily have to consult the Hague Convention to ascertain the rights of the German occupying

forces.

- A. Yes, I think I remember that in making this opinion which I have seen here in this building--right here, the writer of this opinion was dealing in an extensive way with the question and certainly will have cited the Hague rules of land warfare.
- Q. Between 1938 and 1945, did you have occasion to consult the Hague rules, particularly as to obligations imposed upon occupying parties?
- A. I remember one case that the question arose whether patents in a foreign country which were owned by residents of an occupied country were property located in the foreign country or property located in occupied country. In the case that they were located in occupied country, there might have been possible that the occupation forces had some right to deal with it. It may--
- Q. It is not the opinion that you gave but it is the question that was considered?
- A. But in the case property was located in the foreign country, naturally the occupation forces would have no right whatsoever and I think that-- that is the only case I remember.
- Q. Were there any other members of the Legal Department of I. G. Farben who were kept informed and called upon to advise in connection with the application of the Hague Convention to I. G. Farben activities?
- A. No.
- Q. I want to see if I understand you, Dr. von Knieriem. Is it your point that during the entire period from 1938 to 1945 nobody on the Legal Department was ever called upon or consulted in connection with the application of the Hague rules?
- A. I don't remember a case.
- Q. I want you to reflect on that answer very carefully. From 1938 to 1945 you acquired property in Austria, you acquired property in Czechoslovakia, Poland, Norway, France, and in Russia--that was a lot of property I. G. Farben acquired--was anybody in I. G. Farben's Legal Department ever consulted with respect to application of international law of Hague Convention in those matters?
- A. No, but in many cases, to give as an example, I took it even now if property was acquired, it was acquired from the owners in just the way as it is usual.

- Q. You know better than I how the property was acquired.
- A. I think it was acquired quite properly in the usual way.
- Q. As I say, I. G. Farben and its officials knew better than I how the property was acquired. That is not my question. In connection with such acquisitions, was there anybody in the Legal Department of I. G. Farben which was called upon to advise on the application of international rules, especially the Hague rules?
- A. I don't remember, to the best of my knowledge, anyone.
- Q. Would you say that nobody advised them?
- A. I can't say anything.
- Q. In connection with the employment of slave labor, did you know and did members of the Vorstand know that slave labor was employed in I. G. Farben plants?
- A. I knew that foreign workmen were employed but I took it that they were employed on a contractual basis and this was also told me by my associates afterwards in Krasberg.
- Q. And before that time, you didn't know?
- A. I didn't know and I took it they were employed on a contractual basis.
- Q. Did you ever attend any meeting of the Vorstand or TEA where Ambros discussed Auschwitz Buna plant?
- A. That isn't impossible, also I have no direct recollection of it, but I attended very often the meetings of the TEA.
- Q. When did you visit Auschwitz?
- A. I couldn't tell you the year exactly but probably about, I would say, 1942 or something like that.
- Q. Did you see the concentration camp there?
- A. No, I didn't remember that.
- Q. Who accompanied you to Auschwitz. Who was with you at the time you visited Auschwitz?
- A. Ambros and Ter Meer, besides others.
- Q. What did you discuss in connection with that visit?
- A. We had--I couldn't tell you exactly what we had discussed--I mean I don't think that my coming to Auschwitz was really necessary but sometimes if you have the opportunity to see a big plant, you do it because it is interesting and interests me although not being a technical man but I couldn't tell you we hadn't any real discussion. The first would have taken place in this way. I came by sleeper to Berlin to Breslau, going

then by car to Auschwitz, and then was brought to a room where there were big drawings from the plant, sketches, diagrams, then it was shown which part under construction, and then we went through the whole plant and certainly we have discussed things but not discussion in the sense that they had to make any decisions or something like that.

Q. Did you discuss manpower problems and labor problems?

A. Not at all. Then I said, I remember this, I was especially interested to see the adjoining farm which had been purchased with the regard to provide for food and special things, because I am interested in farming.

Q. Food for whom?

A. For the whole people who worked in Auschwitz and we went there and then we left after some hours.

Q. Did you ever have any dealings with Struss, Ter Meer's assistant?

A. No. I knew him certainly but sometimes if I had to talk by telephone and Ter Meer was not there I would have applied to Struss, but especially I had not very much to do. I must mention one thing. In one of my statements about Legal Committee, I told you that the contracts were sent to the Central Department of Contracts and it was usually to make there copies and to send a copy of each proposed contract which had been sent to the Central Department for Contracts to three outstanding technical men within I. G. To the three leaders of the three divisions--Spartes. And one was Ter Meer. Sparte I was headed by Krauch and Schneider; Sparte II which was by far the greatest one, by Ter Meer; Sparte III was headed by Gajewski. Now I know that the copy for Ter Meer, as far as I remember, was sent in his branch to Ter Meer.

