



DKW Hahn

CARL H HAHN : PETER KIRCHBERG

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DKW Hahn

Ein Manager und Unternehmer der
deutschen Kraftfahrzeugindustrie

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with the collaboration of
Bernd Wiersch and Klaus Müller

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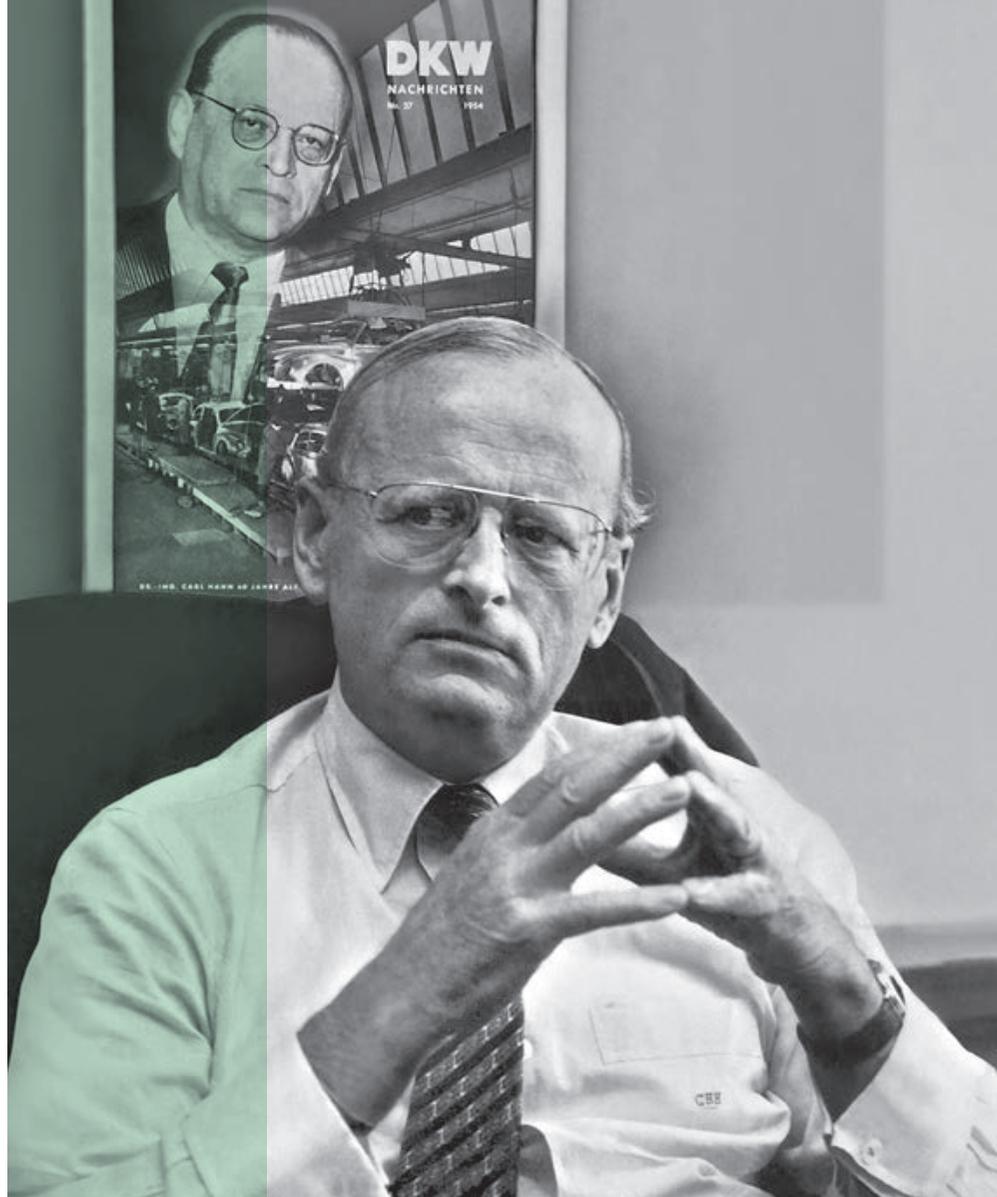
2nd unaltered edition

A manager and entrepreneur in the
German automotive industry

DKW Hahn

CARL H HAHN : PETER KIRCHBERG

with the collaboration of Bernd Wiersch and Klaus Müller



Father and son, or why we wrote this book

FOREWORD

In the nineteenth century, the Hahns, who had worked for the Counts of Bucquoy in southern Bohemia since the early seventeenth century, were, like most Europeans, still living off the land. It was therefore the obvious choice for my father to study at the University of Natural Resources and Life Sciences in Vienna after the First World War, equipping him to follow on in the traditional life of his ancestors. His father and grandfather both celebrated fifty years of service with the Bucquoy – a mark of the stability and constancy of that time. In the twentieth century, however, a new world of technology and geo-

politics opened up to my father, and, as happened to so many others, it cast a spell over him, ultimately leading him into industry. Another alternative would have been to follow in the footsteps of the hordes of landless people made redundant by increasingly efficient agricultural methods, and emigrate across the Atlantic. Some members of the family took this option. For example, his younger brother Heinrich emigrated to South Africa in 1930. My wife Marisa's father, John Traina, came to San Francisco from the Aeolian Islands at the end of the nineteenth century, and his wife, Lea Castellini, came from Perugia.

My father had evidently inherited a fair share of managerial skills from his rural ancestors. The Bucquoy's thirty two thousand hectares, including two thousand hectares of fish farming, also required entrepreneurial management. All this gave him the foundations he would need to survive in the twentieth century. Throughout his life, he was driven by a strong belief in close family ties and respectful appreciation of his fellow man.

Despite my father's position, I was always exposed to "normality" thanks to our immediate proximity to the large, innovative DKW housing estate, created

close to the DKW plant in the narrow Zschopau Valley, with my father's active support, in 1929 as part of a state economic stimulus program. This is where my playmates came from. To this day, I feel particularly connected to the people of this housing estate.

On Sundays, after church, we usually went to the factory. Sometimes he would start up the machines, which impressed me deeply, as did his conversations with the men at the machines when they were working Sunday shifts. When he took me hunting, I could never understand how he could always hit his mark even while trembling so much he would make the raised hide wobble.

Those of us born in 1926 enjoyed an unpolitical, matter-of-course boyhood from 1936 on – strange as that may sound today, given how we all know how disastrously the Hitler era ended up. For the adults, it was the rapid economic upswing after many years of bitter hardship that impressed them and led them to vote for the government. For example, domestic sales of DKW motorbikes tripled from 1933 to 1935.

Of course, I was also shaped by the trips I took with my parents to Bucharest and Venice, and springtime visits to our friends at the castle of Sandizell and summer vacations at Lake Wolfgang in the Austrian Alps. Even on these occasions, my father could not resist testing me on my schoolwork, which I took as an expression of paternal affection. And so I grew up in great harmony, cared for by my parents and my grandparents on the Hahn and Kusel sides, experiencing a happy childhood and adolescence, unaware of any worries up to the outbreak of war in 1939.

Starting in 1940, I spent my summer breaks working at the factory, believing, in my youthful enthusiasm, that I should not be taking any vacations during wartime. This work was to be of fundamental importance for my later life, particularly my professional life. I got to know the

rank and file; I came to understand them, respect them and appreciate them. I realized that they were people just like me and I began to identify with them.

In early 1945 we set up a tank observation post on the highway to Zwickau, fifteen kilometers from my parents' house. Ten days previously, our ragtag unit had surrendered to a US tank unit somewhere in Thuringia. Despite this, five comrades and myself decided to ignore this capitulation and we set off for Adorf, near Chemnitz: a potentially lethal decision, given the wartime conditions. Since the Americans did not operate at night, my father drove his DKW RT 125 in the small hours, as if it were the most natural thing in the world, to visit the family of farmers we had holed up with. In his backpack, he brought us the finest bottles from his cellar. Far more importantly to us, and at great personal risk to himself, he had issued "discharge papers" for my comrades and me on official Auto Union stationery, stating in German that we were "foreign workers on the way home to Vienna." These papers would work wonders, as is related later in this book.

After May 8, 1945, we set off in scruffy old civilian clothes for Sandizell, the agreed family meeting point. But by the end of 1945, father and son had to move on from Sandizell again, leaving the rest of the family behind. This was followed by three years of wandering, during which we shared a very Spartan life as we set out to find a new livelihood. Out of this grew a unique father-son symbiosis that made comrades of us. Our "division of labor" made me not only his driver, cook and secretary, but also his sounding board for new ideas. Incidentally, in those years we never complained about what we had lost – it was a fate we shared with millions of others and it would never have occurred to us to bemoan our lot.

From the start, I was involved in all the business calls that took father almost everywhere in West Germany in search of new career opportunities, including, for example, a visit to Wilhelm Haspel, the boss of Daimler at that time. This gave

me important insights into human nature and the opportunity to gather early experiences as a young man: not just in setting up a limited company, but also in understanding strategic issues, even if this only involved combination locks and aluminum pressure cookers, to start with. After all, our family had to get its food from somewhere after the last of our reserves had dwindled away.

In summary, I enjoyed – almost like in the old days of the medieval guilds – an MBA education consisting of practical lessons from my father. At the same time, my teacher and mentor was also determined to instill in me humanity, ethics and godliness in the midst of the rubble in which we lived. He also taught me never to confuse capital with money. I was given explicit lessons on this latter issue, in which he revealed to me his worries, especially regarding social cohesion, emphasizing time and again the obligations we had not only towards family, but also towards wider society. This gave me an excellent foundation to make my way in the world after a European university education that began in Zurich, thanks to a scholarship from my father's Jewish friend Werner Jacoby.

In June 1948, the Deutsche Mark was introduced and so began the German economic miracle, building on the willpower of the people. Ludwig Erhard's policies created the conditions for an unprecedented entrepreneurial new start. This allowed my father to re-establish Auto Union in Ingolstadt and to found Dr. Carl Hahn KG in Düsseldorf.



Carl H Hahn, 2015

I think it is very important to note that corporate philosophy back then was dominated by a self-evident belief in a lifelong connection with and responsibility to a company's employees. This was not only true during my father's years with DKW in Zschopau, but also later when he was with Auto Union, and certainly not only there.

At Auto Union, the management team were living examples of their corporate culture. This culture developed from within, primarily through the way people dealt with one another. This radiated across all levels of the hierarchy, without any need for external consultants or "imports." Loyalty to the company and fairness in daily interactions were key elements of an unwritten code of conduct that applied to the entire team; one which inculcated in individuals a consciousness of their own duties of responsibility while simultaneously giving them a sense of security. In the company, this ensured a stable workforce and a strong degree of continuity. This self-image gained a special dimension during the Nazi years, when employees enjoyed at least some advice and a degree of protection in the company if they made critical political statements, had non-Aryan wives or refused to join the National Socialist Party.

We wrote this book for two main reasons:

Firstly as a document of thanks from my siblings Wolfgang, Anna-Renata, Caroline and myself to our parents, and as a memorial to them. Secondly, this book is dedicated to my father's industrial activities. It was written especially for the two-stroke DKW family in Zschopau, the Auto Union in Chemnitz and finally the DKW Auto Union in Ingolstadt, the "Saxon" nucleus of Audi. My father left behind traces of real entrepreneurship, to the benefit of his fellow human beings. Above all, we give thanks to his companions, chief among them Richard Bruhn, but including many others, such as Hermann Weber, who ended up losing his life in Siberia. The know-how that the DKW team had acquired in the field of front-wheel drive would prove essential after

VW bought DKW Auto Union from Daimler during the changeover from the Beetle to the Golf.

Finally, I would like to thank Volkswagen, of which I will always remain a part. This company gave me every conceivable opportunity, especially thanks to the multi-brand policy I initiated, to twice set the course for Audi's survival and to create the conditions for the Audi brand's advance into the premium class. This marks the satisfying completion of the circle from father to son.

My special thanks go to my principal co-author, without whose key knowledge of the Saxon automotive history, I would not have been able to write this book: Prof. Dr. Peter Kirchberg wrote his doctoral thesis on Auto Union and has since dedicated himself to the history of car production in Saxony in particular. Thomas Erdmann edited the treasure trove of images, the majority of which he gathered with the assistance of my secretaries Michaela Hermann and Carola Kaiser-Hornstein. Dr. Bernd Wiersch worked out the historical sources for our family, while Matthias Kaluza took care of the successful layout. My thanks also to the archivists at the Chemnitz State Archives. As always, my assistant Klaus-Dieter Kutscher was by my side. Lastly, my brother Wolfgang lent me his excellent memory and constructive criticism. Jörn Richter, who was there from day one, was responsible for the printing and published the book in his Saxon publishing house. To all, I offer my – our – heartfelt thanks.

A handwritten signature in blue ink, appearing to read 'CHH'.

Carl H Hahn
Wolfsburg, May 20, 2016

CONTENTS

1894–1961

- 8 Dr. Carl Hahn – A life**
- 10 **Childhood and adolescence in Bohemia and Lower Austria** 1894–1914
- 16 **In the First World War** 1914–1918
- 20 **Academic studies and career start** 1919–1921
- 22 **Career with DKW and starting a family in Zschopau** 1922–1934
- 28 **To Chemnitz with Auto Union** 1934–1935
- 30 **Interlude in Bremen** 1935–1936
- 32 **Years in Chemnitz** 1936–1945
- 35 **Exodus** 1945
- 37 **Refuge and life at Sandizell Castle** 1945–1950
- 41 **Off to the Rhineland** 1946–1951
- 46 **Family headquarters in Büderich** 1951–1961
- 49 **Second marriage and newfound happiness** 1955–1961

1922–1945

- 56 From Zschopau to Chemnitz – DKW Hahn with Rasmussen and at Auto Union**
- 58 **The little miracle from Zschopau** 1922–1928
- 70 **DKW Zschopau – The world’s largest motorcycle factory** 1928
- 76 **The Rasmussen corporation** 1922–1930
- 85 **Growth demands more capital** 1926–1932
- 90 **The Saxon State Bank and the birth of Auto Union** 1919–1932
- 97 **Return to DKW, or the road to the four-brand corporation** 1932–1938
- 104 **Carl Hahn on the Auto Union board** 1932–1934
- 106 **DKW becomes a source of worries** 1933
- 110 **Strife on the board** 1933–1935
- 113 **Exodus and return – Interlude in Bremen** 1935–1936
- 118 **DKW motorcycles still the top sellers** 1933–1943
- 124 **Carl Hahn: We need a new automobile range** 1935–1936
- 128 **Dr. Carl Hahn, Auto Union’s leading diplomat** 1934–1936
- 132 **Planning the F 9** 1938–1944
- 135 **War economy and interlude in Italy** 1939–1945

1937–1945

- 140 Carl Hahn and the “Germania” machine factory in Chemnitz**
- 142 **Breweries and water wheels** 1811–1937
- 144 **An independent field of activity** 1937–1938
- 146 **Between wartime economy and peacetime production** 1939–1945

1948–1957

- 150 Ingolstadt and Düsseldorf – DKW Hahn and the rebirth of the Four Rings**
- 152 **New beginnings in West Germany** 1945–1948
- 161 **The new Auto Union** 1949–1950
- 170 **Ingolstadt and Düsseldorf** 1950–1954
- 176 **End of the motorcycle era** 1953–1957

1948–1957

- 188 New direction – The o.b. tampon and Dr. Carl Hahn KG**
- 190 **A second mainstay alongside Auto Union** 1948–1957
- 200 **They may rest from their labors ... EPILOGUE**
- 204 **Dr. Carl Hahn’s family tree** 1894–1961
- 206 **Credits/index** AUTHORS, PHOTO CREDITS, INDEX OF PERSONS/PLACES

Dr. Carl Hahn

A life

1894–1961





Coming from a family with a long tradition in agriculture and forestry, Carl Hahn initially saw his future career in land management. This would soon change. Coincidence and connections brought him into contact with the founder of DKW, J. S. Rasmussen, and took Hahn to Zschopau in Saxony.

Commitment, technical intuition and his own skills brought him to the top of the two-stroke empire and ulti-

mately made him a co-founder of Auto Union AG, Chemnitz.

The Hahn family's path took it from Zschopau via Chemnitz to Sandizell Castle and finally, after the end of the Second World War, further west to the Cologne-Düsseldorf area. Hahn was involved in the revival of Auto Union in Ingolstadt and its problematic growth in the years that followed.

At the same time, he nurtured a still young and delicate entrepreneurial sapling – the Dr. Carl Hahn KG company.

After his wife, the mother of his two sons, separated from him, he married for a second time in 1955. Two daughters were born from this new marriage. Sadly, this happiness was not to last long: on June 5, 1961, a heart attack ended Carl Hahn's life.



Childhood and adolescence in Bohemia and Lower Austria

1894–1914

Carl Hahn came from a South Bohemian family that for centuries had earned its daily bread from the natural world. Tending and exploiting huge expanses of forest had shaped the working lives of Carl Hahn's forefathers, who had been in the service of the Counts of Bucquoy for generations and were closely connected to the family. The ancestral seat of the Counts of Bucquoy was in Amiens, in France, and they had been in the

service of the Habsburgs since the fifteenth century. They ended up in the Bohemian forests after a Comte de Bucquoy had been rewarded for his services as a general in the Thirty Years' War, particularly at the Battle of White Mountain (1620): in recognition for his service, the Emperor awarded him some conquered lands and the associated castle. After that, they settled in the Gratzten Mountains.

At the end of the nineteenth century, the Bucquoy estates covered thirty two thousand hectares and formed the basis of the noble family's wealth. Maintaining and exploiting these natural resources not only involved traditional forestry work, it also called for complex agricultural tasks, the operation of sawmills, dairies and distilleries. Until the mid-nineteenth century, the Bucquoy family also operated a glass smelter in which



Carl Hahn sen.,
Carl Hahn, Anna Hahn,
around 1900

Honoring Carl Hahn's
father's 50 years in
service, 1930



they – incidentally, the only manufacturer to do so – produced black glass, i.e. opaque glass. Since the middle of the nineteenth century, the recipes have been lost, and the value of the artistically painted glass has risen accordingly. The Count's properties were administered using the management methods of a large company, which, among other things, gave the “managers” working there the ability to adapt to new and changing tasks.

Here, in Gratzen (now called Nové Hradý), near Budweis (České Budějovice), Carl Hahn was born on March 4, 1894, the first of three sons. He was followed by his brothers Heinrich and Wolfgang.

His father Carl (1862–1932) was first employed as a forester and forest ranger for the Counts of Bucquoy. The hunts he organized for the Count were legendary. These would bag two to three thousand hares or pheasants each, which were sent

to Prague or Vienna by cart. He himself was an excellent marksman and liked to wager that one hundred shots would kill one hundred rabbits. He normally won these bets. In 1897, grandfather Simeon Hahn (1828–1900) celebrated fifty years of working as a “riding forester” in the service of His Excellency Count Bucquoy. His ancestors had also been forest rangers since at least 1792.

Carl Hahn’s mother answered to the beautiful name of Anna Maria Viktoria (1871–1923). She came from Gratzen, from the long-established Bohemian Buhl family, and combined two of their defining characteristics, which Carl would also exhibit throughout his life: she was deeply rooted in the Christian Catholic faith and, thanks to her mastery of Bohemian cuisine, set standards in good taste.

Family photo (left to right): Aunt Georga von Ehrenberg, presumed nanny (name unknown), son Wolfgang, father Carl Hahn sen., son Heinrich, mother Anna, Miss Pokorny, Baroness von Ehrenberg, 1915



Carl Hahn's grandfather, Simeon Hahn, 1895

Simeon Hahn, 50 year service anniversary, 1897



As can be seen again and again from the local press of the time, she was, by virtue of her personality, an eminently respectable and respected person, an enhancer of social and professional standing thanks to the recognition her husband enjoyed.

Carl Hahn felt wonderfully secure in his parents' house. Above all, he owed his mother his roots in the Catholic religion and his strong sense of family. Her recipe collections, which she wrote down in neat handwriting and collected in her own cookbooks, are still some of the Hahn family's best-kept treasures to this day.

In 1898, Carl Hahn senior was transferred to Deutsch-Beneschau, near Gratz, to work as the director of the local sawmill. Shortly thereafter, after being promoted to a senior forestry position, he was ordered to Preßnitz in the Ore Mountains, to take over the management of the Count's estate there. For Carl junior, this meant a change of school and, to a large extent, new friends and, most importantly of all, leaving behind his familiar surroundings. First, Carl attended the elementary school in Deutsch-Beneschau. The first change to overcome was the family's move to Preßnitz. In 1905, his

parents sent the eleven-year-old to high school in Komotau, 25 km away, and six years later, in 1911, to the Benedictine grammar school in Seitenstetten Abbey (Lower Austria), which was even further away, where he received a comprehensive humanistic education. This, too, shaped him for life. This separation was doubtless painful to the sensitive family man, and it is certainly likely that he had to endure many an hour of homesickness. But he didn't sink into self-pity, instead consciously settling into the community of the seminary and, above all, into his inherent joy in learning. Hahn became



Carl Hahn the schoolboy, 1904



Waidmannsheil:
His first buck at
twelve years of age

an excellent student. And the community life of the boarding school also instilled in him some of the ideals that would remain an important guide for him in the further course of his life. This was especially true for the upbringing of his sons and, much later, his daughters.

As with any other schoolboy, the vacations were the highlight of Carl Hahn's year. He always spent them at home, roaming through the woods and fields with his father. The stalking tours under his father's guidance left the deepest impressions on him and he actually shot his first roebuck at the age of twelve. His love of hunting stayed with him throughout his life, and he was always very eager to accept invitations to hunt. Like his father, he was a gifted marksman, which made him many friends among fellow hunters. At fun fairs, the men running the shooting ranges were not particularly pleased to see him, preceded as he was by his reputation for hitting the mark every time. His passion for horseback riding also stemmed from this time, his dedication even taking him as far as playing polo.

This passion was later shared by his son Carl Horst and Carl Hahn's second wife, Eleonore. This sport would prove a real blessing to him, particularly in the few years left to him after his retirement from Auto Union.

His inclination to enjoyable spontaneity also gave rise to his love for the theater, which grew out of his enjoyment of taking part in school plays himself. What remained of this later was an enthusiasm for great acting performances; an enthusiasm he primarily satisfied by regularly attending performances of the great thespians of their day in Berlin, such as Paula Wessely, Heinrich George and Emil Jannings or Will Quadflieg.

All in all, his youth left deep marks on him, manifesting themselves as personality traits, ideals and dreams that would accompany him to the end of his life. Even in the late 1950s, Carl Hahn was still dreaming of buying a forest estate in Austria to retreat to and recover in after his first heart attack, which forced him to "retire" in 1957. Sadly it remained just a dream.

On July 10, 1914, together with thirty five other classmates, he graduated from his grammar school in Seitenstetten. He took written examinations in German, Latin and Greek. Carl received the grades “very good” in German, “good” in Latin and “sufficient” in Greek. He was particularly fascinated by the beauty and stringent logic of the Latin language. Even in later years, when traveling to Italy, he preferred to seek out priests to ask for directions, addressing them in Latin. His oral examination for the German language was on the subject of “Nikolaus Lenau, an Austrian writer of the Biedermeier period.” For the Latin exam, he was tested on “Livy II”. His examination subject for “fatherland studies” was the history of Bohemia. His fourth oral examination subject was mathematics. In this, he earned “good” and “very good” in physics, as well as in philosophical propaedeutics. After completing all the exams, Carl Hahn’s success was confirmed by the exam committee’s verdict on July 15, 1914: “graduated by unanimous decision.”



Brothers Carl, Wolfgang and Heinrich, 1914



Carl Hahn, first-year volunteer corporal of the Imperial Austro-Hungarian Army, 1914

In the First World War

1914–1918

On June 28, 1914, Archduke Franz Ferdinand, heir to the Austrian throne, was assassinated by a group of Serbian nationalist students during a visit to Sarajevo. On July 23, 1914, Austria-Hungary issued an ultimatum to Serbia, in which it demanded Austria's involvement in the investigations into those behind the murder. The moderate Serbian response was considered unsatisfactory and led to a declaration of war on Serbia on July 28, 1914, and thus the outbreak of the First World War.

Carl Hahn took part in the war from the start. In 1914, he was transferred to Pressburg (Bratislava) and was immediately faced with his first severe disappointment: a retreat to Krakow and cold winter months in the Carpathians. This was followed by the offensive through Galicia and the advance with the 14th Infantry Division on Tarnopol in western Ukraine, up

to the Złota Lipa river. In the fall of 1915, after Italy had declared war on Austria-Hungary on May 23, 1915, he lived through harsh days and weeks in the fighting of the first Isonzo Battle, lasting into 1916.

Transferred several times, Hahn ended up with the Hungarian Imperial and Royal 37th Infantry Regiment, by which time he had been promoted to lieutenant. Towards the end of the conflict, the War Office granted officers who had not yet completed their studies a three-month study leave, subject to a corresponding number of tours of duty in the field. And so Carl Hahn was initially spared the heavy fighting on the Piave river in northern Italy, after the Austrian army command, under pressure from Germany, had begun a new major offensive on June 15, 1918. The result of this initiative was disastrous for the Austrians. They lost forty thousand men.

On April 29, 1918, in the very final stages of the war, which was to draw out until November 1918, Carl Hahn enrolled at the University of Natural Resources and Life Sciences in Vienna, which focused on natural sciences, engineering, social sciences and economics. In the event, he was able to devote himself to his studies for a short time longer and even passed the first state examination on July 18, 1918 with "very good results." Although he had already completely focused on peacetime work, he was once again called to the front. From July 1918 until the collapse of the Austro-Hungarian front on October 28, Carl Hahn once again took up military service in the 37th Infantry Regiment, in the Papadopoli sector, an island in the Piave river, as company commander and then adjutant. Although the Austrian artillery was able to destroy several Italian bridges to the island, the counterattack





Carl Hahn in the front office, plagued by lice in the Carpathians, 1917

Austrian and Russian Soldiers, Armistice, 1917



ordered by the Austrian commander, Field Marshal Svetozar Boroevic von Bojna, failed when the troops in question refused to obey orders – which was to become an ongoing problem for the Austrian side from then on – and due to the resistance put up by Italian assault units. The course of this battle eventually led to Austria-Hungary's defeat in the war against Italy, and the Armistice of Villa Giusti near Padua.



After the end of the war, Carl Hahn made his way through Flitsch (Plezzo in Italian) to Villach in Austria, from where he set off home with his batman and a carriage full of groceries. At that time, he still did not know when he would be coming home, as he had no map of Austria and lived in fear that his two horses would be stolen.

The fighting in the last days of the war evidently had a particular impact on Carl Hahn. The only surviving document in which Carl Hahn describes his difficult situation on the Piave is a letter to his parents dated November 8, 1918 sent from St. Veith in Carinthia. Only now, after the war had ended, was he able to describe the events. Twice he had the opportunity to distinguish himself in these battles, and he only narrowly escaped capture. He describes the battle as “*insane, with barrage, gas and planes.*” This was followed by a death ride in the company of his colonel. A photo still owned by the family to this day includes a dedication from this colonel, thanking Carl for his courage as an adjutant officer.

His experiences during the war in Italy were forever shaped by ambivalence. On the one hand, the terrible slaughter left lasting scars, while on the other hand, his lifelong affection and connection to Italy and its culture could be traced back to this time spent in the country. This love of Italy would never leave him. Decades later, in 1952, Carl Hahn, together with his son Carl Horst, who was at that time working in Turin, once again visited his former command post on the Piave to relive old memories.

Instead of lingering hostilities, the visitors from West Germany were treated to touching testimonies of warm hospitality. Hahn's telegram announcing his visit got the whole village going. A banquet was held in his honor, a joyous surprise and great tribute. The farmers, thirty people in one house (just a few years earlier, there had been almost sixty people living in this house) paid their rent as “tithes.” Only the men were allowed to sit at the table. Bread was only served to the guests and the head of the family. Many animals lost their lives for this great commemorative peace dinner.

During the First World War, Carl Hahn received many high-level accolades. Special mention should go to the Silver Medal of Military Merit with the Ribbon of the Military Cross of Merit with Swords for “repeated recognition deserving of the highest commendation,” the Gold Cross of Merit with the Ribbon of the Medal for Bravery, and the 2nd Class Medal of Honor from the Red Cross with War Decoration, endowed by Emperor Franz Joseph I of Austria for people who had rendered outstanding services in the field of the Red Cross voluntary service.

Carl Hahn was particularly proud of his awards because for him they were a tribute to the service he felt duty-bound to render to his fatherland. This was a self-image he shared with his generation and those who had lived through the same fate in German, Russian, French, British and other uniforms, those whose patriotic feeling was rewarded with medals, but all too often led to all manner of wounds and death on a scale of millions.

Academic studies and career start

1919–1921

Finally home again after the end of the war, Carl Hahn continued his studies at the University of Natural Resources and Life Sciences in Vienna, where he passed the second and third state examinations with distinction. On July 7, 1921, after seven semesters of study, the university granted him the right to use the professional title “engineer.” This academic title was later also recognized in Prussia, in 1932. Back in 1921, Carl Hahn received his doctorate in agriculture from the university with a thesis on the problems of rural exodus in Austria. His doctoral certificate states:

“The University of Natural Resources and Life Sciences in Vienna, under the rectorship of Dr. Robert Fischer, Professor of General Hydraulic Engineering and Hydraulics, awards Mr. Karl Hahn from Gratzen in Bohemia the title and the dignity of a Doctor of Agriculture, together with all the associated rights, on the basis of his dissertation “The Question of Rural Workers with Special Consideration of Rural Exodus and Internal Colonization in the Federal State of Austria” and on the basis of his rigorous defense of said dissertation.

*Awarded in Vienna, on November 5, 1921
Signed Prof. Dr. Ostermeier,
promoter
Signed Dr. R. Fischer DZ,
rector”*

During his studies in Vienna, Carl Hahn was further shaped by personality traits, ways of thinking and ideals that he had already felt committed to as a schoolboy. However, his experience of war had fundamentally added to these. In his own specific way, he professed a fundamentally humanistic attitude with the greatest respect for life, which had been so

thoroughly disrespected in the preceding years of bloodshed. Now, tolerance and humanity became indispensable maxims. This attitude almost inevitably led Hahn, who had never tended to be a loner, into community with like-minded people.

He was involved in student groups with a national and Catholic bent. Here, he met other personalities who confirmed his way of thinking. This was especially true of the future Cardinal Theodor Innitzer, with whom he felt a lifelong bond and whom he met up with again in 1948 on the joyful occasion of the 700th anniversary of the cathedral in Cologne.

In the same context, Carl Hahn met the governor Dr. Anton Rintelen, with whom he would soon be on friendly terms. Dr. Rintelen initially worked as an academic at various universities and from 1903 to 1911 held a professorship at the German University in Prague. In 1918 he was appointed deputy governor of Styria and between 1920 and 1923 he was also a member of the Austrian Federal Council. Politically he was very ambitious and even aspired to become Chancellor of Austria. Unfortunately, he saw the best opportunities for himself in close ties to the National Socialists, which soon turned out to be a capital error. After the failed July Putsch in Austria in 1934, he had to withdraw from the political stage. He was in such a blatant personal crisis that suicide seemed the only way out, but the attempt was unsuccessful.

For Carl Hahn, this tragic fate reflected his own insights. In his political thinking, he was quite close to ideas of a Greater Germany, but not to National Socialism.

He strongly believed in Article 1 of the first Austrian post-war constitution,

which stated: *“Austria is a part of the German Empire.”* Carl Hahn was certainly not the only Austrian who thought like this. Like others, he later – probably too late – came to the realization that this basic consensus enabled the most brutal German party, the NSDAP under Adolf Hitler, to create political realities that were initially celebrated, but in the end were associated with millions of deaths.

For Carl Hahn, too, the end of the First World War and the subsequent collapse of the Austro-Hungarian monarchy resulted in a bitter contradiction between his political ideas and reality. His homeland was no longer Austria-Hungary, but the Czechoslovak Republic created under the patronage of the League of Nations. This automatically made all members of the Hahn family Czechoslovak citizens. Now living in Graz, Dr. Carl Hahn received Austrian citizenship on January 5, 1922.

Immediately after graduating, Carl Hahn entered professional life. He began his career on November 1, 1921. Until March 10, 1922 he was deputy commercial director in the goods department of the Steirer Bank in Graz. However, the tasks assigned to him and the everyday monotony of banking were not particularly exciting for him, and so he started looking for a way out as soon as possible. The reference that the bank gave him attested to his *“extraordinary diligence as well as great energy and trustworthiness,”* continuing *“family circumstances that suddenly arose forced him to leave our service.”* Most likely, however, this was only an excuse, since at that time he was already faced with a very interesting task – one that would set the direction for his future professional life.



Carl Hahn with fellow students at the University of Natural Resources and Life Sciences in Vienna, 1921



Certification as an engineer, 1921



Career with DKW and starting a family in Zschopau

1922–1934

On April 20, 1922, Dr. Carl Hahn began his service at Zschopauer Motorenwerke J. S. Rasmussen in Zschopau, Saxony, as the private secretary of the company boss. Carl Hahn came to J. S. Rasmussen's Zschopau engine works on the recommendation of the fire pump manufacturer Hans Flader from Jöhstadt in the Ore Mountains, located directly on the border with what is now the Czech Republic. The manufacturer Hans Flader, Carl Hahn Sr., Carl Hahn's father, and Jørgen Skaft Rasmussen were hunting friends from Hahn's time in Preßnitz. As early as 1921, the pump manufacturer had tried to drive his fire-fighting pumps with a motor from

Zschopau, but this failed initially due to insufficient power. It was not until later, around 1929/1930, when almost all fire-fighting equipment companies were installing the robust two-stroke engines in their portable fire pumps, that Flader decided to rely primarily on DKW two-stroke engines from Zschopau. As Dr. Ove Rasmussen, the son of the company founder remembered:

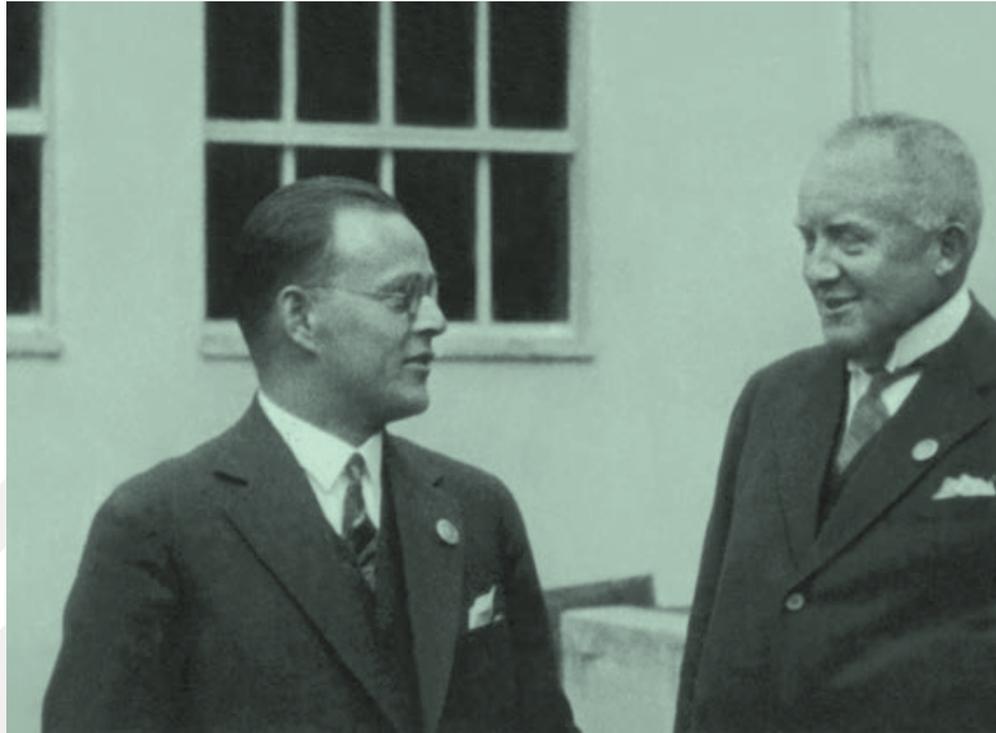
"I saw how the DKW plant continued to grow. I can still remember when Dr. Carl Hahn came to Zschopau as a very young man. His father was the forest administrator. Forest Administrator Hahn turned up and, through Mr. Flader from

Jöhstadt, asked my father to employ the young man. And Carl Hahn came and rose through the ranks. He was an extremely capable and likable person with Austrian charm. He knew how to get ahead and was indispensable to my father in many ways. My father trusted him especially."

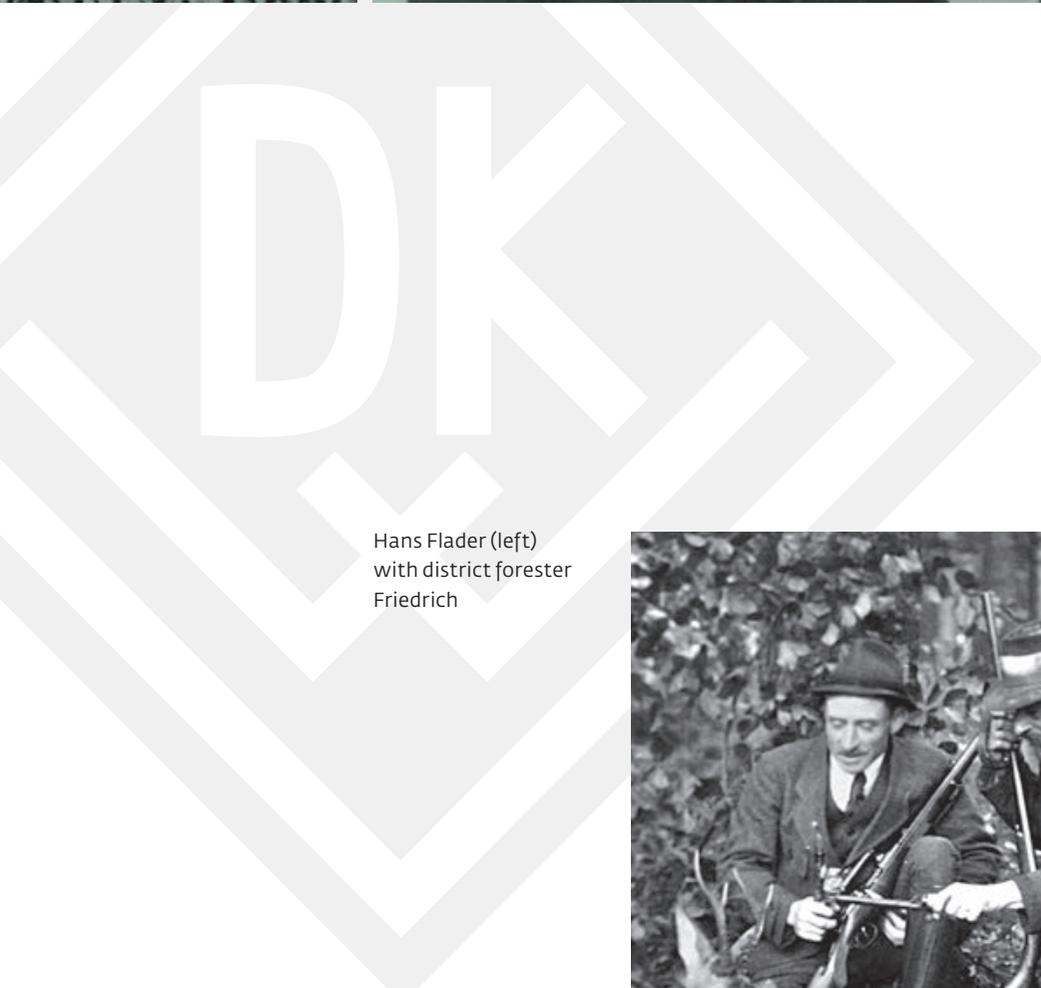
After a short time, Carl Hahn had risen to become commercial director, and when the company was refounded as a stock corporation in December 1923, he was promoted at the age of twenty nine to commercial board member of Zschopauer Motorenwerke J. S. Rasmussen AG in Zschopau.



DKW plant in
Zschopau, 1907



Carl Hahn and
Jørgen Skafte Rasmussen,
1928



Hans Flader (left)
with district forester
Friedrich



Carl Hahn in Zschopau
on a DKW Lomos
recumbent bike, 1923



As a prominent representative of the DKW works, Hahn's duties included taking part in social events of all kinds – from the inauguration of a memorial to the club ball. While performing these duties, he got to know the family of local businessman Kusel, and, more importantly Kusel's daughter Maria. The two were devoted to each other. Marie Lucia Lina Kusel – Mia for short – born on May 20, 1905 in Meerane, Saxony, was the daughter of the engineer and director of the spinning mill, Friedrich Wilhelm Arnold Kusel, who was originally from Bühl, in

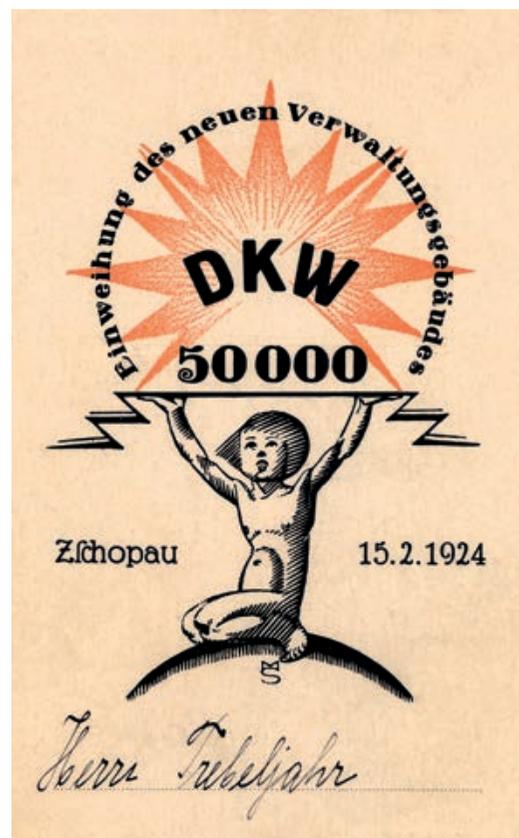
southwestern Germany. The textile engineer had cut his teeth in a textile factory near Como. In the early 1920s, he managed a textile factory in Gelenau in the Ore Mountains, not far from Zschopau. His wife Maria Luise, née Sistig, also came from an entrepreneurial family who owned a factory that manufactured velvet machines in Dülken, not far from Düsseldorf. Carl Hahn greatly valued the sensitive and musical nature of his future wife's mother. Her dignified appearance also made a strong impression on him.

Main entrance to the new DKW administration building on Marienberger Straße in Zschopau. It was inaugurated in February 1924



Invitation to the ceremony inaugurating the new head office and celebrating production of the 50,000th DKW engine

Mia Hahn (2nd from left) with parents and father-in-law Carl Hahn senior (right), 1925





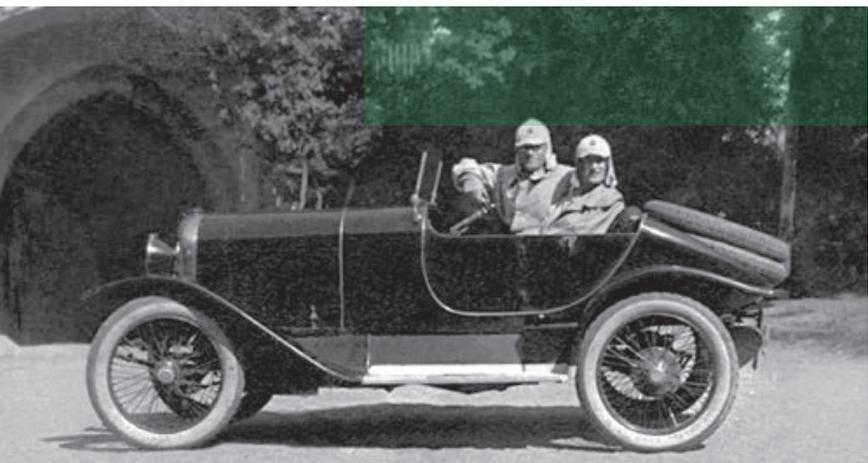
Women at the vibrant age of fifty dressed in a deliberately dignified manner at that time. The result was an outfit that worthy old ladies twice her age would these days put aside as excessively dour. Maria Luise Kusel lived out her humanistic values in her practical approach to life – an attitude that would remain strongly embedded in her grandchildren’s memories.

On September 15, 1925, Dr. Carl Hahn and Marie Lucia Lina Kusel married. The wedding was held in her family’s village in the Ore Mountains. Unfortunately, Hahn’s mother Anna was not able to see her son’s wedding, as she had died on August 12, 1923.

The young couple lived in Zschopau, where Jørgen Skaft Rasmussen had already arranged for a pleasant house to be built for his right-hand man in the narrow

Zschopau Valley opposite the DKW factory, at Südstraße 30. On July 1, 1926, the couple celebrated the birth of their first son, Carl Horst, born in Chemnitz, followed on August 19, 1933, by a second son, Wolfgang Günter.

The Hahns felt very comfortable in the Ore Mountains town of Zschopau. They were undoubtedly one of the most prominent families in the DKW metropolis. Their daily life was shaped by their close ties to the motorcycle factory in the Zschopau Valley. During the racing season, the noise of the racing engines on the test stands could be heard at night from Monday to Wednesday. If they sputtered out, the sudden silence immediately woke the Hahns in Südstraße, and Carl Hahn would pick up the phone.



Carl and Mia Hahn in an NAG 10/50 hp sports car, 1926

Carl and Mia Hahn honeymoon in a Hataz (Hans Tautenhahn Zwickau) sports car, 1925

Mia and Carl Hahn with son Carl Horst, 1926



For the family, life in Zschopau was a time of tours in the Ore Mountains, picnics in the countryside and trips to Hahn's father in Bohemia. Visits to wholesalers and importers, preferably on the evening before wages were paid on Fridays, were also part of family life. Carl Hahn spent long evenings sitting outside in the fresh air with them as they haggled over discounts

Carl Horst soon had to walk almost two miles to school and then back again, something no-one thought twice about. There was no shortage of playmates in the DKW estate. They raced down the Zschopenberg hill in their homemade soap box carts. To brake, they used the soles of their shoes, and anxious shouts from the grown-ups spurred them on.

For the father of the family, however, life in this Ore Mountains town was not just a leisurely idyll: he was more concerned with the serious business of everyday life. His days were shaped above all by the changes at Rasmussen's companies and the far-reaching transformation in Hahn's professional activities, which of course also had an impact on family life.

Carl, who as a good Catholic went to Chemnitz every Sunday for mass, returned to Zschopau afterwards and usually went to the factory. Being a Sunday, everything there was, of course, quiet. But apart from

the fact that there was always something to check up on during these visits, he probably mainly came to be inspired by the special atmosphere emanating from the stationary machines, so unlike the noisy weekday operations, although still, even on Sundays, surrounded by an aura smelling of sweat, drilling water and oil. After all, the motorcycle business was a seasonal business par excellence and from autumn onwards, most of the products were produced for stock. For this reason, the question of whether economic and competitor forecasts would prove correct was a constant source of worry. When Carl Horst was old enough, he was allowed to accompany his father on these Sunday factory visits. It didn't take long for the magic of the place to cast a spell on him too.

The Hahns were ambivalent about the National Socialists: Maria was completely opposed to them, but Carl Hahn himself was quite interested. With regard to Austria itself, he advocated the goal of a Greater Germany. He saw the rapid and noticeable upturn after the low point of the crisis as a testament to the economic policies of Minister Hjalmar Schacht in the Nazi government and, of course, to the motorization program announced a few weeks after Hitler seized power. However, he saw an almost insurmountable barrier between his Catholic faith and

the strongly atheistic ideology of the Nazi party. The founding of Auto Union created a Saxon state company, which from 1933 on was subject to the unhindered influence of the Reich Governor and top Nazi party functionary, Gauleiter Martin Mutschmann. He was involved in practically all key decisions made by company management. In the future, nothing would be done without party involvement, and membership was essential for a deputy board member. Carl Hahn now saw enough reason to join the Nazi party himself. The concordat concluded between the Catholic Church and the Nazi government in July 1933 made it much easier for him to take this step.

Carl Hahn walking through the Rasmussen estate in Zschopau, February 1930

Hahn home, Südstraße 30 in Zschopau, around 1930





Zum ewigen Gedenken an das aufwühlende Ereignis // UMZUG DER WERBE-ABTEILUNG DER AUTO UNION AG // nach Chemnitz
am 14. April und folgende Tage. (dargestellt und überreicht von V. Mundorff)

To Chemnitz with Auto Union

1934–1935

When Auto Union was founded in 1932, it was clear from the start that although DKW would act as the absorbing entity, the new company would not be based in Zschopau, but in Chemnitz. This was certainly also the express wish of the Saxon State Bank, which did not even have a presence in Zschopau. However, since no suitable premises could be found right away in “Saxony’s Manchester” and no funds were available for costly conversions or even new construction of a central administration building, the heart of Auto Union continued to beat in Zschopau for the time being, and so the addendum “DKW post office” was written on all outgoing and incoming mail.

From here in Zschopau, Carl Hahn also helped shape the integration of DKW into the new corporation, of which he was appointed deputy board member. Numerous important meetings in preparation for the founding of the corporation took

place here in the Ore Mountains, with Dr. Carl Hahn playing a significant role in organizing and supporting them. However, once the new entity had been founded in June 1932, these activities gradually became more and more complex in the day-to-day workings of the dynamically growing corporation. Even from a purely external perspective, Chemnitz was simply better positioned when it came to the indispensable infrastructure – such as hotels and restaurants – that would be needed for certain occasions. The Chemnitzer Hof “industry hotel,” which opened in 1930, soon became the regular lodging and meeting place for Auto Union’s guests. Since Carl Hahn was also a constant and sought-after presence at these meetings, and for other reasons besides, he and his family were soon faced with the issue of relocating, regardless of whether suitable business premises would be found in the

west Saxon city in time. But the key factor behind the decision to move to Chemnitz was the growing urgency of the requests from Auto Union board member Dr. Richard Bruhn, who wanted Hahn close by every day. The main reason for this was probably a general realization that DKW’s former “emperor,” Rasmussen, was clearly overwhelmed by the responsibility and the functional demands required of a technical director at the large new company.

And so, in 1934, the Hahns moved to Händelstraße 9 in Chemnitz. The Bruhn family lived close by, in a house at Johannes-Reitz-Straße 6. In the morning, Hahn and Bruhn would walk their twenty minute commute through the Chemnitz city park along the Chemnitz river to the factory, discussing business before they even reached their offices. But the “miraculous developments” in their sons’ lives were often a topic of conversation, too. For lunch,



Auto Union head office
in Chemnitz, 1938

Colored sketch by Victor Mundorff "in eternal commemoration of the stirring events" of the advertising department's move from Zschopau to Chemnitz in April 1936

Hahn family in
Oberschlema, 1935

Carl Hahn in the garden,
Händelstraße 9, Chemnitz



which was followed by a twenty-minute nap, Carl Hahn generally came home again. And it was the most natural thing in the world to invite business partners home for lunch now and again.

Throughout his life, Carl Hahn was a very sociable person, a good host and a good motivator, and he had a great deal of wit and a long list of jokes. On the one hand, he cultivated intense hospitality and, as mentioned, invited business partners into his home. On the other hand, his love of nature

would burst forth all the time, and he would take his family for picnics in the surrounding countryside. Fall was the big time for potato fires and winter was the scene of skiing trips to Oberwiesenthal.

In the Hahn household at Händelstraße 9 in Chemnitz, sons Carl Horst and Wolfgang, who was seven years younger and who was also to pursue an automotive career later, spent a happy and carefree childhood and youth up until the outbreak of war.



House at Händelstraße 9
(left to right):
William Werner,
Hans Werner, Carl Horst,
Ursel Werner, Hilde
Schwenke, Carl Hahn,
Maria Kusel, Mrs. Werner,
Martin Schwenke,
Mia Hahn,
New Year's Eve 1937



Garden of the Hahn house in Chemnitz: brothers Wolfgang (left) and Carl Horst with cousin Thea Drechsel from Bucharest, 1942

After Sunday breakfast: Carl Hahn reading a picture book, 1942

Interlude in Bremen

1935–1936

When hostilities with DKW founder Rasmussen broke out into the open, however, Carl Hahn's days in Chemnitz quickly darkened. As much as he felt connected to the daily demands of his work at Auto Union, and as much as it challenged him in the best sense of the word, and despite the harmony he enjoyed with his new colleagues, the mudslinging with Rasmussen over the future management of the company, new details of which emerged almost every day, had a paralyzing effect. Added to this, word of Hahn's abilities had gotten around. Well-known companies came knocking at his door with tempting offers. For example, Counsel Sachs from Fichtel & Sachs AG in Schweinfurt, and State Councilor Ritter from the Brinkmann tobacco company in Bremen. The latter offered Carl Hahn a four-year contract that was better paid than his current one at Auto Union AG. Above all, however, the offer included chairing the board of directors and, particularly during these difficult and stressful days, that was the deciding factor for this man, who was constantly being treated as secondary at DKW in Zschopau. And so he seized the moment. In the period from August 1, 1935 to May 1, 1936 – that is, for a whole nine months (!) – Carl Hahn was the CEO of Martin Brinkmann AG in Bremen, Ger-

many's largest tobacco factory, and one steeped in tradition. With 5,800 employees, it had produced cigarettes and cigars in the Woltmershausen district of Bremen since 1931.

