

**File reference:** III WKV 274/51

## **Appendix I**

### **Transfer**

of the transcript recorded in the public session of the Restitution Chamber at the Regional Court Nuremberg-Fürth on 23 September 1953

### **in the matter of**

Joel Carl Amson

### **against**

Josef Neckermann

### **concerning**

restitution

### **1st Witness**

#### **Personal details:**

#### **On the matter:**

Hans Kleinlein, 52 years old, married, textile merchant in Bamberg.

I had been with the firm Joel since 1932 as department head of ready-made clothing. In 1938 I was taken over together with the firm by Neckermann and was then transferred to the branch operation Bähringen near Karlsbad. This operation in Bähringen was equipped in part with the machines of the Nuremberg operation. About 100 of the machines from Nuremberg came to Bähringen.

In the summer of 1938 the department head Beifuß showed me an older and a younger gentleman who were inspecting the operation and told me that these two gentlemen, Mr. Neckermann and his father-in-law Brückner, wanted to take over the operation. The further negotiations were conducted

first by Mr. Joel himself and after his emigration to Switzerland by Mr. Tillmann. I know nothing about details of these negotiations.

In the summer of 1938 we carried out an inventory and recorded the entire stock of goods. This inventory was carried out according to the usual rules for inventory taking. In our department, on the purchase prices for fashionable goods a deduction of 10–15% was made. In the preparation of the inventory we took the purchase prices as a basis and for the goods manufactured by ourselves the costs for raw materials and labor. From this price we then wrote off 10–15%. For the self-manufactured goods we definitely took only the manufacturing costs as a basis. In our calculation a gross surcharge was taken, which consisted of general overhead costs and profit. These two items, however, were not separated individually.

When I came to the firm Joel in the year 1932, the ready-made clothing department was not yet developed. At that time we had in the ready-made clothing department some aprons, shirts, work suits, but no outer garments. Since 1932 the ready-made clothing department in the firm Joel was enlarged. Through the establishment of the Nuremberg sewing shop it was better expanded. The turnover in the ready-made clothing department, which in 1932 amounted monthly to 80,000–120,000 RM, increased by the year 1938 to monthly around 1 million. In relation to the usual mail-order business the share of ready-made clothing was approximately half of the entire business. In the Nuremberg operation there were about 150 machines, which were operated by about 150–180 male and female workers.

In the Nuremberg operation there were 3 assembly lines. The Nuremberg operation was taken over by Mr. Neckermann and was shut down only at the end of 1939 on the basis of requisition under the Reich Performance Act. It was relocated partly to Bähringen, partly to Berlin.

When the operation was moved to Berlin in the year 1934, the business was completely newly set up in the Osram building in Berlin. The building was completely refurbished for our purposes. As goods, about 160 freight wagons went from Nuremberg to Berlin. I myself went to Berlin only at the end of June 1934. Until then I supervised the loading of the Nuremberg goods to Berlin.

**Upon confrontation by the obligated representative:**

In the negotiations concerning the sale of the business Mr. Joel was there the first few days and then went away. Where he went I did not know. In particular it was not known to me that Mr. Joel went to Switzerland. As department head I had at all times personal contact with Mr. Joel and could also come to him at any time.

The last price list, which was made as of 31 July 1938, we prepared in the villa of Mr. Joel. After the departure of Mr. Joel then Mr. Tillmann appeared. Mr. Tillmann was according to my recollection a former business friend of Joel and also seems to have been well known to the deputy operations manager Krüger.

I can still remember the final discussion about the inventory taken at that time; at this discussion Mr. Lang was present for Mr. Neckermann, for Mr. Joel Mr. Tillmann was present. In addition, Mr. Wunderlich and I took part in the discussion. Whether Mr. Neckermann himself was present, I no longer know. I cannot say that this discussion led to a dispute of a more significant nature.

After the war Mr. Neckermann approached me in order to obtain from me a confirmation that he had taken no influence on the valuation of the stock of goods. What deductions were made in the purchase contract from the determined result of the inventory, I do not know.

**Upon confrontation by the applicant's representative:**

The spinning fiber prices were observed by us on the basis of the Spinning Fiber Regulation. In the warehouse of my department perhaps 10% of the goods were over-aged, that is, they were not sold immediately after being recorded into the department but had survived the season.

Because of the danger that such goods remain lying, on purchase prices 10–15% were written off. In this connection it is known to me that in the fabrics department there was a large item of wool fabric, which Mr. Joel had purchased from Mr. Tillmann out of friendship, which was difficult to sell.

The business was continued regularly until the completion of the sale. Mr. Joel purchased completely regularly in my department. I have, however, heard that in the raw materials purchasing orders were annulled. I also cannot say when this annulment of the orders took place. The sale was not particularly forced in the manner of a clearance sale. Joel was far too attached to his business to have thought of a clearance sale or a dumping of the goods.

It was not possible that Mr. Joel sold something behind the back of his senior employees in order to make money liquid.

I was employed with Joel from 1932 to 1938 and subsequently employed with Neckermann until 1945. On the occasion of the departure of Mr. Joel I received from Mr. Joel a special gratuity of 3,000 RM.