Q. Did they also send you copy of those contracts?

A. I didn't need a copy. I was sitting in the room next to the Central Department for Contracts.

Q. Were you informed of all contracts that came into the department?

A. Yes, as a rule, they passed me but I didn't read all of them.

Q. Do you mean they came across your desk for consideration?

A. They came to my table. If they were smaller ones, they might have gone immediately to the Central Department for Contracts.

Q. Is this a fair statement. All the main contracts that I. G. Farben made between 1935 and 1945 were sent across your desk. Is that a fair statement?

A. I will say then, all contracts which came under the definition of those contracts which had to be sent to Central Department for Contracts were those where there could be any danger of collision.

Q. Did all come across your desk?

A. They would come over my desk but when I was not present, they wouldn't leave on my desk until my return but sent immediately to the Central Department for Contracts, and even if they came to my desk and after if I was present, sometimes I looked through them very quickly and maybe didn't even read them because they were carried on by the special members for the contract.

Q. Is it fair to say this, whether you read them or not, you were informed on the main or principal contracts I. G. Farben made during this period of time?

A. Yes, I shall say almost all of them. It is likely there is a contract in itself important but not bearing on the question of collision and it is possible that those contracts, some have not come to my attention.

To the best of my knowledge and belief.

A. v. Knieriem

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- Q. You understand, Dr. von Knieriem, that you are still under oath?
- A. Yes.
- Q. Could you tell me what you know about the new order--first, the discussions about the new order in the Vorstand?
- A. I remember that in a meeting of the Vorstand, Schnitzler told about the new order which was a plan made by I. G. officials with regard to the settlement of economic questions in Europe after the war. I think to remember that this work was done upon the request of the German government. I do not know who in the government approached I. G. and I further don't know what people in I. G. were approached but I think it likely that members of the Economic Department of I. G. in Berlin were approached.
- Q. Did the members of the Vorstand know what the objectives and the purposes of the new order were--do you understand my question?
- A. Yes.
- Q. You say it was discussed in the Vorstand?
- A. I think that Schnitzler will have made that clear in his speech to the Vorstand.
- Q. Were you present at that time?
- A. I think I was present.
- Q. I understand that you prepared and wrote a paper relating to patents and in that paper you recommended the establishment of a central patent office for Europe. Is that correct--did you write such an article?
- A. I wrote an article about the question of simplifying European patent matters in the periodical, *Leverkueher Patentschutz und Wheterrecht*. This article was written not in any connection with the preparation of the new order and also, as far as I remember, printed on or before--
- Q. When--could you fix the time--after September, 1939?
- A. Yes, certainly.
- Q. What I am getting at, I understand from what you told me the other day you wrote this after the outbreak of the continental war--do you think that is correct?
- A. I really don't know. I may have written this article in the beginning

of 1940 but I can't tell you exactly.

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- Q. Tell us something about the article?
- A. In this article I dealt with the question which was not a new one, namely, the question whether it should not be possible to create something like a European patent. If this would be considered as going too far, then at least the possibility should be considered that only in one place the examination should be made where the invention is new instead of making this examination in every European country which granted patents only after examination; this would simplify matters and save a lot of superfluous work.
- Q. You refer to the creation of a European patent, what do you mean European patent?
- A. The first of the two possibilities named above, namely the creating of a European patent, would mean that one European office in which the different countries had representatives would grant a patent which would be valid in all those European states which would have signed this convention.
- Q. Would the concept of a European patent as you described in that article have eliminated the patent offices of the other countries?
- A. It probably would have. This possibility of--
- Q. In the European patent as you have just described?
- A. Yes. I gave above two possibilities to uniform the European patent situation.
- Q. To make uniform the European patent?
- A. First, the creation of a European patent and second, a procedure where the examination when the invention is new is only made in one place. The first of these two suggestions would probably eliminate the different patent offices, but not the second one.
- Q. I understand. Did the new order which I. G. Farben submitted to the German government, did that incorporate the recommendations made in this article just mentioned--Do you understand my question?
- A. As I told you before, my article was written not in any connection with the new order; it was sent by me as usual to my associates. I don't recall whether the idea of annexing my article to the new order of the I. G. officials came from me or my associates. It probably seemed

the sensible thing to do because there were some connections.

