

C. How Pelcery Became Apparatebau

The failure of the German army, on the Eastern Front in the winter of 1941/1942, brought about an exchange in armaments policy and placed the production of munitions at the forefront of the Minister of Armaments concerns, who praised the production of munitions. The campaign against the Balkan countries again increased the flow of orders for munitions and justified the establishment of another factory.

At the centre of interest was the "Peltzer" spinning mill in Częstochowa. The factory, located on ul. 1 Maja 19, was established in 1887 by the firm "Peltzer & Sons" and became a French joint-stock company in 1910. The chairman of the company was René Peltzer, who lived in Paris.¹

In 1941, the mill was handed over to the management of the foreign property commissioner, Kloeters, and the firm still appeared under the name "French Joint-Stock Company, Joint-Stock Company for the Textile Industry, Częstochowa" (*Französische Aktiengesellschaft, AG für Textilindustrie – Tschenstochau*).²

The transformation of a spinning mill into a munitions factory required a huge investment of capital and labour and, with the pressure of the Armaments supervision, the HASAG experts began preparatory work as early as 1941.

¹ Franciszek Sobalski: *Dzieje Częstochowy i województwa częstochowskiego*, Informator o materiałach w archiwach państwowych, (Częstochowa: Wyższa Szkoła Pedagogiczna, 1992) p. 91

² Bekanntmachung, Tschenstochau, den 17. Juli 1942", in: *Zarządzenia" walcu okupacyjnych, 1.9.1939-17.10.1942, Towarzystwo Akcyjne Przemysłu Włóknistego w Częstochowie, Francuska Spółka Akcyjna, APCZ, band No.145, ref. 48*

Geheim und streng persönlich!

Leipzig, 8. Novbr. 1941

W i d e r s c h r i f t

Über die Sitzung des AUFSICHTSRATS der HUGO SCHREIDER A.G.

am Freitag, den 7. Nov. 1941

Anwesend vom Aufsichtsrat:

Herr Dr. von Schoen
Herr Direktor Hartmann
Herr Dr. Ing. Richard Koch
Herr Direktor Hahn
Herr Direktor Bassermann

Anwesend vom Vorstand:

Herren Budin - Dr. Künze - Hesse.

I.

Herr Dr. von Schoen eröffnet die Sitzung vorm. 11 Uhr und erteilt Herrn Budin das Wort.

Herr Budin berichtet über die grundsätzliche Situation in der HASAG, und zwar

- a) Über die vorgelegte Zwischenbilanz per 30.9.41, wobei er bei der Erläuterung einiger Hauptposten und bei der Fennung der Gesamtumsätze bemerkt, dass das Bilanzbild der erfolgreichen Arbeit des Unternehmens entspricht;
- b) Über die Stellungnahme der HASAG bezüglich der drei in Generalgouvernement gelegenen Werke nach der Richtung hin, daß die HASAG in den nächsten Tagen in KRAKAU mit Präsident ENNERICH als dem Vertreter des GG und mit Herrn Ministerialdirigent ZEIDELHACK als dem Vertreter des OKW eine weitergehende Verhandlung führen wird, deren Ausgang noch ungewiß ist.
Dabei wird die HASAG, was Lamienna und Kielce anbelangt, eine abwartende Haltung einnehmen und was Tschenschow betrifft, mehr p o s i t i v eingestellt sein als bei den beiden vorerwähnten Werken, aber auch hier die bestehenden und kommenden Schwierigkeiten gebührend berücksichtigen;
- c) Über die generelle Linienführung der HASAG in naher und in fernerer Zukunft, soweit dies seines Erachtens derzeit möglich ist, und zwar

First page of the minutes of the HASAG board meeting

held on 7th November 1941

As a first glimpse of future returns, an announcement was published on 2nd January 1942 that, as at 1st January 1942, German would be the official language in the factory.³ Later, the Polish staff were given an “explanation” (*Erklärung*) about the obligation to maintain secrecy regarding the nature of production in the factory, under threat of heavy penalties.⁴ If the Poles still had doubts about the nature of the factory that would be rebuilt in place of the innocent spinning mill, on 17th July the following official announcement was published:

“By order of the competent authority, our factory has been declared a “military factory” (*Wehrmachtbetrieb*). The working day for men will be extended to 12 hours and for women to 10 hours. Regarding a wage increase, negotiations will be held with the appropriate authority.”