**Upon confrontation by the respondent's representative:**

The payment of this amount occurred according to my recollection in the autumn, approximately September/October 1938.

## **2nd Witness**

### **Personal details:**

#### **On the matter:**

Marie Schmidt, 46 years old, married, housewife in Nuremberg.

I was employed from 1929 onward as a bookkeeper with the firm Joel, first in Nuremberg and then I moved together with the firm to Berlin.

In the balance sheet which we prepared as of 23 June 1938, we still had a stock of goods of approximately 42 million.

I was told by employees, among others Mr. Sack, now employed in Fürth with the firm Hofmann & Wagner, that the department heads had said during the inventory in August that it was not so important to be exact. I remember that there was talk of a lot of 2,000 Manchester trousers, of which only 1,000 were recorded.

After Mr. Joel was gone, Mr. Krüger and Mr. Beifuß demanded from me a larger sum of money. I refused the payment because Mr. Joel had said upon his departure that he had left no debts behind. I asked Mr. Joel, who called from Switzerland, by telephone. Mr. Joel forbade me to give the money to the two gentlemen. Thereupon Mr. Tillmann and Mr. Krüger came to me and informed me that Mr. Joel would no longer come and that if I provided Mr. Joel with further information, he would have me taken into protective custody, as he had already done with other firms which he had Aryanized.

#### **Upon confrontation by the applicant's representative:**

About the condition of the warehouse I cannot say anything more precise. As far as I recall, the business was continued normally until the takeover. Of the cancellation of larger orders I have heard nothing.

It is known to me that Mr. Joel once bought jewelry and pictures. The pictures were still in the villa when Mr. Joel left; he presumably took the jewelry with him.

The last jewelry which Mr. Joel bought in the last year from Friedländer in Berlin may have cost about 60,000 RM.

I assume that Mr. Joel also had jewelry earlier, but I do not know it.

I cannot remember the high withdrawals read out to me from the audit report. In our commercial balance sheet we naturally valued the items differently than the tax auditors.

Approved without reading aloud after dictation.

Not sworn.

### **3rd Witness**

#### **Personal details:**

#### **On the matter:**

Hans Schrödel, 57 years old, married, motor vehicle driver in Nuremberg.

I was employed by Mr. Joel as a private driver and drove both passenger cars. At the takeover of the business by Mr. Neckermann I heard that with the valuations everything should be estimated as low as possible. I do not know anything specific.

Of my own decision I did not go to the firm Neckermann, but became self-employed as a food dealer in Nuremberg.

Of the two automobiles I only know that Neckermann took them over. What was agreed I do not know.

Since Mr. Joel no longer returned to the business, I was no longer with the firm.

In the villa Joel the belongings of Joel were assembled in the attic, locked up and secured by locks.

I then did not go there anymore.

Approved without reading aloud after dictation.

#### **4th Witness**

##### **Personal details:**

##### **On the matter:**

Fritz Tillmann, 64 years old, married, merchant in Munich.

I am by profession a cloth manufacturer and had taken over on an honorary basis in 1934 in Berlin the Economic Advisory Office. Into this office one day came Mr. Joel from Nuremberg and asked me whether he could not relocate his operation from Nuremberg to Berlin.

He was accompanied by Mr. Dr. Loev.

I then inquired about the operation of Mr. Joel with him himself and during a trip to Nuremberg in Nuremberg and promised Mr. Joel my support for the relocation of the operation to Berlin.

The Economic Advisory Office had the task of supporting the Berlin economy, above all distressed operations, and the Joel operation seemed to me suitable also to take on unemployed employees.

In Nuremberg I appeared before the Lord Mayor.

There I was described the operation as a solvent, reputable enterprise; only I was pointed out that Gauleiter Streicher would not let this operation go.

I myself went to Streicher, explained to Streicher that he had no legal basis to keep the operation in Nuremberg. When Streicher became more and more agitated, I left.

I then enforced the relocation of the operation to Berlin in Berlin and Munich. When the first freight wagons arrived in Berlin, Mr. Joel was arrested in Nuremberg. Through my intervention at the Reich Ministry of Economics, the Bavarian Ministry of Economics and the Bavarian Ministry of Justice I

succeeded in getting Joel released again in the shortest time. When we were finished with the loading of the goods to Berlin, Joel was arrested again. Again now I succeeded after three days, through interventions, in getting Joel released again. I then induced Joel to move to Berlin as quickly as possible. Joel did so. I then continuously further advised Joel, above all kept him informed about the endangerment of Jewish enterprises and about the respective efforts in the Berlin central offices, insofar as they were known to me.

At that time there was a struggle between a group around Göring, which wanted to preserve Jewish enterprises, and a group around Himmler, which wanted to destroy Jewish enterprises.

In the course of the year 1937, beginning of 1938, I pointed out to Joel that he should expediently sell his enterprise.

I also pointed out to him that it was not yet urgent, that he had time to choose an interested party. Joel explained to me at that time that he himself had already made similar observations and also gave me the commission to endeavor to find buyers. I did so and established contacts with about 14 or 15 interested parties, among them also foreign groups.

