

## A. The Man and His Factory

In his article “Some Remarks on the Debate with the History of the HASAG Company”<sup>1</sup>, German researcher Mustafa Haikal asks how it happened that one of the most important corporations in the Third Reich, which employed some 64,000 people in early 1944 (of whom about 60% were foreign workers), was almost completely forgotten after the War.

Haikal cites two reasons for this phenomenon. Firstly, East Germany was interested in highlighting the suffering and struggle of the communists, who operated within the HASAG factories in Leipzig while, at the same time, ignoring the persecution of other prisoners, primarily Jews. Secondly, the lack of information was caused by a lack of original documents, some of which were confiscated by the Americans and some by the Soviets. But even from the remaining documents, the figure is revealed of the general manager, Paul Budin, who rightly claimed, “HASAG is me”.

According to the “*Handbuch der deutschen Aktiengesellschaften*” (Handbook of German Stock Companies) (1943), HASAG was founded in Leipzig, at the end of the 19<sup>th</sup> century, as a lamp factory. The unification of Germany in 1870 contributed to the development of the firm, which became a stock company and developed new production branches<sup>2</sup>.

But, during the crisis years of 1923-1929, HASAG’s financial situation deteriorated. The fateful turning point in HASAG’s history came in 1931 with the addition of Paul Budin to the management of the factory.

Budin joined the Nazi Party as early as 1933 and was also accepted as a member of the SS<sup>3</sup>. Being an expert in the metallurgy and electrical industries, a savvy businessman and possessing extraordinary

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<sup>1</sup> Mustafa Haikal: Einige Bemerkungen zur Auseinandersetzung mit der Geschichte der Hugo Schneider Aktiengesellschaft (Hasag). In: Fremd- und Zwangsarbeit in Sachsen 1939-1945. Hrsg. Vom Sächsischen Staatsministerium des Innern, Halle (Saale) 2002, S. 81-88

<sup>2</sup> Hugo Schneider Aktiengesellschaft (Hasag), *Handbuch der deutschen Aktiengesellschaften*, 1943, Band 5, pp.5259-5262, Sächsisches Staatsarchiv, Leipzig (StAL)

<sup>3</sup> Mustafa Haikal: Exkurse und Dokumente zur Geschichte der Hasag, in: Leipzig, Permoserstrasse, Zur Geschichte eines Industrie- und Wissenschaftsstandorts, (Leipzig: Umweltforschungszentrum, Leipzig-below: M. Haikal, Exkurse; Halle, 2001, pp.66-67

management talent, within a year, he had risen to the position of General Manager of HASAG.

In 1936, the rapid rearmament of the German army began. The military circles, having learned from the experience of the First World War, demanded an increase in the production of conventional weapons and especially ammunition.<sup>4</sup>

The large corporations in Germany were not interested in this production, because of the need for a large workforce and low profitability. But Budin understood that a war situation was beginning and reached an agreement, with the Land Forces Armaments Office (*Heereswaffenamt*-HWaA), on the supply of ammunition.

As a result, a feverish period of development began for HASAG.

The momentum was financed by two banks, the Dresdner Bank and the Allgemeine Deutsche Credit Anstalt (ADCA) which, in 1938 alone, injected 8,000,000 marks into HASAG. The Dresdner Bank became the main shareholder of HASAG at that time, controlling more than 50% of the company's shares.