As well, all pensions and allowances for the factory’s retirees were also cancelled.⁵ Later, families who lived in the factory apartments in the “Workers’ Colony” (*Kolonia Robotnicza*) were required to sign a new rent lease with the HASAG company.

The new laws did not bode well and caused unrest amongst the Polish workers. Perhaps to improve the atmosphere, all workers were paid wages for the first two weeks of August. At the same time, all workers were dismissed by the “Peltzer” company and rehired by HASAG. At the end, a message from 17th September appeared:

“As you know, in accordance with an order from above, from 1st August 1942, our factory was transferred to a new management of the Hugo Schneider company, a joint-stock company.”⁶ (See photo on the next page).

It should be noted that, in the autumn of 1942, the seals of both companies still appeared on the various advertisements of the “Peltzer” factory, until the “French company” completely gave way to “Hugo Schneider AG, *Kommissarische Verwaltung, Apparatebau, Częstochowa*”.

On 4th August 1942, a “presidential meeting” (*Präsidial-Sitzung*) of the board of directors of HASAG was held at the offices of the Dresdner Bank in Berlin. At the top of the minutes of the meeting, it was stated: “Highly confidential and personal”. The management was represented by Paul Budin and Gustav Hessen. From the board of directors were present: Ernst Schoen von Wildenegg, ADCA board member and representative Hugo Zinsser, member of the board of directors and representative of

³ Bekanntmachung, Tschenstochau, 2. Januar 1942, Zarządzenia, APCZ, v.n. 14

⁴ Erklärung (für nichtdeutsche Gefolgschaftsmitglieder), April 1942, APCZ, Zespół nr. 192/2, ref. 6, p. 108

⁵ See note 14.

⁶ Bekanntmachung, den 17. September, Zarządzenia, v.n. 14

Tschenstochau, den 17. September 1942.

-. . . B e k a n n t m a c h u n g ! . . . -

Bekanntlich ist unser Werk auf höhere Anordnung ab 1.8.42 von der neuen Bewirtschafterin, der Firma Hugo Schneider A.G. in Tschenstochau übernommen worden. Hierzu gehören auch sämtliche Werkwohnungen.

In Bezug auf die Vermietung dieser Wohnungen sowie auf die Lieferung von Strom und Wasser haben sich daher sämtliche Koloniewohner mit der genannten Firma in Verbindung zu setzen, wozu ich hiermit auffordere. Die Firma Hugo Schneider beabsichtigt mit den in der Kolonie Wohnenden ab 1. Oktober 1942 Mietverträge abzuschliessen. Die Meldung hat baldmöglichst auf dem Büro der Hasag bei Herrn Tierbach während der Geschäftszeit zu erfolgen.

Der Verwalter:

Announcement of the transfer of ownership of the Peltzer factory to the HASAG Company (Source: See Note 18)

Dresdner Bank, Consul Adolf Hartmann, member of the board of directors and deputy representative of Dresdner Bank and Felix Bassermann, member of the board of directors and deputy representative of ADCA (see page 35).

This composition alone suggests that the focus of the meeting was on important financial matters.

In his report, Budin stated that the balance sheet for 1941 had already been presented to the Board of Directors and representatives of the OKW's "Price and Contracts Audit Department". He then requested, considering the undergoing negotiations with the *Generalgouvernement* authorities, to approve the purchase of the three factories (in Skarżysko-Kamienna, Kielce and Częstochowa) for a sum not exceeding 20,000,000 złoty.

In the next clause, Budin referred to the development of the generators project in the *Generalgouvernement* and also in the HASAG factories in the Reich. That project relates to the Peltzer factory (which has just passed into the hands of HASAG), and it is intended to be the main place of production of generators. Seeing as there was a possibility of purchasing Peltzer factories from the *Generalgouvernement* authorities, Budin requested an allocation of 6,000,000 złoty (or RM 3,000,000) for this cause.