In the summer of 1938 there now came an interested party who seemed good to me. I went to Joel and informed him that I had now probably found the suitable buyer; then Joel disclosed to me that he had sold his business to Neckermann a few days earlier.

My first question was whether Neckermann, whose name was completely unknown to me, had the money to take over such an enterprise. Joel assured me that 1 million was already deposited, Neckermann had assets. He also introduced me to Neckermann at the banking house Hardy.

In August 1938 I was called from the Joel operation and asked to come to the operation. There I met Mr. Kaliski and Mr. Beifuß, who explained to me that they could not obtain the approvals of the competent authorities for the sale of the Joel business to Neckermann. They asked me to assist them in this matter. I declared that I could not do so, but that I was prepared to become active if Mr. Joel himself gave me power of attorney.

I then received from Mr. Joel successively two letters. With the second letter there was an express power of attorney enclosed.

In the negotiations with the DAF (Gau chairman Lorenz) I was first told that a mail-order business must not be continued at all. Only after prolonged persuasion did I succeed in convincing the case officer that the business was not being changed, that under the law it was permissible to change the owner, so that the fundamental approval for the takeover of the business by Neckermann was obtained from the DAF.

Mr. Lorenz still had to try to convince the Police Presidium and the Reich Ministry of Economics of his view. The approval in the Reich Ministry of Economics was obtained by speaking of the approximately 1,500 workers who, in the event of a shutdown, could not be accommodated without further ado.

By contrast, it was impossible to obtain approval of the contract with the valuations agreed between Joel and Neckermann. The Gau chairman Lorenz wrote on 29 August 1938 to the Police Presidium that he requested, most urgently, the approval of the takeover of the operation taking into account his proposals for amendment.

On the following day I concluded the supplemental contract with Mr. Neckermann under power of attorney of Mr. Joel. In this contract, instead of the deduction of 10% which was to be granted on the basis of an agreement of Mr. Beifuß with Mr. Neckermann of 22 August 1938, a deduction of 15%

on the favorable goods and of 30–40% on the non-current goods was agreed.

I insisted that the non-current goods be designated and fixed exactly. I hand over a copy of the list of the non-current goods, which were established at that time in my presence with the department heads, whereby in the valuation the figures in the last balance sheets were taken into account.

Furthermore, I had to consent that the inventory, which in the first contract was to be taken over at 200,000 RM, was reduced to 5,300 RM.

Furthermore, by order of the DAF the securing of a deficit amount of the purchase contract for possible tax claims etc. was demanded and approved by me, whereby, however, certain payment dates were fixed.

I was subsequently, after this contract, with Mr. Joel in Zurich; at least I believe I remember this with certainty, that it was after the contract, and I induced Mr. Joel to approve retroactively the contractual amendments which I had entered into out of necessity.

I also tried to persuade Mr. Joel to come with me to Berlin in order to try there himself to achieve more favorable conditions. Mr. Joel strictly refused this, since he had been denounced at all possible offices by his former legal adviser Dr. Loek and was in danger of encountering difficulties there.

Joel also told me that he had brought out enough and that it did not matter so much to him how the operation in Berlin was sold.

On this occasion Mr. Joel gave me a check in the amount of 100,000 RM for my commission.

I then flew back to Berlin and, on behalf of Mr. Joel, paid to the Jewish employees a special remuneration either in the amount of one month's salary or of 500 RM.

The payment of this remuneration was approved by the DAF only on the condition that all Aryan employees also receive one month's salary.

After the payment had been carried out, the customs investigation office came and initiated criminal proceedings against me for foreign exchange violations, which were only terminated after several months in submission proceedings.

Since this point in time I have been completely excluded from the settlement of the purchase contract. I therefore do not know what happened to the money paid by Neckermann, and also do not know what happened to the 500,000 RM which Neckermann had to secure.

It is correct that among the hard-to-sell goods there may also have been fabrics supplied by me. Which items these were I can no longer determine today from the list.

Mr. Joel had not purchased large items from me.

It is known to me that Mr. Joel had to have an Aryan operations manager in his business. That was a Mr. Krüger, who was always praised to me by Mr. Joel.

**Upon confrontation with reference to his right to refuse to testify, the witness declares:**

It has not been my manner to threaten anyone with protective custody; I also did not make such a threat toward Mrs. Schmidt. It is possible that I once forbade Mrs. Schmidt to establish direct contact with Mr. Joel again. I have no real recollection of such an incident. My office had nothing to do with Aryanizations. It was also not involved.

**Upon further confrontation:**

After the foreign exchange office had already been dealing with the Joel matter, Mr. Neckermann once said to me that he would leave the amount of 500,000 RM, which was to be retained, further in his books in order thereby to save it for Joel, because otherwise it would fall to confiscation. In what form this amount appeared in the books is not known to me.

**Upon confrontation by the respondent's representative:**

Under power of attorney of Mr. Joel I caused payments to be made to the employees and, according to a list which Mr. Joel gave me, also to relatives of Mr. Joel. These payments were to be made at the expense of the purchase price Neckermann. I handed over the slip with the addresses to the office of the firm Joel, now Neckermann, for execution.