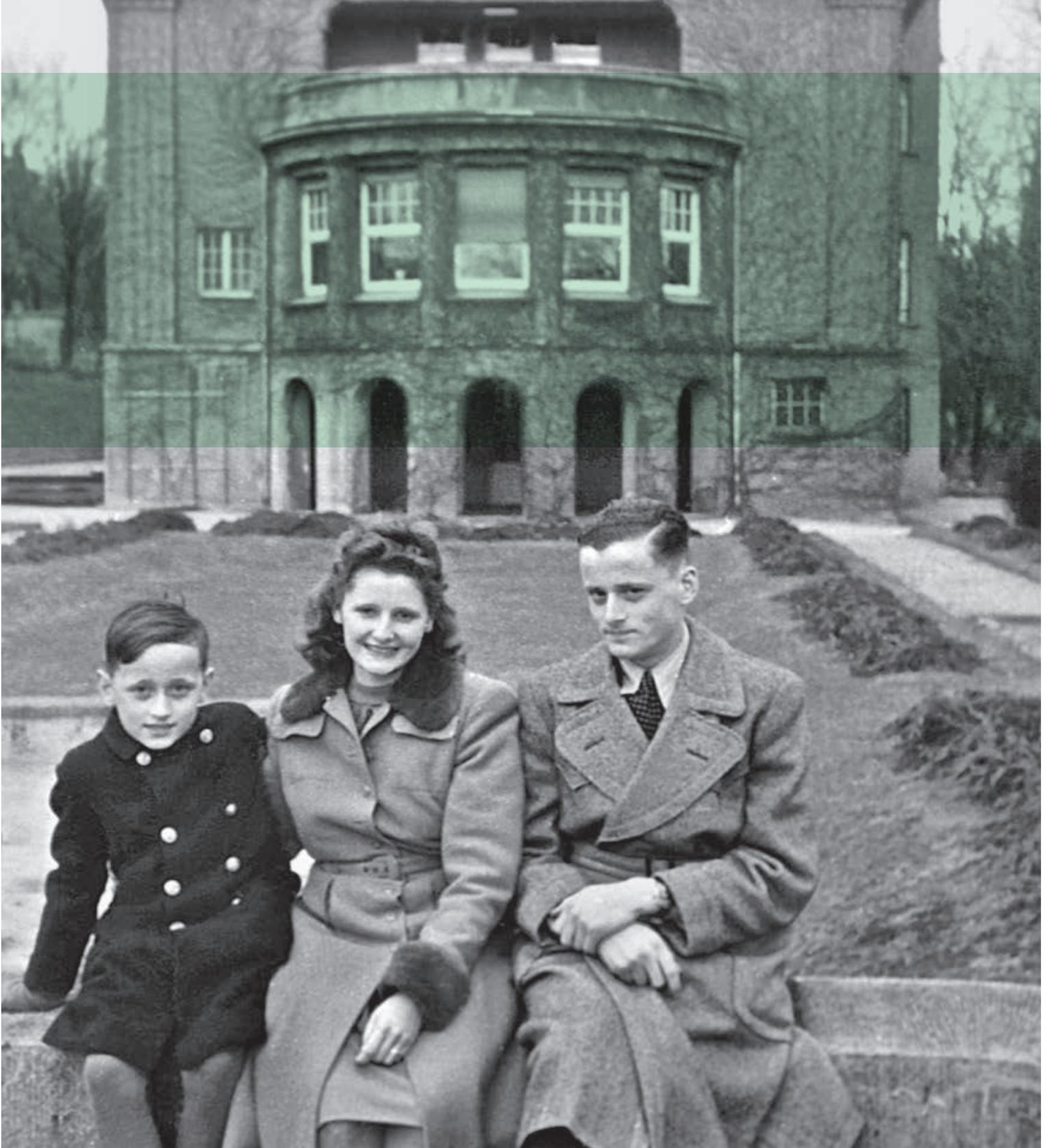
Hahn's decision had huge ramifications for family life. This was more than just a move from Zschopau to Chemnitz, where everything was already familiar, this was a move from the south to the north. Everyday life, school, friendships – everything changed. At first glance, Hahn's professional conditions in Bremen seemed ideal. In a confidential letter to Kurt Nebelung, President of the Saxon State Bank, on December 1, 1935, Carl Hahn emphasized that the Ritter family had completely fulfilled the promises made to him before joining the company, *“not only to the letter, but also in spirit.”* This forged a strong bond between him and the family, with whom he developed a close, friendly relationship.

During his time in Bremen, he lived with his family at Kurfürstenallee 23. Wolfgang Ritter, the eldest son of the well-respected company senior, lived in a small apartment in the same house.

Despite the business advantages and, most importantly, the financial advantages of his new sphere of activity, Carl Hahn did not feel at home at Martin Brink-

mann AG. After thirteen years with DKW, he still felt that he belonged at Auto Union, he missed the bond with the board there and contact with his former colleagues, dealers and employees. Despite all the professional and financial temptations, Auto Union in Chemnitz and its “house brand” DKW drew him back home to Saxony with an irresistible, almost magnetic force. Even if life in Bremen held little fascination for Carl Hahn, he was certainly captivated by the cigarette manufacturing technology, which was new to him. And thanks to his ability to get his head around technical processes, he immediately had an idea of how to pack the “smokes” more efficiently – and his idea even turned out to be patentable. Many years later, when he was putting his idea for a completely new form of feminine hygiene product into practice, he remembered the cigarette manufacturing process as a model for producing the o.b. tampon – with very useful effects!

For Dr. Carl Hahn, the chapter of his life headed “Cigarettes in Bremen” was soon over, its very positive beginnings notwithstanding. As he discovered, he was an automotive man at heart. This was the product he felt connected to, this was his field. Never again would he try to get away from it.



Dr. Hahn maintained friendly relations with the Ritter family in Bremen, the sole owners of Martin Brinkmann AG since 1900. Decades later, at his instigation, a Brinkmann subsidiary opened a cigarette factory in Ingolstadt in 1952, which, however, was “forced” to move on to Berlin a few years later for tax reasons. After the end of the Bremen interlude, the Hahn family moved back to Chemnitz, back to Händelstraße 9. The furniture packers had an easy time of it as

they still remembered where everything went.

Today this house is the seat of the successful IT company Community4you, and is called “Villa Hahn,” in honor of Carl Horst Hahn, who was the second generation of the family to work in the automotive industry, which he did all his life, and whose Audi, Seat and Škoda policies, whose policies on German reunification, Eastern Europe and China have left their mark on the entire German economy.



Years in Chemnitz

1936–1945

For Carl Hahn and his family, the years in Chemnitz from 1934 to 1945 – with the exception of the nine-month interlude in Bremen in 1935/36 – were marked by experiences of great success and the most painful destruction, human closeness and unexpected disappointment, the rise and fall of a life's work. His wife and sons played their part in the pater familias' personal transformation into "DKW Hahn," known far and wide as a symbolic figurehead for not just a motor vehicle brand, but for a fundamental view of individual motor vehicle ownership.

Above all, his contemporaries admired Carl Hahn's ability to inspire conviction and enthusiasm when promoting his

ideas. He himself later said: *"It is not a merit, but a grace to be able to devote oneself to an idea, and to dedicate oneself to an idea for as long as one's health permits."*

With Carl Hahn, the idea was always palpable. His enthusiasm for DKW was a key factor in motivating everyone involved, particularly the many small dealers and workshop owners he came into contact with. He always combined professional competence with a willingness to help and, above all, charming eloquence. It was this, in particular, that earned him a reputation that continued to have an effect decades later and even had very practical consequences after the war, in the 1950s: the former DKW dealers waited, despite

the personal cost to them, for the old ties to their brand to be strengthened again, and they took Carl Hahn as their guarantor. He didn't let them down and was then able to announce in all honesty: DKW is back!

One of the employees from the executive floor of Auto Union later said the following about him: *"Dr. Carl Hahn was a captivating personality. With the courtly manners of his Austrian homeland, he combined informal vitality and mental flexibility. His keen imagination sometimes oppressed him with an 'excess of visions.' But anything that survived the fine mesh of his critical intelligence would then form the foundation and guide for his actions and decisions."*

Fireside family photo
at Händelstraße 9, 1943

The war also left its mark on the Hahn family. Carl Horst's childhood and adolescence ended when he became an anti-aircraft auxiliary, in which capacity he was deployed as a camp crew captain and gun commander of an 88 mm anti-aircraft gun in the Chemnitz suburb of Furth, and later a soldier. Wolfgang Hahn lived through the "unnecessary," to put it mildly, air raid on Chemnitz on March 5, 1945 in the Hahn home. The carpet of bombs also hit the house next door, whose occupants died in their air-raid shelter. In 1943/1944 Carl Hahn had a small bunker built into a hillside near the house, big

enough for ten to fifteen people. Wolfgang remembers: *"After the bombing of Chemnitz in early March, the city center was basically flattened and the Hahn family lived in Handelstraße behind more or less boarded-up windows. To be on the safe side, one set of double windows was kept in the basement. The Americans were so close to Chemnitz that they kept shooting in."*

According to the weather records, April 1945 was much too warm. Wolfgang Hahn often sat in a deck chair in the garden in front of the entrance to the small bunker, reading Karl May books.

Carl Horst Hahn (left)
as an anti-aircraft auxiliary,
gun commander of
an 88 mm flak gun, 1943



Reception for Carl Hahn's
50th birthday, held in the
Auto Union head office
(left to right):
Carl Hahn, August Horch,
Walter Schmidt (mayor of
Chemnitz), Theophil
Quayzin (architect for
Auto Union), William
Werner, Richard Bruhn,
Hermann Weber,
March 1944

On May 7, 1945, the day Hahn left Chemnitz, an acting board of directors was appointed.

Left to right:
Ludwig Hensel, Walter Schmolla, Hanns Schüler, around 1955



Mia Hahn with son Carl Horst in Kamenz, around 1944



Depending on how the whistling of the bombs sounded – he had by now developed an ear for it – he would quickly crawl into the bunker, or not. *“The house was hit twice, once in front of the kitchen and once in front of Wolfgang Hahn’s room. That destroyed the windows, as well as the trees in front of the house. But the house was strong enough to survive it all.”*

The unconditional surrender on May 8, 1945 also marked a turning point in the young history of Auto Union AG in Saxony. Already on May 6th, the members of the executive board had announced their resignations, after production had officially been stopped and an acting executive board headed by the legal advisor Dr. Hanns Schüler had been appointed. On May 7, when the Red Army was stationed near Freiberg in Saxony, some of the company’s top management decided at the last minute and at the urging of Carl Hahn to leave the city of Chemnitz and head to southern Germany before the advancing Russian troops arrived.

Dr. Hahn had already come into contact with Soviet customs in previous years during his DKW business trips to Russia, when he sold stationary DKW engines to the Soviet Union. At any rate,

while doing this, he spent weeks in Moscow and certainly noticed the stark contradiction between the regime’s ideological claims and the sometimes quite cruel realities of everyday life. He saw the proverbial poverty that was caused by the system, but also recognized the thoroughly successful efforts of the country’s leadership to improve the school education of the people in Russia. From then on, however, he mistrusted the demagogic promises of the Soviet leadership and rightly feared their ruthlessness in reaction to the ideologically motivated Nazi brutality practiced by the Germans during the genocidal World War. As a result, he feared and rightly suspected that if he and his board colleagues stayed behind in Chemnitz, it could mean imprisonment and death. His fears were justified, as was demonstrated a short time later by the fates of, for example, Heinrich Schuh, the Audi factory director, Oskar Arlt, one of the fathers of the DKW and Audi front-wheel drive and head of the technical office at the Audi factory, and the fate of one of Jørgen Skaft Rasmussen’s sons. Like thousands of others, they were arrested without justification, imprisoned in camps and put to death anonymously.

The Lancia Aprilia, a modern mid-sized car with a 1.5-liter V4 engine and 48 hp, was launched in 1937. Carl Hahn brought the car from his time at Fiat in Turin back to Chemnitz in the spring of 1944



Exodus

1945

Carl Hahn described the situation as follows: *“On May 7, 1945, when Dr. Bruhn and I left our place of work – at the very last minute – he said: ‘Why should I go? I have a clear conscience, why should I run away?’ When we were barely out of Chemnitz – I remember seeing the northern slope of the Ore Mountains, where the mountains slowly rise – we stopped again on the road and Dr. Bruhn and myself and our families took one last look back at Chemnitz down below us. Not really to say goodbye, but only to say, now we want to take another look, now we want to take in the picture again. We’ll be back to work there happily again one day.”*

A convoy of three vehicles – Carl Hahn with his wife and son Wolfgang in one, Auto Union’s export manager Werner Jansen with his Norwegian wife in another, and Richard Bruhn with his family and driver in the third – set off in the direction of Reichenbach in the Vogtland region, which was directly behind the American troops’ line of demarcation. The leading vehicle, the Lancia Aprilia, was driven by Carl Hahn himself and carried a red, white and red Austrian flag, which Mia Hahn had previously sewn together from scraps

of fabric. The right rear seat had been removed to make more space for personal items. Luckily the car had been fully fueled in Chemnitz and Carl Hahn even had official permission to use the vehicle privately, which in the closing days of the war, at a time when the majority of private vehicles had been requisitioned for military purposes, was by no means a given.

The Jansen family’s vehicle, bringing up the rear of the convoy of three, flew a Norwegian pennant, as Mrs. Jansen was Norwegian. Only Richard Bruhn’s car, carrying himself, his wife and youngest son and driven by a chauffeur because Mr. Bruhn didn’t have a license, was not flying a flag, so the other two cars drove in front and behind to be on the safe side. And so the quasi-international convoy crossed the front lines between the German and American armies.

The American troops allowed the small party across the demarcation line, but subjected its members to intense questioning and a close examination. Among other things, they were asked whether they had any weapons on them. Carl Hahn had to say yes, because he still had his old 6.35-mm pistol with him. He argued that he was given it by his father and that he

should be allowed to keep it. But to no avail. According to son Wolfgang, the GIs *“happily put this pistol in their pockets.”* After crossing the battle lines, they drove on to Auerbach im Vogtland, where they found quarters in an inn, one room each, arranged by the US side in view of the importance to the Western powers of the refugees. To be able to cross the fronts between the two army blocs in this way was a privilege bordering on the miraculous. Millions had to camp in forests during that time. A few days later, Carl Hahn’s mother-in-law was picked up from Chemnitz in a car. The borders were still relatively permeable then. In Auerbach, however, the convoy was held back at first. They were forbidden from traveling any further.

The older son, Carl Horst, was not part of this convoy. After serving as an air force auxiliary, he had been drafted into the Reich Labor Service. This was immediately followed by conscription into the army. In 1944 he was assigned to the infantry in Leipzig, but ended up with Tank Replacement and Training Regiment 18 in Kamenz. Finally, Carl Horst was loaded with his troops and the ancient Panzer IV tank onto a train to Halle. At the beginning

of March 1945, the concerned Carl Hahn tracked down his son to a train station where his squad had been parked, and told him about the devastating air raid on Chemnitz.

Shortly before the end of the war, the squad led by ROB (candidate reserve officer) Lance-Corporal Hahn was ordered to set up a tank observation post in a field on the Chemnitz to Zwickau highway – only a few kilometers from the Hahn family home. Here, too, he received visits from his father, who drove an RT 125 to his son's temporary quarters at a farmhouse in Adorf, bringing a backpack full of wine from his cellar with him. Luckily, the Americans didn't fly at night, nor did they generally operate on the ground during nighttime hours, either. In this particular case, they didn't even operate by day.

During his evening visits, Carl Hahn had issued each of the squad members an ID card on Auto Union stationery, stating that they were on their way back to Vienna as foreign workers. Every American checkpoint took this paper as a document from an automobile workers' union, given the meaning of AUTO UNION in the USA. But very soon it was also used to receive ration cards and was the only ID the boys had on their way into a new world.

In addition to the ID cards, the "move" to Adorf was also vitally important for Carl Horst Hahn and his squad. On May 7,

the caretaker and gardener of the Hahn family home, Otto Brand, used a telephone line that was still working to inform Carl Horst that his parents had just left Chemnitz. So now the squad members changed out of their uniforms, with the General Secretary of Auto Union, Dr. Gerhard Müller, who lived on the outskirts of Chemnitz in neighboring Klaffenbach, supplying them with civilian clothes. A day later, on May 8th, they marched along the highway towards Zwickau. Incidentally, the Americans sent a jeep to pick up Dr. Gerhard Müller and William Werner a little later. The latter was German-American and was considered one of the most important manufacturing experts in the armaments industry. He had played a key role in air armament on the German side.

On the first Sunday after arriving in Auerbach, after mass, Carl Hahn was studying the countless announcements posted by the US military government. Meter-long billboards had been set up for this purpose. When he got to the end of the billboard, someone tapped him on the shoulder. "How do you do, sir?" were the first words he heard out of his son Carl Horst Hahn's mouth, speaking in English, dressed in civvies and, together with his five friends, also there looking for information. Auerbach, only a few miles away from Zwickau

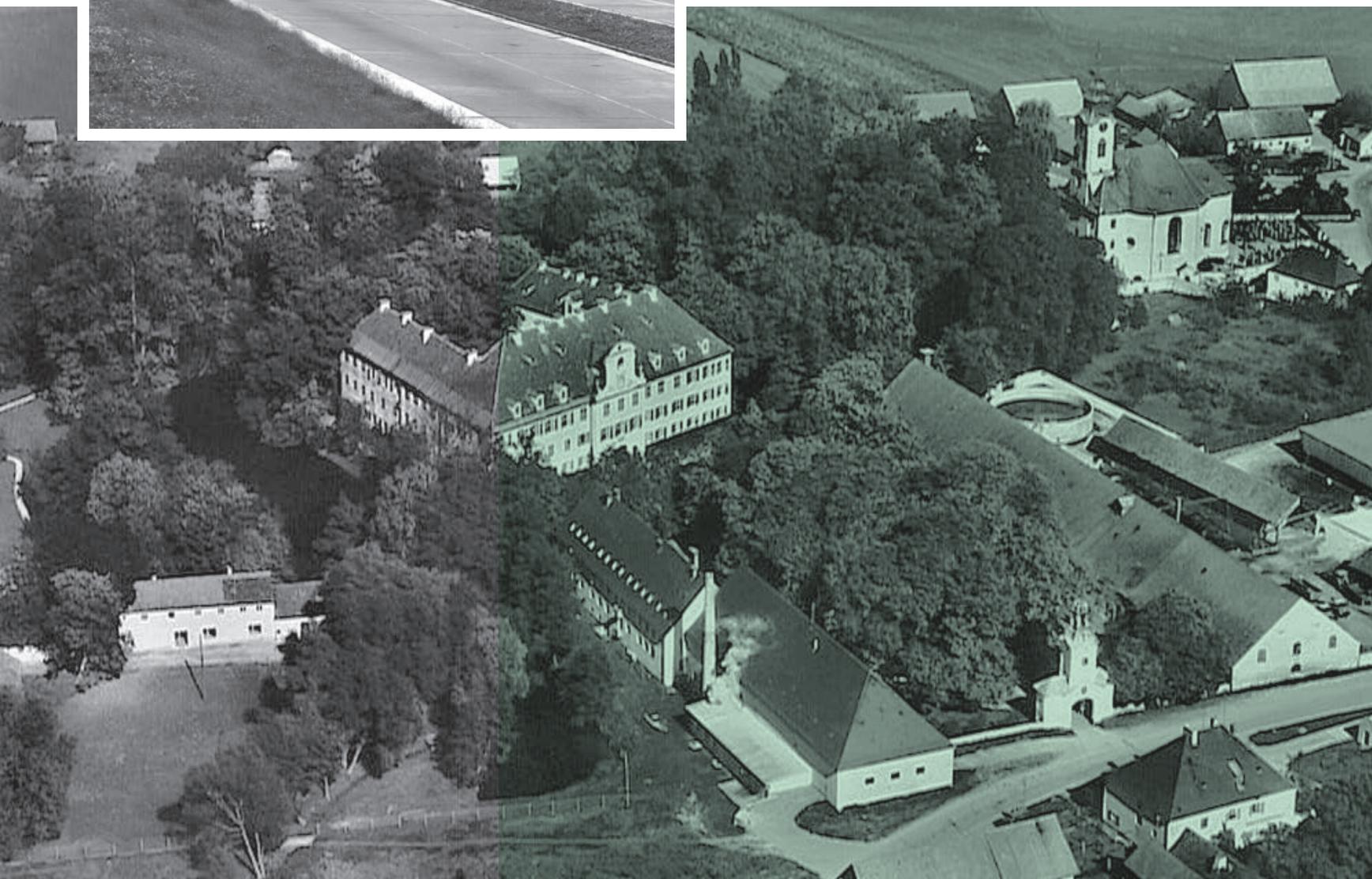
and its Auto Union production plants for Audi, DKW and Horch, was the first town they dared to show their faces in. Father and son were left speechless. Just a very short visit to the hotel, a quick briefing, and then the small troop set off again on their march to Sandizell, split up on opposite sides of the street. When they arrived ten days later, there was still no sign of Carl Horst's parents.

All three families were still stuck in Auerbach. At the same time, rumors were spreading that the Americans were planning to hand over Saxony and Thuringia to the Soviets. For this reason, Carl Horst returned to Auerbach in late May. His comrades, who all came from Saxony, kept going, while he went to find his parents. In mid-June, when the US troops retreated to their Yalta line and handed over the occupied territory to the Russians – they had previously advanced as far as Leipzig and Siegmarsdorf near Chemnitz – the small convoy was finally able to continue its journey. Since the US did not want the Auto Union board to fall into Russian hands, the travelers were given official permits and the vehicles were refueled by the Americans. A large registration number was painted on the doors of the cars with the inscription "Auerbach Motor Pool." This gave them a free pass to drive anywhere.



Autobahn, looking
towards Ingolstadt, 1939

Sandizell Castle,
near Schrobenhausen



Refuge and life at Sandizell Castle

1945–1950

The journey continued south from Auerbach. They took the Ingolstadt exit off the highway (today's A9) and headed to the moated castle of Sandizell, near Schrobenhausen in Upper Bavaria. The Hahn family was not able to take a lot of personal valuables with them when fleeing the Soviets: three Italian bicycles – with rim brakes, which were still relatively unknown in Germany – a sack of potatoes on the roof of the

car, and a few little bags of silver five-mark pieces. This would have to do for their fresh start. Son Wolfgang sat in the back seat, crammed in between the family's belongings. Son Carl and grandma Maria Kusel drove in Werner Jansen's Wanderer W 23.

Richard Bruhn was headed to Munich, where his wife had relatives. From there, the Bruhn family then drove on to their

hometown of Fleckeby in Schleswig-Holstein in the far north of the country. It had been agreed beforehand that they would all meet up again in southern Germany to think about the future fate of Auto Union and, if necessary, to return to Chemnitz after the situation had stabilized, and resume their previous functions. "Wishful thinking" would be the most appropriate description of that plan.



Carl Max von Sandizell in his favorite spot on the castle's bridge next to the main gate, 1948

Count Carl Max von Sandizell was a successful Auto Union driver in off-road and endurance racing in the 1930s, pictured here with a DKW F2 at the ADAC small car competition in August 1933



At the 1,000 year anniversary in Sandizell: on the left, Hochbrand von Sandizell, the son of Count Carl Max von Sandizell (3rd from left). In the middle, Mia and Carl Hahn, 1948

¹ Imperial Count Carl Max von und zu Sandizell came from a noble family that traces its lineage back to the year 948.

Carl Hahn had already prepared the “relocation” of the Auto Union AG management, with great foresight and a realistic assessment of the political and military situation, back in October 1944, when he had all the plans for the DKW motorcycles RT 125, NZ 250, NZ 350 and two types of cars copied and loaded onto a truck, which was not without its dangers and could easily have ended up with him being executed for defeatism as the Third Reich entered its final stages. Each family member was allowed to load one suitcase onto the truck.¹ The passionate art collector Carl Hahn also loaded onto the same truck his favorite painting, a “Madonna” painted by the seventeenth century Dutch artist Bloemaert. Sandizell had been agreed as one of three possible meeting places for the Hahn family. The family was now aware of the Allies’ plans from Allied radio broadcasts. Although tuning in to “enemy radio stations” was punishable by death, the entire Hahn family listened to them. But this was information that couldn’t be kept secret, thanks in no small part to the truck’s destination.

Carl Max von Sandizell and his wife Paula were on friendly terms with the Hahn family. In the 1930s, Carl Max was one of the most successful rally drivers of his time, mainly in Auto Union cars, and later became sports president of the Automobile Club of Germany after the war. Furthermore, the Sandizell family bred their own Scottish terriers and supplied these to the hunter Hahn.

So Sandizell was a place that the Hahn family was well acquainted with, and one which they also went to every year over the Pentecost holidays. At Easter, the Hahn family would go to South Tyrol, mostly to Merano, where Carl Hahn went on excursions to show his son Carl Horst the positions from World War I and the endless cemeteries of the fallen, especially from the countless battles along the Piave and Isonzo rivers. From 1937 on, the family no longer spent its summer vacations at Bansin on the Baltic, visiting Lake Wolfgang instead. As late as 1939, father

Hahn chartered a sailing boat with a keel for his son, whose hobbies would later include sailing in the air and on the water.

From mid-June 1945, the Hahn family initially lived in a three-room apartment with a bathroom in the moated castle of Sandizell, where the count’s father had once lived. On the ground floor of the spacious castle there was a shared kitchen, in which Mia Hahn cooked for the family. Here they all waited to see what the future would bring.

As a prominent guest of the count, the industrialist Carl Hahn was soon brought to the attention of the Americans. Shortly after his arrival, he was interrogated by the CIA in the district town of Schrobenuhausen, but he retained his freedom. A good relationship developed with the Americans. By this time, the US officers also had German secretaries, whose tasks would later also include issuing travel permits and signing them in the name of the respective officer – permits that Carl Hahn could then use to move around in the western zones. Carl Hahn tried to keep himself busy very early on, because it was not unreasonable to suspect that he would not be returning to Chemnitz to take up his old position at Auto Union in the foreseeable future.

When summoned by the US secret service for interrogation, Carl Hahn leafed through a Life magazine in the anteroom, in which he came across an advertisement for Tampax feminine hygiene products, among other things. An idea immediately popped into his head: there was no comparable product in Europe and a product without seasonal fluctuations was a dream for a motor vehicle manufacturer plagued by seasonal business.

For his stay in Upper Bavaria, the Military Government of Germany issued Carl Hahn a “temporary registration card” on July 2, 1945 with the following wording: *“The holder of this card is duly registered as a resident of the municipality of Sandizell and he or she is strictly forbidden from departing this location. Violation of this*

measure will result in immediate arrest. The holder of this certificate must always carry this ID card on his or her person.”

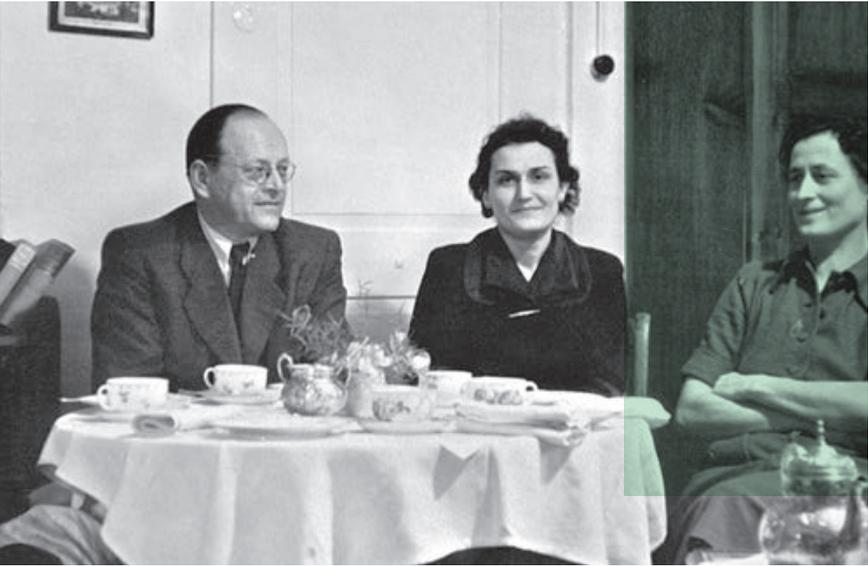
Carl Hahn not only had to sign this identification card, he also had to leave the imprint of his right index finger as the ultimate security. Just under three months later, this restriction was lifted again, a state of affairs that was not an exception, but quite common. On September 14, 1945, the Military Government of Germany issued Carl Hahn with a “military government exemption,” which stated: *“The designated person is, as indicated below, exempted from restrictions pertaining to: DEPARTURE.”* With this certificate, he was also able to stay in the Hamburg and Cologne areas with his Lancia, registration number IV 6776. After all, the CIA was still watching him, so there was still a certain risk of arrest in the American zone.

However, this comfortable period in Sandizell did not last long. When the Americans set up a non-commissioned officer school in the castle, the residents – which included the Count’s family and the Hahn family, as well as the former general director of BMW, Franz Josef Popp, and other prominent business figures – were summarily thrown out onto the street, so to speak.

At that time, notices like this seemed as mundane as a weather report today; after all, people didn’t have much to pack. The only annoying thing was the loss of a Philips radio, which they were expressly forbidden from taking with them after a direct threat. Hahn’s wife Mia shed no tears over this. Nevertheless, after the Hahns made a complaint, wonder of wonders, the radio was returned!

That said, the destruction of all the technical DKW documents that Carl Hahn had arranged to be brought to Sandizell in 1944 in order to revive the DKW brand after the war was a painful loss. The Americans considered them worthless and summarily destroyed them when they needed space for the school.

Mia Hahn and Carl Max von Sandizell on the castle bridge, 1948



Coffee time in the Sandizell forester's lodge, 1950, with sister-in-law Waltraut Hahn (center)

Count Carl Max moved with his family to the forester's lodge, while the Hahn family sublet a space in the house of the Count's gardener, Kiegele. Here, the four-person family had a small attic room with two beds, accessible via a steep, narrow staircase, with a round iron stove in the middle of the room and an "outhouse toilet" on the ground floor, where the gardener's family lived. The family stayed in this apartment well into 1946. Nevertheless, the new dwelling had its advantages, too: there was no shortage of vegetables. US soldiers would also make regular late-night visits. Eisenhower's anti-fraternization laws were largely ignored in Bavaria. Kiegele the gardener had two pretty daughters – Sofferl and Resi – experts at making southern German desserts, who ensured high spirits even without alcohol. Then when Don Munnerlyn started stepping out with Resi, she the countess's bookkeeper, he the cook for a large US unit in Augsburg, the members of the household simply had to hand Don an order slip stating their wishes, and next

thing you new, he would arrange a delivery at the expense of the US taxpayer.

Christmas 1945 was a particular highlight in this apartment. In the evening, the family first celebrated early midnight mass in the Asam church in Sandizell together with other Germans and Americans. Peacefully united, everyone thanked God together that they were still alive. Then there was a special surprise during the night: a whole tub of pineapple ice cream, one of the most valuable Christmas gifts imaginable, and one that the family owed to Don Munnerlyn, who had climbed the narrow ladder to the attic to present the gift in person. In a flash, everyone was wide awake – those sleeping on the floor and those who had beds.

Over the course of 1946, after the Americans had left the castle again, the Count moved back in with his family and the Hahn family was now able to move into the forester's lodge. There they had two rooms and a kitchen. A real step up in the world! They lived here until late 1950.



Off to the Rhineland

1946–1951

The pieces of silver were slowly running out. The family's only possession was the Lancia Aprilia, which was a prerequisite for mobility and a near-perfect vehicle at the time. The family had to be fed. Carl Hahn saw better opportunities to do this in the Rhineland than in Bavaria. From his base in Düsseldorf, it was two products that would end up putting food on the table: in the Bergisches Land region around Düsseldorf, a large number of combination locks were produced that could be sold and exchanged in Sandizell. At the same time he turned to his old friend Hans Honsel in Meschede, a sup-

plier of aluminum die-cast parts. Once again, Hahn had been inspired by a US newspaper: the watchword this time was high-pressure cookware made of aluminum.

One of the reasons he moved to Düsseldorf with his son Carl Horst was that he knew a certain Jakob Oswald Hoffmann there, the owner of the Solingen bicycle factory and a manufacturer of rocket-propelled grenades during the war.² Here in the Rhineland, Carl Hahn saw a better chance of getting back on his feet and turning his new entrepreneurial ideas into reality.

Besides, he knew the British were not as restrictive with their occupation policies as the Americans and would allow him more freedom of movement.

In February 1946, Carl Hahn moved to Benrath, a suburb of Düsseldorf, in the British zone of divided Germany, to an attic room in Benrodestraße, where in winter you had to remove a layer of ice from the water in the washbasin in the morning. Through Hoffmann, he even got a job in the former's purchasing office in Düsseldorf's Breite Straße. His son Carl Horst had come with him, and they shared the room together as lodgers.

Left to right: Carl Hahn, Martin Schwenke, Mia and Wolfgang Hahn, Sandizell, 1950

² A few weeks after the end of the war, Hoffmann moved his company to Lintorf near Düsseldorf and, in addition to building bicycles, began to manufacture cooking pots, oil presses and drills. In 1948 he got into motorcycle construction and, a year later, he took over license production of the popular Vespa motor scooters. This is where the frames for the first DKW motorcycles from Ingolstadt were made in 1949.



This was all a long way from what Carl Hahn was used to as a deputy board member of Auto Union with a mansion in Chemnitz. But times had changed dramatically, and you could count yourself lucky to even find a roof over your head in the badly damaged Rhineland.

He never complained. That simply didn't come into consideration back then. Like almost everyone in Germany, he accepted his fate and thanked God that he had survived. He accepted the new circumstances as a matter of course. The most important thing was in the bag: more and more hope for a future lived in freedom, but at the same time he was weighed down by the realization that atrocities that had previously been considered unimaginable had been committed in the name of Germany. The Potsdam Agreement had shown the consequences, which were strictly implemented in the Soviet occupation zone with a wave of dismantling and expropriation. The Western zones lived under the threat of the Morgenthau Plan, developed back in 1944, according to which Germany would be

restored to the status of an agrarian state. Uncertainties and existential questions everywhere, coupled with the increasingly obvious East-West conflict ensured a quick response.

Carl Hahn was subject to the same registration requirements with the British as with the Americans, even the "temporary registration card" was formally identical to the one from Sandizell, except for the fact that it was printed on the back of a general staff card from France due to the shortage of paper in Germany. This was a visible indication of the economically precarious situation – one that not only affected private individuals but also the authorities. But Great Britain had not won the war economically either.

Times were very hard for Carl Hahn and his son, who lived with him for three years in a symbiotic existence that would shape the son's future life. The extra American food rations that they both benefited from in Sandizell were no longer available, so they now often didn't have enough to eat and lost a lot of weight. However, Carl Hahn once again used his

ingenuity and talent for improvisation to procure nails and other useful objects and send them to Sandizell, where his wife Mia, son Wolfgang and mother Maria Kusel still lived. On bike rides across the country, his son Wolfgang would barter these "Düsseldorf products" to farmers in exchange for natural produce, most of which was in turn sent to Düsseldorf. These one kilogram food parcels often also contained smoked Bavarian bacon. Carl Horst, who, in addition to working as his father's chauffeur and secretary, was also the dinner cook at the time, liked to use this bacon to prepare fried potatoes. Sometimes, this would elicit an admonition from his father, the only friction between father and son in these years of close living: *"You're using too much bacon!"*

Visits from the industrialist Alfred Pierburg, who, as the manufacturer of Solex carburetors, was already relatively wealthy immediately after the war, were occasions for special celebration for the two Hahns. He would often give Carl Horst fifty Reichsmarks and send him out shop-



Left to right: Judith Mittag (wife of business partner Heinz Mittag), Wolfgang Hahn and mother Mia, Baden Baden, 1950



Carl Hahn with the American businessman John Lampe in front of Cologne Cathedral, 1948

ping on the black market, for butter in particular. Pierburg and Hahn knew each other well from the pre-war period when Auto Union installed Solex carburetors in its vehicles. In the days following the war, a friendship grew up between them. Incidentally, after 1951, Hahn and Pierburg were practically neighbors in Buderich-Meererbusch.

Because of their very cramped living conditions, an exceptionally close relationship grew up between son and father, who was both teacher and role model. For the son, this living together represented a kind of pre-graduate course of studies – an MBA replacement, as it were. It was a perfect companionship. Every evening at ten, one of them would walk to the mailbox to make sure not to miss the six a.m. collection the next day. Discipline was also evident in the small things, like the weekly visit to a bath house to bathe. Bright spots included care packages from FIAT President Vittorio Valletta or Father Paul Schulte from the USA with the note: six pairs of shoes at once, two are for wearing, four for bartering.



Father Paul Schulte

1895–1971

Carl Hahn had been a close friend of this Catholic pastor, who also gave him advice and practical help to make his idea for o.b. tampons a reality, since the 1920s. Paul Schulte, the “Flying Padre,” a fighter pilot in the First World War and later a pastor and missionary, had masterfully specialized in raising funds to assist the poor, everywhere from the Arctic to Africa. Schulte then came up with the idea of founding an association aimed at providing vehicles to missionaries around the world. To this end, in 1927 he founded the Missions-Verkehrs-Arbeitsgemeinschaft, the MIVAG (later abbreviated to “MIVA”) in Cologne, whose first chairman was Konrad Adenauer. As a true missionary, he also motorized the Catholic Church in the diaspora and in the pre-war period was a major customer of Carl Hahn at DKW (motorcycles initially played the main role) and later at Auto Union. By the 1920s, he was often a guest of the Hahns, where he would hand crank the projector to show them

the films he had shot himself in Africa or the Arctic. Later he became one of Carl Horst Hahn’s biggest VW customers. At the start of the war, Father Schulte was in America, staying (among other places) at the Hotel Sherry Netherland in New York as a guest of Henry Ford, later becoming an army chaplain. After the war, he made the most of his skill at raising donations by setting up an aid service for Germany and sending care packages.

After returning to Germany in 1949, Father Schulte opened a pilot school in Bonn-Hangelar to get young people off the streets. The first generation of post-war German Air Force pilots renewed their licenses with him. When he left Germany at the end of his life to head to Swakopmund in Namibia, where he had originally started his missionary work, the German Air Force together with the Association of the Automotive Industry (VdA) held a farewell reception for him in Bonn. He then continued his journey to Windhoek, flying alone in a twin-engine aircraft to carry out missionary work.

Carl Horst Hahn with his girlfriend Hannelore Neumann in a DKW F 8 convertible on a trip along the Rhine, August 1948



However, they didn't stay in the Benrath apartment for long. Carl Hahn soon found better accommodation for himself and his son. A little later, the two Hahns moved into Düsseldorf to the elegant Cäcilienallee 23 to live with Mrs. Liselotte Kuhn. Now father and son had two whole rooms to themselves on the mezzanine floor. And once again, things turned out for the better. Major Gould, the head of the British secret service, lived in the same house on the third floor, and he regularly invited father and son round for tea and cake.

Eventually, in March 1947, Hahn senior and Hahn junior moved to Cologne, where they sublet from Fridel and Johannes Linneborn, the licensee for the Imbert wood gas generators produced in Germany. The reason for the move to Cologne was an intended collaboration with Linneborn's company. In January 1948, the two Hahns moved to Klosterstraße 57 in the Lindenthal neighborhood of Cologne to sublet the ground floor apartment of Mrs. Schneider. After Richard Bruhn was released from internment and joined them, this apartment was to become one of the nuclei of Auto Union. This is where the connection to the banker Baron Friedrich Carl von Oppenheim was established through Otto Wolff von Amerongen. Here, Hahn junior wrote the first loan application from the Auto Union consortium to von Oppenheim for a personal loan of one million marks without collateral. Although Oppenheim got into trouble for this with the banker Pferdenges,³ his partner and also Adenauer's financial advisor, he stood firm and remained a reliable partner in the development of Auto Union in the West. Carl Horst was still general secretary, cook, driver, buyer, mailman and typist. But shortly thereafter he began to study economics at the University of Cologne "part-time."

Father and son kept in relatively close contact with their family back in Sandizell, mainly through letters, which took some time to arrive. Every now and then, they talked to each other on the phone. This was a complicated procedure, however, because Mia Hahn had to go to the

post office in Sandizell after being informed that she would be receiving a call. This was known as a long-distance call with advance notice.

Over this period, the idea of the o.b. tampon was starting to take concrete shape. Marketing expert Carl Hahn thought it was so good and viable that he decided to set up his own new company. Its future development would foreseeably and almost inevitably take place in parallel to Auto Union and would probably also take up his time, as the founder. But the main problem initially, of course, was the lack of capital for the new company. The bitter decision was made to sacrifice the Lancia Aprilia. Selling it brought up a lot of emotions. There was now money, but the car that Carl Hahn had loved was gone, never to be seen again. And last but not least: the household didn't have a car at all for the time being, so it was time to put Hahn's ingenuity to the test yet again. He was helped by the famous pre-war Auto Union racing driver, Tazio Nuvolari. His DKW F 8 had fallen victim to the bombs, but its papers had remained intact. With the help of the Düsseldorf DKW wholesaler Grimmke, a heavily damaged DKW F 8 luxury convertible was rebuilt using used and new spare parts. Tazio gave his vehicle documents to Carl Hahn, who could now use them to register the car for road use. Now Hahn was one of the few in their large circle of friends to once again own a car. Of course, there was no shortage of requests to borrow the car "just for an urgent errand" or for a weekend jaunt. There was never a lack of passengers either, and Hahn was always very understanding. He rarely drove alone. And so he came up with the idea of starting a "DKW BR 551-329 guest book."⁴ In the event, it became a diary recording important family occasions, the lives of friends and company activities. In it, you can read the history of the development of Auto Union and the Dr. Carl Hahn KG company.

The two Rhinelander Hahns returned to Sandizell for Christmas and New Year's Eve in 1948, albeit only briefly. Everyone

celebrated the turn of the year in Oed, a neighborhood of Sandizell, together with close family acquaintances. The long-standing tradition of socializing with friends was now revived. Incidentally, Carl Hahn never needed a special occasion to invite friends over. He and his wife Mia ran a hospitable, open house. Maria Hahn was a charismatic hostess and an equal partner to her husband. She was second to none when it came to managing an elegant household, but also knew how to master this role perfectly in the tiny kitchen of the forester's lodge. This didn't only apply to guests, it shaped the foundation of family life.

Carl Hahn had to make his way back to Cologne on his own. His son Carl Horst did not come with him, instead starting his studies abroad in 1949, first in Zurich, then in Bristol and finally in Paris at the Institut d'études politiques. In Berne, he would pass his diploma in economics under Prof. Marbach summa cum laude with his thesis on "The Schuman Plan. An investigation with a particular focus on the Franco-German steel industry" in 1952. His dissertation was published by Richard Pflaum in Munich in 1953 and



The DKW guest book with the last entry for 1948 and the first entry for 1949



became the proud father's promotional tool for his son and his foot in the door for his appointment as an administrator at the OECD in Paris in 1953. In 1952 he had completed a traineeship at FIAT in Turin after graduating from the University for Foreigners in Perugia to learn Italian.

His brother Wolfgang, who had stayed in Sandzell all those years, had attended school in the district town of Schrobenshausen. After the family moved to the Rhineland in 1951, he graduated from high school in Düsseldorf, in order to study from 1956 first in Munich, then in Paris and St. Gallen.

³ The Pferdmenches had been eminent enterprising bankers since 1791. During the Third Reich, Robert Pferdmenches acted as a trustee for the Oppenheim Bank and was instrumental in ensuring that the Oppenheim Bank survived the National Socialist period unscathed. Pferdmenches was also a member of the state parliament of North Rhine-Westphalia starting in 1947 and, from 1950, a CDU member of the Bundestag and a close adviser to the first chancellor of the Federal Republic of Germany, Konrad Adenauer.

⁴ BR was the acronym for British Occupation Zone Rhineland.

DKW advertisement, 1950





Family headquarters in Büderich

1951–1961

As early as 1949, Carl Hahn had made the decision to settle down in the Rhineland for the long term and thus put an end to his family “commuting” between Sandizell and Cologne. So he started building his own family home in Büderich near Düsseldorf. He moved in on June 5, 1951 and lived in it until his death. In the *“DKW guest book”* it says: *“Now – after 4 years and 18 days of roaming, separated from family – my new home and goal in life (A.U. and o.b.) is Düsseldorf!!! Dr. Hahn.”*

The new single-family house, modest in comparison to the former Chemnitz mansion, was located on the western bank of the Rhine. With a hint of black humor, Hahn said that if the Soviets really marched in, this would give the family one extra day’s time ...

Hahn’s registration as “Managing Director of Auto Union GmbH” in Büderich-Meererbusch, Birkenweg 5 is dated June 8, 1951.⁵ His decision to build the house there not only had an impact on his personal living circumstances, but was probably

also related to the establishment of Auto Union in Düsseldorf-Derendorf; it was here that they had set up a car plant in August 1950 as their second mainstay besides Ingolstadt.

Wolfgang Hahn remembers that his father initially sent him from Sandizell to Meererbusch as an “advance brigade” when the house was finished enough to be habitable. He was cared for by a “nice lady who worked at Auto Union” and went to school in Düsseldorf. The rest of the family – wife Mia and grandmother Kusel –



The new house
in Meererbusch,
Birkenweg 5, 1951



Carl Hahn and
Richard Bruhn
in Ingolstadt, 1951



Carl Hahn with
secretary Anneliese
Mußenbrock



Cocktail party at the Hahn home in
Meererbusch, August 1955



⁵ Meererbusch was at that time a district of the independent municipality of Büderich, not to be confused with the town of Meerbusch, to which Büderich now belongs.

then moved in in the spring of 1951 when the house was finally completed. Now they finally had a family base again. In addition, the house proved to be extraordinarily important for maintaining business relationships.

Carl Hahn often brought business associates home with him. Once he had set up his own, albeit tiny, study in the new house, they could withdraw after meals and hold meetings. Among the guests in his house were Heinz Mittag, Managing Director of Dr. Carl Hahn GmbH, as well

as Ernst Göhner from Switzerland, Carl Friedrich von Oppenheim from Cologne, General Dr. Hans Leyers and Herbert Böttcher, a well-known painter of the Düsseldorf School and grandma Kusel's nephew, and, of course, the Pierburgs and Stauffenbergs, Hammerschmidts and many others. They were welcome guests, praising the cooking skills of both Mrs. Maria and later Mrs. Eleonore and raved about lunches that they would not have been able to get in any Düsseldorf restaurant. This was particularly true of the desserts.

Although he didn't cook himself, Carl Hahn was a gourmet and a walking cook-book. He knew thousands of recipes and what went with each dish.

Although everything seemed to be going well now, although the family had regained its past standard of living after deep slumps, and life could once again be beautiful, the long period of separation with Carl living in the Rhineland and his wife in Bavaria had left deep scars, with dire consequences. Although his wife moved into the new house in Buderich in 1951, the relationship between the couple

had already broken down by this point. On January 11, 1954, Dr. Carl Hahn and his wife Maria divorced at the 2nd Civil Chamber of the Düsseldorf Regional Court. The long period of separation had led to a realignment of Maria's life, who in the meantime had entered into a new relationship with Paul Friebe. She remained with him until the end of her life.

The divorce ended in a settlement according to which Carl Hahn paid a monthly alimony to his ex-wife. She also received help in finding and furnishing her own apartment in Hamburg, from where she kept in touch with her children

and grandchildren. Although the family home had been awarded to him, Carl Hahn first moved out until his ex-wife found her own apartment in Hamburg.

Mia Hahn died at the age of 81 on June 5, 1986 in the house of her eldest son in Wolfsburg and was laid to rest next to her mother in Meererbusch/Buderich.



On horseback in Badenweiler, 1957



Card from the advertising department for Carl Hahn's 60th birthday, 1954

Second marriage and newfound happiness

1955–1961

On August 13, 1955, Dr. Carl Hahn married for a second time, in Badenweiler, to Eleonore “Nono” Elisabeth Anna Marie, Burgravine and Countess of Dohna-Schlobitten, with whom he returned to his house in Meerbusch. This connection, which was serendipitous for the whole family, had been initiated by good friends, principal among whom was his trusted confidant from his time in Zschopau, “Luggi”, Baron Ludwig von Holzschuher zu Harrlach und Thalheim-Aschbach. In other words, Carl was marrying into a conspicuously grand family.

His new wife Eleonore – known as Nono – was born on August 5, 1923 in Wald-

burg, fifteen kilometers south of Königsberg in East Prussia, on her parents’ estate, the fifth of six children. Her father was the lawyer and agriculturalist Eberhard Count of Dohna-Schlobitten, and her mother Renata was born Countess of Hochberg from Rohnstock. Her parents, especially her mother, encouraged Nono’s musical, literary and handicraft talents. In her early years she was taught by tutors. Her religious instruction was provided by her grandmother. From the age of fourteen she was sent to the all-girls “*Holy Sepulcher Monastery School*” (Klosterschule Zum Heiligen Grabe), a boarding school

overseen by Abbess Elisabeth von Saldern. From an early age she was shaped by Christian belief, and her faith in God gave her strength throughout her life. During the last two years of the war, she was drafted into military service as an auxiliary in the German Air Force, working for flight control in Wunstorf and Neubrandenburg. After the war she completed training in infants’ and children’s remedial gymnastics and also worked as the head housekeeper in various large castles and companies. In between, she was involved in setting up and managing a dry-cleaner’s shop run by the Dohnas in Bensheim.

Carl and Eleonore (Nono) Hahn, 1955





Brothers and sisters,
1958

The couple had two daughters: Anna-Renata, born on August 27, 1956, and Caroline, on May 2, 1958. The sons from the first marriage and daughters from the second formed a unit right from the start. It was very important to Nono and Carl Hahn that no barriers of any kind be set up between them. Nono was a godsend for the family. So it went without saying that the mother of his first wife, Maria Kusel, could continue to live in the house at Birkenweg 5 as part of the family until her death in 1961.

Sadly, Carl and Nono's happy new family life was not to last long. The hardships of the war and post-war years had left their mark on Carl Hahn, leading to his first heart attack in August 1956. His doctors then suggested that he withdraw from the grind of day-to-day business. For



Left to right: Carl Hahn, sister-in-law Hermine Foedisch, widow of the late Mr. Drechsel (daughter of Grandma Kusel), Grandma Kusel, Wolfgang Hahn

Champion marksman Carl Hahn

An "odd" 12-pointer stag, 1958



health reasons, Dr. Hahn resigned from all his positions at Auto Union GmbH on June 30, 1957.

Of course, for a man with the energy of Carl Hahn, this medically enforced inactivity – this period of doing nothing after a serious illness – was not a permanent solution. Nevertheless, fate would not be tricked. His heart finally gave up after a second heart attack. On June 5, 1961, Dr. Carl Simon Hahn died in Le Zoute, Belgium, where he and his wife regularly spent their holidays on the North Sea coast.

Raised to be stoic and disciplined, Nono never complained, and found purpose in life in devotedly giving her daughters everything she believed to be important and of value. She had shared Carl's love of

the countryside and hunting. She enthusiastically accompanied him on many hunts, especially in the mountains. She seemed to know every plant by its Latin name and laid out gardens with love and professionalism.

Above all, she shared Carl's passion for horses, especially the horses of her East Prussian homeland, the Trakehners. So it was not surprising that she also initiated her daughters into the world of equine sports, passing on the "horse bug" to them. Anna-Renata, who became a physiotherapist, also worked with horses as a matter of course and developed her own remedial equine therapies. Caroline accompanied and supported her in dressage, as well as taking part in numerous national and international tournaments.



Carl und Eleonore
(Nono) Hahn by the
fireside, Christmas 1956

Nono was incredibly helpful, hands-on, and had many different skills. She did not consider herself above any work. *“There’s no such thing as I can’t!”* She brought Carl happy years. Whether landscape gardening, practicing handicrafts – everything from painting porcelain to making lampshades – or working behind the counter in the family dry-cleaning business in Bonn, she was always outstanding and hands-on.

Nono visited her eldest daughter, Anna-Renata, who married Federico Schultz and lived in Argentina, twice a year on their ranch, “Los Tres Petisos,” which gave her the opportunity to experience her three grandsons, Federico, Maximiliano and Ferdinand, growing up for herself.

Caroline Hatlapa, with her daughter Helena, bought the manor of Borghorst near Kiel with her then-husband in 1996, which she later ran as a hotel specializing

in events and weddings. A small, well-respected riding stable was also established on the property in Borghorst, where she continues to pass on her equestrian skills. Highlights of her life included taking part in the Austrian Dressage Championships, and competing as a dressage rider at the 1996 Olympics in Atlanta.

After studying in Munich, Paris and St. Gallen, son Wolfgang joined Auto Union in Ingolstadt in 1962, where he worked in technical and commercial cost control and in sales as a district manager in the office and in the field. In Ingolstadt, he met Brigitte Hoffmann again, whom he knew from their time in Sandizell after 1945. Brigitte lived near Ingolstadt and was working as a teacher. The two married in 1965 and emigrated to the USA in the same year, where Wolfgang worked at Volkswagen of America as a district



manager and sales manager for the new Porsche/Audi organization. He and a partner also ran a Porsche/Audi dealership in suburban Washington, D.C. for four years.

When the young family returned to Germany in 1976, they brought two small Americans with them, namely their American-born children Markus and Dagmar. Today Markus works as an editor for a private television station in Munich, Dagmar lives with her family in Stuttgart and is a musicologist and organist. Wolfgang worked for Daimler-Benz AG in Stuttgart from 1976, where he held various sales positions until his retirement in 1999, most recently responsible for the nomenclature of Mercedes products. Today, Wolfgang and Brigitte devote themselves to their two grandchildren, the municipal lapidarium, and an open-air museum, while Brigitte helps care for and tutor the children of asylum seekers, and Wolfgang

supports music on the board of trustees of the Stuttgart Philharmonic. He has also recently appeared with NEAT, the New English American Theater. They are both avid concert goers.

Like Wolfgang, the older of the two brothers, Carl H Hahn, also inherited his father's enthusiasm for automobiles. After moving from the OECD in Paris to Volkswagen in Wolfsburg in 1954, he began a stellar career in the automotive industry. Heinrich Nordhoff, the legendary Volkswagen boss, entrusted the management of Volkswagen of America to the young, restless spirit who was not even thirty three years old. Hahn lived up to the trust placed in him and took the USA by storm with the Beetle. His private life was to prove equally serendipitous: though Nordhoff's daughter Barbara, he met Marisa Traina, a young American with Italian roots, who would soon become his wife.

Carl Hahn with his daughters Anna-Renata und Caroline, 1959

Thanks to her extensive language skills – she spoke a total of six languages – she already had a successful career at IBM behind her. On April 30, 1960, they joined in matrimony in San Francisco. This marriage resulted in four children: Carl Alexander, Pia Luisa, Peter Andreas – all three born in the USA – and the youngest member of the family, Christopher Anthony, who saw the light of day in Wolfsburg. After returning from the USA in the mid-1960s, Carl Hahn had taken over the board position for sales and distribution at Volkswagen. However, strategic differences with top management led to his departure in late 1972. Soon after this, he joined Continental Gummi-Werke AG, ridden at that time by crisis, which he led to a successful turnaround as CEO before finally returning to Volkswagen in 1982. Operat-

ing on the foundations of a multi-brand strategy, the company grew under his direction into a global corporation with new production sites in Portugal, Spain, the Czech Republic, Slovakia, Poland and China. After a long and creative career, Carl H Hahn has remained closely linked to the automotive industry to this day.

When Marisa died in 2013 after fifty three happy years of marriage, she left a painful gap behind. Carl Horst found comfort in the bosom of his family. Today their children live with their families all over the world – Alexander in Bergamo, Pia in London, Peter in Zurich, Christopher in Washington D.C. – where they have found happiness in both their private and professional lives. The proud grandfather to a total of nine grandchildren, Carl H Hahn remains active around the world.