Those present at the meeting agreed to Budin's two requests. He then presented, as an integral part of the previous projects, two additional proposals:

1. To increase the share capital of HASAG to an amount of RM 22,000,000.
2. To establish a new HASAG company with a capital of 10-20 million złoty, which will fulfil, in the future, functions in the *Generalgouvernement* as part of the parent company, which will be the sole owner of the new company.

After a heated debate, these proposals were also accepted, with the following additions:

1. Following the increase in share capital to 22 million marks, the new shares will be offered to existing shareholders in a ratio of 1:2.5 according to a rate of 110%. As a result, the average general price of HASAG shares, considering the current share situation and the new allocation, will reach 144%. These measures will inject the company with 17,000,000 RM gross in additional capital.
2. The right to dividends on the new shares will begin on 1st July 1942, on condition that the request of the Dresdner Bank to increase the share capital submitted a few days prior to the *Reichswirtschaftsministerium* (Reich Ministry of Economics) receives its immediate approval. Otherwise, the right to dividends on the new shares will begin at a later date.
3. The establishment of the new company in the *Generalgouvernement* will be an integral part of these steps to increase capital and will be conditioned on the purchase of the three abovementioned factories in *Generalgouvernement*.⁷

As for the section discussing the generators project related to the Peltzer factory, back in July 1942, General Schindler reported to Hans Frank about the significant growth that the HASAG factories were undergoing, "and that they would probably be handed over the monopoly on the production of the new coke generator".⁸

More to the point – the optimistic tone that appears in the protocol raises several questions:

- Why did the purchase of the factories in the *Generalgouvernement* become topical and worthwhile precisely now?
- Also, what was the assurance that sufficient a labour force would be found for the new projects?
- Where does the confidence come from that HASAG will be able to increase its wealth and the profits of its shareholders?

⁷ Niederschrift über die Präsidial Sitzung des Aufsichtsrats der HHASAG, Leipzig, 6, August 1942, StAL, ADCA 1044, pp. 114-116

⁸ Besprechung mit Gen. Schindler, 15.7.1942, Das Diensttagebuch des deutschen Generalgouverneurs in Polen, 1939-1945, Quellen und Darstellungen zur Zeitgeschichte, Stuttgart 1975, p. 524

The answer must be sought in the events of spring 1942.

As a result of the recruitment into the Wehrmacht and the conscription of Poles for forced labour in Germany, a shortage of working hands was felt in the labour market in the *Generalgouvernement*. Conversely, Himmler's power increased, planning to take control of the entire Jewish labour force in the *Generalgouvernement*.

For HASAG, this was a dangerous development because, as mentioned, Budin wanted to achieve a monopoly on the production of small munitions. In order to reduce production costs, he needed extremely cheap labour, completely dependent on its employer and unaffected by fluctuations in the labour market. Only Jews met these conditions. Thus, Budin made the fateful decision to employ Jews in the HASAG factories.

By August-September 1942, the camps in Skarżysko and Kielce were ready for occupancy. In fact, these were the first factory camps (*Betriebslager*) in the *Generalgouvernement*, which differed from other labour camps in three ways:

1. They were established on the premises of their employer's factory;
2. Their management and protection were not in the hands of the SS, but rather by the "factory guard" (*Werkschutz*) whose commander was subordinate to the factory manager;
3. The factory management was responsible for the maintenance of the prisoners.

It should be noted that, in this matter, Budin received the full support of the commander of the SS and the police of the Radom District, Dr Herbert Böttcher, who opposed Himmler's centralist plans.