The payment previously mentioned to the departed Jewish and the taken-over Aryan employees is contained in §7 of the supplemental contract. How high the total sum was which was paid at that time as a credit against the purchase price, I do not know.

The list of the non-current goods handed over by me is based on records and annotations which Mr. Joel himself had made to the earlier balance sheets in connection with the considerations necessary for the mail-order business (quantity, quality).

It is further already taken into account that Mr. Joel naturally also attempted, for tax reasons, not to value his goods too highly.

The introductory sentences to the list handed over by me were formulated in the discussion at that time between Mr. Beifuß, Mr. Wunderlich and me. Whether an authorized representative of Mr. Neckermann took part in this discussion, I no longer know.

In any case Mr. Neckermann exercised no influence on the drafting of this list of non-current goods.

It is possible that I expressed in this discussion that Joel could not demand higher prices than he himself had valued the goods.

**I hand over:**

Letter of Mr. Joel of 19 August and 26 August 1938,  
supplemental contract of 22 August 1938,  
carbon copy of the list of the non-current goods,  
carbon copy of a letter of the Gau social trustee to the Police President of 29 August 1938,  
photocopy of a letter of Mr. Joel of 1 November 1946.

**Upon confrontation by the representative:**

What Mr. Loev put Mr. Joel under pressure with, I cannot say. I only had the impression that Mr. Joel complained that Loev constantly extracted money from him. Mr. Joel always had some fear of Mr. Loev.

**The witness Schmidt, again summoned at the request of the applicant's representative, declares upon confrontation:**

I remain with my previous testimony. Mr. Tillmann was not like that before, but at the moment when Mr. Joel was gone, he was different.

**The witness Schrödel, again summoned, declares upon question of the applicant's representative:**

I repeatedly drove Mr. Joel to Switzerland before his final departure. Mr. Joel obviously had no money in Switzerland, but only what he was allowed to take with him on foreign trips. As far as I know, that was 150 RM for each person.

If he had larger expenses in Switzerland, he had this money borrowed from the silk house Pfennigstein in Zurich, and Mr. Pfennigstein then received it during his stay in Berlin.

If Mr. Tillmann has declared that Mr. Joel had fear of attorney Loev and that Mr. Loev exploited this fear to obtain money, then I can only imagine that Mr. Loev was informed about “women stories” of Mr. Joel.

At the departure of Mr. Joel in August 1938 I did not drive Mr. Joel to Switzerland, but Mr. Joel traveled from Berlin by train. Before his departure Mr. Joel said to me: “I am now going to Switzerland and will not return.” I consider it very probable that Mr. Joel did not say this in the business.

Approved without reading aloud.

**Witness Wunderlich, summoned at the request of the applicant's representative, declares:**

I have known Mr. Joel since 1935. I was responsible for the accounting of the Joel business and I was authorized to keep the books. I also had to draw up the annual balance sheets. The management of the business remained with Mr. Joel. I was in contact with Mr. Tillmann in connection with the sale of the business to Neckermann.

I can confirm what Mr. Tillmann stated about the negotiations with the DAF, Gauleiter Lorenz. I was present at some discussions. The DAF wanted initially not to allow the continuation of a Jewish mail-order business. Only after Mr. Tillmann intervened was the approval granted under the conditions described.

The supplemental contract between Joel and Neckermann was prepared at the initiative of Mr. Tillmann. He insisted, as he already explained, on the deduction of 15% on current goods and 30–40% on non-current goods. The non-current goods were determined in my presence together with the department heads. I also helped to draw up the list of non-current goods. The inventory reduction to 5,300 RM was also handled under the instructions of Mr. Tillmann.

The payments to the Jewish employees, as well as the special remuneration, were organized by Mr. Tillmann under power of attorney of Mr. Joel. The payments were executed according to a list he provided. I do not know the exact total amount. I only know that the payments were made at the expense of the purchase price Neckermann.

I can also confirm that Mr. Joel gave a check of 100,000 RM to Mr. Tillmann as commission. Mr. Joel had strictly refused to travel to Berlin himself to negotiate, for the reasons Mr. Tillmann already mentioned.

I was not involved in any threats, nor do I know of any threats to Mrs. Schmidt or others.

It is correct that Mr. Tillmann acted throughout under power of attorney of Mr. Joel. Mr. Tillmann was the central contact person in all matters regarding the takeover by Neckermann.

**Upon further questioning by the applicant's representative:**

The impression that Mr. Joel was afraid of attorney Loev is plausible. Mr. Joel sometimes complained that Mr. Loev constantly demanded money from him. I can also imagine that this fear was exploited by Mr. Loev, but I cannot give any personal knowledge of concrete facts in this regard.

The entire determination of the non-current goods and the accounting of the inventory were done in the presence of department heads and under the supervision of Mr. Tillmann. I did not participate in any personal negotiations between Joel and Neckermann, only in the preparation of the contract documents and lists.

**Upon confrontation by the respondent's representative:**

I have nothing further to add. My previous statements remain valid.

**Documents handed over by witness Wunderlich:**

1. Copies of accounting records and lists of non-current goods.
2. Balance sheets of the Joel business for 1937 and 1938.
3. Correspondence between Mr. Tillmann and the DAF regarding the approval of the takeover.
4. Copy of the supplemental contract with Neckermann.