In 1996, the house in Meererbusch with its magnificent garden was sold. In return, Nono bought a smaller house and garden in Borghorst, near her daughters. After her brief, happy marriage to Carl Hahn, Nono Hahn did not remarry. She remained the center of family life and was dearly loved by her four grandchildren. Although she could also be very strict, she always had an open ear for her grandchildren and supported them with words and deeds. Nono spent many happy years in her little rose cottage up until her death. She died on April 24, 2012 at the blessed age of eighty eight in the arms of her daughter Anna-Renata. She was laid to rest in the beautiful Meererbusch-Büderich cemetery, near the house on Birkenweg, next to her husband Carl.



Carl H Hahn's wedding in San Francisco on April 30, 1960 (left to right): John Traina (father of the bride), Marisa Lea Hahn, née Traina, Carl H Hahn, Lea Traina (mother of the bride), John Traina Jr. (brother of the bride)

COQUI DRY

1957–1961

Although Carl Hahn had given up all professional commitments in 1957, he had no wish to retire. In the spring of 1958 he felt recovered enough to turn to a new task, which he described in 1961 as follows:

“Two years after my heart attack, I’ve managed to recover, and I see my life’s work not only in my family and in hunting; I’ve undergone a transformation thanks to an unusual hobby, one that seems more promising than ever to me today, because this infatuation of mine carries the name ‘brand-name product.’”

Although he was a car man through and through, he originally studied agricultural sciences. With this background, he turned to nutrition research. His goal was to develop a carbonated, vitaminized (vitamins B₂, C and K) (citrus) soft drink that was to contain caffeine and be enriched with milk salts. His idea for the drink came, in part, from a product sold by a milk processing cooperative (Viersen und Umgebung eGmbH), which was made with a syrup, topped up with water during bottling, carbonated and then marketed under the name LACTINA. For Carl Hahn, however, using syrup as the basis for his drink was only a transitional stage. His drink would be based on a dry concentrate, which was not only more economical to produce but also cheaper to store and sell.



From 1959 he worked together with the Batelle Institute in Frankfurt on questions of trademark law and biochemical and physiological criteria and invested over fifteen thousand marks of his own money in this research.

Carl Hahn had in mind “COQUI DRY” as the brand name for the new drink. The inspiration for this was a play on words: the French “coq” (Hahn is the German for “cockereel”) and “dry” because of the dry concentrate. At the time of his unexpected demise in 1961, he was in the process of attempting to find a distributor from among various beverage manufacturers. Although the negotiations – which his son Carl Horst Hahn continued after his death – were ultimately unsuccessful, this activity testifies to the great entrepreneurial passion that Dr. Carl Hahn maintained until his death.

From Zschopau to Chemnitz DKW Hahn with Rasmussen and at Auto Union

1922–1945



Carl Hahn's career as a manager and entrepreneur began with the single horse power "little miracle" in the early 1920s. It was a career that was to ascend steeply: six years later, DKW motorcycles were market leaders and the Zschopau plant was the largest motorbike factory in the world.

As the commercial aide to the already legendary entrepreneur J. S. Rasmussen, Hahn organized the DKW corporation, which stretched far beyond its base in

western Saxony. The company's technological basis was the two-stroke engine. Hahn was considered the father of DKW sales and distribution, and his key concern was to set up and expand a powerful dealer network. By introducing installment payments, organizing dealer congresses and systematically training workshop operators, he created the solid foundations needed to develop a huge group of customers – believers in DKW and believers in the two-stroke engine.

Hahn was one of the co-founders of Auto Union AG in Chemnitz. In just a few years, it became one of the largest motor vehicle manufacturers in Germany.

Almost exactly twenty three years to the day after his promising start at DKW in Zschopau, Hahn had to flee Chemnitz and Saxony in May 1945, certain that one day he would return. Sadly, this was not to be ...



The first DKW trademark showed a volcano spewing fire, an allusion to the Zschopau steam motor vehicle, letterhead from 1921



The little miracle from Zschopau

1922–1928

On April 20, 1922, Carl Hahn began working at J. S. Rasmussen's engine works in Zschopau, Saxony. This not only marked the change from one phase of his life to another, it also marked his entry into a field of activity that was to shape Carl Hahn's entire future life.

After studying engineering in Mittweida, the Dane Jørgen Skaft Rasmussen founded his first company in Chemnitz in 1902 to manufacture boiler fittings. In 1907, the company moved to Zschopau in the Ore Mountains, just twenty kilometers away. Due to the acute shortage of petrol during the First World War, Rasmussen began in 1916 to experiment with a steam-powered

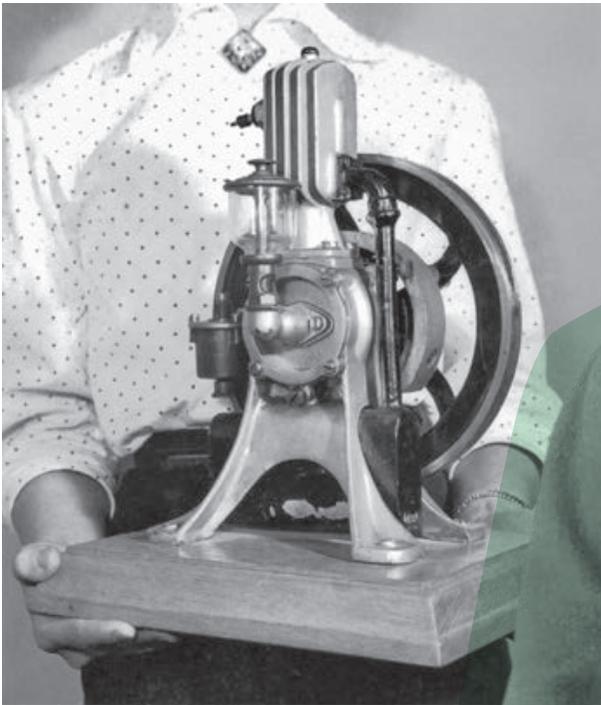
motor vehicle. While unsuccessful, this gave the Danish engineer the opportunity to stake the first claim on a very long journey: he trademarked the abbreviation DKW (for Dampfkraftwagen, "steam motor vehicle" in German).

After all, these vehicle trials and engine tests were both an expression of the importance he attached early on to automotive travel, and evidence of his efforts to stimulate development with grants and subsidies. When this source of funding dried up at the end of the war, Rasmussen looked around for another manufacturing opportunity, with a particular focus on the manufacturing of high-volume products.

It was more or less down to coincidence that he made the acquaintance of Hugo Ruppe and Emil Fischer at the end of the war and in its immediate aftermath. From these two men came the decisive ideas and technical inventions that gave significant impetus to automobile construction in general and to Rasmussen's company in particular. While Fischer managed to get Rasmussen excited about motor vehicles, and automobiles in particular, Ruppe developed the two-stroke engine that created the conditions for motorizing small vehicles. Later, this engine was even used to power airplanes.¹ Richard Bruhn stated in 1949:

DKW signpost on Marienberger Straße in Zschopau, 1922

DKW plant in Zschopau with the new administration building, letterhead from 1924



DKW toy engine, 1919

Jørgen Skaft Rasmussen, 1914

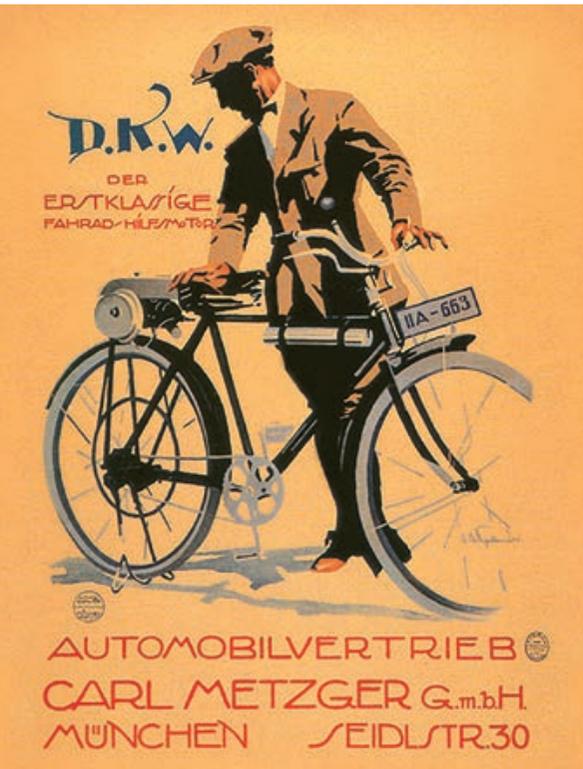


¹ Karl-Dieter Seifert provides extremely interesting information on this in his book: DKW und die Erla Me-Flugzeuge. 1926 bis 1945. Sutton-Verlag, Erfurt 2011.



DKW bicycle auxiliary engine
no. 20,000, July 1922

Ad poster for the DKW
bicycle auxiliary engine, 1922



“To my mind, the creator of the two-stroke is Ruppe, with equal credit due to Rasmussen; because it was Rasmussen who had the courage to tackle the issue, persevere and stimulate it.”² Rasmussen initially had a miniature motor built as a toy or teaching aid – presented for the first time in 1919 at the Leipzig Spring Fair – but which was also suitable for stationary drives with very low power requirements. This was followed by a more powerful unit, which was presented as a bicycle auxiliary motor at the Leipzig Autumn Fair in the same year. The first of these engines were delivered in 1920 and, two years later, when Hahn came to Rasmussen, almost 20,000 had already been sold.

Hahn found his activities in the Zschopau factory far more interesting than his position at the bank had been. The variety of his current job and his sudden enthusiasm for the DKW two-stroke motorcycles fulfilled him and allowed him to fully immerse himself in the work. And so, naturally, he would need to obtain a driver’s license as soon as possible. On April 18, 1923, he did just that, and from then on he himself test drove all the model series that left the factory in Zschopau, as well as competitor models – in a hat and business suit, as was customary at the time. Back then, this was by no means common practice for top managers, who, of course, had their chauffeurs; only very rarely did

In autumn 1919, Rasmussen broke into the motor vehicle market with his auxiliary bicycle motor

The Reichsfahrt model came onto the market in 1922 and was the first DKW motorcycle



The Reichsfahrt model was sold up until 1925. The light motorcycle was offered with a range of cylinder capacities, from 118 to 148 cc



“DKW, the little miracle, drives uphill the way others go downhill.” Illustration of the DKW advertising slogan with the “jolly Bavarian” on the Reichsfahrt model, 1923



² The following notes contain additional information that supplements the statements in the text. They also serve as references to literary sources and other citations. All quotations from letters, memos and other non-public primary sources for the events can be found in the Saxon State Archive Chemnitz in the holdings for Zschopauer Motorenwerke, Auto Union and Maschinenfabrik Germania, as well as in the Saxon State Archive Dresden in the holdings of the Ministry of Finance. They are also taken from the Hahn family archive.

³ “Der Doerschlag Dienst” from April 7, 1952 on the occasion of Carl Hahn’s 30th anniversary with the company.

board members of the motorcycle industry even ride motorbikes. In addition, motorcycles were only “socially acceptable” to a very limited extent, and you certainly couldn’t pull up on one in front of every hotel.

Hahn, however, very quickly acquired knowledge and experience that earned him a lot of respect as an informed contact for employees, dealers and customers. In his position, he saw himself primarily as an exponent of sales and product policy. It very quickly became clear to him that the two-stroke engine should be the main focus of his activities in Zschopau. For him, it was not about selling just any industrial

product, but about popularizing a technological principle. Decades later, Siegfried Doerschlag expressly acknowledged Hahn’s services to the company and especially to the two-stroke engine in his press service on the occasion of Hahn’s upcoming thirty-year anniversary with DKW:

“This commitment, which although it may have come about as a result of several coincidences, was of almost fateful importance for DKW, indeed for the two-stroke engine in general. For as anyone who knows the story of DKW or experienced it for himself knows, this story is inseparable from Dr. Hahn. The relentless fight against the world of prejudice

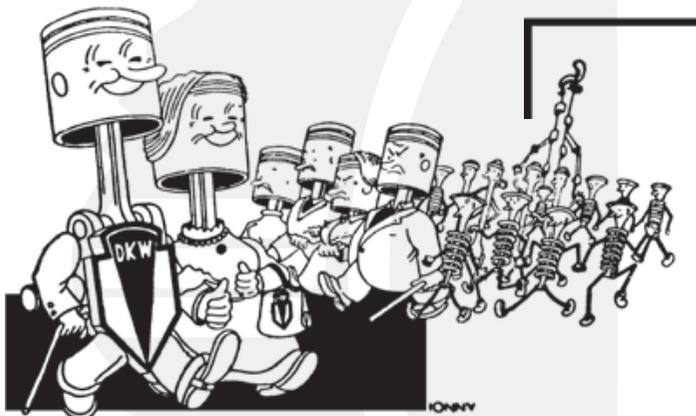
that was ranged at that time against the two-stroke principle, and also against the enormous difficulties that had initially to be overcome in the development of the two-stroke principle, would not have been as successful without Dr. Hahn. With his temperament and his powers of persuasion, it was he who succeeded in eliminating prejudice step by step – not only among the experts, but also among the broad spectrum of buyers. It was he who kept giving the designers new ideas to exploit the undreamt-of possibilities inherent in the two-stroke principle. Whenever there were setbacks and fresh doubts, he pushed his employees forward and fired them up again.”³



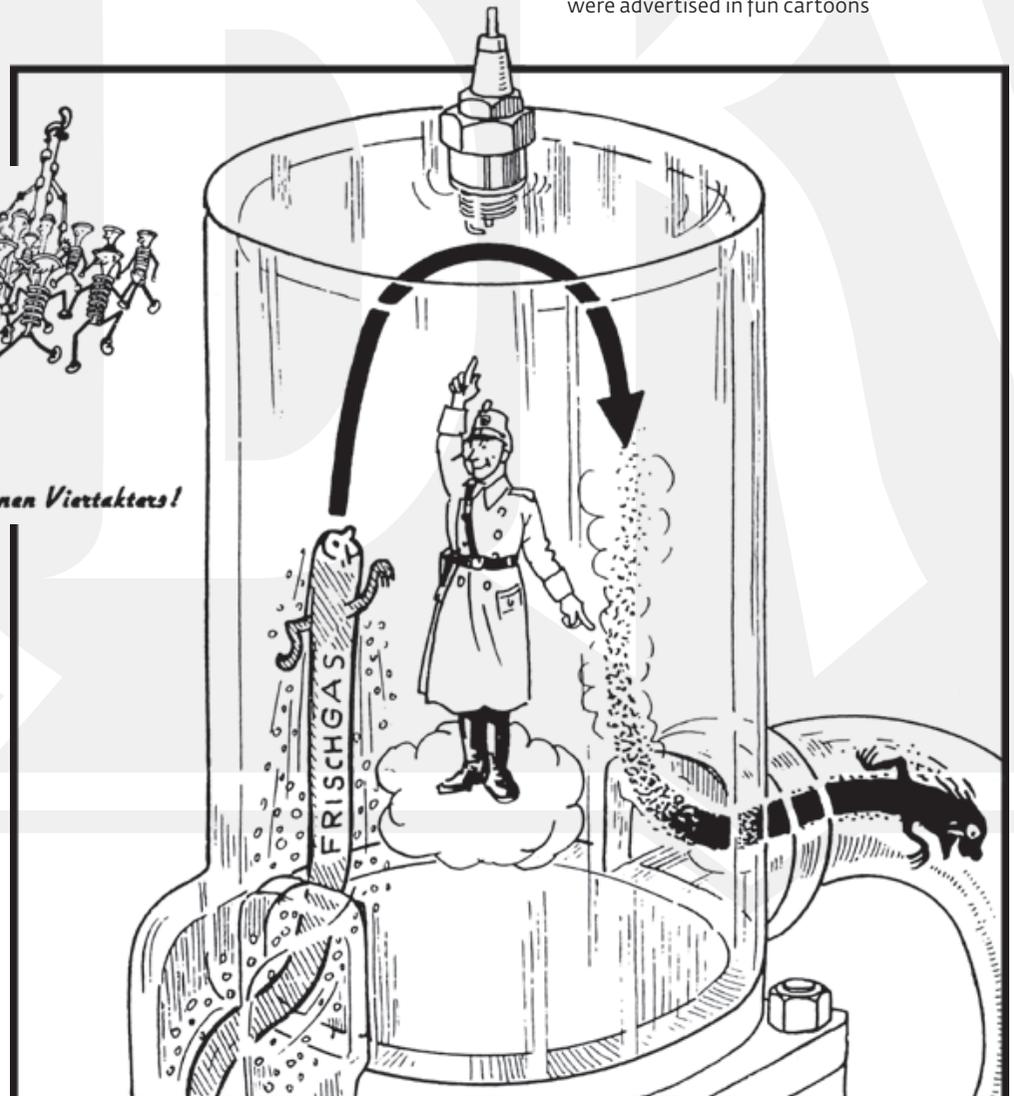
Motorcycle production (DKW ZM) at the DKW plant in Zschopau, 1924



This DKW emergency currency was issued at the height of inflation in 1923 and bears the signature of Carl Hahn



Die unkomplizierten Zweitaktlers begagnen Viertaktlers!



Based on Carl Hahn's ideas, the advantages and operating principle of the two-stroke engine were advertised in fun cartoons

Ordnung muß sein!

It was a conviction that would remain with him from then until his last days at Auto Union. One of the speeches he gave in the 1950s shows the extent to which he had internalized this belief. In the speech, he referred to the reasons for resurrecting the DKW brand at that time, attaching particular importance to “... our customers, the DKW two-stroke community, who were open to everything we did, believing in DKW, believing in the two-stroke engine ...”⁴

Yes: a believer in DKW and a believer in two-stroke engines, the same could be said of him. Above all, this attitude arose from and was strengthened by the intimate cooperation and the close daily collaboration between many different people. First among these were the entrepreneur J. S. Rasmussen, the DKW head design engineer Hermann Weber and the production specialist Richard Blau. At that time, in the early 1920s, the two-stroke engine led a shadowy existence. In particular, heat dissipation (the engine fired twice as frequently), the difficulties in sealing the pressurized crankcase, its high consumption of fuel and lubricant, problems with controlling speed at higher ranges and the advanced stage of development of the four-stroke engine had earned it the reputation of being un-

reliable and uneconomical. The arguments against it were enough to convince anyone: it was impossible to ignore the loud, staccato engine noise, its high consumption (it was a petrol and oil guzzler) due to the large scavenging losses, the two-stroke stench and the special requirements for the carburetor and spark plugs due to frequent oil contamination.

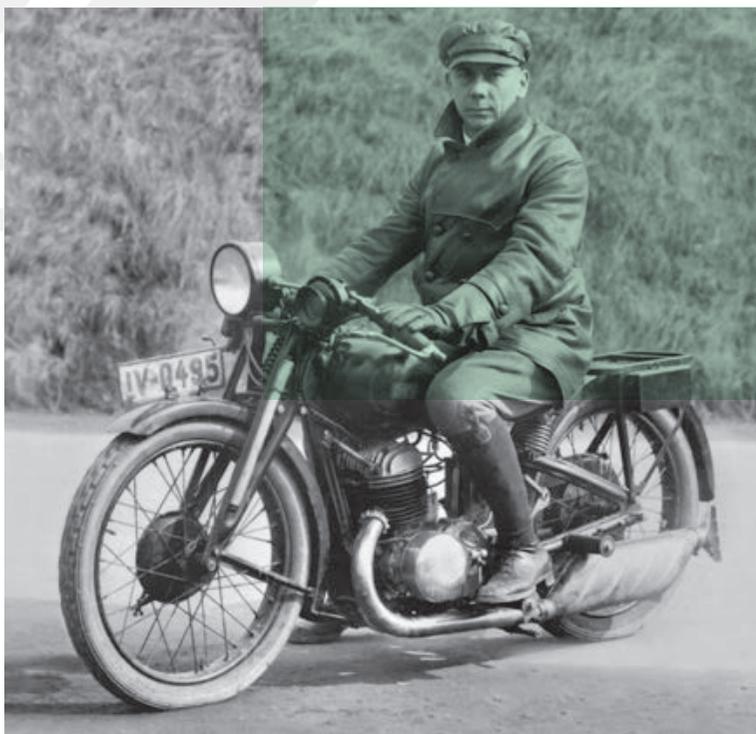
Rasmussen and, initially, Ruppe in particular banked on the advantages of the two-stroke principle. Higher power output for its size when compared to the four-stroke engine, the simplicity of the oil-in-gasoline lubrication and, above all, the significantly smaller number of components, resulting in a considerably lower weight – in their opinion, these were its more substantial advantages over the four-stroke engine.

But unlike the four-stroke engine, the gas-exchange and scavenging processes in the two-stroke engine are much more complicated. Overcoming the associated problems – such as boosting performance, the high thermal load at higher speeds, improving the design of the gas exchange processes, reducing wear by means of more efficient lubrication – required a great deal of engineering personnel and employees with many years of experience in develop-

ment and production. Rasmussen undoubtedly deserves credit for recognizing that it was not the two-stroke principle itself that mattered most, but rather the specific construction and execution. Hermann Weber, the chief designer in Zschopau, provided the proof of this from 1923 on, and it was Carl Hahn who then drew the conclusion that the product philosophy should focus primarily on this simplicity of design. Compared to the four-stroke engine, the entire valve train was missing! When used as an engine, the two-stroke has only three moving parts: piston, connecting rod and crankshaft. This is what made it superior at that time, and what gave it its future. This did not rule out improvements, the most important of which was the forced compressor cooling system: the flow of cooling air was generated in a brilliantly simplified method using air vanes on the rotor of the flywheel igniter, and a sheet metal casing then routed this air to the cylinder head. This compressor solved the thermal problems until the gray cast iron piston was replaced by the light alloy piston in 1928. The ability to ensure cooling under all operating conditions was the most important technical reason of all for the success of the DKW two-stroke.

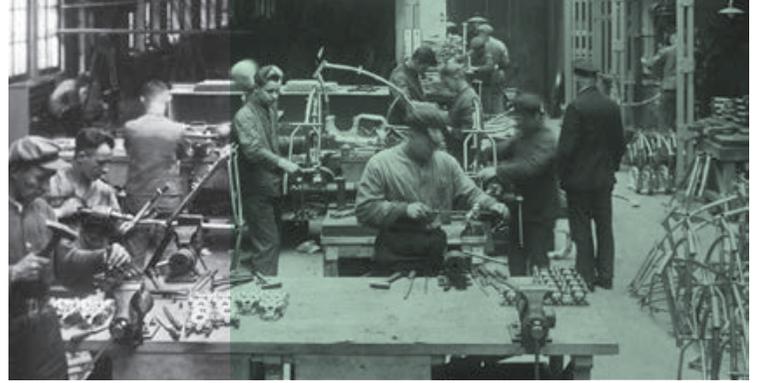
Hermann Weber had joined the company in Zschopau the same year as

Hermann Weber on a DKW Luxus 500, 1929



DKW plant in Zschopau – in the background the main administration building, which stretches down five floors from Marienberger Straße to the bottom of the valley, 1925

The motorcycle frame construction department at the DKW plant in Zschopau, 1927



Carl Hahn, Jørgen S. Rasmussen and Richard Blau (in suits, right to left) in front of workers at the DKW factory during the opening of the new head office, 1924

Postcard with DKW light motorcycle type ZM, 1925



Carl Hahn. In him, Rasmussen had gained a chief technician without whom the almost unprecedented triumph of the DKW brand in the years to come would have been inconceivable. Weber's personal touch can be seen in all the subsequent DKW types, from the Reichsfahrt model (1922) to the crowning "once-in-a-century design" of the RT 125 (1939), which inspired countless imitators worldwide. Rasmussen the entrepreneur, Weber the technician, Blau the technologist (until 1930, when he fell out with Rasmussen) and Hahn the salesman were unanimous in their conviction that they would have to make the switch from marketing bicycle auxiliary motors to selling fully-fledged, albeit

Hans Sprung, head of the DKW testing department, on an early ARe 175 racing motorcycle from 1925. Next to him is Richard Blau, the technical director of the Zschopau engine works.



lightweight motorcycles. This was the first step on the road to establishing a motorcycle factory.

Looking back at the early years, Carl Hahn paid particular tribute to the single-horse-power motor in his aforementioned press speech: *“The single horse power was, with the best will in the world, held by a bobbin brake. Because, you have to understand, a brake was an object that struck us at that time as something that we had no need to create. This little engine – the little miracle – which later gave rise to the playful advertising joke: DKW – the little miracle, drives uphill the way others go downhill ... And I can only say, gentlemen, I was lucky enough to be a part of this*

development from 1922 and help shape it. Those were glorious times. We saw a task. We threw ourselves into it. There were only one hundred odd of us. As for machinery, well, we had a few lathes and a handful of turret lathes left over from the war. And we managed to win over fans and friends for the idea of the ‘little miracle’ two-stroke system in a way that is rare in the world of business. We produced quantities of which we were very proud – and rightly so.”

While Rasmussen the entrepreneur focused on the commercial ups and downs, and Richard Blau focused on the manufacturing side of the two-stroke engine in

terms of quality and quantities, Hermann Weber concentrated on optimizing the design. Carl Hahn also promoted the two-stroke idea with advertising and publicity. At the same time, he fostered sales with a constant stream of new sales ideas and customer service ideas, forming the reputation of the brand in the process. This quartet worked together excellently in Zschopau for many years.

Factory production meant mass production – and that required mass consumption. That’s when Carl Hahn identified his most important starting point. He strove to set up a powerful dealer network and a completely reliable support organization for DKW customers.



DKW dealer congress in Kassel, December 1926.
 Carl Hahn in middle row on the right.
 In the center is DKW racing driver Arthur Müller
 on the Z 500 two-cylinder motorcycle that
 had just been launched in Berlin



Besides this, his primary aim was to extensively develop DKW on the market, with a special focus on sales representatives and small traders, many of whom were often on the road with little luggage. Most of the time they took the train. At the same time, he tried a variety of measures to open up the market for target groups that had previously shown no interest in motorbikes. And so DKW was the first German motorcycle brand to start targeting the “female market,” a strategy based on competitions for women, beauty contests and advertising by female DKW drivers. Hahn had realistically recognized that the emancipation of women – especially after the First World War – combined with the widespread falling away of old prejudices, offered very favorable conditions for this.

The most far-reaching sales promotion measure was giving customers the option of paying for their newly acquired motor-

cycle in installments. This form of consumer financing had already become very common in the USA before the war for sewing machines, furniture and similar items. In Germany, installment purchases were unheard of before 1923 given the huge inflation at the time. Even after then, motor vehicle companies had difficulty with this form of purchase financing as long as the German central bank refused to discount bills of exchange issued in connection with a motor vehicle purchase. As a result, the companies in this particular industry had to rely on their own, generally weak financial resources. Although there were also offers available, particularly from American credit institutions, these were completely at odds with the options available to buyers in Germany. While in the USA, for example, the additional costs caused by an installment credit amounted to a maximum of fifteen percent of the purchase price, in Germany, these costs

were much higher: almost eighty percent in 1924.

So it was very bold and not without its risks for DKW to start offering its motorcycles with installment payments of ten marks per week in 1924. The resultant costs of around forty marks a month were just about affordable for low-income buyers. For a small car costing two thousand marks, the monthly installment would have been one hundred and eighty marks. Motorcycles had the advantage that they were still not subject to compulsory insurance.⁵ Carl Hahn himself explained this Zschopau installment system in the trade press, writing: *“But the best motorcycle that the market can offer is not what the broad masses are looking for as they struggle to survive economically. The necessary prerequisites here are, on the one hand, a price under one thousand marks, if possible, and then payment conditions that not only take the current economic situation into account but at*



Carl Hahn recognized the potential offered by female customers early on. Illustration from an advertisement from December 1927 showing Comtesse von Einsiedel with a DKW E 250

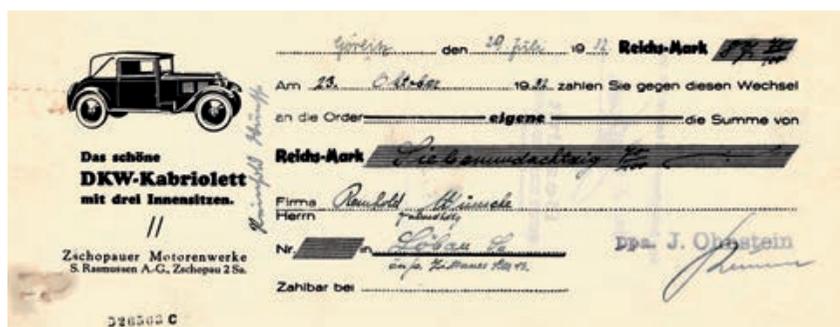
⁵ Steinbeck, Frank: Das Motorrad. Ein deutscher Sonderweg in die automobile Gesellschaft. Phil.Diss Berlin 2009 p. 84.

⁶ Carl Hahn: Das Motorrad und die wirtschaftliche Motorisierung Deutschlands. In: Motor. January 1926, p. 69.

the same time proceed from the principle on which the American market is based, that potential motor vehicle purchasers cannot buy a motor vehicle using their assets, but rather their income ... The DKW payment system waives all ancillary expenses and offers potential motorcycle buyers, provided they are of good repute, a motorcycle for a deposit of just three hundred and fifty marks. The remainder is deferred for twelve months. The deposit of three hundred and fifty marks can also be paid in weekly installments of twelve marks fifty or more. Once the total of three hundred and fifty marks has been

reached, the buyer receives the motorcycle in exchange for twelve monthly bills of fifty marks. For the twelve-month deferral, including interest and expenses, the buyer only has to spend one hundred and fifteen marks more than a cash buyer, and if the remainder is paid in six months instead of twelve, only sixty five marks more. This installment payment system therefore means that everyone who needs a motorcycle to earn a living – such as doctors, veterinarians, farmers, pastors, dental technicians, architects, etc. – can now buy a motorcycle with just their income.”⁶

A typical DKW installment bill, this one from 1932



Neues DKW-Preisausschreiben
für die besten Bilder von Damen auf ihrem DKW-Motorrad
Einzusenden bis zum 30. September 1927
Preis: Gesamthöhe RM 5000,- / 1. Preis RM 1500,- in bar
Nähere Bedingungen auf Anfrage

DKW-Einzyylindermodell 206 ccm, Kassapreis RM 750,- ab Werk
Ratenzahlung wöchentlich RM 10,-, Anzahlung RM 240,-
Auf Wunsch führersehein- und steuerfrei RM 740,-

DKW-Zweizylindermodell 500 ccm, Kassapreis RM 1275,- ab Werk
Wochenraten RM 17,50, Anzahlung RM 365,-
15 Monate Kredit!

Verlangen Sie die neuen Ratenbedingungen von der
ZSCHOPAUER MOTORENWERKE
J. S. RASMUSSEN A.-G. ZSCHOPAU 31/SA.



DKW Christmas and New Year greeting card 1925/26. The "jolly Bavarian" with the E 206 is holding up his fingers to indicate the 80,000 DKW engines that had now been manufactured

DKW advertisement from 1927. The introduction of installment payments made the DKW E 206 one of the best-selling motorcycles in Germany

⁷ According to information from Herbert Schmidt-Lamberg in „Das Motorrad“, Vienna; cited in Steinbeck, *ibid.*

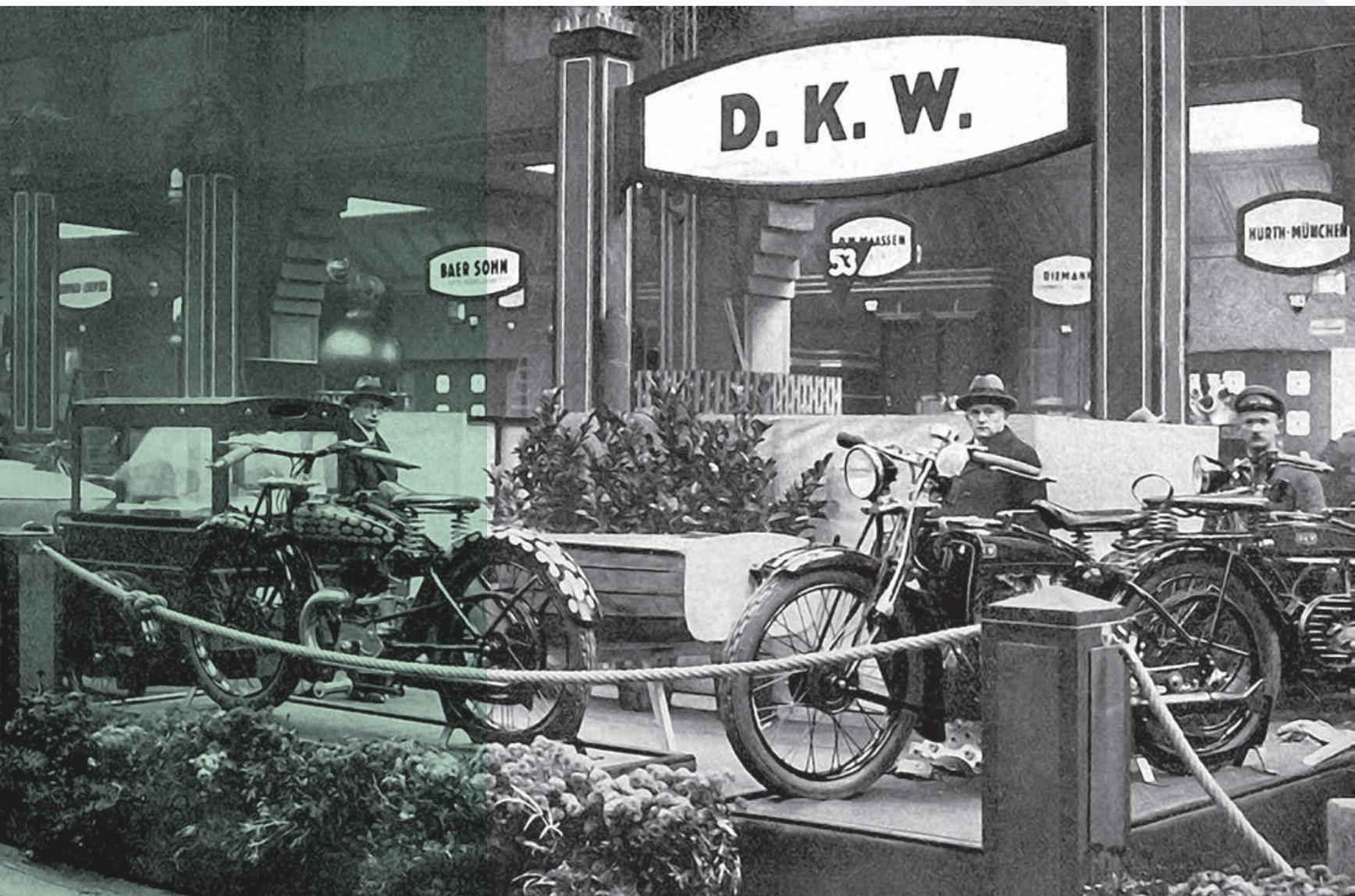
⁸ Statistics quarterly of the German Reich 39 (1930) part III p. 22.

The DKW exhibition stand at the Berlin Motor Show in October 1926. Wearing a hat in the right half of the image: Jørgen S. Rasmussen

Initially, the DKW installment payment system, which was mainly financed from the company's own funds, worked quite well. But the more motorcycles that were sold, the faster the company reached the limits of its financial possibilities and the more urgently the need for structural change became apparent. In October 1928, the Zschopau engine works founded DKW-Kraftfahrzeug-Finanzierungs-Gesellschaft mbH, a financing company, which belonged to the New Yorker Commercial Investment Trust Corporation. Surprisingly, motorcycle owners proved to be very disciplined and reliable at making their pay-

ments. The rate determined for default on installment payments in the German motorcycle business was just half a percent.

Of course, the clusters of businesses in the cities were an important sales area, with customers being recruited from among small businesses, above all. For them, motorcycles were an almost indispensable means of transport. For example, in Berlin in 1931, there were around 18,000 street vendors and around 2,800 kiosk owners or leaseholders. Of all these, only 184 owned a car, but at least 3,078 owned a motorcycle. This broke down



as follows: newspaper and booksellers – 19 percent, greengrocers – 17 percent, ice cream and candy sellers – 16 percent, toy and joke item sellers – 14 percent, textile goods sellers – 11.5 percent, and itinerant artists such as painters, silhouette artists, paper-cutting artists, etc. – 9 percent.⁷

Hahn paid particular attention to rural areas. He had so-called “advertising mobiles” built for this purpose. These were trucks that had a sales pavilion built onto them. The first of these set off on its journey in 1924 carrying the exhibited motor-

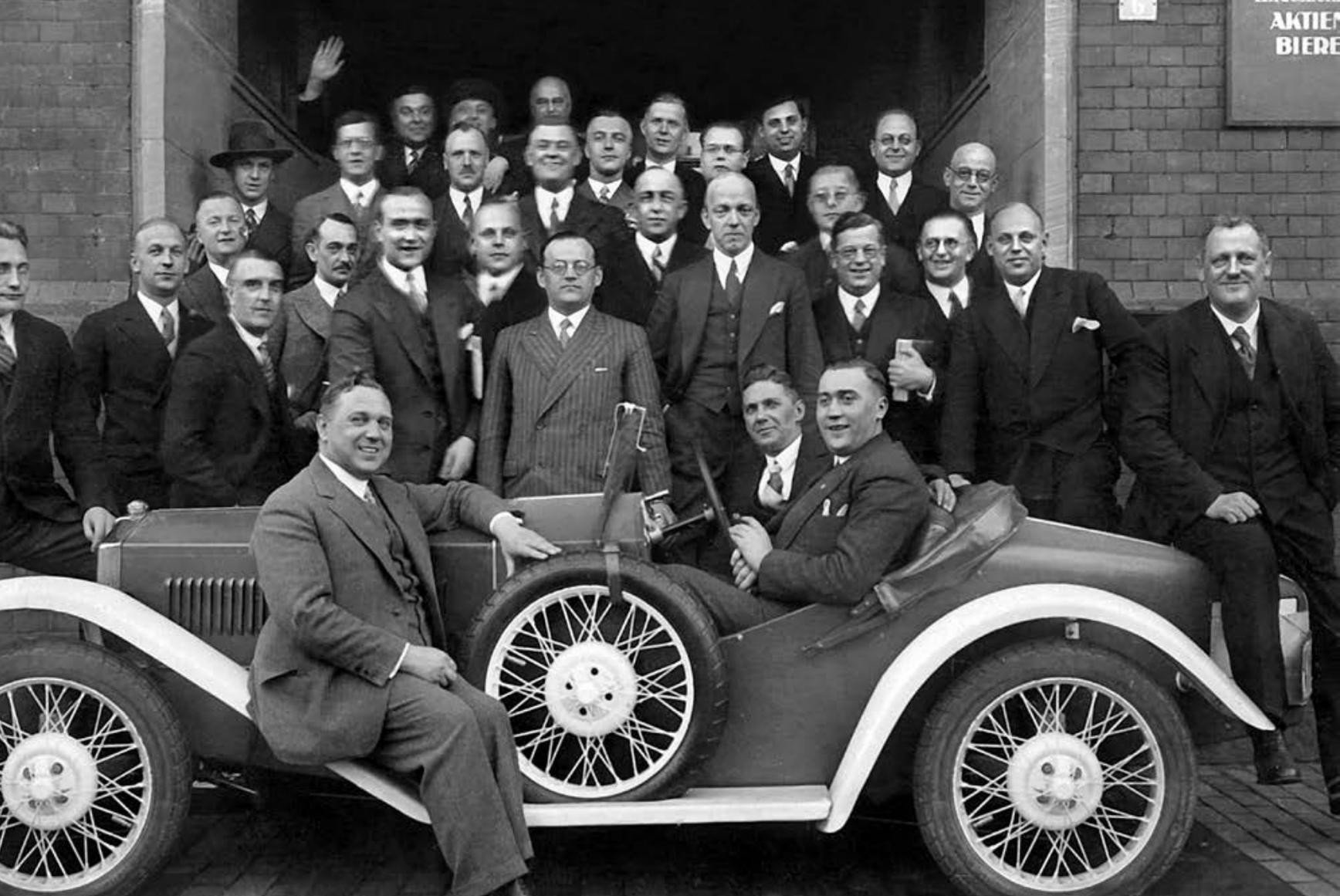
bikes and, later, cars to far-flung and more sparsely populated areas. In this way, Hahn hoped not only to overcome the limits of the Zschopau local market, but also to target a very specific gap in the market. Years later, the statistics quarterly of the German Reich recorded the following: *“The motorcycle is used in the countryside and in smaller towns to satisfy the need for transport that is covered in the large cities and their surroundings by the dense network of public transport. The longer the distances to be covered, i.e. the more sparsely populated and lacking in alternative means of transport a region*

*is, the greater the need for motorcycles. This explains the high density of motorcycle use and the marked increase therein, especially in rural areas.”*⁸

From then on, advertising platoons would travel through the country to present all the DKW products to the public, up close and personal. The sales buses built by Vogtländische Maschinenfabrik AG Plauen (Vomag) were designed as a showcase in the rear part of the body, while the front end housed a small office where sales contracts could be issued and signed immediately.

In the late 1920s, the Zschopau engine works used DKW advertising buses (shown here in Freystadt, Silesia) to support their DKW dealers' advertising campaigns





DKW Zschopau

The world's largest motorcycle factory

1928

After several attempts by Rasmussen to break into automobile production, the first DKW car with longer-term success came onto the market in 1928. Once again, Carl Hahn's creativity was called on to popularize this model. Hahn developed a complex sales strategy that not only included motorcycles and automobiles, but ultimately also the very successful stationary engines. Hahn made sure that automobile beauty contests, which were very popular at the time, no longer took place without DKW taking part. The results of these contests had to be reported in the daily newspapers with press releases and be publicized by dealers with picture

postcards naming the lucky winners by name. Hahn instigated DKW special exhibitions at dealerships and provided help and advice to the organizers if they didn't have the necessary experience. Hahn arranged for DKW films to be produced in cinema format, and for these to be shown in cinemas as silent films with interspersed texts before the feature film, as was customary at the time.

The dealers gratefully accepted these suggestions and assistance. Many of them were village craftsmen, with a modest client base and a level of knowledge based on dealing with everyday mechanical and motorized appliances. Most of them had

very little prior training in commercial matters. Typically, their wives played the indispensable role of accountant and chief financial officer. They tended to be somewhat suspicious of banking transactions or restricted these to their personal projects. DKW would now be dealing with these enterprises on a grand scale, and most of the smaller dealers could not be left to their own devices. In this context, Carl Hahn came up with the idea of dealer congresses, where presentations of new DKW vehicles could be combined with contacts, the sharing of ideas and experiences, and social links could be forged between dealers. The first of these

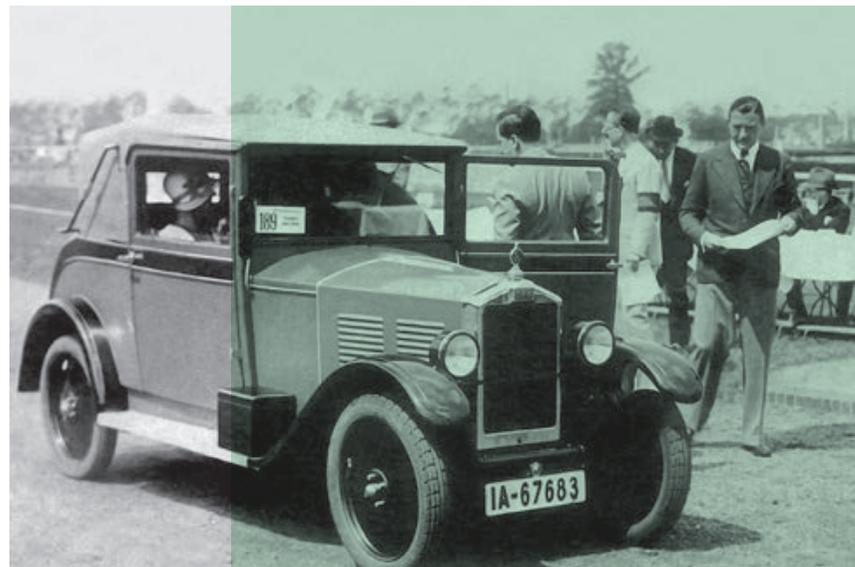
Carl Hahn (center) at the DKW dealer meeting in 1930, proudly presenting the new PS 600 DKW sports car

congresses took place in Dresden in 1927 and it was followed by many more. Incidentally, this was not restricted only to DKW. After DKW, other competitors emulated this way of creating stronger bonds between a factory and its dealers – and vice versa – including Opel in the car sector and Zündnapp in the motorcycle segment, with these competitors explicitly referring to the DKW model in their internal communications.

For Hahn, the dealers were not an end in themselves, but a means to an end. They

were the most important linking element between manufacturer and market. If they sold too little, the plant suffered as a result. Hahn's main goal was therefore always for customers to feel well looked after in the hands of the dealers. So he arranged for workshops to train dealers to become "recognized DKW support centers." These were obliged to keep a certain basic supply of spare parts in stock at all times so that they could immediately help customers with the majority of common defects in an emergency.

A DKW P15 three-seater convertible competing in a beauty contest, 1929



Dealers mounted special exhibitions to advertise the extensive DKW range. Shown here: Willy Thiele's DKW motorcycle and car dealership in Rathenow near Berlin in February 1930

Siegfried Doerschlag, who founded and ran what was then the most important German press service for the automotive industry, later appreciated the inseparability of sales and customer service cultivated by Hahn.

“Dr. Hahn did pioneering work in the fields of sales business. It was he who once drove from town to town, from village to village, to find agents for DKW. And he found them! A DKW agent could be found in all the better villages. Dr. Hahn was also a pioneer of customer

service. Each agent not only had to be a salesman, he also had to be a supervisor, attendant and repairman, and with a full stock of spare parts. And Dr. Hahn pioneered the installment business. The major organization of the DKW credit business, which set the trend for motorcycle sales, owes its existence to his initiative. Dr. Hahn gained worldwide recognition for the name DKW through his publicity and organization. His unshakable optimism weathered the storms of even the toughest economic times.”⁹

Shop window of a DKW dealer in Essen, 1929



Customer loyalty at a young age – children loved the DKW pedal cars



Close contact with DKW dealers was one of the cornerstones of Carl Hahn's success. One of the most important means of communication was the dealer newspaper, which appeared regularly



⁹ "Der Doerschlag Dienst" no. 2994 from April 17, 1942. Included in: Saxon State Archive Chemnitz (hereinafter referred to as SStAC) Auto Union No. 475.

¹⁰ Hahn examined this special atmosphere again in his previously quoted press speech in Düsseldorf in 1953: "I can only say that everyone who lived and worked in our Zschopau family remembers this company, which was still so small at the time, with joy and pride. Everyone knew everyone, everyone knew that they could count on their fellow man on their right and left. We all pulled together, DKW, DKW, DKW, as we did later."

Measured by the amount of knowledge gained and the interpersonal relationships that grew up,¹⁰ almost coming to resemble family ties, these congresses were a great success. They subsequently took place annually throughout Germany at the local level. As DKW developed a professional after-sales service, the congresses became rarer. They were supplemented by factory training courses for mechanics and fitters, which not only

covered the new models, but also the entire product range. The dealers were informed of upcoming innovations and about brand successes in company magazines and circulars. The customer magazine performed the same task for buyers.

One of Hahn's original ideas as part of this advertising offensive was to sell DKW children's cars. The idea was to infect the customers of tomorrow with DKW at an early age. These were small tin vehicles

with an exterior (including the DKW trademark) that resembled the full-size cars. They were pedal-powered and, thanks to a real steering wheel, the vehicles were quite maneuverable. DKW had these children's cars built by Passomobil Kinderfahrzeug GmbH in Naumburg an der Saale. They were available as one or two-seaters, in smaller versions for children up to five years of age, and in larger versions for children up to twelve. They were sold

¹¹ Erdmann, Thomas: DKW Automobile 1907–1945.
Bielefeld 2012, p. 39.



With the DKW E 206, DKW rose to become the largest motorcycle factory in the world after 1925

under names like “little devil” and “little buzzer.” Each of these little vehicles could be upgraded with special equipment for an extra charge – just like in real life.¹¹

While Carl Hahn was gradually opening up new groups of buyers and helping to increase sales, Rasmussen was modernizing the production facilities step by step (especially with the key help of his production expert on the board, Richard Blau), and Weber was creating more economical and user-friendly motorcycle designs. Rasmussen had brought modern production machines back with him from his first trip to the USA, and these were used to create the E 206 single-cylinder 206-cc engine in 1926, the first assembly line motorcycle. This model became the DKW hit of that era and it helped DKW advance to the forefront of German motorcycle manufacturers. *“Despite its ultra-modern design, unrivaled reliability and top quality, the E 206 is by far the cheapest motorcycle,”* boasted the DKW advertisement. It was available for 750 marks, while competitor models cost up to 200 marks more on average.

The simple, clear, easy to operate, reliable and economical everyday DKW motorcycle served the interests of manufacturers and customers alike. Low production costs and value for money were not incompatible with high technical value. The DKW motorcycles mastered all conditions with ease; steep mountain roads in the summer heat were no longer something to be feared. The two-stroke motorcycle had become a fully-fledged means of transport. In 1926, more two-stroke than four-stroke motorcycles were manufactured in Germany for the first time. DKW in particular was able to take credit for this success – and that credit was due primarily to Carl Hahn.

Fortune favored the bold: in 1928, a new legal regulation raised the displacement limit for motorcycles that were exempt from tax and a driver’s license requirement from 125 to 200 cc. Rasmussen immediately recognized the huge opportunity for DKW: for the E 206 with its 206 cc, the cylinder bore only had to be reduced by one millimeter – from 64 to 63 mm – and

this was done in next to no time. At the same time, he immediately had conversion kits made for the E 206, thirty five thousand of which were already in circulation. This made DKW the first and, for months, the only supplier in this new class, which experienced a sudden surge in demand.

It was in precisely this period of growth that the production record of four hundred and fifty motorcycles per day was set. The annual production of sixty thousand motorcycles made DKW the largest motorcycle factory in the world in 1928. In the same year, around sixty five percent of all motorcycles in Germany were manufactured in the Zschopau Valley or powered by DKW engines. It has been verified that DKW engines were installed in more than sixty German makes. At least ten automobile manufacturers offered delivery vehicles and passenger cars, including Borgward in Bremen, Ostner in Dresden, Rollfix in Hamburg and Steigboyer in Leipzig. Licensees have been identified in France and the USSR.

With the founding of its own motorcycle racing department headed by August Prüssing in 1927, DKW created a particularly effective marketing tool for competing in a field that had been dominated by the English up to that point. Motorcyclists had a special connection to their vehicles, for a variety of reasons. Whenever possible, many of the riders spent their weekends rushing from race to race on their two-wheelers to watch the competitions. Too often they were tempted to become racing drivers themselves – with easily imaginable consequences.

Deutschland besitzt in

DKW

die größte Motorradfabrik der Welt!

Aus kleinen Anfängen heraus erzielte DKW
im Sturmschritt innerhalb weniger Jahre eine
Tagesproduktion von über 300 Motorrädern

DKW hat bis jetzt über 200 000 seiner bewährten Zweitakt-Motoren gebaut.

DKW beschäftigt in seinen zahlreichen Zweigwerken 6100 Arbeiter das ganze Jahr hindurch.

DKW stellt in diesen Werken fast alle zum Motorrad gehörenden Teile selbst her, wie: elektrische Anlage, Vergaser, Naben, Sättel, Guß-, Stanz- und Ziehteile, Armaturen usw.

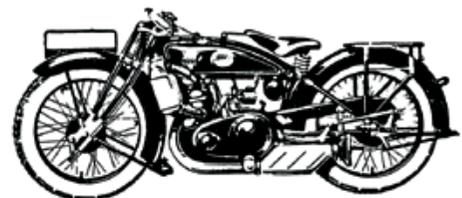
DKW hat den größten Motorrad-Export Deutschlands.



E 200. Steuer- und führungsfrei
mit Riemen ab Werk RM. 695.—
mit Kette RM. 715.—



E 300. Das preiswerteste Motorrad
der Mittelklasse, ab Werk
RM. 850.—



Z 500. Zweizylinder, wassergekühlt.
Die Hochleistungsmaschine für
Seitenwagen, ab Werk RM. 1325.—

ZSCHOPAUER MOTORENWERKE

J. S. RASMUSSEN A.-G., ZSCHOPAU MT



The Rasmussen corporation

1922–1930

Between 1922 and 1928, a multi-story factory complex was built in record time in the narrow Zschopau Valley, and DKW overtook its long-established rivals around the world by an impressive margin – a remarkable entrepreneurial and management achievement. The only comparable ascent is that of VW in Wolfsburg after the Second World War. In parallel to the overwhelmingly positive development of the two-stroke engine business, Rasmussen was expanding his company at an extremely accelerated rate. In 1923, he had turned the engine factory into a public limited company, the board of which consisted of himself, Carl Hahn on the busi-

ness side and the engineers Richard Blau and Max Ramberg as manufacturing experts. Rasmussen was almost the sole owner of the share capital of one million Reichsmarks, in addition to being the chairman of the board of directors. Rasmussen's wife Therese was chairman of the supervisory board.