Q. Between what?

A. Between this article about patents and the organizing of the European situation in patents and those problems touched upon in the new order.

Q. Did you see a copy or a draft of the new order prior to its being submitted to the German officials?

A. I don't recall that but I may have seen it.

Q. I understand Dr. von Kaieries that you participated in the preparation of the contract relating to Norsk-Hydro, the contracts specifically in which the capitalization of Norsk-Hydro was increased and I. G. Farben had one-third participation, Norsk-Hydro one-third, and the German Aviation Bank one-third. Do you recall that?

A. I can't remember about it.

Q. The contract with Norsk-Hydro that I am referring to is the contract made about 1940--what do you know about that contract. Let me put the question on a broader basis---

A. I know this transaction as a whole because it was talked about very often in the Vorstand.

Q. Tell me what you recall about the transaction?

A. I know this--that I. G., Norsk-Hydro, and Luftwaffe Bank established a new Norwegian company Lettmetal, each of the three founders taking one-third of the stock.

Q. For what purpose was the corporation formed?

A. The corporation was formed to build a plant in the field of light metals on water power.

Q. And this was in 1940?

A. I couldn't tell you exact date.

Q. Was it after the invasion of Norway?

A. Yes, I think so. Then I recall that Norsk-Hydro was obliged to increase its capital to provide for the money necessary to participate in this.

Q. To furnish the capital to construct the new plant?

A. To be partners in this business--to take one-third of this thing.

And then I learned in Krensberg through discussions with Ilgner, but I don't remember to have this knowledge before, that there were difficulties for the French shareholders.

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- Q. Difficulties of what nature?
- A. Difficulties for the French shareholders of Norsk-Hydro to exercise their right to take over their respective part.
- Q. Are you familiar with the term "preemptive rights" of shareholders. Is that what you mean. Were the French shareholders denied their preemptive rights?
- A. There was some kind of trouble with regard to foreign currency and this difficulty was settled, as Ilgner told, by arbitration through an eminent banker, Wallenberg.
- Q. What was there to arbitrate and who participated in the arbitration?
- A. I don't know the details but probably the French shareholders had to get some recompensation for the fact that an increase of capital was made without their being able to take up new shares.
- Q. Did the French shareholders have majority control of Norsk-Hydro before this increased capitalization?
- A. I don't know. The only thing I know is that since very old times a great many shares of Norsk-Hydro were distributed in very many hands in France.
- Q. Did you believe at that time that French interests had control of Norsk-Hydro--was that the understanding in the industry?
- A. I don't think--I believe they had control.
- Q. Did German interests have control of Norsk-Hydro?
- A. No, as far as I remember, I. G. Farben, since its transaction of 1927 with which I was very closely connected, about one-third of the shares of Norsk-Hydro but may have given all or part to I. G. Chemie.
- Q. As an owner of one-third of the stock of Norsk-Hydro, I. G. Farben must have known who had the controlling interest. Is that right--no other German interest had control did they?
- A. I don't think so but there are companies where no one has the controlling interest. And it may be that in France if the shares were split up between many many people there is no real majority.
- Q. But as a practical everyday corporation matter of operations, did some group have control even though as a matter of numbers, it was less than 51 per cent. Now did any German interest have control of Norsk-Hydro before 1940?
- A. I don't think so.

- Q. After 1929 when this new capitalization was put through and the French shareholders had some difficulties that you mentioned, did German interests acquire control of Norsk-Hydro?
- A. It is possible the German participation went up--whether it went up through the incapacity of the French shareholders to use their prescriptive rights or by acquisition of shares from other side I don't know.
- Q. Were you advised of the negotiations in connection with this contract in 1940 for the increased capitalization and new participations in Norsk-Hydro?
- A. I don't think that I was made acquainted with these things as lawyer but only through participation in board meetings.
- Q. Meetings of the Vorstand?
- Yes.

I, Ann Thresh, AGO No. A 448986, hereby certify that the above pages which bear my initials, constitute a true and correct transcript of the stenographic notes made by me on May 2, 1947, of the interrogation of Dr. August von Anieries.

/s/ Ann Thresh