**Witness concludes testimony.**

**Witness Tillmann, summoned again, declares at the request of the applicant's representative:**

As an example of the reduction of goods, I can mention the dress rib fabric, item no. 775, which I personally supplied. This item, which I had sold to Joel for 3.80 RM per meter, had been reduced in price to 3 RM and was also difficult to sell. Therefore, a further price reduction of 35% was granted. This deduction of 35% was applied to the purchase price of 3.80 RM per meter, not to the reduced price of 3 RM.

The quantity specification for this dress fabric means: piece = 50 m.

I do not want to state this with absolute certainty anymore; I really do not know exactly.

**Oath postponed.**

**Witness Wunderlich, 45 years old, married, merchant in Frankfurt**

**Regarding the matter:**

I have been employed at the Joel company since 1 May 1932. I was in charge of catalog production; in addition, I had the department for corsetry goods and was involved in purchasing and costing.

During the move to Berlin in 1934, I supervised the stocking in Berlin, while Mr. Beifuß and Mr. Kleinlein had to supervise the packing in Nuremberg. The Osram building was completely renovated by the Joel company for our purposes. The furnishing of the business was partly brought from Nuremberg, but largely newly acquired.

In the spring of 1938, Mr. Joel told Mr. Kleinlein and me that he was now finally considering selling his business. At that time, he had no specific interested buyer yet.

In the summer of 1938, Mr. Joel then introduced me to Mr. Neckermann and Mr. Brückner as the prospective future owners of the business.

When Mr. Joel left, he did not say goodbye to me.

At the end of August 1938, a precise inventory was then taken, in which the recording of goods was carried out more precisely than in the usual inventories. The yard goods in the main warehouse were recorded according to labels; in the shipping warehouse, the cut pieces were re-measured. Piece goods were counted. Who gave me the order for the inventory, whether Mr.

Neckermann or Mr. Tillmann, I do not know; I assume that both gentlemen together told me this.

When compiling the inventory, I was bound by the valuation list that Mr. Joel had prepared for the balance sheet of 31 December 1937. I adopted the prices listed there as cost prices in the August 1938 inventory. These prices seemed partially no longer entirely correct due to the passage of time.

At that time, there were two tendencies in the price development. On the one hand, for the Spinnstoff law, one had to try to accommodate higher cost prices; on the other hand, for general commercial considerations, the inventory had to be valued as low as possible.

The prices according to the Spinnstoff law were fixed and intended to largely prevent a price increase.

In evaluating the inventory, I was not instructed by anyone, especially not by Mr. Neckermann, to value it low.

Later, I heard that there were difficulties with the Aryanization offices and the DAF regarding the takeover of the business by Neckermann. Mr. Neckermann asked me once what I had done with the former works councilor Rauscher, because he (as a dismissed employee of the Joel company and then employed in the Gauleitung Berlin, either in social or economic department) had said that businesses like ours should be closed altogether and people like Wunderlich should leave.

How the influence of the Aryanization office and the Gau social administrator affected the purchase contract, I do not know. I only know that a general deduction of 15% for Mr. Neckermann was applied to the value of the goods after the inventory, and that for certain non-current goods a special deduction of up to 40% had to be applied.

These non-current goods had been identified by Mr. Neckermann's purchaser, Mr. Lang, during an inspection of our business, and already while Mr. Joel was still present, he had said that these goods still had to be discussed. These goods were then summarized in a meeting in the office in the presence of Messrs. Tillmann, Neckermann, Lang, Kleinlein, and me, and precisely recorded in a list. These were goods that had already been in stock with us for years and did not move. They also partly consisted of residual items that could no longer be used in the regular business.

Mr. Joel had carefully managed the business in the last year. He had expressed that he did not want to bind his business successor to goods, especially winter goods, that he might not want.

Furthermore, since many suppliers no longer delivered to the Joel company as a Jewish company, there was a general shortage of spinning materials.

Mr. Joel repeatedly stated that he was not forced to sell the business, but it was becoming increasingly difficult for him to obtain goods. Moreover, it became known among suppliers that Mr. Joel intended to sell his business, and because of the uncertainty about the future development of the business, suppliers were even more cautious.

I remember that a traveling salesman was only willing to accept orders from us again when he learned that Mr. Kleinlein and I would remain in the business.

A real clearance sale did not take place by Mr. Joel before the sale of the business. As in all calm times, attempts were made to revive the business through the sale of residual goods. But this remained within the usual limits.

The large difference between the balance sheet, the inventory in the balance sheet of 23 June 1938 and at the inventory at the end of August 1938, I cannot completely clarify. Above all, I do not know on what basis the stock

on 23 June was calculated, whether it was a continued inventory or a calculation based on warehouse books. I certainly know that in June 1938 I did not perform a physical inventory, i.e., no physical stocktaking was carried out.

In my opinion, the inflow of goods had decreased since about May 1938 and was no longer as large as the outflow.

When valuing the goods, I pointed out to Mr. Tillmann my concerns that the goods were valued too low. He replied: "Mr. Joel cannot demand more for his goods than he himself has valued them."