Rasmussen and Hahn had become quite friendly. They would play cards together on Saturday afternoons next-door to the Hahn family home, at Finkenburg, a restaurant directly opposite the head office. The Hahns would also visit on Sunday afternoons. Unfortunately, you can no longer admire the framed hands of

cards in the corner room. Irrespective of this, they would have heated arguments about business matters, even on bank holidays, with Rasmussen the financier tolerating virtually no opposition to his plans and Hahn having to rely on his ability to implement these done deals “with a certain finesse” in order to avoid damage. The former director of Commerzbank, Friedrich von Au, described the relationship between the two of them towards the end of the 1920s as follows:

“In spite of all this, business dealings with him were by no means easy, since Mr. Rasmussen was a very obstinate gentleman who found it very difficult to

With this constant success came a continuous expansion of the DKW plant in Zschopau. In 1928, the striking end block was opened



Change of shifts at DKW – the Zschopau engine works were one of the most important employers in the deprived Ore Mountains region, 1926

¹² SStAC Auto Union no. 1093, sheet 221.

adapt himself to the views of the opposing party ... when the plant in Zschopau was so large that Dr. Hahn was brought on as commercial manager, I got the impression that the huge upturn was only made possible by the fact that here was a man who carefully organized the commercial structure in order to have control and a clear insight at all times. As I saw it, however, Mr. Rasmussen's abilities were in no way suited to such an activity. To a certain extent, he was probably a stimulating factor, and in negotiations he was exceptionally adept at looking after the interests of the firm, but in his innate generosity there was again a considerable

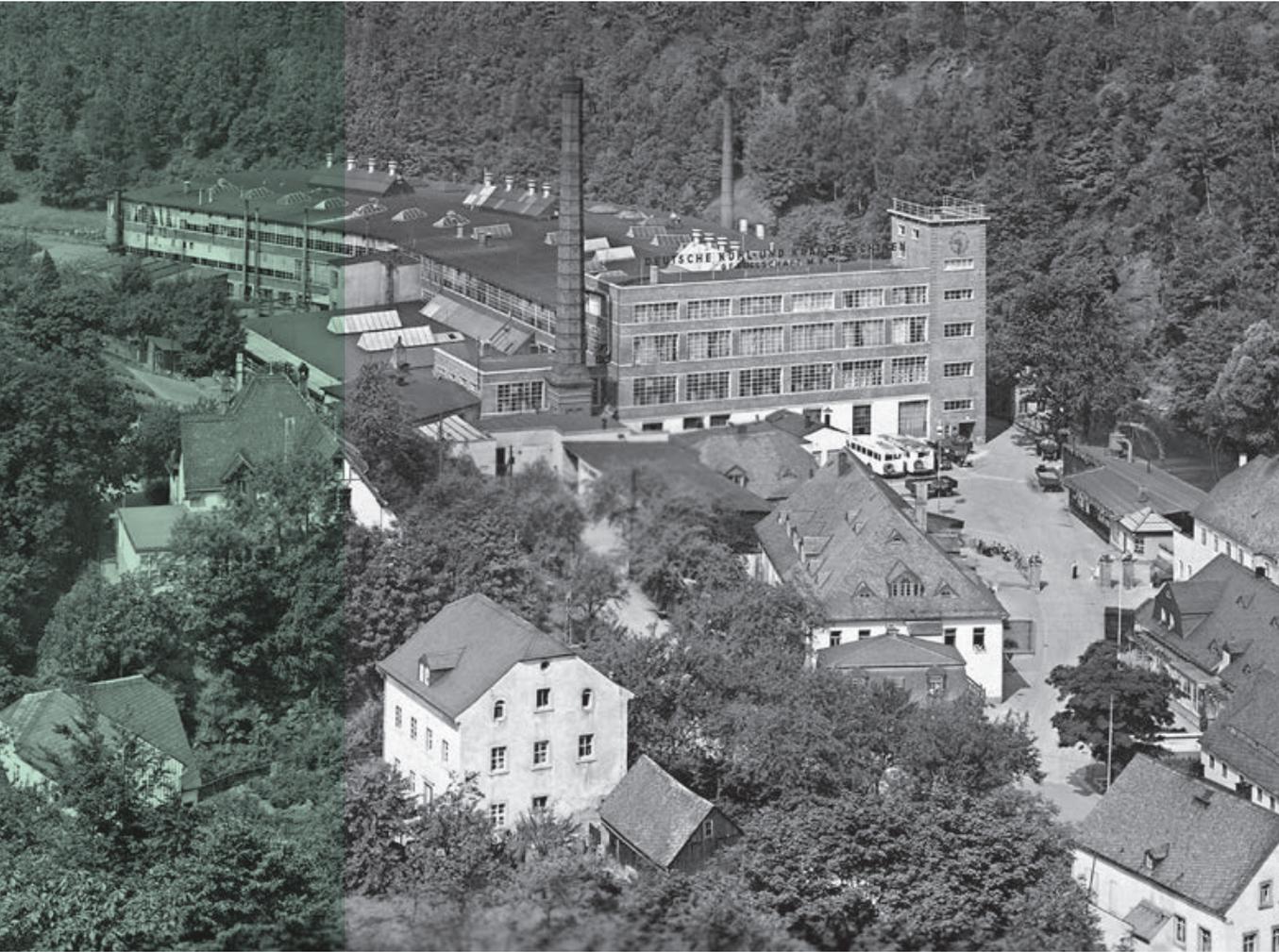
degree of superficiality, one that is often to be found in major salesmen.”¹²

Hahn must have found it difficult at times to go along with Rasmussen's decisions, which were not always understandable. For the most part, he had expanded his Zschopau engine works into a corporation by acquiring small and medium-sized companies. It all started in 1922 with his purchase of the Zöblitz metalworks and its subsidiaries in Marienberg and Hüttengrund. The next year, he bought the saddle factory in Frankenberg, which later became the FRAMO works. Just one year later, Rasmussen took over the Slaby-Beringer-Werke in Berlin,

DKW plant in Spandau, 1930.
DKW automobiles were built
here from 1928



The Scharfenstein plant
was acquired from
the Moll works in 1926



Jørgen S. Rasmussen
at the presentation of
the new DKW 4 = 8 two-
seater in September
1930 in front of the
DKW headquarters
in Zschopau

which specialized in woodworking and which, after relocating to Spandau, would later become the bodywork plant for DKW vehicle bodies. The manufacture of DKW automobiles began here in 1928.

In 1925 Rasmussen founded Elcamo-Motor-Aggregatebau-GmbH in Erfenschlag to produce stationary and boat engines, and in 1926 he bought the Moll works in Scharfenstein.¹³ The same year, he acquired a stake in Berliner Maschinenfabrik Prometheus GmbH, which later became his gearbox supplier. Finally, in 1927, he founded the Annaberg light alloy foundry and bought Nestler & Breitfeld AG with its iron works in Erla and its drop forge in Wittigsthal. Gradually, the urge to expand subsided and in 1928 he “only” added Schüttoff AG in Chemnitz and Audiwerke AG in Zwickau. Finally, in April 1932, he acquired the keystone: Rasmussen took over the Luma works founded by Friedrich Münz in Stuttgart, where the Dynastart systems for the DKW front-wheel drive vehicles had been produced since April 1931. Hardly a year passed without new acquisitions, foundations or takeovers. Rasmussen was inspired by the idea of manufacturing everything in-house if possible, owning all the important suppliers and at the same time multiplying his business segments. He pursued the aim of a “self-sustaining” corporation, and from this perspective, his actions were all according to plan. Rasmussen’s biographer Immo Sievers comments on this explosive growth process as follows:

“Not all of the companies were actually necessary for production or financially viable for Zschopau ... However, one has to consider that this corporate structure ... was certainly planned by Rasmussen. He had in mind a large, coherent corporate structure in which numerous suppliers would relieve the burden on the main plant in Zschopau. In addition, the subsidiary plants were tasked with covering other business segments, such as aircraft, refrigerator, engine and commercial vehicle construction, and acting independently if they were successful. As Rasmussen imagined it, Zschopau would then, in turn, be able to serve as a supplier for these companies.”¹⁴

It is doubtful that Rasmussen consulted or coordinated with his business director Carl Hahn in each individual case. One anecdote relating to misunderstandings between Rasmussen and Hahn has been handed down. During his second trip to the USA in 1927, Rasmussen was offered the production facilities for six- and eight-cylinder engines from the Rickenbacker Motor Company, which was in the middle of bankruptcy proceedings. He sent a wire to Carl Hahn asking whether he should buy these for four million. Hahn said yes, thinking he meant Reichsmarks. But Rasmussen meant dollars, i.e. quadruple the price!

Not infrequently, Hahn was presented with a fait accompli and, at best, was convinced that the individual expansive steps would be beneficial for the company.

There is also no doubt that Rasmussen did not always follow his own ambitions. The best example of this was the acquisition of shares in Audiwerke AG. It was the bankers at Allgemeine Deutsche Credit-Anstalt (ADCA) and the Saxon State Bank, Rasmussen’s generous house bank, who had been warmly recommending since 1927 that the “DKW gentlemen” take over the Audi works. But the Dane was very reluctant to do so, because this takeover did not fit in with his plans at all. He resisted for a long time, and only ended up complying with the recommendation of the state bank once it was no longer a request. At that time, Zschopauer Motorenwerke AG still had a share capital of just one million Reichsmarks. The loans that Rasmussen needed for his expansion were easily obtained from the Saxon State Bank, which also financed the company’s takeover of shares in Audiwerke AG, thereby increasing their existing credit account to 4.4 million Reichsmarks. That was by no means the beginning of the company’s massive pile of debt, which can be traced back to 1927, but DKW was right in the middle of it. On the day Auto Union was founded, on June 29, 1932, the debt run up by the Rasmussen corporation alone had reached around ten million. And the Saxon State Bank was the sole creditor!

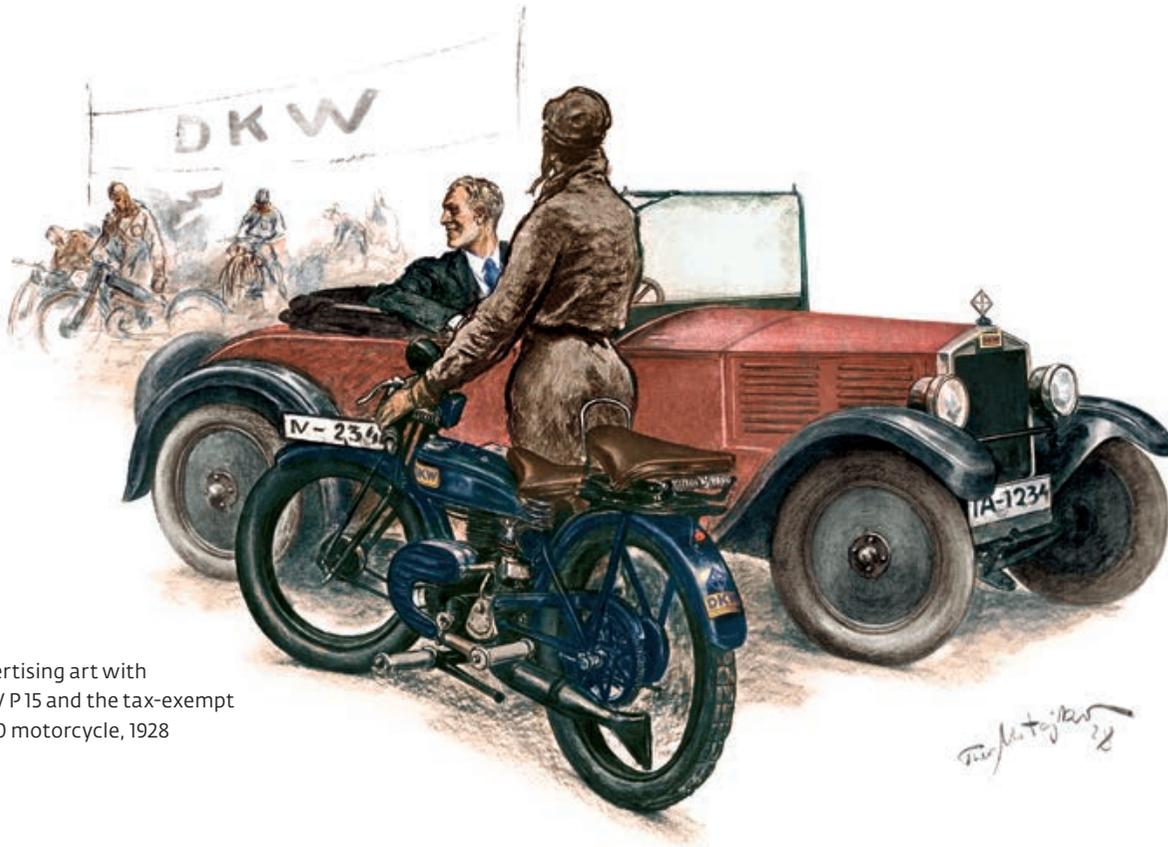


¹³ Later, in the early 1930s, the DKW refrigerator factory was established here with Harry Hopkins as the on-site expert. However, he soon returned to the United States. His only possessions were a small spring and ownership of the Nosag spring patents. This would soon be making the seat upholstery in almost every car in the world cheaper and more comfortable.

¹⁴ Immo Sievers: *Jørgen Skafte Rasmussen. Leben und Werk des DKW Gründers*. Bielefeld 2006 p. 95.

Jørgen S. Rasmussen and Carl Hahn in Chemnitz, 1930

The DKW P 15 passenger car was enthusiastically received by motorcyclists, in this case at the DKW Club Aachen, 1929



Advertising art with DKW P 15 and the tax-exempt E 200 motorcycle, 1928

This strategy was in all likelihood the product of Saxon state economic policy (the state bank was controlled by politicians), which was oriented specifically towards preserving industrial potential. At that time, the bank did not see its goal in acquiring ownership of industrial facilities, but rather in strengthening established business foundations. This once

again revealed the secret behind the success of Rasmussen's corporate expansion: the – seemingly – inexhaustible supply of money from the Saxon State Bank.

Carl Hahn was given the task of organizing the plant commercially. For him, this also meant becoming a member of the supervisory boards of the acquired companies, such as Nestler & Breitfeld AG

and Audiwerke AG. In all this, he was aided above all by his belief in DKW and his general enthusiasm – qualities that he conveyed to all DKW employees wherever he met them. His honorary nickname, “DKW Hahn,” was not only evidence of his incredible popularity in an environment shaped by expansion, credit policy and crowding out, it was also testimony to his effectiveness – one that far exceeded that of those around him, particularly evident in intangible ways. In 1929, DKW employed 15,000 people at twelve locations, producing 65,000 motorcycles. This meant that a machine rolled off the assembly line in Zschopau every 85 seconds. For Carl Hahn, one of his central tasks was to shape this enormous potential into an edifice of ideas that could respond to economic circumstances and, more importantly, would be stable in the long term.

As already mentioned, DKW automobile production also started up during this period. By this time, the Zschopau technicians had succeeded in constructing a higher-performance motorcycle engine. The air-cooled 500-cc twin-cylinder engine powered the Z 500 motorcycle,



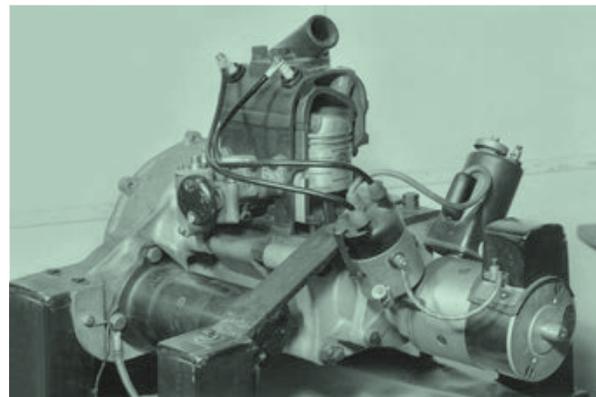
Carl Hahn at the wheel of the DKW PS 600 sports car on the Nürburgring during the ADAC 144-hour drive, April 12, 1930



released in 1927. Shortly thereafter enlarged to 584 cc and fitted with water cooling, the engine was so stable that it could now also be used as an automobile engine. Equipped with it, the first DKW car was launched in 1928 under the type designation P 15. It was built in Spandau, with the engines sent there by rail from Zschopau. This DKW was initially available as an open two-seater with the simplest of designs. When it was shown for the first time at the Leipzig Spring Fair in 1928, it was fitted with a delivery van body – tailored to the commercial vehicle show that was taking place at the same time in Leipzig. The model range was then expanded to include other convertibles and sports cars. Unlike many other small cars of those years, this car was not designed as a primitive driving machine, but as a fully-fledged automobile. It had a complete electrical system, exhibited good road holding and offered ample interior dimensions. Around five thousand of the cars were produced. However, it was not profitable. In the calendar year 1929, for example, the net proceeds were only fifty seven marks per car sold.

The main problem with these DKW cars was a technical one: although the car was big enough for two people, the engine power was inadequate. This was the main obstacle to increasing sales and the main reason for the low profits in production.

It is not particularly easy to significantly increase the power output of a two-stroke engine by simply adding more cylinders. At any rate, the matter is much more complicated than it is with a four-stroke engine. As a result, DKW decided on a completely new type of engine system in which a pair of two-cylinder blocks was arranged at an angle of ninety degrees to each other and each cylinder block was equipped with a double-acting charge pump, which charged a cylinder on both the upstroke and the downstroke. This way, they could forego the crankcase precompression and the oil-in-gasoline lubrication. The crankcase remained unpressurized, which also resolved difficulties in sealing the two halves of the case to one another. The priming time was longer, scavenging losses were almost eliminated and the efficiency was improved.¹⁵

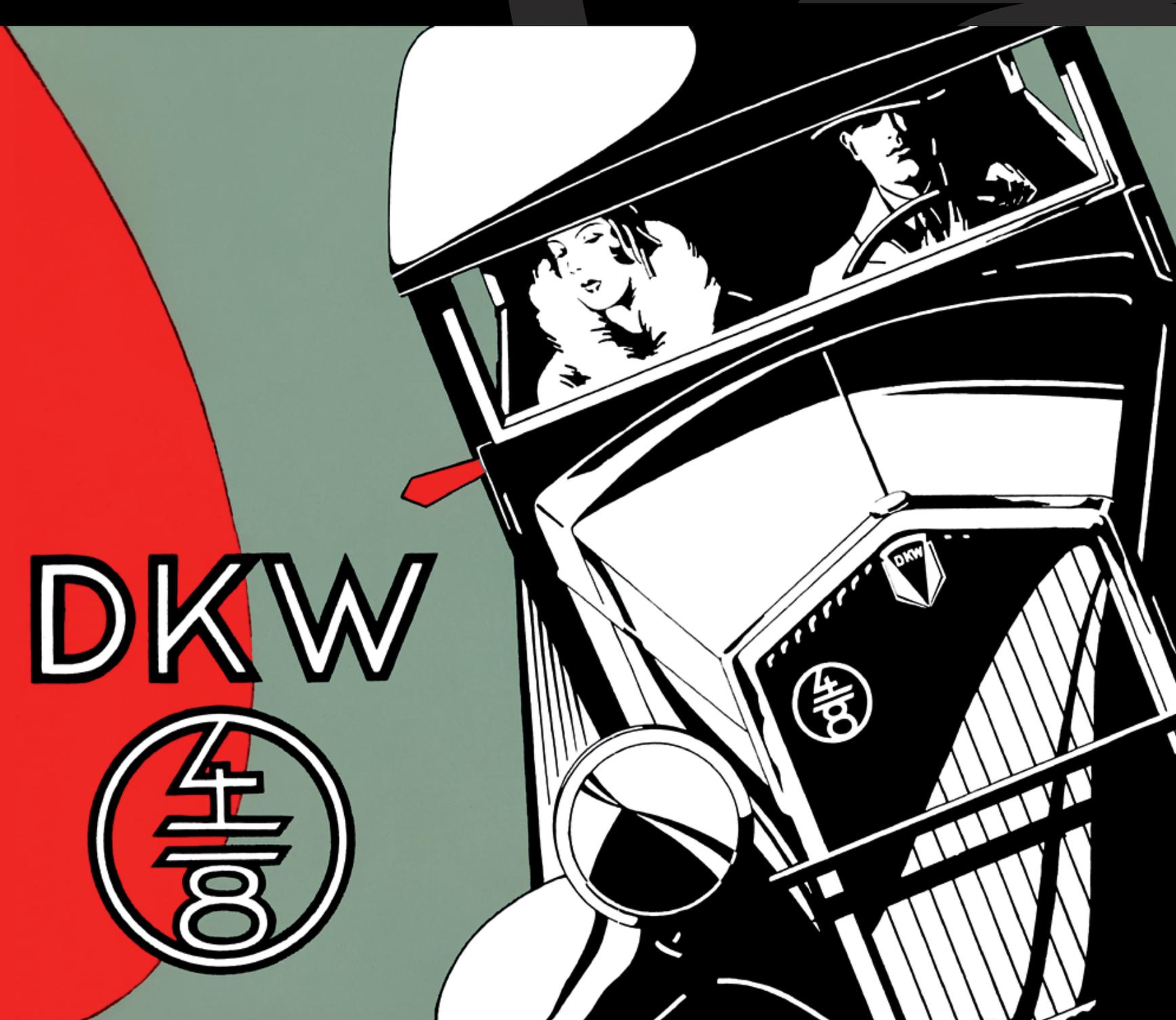


The DKW P 15 first appeared in 1928 as a two-seater with two jump seats in the rear

The 600 cc two-cylinder two-stroke engine of the DKW P 15 as a cutaway engine

¹⁵ The design came from Gehle and Paffrath, who had developed it at Steudel in Kamenz.

Cover of the brochure for
the DKW 4 = 8 from 1931



DKW





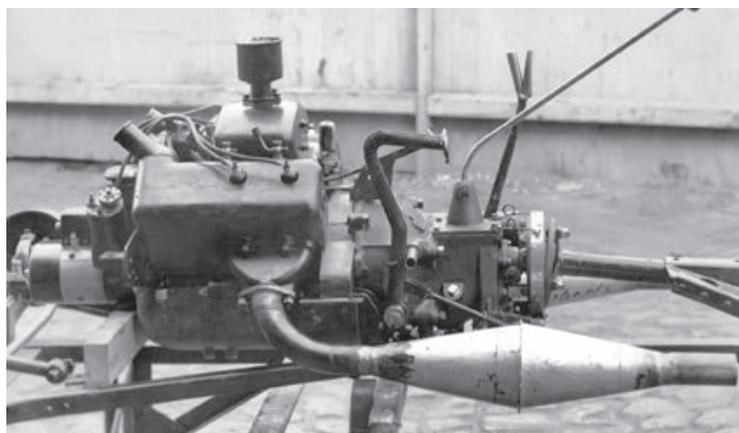
Mia and Carl Hahn with son Carl Horst (left) on the patio of their house in Zschopau with Luggi from Holzschuher (in front)

Carl Hahn, together with his lifelong head of advertising, Luggi von Holzschuher, concentrated on two aspects in the DKW advertising for this car: emphasizing the equivalence between a two-stroke four-cylinder engine and a four-stroke eight-cylinder engine, and its classification as a “large DKW.” And so the ad went: *“A feat of two-stroke engine construction, an achievement we can be proud of – a four-cylinder engine that functions like an eight-cylinder, with the amazing simplicity of its valveless design and all the advantages of a four-stroke eight-cylinder engine but none of a four-cylinder’s sus-*

ceptibility.” 800 cc easily achieve 22 hp – and this masterpiece, this tireless source of power is fitted in a new, large DKW convertible, whose shape, color and lines are so convincingly beautiful, pleasing and elegant that this car is more desirable than any other in its class.”¹⁶

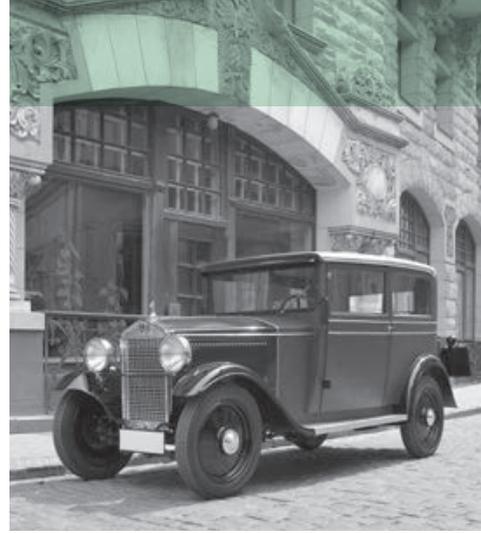
As a logical consequence, Hahn insisted on the type designation DKW 4 = 8. The car was launched in 1930 and its sales suffered mainly from the initial effects of the Great Depression. Rasmussen and Hahn agreed that this one DKW model was not enough to survive on the market.

¹⁶ Kirchberg, Peter: Die technisch-konstruktive Entwicklung der DKW Kraftfahrzeuge und Motoren. Unpublished study commissioned by Volkswagen AG Wolfsburg, Dresden 1987, p. 53.



All DKW automobiles had a self-supporting wooden body covered with imitation leather. Shown here: the two-seater convertible sedan DKW 4 = 8, 1930

Four-cylinder, two-stroke engine in a V arrangement with charge pumps from the DKW 4 = 8, 1930



The Audi 5/30 hp, type P from 1931 was simply a DKW 4 = 8 with 1.1-liter four-stroke engine from the Peugeot 201



At 1,685 Reichsmarks, the DKW Front F1 was the cheapest car in Germany at the time. Shown here: the two-seater roadster with a wooden body from the DKW bodywork in Spandau

Cover of DKW F1 brochure from 1931. The target group Carl Hahn had in mind, besides motorcyclists, was people who had never owned a motor vehicle before

The two considered transitioning to an expanded range of products including a four-stroke car with an engine from another manufacturer. Since they did not know of any suitable candidates in Germany, they went to Strasbourg together in 1930 to negotiate with Émile Mathis. The talks were unsuccessful. However, soon after this, they reached out to Peugeot and the idea arose to use that company's one-liter four-cylinder engine. Rasmussen decided to install the Peugeot engine in the large DKW sedan and market this as the Audi P. The car was a complete flop, and it marks an all-time technical low for the Audi brand.

For a long time, Rasmussen had been thinking about scoring points on the market with avant-garde technology. He believed that unique selling points in design and technical progress would boost sales more than low prices would –

¹⁷ See Thomas Erdmann, in particular, *ibid.*

and Hahn agreed unreservedly. And so, in the summer of 1928, Rasmussen arranged for a small car with front-wheel drive to be developed in the Zschopau design office. Its market launch was planned for the summer of 1930. However, the DKW technicians did not really make any headway. When the summer passed and the presentation of a front-wheel drive at DKW was still a long way off, Rasmussen fired Richard Blau, chief technology officer, and in October 1930 turned to the Audi design office in Zwickau. Although the team had shrunk to just three employees, they completed the task within six weeks and the prototype of the DKW Front was presented on November 29, 1930. The development, production and marketing of this automobile has been described and acknowledged, at length and in depth, so let us here simply refer to the existing literature.¹⁷



Growth demands more capital

1926–1932

From 1926 onwards, Rasmussen was no longer able to finance the expansion of the company through company profits generated from sales, and he needed loans, which – as already mentioned – were primarily granted by the Saxon State Bank. His company's debt to that bank exploded from 126,000 Reichsmarks in 1926 to over seven million in 1929. Rasmussen, who still owned almost all of the shares – the rest were held by straw men – increased the share capital to ten million Reichsmarks in December of that year. He took

half of these shares for free, i.e. without any service in return. For the first time, however, the Saxon State Bank now acquired a share of 2.5 million.

As a consequence of this development – a consequence that also directly affected Carl Hahn – State Bank Director Dr. Alfred Bleicher and State Bank Commissioner Dr. Richard Bruhn joined the DKW supervisory board. The two men were now authorized by the State Bank to call the shots in Zschopau, and they did precisely that.

The economic crisis was gathering pace, and the collapse in sales from sixty thousand to eleven thousand motorcycles caused Rasmussen's pile of debt to grow to eleven million Reichsmarks by the end of 1931. By this time, the involvement of the State Bank had also come to public attention. The State Audit Office had intervened vehemently and the Ministry of Finance stressed that *“no further commitments of state funds and State Bank funds will be forthcoming.”*¹⁸ The state bank made every effort to take control of

¹⁸ The State Audit Office also expressed its astonishment that *“although the State Bank, which belongs to the state, is no longer in a position to provide the state itself with even the most urgent expenses, most notably salaries, it is always able to grant further funds to such distressed enterprises, and while the salaries of civil servants are cut, the directors of these private companies are paid salaries from these funds far in excess of the salaries of the ministers.”* Letter from the State Audit Office dated March 22, 1932. Cited in Kirchberg, Peter: *Entwicklungstendenzen der deutschen Kraftfahrzeugindustrie 1929–1939. Gezeigt am Beispiel der Auto Union AG, Chemnitz*. Diss. Dresden, 1964.

DKW clubs sprang up throughout Germany and, to some extent, abroad. These were mostly initiated by dealers. Shown here: the DKW club of Rathenow, 1928

DKW dealer congress in February 1931 in Nuremberg. Before the official presentation at the IAA in Berlin, the dealers were shown the new DKW Front F1. In the background next to the tree: Carl Hahn wearing a hat



DKW's actions itself. This primarily involved turning off the money supply. "I have already taken the opportunity of explaining to you and Dr. Hahn that the Saxon State Bank will under no circumstances allow a further increase in the account balance. In view of the amount of the existing liabilities, this would not be justifiable,"¹⁹ State Bank director Dr. Bleicher wrote in a letter to Zschopau. The final decision was made in the fall of the same year. The State Bank discussed the future of DKW. Rasmussen and Hahn were not even invited to the meeting. Rasmussen had to surrender a further five million shares (this had already been discussed with him in advance), increasing the State Bank's share to seventy five percent of the capital. At the same time, he now had to expressly consent to Dr. Bruhn's appointment to the supervisory board to act on behalf of the bank, on the – apparently mitigating – proviso that this would only be temporary. However, he had

to coordinate all relevant management issues with Bruhn. Rasmussen's biographer Sievers said of this:

*"However, this also meant that the bank not only decided on financial issues, it also filled key positions relating to personnel policy as it saw fit ... Actually, Rasmussen should have realized at this point in time that the bank's declarations of intent were not consistent with their rigid approach. But evidently he did not understand the scope of what was going on ... and so Rasmussen cannot really be criticized as the financier who was able to deceive the banks with clever deals and was only out to make a profit. In fact, he did not even own his corporation anymore. The State Bank not only held the majority of shares, it also had the final say in the corporation's continued survival."*²⁰

In this situation, in which the expertise and emotions of everyone involved, but especially Carl Hahn, were strained to

breaking point, Rasmussen made a serious mistake. He publicly stated that he should have had Bruhn on board ten years earlier, that Hahn was not even half the man that Mr. Bruhn was. He had always been missing someone like Bruhn and now he could sleep soundly again.²¹

Carl Hahn was deeply wounded by this snub. It was thanks to him that the DKW corporation was well structured commercially and had, more or less, coped with Rasmussen's zeal to expand. Even if he and Rasmussen had often quarreled and come into conflict in their relationship, loyalty to the CEO was his top priority. He had already been hurt by the fact that, although he was a member of the board, he was no longer asked to give advice on all matters relating to the economic future of the Zschopau company. However, Rasmussen had obviously lost track of his company's infrastructure and, in his uncertainty, could no longer properly judge who he could still rely on.

Jørgen S. Rasmussen at the IAA in Berlin, February 1931



Carl and Mia Hahn on their way to the Nürburgring, 1929. On the left, their chauffeur, Karl Kaden



¹⁹ SStAC Zschopauer Motoren Werke no. 100.

²⁰ Sievers p. 126.

²¹ SStAC Auto Union no. 4121. Letter written by Dr. Carl Hahn, dated November 2, 1935.



²² SStAC Auto Union no. 1092, sheet 61.

²³ SStAC Auto Union no. 1092. Declaration dated October 24, 1934.

It was precisely this uncertainty of Rasmussen's that later contributed to Rasmussen's removal from the board in connection with the dispute with Auto Union. One of the witnesses questioned commented:

"Through all of this, I have become convinced that Mr. Rasmussen is somewhat difficult to understand, because when he has come to trust someone, he tends very easily to treat that person unreservedly, to a certain extent even uncritically, as the most capable person there could ever be in the field in question; but on the other hand, if Mr. Rasmussen has become distrustful of someone, sometimes for a reason that is perhaps not parti-

*cularly serious, his dislike for that person can increase to open hatred and the strongest hostility ... I have observed over many years how he treated Dr. Hahn in every conceivable form with friendship and, after just a cursory glance, approved of everything that Dr. Hahn suggested to him, while later, for a reason I do not know, he became extremely hostile to Dr. Hahn and then, as was his wont, so to speak, denounced him completely. With his extraordinarily subjective sensibility, Mr. Rasmussen is at a very real risk of being unfair, intentionally or unintentionally, and of creating impossible difficulties for himself in the end by misjudging his employees."*²²



The joint DKW and Audi stand at the IAA in Berlin, February 1931

Apparently, all of Rasmussen's employees at the time were aware of his contradictory and ambivalent character. This was the tenor of all the statements given by the witnesses under questioning in the Rasmussen vs. Auto Union trial mentioned previously. One employee put it this way:

"At the same time, I would like to point out that the growth of the Zschopau engine works is due to opportune speculation on the part of Mr. Rasmussen. In addition to the opportune speculations, there were also inopportune ones, and the leading gentlemen suffered from these because of Mr. Rasmussen. It is not only thanks to Mr. Rasmussen that we made the plant what it was before the merger,

*and we must not forget that Director Dr. Hahn was the one who grew to become a sales genius through his own hard work, skills and talents, and he was the first to play his part in promoting the Zschopau engine works. Dr. Hahn was a role model for us and still is today; every single employee strives to emulate his abilities, and therefore the staff is of the opinion that if Dr. Hahn had not been there, then Zschopau engine works would not have become what it was before the merger."*²³

For Hahn, the shattering of his bond of trust with Rasmussen also meant losing his most important sounding board. He no longer had anyone with whom to dis-

cuss the questions of the day or talk to about future plans. Discussing incidents and ideas together, approving or rejecting them, being encouraged or dissuaded on the good advice of the other – this was all now firmly in the past. From now on, Carl Hahn was left to his own devices – and he came to terms with this very quickly. First and foremost, his self-esteem grew. One of the conclusions he drew from this was expressed in his future urge to be independent and be free to realize his own ideas and implement his management philosophy through persuasion and motivation.

Metaphorically speaking, what happened in those few years between 1929 and 1932 represented a big, dark cloud inexorably covering events. And its shadow also fell on the personal relationship between Rasmussen and Hahn, who were at odds from then on.

We do not know whether Carl Hahn saw through the State Bank's policy from the start. However, when the plans to form Auto Union reached his ears from the management offices of the State Bank, it quickly became clear to him that there was an opportunity for him to get involved again in this double suspension. The end – the suspension – of the Zschopau DKW corporation and the continuation of the DKW idea, suspended in a higher organizational form, challenged and inspired him to commit himself unreservedly to the development of Auto Union from then on.

²⁴ Further subsidiaries followed in Dresden (1920), Zwickau (1921) and Chemnitz (1924).

²⁵ State Bank Act of 1921.

²⁶ State Archive Dresden, Finance Ministry no. 4644.

The Saxon State Bank and the birth of Auto Union

1919–1932

The dominant force in these events has been mentioned many times but never fully described, and, by and large, it remained unknown at the time: the Saxon State Bank. How long did it exist, what were its tasks and why did it play such a central role in all matters relating to DKW and Auto Union? In a way, it also set the limits within which Carl Hahn could maneuver.

Although the Saxon State Bank began its activities on November 1, 1919 in Leipzig,²⁴ it had a long history dating back to February 1833, when a state lottery was founded in Saxony. It was here for the first time that government money – the lottery revenue – was managed in a banking framework. This became the Saxon Lottery Loan Association in 1862, which now, in addition to lottery money, was tasked with managing the surpluses from state revenues, which by 1906 had already reached a volume of around eighty percent of all the money managed by this bank. It was therefore only a matter of time before it transformed into a state bank. First, in 1917, its business activities were expanded to include all typical banking areas, and public service accounting was replaced by commercial accounting. From that time on, to put it bluntly, its main purpose was no longer to safeguard state assets, but to earn money through banking transactions. After Prussia – going back to the Prussian Maritime Company, set up to encourage foreign trade – and Bavaria, Saxony was the third German federal state to set up a state bank as a “state institution under the supreme authority and supervision of the Finance Ministry in an independent legal capacity and with its own assets,”²⁵ as stated in the State Bank Act of 1921.

In this way, the state bank was to be separated as much as possible from the daily work of government, and state supervision was limited to checking compliance with the rules of procedure.

Fundamentally, the primary aim of this was to prevent any form of public control, especially with regard to credit policy. The Saxon Minister of Finance gave the new bank the objective of “*bolstering the viability of small and medium-sized businesses that are active in trade, agriculture, industry and commerce and are under pressure from today’s currency devaluation by granting them credit ... and providing funds to the credit institutions that are relevant to these groups.*”²⁶ The State Bank was thus an instrument of policy in the Free State of Saxony; one that was oriented towards short- and medium-term goals and was aimed at preserving and strengthening economic potential without the hindrance of the usual official regulations.

In this post-war period, one of the most important tasks to be solved as quickly as possible was reintegrating all the recently discharged soldiers and preventing mass unemployment. As a result, credit policy was primarily targeted at major companies that offered the possibility of taking on large numbers of workers, including the Erzgebirgische Steinkohlen Aktien-Verein and Gewerkschaft Gottes Segen coal mining operations, the vorm. Schumann AG vehicle factory, the Groß-einkaufsgesellschaft Deutscher Konsumvereine co-operative retailers, and the Oskar Kohorn carpet factory in Chemnitz, the Germania machine factory, the Kappel machine works and the Chemnitzer Aktienspinnerei textile mill – to mention just a few examples in the Chemnitz area.

After solving these acute problems, the State Bank’s top managers and the predominantly social-democratic governments of the Free State of Saxony saw one of their main tasks as strengthening Saxon industry. For this purpose, they derived a generous and long-term credit policy. And in this context, Zschopauer Motorenwerke J. S. Rasmussen AG, Audiwerke AG and Horchwerke AG (the latter two in Zwickau) should also be mentioned, above all. These motor vehicle manufacturers had reached the limits of their growth and could no longer overcome these on their own. In their different ways, they demonstrate that it was not just a matter of increasing the number of items in production, acquiring modern and efficient production facilities and developing new products, it was also a question of expanding a sufficiently effective sales system. An example from Horchwerke AG shows just how vitally important this side of the business was: in its growth years after 1925, it invested as much money in promoting sales as it did in modernizing the machinery and developing new models.

Growth was inextricably correlated with the market. If one followed these impulses, it inevitably meant concentrating resources.

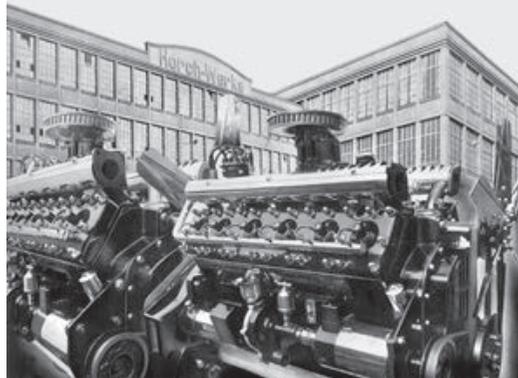
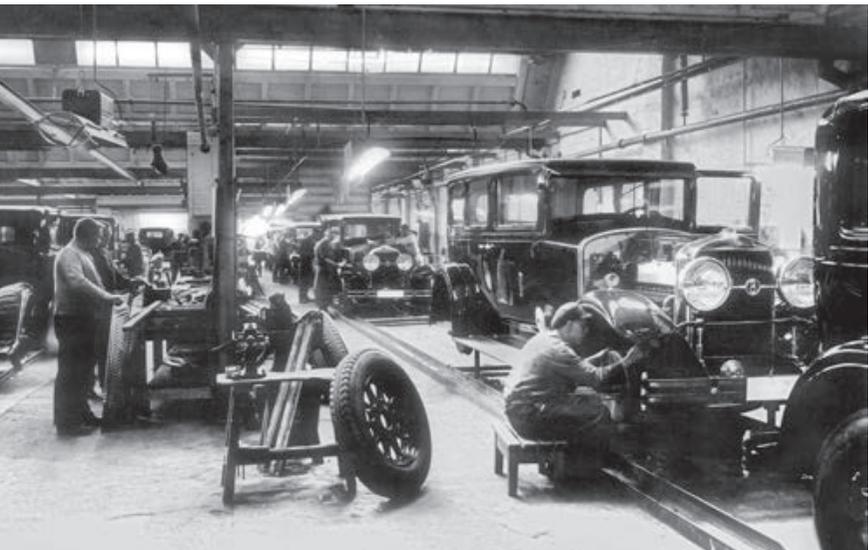
At Horchwerke AG in Zwickau, too, the growth of the company was associated with a sharp increase in bank debts, which by 1928 had reached five million Reichsmarks, the same amount as the share capital. Here too, the restructuring of the company involved the Saxon State Bank acquiring half of its share capital, resulting in the bank taking partial control of the company. However, when the Horch debt burden exceeded the ten million mark in 1931, the banks – including



Chemnitz branch of the Saxon State Bank on Kronenstraße

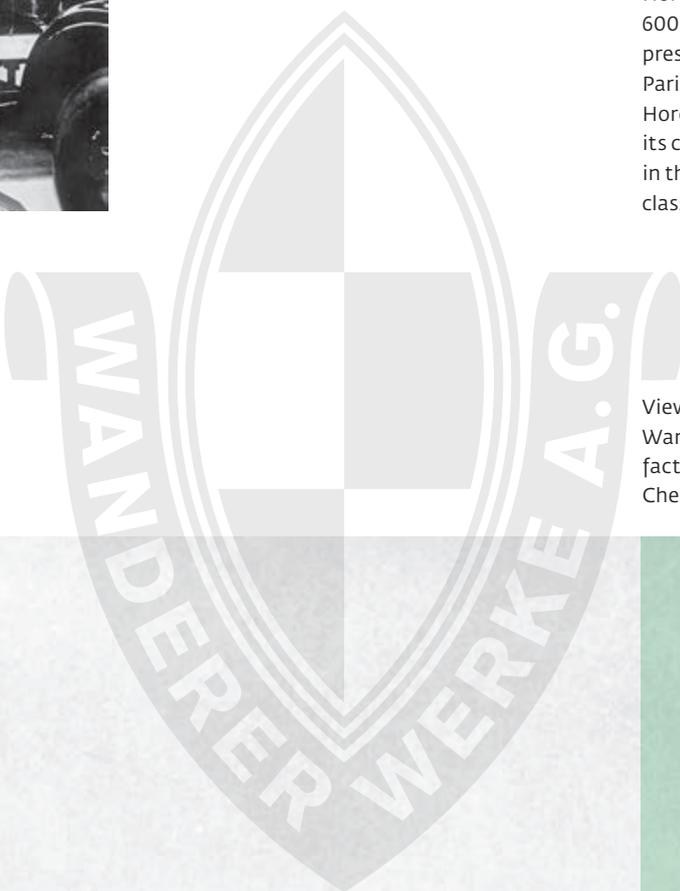
The headquarters of the Saxon State Bank in Dresden on Seestraße, 1942



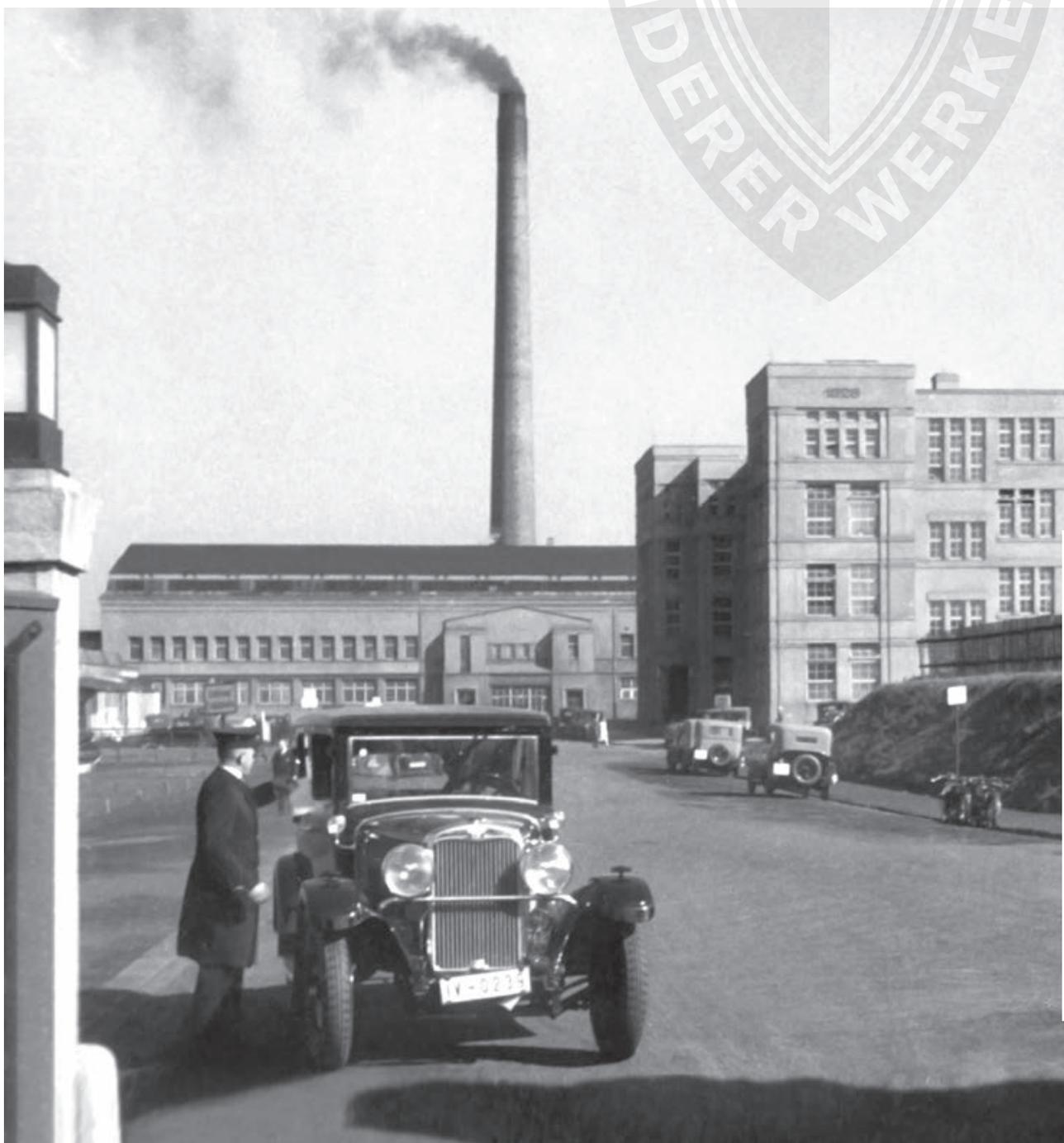


In October 1931, the Horch 12-cylinder types 600 and 670 were presented at the Paris Salon. With them, Horch demonstrated its claim to a place in the automotive top class

From the mid-1920s, Horchwerke AG in Zwickau invested in modern production facilities. Shown here: line production of the Horch 8, type 350, 1929



View of the ultra-modern Wanderer automobile factory in Siegmarsdorf near Chemnitz, 1930



Commerz- und Privatbank in Berlin and ADCA in Leipzig in addition to the Saxon State Bank – saw an acute need for action. Thus the incentive for the subsequent actions and the relevant management decisions did not originate with the motor vehicle industry, but rather came from the banks. The playbook written for Saxony was therefore not written in Zschopau or Zwickau, it was created in the management offices of the Saxon State Bank in Dresden.

The founding of Auto Union AG in Chemnitz was not Rasmussen's idea either. The concept behind it was developed by State Bank director Dr. Herbert Müller, who also put it in writing. Even back then, contemporaries did not contradict the repeated references made by Dr. Bruhn to his suggestions, proposals and intentions, which corresponded to Müller's ideas and were first expressed in a round of talks involving the State Bank president Carl Gottfried Degenhardt, the bank directors Dr. Herbert Müller, Dr. Alfred Bleicher and Dr. Bruhn and, of course, Rasmussen, and which apparently took place in Oberschlema in August 1931.²⁷ The issue at hand was evi-

dently about more than just a merger and its modalities: the talks also signaled a change in the state bank's general plan of action. Until now, it had concentrated on maintaining established potential that was threatened by the crises. The primary instrument here was credit policy. The ownership structure of the affected companies remained unchanged, and the bank saw itself as a helper in the financial sector.

The skyrocketing capital requirements of the companies mentioned, which the state bank had to satisfy, meant that it subsequently found itself in possession of the majority of shares. This inevitably gave rise to a new approach. The Saxon State Bank went from being a creditor to being an owner.

Müller's idea for the founding of Auto Union provided that Zschopauer Motorenwerke J. S. Rasmussen AG should act as the absorbing entity – it had already taken possession of Audiwerke AG in Zwickau at the instigation of the State Bank. This would be joined by Horchwerke AG, which was heavily in debt to the State Bank, among others, and – by means of a purchase or lease – the automobile department of Wanderer Werke AG, in Siegmar near

Chemnitz. The capital of the receiving company had previously been increased to 14.5 million Reichsmarks and was mostly in the hands of the Saxon State Bank.²⁸

The addition of the automobile department of the Wanderer works reflects the dramatic economic conditions of that time. On July 13, 1931, after the collapse of the Nordwolle group owned by the Lahusen brothers, one of the major German banks closely associated with it, the Darmstädter und National Bank, had to stop payments. This caused the entire German credit system to falter, which also directly affected Dresdner Bank, Wanderer's main bank. Its de facto bankruptcy was staved off by the national government acquiring shares and providing subsidies. But the bank itself was now in urgent need of restructuring and it had to divest itself of as many liabilities as possible. This also included the automobile department of the Wanderer works. The founding of Auto Union offered an excellent opportunity to do this, and so Dresdner Bank made its involvement in the banking consortium conditional on the Wanderer automobile department also being included in the new group.

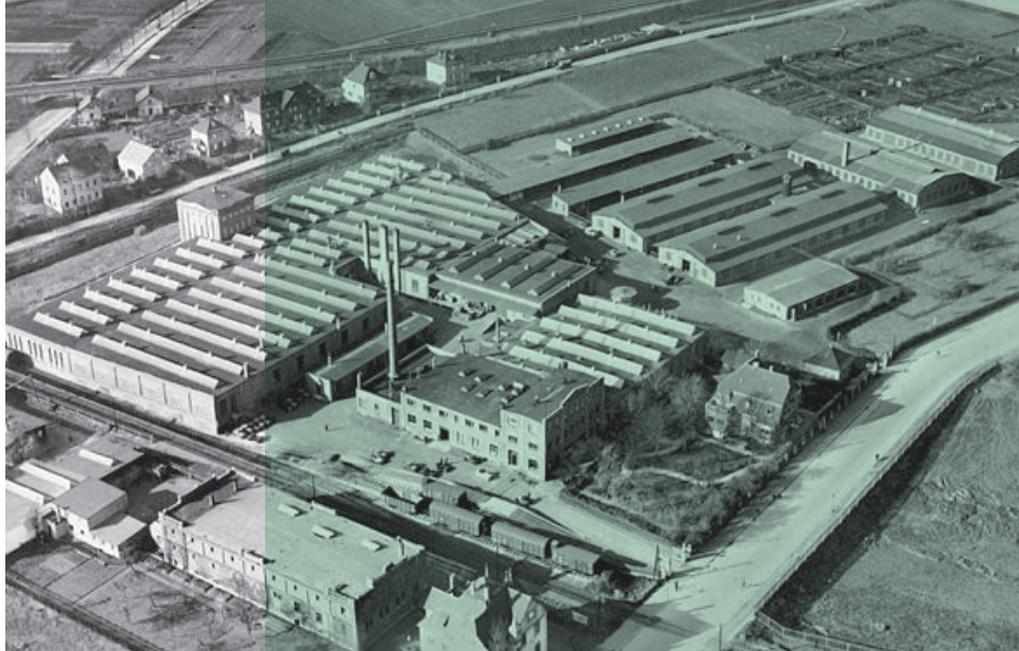


²⁷ Rasmussen's biographer Sievers considers the source to be highly tendentious and not credible. Ibid. p. 215.

²⁸ Peter Kirchberg, *ibid.* Dresden 1964.

International Alpine Rally 1931. The victorious Wanderer Alpine drivers under Alexander Graumüller (center) on the factory premises in Siegmar

Production of the Wanderer W 17 convertible at the Siegmar plant in late 1932. The plant had by now been leased by Auto Union



Audi works in Zwickau,
1931



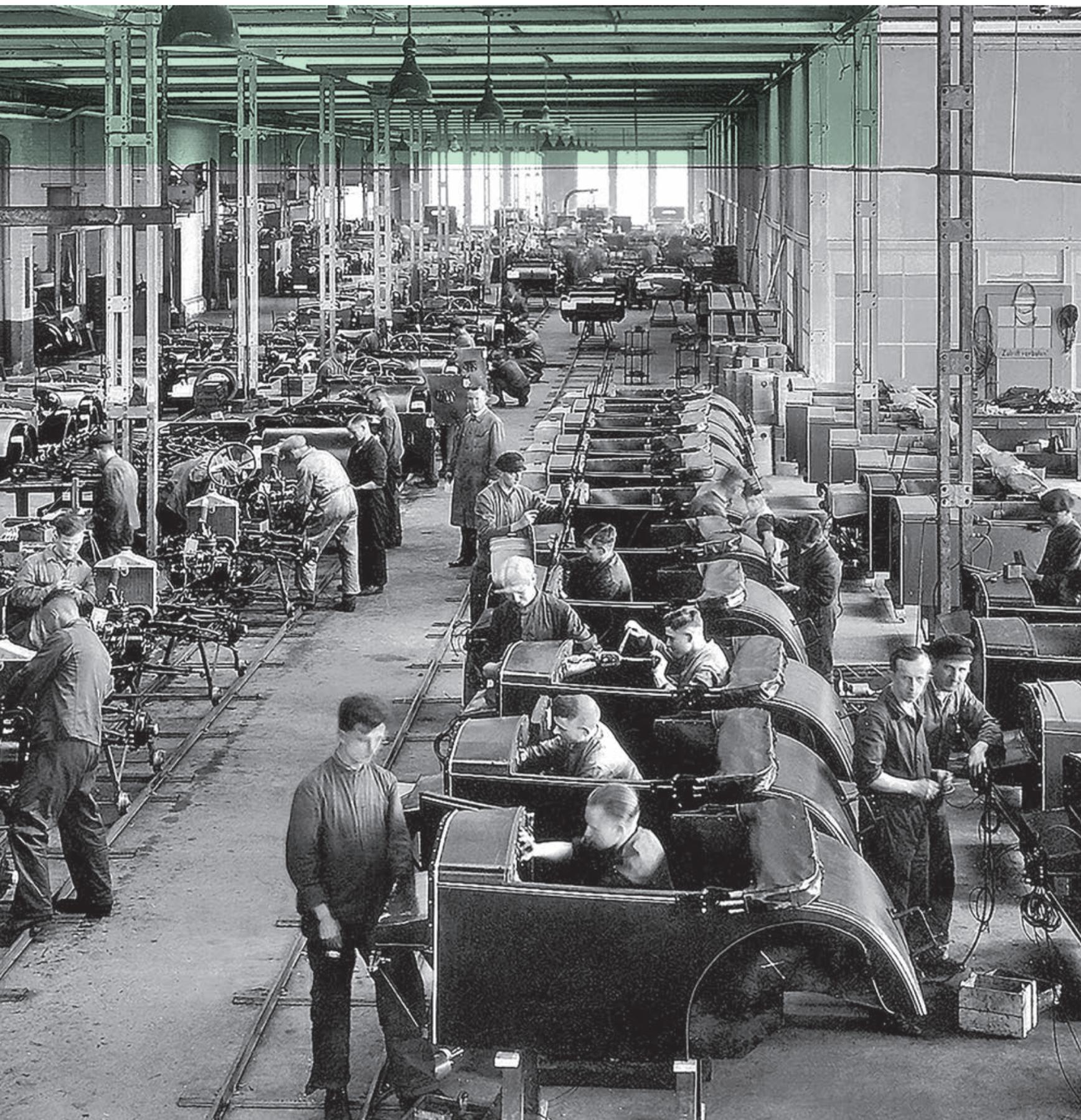
However, the Saxon State Bank did not want to release the other banks from their difficulties so easily. The merger, including the necessary restructuring, would have been too big a chunk for even the state bank of Saxony to manage. And so it formed a consortium with the other banks involved in lending to the western Saxon manufacturing companies that would be merged to form Auto Union. Although the banks were willing, they demanded a guarantee from the Free State of Saxony for restructuring loans amounting to six million Reichsmarks to cover the foreseeable restructuring costs.