In order to secure the Jewish workforce needed for the Apparatebau factory that was being built, an agreement was signed on 17th July 1942, between Schindler and Krieger, according to which the latter undertook to establish labour camps for Jews in accordance with the needs of the Armaments Control, **including for 8,000 Jews in Częstochowa.**⁹

However, Himmler opposed the agreement and, after long discussions, a compromise was reached. In two agreements signed in October 1942 it was stated:

1. In all matters concerning the employment of Jews in armaments factories, under the supervision of the Armaments Inspectorate, matters will be determined between Krieger and Inspector Schindler.
2. Jews, who work in these factories, will not be paid any wages, nor social insurance.
3. Every employer will be obliged to transfer payment for every Jewish worker to the account of the SS.¹⁰

⁹ Ergebnis der Besprechung mit Herrn Gen. Leutnant Schindler, 17. Juli 1942, MA, RH 53-23/87

¹⁰ Ersatz der jüdischen durch arische Arbeitskräfte, 14. Oktober 1942, Kriegstagebuch, Anlage 227, MA, RH 53-23/70



HASAG's share at 1,000 RM

For HASAG, this was the green light.

In January 1943, the purchase of the three factories in the *Generalgouvernement* was approved for a total price of 16.5 million złoty.¹¹ That same month, Budin registered the Skarżysko factories in the *Generalgouvernement's* "Commercial Register" in Kraków as a limited liability company with a share capital of 20 million złoty.

According to the testimony of Gustav Hessen, the shares in the new company were divided between the HASAG-Leipzig concern and Budin, who was also its business manager.¹²

¹¹ Arbeitssitzung am 26.I. 1943, Hans Frank, Tagebuch, Yad Vashem Archives (YVA), JM/21, Nr. 10, p. 33

¹² Gustav Hessen, Kamienna Prozess, Leipzig 1948, YVA, TR-10/7., Sitzungen, Bl.120 a-b

Geheim und streng persönlich!

Leipzig, 6. August 1942

N i e d e r s c h r i f t

über die am Dienstag, den 4. August 1942, vorm. 10 Uhr
stattgefundene Präsidial-Sitzung des Aufsichtsrats der HASAG,
die in den Räumen der Dresdner Bank BERLIN, Behrenstr.
abgehalten wurde.

Anwesend vom Aufsichtsrat:

Herr Dr. von Schoen, Aufsichtsratsvorsitzer	} Präsidial- Ausschuß
u. Vertreter d. ADCA	
Herr Direktor Zinßer stellv. Aufsichtsratsvors.	
u. Vertr. d. Dresdner Bank	
Herr Konsul Hartmann als Aufsichtsratsmitglied und	
mit Vertreter der Dresdner Bank	
Herr Direktor Bassermann als Aufsichtsratsmitglied und	
mit Vertreter der ADCA	

Anwesend vom Vorstand:

Herren Budin und Hessen.

I.

Sofort nach Eröffnung der Sitzung wurde Herr Budin zur Berichterstattung aufgefordert, die er in 1 1/2 stündigem Vortrage geschlossen durchführte. Es wurde von ihm behandelt:

- a) die Bilanz per 31.12.1941, die bereits am 30.7. mit den Vertretern des OKW Abt. Preisprüf u. Vertrag (Min. Direktor Ziehm, Min. Rat Dr. Zeidler und Amtrat Dr. Schacherl) von Herrn Budin durchgesprochen und erläutert wurde und das Einverständnis sowohl bezüglich der neuen Reservenbildung, der vorgesehenen Abschreibungen als auch der Kapitalberichtigung fand.

Diese Bilanz wurde den vorgenannten Herren vom Vorstand gleichzeitig vorgelegt und in dem erforderlichen Umfang bezüglich ihrer einzelnen Posten behandelt.

- b) der Ankauf der kommissarisch verwalteten Werke Kamienna, Kielce und Tschenstochau vom GG durch die HASAG, im Einvernehmen mit dem OKW.

Herr Budin verlas dabei die vordem dem GG gestellten schriftlichen Kaufanträge und bat mit Bezugnahme auf die im

First page of the minutes from HASAG's board meeting of 6th August 1942

As for the Peltzer-Apparatebau factory, after Budin had learned that it was not possible to buy it from the *Generalgouvernement* authorities because of foreign ownership of the factory, in November 1942, a representative of HASAG was sent to Paris to negotiate with the presidency of the Peltzer firm regarding the purchase of the factory.

However, it was not until July 1943 that the factory passed into the ownership of HASAG for 2,150,000 RM.¹³

¹³ P. 79.... M. Haikal, Excuse