On the occasion of the sale of the business, I received a bonus of 3,000 RM from Mr. Joel, which was probably paid at the end of September.

Today I no longer know whether I declared and proved to the Revisions-Treuhand-Gesellschaft that the goods valuations and the inventory were correct. At that time, I did not sign a letter presented to me by Mr. Neckermann in which I was supposed to confirm that I was completely independent in the valuation of the inventory, because I was bound to Mr. Joel's records when preparing and valuing the inventory.

I did not intend to imply that Mr. Neckermann had influenced me in the inventory. That did not happen either.

**Witness Tillmann, recalled, statement by the applicant's representative:**

I received no remuneration from Mr. Neckermann for mediation or my other activities in connection with the takeover.

**Witness Oestreicher Wilhelm, 54 years old, married, auditor in Würzburg**

I have been managing the financial affairs of the Neckermann family for about 30 years.

I learned of the purchase of the Joel business by Neckermann through a phone call that reached me in Munich. I was then asked to go to Berlin to organize the accounting settlement of this business or to send one of my employees. Since I was held up in Munich and also had to reckon that the activity in Berlin would take a longer time, I could not personally take on this task but sent my then employee, Mr. Volk, to Berlin. I myself came to Berlin only two months later.

Regarding the financial situation of Mr. Neckermann, it can be said: Mr. Neckermann had two well-running retail businesses in Würzburg, the department store Josef Neckermann and Walter Vetter & Co. Moreover, Mr. Neckermann was backed by his mother, who was very wealthy; also his father-in-law, Mr. Brückner, was able to co-finance the purchase.

As far as I know, the purchase price was settled in such a way that 1 million RM was available in Berlin from Würzburg and that 500,000 RM each was provided by two banks. The amount of 500,000 RM, which was initially withheld from the purchase price, was intended as security for all possible claims that could still be made against Mr. Neckermann as the acquirer of the Joel company, because Mr. Joel had outmaneuvered Mr. Neckermann in the purchase contract. For example, a long-term lease was mentioned, but it turned out that the Osram company terminated the leased premises shortly after the acquisition, so Mr. Neckermann had to acquire a nearby property at a cost of about 1 million RM.

Later, Mr. Joel wrote from abroad to some state authority, possibly the Berlin Public Prosecutor's Office, stating that he still had a substantial amount to receive, and if he could not obtain it himself, the Reich should receive it.

On the basis of this report, I was summoned to the Police Headquarters, and after my presentation and discussion with the officer, I was told that an independent trust company had to examine the entire transaction. This

review, as far as I know, was carried out by Reichsdeutsche Treuhand-Revisions-A.G. The result of the review was that essentially my and Mr. Neckermann's opinion was confirmed: against the 500,000 RM purchase claim, we had a claim for damages, and otherwise no Aryanization profit had arisen.

Now we could no longer carry this amount of 500,000 RM in the balance sheets as actual debts but treated it as a provision for a possible liability. I still remember that Mr. Neckermann once said, "After the war, I will have to settle accounts with Mr. Joel."

Whether this reserved amount was explicitly retained for this purpose, I cannot say. In any case, we did not want to deliver it to the tax office.

**Upon challenge:** I can no longer remember whether Mr. Joel's cars belonged to his business or private assets. I also do not remember that the question of these two cars was ever an accounting or financial issue brought to me. Above all, I do not remember that these two cars, which were explicitly excluded in the purchase contract, were taken over for taxes that Mr. Neckermann had to pay for Mr. Joel.

If one considers the business as a takeover of a business as a whole, then I must say that the purchase of the Joel business for Mr. Neckermann involved a great risk, a risk so great that I had to actually consider the business as a bad deal. So I want the expression "Mr. Joel outmaneuvered Mr. Neckermann" to be understood in this sense.

To my knowledge, hidden reserves were not substantially in the inventory at the time of the sale. These would have had to show an increase in profit beyond the normal calculation basis in the next balance sheet. Such a profit, however, did not appear. But I believe I remember that a strong increase in profit margin in the Joel company for the year 1937 could be proven, from which one could conclude a release of the existing hidden reserves.

More precise information on this matter can be given by Mr. Volk, who conducted these investigations.

**Upon challenge by the obliged party's representative:** The difference in inventory valuation in the balance sheet of 23 June 1938 and in the takeover balance sheet I cannot clarify because I was not involved in the preparation of this balance sheet.

**Without reading allowed. Initially not sworn.**

**Witness Volk Ernst, 51 years old, married, auditor in Würzburg**

During the audit of the Aryanization transaction by a trust company, no Aryanization profit was found for the inventory; for the inventory, an amount of, as far as I remember, 40,000 or 50,000 RM had to be paid to the Police Headquarters.

I cannot recall that in my presence, the offsetting of personal taxes paid by Mr. Neckermann and the trade tax for Mr. Joel with Mr. Joel's two cars was discussed.

The retained 500,000 RM was booked as a provision for complaints about goods, for canceled orders, and for terminated rental premises.

Regarding the difference between the inventory value of 4.4 million in the balance sheet of 23 June 1938 and only 2.2 million in the balance sheet of 31 August 1938, I cannot give satisfactory clarification. I do not know on what basis the balance sheet of 23 June 1938 was prepared.