We cannot know how involved Carl Hahn was in these bank strategy considerations or if he was even informed of them at all. Rasmussen's biographer Siewers expressed his doubts when he stated that although Hahn knew the economic context of the DKW corporation quite well, he nevertheless "misjudged

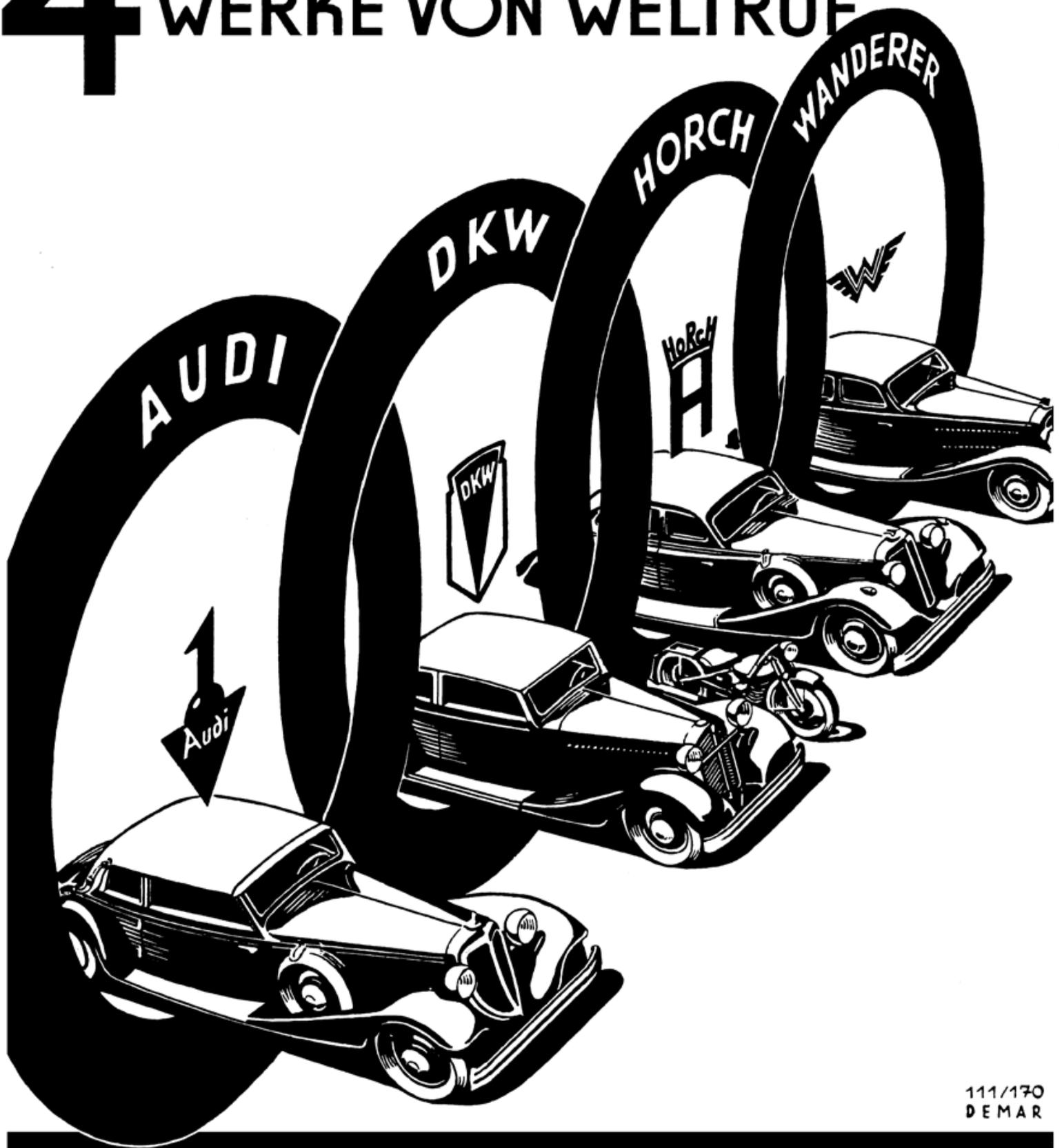
the actual intentions of the state bank."²⁹ According to this point of view, he likely also considered it perfectly possible – and probably also desirable, at least initially – for DKW to survive on its own, while simultaneously seeing no realistic chance of this happening. Even when discussing the matter later and with hindsight, he would always utter no more than the vaguest of statements: DKW was no longer calling the shots, the bank was. And for them, Auto Union was inevitable. Any alternative approaches to this would ultimately and demonstrably lead to the position held by Rasmussen, who was up against the wall with his idea for a DKW renaissance. The conclusion was obvious to Hahn: a strong Auto Union was essential to the survival of DKW. And so Siewers also asserted: "*What is certain is that Dr. Hahn drew the logical conclusion from events and was committed to the development of Auto Union.*"³⁰

²⁹ Siewers, p. 128.

³⁰ Siewers, p. 129.



4 WERKE VON WELTRUF



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DEMAR

EINHEITLICHES TYPENPROGRAMM

AUTO UNION ^A/_G



The DKW automobile range at the Auto Union stand at the IAA in Berlin, 1934

Return to DKW, or the road to the four-brand corporation

1932–1938

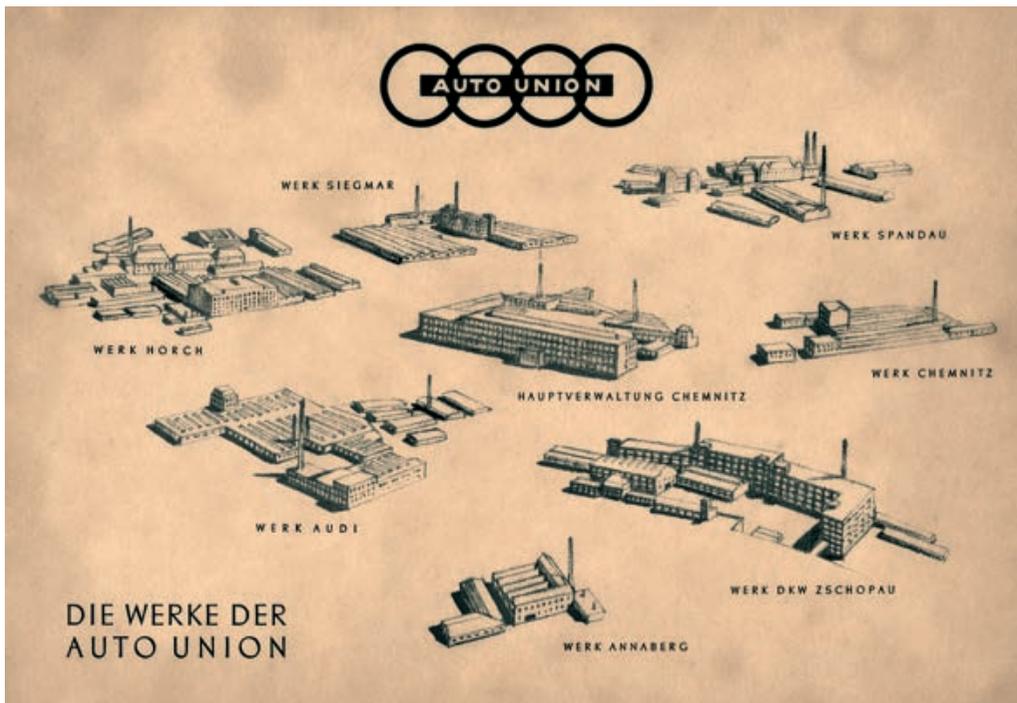
A later re-privatization of Auto Union was certainly deliberated – and not only by the founder of the Zschopau company himself – but there is no black and white evidence of this from the time the company was founded. Even if this was an option for Rasmussen, he did not make any public statements about it. That said, his only focus was on DKW, he saw the involvement of the other brands more or less as a necessary evil. In this respect, it does not seem too improbable that he considered shutting them down or “disposing” of them by other means. There was a very real fear of this, particularly at Horch. People worried that Rasmussen would use all his might to consolidate his compact car empire at the expense of mid-range and luxury cars. As a consequence, the best people panicked and left Horch for BMW or Daimler. Fritz Fiedler, one of the fathers of the Horch V 8, for example, and Hermann Ahrens, the draftsman who played a key role in shaping the ele-

gant Horch lines. But it was precisely this merger, which was the last major move to concentrate forces in the German automotive industry for some time, that showed that the trend was moving in a different direction. The motor vehicle industry was by no means growth-oriented. All the other banks involved in the merger were primarily interested in withdrawing from this branch of industry. The Dresdner Bank was certainly not alone in this: Berlin’s Commerz- und Privatbank was just as happy to part with its shares in the Horch works. The same was true of ADCA.

This meant that the Saxon State Bank was pulling all the strings, and the bank was by now also under pressure to take action. One reason for this was the gradual but excessive increase in debt, above all at DKW and Horch, while another was the growing attention from the State Audit Office. In addition, however, a possible merger of the Saxon automotive companies

was attracting public interest. In particular, the Frankfurter Zeitung and Berliner Tageblatt newspapers kept the topic alive, feeding their readers’ interest with new merger models, economic policy commentaries and specialist articles. Furthermore, there was increasing public criticism of the handling of millions of marks worth of taxes in connection with the Rasmussen corporation.

A small side note: some of the highly critical letters received by State Bank President Degenhardt were sent by a man calling himself “Janus.” This was the pseudonym of the editor-in-chief of Motor-Kritik magazine, Josef Ganz, who was known for his unvarnished portrayals and sometimes also for very harsh wording in his critical appraisals. In his letters, he primarily attacked Rasmussen in person – taking note of the high turnover of top specialist staff – and the way in which taxpayers’ money was being handled.



Overview of the Auto Union production facilities, 1938

Auto Union AG, Chemnitz, was founded on June 29, 1932 with retrospective effect from November 1, 1931. The merger of the companies and the four Saxon motor vehicle brands finally took place with the previously restructured Zschopauer Motorenwerke J. S. Rasmussen AG in Zschopau absorbing Audiwerke AG (whose shares were already owned by DKW) and Horchwerke AG, both in Zwickau, as well as the entire inventories and facilities of the automobile department of Wanderer Werke AG, formerly Winklhofer and Jaenicke,

in Siegmars near Chemnitz, while simultaneously concluding a lease agreement for the manufacturing premises of this department. With the exception of Wanderer, the previous companies and their product names ceased to exist.

The new company now traded as Auto Union AG, based in Chemnitz. Its logo was an obvious choice: four inextricably interlocking rings. This is the symbol that can still be found on every Audi today, indicating the Saxon roots of this Ingolstadt company.

From the day it was founded. Auto Union AG was intended to be able to liquidate its short-term debt and have sufficient liquidity. Throughout its existence, Auto Union AG, Chemnitz, remained a company whose capital was in the hands of the state – initially predominantly, later almost entirely. What initially looked like a solution born of necessity soon became a very stable and durable foundation

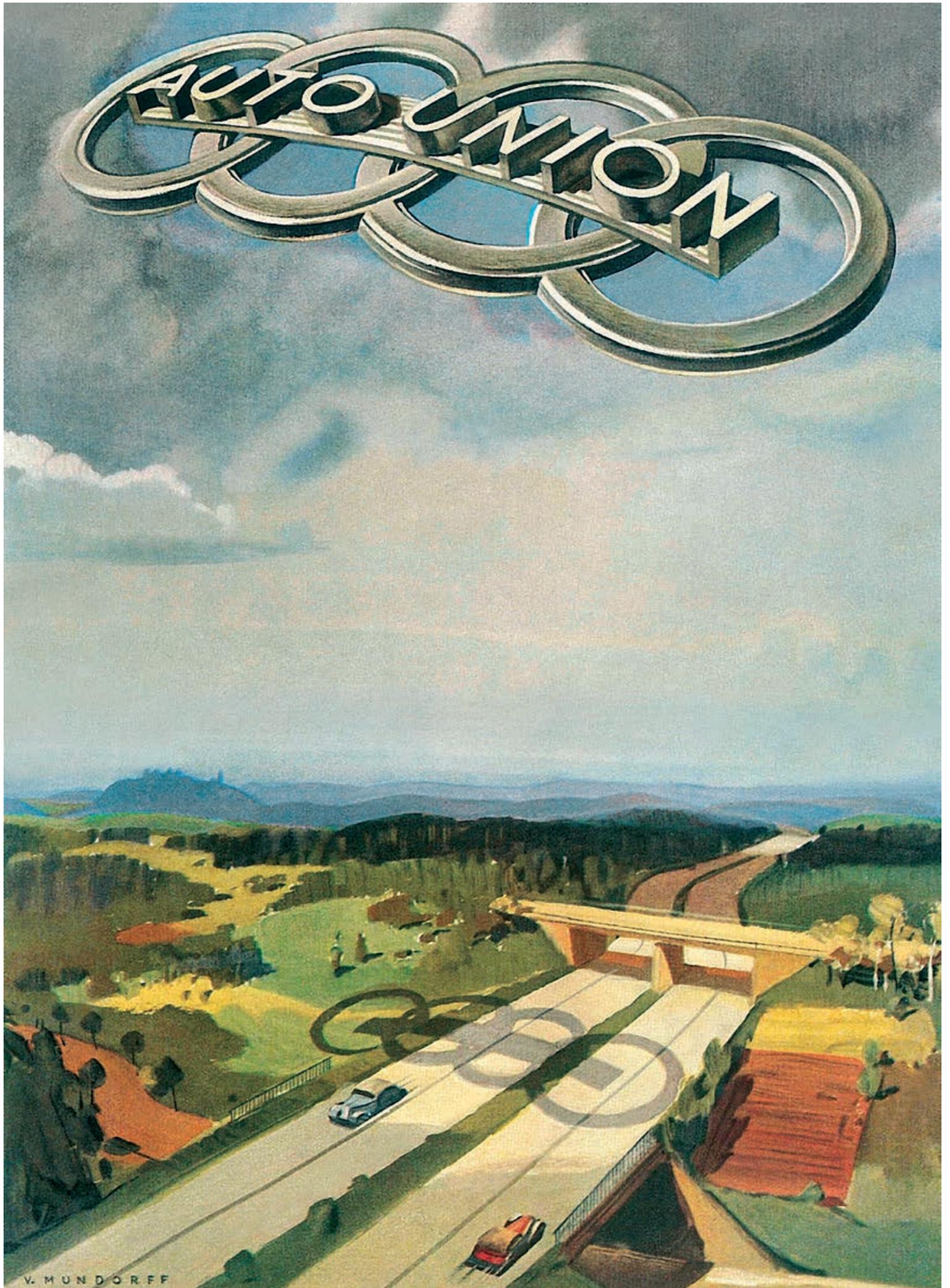


At the Berlin Motor Show in March 1934, Auto Union automobiles featured the four rings badge on the radiator. Shown here: a DKW F7 Meisterklasse from 1937

Auto Union advertising image by Victor Mundorff from 1937

that proved extremely advantageous, especially for the implementation of long-term engineering strategies. The Saxon State Bank combined a policy of paying out low dividends while ensuring in the years that followed that management had the freedom to pursue its entrepreneurial self-interest and act dynamically according to market developments; this not only met the skyrocketing demand for motor vehicles, but also opened up new technical opportunities and secured long-term growth.

Privately run state-owned companies were no longer a novelty at that time. But what was new was that a large corporation in the automotive sector remained permanently under state ownership. This created the model that was later used to structure the Volkswagen works. Ultimately, it also provided proof that state-owned companies could be managed extraordinarily well if they applied private-sector principles



V. MUNDORFF

The Presto factory on Scheffelstraße in Chemnitz was acquired by Auto Union in 1935 and rebuilt as the head office. The surrounding factory buildings were expanded for Wanderer and DKW customer service. The aerial photo was taken before the rebuilding in 1935



Audi Front 225 and Horch 830 BL in front of the Horch factory in Zwickau, 1936



DKW F 5 model in front of the Audi factory in Zwickau, 1936

As the Audi factory in Zwickau was working at full capacity producing the DKW Frontwagen cars, Audi brand cars were built in the nearby Horch factory from 1934



and rules. The most important aspect of the newly founded company, looking at it not just from a contemporary perspective but also retrospectively from today, more than eighty years later, is that this was the only way to ensure the survival of key Saxon motor vehicle production facilities and brands – brands that to this day serve as benchmarks in a rich history of automotive design and construction.

Carl Hahn, who had experienced for himself the whole gamut of possibilities and limitations entailed in Rasmussen's policy of concentrating power, could not have been oblivious to this. Although no personal testimony of his has survived to this day, his attitude towards the development of the Four-Ring corporation is evidence enough to suggest he considered this the best possible path.

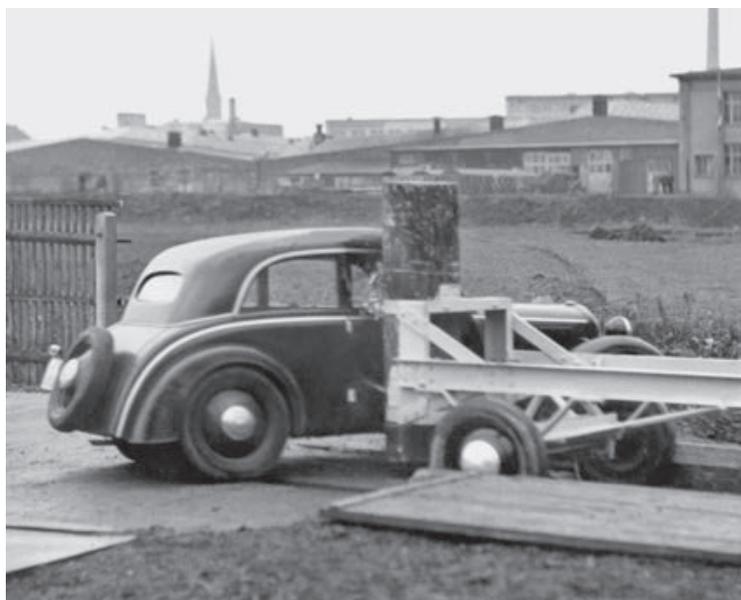
Indeed, the founding of Auto Union marked a quantum leap for the Saxon motor vehicle industry. In its first meeting after the company was founded, the

supervisory board tasked the company's board of directors with tightly consolidating the four previously independent companies.

They began by centralizing technical product development. The board decided to create a central facility for technical and design-engineering development of the group's vehicles and for investigating and solving technical problems that affected products across brands. This marked the start of a transformation of the previously somewhat patriarchal and pragmatic approach to vehicle development towards a modern research development organization that was subordinated to the company as a whole.

Most of the ideas and drafts that would prevail were born in this central test department: cross-brand production rationalization; the first series-ready German passenger car with a synthetic material body; the first impact and rollover tests in the German automotive industry;

series-production of automatic transmission, and other fundamental advances in automobile construction. These secured Auto Union a place among the leading German motor vehicle manufacturers and a head start – in other words, *Vorsprung durch Technik*: using technology to keep ahead.



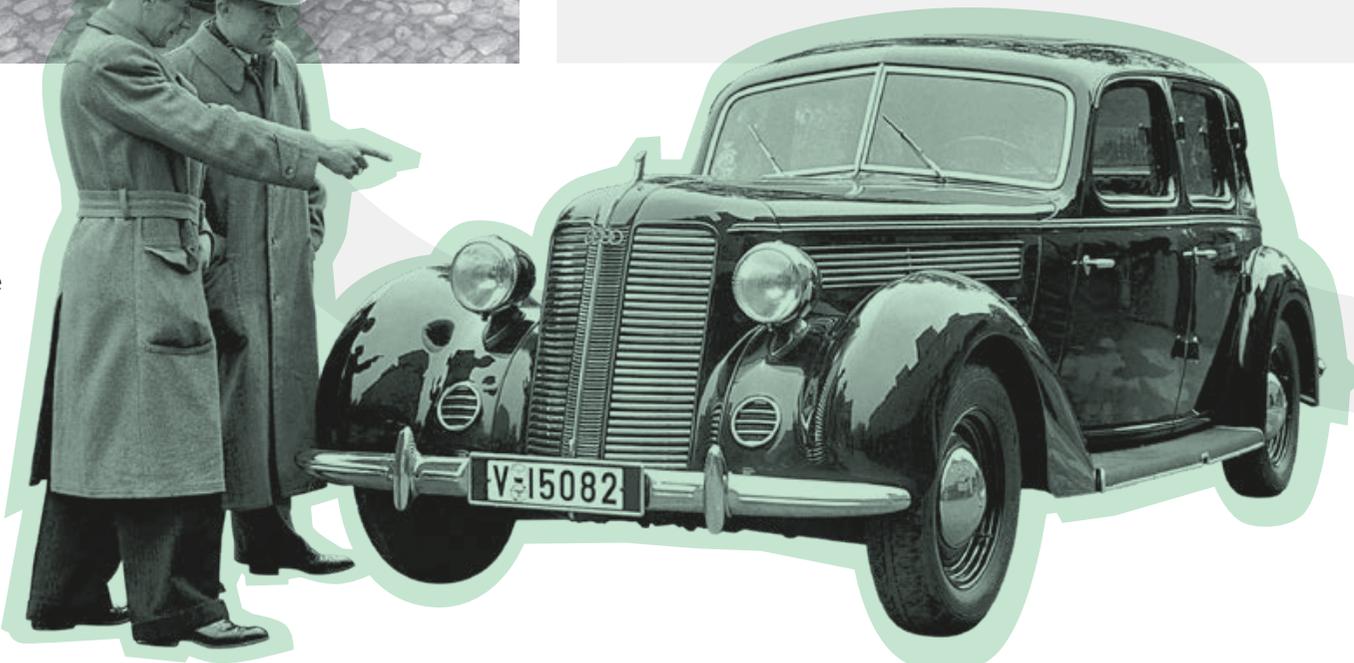
Central testing department of Auto Union in Chemnitz, 1937

DKW F5 Meisterklasse during the impact test at the central testing department in Chemnitz

The 50,000th DKW front-wheel drive, an F5 Meisterklasse sedan, rolled off the assembly line at the Audi plant in Zwickau on July 26, 1935



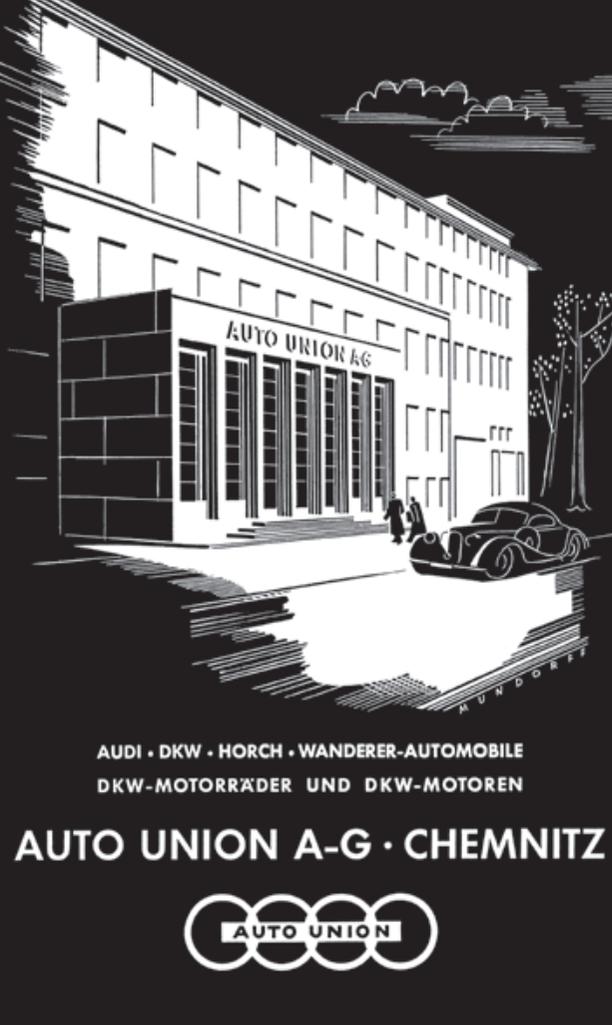
The Wanderer W 23 (image above) and the Audi 920 (image on right), both from 1938, featured shared design and style elements, pointing to a corporate design concept



All this work involved a wide variety of fields in terms of design, power transmission and production, and yet it had to be reducible to a common denominator: a self-contained range of types and models that could satisfy all demands and involve the entire corporation, using modern technological methods more cost-effectively than all competitors. Auto Union's plans for growth were based on a new engine plant on the banks of the Chemnitz river and also a new bodywork plant on the site of the former Chemnitz Airport.

Measured against the market in Germany, Auto Union grew faster than the German motor vehicle industry as a whole and it experienced a faster increase in brand value than its competitors.

AUTO



Auto Union advertisement from Motorschau magazine, 1941



This Auto Union share from 1932 bears the signatures of Frisch (Supervisory Board), Bruhn, von Oertzen and Rasmussen

In view of this, when seen from today's perspective and especially given modern development trends, the sober, matter-of-fact technicians' report from 1937 reads like an article of faith:

"Type development at Auto Union is characterized by a standardized use of components for a wide variety of models ... For example, the DKW special class and Wanderer automobiles have the same chassis and bodies. The floating axle is manufactured together for both types. The W 23 and Audi 920 also have almost identical chassis and bodies. Audi and Horch will get the same engines ... After years of work on construction and scheduling, it is now possible to increase the simultaneous use of units on different vehicles to such an extent, even using the same body structures for individual types and brands, without this being particularly obvious on the outside. By differentiating the design of the radiator shapes, the

rear end and the fixtures, this standardization is not evident to customers. Out of this large number of types ... emerge the standard units for a product range that is able to fully exploit the market conditions in all price and cylinder capacity classes."

Auto Union AG, Chemnitz, was only in existence for sixteen years. In that time, war raged for six years and, after the war, liquidation dragged on for three. It had only seven years – less than half its life – in which to innovate and grow. Despite this, its final balance sheet in Saxony was impressive: three thousand patents in Germany and abroad earned it a top position in German automotive engineering. Its day-to-day presence was also impossible to miss. One in every four newly registered cars in Germany in 1938 bore the four rings on its radiator, one in every five came from Zwickau and one in three motorcycles was a DKW.



Carl Hahn in his new office
in Chemnitz, 1936

Carl Hahn on the Auto Union board

1932–1934

As initially composed, the Auto Union board of directors reflected the proportionate sizes of the merged brands. Rasmussen, the former owner of DKW and thus the representative of the highest turnover brand and the most important in the new company, became chief technology officer. As a former Wanderer board member, Klaus-Detlof von Oertzen's work extended to domestic sales of the new corporation's four-stroke automobiles. Incidentally, he had previously worked closely with Porsche on engine development. This later resulted in the collaboration between Porsche and Auto Union in the field of racing car development. Dr. Richard Bruhn's main task was corporate strategy and all finances. There was no chairman of the board. Instead – and this was not common at that time either – William Werner, Technical Director of the Horch works in Zwickau, and Dr. Carl Hahn were appointed as deputy board members. The former was responsible for technical development of the four-stroke range, while Hahn, as a DKW representative, was assigned the model range and domestic sales of all two-stroke vehicles.³¹

This five-member body began its work with the unanimous objective of restructuring the current group into a centrally managed company. At the same time,

it endeavored to increase sales across the entire model range. In keeping with this dual aim, the primary task was to improve the profile of the vehicle range.

Rasmussen's stubborn behavior caused the managerial group's work to spin out of control. He still saw himself as a free agent who was accountable to no one, and he believed only he himself was in a position to judge the performance of his duties as a member of the board. He had obviously failed to notice that it was no longer him but the bank that was in charge, and that Dr. Bruhn, as the bank's representative, was his de facto superior. The infighting was sparked by various personnel issues, Rasmussen's frequent absences for reasons that were not always disclosed, and differences on technical questions. Ultimately, the root causes also included widely different ideas about the future of Auto Union.

It is important to remember that already by 1933, market conditions for motor vehicles had begun to improve significantly, in complete contrast to the USA, for example. This was primarily due to the fact that Germany had already passed rock bottom. Incredibly, 36,523 new passenger cars manufactured in Germany were registered in 1932. This was well below

demand, and production began to ramp up again. It was also undeniable that the Third Reich's motorization program – which was presented in February 1933 and included an exemption from motor vehicle tax – had a positive effect on the market. A significant increase in sales was initially expected, especially for DKW motorcycles and cars. This almost certainly confirmed Rasmussen's suspicion that it had been a bad idea for him to give up DKW and that he had probably followed the wrong people's advice up until now.

In late 1933, he took another trip to the USA and met business partners who were interested in investing in Auto Union AG. The following year, he met them in Berlin and negotiated the sale of his foreign licenses for the front-wheel drive, and a five million mark loan. There is evidence that he wanted to use this money to re-privatize Auto Union, i.e. buy it back. The Saxon State Bank was probably not unaware of Rasmussen's plan; indeed, he had even discussed it with certain representatives of the bank early on, while still sounding out the idea. However, everyone knew that there was a very high hurdle to overcome. The transaction would have to be approved by the national Economics Minister and the national bank.

J. S. Rasmussen (2nd from left) with Hitler and Goering at the IAA in Berlin, 1934. In the foreground, an Audi Front UW convertible



The Auto Union board in January 1939 (left to right): William Werner, Richard Bruhn, Carl Hahn

On behalf of Reich Economics Minister Hjalmar Schacht, bank employees explained that such a project would not be feasible under any circumstances because, given the Third Reich's already precarious foreign exchange situation at that time, it would not have been possible to repay the US loans within three years.

Regardless of the fact that the plan had been declared unfeasible at the highest level and the matter should therefore be considered closed, Rasmussen naturally met with icy rejection from the Auto Union board of directors. Added to this was the fact that at precisely that time, as the civil service was being purged and brought under central political control, the entire management of the State Bank – social-democratic, civic-minded and democratic to a man – was replaced in full. Rasmussen's subsequent attempt to bypass Dr. Bruhn and install State Bank director Dr. Herbert Müller on the board of directors of Auto Union AG was the last straw. It re-

sulted in a complete rupture. Rasmussen no longer entered the Auto Union premises, and Bruhn and von Oertzen refused to work with him. An attempt at mediation involving higher officials from the Nazi party and the state failed. At the end of December 1934, Rasmussen was dismissed without notice.

During this time, Carl Hahn must have been quite happy to be "only" a deputy member of the board. Initially, these arguments breezed past him and Werner, even if they did not remain unaffected by them. During these turbulent times, Hahn exercised great restraint with regard to internal quarrels. The painful blows he had received from Rasmussen's unexpected abuse had been overcome, if not forgotten. Hahn, too, had realized that Rasmussen's uncontrolled actions were endangering Auto Union as a whole and thus calling into question the foundations on which DKW was to act in the future.

³¹ Auto Union consolidated all exports in a special department headed by former Horch export manager Heinz von Baumbach, who reported directly to the board of directors.

DKW becomes a source of worries

1933

DKW itself was also becoming a source of worries – worries that became more acute each day due to Rasmussen’s increasingly frequent and ultimately continuous absence. The DKW departments he was previously in charge of, technology and production, had been left practically unattended in Zschopau since 1933, with dire consequences. In addition to his work as a member of the board of directors at Auto Union, Hahn found himself working practically on his own for the entire DKW area. He tried to grab the bull by the horns, beginning with a critical analysis of the DKW market and then giving a comprehensive debriefing of the unsatisfactory performance at the International Automobile and Motorcycle Exhibition (IAMA) in Berlin in February 1933:

“Unfortunately, the motor show did not bring the success that we would have expected after the preliminary organizational work. (three hundred dealers; constant follow-up by field service, pressure

from sales department etc.)”³² Hahn pointed out that the sales organization was set up to satisfy far greater levels of interest and it could have acquired more orders. This setback did not come as a complete surprise to him, because even before the motor show, he had asked the most important dealers why, in their opinion, buyers had been reluctant and why sales of the front-wheel drive cars had been unsatisfactory. These dealers included Hielscher & Ahrent (Breslau), Maassen (Cologne), Sauerberg (Hamburg), Tauscher (Leipzig), Simson (Chemnitz) and Spahr (Stuttgart).

On the whole, these reasons were not news to Hahn either, and he summarized them as follows:

“a) We are the only two-stroke company. It goes without saying that all our competitors unanimously portray the two-stroke as a disadvantage. Even if there undoubtedly are fans of the two-stroke, we shouldn’t forget that this ‘bad-mouthing’ by the entire competition means a certain

number of potential buyers do not even approach DKW in the first place.

b) The same applies to our wooden body.

c) Sales of the ‘Meisterklasse’ class certainly suffer from competitors typically commenting that the ‘Meisterklasse’ only has a DKW motorcycle engine (Super Sport 600), and only a two-cylinder engine at that ... Again and again, we hear regarding the DKW ‘Meisterklasse’ that, in and of itself, a move away from a standard normal car would be a good thing, but on the other hand, we hear that the boarding situation puts older potential buyers off because it is too difficult to get into the car.

d) Known past complaints include the noise issue and prices.”³³





As a further development of the DKW Front F1, the Meisterklasse model (type F2) appeared in February 1932 with a longer wheelbase and a more spacious body for four people

The inexpensive Reichs-klasse model was promoted with a large advertising campaign from March 1933

DKW = REICHSKLASSE =

RM 1990,-
ab Werk.



Die Sensation!

Die billigste viersitzige Cabriolet-Limousine der Welt!

Fortschrittlichste Konstruktion: Vollschwingachsen – Frontantrieb – Unübertreffliche Straßenlage und Fahrsicherheit – 18 PS-Zweitakt-Hochleistungsmotor mit unserer durch Patente gesicherten Schnürle-Umkehrspülung, dadurch überlegene Leistung bei niedrigstem Brennstoffverbrauch (ca. 6,5 l auf 100 km) – DKW-Spezialkarosserie

Außergewöhnlich großer Radstand von 2,60 m !! Jahressteuer nur RM 76.- !!



A U T O U N I O N A - G

³² Auto Union no. 850.

³³ Ibid.



The first joint presentation of Auto Union with its four brands at a single stand took place in February 1933 at the International Motor Show in Berlin



³⁴ Ibid., memo dated February 21, 1933.

³⁵ Ibid., report by Otto Dyckhoff, May 26, 1933.

³⁶ Ibid.

So Hahn did not reject the dealers' complaints, instead taking note of them, accepting them and drawing conclusions from the calamity with a clear focus on moving forwards. These conclusions gave rise to strategic sales directives, but they also resulted in technical specifications for the DKW vehicles. First of all, the two-stroke automobile range would concentrate on two types: the Sonderklasse with charge pump motor and rear-wheel drive, still known as the "big DKW," and the Meisterklasse, albeit with significant changes. Hahn demanded an engine that had been boosted to 700 cc, with a power output increased by two to twenty hp and in a completely revised (*"as suggested by Mr. Werner months ago"*) and modernized look. In addition, it was imperative to develop a sedan version of the car.

And as is well known, this is precisely what happened soon after. Hahn got his way. As a sales expert, he also arranged for advertising to focus on the following areas:

Sonderklasse:

Free-wheel clutch, DKW floating axle, suspension characteristics, performance

Meisterklasse:

Loop scavenging, free-wheel clutch, road holding

The dealer congresses that were already being prepared in eight cities were to have been held by the end of March. The first week of May would be used for a full bandwidth newspaper advertising campaign for the entire DKW motor vehicle range.³⁴



The "big DKW" with the 4 = 8 engine and rear-wheel drive was also launched in spring 1933 in a modernized form as the Sonderklasse 1001

Director Otto Dyckhoff, head of organization at Auto Union, during the 2,000 km drive through Germany in Baden Baden, 1933. In the background the board members William Werner and Jørgen S. Rasmussen

DKW front cars ready for delivery at the Audi factory in Zwickau, June 1934

Hardly had the forces been rallied thanks to a very clear announcement on future work, when a new setback came into view: the board of Auto Union received a report written by plant manager Otto Dyckhoff at the end of May 1933 in response to Hahn's question about the reasons for the inadequate IAMA results and the repeated production backlogs at DKW. Carl Hahn also read its hair-raising conclusions: *"Failure to meet the delivery schedule reached catastrophic proportions ... despite working three shifts and three Sundays, it was not possible to produce the required quantities, indeed, paradoxical as it sounds, people often had to be sent home for the day or by the hour because of a lack of work. The company was in a state comparable to a section of the front line in which all the officers and some of*

*the men are busy trying to resupply ammunition and yet still do not manage to ensure a steady supply."*³⁵

Above all, the writer of the report criticized the simultaneous manufacture of fifteen types, the completely inadequate materials scheduling, the overburdening of engineers and master craftsmen with deadline problems, and constant changes in planning.

*"As far as summing up the situation in the company: extreme tension, increased nervousness, disappointment over and over again due to non-compliance with the firmly promised delivery dates, delivery in small quantities, so that no one knows whether or not it is worth re-tooling the machine. The situation is sinking the entire operation into a state of confusion and despair."*³⁶

Above all, Dyckhoff called for the commercial management – i.e. the department headed by Hahn – to exert a stronger influence, and a clear definition of the sequence in production (as an example of this he cited the manufacture of four thousand gearboxes in eight different versions on the same machines).

This reads here like a forewarning of the "socialist realism" that would be imposed on the DKW plant, like so many others, two decades later, and it weighed heavily on Carl Hahn. He found himself once again drawn into a war on two fronts. Apart from the problems at DKW, the disputes with J. S. Rasmussen were a major disruption to all the board's work.

The Auto Union board members William Werner (left) and Richard Bruhn in front of the model shelf in body development in Chemnitz, 1938



J. S. Rasmussen (center) during the 2,000 km drive through Germany, 1933. On the left, against the car, Hans Stuck, on the right Adolf Hühnlein, head of the National Socialist Motor Corps NSKK

J. S. Rasmussen at the Nürburgring, 1931

Strife on the board

1933–1935

Rasmussen, the former master of the DKW empire, now pulled Dr. Bruhn – whom he had once praised so highly – to pieces, accusing him of fraudulent deception. The board member von Oertzen was also subjected to Rasmussen’s derogatory sarcastic remarks, which were evidently uttered very liberally and carelessly to everyone. The only board member Rasmussen would have been willing to continue working with was William Werner, whom he recognized as an engineer but disliked as a factory director. Rasmussen, for his part, had discredited himself in Werner’s eyes for all time when, at one of the first board meetings of Auto Union, he wanted to purchase the Röhr full swing-axle chassis for the new Horch V8. Werner shot him down by pointing out that the

rear axle of the big cars would remain rigid for the foreseeable future – in which he was proved right. After this, Rasmussen made no further forays into the technical development of Auto Union vehicles. With that, he ceased to be of any relevance as the technology director.

While Bruhn proved to be just as irreconcilable as Rasmussen in these disputes, Hahn still tried to mediate. Through friends, he skillfully arranged a conversation with Rasmussen’s son Hans and asked him to encourage his father to consider retiring peacefully from the Auto Union board. He could still move at any time to the supervisory board, and he would still be in a position to make demands. But this attempt also failed.

From January 1935 the disputes took on a legal character, the lawyers were now in charge. The mutual hostilities quickly degenerated into uncontrolled mudslinging in which none of the parties held back. *“In fact, most of the allegations were trivialities or simply made-up assertions that are not worth going through again. In addition, many personal allegations were raised, which would not only alienate today’s readers, but which even the lawyers and departments involved at that time considered to be superfluous,”*³⁷ writes Immo Sievers.

Carl Hahn could not escape being drawn into this maelstrom. He had developed a loyal relationship with Richard Bruhn in their time at DKW; a relationship built on



³⁷ Sievers, Immo, *ibid.* p. 155.

mutual tolerance and complementarity. Bruhn not only valued Hahn's eloquence, personal charm and ability to inspire a spirit of optimism, he also valued his complete dependability and inexhaustible wealth of ideas for cultivating the DKW brand. Bruhn knew that Carl Hahn was irreplaceable. Hahn saw Richard Bruhn as a colleague on the board of directors with whom he could work on an equal footing, and he gave him a free hand when it came to product positioning and development for DKW.

The inner workings of the relationship between Bruhn and Hahn can best be understood from what might seem at first glance like trivial details. In all the letters they wrote to each other, they omitted the then-obligatory "Heil Hitler!"

in the greeting, and they didn't even use the "German salute" instead. They simply greeted each other warmly as "*your devoted.*" And another "tiny detail" indicates the very familiar dealings between them in difficult times: in the first sentence of his letter to Dr. Bruhn of December 29, 1935, Carl Hahn wrote: "*Thank you very much for sending the picture of the Pope ...*" They evidently knew each other very well.

Hahn considered Bruhn to be completely dependable and an almost perfect representative of the ideal on which Auto Union was founded. It was in precisely this shared sense of duty that they perfectly complemented one another, as different as their characters were.



Carl Hahn (right) and Karl Bodmer on his DKW UL 500 at the Marienberg motorcycle race, 1937



Carl Hahn with DKW motorcycle racing legend Ewald Kluge after his Australian victory at a reception in Chemnitz, 1938

For Hahn, getting involved in racing had been one of the most important marketing measures since the DKW days. Motorcycle customers were uniquely and closely connected to their idols on the racing saddles. Brand loyalty took on almost religious dimensions. At the major national and international races, as well as the local ones, riders and racers had to fulfill their marketing duties. The famous Zschopau racing department had been founded in 1927, and two years later, DKW was already able to boast in its advertising of a thousand racing victories. Names such as Toni Bauhofer, Walfried Winkler, Arthur Geiss and Ewald Kluge were as well known as those of film stars. In 1934, Bernd Rosemeyer started out as a DKW works driver, initially on two wheels before switching to motor racing a year later.

They were both somewhat reserved in terms of their public profile. Hahn was at the motorcycle races practically every weekend during the season, with “his” racers, where the “matadors” risked their health and their lives in the face of almost ridiculously inadequate safety precautions. What a price to pay to reach the pinnacle of popu-

larity. Dr. Richard Bruhn saw attendance as his self-evident duty to represent Auto Union, and was almost always to be seen at the most important Grand Prix races in Germany. He very rarely visited races abroad. On the other hand, all the members of the board, together with their wives, would be present at the big German races.



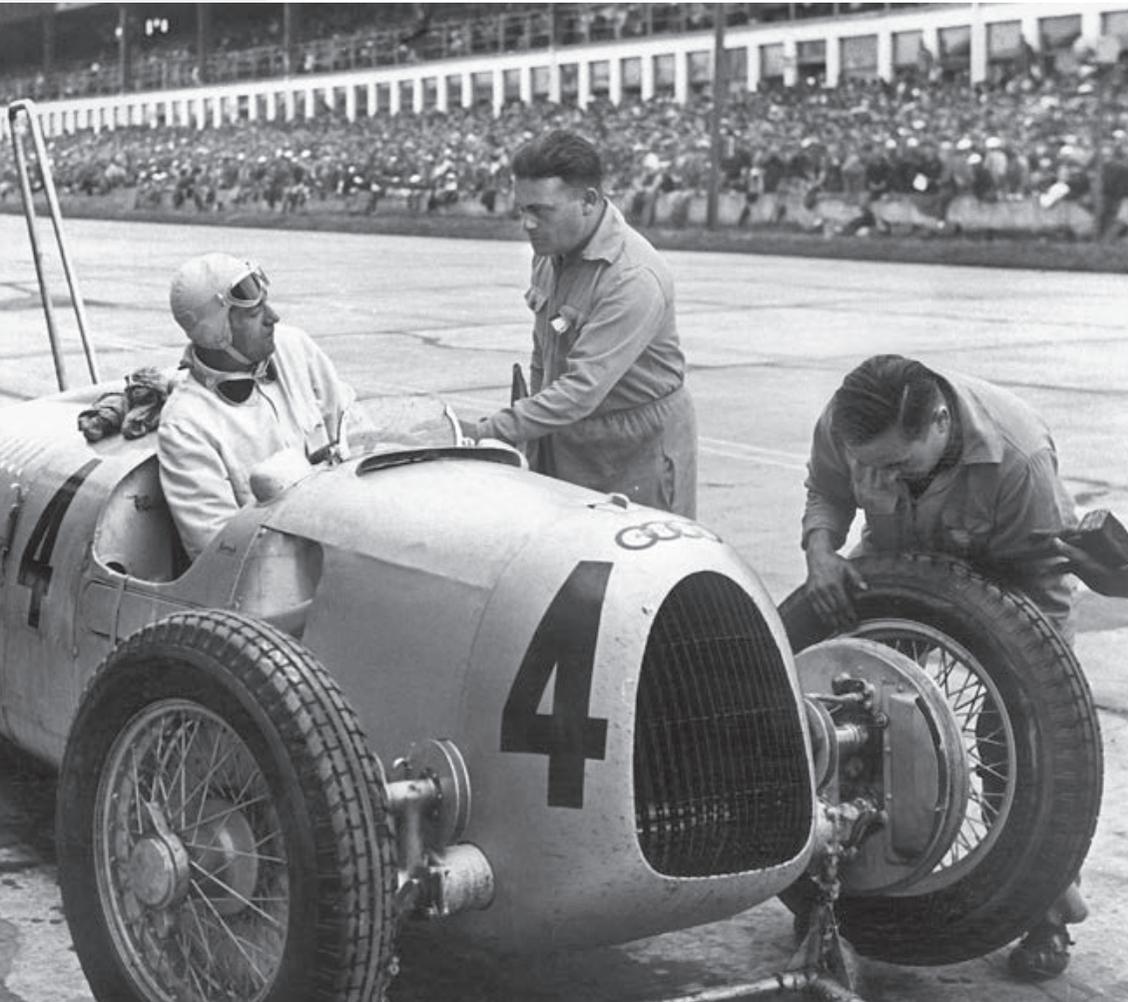
Exodus and return Interlude in Bremen

1935–1936

When the independent experts commissioned to adjudicate in the Rasmussen dispute questioned employees, Carl Hahn did not refuse to co-operate. He did not hesitate to make his point, and here and there we can catch glimpses of Hahn's anger at Rasmussen and the latter's negligence regarding the reputation of DKW vehicles. Politically, the Nazi government had as little patience with infighting on the board of one of Germany's largest automobile companies as it did with the mili-

tant sacking of a well-known foreigner. Rasmussen had managed to bring his matter to Hitler's ears through confidential channels. The Führer indirectly communicated to Auto Union his urgent wish for a peaceful settlement, and instructed his personal adjutant, Fritz Wiedemann, to establish contact and monitor the process throughout. According to the rules of the game and the balance of power in the Third Reich, the matter was therefore decided – in Rasmussen's favor.

When the litigants made it clear in the course of 1935 that they would no longer exercise any restraint, not even in the most personal matters, Carl Hahn became increasingly afraid of being drawn into the mess and, as had happened in previous cases, being severely harmed in the process. For him, this could, in the worst case, have meant having to abandon his DKW world and the Auto Union board of directors immediately and forever. The closer the battle lines of the personal war



ADAC Eifel race on the Nürburgring, June 1935 (left to right): race director Willi Walb, Carl Hahn, Bernd Rosemeyer, Robert Eberan von Eberhorst (half obscured)

Bernd Rosemeyer in his 16-cylinder Auto Union Type C racing car at the German Grand Prix, July 1936



Carl Hahn at the DKW dealer congress in Hof/Saale, 1934. Human contact was at the forefront of Carl Hahn's work throughout his life

being waged with unrelenting callousness crept towards him, the stronger Hahn felt the pressure to act rising in him. He no doubt felt an increasing constriction and could see only one way to escape: to get out of there and get as far away as possible! It was probably mainly this need to take preventive action that prompted him to accept an offer as chairman of Brinkmann AG, which would take him to Bremen from August 1, 1935.

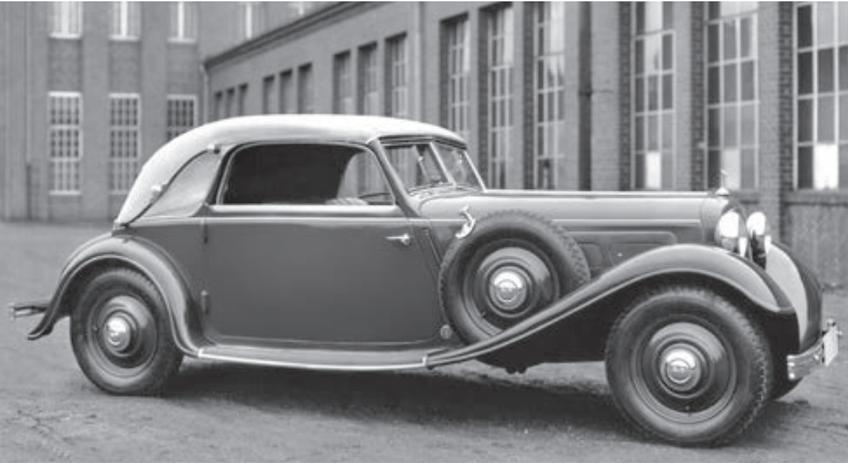
Hahn knew all too well what he was leaving behind, but the pressure he was under was too great. Nevertheless, just a few weeks after moving north, he felt a growing sense of unease and eventually remorse. Conversations and a lively exchange of letters with State Bank President Kurt Nebelung and the chairman of the Auto Union supervisory board, Privy Councilor Dr. Walther Frisch – and of course with Dr. Bruhn – reflect his intense desire to return and his emotional sensitivity. Possibly, he imagined that his job in Bremen would be different, as would the mentality of his colleagues and employees. In any case, he probably originally thought

it possible to overcome his deep and – as he soon discovered in Bremen – inextricable roots in the DKW business, or at least to ignore them for a while. This was a grave mistake.

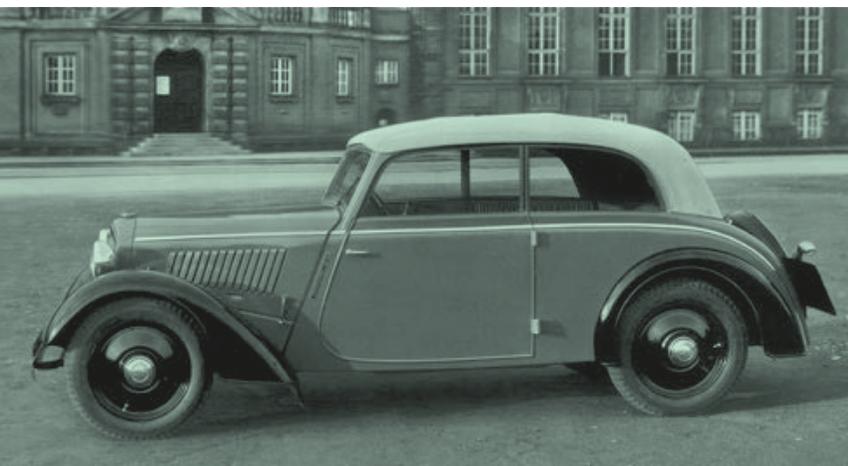
The head of the board secretariat, Dr. Gerhard Müller, with whom he obviously also felt a close friendship, was already advising him to return in November 1935: *“And on this point, I think, as a friend, I can only advise you to draw an honest line under the matter [at Brinkmann in Bremen – P.K.] ... Considered by itself, I would be of the opinion that you should wait a few weeks until it's clear how the whole Rasmussen affair pans out ... so as not to be dragged unnecessarily into the center of all the arguments ... As I see it, you will never feel at ease working for the competition, even if they promise you mountains of gold ... especially since they are not offering you the same scope of activity that you have at Auto Union.”*³⁸

Richard Bruhn, too, had recognized Carl Hahn's deep dismay and his wavering feelings, and tried above all to impart in him a sense of stability: *“For God's sake, don't start 1936 suffering from mental*

A selection of models from the Auto Union product range from the mid-1930s



Audi Front UW convertible, 1933



DKW F4 Meisterklasse convertible, 1934



Horch 830 BK convertible, 1935



Wanderer W21 sedan, 1934

³⁸ Letter from Dr. G. Müller to Carl Hahn dated November 11, 1935, Hahn family archive.

³⁹ Letter from Bruhn dated December 28, 1935, Hahn family archive.

⁴⁰ Letter from Hahn to Bruhn, dated December 3, 1935, Hahn family archive.

⁴¹ Letter from Hahn to Bruhn, dated December 1, 1935, Hahn family archive.



vacillation. Open yourself to the possibility of a clear path, no matter where it leads you, and then do not deviate from it. If it leads you back to us, you will not regret the decision.”³⁹

The letters also shine a light into the dark corners of what motivated Carl Hahn when he moved to Bremen. He must have spoken to Richard Bruhn about the matter in the late fall of 1935. He reflects on this in his letter to Bruhn dated December 3: *“So the question remains of how a proper board member should act. You surely remember our conversation during my first visit after my resignation, when I told you I couldn’t be expected to remain a deputy board member forever.”⁴⁰*

It was precisely this latter annoyance that he had felt even more when he found out from Bremen that Hans Huschke, the head of the government department in Berlin, had been immediately appointed a full member of the board: *“When I think how quickly Mr. Huschke was given what I had to fight for God knows how long for; I don’t want to be fighting – and waiting – like that again after a few months.”⁴¹*

After it became clear in the course of the dispute that Rasmussen and the central party and state institutions involved would be satisfied with a favorable financial settlement, and that the drama of the personal disputes had abated, Carl Hahn felt a growing willingness to ease his return to Auto Union by means of concessions. This included the suggestion *“that, particularly out of consideration for the Rasmussen case, my return should take place as if I had simply never resigned back then; in other words, I should return as a deputy board member, entrusted with the entire DKW business.”* At the time, Bruhn had indicated a willingness to reach an accommodation on the issue of Hahn’s salary and making him a full member of the board (*“it is only a matter of time”*).