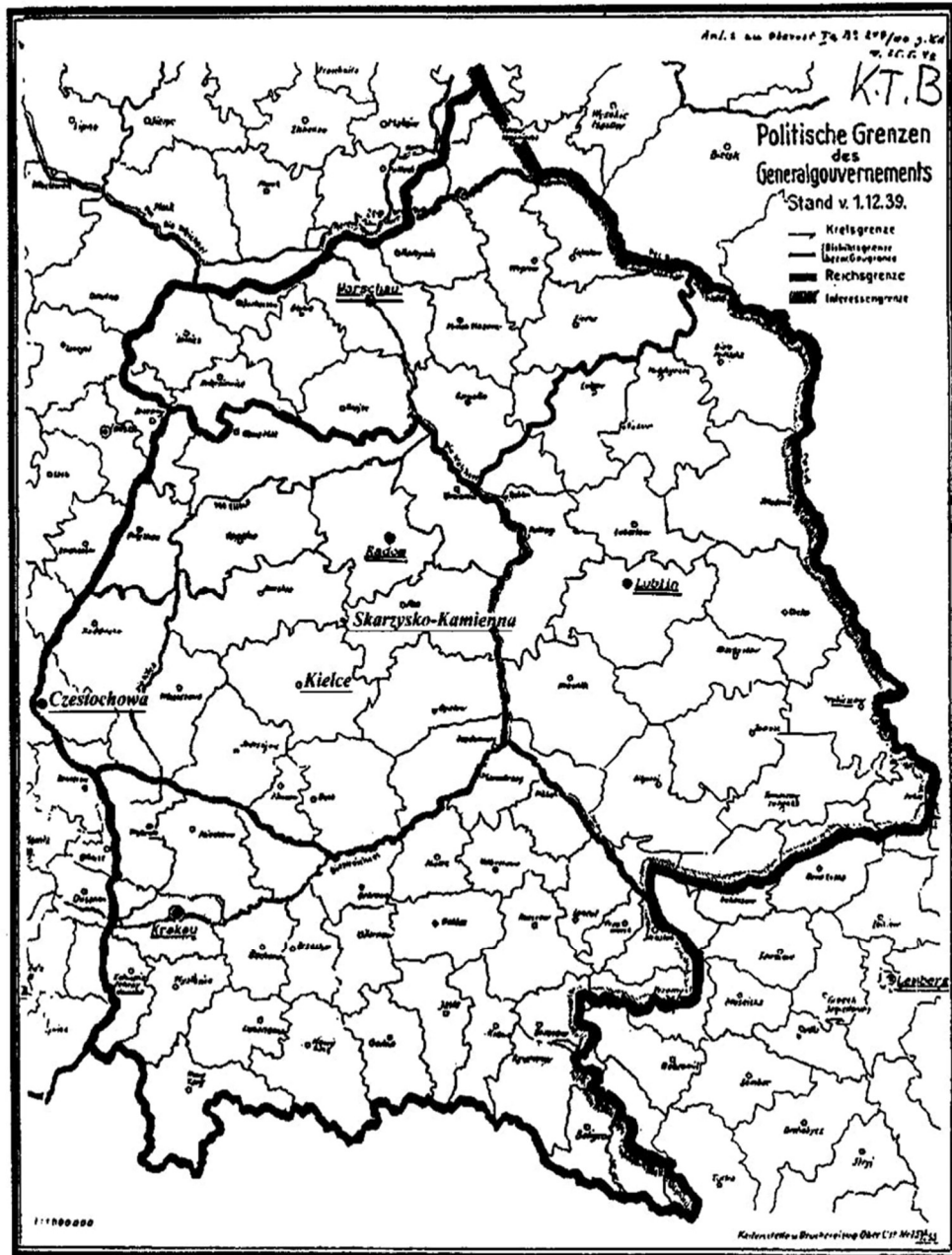
This development also did not lack a Jewish side. In September 1933, Budin announced the removal of all Jewish members from the board of directors, and the factory newspaper began publishing antisemitic advertisements.

The HASAG Metallwerke G.m.b.H. company was founded in 1939. In 1940, it merged with the old company Hugo Schneider A.G. The HASAG corporation was granted the status of an "armaments factory" (*Rüstungsbetrieb*) and, with the outbreak of the war, it was ready to take on new roles.<sup>5</sup>

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<sup>4</sup> Anja Bagel-Bohlan: Hitlers industrielle Kriegsvorbereitung 1936 bis 1939, Beiträge zur Wehrforschung, Band 24, (Koblenz: Wehr und (Wissen Vlg, 1975)

<sup>5</sup> Haikal, Excurse, p. 62; Haikal, Von der Petroleumlampe zur Panzerfaust, in: Leipzig-Permoserstrasse, pp. 38-40



The political borders and the division into districts  
 of the *Generalgouvernement* on 01/12/1940  
 (Names of cities with HASAG factories are highlighted)