**Without reading allowed. Initially not sworn.**

**Transfer of the shorthand transcript recorded on 24 September 1953**

**Person:** Oestreicher Wilhelm, other personal data as recorded.

**Matter:** In the year 1941, the German economy received new war-related tasks. The Reich offices and the economic associations were at first not clear about how to manage these tasks. They then agreed that a private, but time-limited, company should take on these tasks. They wanted deliberately to keep the Reich Labour Service, Labour Front, and the like away from this company.

Thus, in 1941, the Central Warehouse Association (Zentrallagergemeinschaft, ZLG) was founded as a civil law partnership. The tasks of the ZLG grew to an unforeseeable extent. The two founders of the ZLG had to take on high and, for their financial capacity, too high risks, which eventually led them to create a separate legal entity, the ZIG GmbH, to limit the risks.

This GmbH was founded with a share capital of 2 million RM and, until the end of the war, had, relative to the capital, enormous turnovers. To avoid that the income arising from the ZLG's activities would be taken away by taxation, and at the same time, to avoid that Messrs. Karg and Neckermann would appear as war profiteers of the highest order, an agreement was made in a board meeting of the GmbH that the profits of the ZIG would provisionally be available to the Reich office, that the invested capital would bear 6% interest, and that after the war a regulation regarding the final use of the profits would be made.

Moreover, in this meeting, the question of loss allocation was discussed, and it was agreed that the Reich office for clothing and related areas would cover the necessarily arising losses, but not losses resulting from poor business management by Messrs. Neckermann and Karg. Mr. Neckermann received no payment for the activity in the ZLG. He also had at the moment no material advantage.

Of course, he had brilliant relations to all companies that could possibly be relevant for the post-war period and thus had an indirect advantage.

The business operations of the ZLG were partially in the premises of the company Neckermann. Also, employees of the company Neckermann were made available to the ZLG, as was the office equipment of the company Neckermann. This was not necessary but was actually developed this way.

Originally, the ZLG was divided such that the textile-technical part was carried out by the company Neckermann, the commercial and accounting part by Bekleidungshandels AG.

Since the founding of the GmbH, the accounting part was also carried out by Neckermann's people. The management was held by Mr. Neckermann. Mr. Karg held back very much from the beginning. The funds necessary for the operation of the ZLG were obtained by Mr. Neckermann essentially or almost exclusively through loans.

The share contribution to the GmbH of 1 million RM was effected by Mr. Neckermann through a loan from his bank. An equally large amount had Neckermann received from the Reich office to cover this bank loan. I know this only from Neckermann's account.

The loan required for the financial equipment of the ZLG was granted to Mr. Neckermann without regard to the fact that he had acquired the company Joel. He is liable for this loan with his entire assets. He was dependent on the loan also because his assets were tied up in his businesses.

The founding of the ZLG by Mr. Neckermann's Berlin company was purely coincidental, because Neckermann founded the ZLG in Berlin. I can imagine that the reason for including the laundry and clothing factory Jos. Neckermann in the founding negotiations was that Mr. Karg, as Bekleidungshandels-AG, concluded the contract, and one wanted to avoid that an individual name appeared with respect to this company.

**Upon question by the applicant's representative:** The complaint regarding the purchase contract, especially the non-existence of a long-term lease, I certainly explained to Mr. Tillmann. Mr. Tillmann, as far as I know, replied to these complaints and also developed a certain humor, for which he received an additional fee, as I recall, between 20,000 and 25,000 RM.

**Without reading allowed. Swearing postponed.**

**Person:** Volk Ernst, other personal data as recorded.

**Matter:** The capital that Mr. Neckermann contributed to the ZLG was entirely bank credit. The payment was made according to the money needs of the ZIG.

These loans were obtained by Mr. Neckermann from the bank; he would have received them even if he had not acquired the company Joel, because Mr. Neckermann was personally creditworthy. Whether any pressure was exerted on the banks by the Reich offices in granting the loans is beyond my knowledge. Mr. Neckermann always worked with two banks: the Reich Credit Company and the bank Hardy.

**Without reading allowed. Swearing postponed.**

**Person:** Dr. jur. Götze Fritz, 47 years old, married, Senior Government Councillor ZWV, Managing Director of the Trade Association for the Underwear Industry, Bielefeld

**Matter:** In the year 1941, after the start of the campaign in Russia, the necessity arose to create an organization to supply the Eastern workers and also the workers deployed in the North, which could operate independently of the coupon check procedure.

At first, there was a long struggle between the Reich Ministry of Economics and the Labour Front over whether this supply company should be established as a private company or as an authority of the Labour Front. Even before the DAF (German Labour Front) became interested in the matter, I had tried to interest someone from the ranks of the economy for this task.

Despite negotiations with all possible people from the textile economy, also with the self-administration bodies of the economy, with the economic groups, I could find no one who was willing to take on this task. Now the matter also became interesting for the Labour Front, and long and most exciting negotiations were required to exclude the Labour Front from this task again.

I was then directed to Mr. Neckermann, who until then was completely unknown to me. I was told of Mr. Neckermann's organizational ability. The reference to Mr. Neckermann came from the circle of my office. I then had Mr. Neckermann come and discussed with him the task to be solved.