Before the year was out, Hahn wrote: *“So, we have now found a way out of a situation that got me into truly knotty conflicts; I’m looking forward to standing my ground in Zschopau very soon and I hope that the step that has been discussed so fully between you, Mr. Werner and myself will prove a blessing for all involved. I thank you and Mr. Werner for the friendly attitude you have shown!”*⁴²

Hahn returned to Zschopau on May 1, 1936, where he was eagerly awaited. In the meantime, Klaus-Detlof von Oertzen had also had to leave his seat on the board. His Jewish wife had – possibly as a result of a denunciation that was collateral damage in the Rasmussen affair – aroused the greatest displeasure, whereupon the rest of the board decided unanimously, for safety reasons, to dispatch von Oertzen abroad as general representative to develop markets in the Asia/Pacific/South Africa regions for Auto Union products. After being interned in India during World War II – by this time, Irene von Oertzen was living in Shanghai, where she learned perfect Chinese and worked at the Canadian embassy – he performed the same role for VW until the late 1950s, following an interlude at MAN arranged by Hahn. He built up the local VW organization and assembly factories in Australia and New Zealand and created Volkswagen South Africa in Port Elizabeth from an English car factory (SAMAD).

After Rasmussen and Hahn, this was the third board member that the young company lost. Huschke’s appointment proved to be an interim measure, and one that did not last long; in 1938, he left the

2,000 km trip around Germany in July 1933 (left to right): Ferdinand Porsche, Reich Sports Director von Tschammer und Osten, Klaus-Detlof von Oertzen, August Horch

corporation to work for Daimler-Benz. So it is not surprising that Richard Bruhn wrote to Bremen:

*“Dear Dr. Hahn! I would be very glad if you could make your way back to us by May 1st ... I’m just glad that at least you’ll return to us fresh and rested. You will be fully satisfied with the abundance of work that awaits you. But please do me the favor of not allowing anyone to convince you to come even one day later.”*⁴³

And so Carl Hahn returned to Auto Union on May 1, 1936, coming at just the right time to move into the new board building on Scheffelstraße in Chemnitz, where the board members all worked in close proximity to one another and could communicate directly through connecting doors. For him, this return was shaped by a relationship of trust with Richard Bruhn, to whom he wrote: *“My return is based on the clear expectation that I will be able to work with you as closely in the future as I did last time, and my attitude towards you is also unchangeable; for me, the concept of a sworn fellowship, as I expressed to President Nebelung, is not an empty phrase, it is an obligation.”*⁴⁴

Entrance porch of the new Auto Union headquarters in Chemnitz, 1936



Carl Hahn (left) with Reich Minister of the Interior Frick and William Werner at the IAA in Berlin, 1938





Possibly, Carl Hahn's fears of being the target of Rasmussen's accusations, indeed of being at the center of them, had already subsided by this time. This is why he sent imploring pleas to Saxony to keep silence – for God's sake not to cause a stir. As mentioned, the plan was to make it seem as if he had never been away. In the meantime, however, Rasmussen had identified Richard Bruhn as his main opponent in the dispute with Auto Union. Rasmussen's biographer Immo Sievers wrote: *“At the zenith of his life, the dispute with Auto Union became a struggle for his and his family's livelihood ... the result of the arbitration proceedings was not just a financial settlement, it was also a turning point that separated him from his life's work. For Rasmussen, this was far more important than any possible part he might play in the founding of Auto Union. Only when seen in this light can we understand his bitterness and his irreconcilable attitude towards Dr. Bruhn. For Rasmussen, this man personified the loss of his company – and would continue to do so.”*⁴⁵

After 1936, Carl Hahn fully committed himself to the two-stroke DKW brand within Auto Union, on two wheels and on four, in line with his mandate and with great success, as we now know. His main focus was on the following key areas:

- Maintaining, securing and strengthening DKW's position in the motorcycle market
- Maintaining and intensifying the company's position vis-à-vis the competition in the small car business, i.e. especially Opel and Adler
- The future type and model profile of Auto Union's two-stroke automobiles, especially with regard to the Nazi government's 1000-mark Volkswagen plans

Klaus-Detlof von Oertzen (left) with co-driver Franz Schubert on a Horch 710 sports coupé during the 2,000 km trip around Germany, 1933



⁴² Letter from Hahn to Bruhn, dated December 29, 1935, Hahn family archive.

⁴³ Letter from Bruhn to Hahn, dated April 1, 1936, Hahn family archive.

⁴⁴ Letter from Hahn to Bruhn, dated December 1, 1935, Hahn family archive.

⁴⁵ Immo Sievers: Jorgen Skafte Rasmussen. Leben und Werk des DKW Gründers. Bielefeld 2006, p. 180/181.



DKW motorcycles still the top sellers

1933–1943

DKW motorcycles were the least of Carl Hahn's worries. In 1933, the first motorcycle to be equipped as standard with the Schnuerle porting system – the Block 350 – rolled off the assembly line. Its engine achieved a higher performance with significantly lower fuel consumption, without increasing its technical complexity or becoming more expensive. The resulting clear superiority over all the two-stroke competition, the continuing sales successes, and the increasingly noticeable scarcity of raw materials in a Germany

that was in the process of rearmament meant that a conservative attitude prevailed in Zschopau when it came to motorcycle development. Thanks to the highly advanced technology and the sophisticated, extremely efficient production, DKW believed that it could do without technical changes for a while.

The completely newly developed NZ series was ready for series production in autumn 1936. Consistently strong and growing demand in general – and for the current SB models in particular – meant

that the start of production was pushed back another two years. DKW customers were thus denied foot shifting, four-speed transmission and rear wheel suspension for a little longer. The Zschopau models were streamlined from 1934 into the SB series, which was supplemented by the completely new RT 100 at the end of the year. This was also designed by Hermann Weber, and 72,000 were produced, selling for 345 Reichsmarks each, making it the most built and most successful DKW motorcycle of all time. Its drive unit and

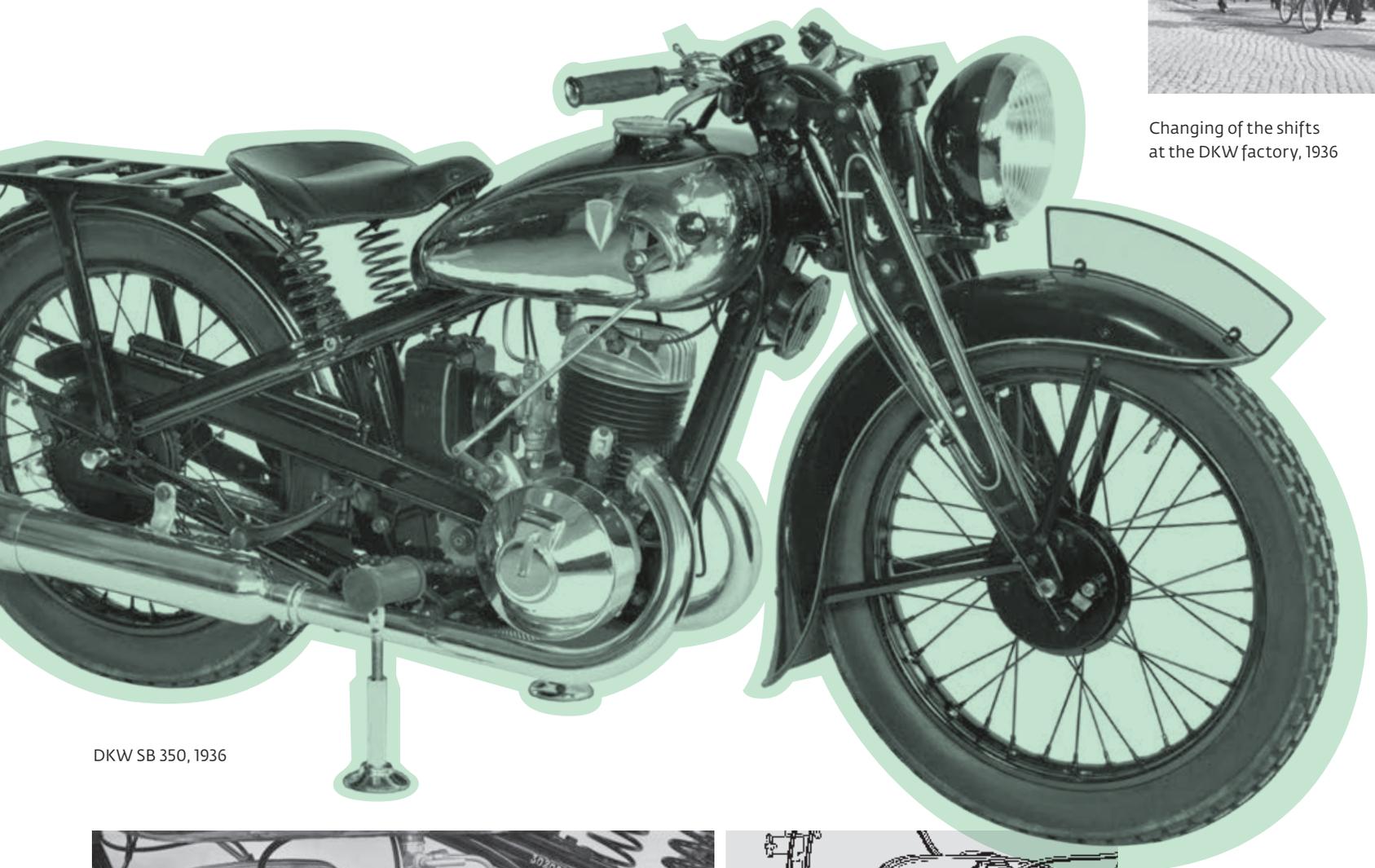


DKW RT 3 PS on the final assembly line at the Zschopau DKW factory, 1935

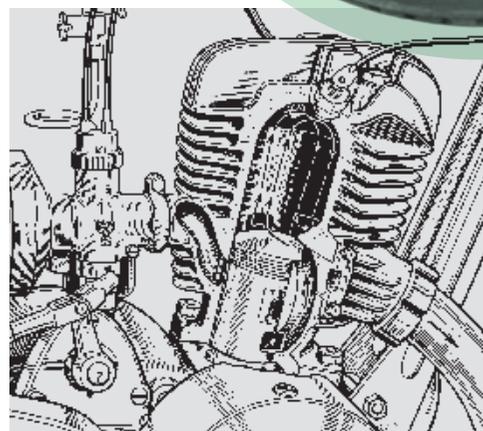
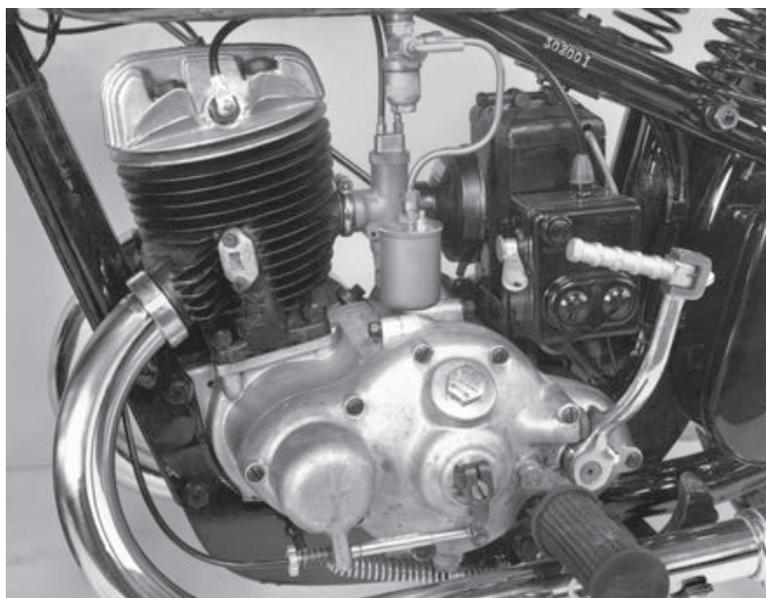
The Auto Union DKW factory in Zschopau, 1936



Changing of the shifts at the DKW factory, 1936



DKW SB 350, 1936



The compact "block engines" of the SB models formed the basis for DKW's motorcycle success in the 1930s

The DKW Schnuerle method patented loop scavenging principle

MIT **D K W**



Kolt
BWM

gehört Dir die Welt

three-speed gearbox were housed in an elegant die-cast aluminum case. The motorcycle set new standards and was far superior to its competitors. In 1937, with 55,470 motorcycles produced, the previous record was broken and DKW had once again become the largest motorcycle factory in the world.

By that time, Jawa (**J**aneček und **W**anderer) had acquired the DKW license rights for the Czechoslovak Republic as a successor to Wanderer's discontinued motorcycle construction at the end of the 1920s. Hahn held František Janeček in high regard. These Jawa motorcycles would continue to sell well for many years after the end of the Second World War. But

Jawa also had no shortage of orders for its arms manufacturing.

The NZ model series and the RT 125 mark the pinnacle of DKW's almost twenty-year history in Zschopau. The standard form of the modern, light utility motorcycle was born here as the logical consequence of a keen sense of what was technically practical. The concept contained within itself – boiled down to its essence in the simplest and most direct way – the founding ideal previously cultivated in Zschopau: simplicity, practicality, reliability, economy and performance – achieved with reasonable cost and effort. These maxims had been the declared goal in Zschopau right from the start. Now they had been achieved.

Advertising in the 1930s promised freedom and individual mobility. Typical advertising photo with DKW NZ 250 and Stoye sidecar, 1939

The DKW RT 125 appeared at the start of the Second World War. It was too late for most civilian customers, and so from 1943 to the end of the war, the army was the main customer for this ingenious light motorcycle



Immediately before the outbreak of war, a new field opened up for motorized two-wheelers and thus for DKW: powering bicycles with an auxiliary motor. As early as 1935, designer Hartmann had approached Auto Union with an offer involving fitting a rotating motor to the rear wheel of a bicycle. Although the idea chimed well with the origins of DKW, the company rejected it because they wanted to concentrate on the “right” motorcycles. So Hartmann turned to Fichtel & Sachs, who promptly accepted and created the “Saxo-nette” from it in 1937. This got DKW’s attention, and they began to develop a similar wheel hub motor and corresponding chassis frame, nicknamed the “Bumblebee” (Hummel).

The driving force behind this was once again Carl Hahn, who promoted the project with considerable personal commitment. It is certainly no exaggeration to

claim that he was the most important, possibly even the only test driver for this project. In September 1941 – in the midst of war – he reported to DKW technicians on his two hundred test kilometers with the “Bumblebee.” A few days earlier he had written: *“My first test drives of the Bumblebee are so convincing and so exciting that I suggest that we look for ways and means to use the necessary personnel to develop the Bumblebee more quickly.”*⁴⁶ Hahn also motivated his employees, insistently making it clear to them that the potential customer base in Germany alone would be eighteen million bicycles. *“I’m excited about the Bumblebee, and I see a big future for it! We will produce large quantities of it.”*⁴⁷

So much for his enthusiasm. The present situation made it less and less likely that ideas like this could ever be realized. Development projects that did not have



View of the interior of the Horch 930 S. The lack of a B-pillar made it extremely easy to get in.

Designed for long-distance journeys on the new Auto-bahn highways: fold-out washbasin on the side of the Horch 930 S, 1939

Trade fair presentation of the Horch 930 S streamline (right) with V 8 engine (92 hp) at the IAA in Berlin, 1939



DKW Hummel wheel hub motor, 1939, installed here in a standard Presto bicycle

⁴⁶ Auto Union no. 3752. Memo dated August 29, 1941.

⁴⁷ Ibid.

⁴⁸ Ibid., note dated September 25, 1943.

⁴⁹ Auto Union no. 2995. Memo dated November 29, 1938.

⁵⁰ This Easter visit was to his brother-in-law Arthur Drechsel, who after 1930 had set up the largest textile factory in the Balkans in the Romanian capital. He was interned during World War II after the Soviet breakthrough in 1944 and eventually died in a coal mine in the Soviet Union.

⁵¹ Cited in Peter Kirchberg: Autos aus Zwickau. Berlin 1985, p. 77.





a military application had to be stopped under penalty of punishment. Neither personnel nor material could be made available for this purpose. And so the “Bumblebee” was put to one side. This didn’t put a stop to Hahn’s ideas. Looking ahead about a decade into the future, at the end of September 1943 he laid down his ideas for an ideal motor scooter and he even suggested a way of circumventing the development bans: *“A small vehicle with a small backrest, your feet protected on a wide running board, untouched by water spraying off the road. A small, manageably sized handlebar is all you need, top speed 20 km/h, a stable, torsion-free frame.”*

*Since a project of this kind cannot be considered an official field of work for anyone today, it would be preferable if someone, possibly a designer, could summon up the enthusiasm to design this ‘ideal Bumblebee’ in his free time.”*⁴⁸ These statements by Hahn prove that people at DKW were by no means willing to completely lose sight of the hoped-for post-war period.

Hahn’s enthusiasm for unusual technical solutions had given him many ideas that could not be realized within the framework of DKW. One of the most original of these was to equip the Horch streamlined car with a washbasin. A note from the patent department with the subject heading *“New utility model application: device for transporting washing water in motor vehicles”* describes Carl Hahn’s suggestion: *“body parts, e.g. the body floor to be provided with a pressed part that can be used as a washbasin. This pressed part should be closed by a lid with a sealing ring to prevent the washing water from spilling out. The lid should be designed to hold soap and the like. A utility model is to be registered on the basis of this suggestion.”*⁴⁹ And this is what happened, albeit using a different design solution. Hahn must have known that he was encroaching on Horch’s territory here and risking the ire of his fellow board member William Werner, but this had not bothered him before: in the spring of 1935, for example, he arranged

for the factory to provide him with a 3.5-l Horch for a trip to Bucharest “for test purposes.”⁵⁰ On the long journey, the car caused Hahn quite a bit of trouble. He expressed this afterwards in a letter to Werner with an extensive list of defects and a comment, the final sentence of which was:

*“I can hardly believe that it would be possible to find so much to complain about with our Reichsklasse ... with best regards, Carl Hahn.”*⁵¹



Showroom of a Berlin car dealership, 1935

The prestigious showrooms of the Auto Union branch on Odeonsplatz in Munich, 1937

Carl Hahn: We need a new automobile range

1935–1936

To all intents and purposes, the DKW four-wheeled range was also running along smoothly and effortlessly. The brand was soaring to unprecedented heights. When it started in 1928, it was placed seventeenth in terms of the number of new vehicles registered in Germany, by 1930 it was tenth, by 1932 third – ahead of Daimler-Benz! – and in 1933 it was second behind only Opel. In January 1939 – to jump ahead a bit briefly – with 20.6 percent of all new registrations, DKW was unchallenged in the top group of German automobile brands, behind Opel (40.6 percent) and ahead of Daimler-Benz (ten percent). It took DKW five years to become the second-largest automobile brand in Germany, and it stayed there for seven years! And let's not forget: for most of that time, DKW was under the umbrella of the four rings, where it was the responsibility of the man who – as we know – was generally known as DKW Hahn.

Here, however, we must also remember to honor DKW sales manager Ludwig Hensel, with whom he worked closely until the end. Hensel would later shed many tears at Hahn's grave in 1961. It was a fantastic symbiosis that set the pace for everyone and the general mood.

Despite the figures quoted here, Carl Hahn did not view the development of DKW's range of automobiles in quite as carefree and enthusiastic a frame of mind as he did with the two-wheelers. It is true that he had been involved here in the usual way from his first day after rejoining the company, and this was not without its successes.

In 1935, however, Adler (Frankfurt am Main) was still selling more Trumpf Junior cars than Zschopau was its small cars. At the end of the following year – 1936 – the picture looked a little different: Opel was still ahead with its P 4 and Olympia (selling forty and thirty thousand units,

respectively), then came the two DKW types Reichsklasse and Meisterklasse (each almost twenty thousand units), while Adler was clearly lagging behind at eleven thousand cars sold.

The major source of worry in the DKW range was the car made in Spandau with the charging pump motor, a constant presence in the complaint statistics. The defects were mainly to be found in the engine, but the body also had its problems. It had been developed on the assumption that the "streamline" look would become the dominant selling point. This proved to be a mistake. Furthermore, the shape was so complicated that it could only be produced with great effort, and this despite not even being universally popular.

As early as January 1935, Carl Hahn had expressed his highly critical views on the problem: *"In my opinion, we cannot remain competitive in the long term with*

AUTO UNION



AUDI-FRONT

Der Wagen, der fortschrittliche Bauart und außergewöhnliche Fahreigenschaften mit vollendeter Formschönheit vereinigt.
AUDI-FRONT 6 Zylinder 55 PS



DKW

Der volkstümliche Wagen hoher Leistung, größter Wirtschaftlichkeit und Fahrsicherheit.

DKW-FRONT: Zwei- und Viersitzer
Reichsklasse: 18 PS • Meisterklasse: 20 PS
DKW-Sonderklasse: 32 PS
DKW-Schwebeklasse: 32 PS

DKW-MOTORRÄDER

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Meisterwerke deutscher Arbeit, sprichwörtlich für Präzision und Leistung. Die hochwertigen Gebrauchsfahrzeuge.

Wanderer 4 Zylinder 42 PS
Wanderer 6 Zylinder 40 PS, 55 PS u. 62 PS
Wanderer-Sport-Kompressor 85 PS

Jedes dritte in Deutschland zugelassene Motorrad und fast jedes vierte Automobil war im Jahre 1936 ein Erzeugnis der

AUTO UNION



The DKW products – automobiles, motorcycles, engines – were the key foundation of the four-brand Auto Union group. In 1937, 77 percent of all automobiles sold with the four rings on the radiator also bore the white/green DKW emblem

today’s range of automobile models. We will need to create fundamentally new models that promise lower cost prices right from the start in their design and construction. For this reason, it would be advisable that we only invest as much in the current types as is necessary to satisfy our customers. And that we come up with a new DKW car range as quickly as possible.”⁵²

To sum up his subsequent considerations, which we will not reproduce in detail here: Hahn was not presenting his thoughts as a technician, but rather as a sales and marketing expert. His first focus was on the price classes, with the Reichsklasse class for cars up to 2,000 Reichsmarks, and the Meisterklasse class for cars up to 2,500 Reichsmarks. The price range up to 3,000 Reichsmarks was to be reserved for the Sonderklasse, which was then followed by the Auto Union range of models from the smaller Wanderer. This

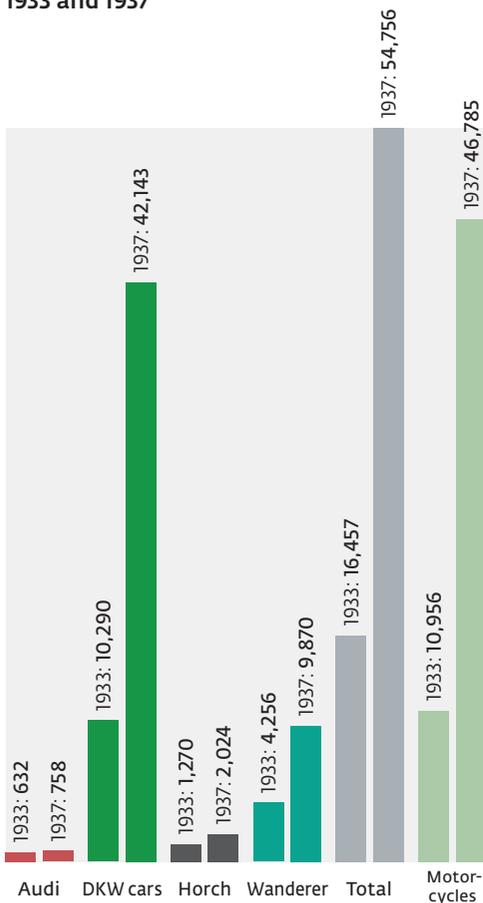
also makes it quite clear that Hahn’s strategic thinking was no longer oriented exclusively towards DKW, but towards Auto Union as a whole.

It is particularly interesting that he planned both a cheaper (600 cc, 18 hp) and a more expensive (700 cc, 20 hp) version of the Reichsklasse for the lowest price class. For the second price class, the Meisterklasse, he called for a three-cylinder engine with 900 cc, 28 hp and luxurious equipment. For the Sonderklasse, he imagined a new engine without a charge pump and with crankcase scavenging.

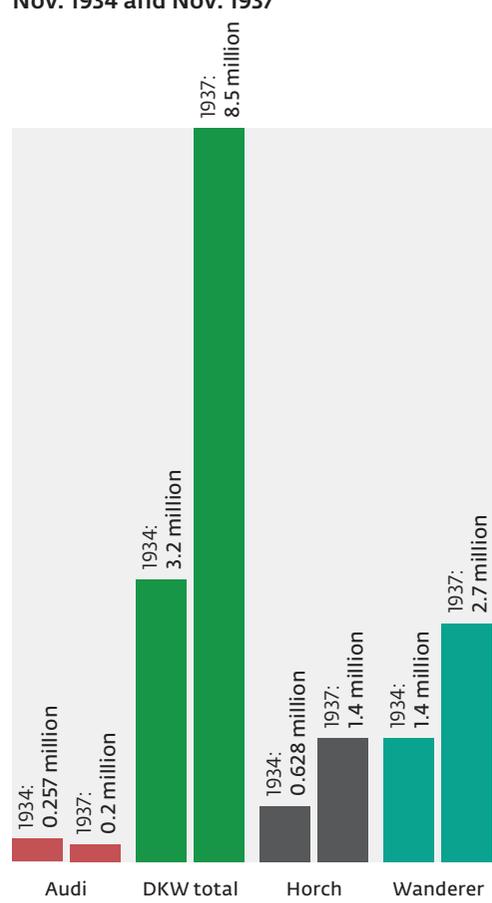
In addition, in competition with the Opel range, he called for a proper express delivery vehicle with a chassis that could perhaps also be used as a “bucket seater,” i.e. a Jeep. Hahn found himself in complete agreement with the ideas of the sales department, as expressed in particular by the representatives of the branches.⁵³ Here, too, he was increasingly thinking

in terms of Auto Union groupings. As an example, let us examine his request for a delivery van: “To complement the passenger car range, there must be a delivery vehicle range, although this must not be broken down by brand, in order to avoid fragmentation here; instead, the vehicle should simply be called an Auto Union delivery vehicle. It doesn’t matter whether it’s a two-stroke or four-stroke with small or larger models.” In this context, the sales department in particular stated with great emphasis that “Auto Union can only be really competitive in the long run if there is a clear range of models without mutual competition between the individual brands. Auto Union needs to become a unified whole, from DKW to Horch.”

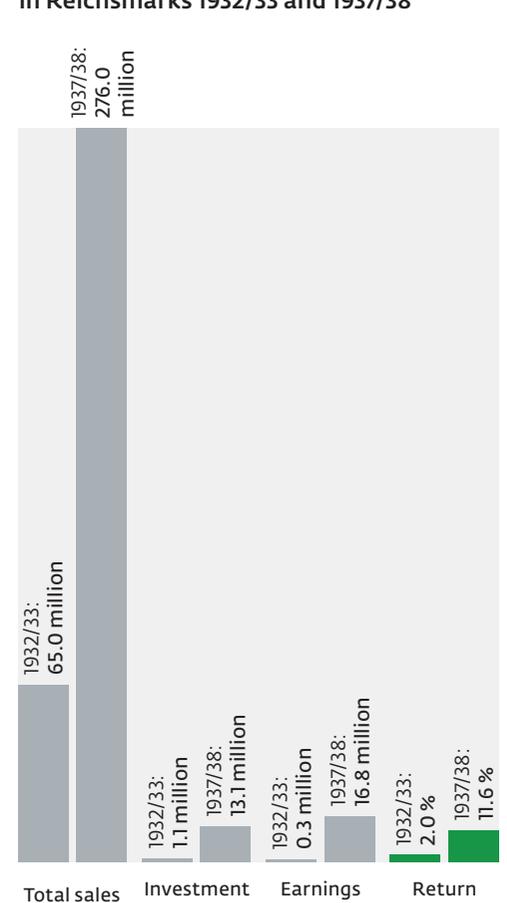
Auto Union sales in units in 1933 and 1937

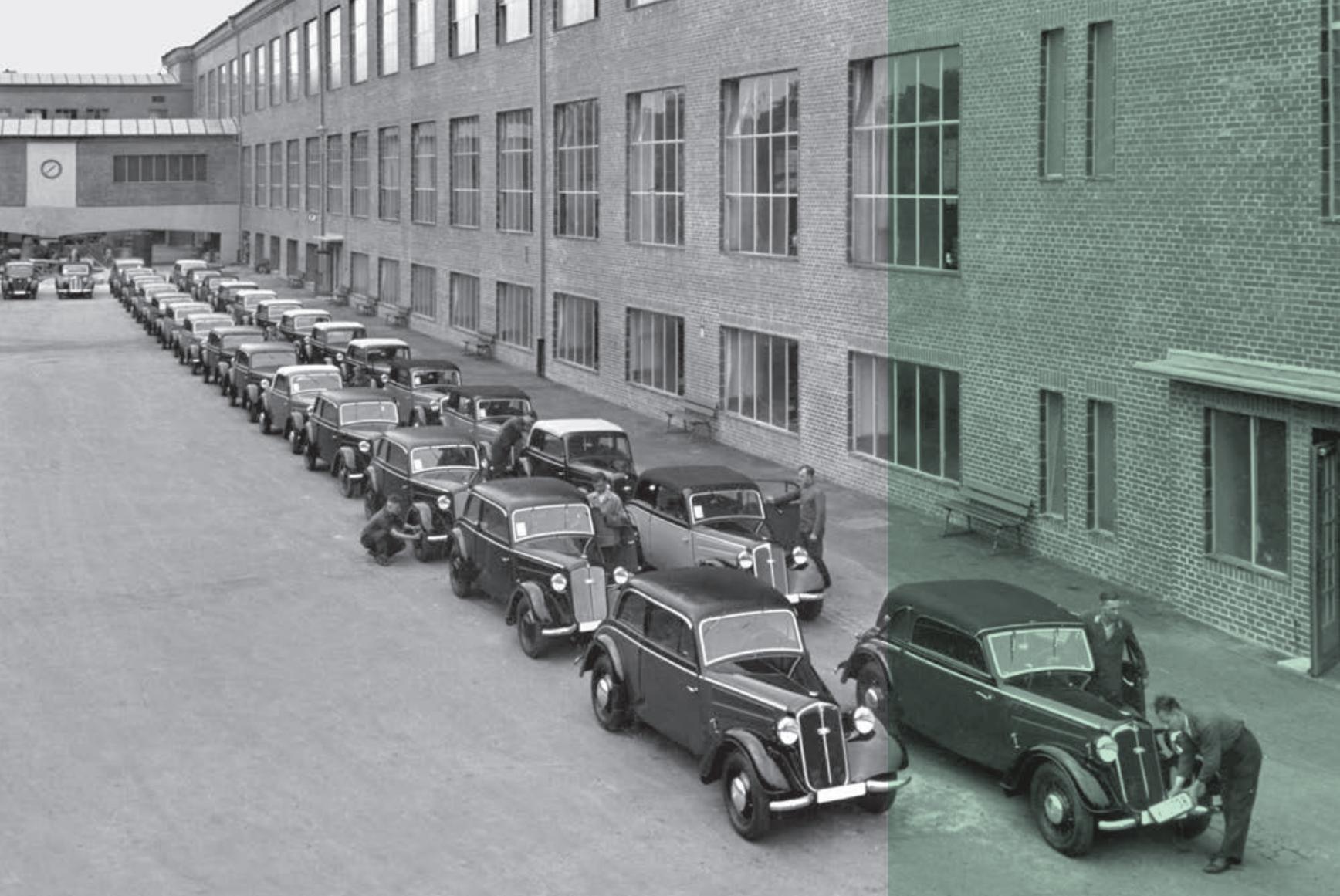


Auto Union sales in Reichsmarks Nov. 1934 and Nov. 1937



Auto Union balance sheet data in Reichsmarks 1932/33 and 1937/38





DKW F 8 model series front-wheel drive cars awaiting delivery at the Audi plant in Zwickau, 1939

Immediately afterwards, on January 25, 1935, Hahn presented his idea for the range to the “top executives” of Auto Union at a meeting in Zwickau. Chief technology officer William Werner, plant managers Heinrich Schuh (Audi/Zwickau) and Hoffmann (DKW/Zschopau) and engine experts Strobel, Küchen and Trost were all present. To quote from the minutes: *“The technicians stated that in many respects, not only because of its logical structure, the proposed range could be considered the ideal range.”*⁵⁴

From then on, development of the DKW F 9 three-cylinder engine was one of the most important tasks of the central development and design office, which was based in Chemnitz in Scheffelstraße (Bernd-Rosemeyer-Straße after 1938). Its bosses, Oskar Siebler and Werner Strobel, bore primary responsibility for this new design. Back when Auto Union was founded, Carl Hahn’s primary responsibilities

had been clearly defined as relating to DKW and its products, and marketing and strategic planning for that brand. Auto Union recognized the growing bulk purchaser business, the shift from urban to rural customers and the increasing demand for sedans as the basic trends in the market in the second half of the 1930s. At the same time, nurturing relationships with dealers was particularly important to Hahn. The following lines encapsulate Hahn’s thinking and his actions: *“You always have to remember that it is not only important to sell DKW cars, but also to retain DKW buyers. That is why you should take constant care of the DKW car owner, not simply work through the customer service inspection work; you must always serve the customer politely and courteously in your workshop, be at his side with help and advice at all times, etc. This is the only way you can secure customers for the future, this is the only way*

*to ensure that your DKW customer also buys his second and third cars from you.”*⁵⁵ He considered workshop owners and dealers, no matter how small their businesses, to be the lungs through which an automotive company breathed.

⁵² Auto Union no. 3879. Production schedule meeting for 1936 on January 16, 1935 in Zschopau.

⁵³ Ibid. Manufacturing schedule up to October 31, 1936.

⁵⁴ Cited in Erdmann, p. 222.

⁵⁵ DKW reports 1937, no. 4, p. 4.



Dr. Carl Hahn, Auto Union's leading diplomat

1934–1936

But Hahn's work was not limited to nurturing DKW, it went far beyond that. In particular, his external relations work for the company became his most important field of work. This was especially true when it came to key problems and existential questions relating to the Saxon motor vehicle group. Hahn knew how to bring the "concentrated power" of DKW's market leadership to bear in the motorcycle industry business association, while at the same time finding and binding

allies there on matters of shared concern that extended across company boundaries.

Even when it came to four-wheeled vehicles, his assertiveness and negotiating skills were in demand. For example, if overly harsh words had yet again been exchanged between the competitors DKW and Opel, the leading personalities at both manufacturers would meet at a top Frankfurt hotel for an exclusive dinner to smooth things over. Of course, much more important topics would also be touched

upon in the course of these discussions, such as the presentation dates for the next types and models, the short and long-term pricing policies of both brands, and common positions on government regulatory measures.

The same was true in his relationship with the competition at NSU, a relationship that was always marked by a certain tension, especially with NSU boss Fritz von Falkenhayn. But in private, everyone was a gentleman, they visited each other

The Auto Union board, Carl Hahn, William Werner and Richard Bruhn, with Hitler and Goering at the IAA in Berlin, 1938



Ferdinand Porsche (left) presented Hitler with a model of the VW 38 KdF-Wagen on the occasion of his birthday on April 20, 1938.

and understood each other. This was just day-to-day business, in a manner of speaking. In any case, it was always clear that it was essential not to disappoint the motorcycle customers – and not just during the races – as they thought and acted like football fans in their dedication to the brand.

However, Auto Union was shaken to its core in the 1930s by two plans mooted by the Nazi government: the Volkswagen project and type restrictions. The issues in question were the commissioned devel-

opment of the KdF-Wagen, which would give rise to one of the Nazis' most resonant propaganda campaigns, as well as the reduction and standardization of the available range of motor vehicles – dictated primarily by military requirements. This was named the Schell program after the officer responsible for it, General Adolf von Schell, who had been commissioned by Goering. In the immediate context of the opening of the International Automobile and Motorcycle Exhibition in Berlin in

The DKW F 9 was intended as Auto Union's answer to the Volkswagen. Advertising photo from October 1940



1934, Hitler had emphatically demanded the creation of the so-called "People's Car", the Volkswagen, praising the Czech Škoda as a role model. In June of the same year, a contract was signed between the Reich Association of the Automotive Industry and Ferdinand Porsche for development of the car in question. Auto Union in general and Dr. Carl Hahn in particular had not failed to notice the threat that this car posed to DKW's market position, above all. Instinctively, he came to the conclusion that it was especially urgent for Auto Union to react – immediately – and to counteract the threat, instead of freezing in fatalistic resignation. And DKW was still the main pillar of the corporation. At that time, most of the competition still

maintained an aloof, critical attitude towards the KdF-Wagen, harboring doubts about whether anything would ever come of it.

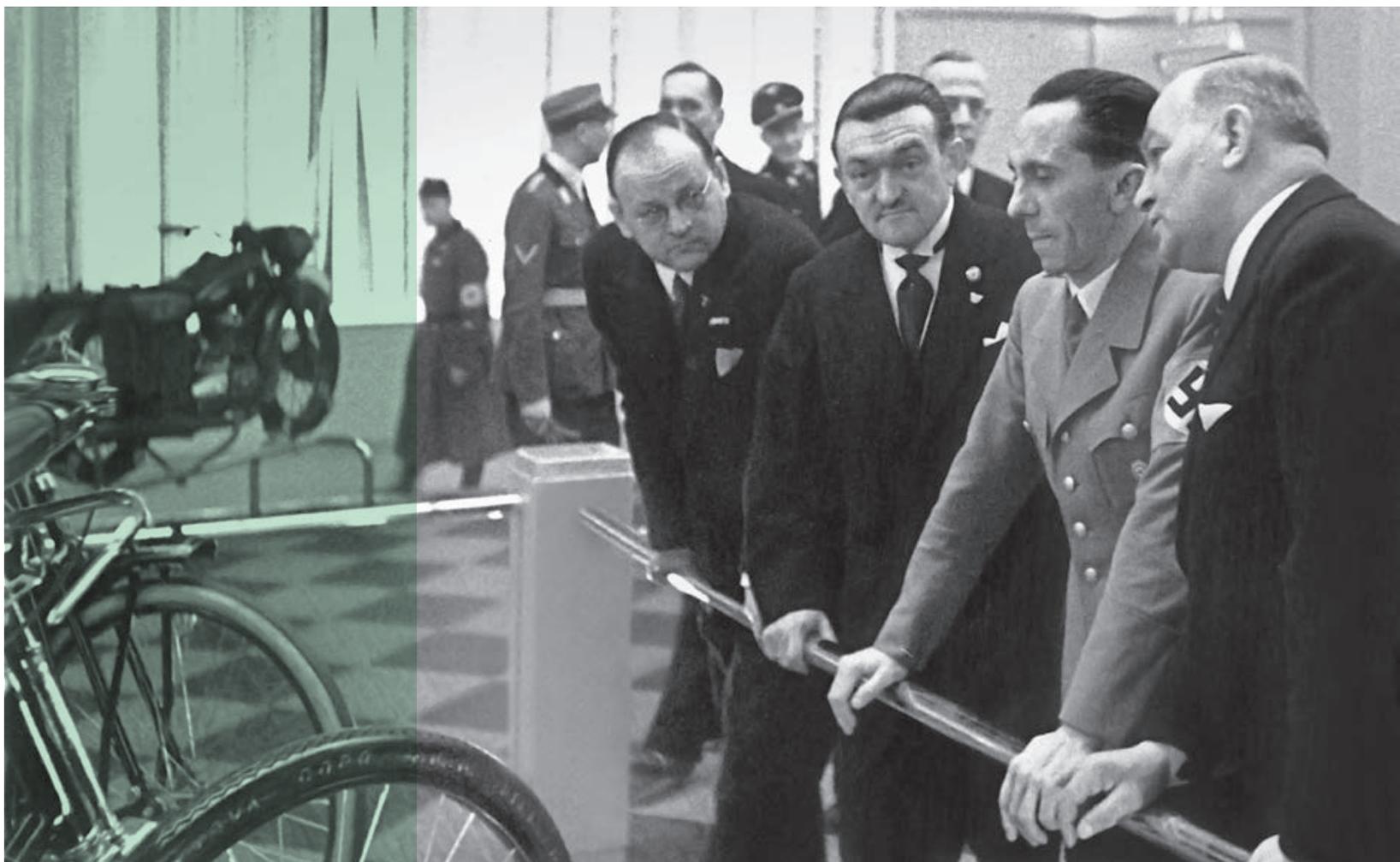
The KdF-Wagen project, however, gradually picked up speed despite all the adjournments, delaying difficulties and the industry's refusal to build it. The biggest problem for DKW in this context became harder and harder to ignore: DKW dealers and authorized workshops were systematically recruited to set up the new service network for the KdF-Wagen. In his role as deputy board member of Auto Union AG, Carl Hahn had, since 1935, also been a member of the committee of the RdA (Reich Association of the Automotive Industry), who were responsible for decid-

⁵⁶ Hans Mommsen and Manfred Grieger: Das Volkswagenwerk und seine Arbeiter im Dritten Reich. Düsseldorf 1996 p. 66.

⁵⁷ Ibid.

⁵⁸ It was a grant of CHF 1,000 from Werner Jacoby that financed Carl Horst Hahn's first semester in Zurich in the fall of 1948.

Carl Hahn, William Werner and Richard Bruhn with Reich Propaganda Minister Goebbels at the IAA in Berlin, 1939





The last of the DKW Front series before the war was the F 8, here in the Reichsklasse Spezial version, 1939

Highway rest area with DKW Sonderklasse convertible sedan, 1938



ing on the development of the Volkswagen. As a marketing and sales expert, he was extremely critical of the project, which had only come about and been kept alive with the help of unprecedented and extreme intervention by the state. He thought the “Führer’s pet project” was an impertinence and advised his board colleagues to “keep your mouths shut and explain to those in charge that we are working on the task, but that it will take a long time.”⁵⁶

There is no question that Carl Hahn was also the man doing the most at Auto Union to defend against the project and establish an opposing position in the RdA. Realizing that the KdF-Wagen was unassailable in political and propaganda terms, the only reaction he could take was to demand the development of an opposing project. It would have to be a car that would enable Auto Union to compete in terms of product quality and on an equal footing.

It was not Richard Bruhn who represented Auto Union’s position in the relevant working groups, conferences and meetings, but Carl Hahn. And he promptly summarized and passed on his accumulated knowledge to Bruhn. An example of this is the report from the pivotal RdA conference in Koblenz in 1936, at which it finally became clear to the industry that the new state automobile was inevitable. After this meeting on July 27, 1936, Hahn wrote to Bruhn, venting his anger at the same time, saying: “The insight of the day was clearly this: the Volkswagen will come at a maximum price of 1,200 Reichsmarks, outside today’s automotive industry, under the sole influence of the

Reich government, with the necessary funds, regardless of the amount, [to be built] on the Lower Elbe if possible, to be delivered after the 1938 motor show, and excluding the private-sector considerations of the current industry.”⁵⁷

Hahn played a similar role in the discussions and arguments about the type restrictions. Here, too, the automotive industry had recognized the inevitable once the relevant political sanctions were in place. As one of the market leaders, Auto Union fought to acquit itself as well as possible in the struggle for the survival of its type and model ranges. And even if Richard Bruhn wrote the strategically important letters and maintained contacts in Berlin ministry circles, the man on the ground in the committees was Carl Hahn. And it was he who provided the impetus for the product policy solution – the F 9.

Hahn, and with him the board of directors of Auto Union, were pressing for faster action. The reduction in types affected all German automobile manufacturers – albeit with varying degrees of severity – and not their foreign competitors. In any case, the type restriction would not make an exception for Auto Union, and it would have an especially strong impact on the DKW brand, which relied on three model series. For the time being, the effort to have the Reichsklasse and Meisterklasse – which were essentially only differentiated by 100 cc of displacement and their equipment – certified as two separate types appeared successful. But further restrictions were foreseeable. In the long term, the DKW brand would

also have to be reduced to a single-type program – as was already the case for its sister brands Wanderer and Audi. By the end of the 1930s, it was already clear to everyone that soon nothing would be the same as it had been before.

But what made Hahn special was that, despite all the burdens and conferences in Berlin, he found time to regularly meet up with his fellow countryman Porsche for a lunch of boiled beef at the Bristol. Whenever possible, his wife Mia came with him, and the two made the most of all that the capital city had to offer. The Hahns’ preferred indulgence was going to the theater to admire the most famous actors of the German-speaking world, followed by a fine dinner in a Berlin gourmet restaurant. Most of the time they would bump into good friends, such as the DKW wholesaler Werner Jacoby and his wife. He was of Jewish descent and asked Carl Hahn for advice: What to do? He advised him as early as 1934: sell up and move abroad. The Jacobys went to Amsterdam and then escaped with their son and daughter by ship to Montevideo in the first days of May 1940.⁵⁸



Planning the F 9

1938–1944

In the summer of 1938, Auto Union's newly created planning department summarized the prevailing state of affairs as follows:

- In the future, DKW's main production would be concentrated on the F 9. Its initial cost should not exceed 1,750 Reichsmarks. The ultimate goal for the DKW automobile range would be exclusive production of the F 9.
- At first, the F 9 would replace the Sonderklasse, while production of the Reichs-klasse and Meisterklasse would continue. The next step was to discontinue the 600 type, and then to completely dispense with the Meisterklasse.
- According to the state of planning in December 1938 (two hundred cars per day),

no further two-cylinder DKWs would be built from 1941 onwards. For 1943, a factory price of 1,081 Reichsmarks was planned for the most basic version of the F 9. The clear message was: it would be priced in the Volkswagen range, but superior in product value. Incidentally, this meant that the F 9 was well below the comparable price level of the Reichs-klasse in 1938.

In order to be able to start production at the necessary scale, an investment of 2.3 million Reichsmarks for 173 machine tools was required. Carl Hahn gave his full attention to these developments.⁵⁹ However, his ability to intervene in matters that were strictly speaking within the purview

of Siebler and Strobel had reduced significantly given the now very firmly established hierarchical structures at Auto Union. And so he directed his suggestions for the development of the new type of car directly at his fellow board member William Werner, hoping to make his wishes heard as clearly as possible. He did not view the matter from a technical point of view, instead, like the true salesman he was, he approached it according to the expected demands of users. This can be seen very clearly in a letter from Hahn to Werner dated February 21, 1939, from which we quote at length here: *“Without claiming that the wishes expressed here are exhaustive, I would like to say the following about the F 9: I would*

In October 1940, one of the ten prototypes of the DKW F 9 was photographed for a series of press and advertising images

ask that the same loving attention that was paid to the exterior lines is also paid to the entire interior, to every little detail.

Hopefully the radiator will do, since it gets heated air through the exhaust pipe, and hopefully the seal between the engine compartment and the interior of the car really is one hundred percent!

It should be possible to remove the spare wheel without getting dirty in the process ...

A jack you can really use to lift the car easily without having to crawl under it should probably be conveniently placed in the immediate vicinity of the spare wheel.

When laying the cables in the engine compartment and in the luggage compartment, it might be possible to lay them in such a way that additional lamps can be attached (available afterwards for an extra charge) to illuminate the hood, the glove box and the luggage compartment when they are opened. It would also be great if you could use just one standard key for the whole car.”⁶⁰ He was ahead of his time.

Interestingly, when developing the F 9, the central design office at Auto Union had been considering a six-cylinder two-stroke engine (6 = 12!). This was largely the idea of design engineer Hans Müller,

Similar to the Volkswagen, the streamlined shape of the DKW F 9 was a response to the higher average speeds that could be achieved on the new autobahns

⁵⁹ See also the statements by Frieder Bach and Dirk Schmerschneider: F 9, der sächsische Konkurrent des Volkswagens. Niederfrohna, 2014.

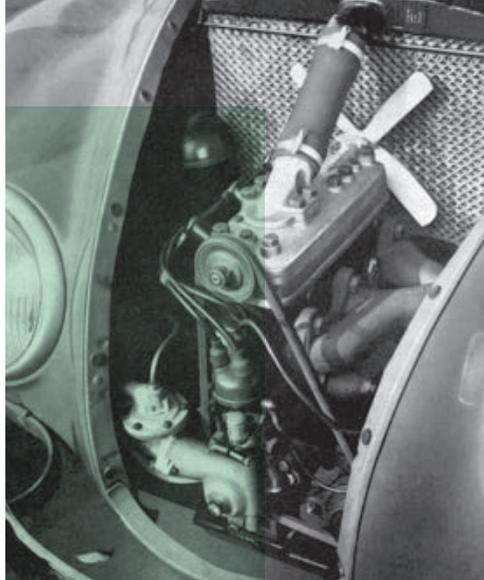
⁶⁰ SstAC Auto Union, reference file F 9. Note dated February 21, 1939, sheet 401.



Test drive in the Alps with the DKW F 9, 1940. Conrad Schulz (center), technical manager of the DKW plant in Spandau with his son (left) and Gustav Menz (right) from the road testing department. Despite an official ban, the tests continued until 1944



CTO William Werner (right) examines the 1:5 model of the DKW F 9, 1939



A look under the hood of the DKW F 9. The three-cylinder, two-stroke engine was installed in front of the front axle, a design that is still common at Audi today

who later made a name for himself in the 1950s working in his own development office (located in Andernach, hence his nickname “Müller-Andernach”). William Werner, however, had reservations about it, believing that some of the problems with gas flow control and scavenging were insufficiently clarified; and so he put a stop to development. In turn, this provoked the technician in Carl Hahn, who intervened forcefully in a letter to William Werner:

“I would ask that you allow work on the six-cylinder to continue. It would be a shame if you made development of the six-cylinder dependent on the progress of your scientific development work on the two-stroke engine. This work is surely extraordinarily valuable and interesting, and it will certainly produce valuable results one day.

But I think it would be much better if we took the safer and easier route first; that is, a regular simple six-cylinder two-stroke engine, which will help us until you figure out how to make more refined two-stroke engines. As long as this is not the case, however, the simplicity of our previous series-production two-stroke engines is extremely valuable ... Are you not at risk of creating a six-cylinder engine that is essentially two completely standard three-cylinder engines, installed side by side, so to speak, working on a gearbox that has not yet been developed, and certainly won't be simple? Wouldn't it also be tempting in terms of manufacturing if

*you could say to yourself: there is only one standard engine in Auto Union's two-stroke range, and that's the three-cylinder 900 series. And by using two standard three-cylinders that are exactly the same, except that the direction of rotation is different, we create a new concept for six-cylinders. So that would mean, if we only assume 200 three-cylinders and 100 six-cylinders, that you would actually only need to produce 400 three-cylinders that are completely identical and two gearboxes. Is it not worth seriously investigating the idea?”*⁶¹

You can almost hear Carl Hahn advertising here, and his idea is artistically and seductively formulated. Of course, William Werner could not – or did not want to – follow this flight of fancy, and so he summarized his answer to the question in the last sentence very briefly and in a single word: “No.”

It should not be forgotten, however, that William Werner was well aware of the principal difficulties involved in implementing these plans. The delivery times given by the manufacturers of the machine tools increased almost exponentially. Already by December 1938, Reinecker was demanding a delivery time of up to thirty two months for the pre-milling machines for differential bevel gears. The bevel gear cutting machines from Heidenreich & Harbick would be available after twenty two months. Vomag/Plauen generally demanded a period of twenty eight months for its special boring machines.

⁶¹ Ibid.

⁶² Auto Union no. 759. Report dated January 21, 1944.

⁶³ Reference file F 9. Note dated April 20, 1944.

Werner, who was an American by birth and came from the USA, was an art lover, a collector and connoisseur of Asian art, in particular. He was a remarkably skillful sculptor, and he practiced his art as a modeler. Werner had a consistent influence on the Auto Union body line. He had a very strong and very independent sense of style. This found particular expression in the design of the Horch 930 “Streamline” and the DKW F 9, which were considered first-rate and endured for decades.

Of the planned twenty five prototypes of the F 9, ten actually got off the ground and one of them was always driven by Carl Hahn. He would promptly send his driving reports to the testing department. Other managers driving similar cars did the same. The aim was, even in the middle of the war and despite the strict prohibition with increasingly severe penalties, to improve the car in such a way that after the end of the war it could be put on the market immediately. At the end of January 1944, the road testing department of the central testing department at Auto Union concluded that *“the vehicle can be approved for series production with a clear conscience ... even if the testing with pre-fabricated parts, the so-called pilot series, is still pending.”*⁶² A few days earlier, the company board of directors had commissioned the department to prepare a memorandum on the question of whether, as of late 1943, the F 9 would be a competitor to the F 8 on *“resumption of production after the war.”* The last written note on the matter dates from July 20, 1944 and refers to a meeting of Dr. Hahn with Oskar Siebler and the head of test driving at the central testing department, Bernhard Neumann, regarding the current situation; it contains the remarkable statement:

*“Dr. Hahn is of the opinion that the technical characteristics of the F 9 must be differentiated even further from the Volkswagen.”*⁶³ Above all, a longer wheelbase, more powerful engine (35 hp) and 120 km/h were required. And this is precisely the direction that future developments took – albeit ten years later.

War economy and interlude in Italy

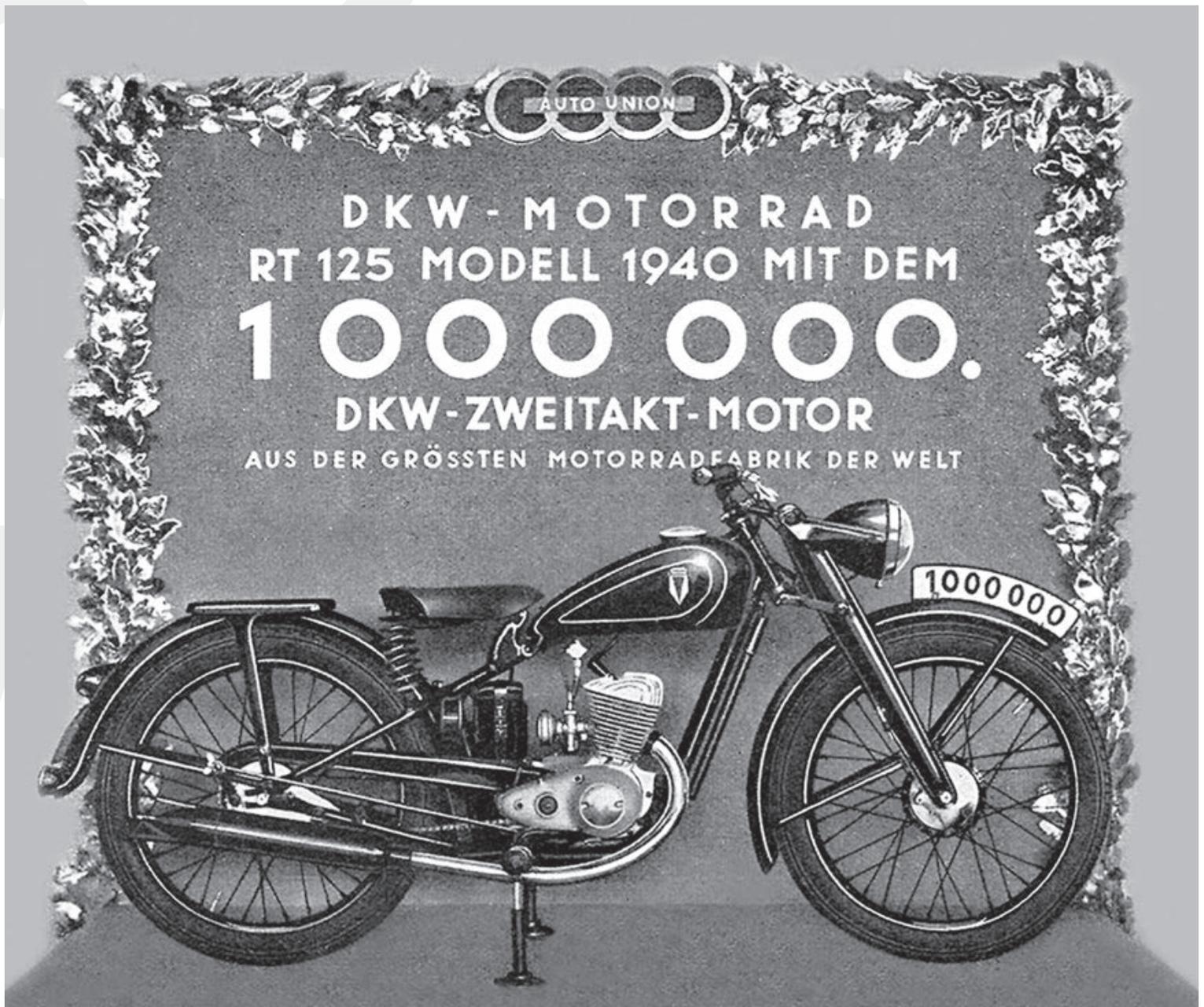
1939–1945

The outbreak of war caught Auto Union off guard. This was particularly true in two respects. On the one hand, it was in the midst of far-reaching restructuring of the type range, the manufacturing processes and opening up new business areas. On the other hand, it had focused to date almost exclusively on vehicles intended for passenger transport. The attempt in 1939 to break into the increasingly important commercial vehicle sector with a completely new type of truck design was still ongoing, but it failed after the outbreak of war due to resistance from the Schell agency. The special military vehicles that had been manufactured up until then, i.e. back during peacetime, were approaching

the end of series production and Auto Union lacked a successor type from in house. Hopes that the war would end soon after France's defeat were quickly dashed. Although it was true that the phase-out of civilian passenger cars was drawn out until May 1940 and the military high command had even extended the production of medium-sized and heavy-duty Horch and Wanderer passenger cars until 1943, it was clear that after that, it would be over for good.

And so Auto Union's profile during the war was characterized by replicating other vehicle designs, but even more so by producing weapons and other war supplies. Incidentally, this clearly indicated

the Saxon corporation's position as a state-owned company. While Daimler-Benz AG refused to reproduce the Opel Blitz and in fact did not produce any truck in this class for more than a year during the war, the Saxons obeyed without protest. So it was certainly a coup for Carl Hahn that he was able to get the high command to accept DKW as the sole army supplier of solo motorcycles (RT 125 and NZ 350). Hahn was fighting on many levels, from generator construction, to improving the intake filter, from receiving contract awards, to the struggle to secure material quotas for Auto Union. He had many irons in the fire, and often ended up dancing with the devil.



Advertisement for the DKW F 8 pick-up truck, which was only available with a ration coupon during the war years.

After war broke out, the DKW F 8 was mainly built as a commercial vehicle. Shown here: the pick-up truck from 1940



Promotional artwork by Victor Mundorff for the cover of "Das Motorrad" magazine, December 1941

The war economy also completely up-ended Carl Hahn's remit. Instead of a more or less clearly formulated and delimited area of work, he now found himself faced with an abundance of different demands and responsibilities, which were made all the more difficult to solve given that he was often on his own, so to speak. William Werner was now a manufacturing expert on the armaments council, where he was responsible for aircraft production and which kept him on the move everywhere, and Richard Bruhn spent more time in Berlin working on wartime economic matters than he did in Chemnitz.

However, Hahn could not avoid special tasks either. After the Italian government of Marshal Pietro Badoglio concluded

an armistice with the Allies on September 3, 1943, detaching Italy from the German system of alliances, northern Italy was occupied by units of the German army and the Waffen-SS. However, since Italian industry – similar to French industry – formed an indispensable part of the German armaments and war economy, it had to be "kept in line." This meant sending German experts to northern Italy. Carl Hahn took over this role in the northern Italian automotive industry for the Armament and War Production Department in Como under General Hans Leyers. Hahn and his staff lived in the beautiful house of an umbrella manufacturer at Via Bellinzona 37 – a man he kept in friendly contact with after the war, the two visiting each other often.

Hahn tried to be a fair partner for the Italians despite his supervisory role. In any case, he tried to make the best of the problematic job at the time. He never spoke about the darker aspects. Much later, in 1954, when he once again had dealings with FIAT General Manager Bonelli, he reminisced about one of these darker moments in a letter to Richard Bruhn: "*The name Bonelli has a past. One fine day in Italy, in 1943, State Councilor Schieber flew in and said to me at an official meeting of Leyer's staff: Dear Dr. Hahn, if that Bonelli guy shows up at your place (Bonelli was, so to speak, my FIAT contact in Como), report it to the SS immediately and have the guy arrested!*"

I took note of this and straight after this meeting, I head to my office. I arrive,



DKW - MOTORRÄDER

MUNDORFF



Destroyed Auto Union AG branch in Berlin, end of the war, 1945

⁶⁴ Auto Union archive, Dr. Hahn's correspondence. Letter dated August 26, 1954.

and there, sitting in my hall, is none other than Mr. Bonelli. Of course I didn't notify the SS or anyone else; you know my attitude then and now. I said to him: Mr. Bonelli, I would like to ask you not to come and see me again. I don't need a liaison with FIAT. I will speak to Prof. Valletta [the president of FIAT] about this. Do me a favor and don't visit me again. The next day I simply explained to Prof. Valletta that he should appoint another gentleman as liaison, or none at all, because Bonelli would be 'persona non grata.'"⁶⁴

Carl Hahn's interlude in Italy did not last long. Because of this and similar conflicts with the government in Berlin,

his stay in Como was ended prematurely in 1943 and he returned to Chemnitz as a member of the board of directors of Auto Union AG. From these years, he maintained friendly relations with members of the Italian automotive industry – relations that lasted until well into the post-war period. In 1952, for example, his son Carl Horst was given the opportunity to undertake a traineeship at FIAT, where he was treated almost as a friend. When Carl Horst became Heinrich Nordhoff's assistant in Wolfsburg in 1954, he very soon arranged a meeting between Vittorio Valletta, the President of FIAT, and the head of Volkswagen.

As late as October 1944, Hahn arranged for a truck load of design documents and drawings (not only, but primarily, for the F 9 and the motorcycles) to be compiled and sent to the castle of Sandizell in Bavaria, which was owned by the Auto Union rally driver Count Sandizell, with whom Hahn was very good friends. Officially, this could only be done under the pretext of moving the documents to safety. Any other reason would have been punishable by death as defeatism and high treason. After all, the choice of location in Bavaria showed a relatively precise knowledge of the future zones of occupation, which could only be due to listening to enemy



transmitters. Everyone involved in this mission – and this was quite a number of people – knew perfectly well what it was all about and what Dr. Carl Hahn intended, and yet nobody denounced him.

Just a few months later, this course of action proved to be justified: the outcome of the war, with its political and territorial consequences, created completely different starting conditions. In any case, the promising development of DKW vehicles was cut short. For the time being, by bombs and grenades.

On the technical engineering side, the foundations of the brand's ascendancy, unparalleled in its time, were characterized by front-wheel drives and two-stroke engines. There can be no doubt that DKW was a pioneer of motor vehicle technology in these two areas, and certainly not only at the German level. The largest volumes of front-wheel drive passenger cars worldwide were developed and built with the DKW badge paired with the four rings. It was DKW that first built up comprehensive practical experience of this drive principle, which decades later would experience a boom all around the world. Around 500,000 motorcycles, over 250,000 passenger cars and more than 100,000 stationary engines adding up to a total of eight million horsepower had been manufactured under the DKW logo by 1945.

After around a decade of DKW automobile construction, the concept that was envisaged for the future showed clearly and unequivocally that the company's urge to innovate was concentrated on the engine, drive and body, i.e. the vehicle as a whole.

The DKW F9 was the only German car that had been developed as a completely new design in response to the VW and it ended up significantly surpassing its challenger in key ways. It was aligned differently in all the important assemblies:

- Two-stroke instead of four-stroke
- Engine at the front instead of the rear
- Front-wheel drive instead of rear-wheel drive
- Water cooling instead of oil/air cooling

However, with these design principles, Auto Union was banking on vehicle development that would meet the stringent demands of road traffic, but was completely unsuited to military requirements.

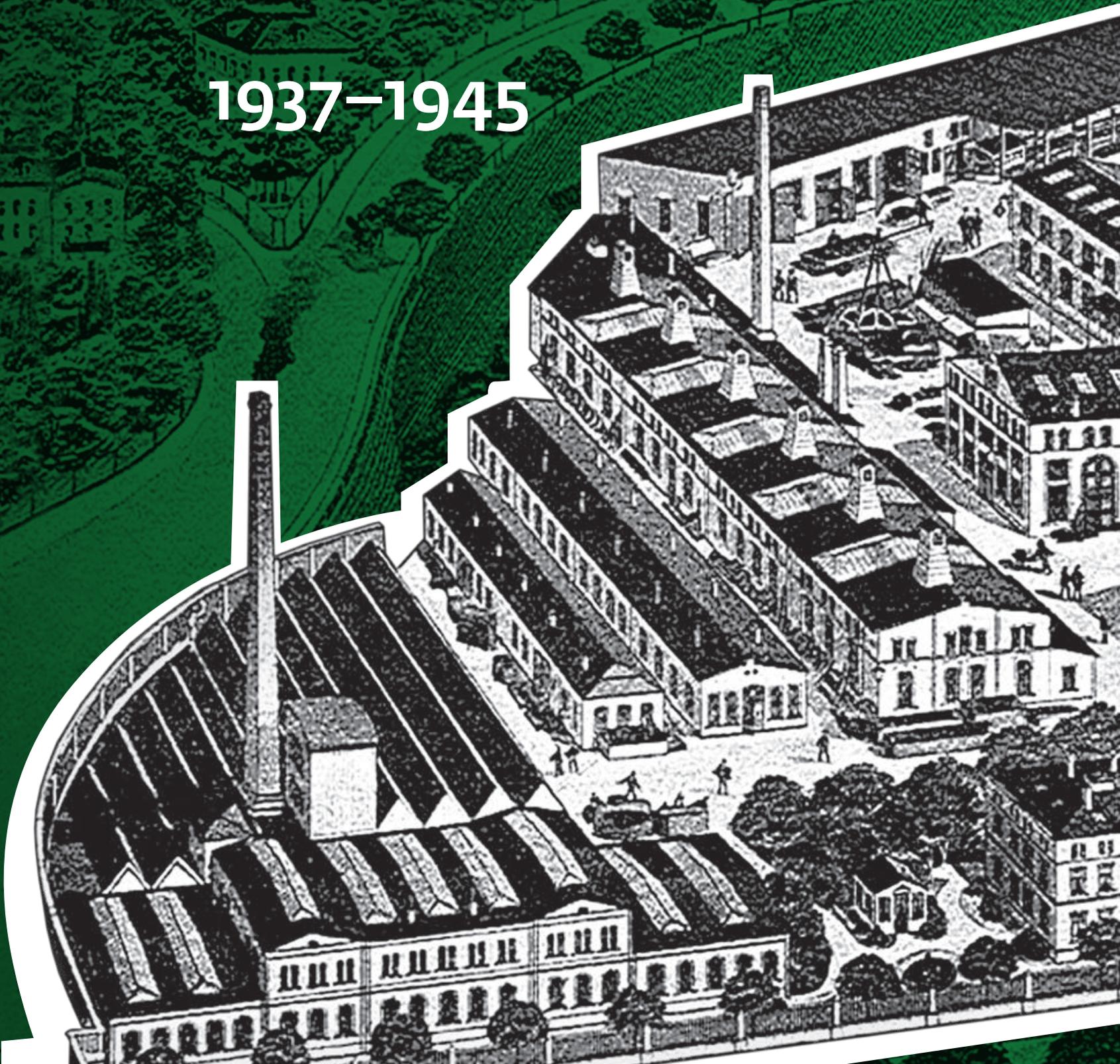
Undoubtedly, the intention to mass-produce these pace-setting motor vehicles also presupposed an equally highly developed state of technology that could simultaneously enable both mass production and high-quality production. Here, too, the benchmarks for that time were set in Chemnitz, Zschopau and Zwickau – benchmarks that applied far beyond the borders of Saxony.

Auto Union used so-called "reminder advertising" to try to maintain contact with civilian customers during the war. This advertisement from March 1943 speaks to a longing for peace and freedom. Shortly before this, Goebbels had called for "total war"



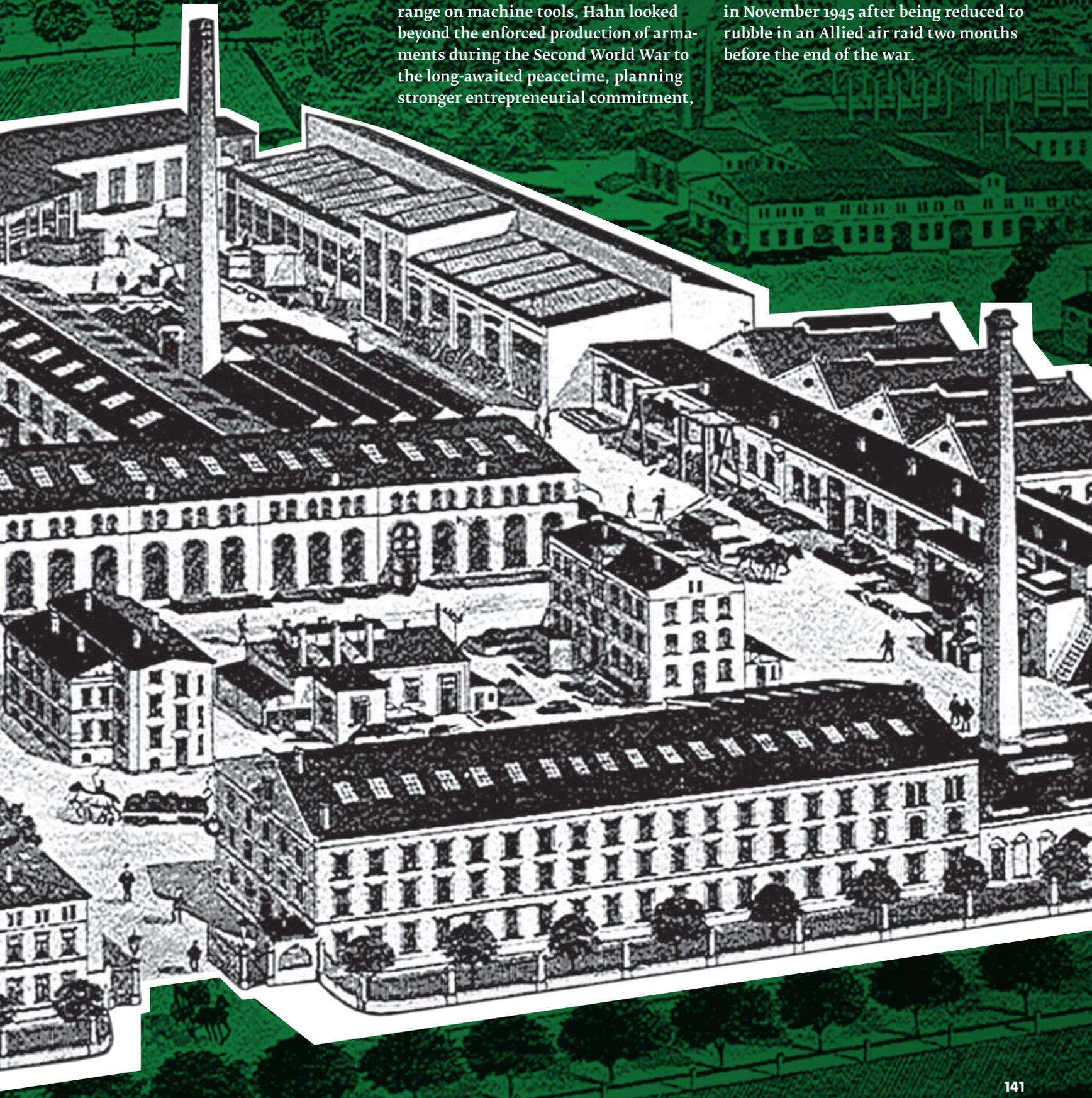
Carl Hahn and the “Germania” machine factory in Chemnitz

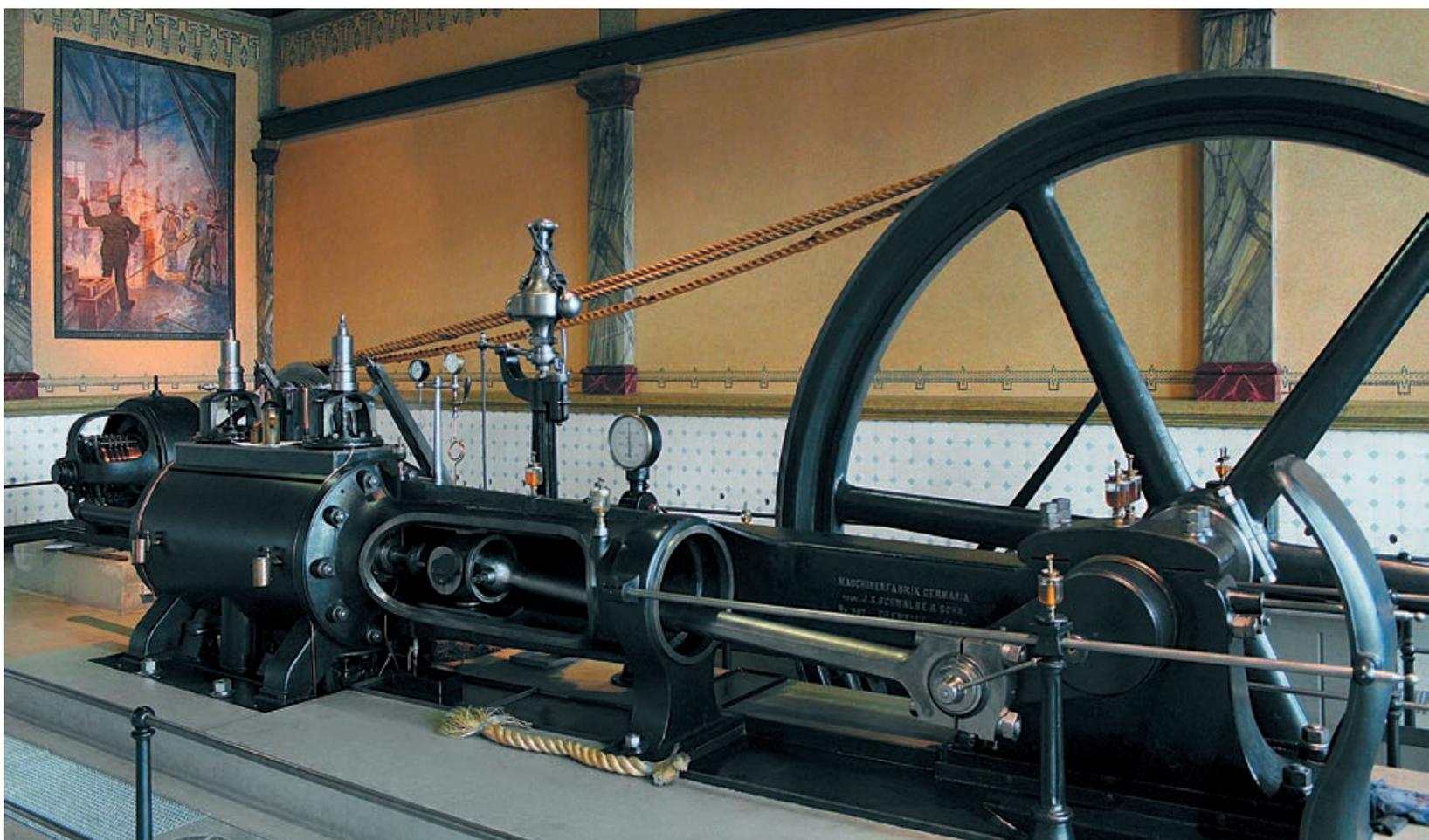
1937–1945



In 1937, Hahn became an entrepreneur himself when he was appointed to the supervisory board of Maschinenfabrik Germania. He consolidated its economic situation and concentrated its product range on machine tools. Hahn looked beyond the enforced production of armaments during the Second World War to the long-awaited peacetime, planning stronger entrepreneurial commitment,

with a relocation of the company headquarters and a housing program for employees. Hahn invested almost his entire personal fortune in Germania. It was lost when the factory was expropriated in November 1945 after being reduced to rubble in an Allied air raid two months before the end of the war.





Breweries and water wheels

1811–1937

In the general perception, Carl Hahn's work at Germania in Chemnitz lags far behind his work at DKW and Auto Union.¹ In many people's minds, he was and will always be "DKW Hahn," but hardly ever "Germania Hahn." Despite this, in the relatively short time he worked there, he made a formative contribution to the successful development of this mechanical engineering company.

Maschinenfabrik Germania was one of the oldest and one of the most important mechanical and plant engineering companies in Chemnitz, helping to shape the city's industrial profile for decades. The company traced its origins to Johann Samuel Schwalbe, who had already founded a company in Chemnitz in 1811, initially manufacturing cotton machines. The company had remained in family hands since that time, and in 1873 it was

converted into a joint-stock company called Maschinenfabrik Germania vorm. J. S. Schwalbe & Sohn. The main factory had been located on Fabrikstraße ("Factory Street") since 1854. In 1895, the company bought a piece of land in Altchemnitz in order to set up another site there.²

Maschinenfabrik Germania was a highly diversified company with a very broad and frequently changing production profile. This included spinning mills as well as the manufacturing of cotton machines. In the late 1850s, it also began producing machines for breweries and maltings. It set up entire breweries in Germany and many other countries. In 1870 production was expanded to include the construction of machines for mills and cement factories. In addition, a department for water wheels and turbines was added. In the 1880s, construction of ice and refrigeration

systems, e.g. for slaughterhouses, began. Steam engines, steam boilers and compressors were also manufactured. Facilities for wood grinding mills, absorbent cotton factories, cardboard factories and cellulose factories rounded out the production range. Thanks to this wide array, it was not difficult to sell off any unprofitable production areas, such as absorbent cotton wool manufacturing in 1920, the distillery facilities in 1926 and the turbine department in 1927, together with the manufacturing of woodworking machines and the facilities for cardboard and wood pulp factories. At the end of the 1920s, the effects of the Great Depression also became apparent at Germania.

Unfortunately, countermeasures proved unsuccessful. Thus, in 1930, it acquired from the bankrupt Sächsische Maschinenfabrik vorm. Richard Hartmann in Chemnitz (once a pioneer of Saxon me-



¹ The following statements are based on a text by Dr. Klaus Müller, Chemnitz.

² For the further development of the company, see Johann Samuel Schwalbe, *Chemnitzer Lebensbilder 9*, Verlag Heimatland Sachsen, Chemnitz, 2011, p. 7 et seq.

³ In the annual report for 1937, it was explicitly pointed out that the exclusive production of individual systems as operated to date would not enable the company to develop successfully.

⁴ All unpublished primary sources cited here are taken from the Germania files in the Saxon State Archives in Chemnitz.

⁵ See also StAC, 30984, Germania, no. 1789, unpubl.

⁶ See also *ibid.*

⁷ See also *ibid.*

⁸ See also *ibid.*, no. 1786, unpubl.

⁹ See also *ibid.*, no. 1614, unpubl.

Functional steam engine from Maschinenfabrik Germania from 1896 in today's Chemnitz Industrial Museum

chanical engineering) its steam engine division – a manufacturing sector facing declining demand due to the general trend towards electrification. In addition, it aspired to cooperate with other companies and participated in the formation of new enterprises. In 1929, for example, the Vereinigte Deutsche Kältemaschinenfabriken Borsig-Germania-Humboldt GmbH refrigeration company was founded, although this was dissolved again in 1931. The collaboration with Mühlenbau und Industrie AG (MIAG) in Braunschweig in the field of mechanical engineering for breweries, which began in 1937, also only had a short life, ending just one year later.

This constant change ended up destabilizing the internal structure of the company. Added to this, the very large production projects, such as equipping entire breweries, cement factories or large refrigeration systems for slaughterhouses,



Maschinenfabrik Germania with its main factory in Chemnitz, Fabrikstraße (left), and the branch in Altchemnitz, Schulstraße, around 1900

were always only individual orders with very high investment and upfront costs. It was not possible to make adequate profits from this.³ Losses rose steadily.⁴ As a result, the plant was in danger of going into liquidation in 1936/1937. Deliberations on how the company could survive as a profitable enterprise included reorganizing and changing the production program, but they also included the idea of changing the company management. One problem was that the supervisory board lacked experienced business representatives from Chemnitz and the surrounding area.

On the recommendation of Lord Mayor Schmidt, Dr. Richard Bruhn, the chairman of the Auto Union AG board in Chemnitz, was suggested as a member of the Germania supervisory board. And so, in a letter dated January 26, 1937, Dr. Johannes Krüger, a lawyer from Dresden and chairman of the supervisory board of Germania since 1930, offered Bruhn a seat on the supervisory board.⁵ Richard Bruhn declined the offer, referring to his already excessive workload, but specifically proposed his colleague on the Auto Union AG board, Dr. Carl Hahn. As Bruhn put it, Hahn was very familiar with conditions in the Chemnitz region and could certainly be of great use to Germania.⁶ Although there is no written evidence for the subsequent considerations, it is reasonable to assume that Bruhn wanted to offer his friend Hahn a personal opportunity here. After all, he probably knew very well that Carl Hahn's appointment as a full member of the Auto Union board of directors would encounter insurmountable difficulties, the origin of which could easily be traced back to the Nazi Gauleiter, Martin Mutschmann. The Gauleiter and Reichsstatthalter (Reich Governor), whom the Saxons had mockingly nicknamed "King Mu" because of his all-powerful airs, had always taken offense at Hahn's ties to the Catholic Church.

At that time, Hahn was evidently still unknown to the management of Germania. Krüger wrote to Hahn that same day. He thanked him for his willingness to work on the supervisory board and suggested

an initial meeting with him on the Germania premises. In his reply, Hahn stated that he would not be willing to work on the supervisory board without further consideration unless he could be certain that the banks and majority owners were willing to make something of Germania. He did not want to provide his assistance or his time and labor simply in order to string out the well-known difficulties at Germania and "keep on muddling through."⁷ At the annual general meeting of Maschinenfabrik Germania vorm. J. S. Schwalbe & Sohn on April 23, 1937, Dr. Carl Hahn was unanimously voted onto the supervisory board.⁸ Hahn attended his first meeting of the supervisory board on June 19, 1937 and advanced rapidly in the following years: deputy chairman of the supervisory board in 1939, acting chairman of the supervisory board in 1941, after which he was proposed and then elected chairman of the supervisory board on December 14, 1942.⁹

The trusting relationship between Dr. Krüger and Dr. Hahn was characterized in particular by a mutual understanding of factual issues and a constructive search for the best solutions to Germania's wide variety of problems. Above all, they often confronted each other with an almost ruthless frankness. Dr. Krüger was obviously also impressed by the fact that Hahn began to work intensively on consolidating Germania's economic situation immediately after his election to the supervisory board.

An independent field of activity

1937–1938

Hahn took up his position as a member of the supervisory board at Germania in 1937 during the acute crisis mentioned above, in which there was a real possibility that the company would be liquidated. A whole series of problems were coming to a head, and they required a quick solution. And Hahn immediately set to work. First, he tackled the problems that he felt were of existential importance for the company. Some of these will be discussed below.

Right from the start, Hahn aimed for close cooperation between Germania and Auto Union. At that time there were even suggestions to merge the two companies.¹⁰ However, this was not Hahn's intention and it was never realized. Instead, Hahn obviously wanted to take advantage of the de facto personal union between the Auto Union board of directors and the Germania supervisory board to achieve synergy effects. In particular, he wanted manufactured goods, especially machine tools, to be supplied to Auto Union by Germania. And the plan was later realized – with increasing success. In addition, Hahn planned the production of gas generators at Germania to be used for the manufacturing of wood gas-powered vehicles at Auto Union. This wood gas drive, one of Hahn's "pet ideas," and a particularly urgent one given the increasing scarcity of liquid fuels, was discussed in Germania for a long time, but it was ultimately not put into practice.

The Institute for Automotive Engineering at the Technical University of Dresden needed a deep-freeze system as soon as possible. Hahn arranged the delivery of a suitable system to the institute through Germania. In two letters from June and July 1942, the director of the institute, Prof. Dr. Robert Eberan von Eberhorst thanked Hahn and the board of directors of Germania for the quick processing of the order and the high quality of the plant.

With its help, it was possible to cool the cold room down to minus fifty degrees Celsius despite high summer outside temperatures. This enabled the university to carry out its low-temperature tests on engines for Auto Union as scheduled.¹¹

Hahn believed that one of his main tasks would be to consolidate Germania's economic situation. In his letter of April 27, 1937 to Dr. Krüger, summing up his first visit to Germania, he wrote: "... it naturally struck me immediately that the company is missing any article to which the term 'serial' production could apply."¹² Hahn saw the thread tapping machines that had been acquired from Alexanderwerke in Remscheid and the newly started production of turret lathes as an important step towards series production, and one which would need to be expanded to form the backbone of the company. The decision to start construction of thread tapping machines was reached at the supervisory board meeting on June 19, 1937. This was precisely the meeting that Hahn attended for the first time as a member of the supervisory board. The development of machine tool construction at Germania is thus very closely linked to Hahn's work.

In fact, the production of machine tools at Germania increased continuously. In 1939 and 1940, an average of twenty to forty turret lathes were manufactured each month, depending on the model. In 1941, machine tool production accounted for a third of Germania's total production, just as machine tool construction accounted for about a third of annual sales.¹³ A remarkable achievement in such a short period of just four years, and an achievement that also helped Germania become profitable again starting from the 1937 financial year. Among the customers for these machine tools were important companies such as the Still engine factory in Hamburg, Fichtel & Sachs in Schweinfurt,

the BMW aircraft engine works in Munich, the Junkers works in Dessau and the Steyr-Daimler-Puch works in Austria.

Another fundamental task that Carl Hahn had to perform for Germania was to transfer the Germania site on Fabrikstraße to the Schulstraße site, in consultation with the city of Chemnitz. On September 30, 1936, the city of Chemnitz served a notice of termination for the lease of part of the Germania property on Fabrikstraße, which the city needed for its own use from March 31, 1937. During financial difficulties in 1928, Germania had sold the property to the city and then immediately leased it back. As a result of the notice of termination, Germania found itself in a situation that threatened



its existence, as it had no functioning alternative options. And so Dr. Krüger pointed out that the termination of the rental agreement would force the company to go into liquidation and that around 450 employees would lose their jobs as a result.¹⁴ The Germania plant at the Schulstraße site was not in any kind of a condition that would allow production to be transferred there. In this precarious situation, Carl Hahn dedicated himself fully to the problem. In many letters to and personal conversations with the mayor of Chemnitz (from 1938, the lord mayor) Walter Schmidt, Hahn succeeded in 1937 in having the lease extended by another five years and thus postponing the termination until 1942. At the same time, he

pushed ahead with plans for the expansion of the Schulstraße branch¹⁵ and successfully arranged loans¹⁶ from the Saxon State Bank for this enlargement. The move to Schulstraße was partially completed; specifically, some of the machines were relocated. However, these efforts stalled during the initial stages and most building projects in Altchemnitz, especially the construction of the production rooms, had to be suspended due to the ongoing events of the war.

Thanks to Hahn's close ties to the city of Chemnitz, Germania received a major order in 1938 for boilers amounting to a value of around 350,000 Reichsmarks for the Chemnitz power station.¹⁷

The Germania branch on Schulstraße in Altchemnitz in the mid-1920s

¹⁰ See also *ibid.*, no. 1789, unp.

¹¹ See also *ibid.*, no. 1665, unp.

¹² *Ibid.*, no. 1789, unp.

¹³ See also *ibid.*, no. 1665, unp.

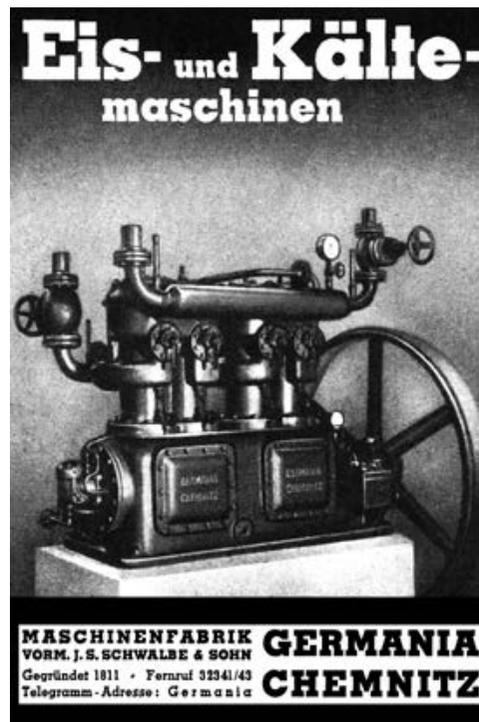
¹⁴ See also *ibid.*, no. 1783, unp.

¹⁵ See also *ibid.*, no. 1785 und 1786, unp.

¹⁶ See also *ibid.*, no. 1694, unp.

¹⁷ See also *ibid.*, no. 1786, unp.





A share in Maschinenfabrik Germania from 1942 bearing the signature of Carl Hahn as the chair of the supervisory board

Advertisements from 1938. In the 1930s, Germania had developed into a full-range supplier of industrial refrigeration systems

Between wartime economy and peacetime production

1939–1945

With the outbreak of war, Germania was also faced with the inevitable demand to manufacture weapons. For small and medium-sized companies, in particular, this was a matter of survival, since if they were excluded from this production, they always ran the risk – and this increased as the war progressed – of being closed down as inessential to the war effort and being absorbed by other large companies in order to increase production capacity. For this reason, in a letter dated March 6, 1940, Hahn wrote to Dr. Krüger that Germania would have to take on more armament orders if the company was to maintain its current capacity and also improve its standing as far as possible, especially in these rough times of war.¹⁸ During the first phase of the war, in the years 1939 and 1940 especially, he did so with considerable reluctance. As he saw it, and as he empha-

sized several times, civilian production should not be neglected in the process. And again and again he spoke of the imminent return to “post-war production” or “peacetime production.” In practice, Hahn brought this fundamental outlook – which also prevailed at the highest levels of Auto Union at that time¹⁹ – with him to Germania. This was evidently based on his conviction back then that the war would be brought to an end quickly. As he wrote to Krüger on July 6, 1940: “Peace is just around the corner.”²⁰ And on August 7, 1940: “Germany will be victorious. We are all convinced of this.”²¹ The progress of the campaign in the west seemed to prove him right. Hahn, like most of his contemporaries, could not imagine war lasting much longer, and he certainly could not imagine the completely different character of the peace that followed.

Originally, Germania did not manufacture armaments directly. From the outset, however, it supplied machine tools to the army high command for the tank program, but also to armaments companies such as Junkers and Mitteldeutsche Motorenwerke in Taucha. As the war dragged on and intensified, armaments production at Germania also became more extensive and varied. For example, grenades of various dimensions were manufactured for the army, compressors for jet fighters and rotating ring gun carriages for the air force, fans for bunkers and torpedo air tanks. Even entire submarine segments, which were then welded together to form complete submarine bodies in the shipyards, were manufactured here. In 1943 and 1944, thirty five percent of the machines at Germania were being used for war production, which made up fifty five

MASCHINENFABRIK GERMANIA

VORM. J. S. SCHWALBE & SOHN

1000 Reichsmark

№00100

AKTIE
UBER
TAUSEND REICHSMARK

Der Inhaber dieser Aktie ist mit dem Betrage von Tausend Reichsmark bei der Maschinenfabrik Germania vorm. J. S. Schwalbe & Sohn in Chemnitz nach Maßgabe des Gesellschaftsvertrages als Aktionär mit allen Rechten und Pflichten beteiligt. — Chemnitz, im November 1942.

MASCHINENFABRIK GERMANIA

VORM. J. S. SCHWALBE & SOHN

Der Aufsichtsrat

Der Vorstand



Eingetragen
im Aktienbuch Fol. 5

Lisch *W. Hahn* *H. Hauptendorfer*
Vorsitzer

Kontrolliert durch: *Gieseler*

Leipzig — GIESECKE & DEVRIENT — Berlin

percent of turnover during that period. This was well below the average for German industry.

The basis for the continued existence of a company in the conditions of the war economy depended on orders, on the allocation of materials and on the workforce. All of these vitally important influencing factors were dominated by government agencies and – especially after Minister of War Speer introduced the so-called “ring economy” – economic committees that had state authority. The latter were comprised of representatives of large companies, while managers of small and medium-sized companies could only in exceptional cases gain a foothold in order to influence the awarding of contracts and the allocation of materials. The allocation of workers was exclusively in the hands of the

labor offices and, later, the so-called plenipotentiaries – and ultimately also the SS. As the war progressed and the associated loss of skilled workers due to conscription became more acute, only women and foreign workers were provided.

Like others, the managers of Germania had to utilize the company’s full capacities to manufacture weapons and other military equipment. Like the rest of the business world, Hahn himself was firmly convinced that this action was correct.

This was the fundamental entrepreneurial position from which he also approached the problem of securing the workforce at Germania. As more and more of the highly-qualified specialists needed in the manufacturing of precision machine tools were conscripted into the army, the situation became progressively more difficult.

¹⁸ See also *ibid.*, no. 1778, unpag.

¹⁹ See also Martin Kukowski; Rudolf Boch, *Kriegswirtschaft und Arbeitseinsatz bei der Auto Union AG Chemnitz im Zweiten Weltkrieg*, Franz Steiner Verlag 2014, p. 469 et seq.

²⁰ StAC, 30984, Germania, no. 1785, unpag.

²¹ *Ibid.*

²² See also StAC, 30984, Germania, no. 1665, unpub.

²³ Ibid., no. 1664, unpub.

²⁴ Ibid., no. 1785, unpub.

²⁵ See also ibid., no. 1500, unpub.

²⁶ See also ibid., no. 1614, unpub.

The widening gaps could no longer be closed by the “loyal remaining workforce.”

In this situation, Carl Hahn wrote to the Chemnitz Armament Command in a letter dated January 9, 1942. In it he called for no further workers to be withdrawn from Germania in the future, otherwise it would no longer be possible to fulfill the armament assignments imposed on Germania.²² He also advocated for foreign workers to be assigned to Germania. He offered the board of Germania support for a “fresh supply” of French workers, he asked the lord mayor of Chemnitz for help in accommodating Polish workers and he was also in contact with the Chemnitz employment office requesting that foreign workers be assigned to Germania.

As a member of the supervisory board, caring for his employees was particularly important to Carl Hahn during these difficult times. In conversations, his sons, Carl Horst and Wolfgang describe incidents that characterize this attitude. On Sundays, after going to church and buying the Hungarian newspaper Pester Lloyd, his Sunday reading, as well as other newspapers for the foreign workers, father Hahn would regularly walk through the factory with his sons. They always visited the barrack camps on these occasions, and Hahn would talk to the foreign workers. He rarely gave them cigarettes. These were scarce, and he was a heavy smoker himself. Hahn also took care of their accommodation. Chemnitz was one of the few places in Germany where foreign workers were allowed to visit pubs and a swimming pool. As a former officer of the Imperial Austro-Hungarian army, Hahn senior was proficient in Hungarian and Czech, or could at least get by in them. His visits “set the tone” for the whole company.

Carl Hahn felt very strongly connected to Germania. He was extraordinarily ambitious in his professional life, and the company offered him a big new challenge. At Auto Union, he was “only” a deputy board member and “only” responsible for a special, albeit important, area: sales. At Germania, new professional challenges

opened up for him. In his work on the supervisory board, he had overall responsibility for the company’s development. Here, he was jointly responsible for the company’s strategic orientation and had to manage global company processes. Although Hahn only worked for Germania for a relatively short period of time (eight years) compared to his time at DKW and Auto Union, he made a significant contribution to the successful development of the company from the time he joined the supervisory board in 1937. Hahn apparently saw it that way too, in his own, self-confident way. In his – thoroughly realistic – judgment, Germania only started to improve in 1937 “after I took hold of the reins.”²³ What was particularly remarkable about this self-perception, however, was that Carl Hahn – a member and later chairman of the supervisory board – was performing work and functions that should more properly be ascribed to a chief executive!

It was something of a personal tragedy for Hahn that, just as he was rising from board member to chairman of the supervisory board at Germania and gaining responsibility for fundamental problems in these roles, the general conditions for solving those problems continued to deteriorate. As a result, important tasks such as the company’s move to Altchemnitz and the construction of housing for employees, which Hahn had planned very intensively, could no longer be carried out.

His strong bond with the company is clear from a confidential letter Hahn sent on August 12, 1940. In it he wrote, among other things: “If Germania were mine and I found a job that would give me half a million more, then I would take that half million and accelerate the expansion [of Germania] accordingly.”²⁴

After all the ups and downs he had experienced with Rasmussen and at Auto Union over the past two decades, Carl Hahn apparently saw more and more opportunities in Germania to put his entrepreneurial, social and management philosophies into practice, through the war and beyond. With this in mind, Carl Hahn

The expropriation
certificate of July 1, 1948

continued to invest most of his private assets in Germania over these years.

Hahn chaired a supervisory board meeting of Germania for the last time on November 28, 1944. When Chemnitz was carpet-bombed by the Allies two months before the end of the war, the old Germania factory on Fabrikstraße and the old city center of Chemnitz were completely destroyed.

Even after he fled Chemnitz in 1945, heading towards Auerbach in what was then still American-occupied territory, Hahn was still involved with Germania. In a letter dated May 24, 1945 to the supervisory board member Max Schierig, director of the Chemnitz branch of the Saxon Bank, he asked him to take care of Germania and set up a peacetime production program.²⁵

The first meeting of the Germania supervisory board after the war took place on June 18, 1945. Neither at this nor at any of the subsequent supervisory board meetings was Carl Hahn formally voted off the supervisory board. At the supervisory board meeting on December 4, 1945, it was announced that the assets of Germania had been confiscated by the state administration of Saxony on November 28, 1945 and a trustee had been appointed.²⁶

With that, Hahn’s fortune was irretrievably lost.



LANDESREGIERUNG SACHSEN

An Firma Maschinenfabr. Germania vorm. J.S. Schwalbe & Sohn
Chemnitz, Fabrikstraße 7

Die Enteignung Ihres auf Grund des Befehls Nr.124 des Obersten Chefs der Sowjetischen Militär-Administration in Deutschland vom 30. Oktober 1945 beschlagnahmten Betriebsvermögens der Firma

Maschinenfabr. Germania vorm. J.S. Schwalbe & Sohn, Chemnitz

ist durch den Befehl Nr. 64 des Obersten Chefs der Sowjetischen Militär-Administration in Deutschland vom 17. April 1948 bestätigt und damit rechtskräftig geworden.

Dresden, den 1. Juli 1948

Landesregierung Sachsen

Seydewitz
Ministerpräsident

v. Kellermann
Minister des Innern



Urk.-Nr. 1899 *

Lfd. Nr. 49 Kr. Chemnitz-Stadt
1899

The fall was precipitous. Auto Union in Chemnitz was dismantled, its employees were dismissed and the company was deleted from the commercial register. The once proud flagship of Saxon automobile construction had disappeared from the map. It no longer existed as a place for employees and management to work and act. Carl Hahn was also left with nothing. After a circuitous escape to the west, he had managed to rescue a small bag of silver five-mark pieces and,

most importantly, his family. Gradually recovering their strength and, with fresh courage and an undiminished, dynamic entrepreneurial self-image, Bruhn and Hahn set about reviving Auto Union. They searched out important allies and partners, organized orders, remembered their old and very loyal dealership, pooled their strengths until finally the time had come:

DKW was back!

It was a long and sometimes painful road that led them from there into the following decades. Hahn played a dedicated part in the problematic growth of Auto Union – once again based on DKW – and suffered from it, without the solace of reaching safe shores.

Hahn and his path were initially shaped by a commitment to the two-stroke engine, to familiar companions and, above all, to the goal of taking the Four Rings back to the top.



Ingolstadt and Düsseldorf

DKW Hahn and the rebirth of the Four Rings

1945–1957



Hastily patched up administration building of the Auto Union branch in Berlin, Cicerostraße, 1945



Destroyed repair hall of the Auto Union branch in Berlin, end of the war, 1945



New beginnings in West Germany

1945–1948

“Give me ten years and you will no longer recognize Germany.” In 1945, Hitler’s prophecy was fulfilled in the most terrible of ways. The world mourned over fifty million deaths. Wherever the war had raged, it left desolate and ruined landscapes behind. Germany’s cities were also destroyed, its industry was buried under rubble and its people were in despair. Six million of them did not live to see the end of the war. The war had made no distinction between the innocent and guilty, killing even women and children. The male population of Germany was terribly depleted: of those aged thirty and under, only one in four came home.¹ People had died at the front, in the hail of bombs, in prison and internment camps, and under

the Nazi regime of terror. Of the approximately half a million Jews living in Germany in 1933 – people who had significantly shaped the intellectual life of the country – fewer than fifteen thousand were left in 1945. Millions of refugees roamed the country, expelled from the homelands that Germany had lost to the victors in its murderous gamble, or that were awarded to the Poles as a substitute for the consequences of the Soviets shifting their border westward.

After the smoke and debris cleared and desperation gave way to considerations of how best to survive, life began to stir again. Machines were dug out of the rubble, wheels began to roll on roads and rails again, here and there the chimneys

began to belch out smoke again. Production of the immediate essentials started up. Much of this produce was traded on black markets that were tolerated by the authorities: grist mills and handcarts, potato hoes and saucepans. Cardinal Frings, the archbishop of Cologne, granted absolution for “stealing coal,” an activity that then became popularly known as “Fringsing.” In the automotive industry, vehicle repair was the primary concern. However, nothing happened without official permission and unless expressly ordered by the occupying powers. Little by little, concessions were made. As early as 1945, new automobiles were being manufactured again at VW in Wolfsburg and at BMW in Eisenach.



Even if the workshops in which motor vehicles had been assembled in the past remained at least partially usable, this branch of industry was hit hard in the post-war years. The Potsdam Agreement, the peace document that ended World War II, laid down the German people's obligation to make reparations. In summary, this meant – as after the First World War – payments in money, assets and contributions in kind, and manpower. This included not only the assumption of the occupation costs and the confiscation of German assets abroad, the dismantling of entire factories, delivery of goods that had just been produced to the victors, but also labor, for example, in the dismantling of railway tracks and machines, as

well as the transfer of intellectual property, such as engineering designs, patents, patented processes and more.

The Soviet Union had suffered the greatest damage to machinery and facilities on its territory, and, above all, twenty million of its citizens had died. The Potsdam Conference assigned the USSR the Soviet Zone of Occupation (SBZ) to satisfy its claims. It later turned out that this zone would also have to meet the demands of Poland. The consequence of this meant a stringent exploitation of everything that could be extracted. And so, around 2,400 companies in this part of Germany were completely dismantled. Quite a few businessmen died in labor camps, and some concentration camps were reopened.

¹All unpublished primary sources cited here are taken from the files in the Auto Union archive at AUDI Tradition in Ingolstadt.

Ingolstadt



Inner courtyard of the former army provisions office with the army bakery on Schrankenstraße in Ingolstadt – from December 1945 the central depot for Auto Union spare parts and the nucleus of what became Auto Union GmbH

Soviet occupation costs between 1945 and 1953 reached seventeen billion East German marks, which corresponded to about a quarter of tax revenue. In addition, industrial products amounting to a similar value – fifteen billion marks – had to be delivered as reparations.

Trophy-hunting units of the Red Army

roamed the country. They were primarily after booty they could carry off at short notice, which meant a very wide range of factory equipment, works of art, automobiles, furniture, antiques and more. These units had to gather as much as possible in the shortest possible time, because their haul was initially





View of the central depot with its wooden storage shelves, 1946



not credited to the reparations account. With the exception of the BMW plant in Eisenach, this affected all motor vehicle manufacturers and most of their suppliers. In many cases, as factories that had produced nothing but armaments, they were exclusively subordinated to the occupying power. Their buildings were to be completely emptied and handed over to the occupying power in preparation for demolition.

As with all the other companies subject to dismantling, all employees at Auto Union had to be laid off. But first, the companies had to organize the stripping of their operating facilities themselves, watch the complete expropriation without objection, and finally acknowledge the company's deletion from the commercial register as an expression of the liquidation. On the orders of the occupying powers, the expropriation was carried out by the state governments, but their powers ended at the borders of the Soviet occupation zone.

And so the Auto Union site in Berlin Spandau remained unaffected, although it was not suitable for the production of complete automobiles. The Auto Union branches in the west were commercial facilities for sales and customer service, so they were also completely unsuitable for vehicle manufacture. The Auto Union management team had scattered to the four winds. Two of them, Dr. Bruhn and

Dr. Hahn, had fled south, assuming that this would be the best place to revive Auto Union. Hahn and Bruhn met up in July 1945 – after having been on the road from place to place for weeks – in Munich, more precisely in the Auto Union AG branch there. Bruhn stayed in the city with relatives for a short time. They were joined by

- Karl Schittenhelm, former engineer in the central testing and central chassis testing departments in Chemnitz,
- Erhard Burghalter, formerly head of the Stettin branch, and
- Oswald Heckel, Auto Union's representative and general agent in Sofia, Bulgaria.

Whereas Karl Schittenhelm had extensive technical knowledge and was also very well acquainted with sources and procurement options for spare parts, Burghalter and Heckel had strong sales experience and, furthermore, good relations with the Bavarian State Bank. Its president finally agreed to a loan, and, in the absence of any material assets, he arranged for Dr. Hahn and Dr. Bruhn to be personally liable for it. The two men were, in fact, penniless refugees who now had to take risks that no millionaire would have dreamed of taking before the war. Ingolstadt was chosen as the location for the planned spare parts depot, although it only ended up there by chance. It was Oswald Heckel who first found a connection to the city.

On the run, and after several detours, he abandoned his original destination, Munich, due to the heavy destruction there and headed to nearby Ingolstadt instead, which had barely suffered any damage. Once there, he found the Auto Union dealer Brod, who offered him accommodation. The location was ideal: the city was conveniently located midway between the Auto Union branches in Munich and Nuremberg, and there were substantial former sappers' barracks, which would no longer be in use for the foreseeable future, offering plenty of space for the storage and production of spare parts. And, naturally, the city leaders also supported the project. After the collapse, the military would no longer play a role as an "economic factor" and the only other industry in the former fortress city and sapper garrison town was a spinning machine factory and a railway repair facility. Carl Hahn always supported the choice of this city as Auto Union's second home; he had been particularly fond of it in the past with its magnificent churches and monuments.

Like every sector of the economy, the automotive industry found itself in a precarious situation in these post-war years. This was not simply a matter of the widespread destruction; specific difficulties also included the division of Germany into four zones, effective since July 12, 1945, and the subsequent dissolution of traditional supplier relationships and the establishment of new administrative authorities. In the US zone, the economy was primarily shaped by the Morgenthau Doctrine until about 1947, according to which Germany was to be permanently restored to an agrarian state. Partly due to these intentions, but also as a necessary reaction to extreme shortages, the economy was initially restricted by limited quotas for material allocations. Germany already had years of bitter experience in dealing with shortages of this kind. In the motor vehicle industry, only mopeds up to 60 cc were allowed to be manufactured without a raw material quota: larger machines required proof of the allocated quantities of raw materials.

As a result, miniature versions of motorcycles began to be built everywhere. In Zschopau, too, DKW's chief designer, senior engineer Hermann Weber,² at Carl Hahn's suggestion, designed a one-cylinder, two-stroke midget with a displacement of 60 cc, but – in the vein of old DKW traditions – with a charge pump. At Hahn's invitation, Weber brought the construction drawings to Düsseldorf, during a spontaneous and adventurous brief visit to Hahn's home at Cäcilienallee 23. However, the material allocations soon became much more generous, making these workarounds superfluous, and series production never started up. Shortly after meeting Hahn in Düsseldorf and returning to Zschopau, Weber and his family, like many of his DKW colleagues, were forcibly relocated to the Soviet Union. They ended up playing a key role in setting up a motorcycle factory based on DKW. Weber earned great recognition there. After his death due to illness in 1948, the Russians arranged for his body to be transferred to Zschopau as a sign of respect.

The Allies did not regulate the production of spare parts for cars, as they themselves had an interest in maintaining a certain basic supply in post-war Germany. After the American occupation forces had given their permission, the Zentraldepot für Auto Union Ersatzteile, Ingolstadt, GmbH (Central Depot for Auto Union Spare Parts) was founded on December 19, 1945. Crucially, this permission not only covered storage and distribution, it also extended to the manufacture of parts and assemblies. By this time, Bruhn and Hahn were no longer in Munich. Hahn had – as previously mentioned – already moved to the British zone of occupation, and Bruhn was on his way to his parents' house in Fleckeby in northern Germany. There, he was arrested in November 1945 for his role in the wartime economy and put in an internment camp for fifteen months.

By contrast, William Werner, born in New York as the son of a German banker, was fetched from Chemnitz (which was already under occupation by the Soviets) in a US Army jeep and taken to US headquarters in Frankfurt am Main. He was

intensively involved there in a study of the effects of the Allied air raids on the German armaments industry. From there he moved first to Oldenburg, before later settling in Holland.