I was initially skeptical, because Mr. Neckermann was very young and, as it seemed to me, also shy. I later, however, in the course of the collaboration with Mr. Neckermann, determined that Mr. Neckermann was practically the ideal solution for this task. Mr. Neckermann was selected for this task without any consideration of the fact that he had a mail-order business. The mail-order business did not interest us at all in this context.

It was also not decisive for the selection of Mr. Neckermann that he had an office organization available. All such things would have been made available to anyone else. Even the rooms that Neckermann could provide from his business were not decisive. They were also no longer fully utilized with the start of the bombing war.

We had the task and the obligation to decentralize our goods as much as possible. The money required for the tasks of the ZLG was provided by a

banking consortium led by Dresdner Bank, exclusively on my recommendation, because I had already made another, similar task-managing GmbH operational with the help of Dresdner Bank, and the cooperation with this GmbH was interesting for Dresdner Bank. In the same way, cooperation between the banks and the ZLG was to be carried out.

In the course of the year 1942, when the tasks of the ZLG grew enormously and its capital requirement was very large, I was almost shocked when I saw that this ZLG was set up as a civil law partnership, due to the risk of the two participants, who were liable with all their personal assets, and I insisted that the two gentlemen choose a corporate form that would remove them from personal liability.

The loans to Mr. Neckermann and Mr. Karg for the ZIG, as well as the later loan to the GmbH, were given with my involvement, but not under pressure. Dresdner Bank was willing to provide this loan, which reached a very considerable amount. The first loan negotiations I conducted alone with Dresdner Bank (Prof. Meier). Only later did I bring Mr. Neckermann together with the gentlemen of Dresdner Bank, who then, of course, participated in the later negotiations with the bank.

The loans granted by the banks were real bank loans, not passing-through state money.

I chose the form of the GmbH in order to allow the possibility that other industries and commercial circles could participate in the company. I specifically invited large firms from the textile sector to participate in the ZLG. I pointed them to the patriotic task. Unfortunately, no one was willing to enter this business.

The development of the ZLG naturally gave the owners the opportunity to establish relationships with all textile producers conceivable, which

undoubtedly could and should continue even after the task of the ZLG ended.

Mr. Neckermann was no longer an economic leader, but towards the end of the war he became Reich Commissioner for Clothing, and this at my personal insistence, because I believed that Mr. Neckermann, as head of the ZLG, who oversaw by far the largest part of the textile economy, also belonged in the responsible position.

I negotiated with Mr. Neckermann alone when founding the ZLG. I initially did not speak with Mr. Karg at all in this matter, and later only once. The person of Mr. Karg was completely irrelevant to me, also his financial capacity played no role. As far as I know, Mr. Neckermann interested Mr. Karg in this task.

The bank loans that Mr. Neckermann received for representing his share in the civil law partnership were not given at my intervention; my decisive involvement for the loans began only in connection with the founding of the GmbH. At that time, I provided the GmbH with a loan of 60 million RM through Dresdner Bank, which was later increased by 80 million.

It is possible, however, that I was asked by the bank side also regarding the first, substantially smaller loans, after Mr. Neckermann's activities and the task of the ZLG. I would even assume this as likely, but cannot say it with certainty today.

Mr. Neckermann repeatedly discussed with me how he should be profitably involved with his contribution to the company. Mr. Neckermann always emphasized that he did not want to go down in history as a war profiteer, that he only claimed the banking interest on his contribution, since he himself had to pay interest to the banks.

In any case, Mr. Neckermann received no compensation and no expense allowance from the ZLG for the entire time.

What happened with the ZLG's surpluses since its inception, I cannot say exactly, but I believe for certain that they were used to cover the loans.

Mr. Neckermann brought the necessary prerequisites for this task through his outstanding organizational talent and his incredible work effort.

About the extent of the ZLG's organization, it can only be said that the ZLG had distribution points throughout the Reich, which had to be financially able to invest larger amounts even for longer periods. Furthermore, these distribution points had to have the necessary space to accommodate the warehouse, sufficient personnel to manage the technical work, and equipment to supply the distribution points with goods if necessary.

The preceding sentence is taken literally from a circular of the LIG, which was addressed to all distribution points for Eastern worker clothing.

Through the organization of the ZIG, we wanted to maintain private industry and avoid the emergence of a central supply operation with authority or party character.

In the selection of Mr. Neckermann, his textile expertise was not decisive. For this position, an enthusiastic banker or another entrepreneur with the qualifications as a "work machine" could also have been considered. This is a pure assumption; in reality, however, an excellent, suitable textile expert was available in Mr. Neckermann.

**Without reading allowed.**

**Not sworn.**

**Person:** Deputy Clerk Dr. jur. Rapp, 42 years old, married, Senior Government Councillor, Berlin

**Matter:** I was present during the hearing of Mr. Neckermann, which was conducted by the Special Court, and also during the hearings of the other witnesses.

I confirmed the completeness and correctness of the minutes as far as I could ascertain from my own notes and recollection.

**Without reading allowed.**

**Not sworn.**