The central depot was housed in a building attached to the former army bakery in Ingolstadt at Schrankenstraße 3, which had previously been the headquarters of the army provisions office. To this day, a commemorative plaque serves as a reminder of this, although it has now been renewed, omitting the names of Bruhn and Hahn. The building was large, it was standing empty and it was ideally suited for storage purposes. Business got off to a great start, as the approximately sixty thousand DKW automobiles still in use on the roads in the western zones of occupation urgently required spare parts. Added to this were the countless DKW motorcycles and numerous Wanderer vehicles, but also Audi and Horch automobiles. As early as 1946, the depot registered sales of two and a half million Reichsmarks.

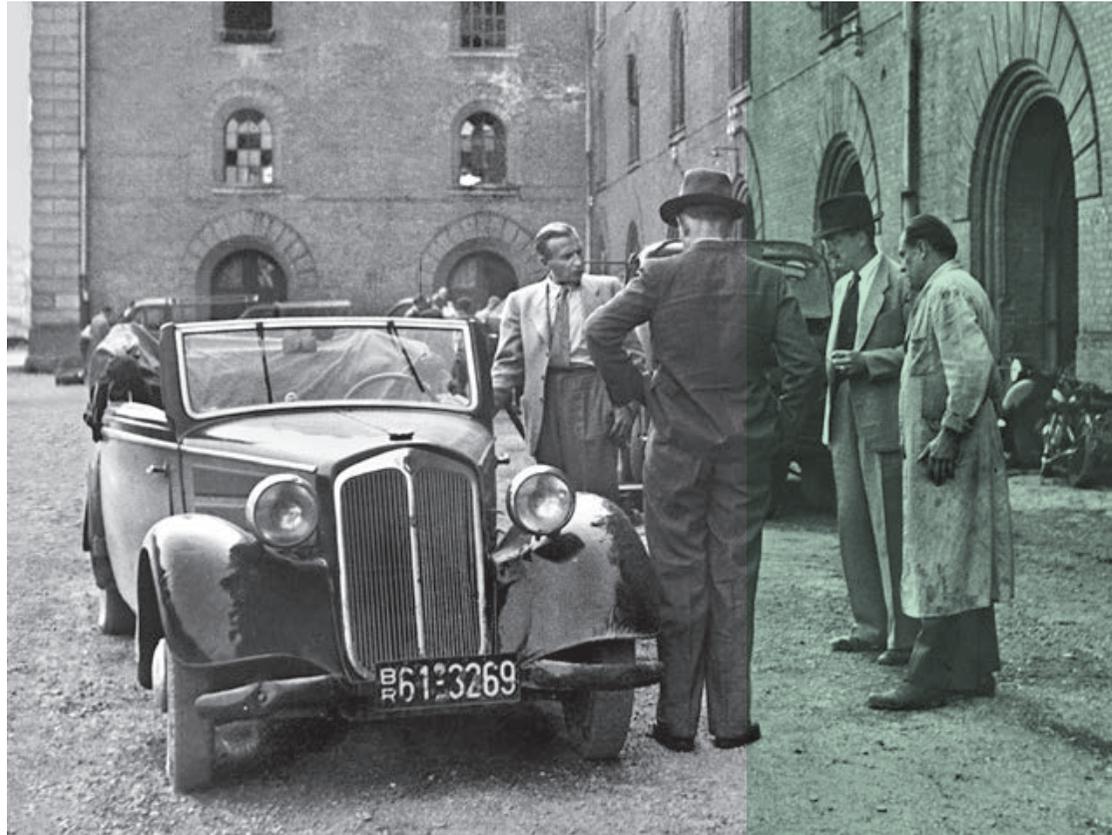
As small and makeshift as the company was, it nevertheless sent out signals back to its old homeland, where they were decoded as signs of life for Auto Union. Gradually, former employees from the Saxon headquarters of Auto Union also made their way to Bavaria and were happy to find another job in Ingolstadt. The times were hard for people, events were marked by tenacity and deprivation, but also happy coincidences and risks – as is vividly testified in a report³ written by Auto Union's test manager, Werner Geite:

After 1945, there were around 60,000 pre-war DKW automobiles in the western occupation zones. Shown here: a DKW F 8 at Marienplatz in Munich



² Weber was the designer of what were probably the most copied motorcycles in the world, starting with the first DKW motorcycle, right through to the RT 125, NZ 250, NZ 350 and finally the NZ 500.

³ Cited in Etzold, p. 31 et seq.



Hanns Schüler (left) with a DKW F 8 convertible in front of the former arsenal in Ingolstadt, 1949



Werner Geite (center, in white coat) speaking to the workforce on the occasion of the ADAC trip around Germany in June 1950

Fritz Zerbst, former technical director at the Horch works in Zwickau, giving a speech to mark completion of the 1,000th DKW F 89 L fast truck in Ingolstadt, February 14, 1950



Fritz Zerbst at the wheel of a DKW fast truck prototype in Ingolstadt, 1949

“On May 12, 1945, I walked from Plauen to Zwickau to see how things were going; because the Americans were already there ... but then the Russians came, I think in July. They said: ‘You no work no more, you Nazi.’ The communists wanted me out. But the chairman of the works council was an SPD [German Social Democratic Party, banned under the Nazis] man who said: ‘Geite, don’t let this drive you crazy, stay with your testing department, it’ll work out somehow.’ This went on until the spring of 1946. Then the word was: we want to rebuild, but there was nothing there. I asked my father in Rosenheim to get me a residency permit, because I didn’t see any future for me and my family in Zwickau.” On the shores of Lake Starnberg, on his way south, Geite bumped into Fritz Zerbst, former plant manager at Horch, who steered him towards Ingolstadt. From there he took many trips to supply spare

parts and assemblies, which also took him to Berlin. *“During my weeks in Berlin, I also drove to the old plant in Spandau and met my colleagues Schulz, Pinnau and Liske there. When I said to them: we’re starting up again in Ingolstadt – it was like a shock for them, like a sudden sunrise.”* Geite also remembered getting hold of old machine tools cheaply and repairing them on site themselves. *“The engines were screwed together by three or four men in the old arsenal on the first floor. Sometimes at night too, because there was no electricity during the day ... We had to sell them off every week, otherwise there would be no wages. The central depot was living from hand to mouth, the hourly wage was seventy six pfennigs. Everyone was glad just to have a job at all.”*

However, they still did not have any of the design documents they would need for series production. So, despite the pre-

cautionary measures that Hahn took as the end of the war was drawing near, his efforts had unfortunately proven to be in vain and they would have to start all over again from scratch. The Ingolstadt Auto Union dealer Max Brod came to the rescue. He got hold of an RT 125 and had it dismantled in his workshop in order to make construction drawings from it. These plans could then be used to arrange for manufacturing of parts. In a way, Max Brod was the original seed out of which the roots of Auto Union in Ingolstadt grew. In Geite’s words: *“By the way, Bruhn and Hahn lived with Brod for three months. The well-known Auto Union dealer gave them board and lodging so that they could quietly establish contacts with the Ingolstadt city administration. They sat around the kitchen table and made plans. Without a break. And the topic was always how to procure money and machines.”*

So Bruhn and Hahn were back in the game, and by this time, several other groups had also come together to breathe life back into Auto Union. For example, the chairman of the board of the Saxon Auto Union AG, Chemnitz (which was currently undergoing liquidation), Dr. Hanns Schüler had created the legal prerequisites for founding a subsidiary of Auto Union AG in Ingolstadt, to be tasked with issuing licenses and taking over Chemnitz Auto Union assets that were located in western Germany. This was a very important – in fact, a crucial – prerequisite for a new beginning!

When he was still at Sandizell, Carl Hahn had already made initial contact with Otto Wolf von Amerongen, a friend of Friedrich Carl von Oppenheim, through a salesman from Cologne named Morschbach, who had also found refuge there. Hahn first met the banker at his apartment in Cologne. Right from that first meeting, a relationship of genuine trust

spontaneously grew up between the two of them. The talks then continued after Richard Bruhn's arrival at Klosterstraße in Cologne in May 1948 – planting the seed of the new Auto Union. The next step was the founding of the Auto Union consortium by Bruhn, Hahn and von Oppenheim in Ingolstadt on June 13, 1948 with the aim of resuming vehicle production in the West.



Richard Bruhn and Carl Hahn in Bad Neuenahr, 1949

The Auto Union consortium in Ingolstadt (left to right): Helmut Keller, Karl Schittenhelm, Wolfgang Erdmann, Richard Bruhn, Hanns Schüler, Carl Hahn, Conrad Schulz, 1949



The former arsenal in Ingolstadt was the cradle of automobile construction in the city on the Danube. Presenting the DKW fast truck prototype F 89 L, 1949

The former military buildings in the old town of Ingolstadt became Auto Union's new home. Press presentation of the first post-war products, the DKW RT 125 W motorcycle and the F 89 L fast truck, May 1950



DKW customer service trucks leaving the factory, 1950

Supplying spare parts was the central issue in the early post-war years. DKW F 89 L panel van in front of the central depot in Ingolstadt, 1950



Engine production for spare parts supply in the former arsenal, 1948

After the currency reform in June 1948 and the liquidation of the Chemnitz parent company in August of the same year, the legal and ownership situation had to be clarified in the interests of commercial respectability, especially with regard to the banks. Making the company independent of its previous ties would finally ensure its continued existence.

The central depot marked the start of post-war industrialization for Ingolstadt, and the beginning of the region's ascent to become an important business location. Under the pressure of strong demand, the young company increasingly shifted over to producing car and motorcycle parts on site. Locksmiths, panel-beaters and

mechanics were hired. The number of employees increased steadily. They manufactured spare parts, set up a workshop for electrical components and finally managed to manufacture complete DKW engines. The employees of the former Chemnitz Auto Union proved highly adept at improvisation. There were shortages of everything. Drawing boards were fashioned out of washboards, ancient and discarded machines were restored. Multiple workers often shared a workbench, using tools that they had brought with them from home. There was an irrepressible will among all employees to rebuild the company.



⁴ Letter from Dr. Schüler to Richard Bruhn dated July 14, 1948.

The new Auto Union

1949–1950

For Richard Bruhn and Carl Hahn, the overriding task was to set up a new Auto Union on this basis. And now Baron Friedrich Carl von Oppenheim joined them as the third member of the team. As a banker, he was already on the supervisory board of Dresdner Bank in the 1930s, and from that time he knew the other two by name, but not personally. Carl Hahn later commented: *“The talks resulted in a promise from Baron Oppenheim to provide the two hundred to three hundred thousand needed to set up the planning, without a repayment schedule.”* The three of them had founded the aforementioned Auto Union consortium, with Bruhn and Hahn acting as spokesmen. Their clear goal was to create the necessary conditions

for production of DKW vehicles as quickly as possible. They were motivated by their commitment to the Auto Union tradition: *“Everything that has happened and everything that still has to happen has come about due to adversity and the collapse of our former Auto Union, and that’s why everything we do must also be aimed at ensuring the name, the brand and the opportunity for many thousands of people to work under the Four Rings badge in the west!”*⁴

The currency reform of June 20, 1948 had by now formed a reliable basis for the emergence of a market economy and free enterprise. As Economics Director of the Economic Council of the Anglo-American occupation zone (known as the bi-zone),

Ludwig Erhard was given the task of ending most of the central control and rationing regulations. Erhardt had already declared price fixing null and void without any Allied approval. A little later, the western occupation areas, which had meanwhile been expanded to form the tri-zone by merging with the French zone, came under the Marshall Plan’s remit. In December 1947, the US Congress passed the “European Recovery Program” (ERP), according to which fourteen European countries would receive economic aid totaling more than twelve billion dollars. Incidentally, the offer of aid was also extended to the states in the Soviet-occupied part of Central Europe, but it was rejected by their “protecting power,” the USSR.

In 1950, the Federal Republic of Germany became the successor to the western zones of occupation. Together, these factors laid the foundations for the Economic Miracle that followed. This is the name given to the unbelievably dynamic process by which Germany grew from nothing to become one of the strongest economies in Europe within just a few years. The US funds were deployed with the help of wise and far-sighted tax policies. Combined with the irrepressible will to rebuild and, above all, free from conditions, regulations and other restrictions, entrepreneurial initiatives formed the most important impetus for this almost impossible-seeming dynamism. Auto Union GmbH also received Marshall Plan funds and considerable amounts of aid money.

But to return to the company's founding in September 1949 on the initiative of the consortium mentioned above: their goal was to prepare a new production plant in the western zones while maintaining the old, proven tradition in terms of personnel, design and finances. One important way they achieved this was by building up contacts with specific key economic figures who would play a part in the reactivation of Auto Union as advocates and allies. Ludwig Erhard, for example, had already expressly confirmed that a future Auto Union could bank on government support. This was nothing less than an official confirmation that there would be a viable market for Auto Union. The Bavarian State Bank also wanted to help the company get back on its feet, and it promised two million Deutsche Marks as a long-term loan and an additional 1.7 million as a working capital loan. The Salomon Oppenheim bank took a nine hundred thousand mark stake in Auto Union's capital. Foreign capital, in the form of a group of Dutch investors, was also interested in investing several million in Auto Union. However, this would have meant that the promised funding from the federal and state governments and the city of Düsseldorf would not have been granted. In addition, this would have meant an overwhelming Dutch majority, and none of the other investors would have had a say, not to mention the fact that Bruhn and Hahn would no longer have had any influence on Auto Union, which they had worked

so hard to recreate. As a corrective, the Düsseldorf lawyer Walter Schmidt⁵ created a so-called multiple voting right system that enabled them to exert maximum influence on the company with a minimum investment of capital. Both Bruhn and Hahn each held two percent of the company capital. The other managing directors and the most important members of the management team (Zerbst, Schmolla, Hensel, Schulz, Ferber and Kratsch) held a further eight percent.

One of the most important figures in helping Auto Union GmbH get off the ground was the Swiss entrepreneur and wholesaler Ernst Göhner (1900–1971). Bruhn and Hahn had known him since the 1930s when Göhner started importing DKW cars, which he would also later manufacture under license. He founded Holzkarosserien AG in Zurich for this purpose – HOLKA AG for short – and it produced and sold over 1,600 DKW cars between 1935 and 1945. Göhner was a trained carpenter. At a young age, he had inherited his father's heavily indebted business and started to produce windows on a large, industrial scale. The company prospered and grew considerably. Its owner became one of the most important Swiss building contractors. His success was mainly due to the fact that he invested in social housing in Switzerland, but waived the subsidies on offer in order to be able to build more generously. He became one of the wealthiest people in Switzerland and ultimately left his company to his employees. Ernst

⁵ The lawyer Schmidt had already acted as legal advisor to the young company in Auto Union's early days in the west and provided fundamental expert opinions on the company's legal situation, on the basis of which Auto Union was able to take its first steps on a safe juridical footing. Etzold, p. 67.



The Swiss entrepreneur Ernst Gohner giving a speech to mark Carl Hahn's 60th birthday, March 1954

Gohner was the archetype of the idealistic entrepreneur. The office complex he initiated and built in 1950, the Claridenhof in Zurich, was often cited by Zurich professors at the time as an example of megalomania, yet it turned into his first major success. It still towers high above Zurich city center from its prime location. Gohner was also a very far-sighted businessman. So he seized the moment after the currency reform and bought the Deutsche Marks that the French delivered by the truckload to the Zurich stock exchange as “escrow marks” for investment purposes in Germany, initially at a rate of 0.15 SFR for each DM. This enabled him to invest more in the share capital of Auto Union GmbH than Bankhaus Oppenheim had invested. He became one of the main shareholders in the young company.

And so, on September 3, 1949, the “new” Auto Union GmbH was established again at Schrammenstraße 3 in Ingolstadt with a share capital of three million marks. Dr. Richard Bruhn became managing director, with Dr. Carl Hahn as his deputy. The management team was supplemented by Paul Günther, the former commercial director of the Horch plant, Dr. Hanns Schüler, and the former Horch plant manager Fritz Zerbst. Friedrich Carl von Oppenheim became chairman of the supervisory board and, as a gesture of solidarity, a seat was also offered to the pioneering engineer August Horch, who made his presence known at all important events.



The former Horch designer Kurt Schwenk was also the father of the DKW fast truck. Shown here: a prototype of the pick-up truck, 1949



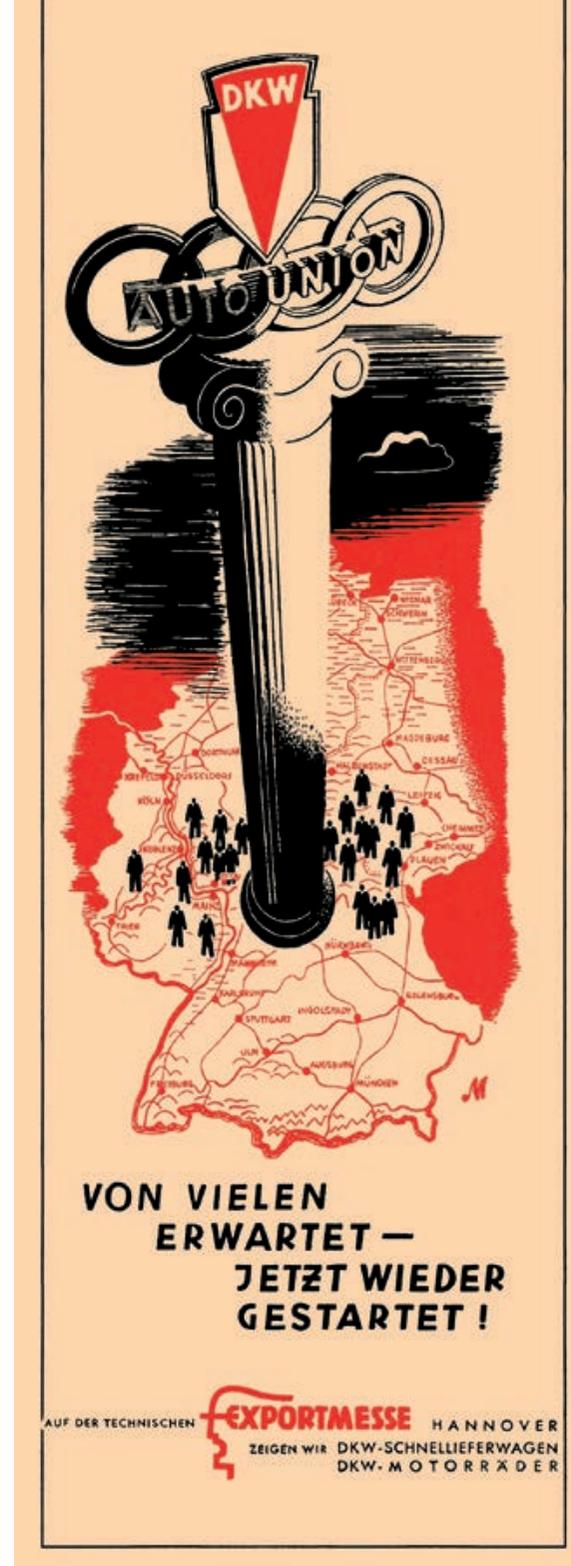
Prototype of the DKW fast truck on the ramp from the inner courtyard of the arsenal to the street, 1949

The founding of this production company marks the actual restarting of Auto Union's history. Now, with the support of most of the old staff, it was in a position to compete against its far larger, well established competitors in the West, and it had a real chance to succeed. Of all the car companies, Auto Union had the most difficult start. Development of the first post-war product to be sold bearing the four-rings badge had already begun under Fritz Zerbst at the Ingolstadt central depot. A small delivery van, known as the Schnellaster (fast truck), was created to meet the transport problems of the post-war period and to satisfy this demand effectively. Zerbst entrusted Kurt Schwenk with this task – he too was an old hand from old Auto Union, but not from the DKW school: he had worked as a designer at the former central design office of Auto Union, joining it from Horch. He had made his way west from Chemnitz. In the final years before the war, Schwenk was involved in the development of a forward-control truck for Auto Union in Chemnitz,⁶ even then sharing the view that this was the most modern design for vehicles with a payload of up to 1.5 t. His views had not changed over the course of the years. Schwenk

immediately got to work with a very clear objective in mind, making it a reality in the shortest possible time. The new DKW fast truck with front-wheel drive and two-cylinder two-stroke engine was presented to the public at the Hanover trade fair in 1949. It was designed as a forward-control truck and it was the first of its kind in this design, setting the trend for the entire delivery van segment. The dealers were enthusiastic, ordering and paying in cash immediately.

This truck and the DKW motorcycle RT 125 marked the new beginning: *DKW is back!* Dr. Carl Hahn looked back later: *“We started with the RT 125. We had lost everything, we had no drawings, no plans, we bought back an RT bike from pre-war production with the help of a DKW dealer in Regensburg, took it apart, recorded the dimensions and put it back together, looking its best.”*⁷

In a speech to the press in 1953, Hahn continued: *“Then we got stuck in. Let me tell you, we really got stuck in. Day and night. And we were happy to do so. We were confident, and in that first year, we already had a turnover of thirteen million marks. Thirteen million marks in 1949!”*



Auto Union advertisement for the technical export fair in Hanover, May 1949



Hahn also named the sources from which the company drew its strength and support at the time. First of all, he mentioned the trust placed in the company by its old suppliers, who made it possible to plan large series by accepting longer payment periods. *“But we still had a major source of goodwill, which was our loyal dealers throughout Germany. All the good, big and old DKW dealers stayed the course. I can say that over ninety percent of our old DKW dealers waited for us, at great economic sacrifice. And our customers, the DKW two-stroke community, who accepted everything we did, believing in DKW and*

*believing in the two-stroke engine. They were our strongest support. And so we were able to expand our production facilities from 1949 onwards.”*⁸

The buyers stormed the dealers’ shops, desperately needing vehicles again – especially useful ones – shelling out significant down payments in the process. The dealers then came to Ingolstadt and put the pressure on. And after all, they were waving cash around, which is something Auto Union needed more than others did. One or two dealers were even willing to offer the factory a reduction of their own margin in exchange for immediate delivery.

⁶ The complete set of drawings for the forward-control truck was available immediately before the outbreak of war. Although military high command rejected its subsequent inclusion in the production program, they commissioned prototypes, which performed very well. Given the changing war situation, high command now required air-cooled engines, which meant the (temporary) end of this technically progressive design.

⁷ Cited in Etzold, p. 77.

⁸ Etzold, p. 143



Lack of space was a constant issue during the period of reconstruction. Outdoor assembly of the DKW F 89 L fast truck on the Esplanade in Ingolstadt, 1950

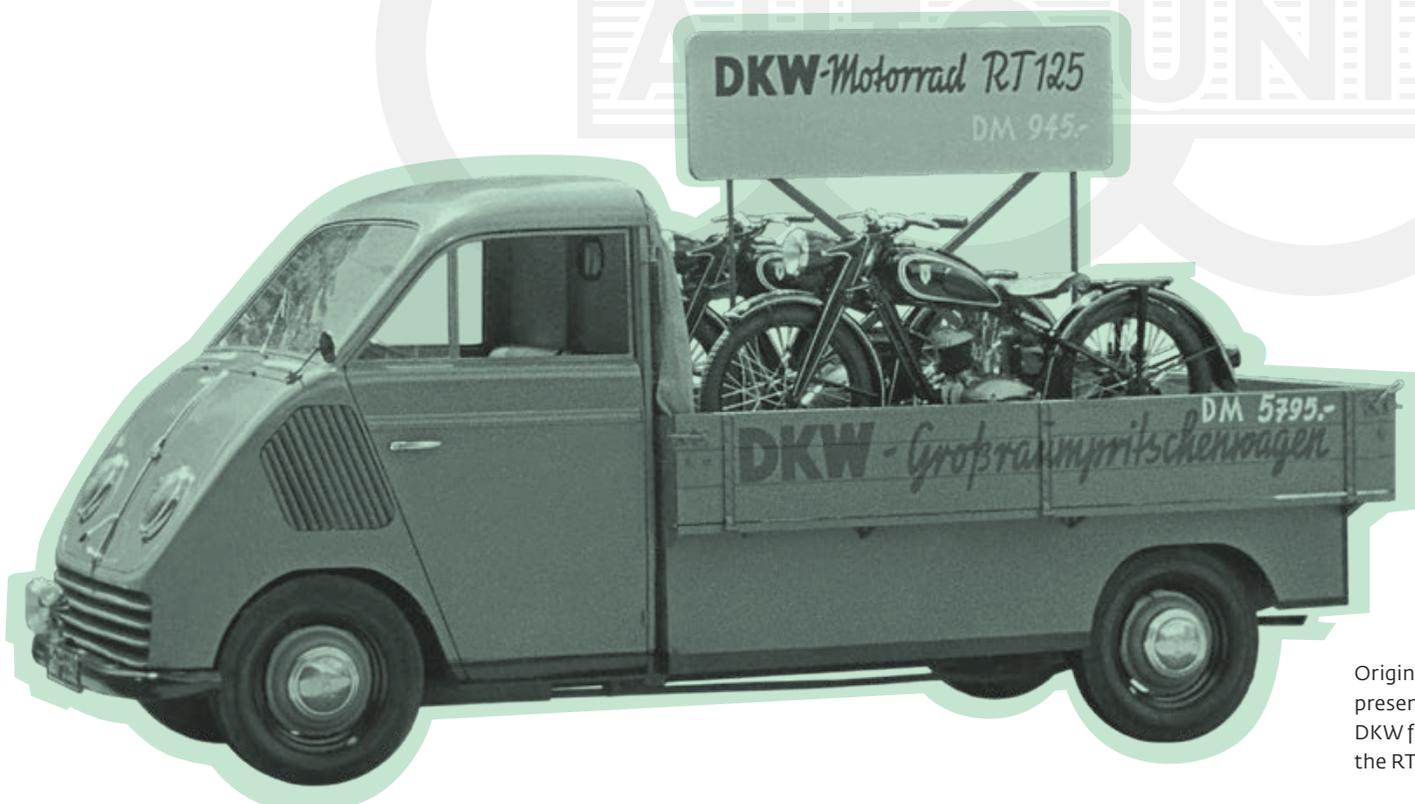


The cover of the brochure for the DKW F 89 L four-speed from May 1952 shows the skyline of Ingolstadt with the church of Our Lady and one of the city gates

production of the DKW fast truck F 89 L was started up in the Ingolstadt fortress casemates. Motorcycle production began in a former granary. By December 31, 1949, five hundred and four fast trucks and five hundred motorcycles had left the factory.

Carl Hahn knew from the start that Auto Union would also build passenger cars again. Production began in Düsseldorf in 1950, after Carl Hahn had completed all the extensive preparatory work, especially the search for suitable production halls – practically single-handedly and within a very short period of time. Key points in favor of this location included the subsidies promised by the state of North Rhine-Westphalia, the local labor market, which included many highly qualified skilled workers, and finally the convenient opportunity to take over a sufficiently large complex from the former Rheinmetall-Borsig armaments factory.

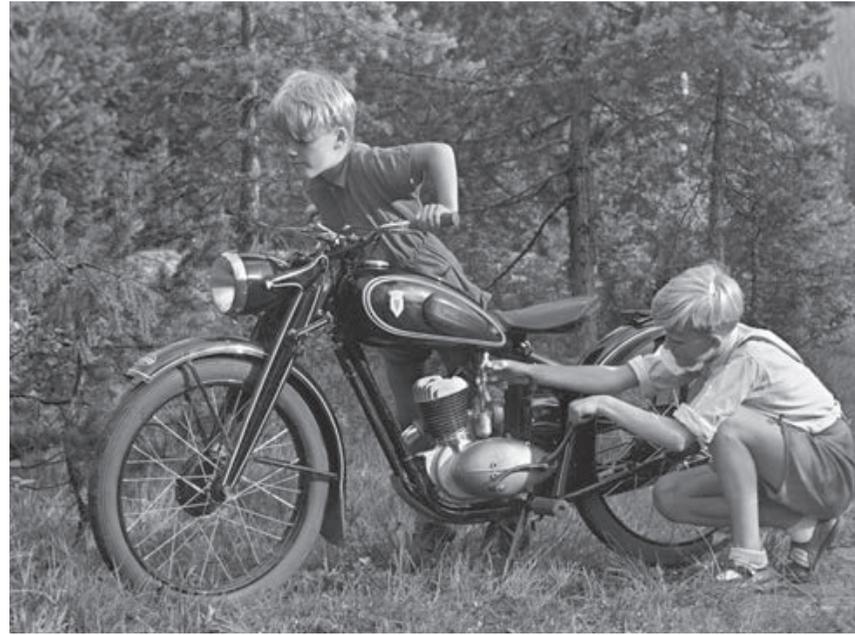
From the outset, the brand tradition and the simple product structuring meant that the new Auto Union was primarily identified with the old DKW brand. In 1949,



Original sales presentation of the DKW fast truck and the RT 125 W, 1950

The DKW RT125 W
continued the
Zschopau motorcycle
tradition in Ingolstadt

Cinema advertising
slide for the start
of sales of the DKW
RT125 W, 1949



Endlich!



DIE NEUE

DKW

RT 125 W

Press presentation of the new DKW Meisterklasse F 89 P in Ingolstadt (left to right): Richard Bruhn, Walter Ostwald (doyen of German motor journalists), August Horch, Carl Hahn, May 1950



The new Auto Union plant in Düsseldorf under construction. Shown here: a convertible version of the new DKW Meisterklasse F 89 P with Karmann body, 1950

In April 1950, Auto Union hired the first workers for the pilot series of the F 9 type, which dated back to before the war, and series production began in July. Since the three-cylinder engine was not yet ready for series production, the DKW was initially equipped with the two-cylinder engine under the type designation F 89 P. They had little choice in this, as after all, it was essential to keep the dealer network on board. The company couldn't afford its own press shop, so the sheet metal parts were initially purchased from Karmann in Osnabrück. The DKW convertible was also supplied by the same highly respected body maker. By the end of the year, 1,538 of these vehicles had been built! This was enough to put DKW at fifth place in the German registration statistics for 1950, behind VW, Opel, Mercedes and

The 1,000th DKW F 89 P rolled off the assembly line at the Düsseldorf plant on November 27, 1950



Ford – a position it maintained in the coming years. That said, there was a very large disparity between the companies, as can be seen: Volkswagen put more than 80,000 Beetles on the road in the same year and Opel manufactured almost 60,000 cars, with 34,000 Mercedes cars from Untertürkheim and 24,000 Ford cars from Cologne rounding out the statistics.

In those early days, however, there was one competitor that Auto Union defended itself against with particular vehemence: the introduction of IFA vehicles from East Germany was a major headache, because these sported exactly the same DKW trademark on the radiator. In 1950, a total of 165 complete IFA DKWs and 250 chassis were imported to West Germany, a significant number of them at a time

when there was not a single DKW passenger car from Düsseldorf. Although the cars from the East were only the familiar, pre-war F 8 with the two-cylinder two-stroke engine, there was nothing else available in Düsseldorf either. The company's legal advisor, Walter Schmidt, proposed suing dealers who sold these imported cars. In doing so, he relied primarily on the norm applicable in international law by which expropriation can only apply in the territory in which it was carried out – known as the principle of territoriality. For Auto Union, this applied to its properties in Saxony, whose state government had authorized the expropriation decision, which was therefore effective there and throughout the Soviet occupation zone: it did not, however, apply to Auto Union branches and production facilities in the

west. The complicated legal situation was also evident in the trademark dispute with a Swiss IFA importer, which ultimately led to the desired goal – the East German side desisted – but also ended in a settlement. Despite all this, the dispute became irrelevant after Auto Union GmbH began marketing more modern, more powerful and more reliable cars in much greater quantities than anything the eastern manufacturers could offer, plagued as they were by material and quality defects.

Ingolstadt and Düsseldorf

1950–1954

In the early 1950s, Auto Union's DKW production profile was based on the fast truck, motorcycles and passenger cars. The latter were assembled in Düsseldorf from August 1950, the former in Ingolstadt. This focus on two locations was primarily the result of funding from the Bavarian and North Rhine-Westphalian state governments. For precisely this reason, however, the situation could not easily be changed. Nevertheless, the intention always remained clear: the company headquarters would be relocated from Ingolstadt to Düsseldorf to be closer to the supplier industry.⁹ As the *Süddeutsche Zeitung* newspaper wrote: *"The bitterest pill for Ingolstadt is undoubtedly the decision to relocate the corporate administration from southern Germany to Düsseldorf over time. On this topic, one of Auto Union's executives said that the company's performance will be brought to a peak in both Ingolstadt and in Düsseldorf. There would be an ideal competition*

*between the two sites – but no jealousy and no envy."*¹⁰ No doubt that was the noble intention, but in reality the relationship between the two locations turned into a cut-throat competition, a struggle waged in particular by the two design offices. Overlapping areas of responsibility, rivalries and duplicate developments shaped the increasingly obvious duality between the two widely separated locations. On October 1, 1951, Karl Jenschke, formerly employed by Adler in Frankfurt, was hired as the head design engineer. His key tasks were to centralize policy-making and put an end to the company's misshapen structure. His remit would also include both motorcycles and trucks. However, Jenschke found himself working next to Kurt Schwenk, also a head designer and former employee of the Horch works. Both were ultimately subordinate to Fritz Zerbst, the former Horch plant manager.

Schwenk was already working on a successor to the current Meisterklasse

(still with a two-cylinder engine), to be given the code FX. He had already started on it back in Ingolstadt in 1949 with the stated aim of creating a simple and inexpensive new car with a 600-cc engine, a top speed of 90 km/h and a maximum weight of 700 kg. He called the prototype for this car the FX 3. Since it still did not meet all the requirements and the competition from Düsseldorf criticized the project heavily, Jenschke was now responsible for creating a parallel type (FX 4) so that two differently designed cars could be compared before a decision was made. On December 6, 1952, the two were put to the test against each other. Although the prototype that was finally presented by Jenschke was the subject of devastating criticism, Schwenk had to surrender his entire team of technicians to Jenschke's control and, for the sake of peace, was finally transferred to Düsseldorf, where he was appointed head of the passenger car development team.



Carl Hahn in his Düsseldorf office, December 1953

Auto Union factory in Düsseldorf, main office building, 1951

The DKW FX 3 had a four-door pontoon body and it was intended as the successor to the DKW F 91 Sonderklasse 3 = 6, Ingolstadt 1953

Between 1950 and 1953, multiple DKW convoys traveled to DKW dealerships in West Germany with the advertising message: "DKW is back"



⁹ Now the Daimler plant for light trucks.

¹⁰ *Süddeutsche Zeitung*, April 14, 1950.



Die

DKW

KOLONNE

Kommt





Carl Hahn and Richard Bruhn with German Chancellor Konrad Adenauer at the IAA in Frankfurt, April 1951

Auto Union trade fair stand at the IAA in Frankfurt. By this time, Auto Union had been able to add a few models to its DKW range, April 1951

Carl Hahn always supported the idea of competition and considered it fruitful and therefore important. Above all, he worked to complete the development processes that had already been initiated and vigorously opposed those voices grumbling about results that were considered premature. In other words, he was very familiar with the atmosphere at Auto Union, but felt unable to change anything about it. Nonetheless, he made every effort to make the best of things, always relying on his experience and his finely honed intuition for the market.

By now, the number of employees at both locations had grown significantly, with Ingolstadt in particular benefiting from the flood of people fleeing East Germany and the former German territories further east. In the first year of its existence, forty two percent of the 1,676 employees at Auto Union, i.e. almost half the workforce, were refugees.¹¹ The waves of migration within the German population that were triggered by the war and the post-war period were also associated with an exodus of companies. According to estimates, around eighty five percent of



¹¹ In 1955, at both Auto Union locations, i.e. Ingolstadt and Düsseldorf, 34 percent of the 10,957 employees were refugees, so more than 3,000 in absolute terms.

¹² See also Hefele, Peter: Die Verlagerung von Industrie- und Dienstleistungsunternehmen aus der SBZ/DDR nach Westdeutschland, Stuttgart 1998; von Hassel, Michael: Transfer der ehemaligen Auto Union AG, Chemnitz, nach Ingolstadt. Faktoren – Prozesse – Personen, diploma thesis, Eichstätt 2006, p. 45.

The DKW Meisterklasse F 89 P dominates the streets of Düsseldorf, Königsallee 1951



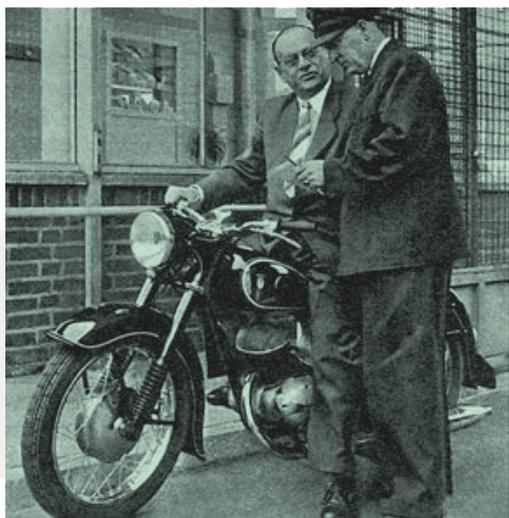
the approximately 300,000 companies in the Soviet occupation zone stayed put, of which around 11,000 were still privately run until 1972. Around 36,000 companies moved to the West. Even if most of them did not last in the long run – for a variety of reasons – this migration involved a considerable transfer of knowledge and experience. In 1995, 1,300 of these exiled companies were still in existence.¹² In the automobile industry, Auto Union was the only manufacturer to succeed in resurrecting and establishing lasting roots at a western location.

Spectacle amongst the rubble. The DKW convoy not only advertised the new Auto Union models, it also conveyed a sense of confidence during post-war reconstruction, as here in Hanover in 1952





In the fall of 1954, Auto Union entered the scooter business with the DKW Hobby. Carl Hahn on the Hobby scooter, 1955



Carl Hahn on a DKW RT 250 H at the factory gates in Düsseldorf, 1953

¹³ The name was suggested by Ilse Meyerhöfer, a colleague of Ludwig Hensel, in a letter dated March 16, 1954 to Dr. Carl Hahn. Auto Union archive, Dr. Hahn's correspondence.

Nikolaus Dörner was in charge of the motorcycles in Ingolstadt. The extraordinary success of the RT series, with the 125 soon being joined by the 200 and 250 RT models, can be traced back to Dörner, who mainly worked silently in the background. Together with Fritz Görke, he had also thought about a mobile future without the motorcycle, designing a four-wheeled scooter in response. In December 1952, the two of them presented their first draft, which was intended to meet the market trend towards very small models. It was to be powered by a 250-cc engine, have two seats and cost a maximum of 2,500 marks. To reduce its weight, it was to have a polyester-based synthetic cladding. The design was unsatisfactory, and the general move afterwards was towards a small car. In addition, the Ingolstadt design office was

working in parallel on developing a small scooter, a new engine for the fast truck and an off-road vehicle, which later became the DKW Munga and which would, it was hoped, be ordered in large quantities by the German army.

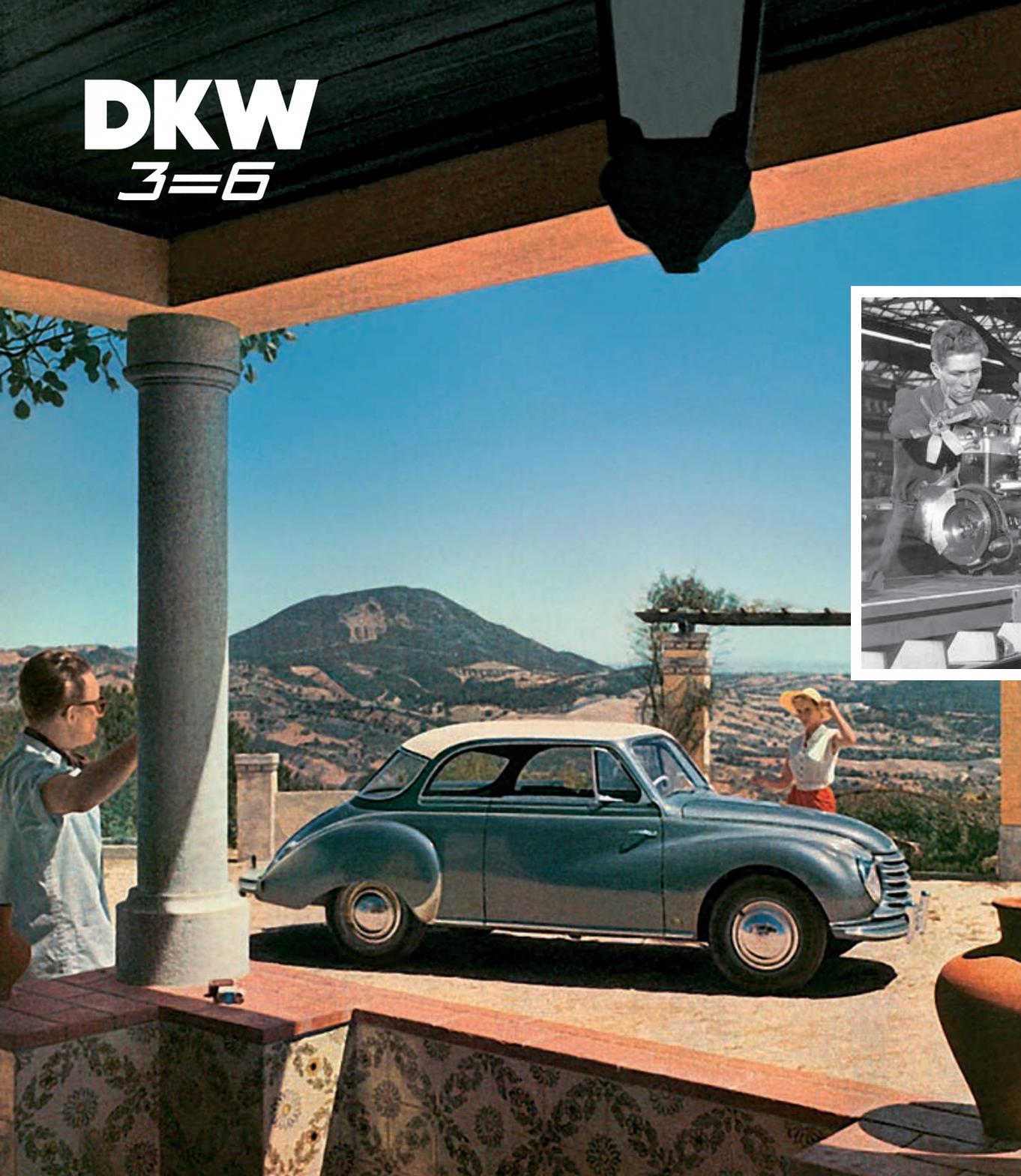
In Ingolstadt, the two-seater Hobby¹³ motor scooter with a 75-cc engine – the first scooter in the world with an automatic transmission – was actually completed and launched in 1954. In 1956, the 50-cc Hummel (“Bumblebee”) moped completed the range.

At first, the motorcycles were money makers for Auto Union. More than sixty thousand bikes per year (not including mopeds) made up the lion's share of turnover. In 1953, the motorcycle business alone generated a surplus of twelve million marks.



In 1955, the DKW two-wheeler range extended from Hobby scooters to the two-cylinder RT 350 S

DKW 3=6



Assembly line for the DKW three-cylinder engine in the Düsseldorf plant, 1954

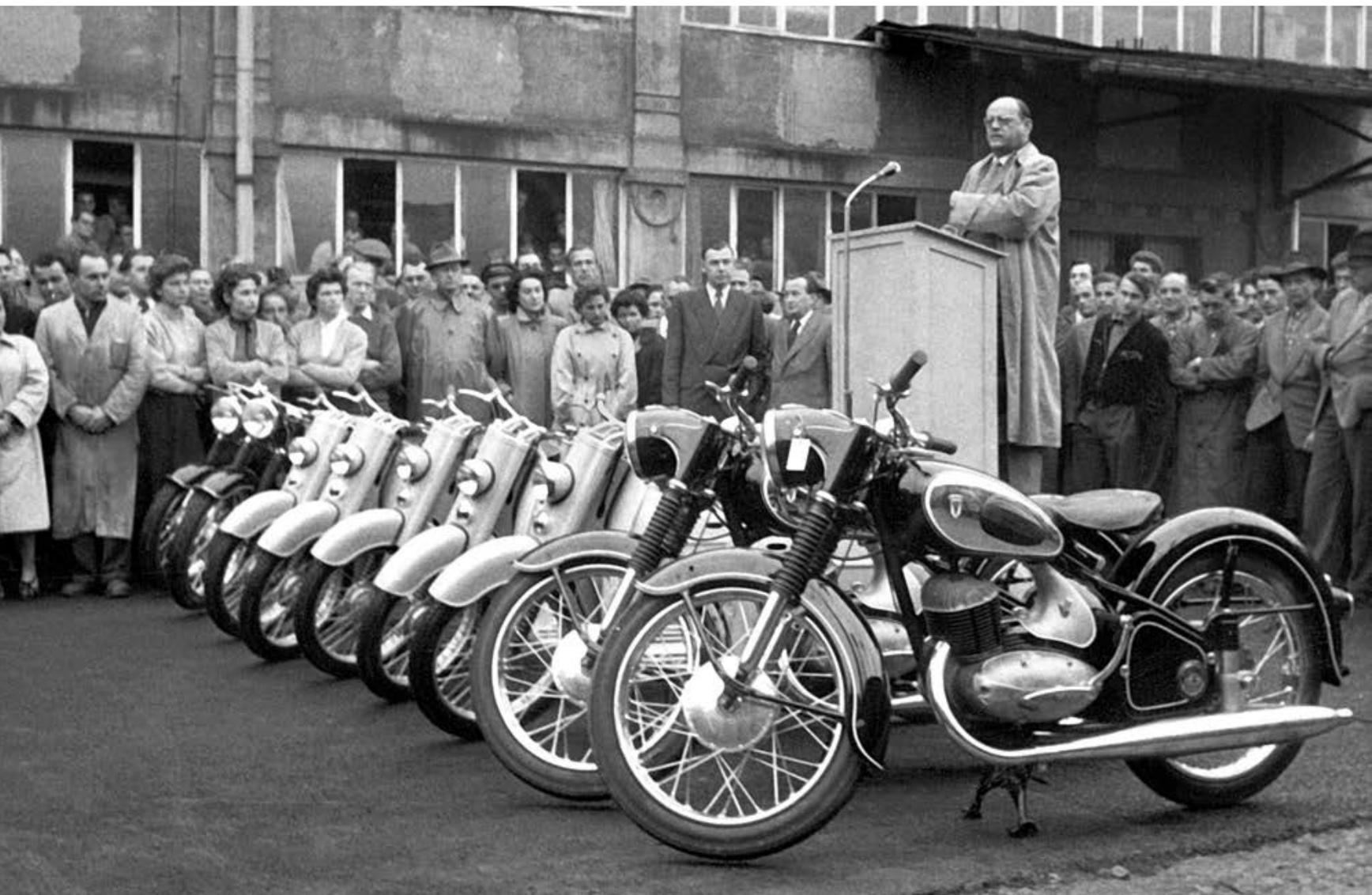
This typical advertising photo of the DKW 3 = 6, type F 91 coupé, 1954 perfectly conveys the wanderlust of the Economic Miracle years

Cars were harder to sell, and only after the three-cylinder, 34 hp engine – in fact, the engine that was originally intended for the car – was finally available in 1953 did production rise to well over 35,000 cars per year. The fast truck enjoyed sustained demand, but fell short of expectations in terms of quantities.

Although Auto Union was able to survive on the market at that time with this product portfolio, there was still no real answer to the question of what to do in the future. This was certainly a growing source of worry for Hahn. In the executive

committee meeting of the supervisory board in 1954, the product range was subjected to a highly critical analysis. Whereas the shift of customers from motorcycles to scooters was merely mentioned, the unsatisfactory development state of the truck was criticized sharply. The vehicle was too heavy, its payload too small and the engine too weak. And evidently the situation with the passenger cars was only marginally more satisfactory. A sobering technical assessment of the three-cylinder type concluded that it was “*obsolete in its chassis and in the manufacturing methods*

used for the body,” while the sales side complained it was “*too small, too uncomfortable, too inconvenient.*” After this devastating appraisal, the almost inevitable questions were what to do next, how to do it, and which vehicle range Auto Union would rely on to try and bridge the next five years. But the executive committee was unable to come up with any answers, let alone an appropriate resolution.



End of the motorcycle era

1953–1957

Looking at the figures for DKW sales on the motorcycle market, Carl Hahn couldn't help but furrow his brow. In September 1953 he turned to plant manager Zerbst in Ingolstadt: *"As you know, I am following the development of our motorcycle business with great concern, because the loss of market share in the 200-cc and 250-cc class gives me a lot to think about ... and it is certainly the case that the higher performance from our competitors Adler, NSU especially, but also Puch, is detrimental to us ... it's not a matter of a few minor benefits that the customer doesn't even see, it's about significant advantages over the competition. And we don't have any to offer. The competition, on the other*

*hand, has a number of advantages – think of the swing arm suspension, for example. So please Mr. Zerbst, it would be best if you sat down with Messrs. Jenschke, Dörner and Kirchberg. It's high time to do something."*¹⁴

There was also a lot of debate between Düsseldorf and Ingolstadt about the configuration of the scooter: 50 cc or 75 cc, one or two-seater, etc. Here, too, Carl Hahn had to apply pressure to push past the delaying arguments. He was firmly on the side of the Hobby II, the larger variant with a 200-cc engine: *"The big scooter, called the Hobby II, is a burning issue. Without being petty about the*

*costs, we have to pursue the development of this scooter on two tracks – one with an automatic transmission and one with a mechanical transmission – as if our motorcycling life depended on it. The ongoing decline in the motorcycle business, which scooter business can more or less make up for, shows how important the Hobby II is."*¹⁵

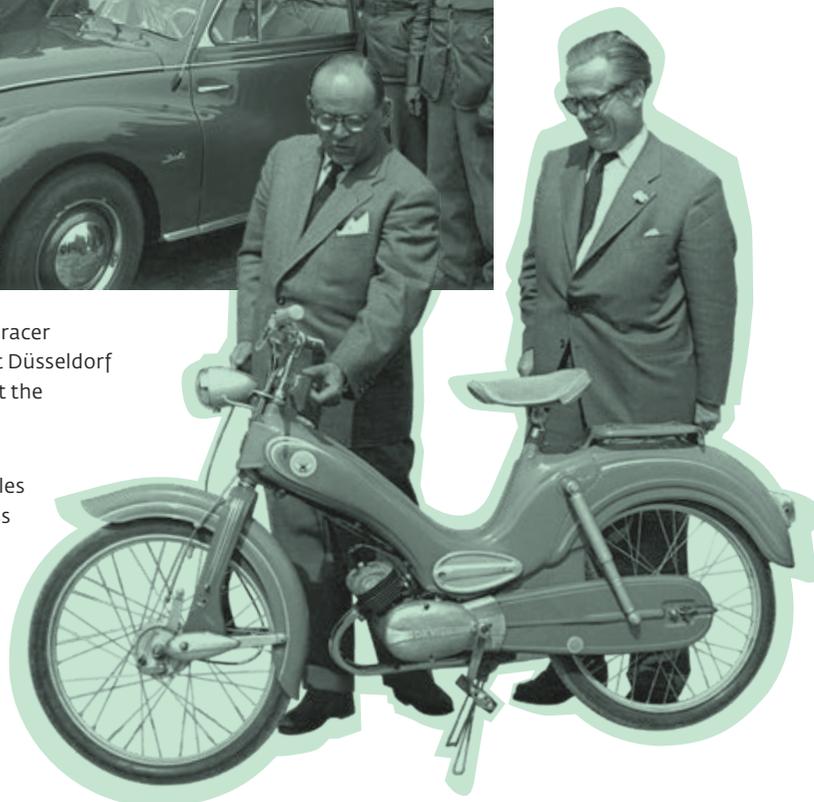
Auto Union was completely undecided about the future development of passenger cars: should they be moving towards smaller or larger cars? Following current trends, some technicians were tending towards a small DKW. They were opposed by others who saw DKW's future in larger

Carl Hahn at the reception for the successful DKW six-day drivers at the Ingolstadt plant, September 1954



Ceremony for motorcycle racer Siegfried "Sissi" Wunsch at Düsseldorf Airport after his success at the Isle of Man TT, June 1953

Carl Hahn with head of sales Ludwig Hensel at the press presentation of the DKW Hummel, 1956



¹⁴ Letter from Carl Hahn to director Zerbst dated September 14, 1953, Auto Union archives/Ingolstadt, Sig. A1/6.

¹⁵ Ibid., letter from Carl Hahn dated July 30, 1954.

displacements and higher engine power. Carl Hahn was one of the latter, but he definitely preferred the two-stroke engine. As early as September 1953, in a letter to Richard Bruhn, he had outlined the idea of a larger 1.2-liter four-cylinder, two-stroke engine with 50 hp, front-wheel

drive, adding *"but it isn't something to worry about today; I just wanted to convey the idea to you so that you can see what thoughts you come up with – on vacation!"* However, he then followed up with thoughts of his own, which he set down in writing shortly afterwards:



Celebration at the Düsseldorf plant to mark the 100,000th post-war DKW passenger car, the DKW 3 = 6 Sonderklasse, type F 91 (left to right): Conrad Schulz (technical plant manager at Düsseldorf), Kurt Richter (commercial plant manager at Düsseldorf), Richard Bruhn, Carl Hahn, December 15, 1954

¹⁶ Ibid., letter from Dr. Hahn to Dr. Bruhn dated October 12, 1953.

¹⁷ Ibid., memo from Dr. Hahn to Dr. Bruhn dated September 4, 1953.

Richard Bruhn's 25th anniversary with the company (left to right): Kurt Schwenk, Nono Hahn, Eduard Oehl (chairman of the Auto Union AG supervisory board), Robert Eberan von Eberhorst, November 1955

"In the objectives we have set ourselves so far for DKW passenger car development, the most difficult task is the small genuine DKW. We know that our biggest problems here also come from the cost side due to the enormously strong competition, and that a very large amount of investment capital is needed to compete domestically, especially against VW and a possible new Opel Kadett. We have certainly set ourselves the most difficult development task possible in the automotive industry. I think it's worth considering whether an equally rewarding task with greater prospects of success, not least in terms of exports, would be to put the idea of the genuine DKW on the back burner for the time being and instead focus on what, if I may say so, would be the path of least resistance in the world's automotive market: in a category where we have only one competitor – Citroën – namely the development of a 60 hp, front-wheel drive, two-stroke automobile. If we succeed in developing a front-wheel drive car, with a displacement of 1.2 l, three-cylinder engine (it would be worth testing a four-

*cylinder V, with a cylinder arrangement like the Lancia, which would be barely longer than the current three-cylinder 4 = 8), two-stroke, four-door, with the spacious comfort of the Fiat 1100, then we would be creating an automobile as exceptional as the DKW range. The only competition on the world market would be from Citroën; we would be the only ones in this class in Germany taking advantage of the strong reputation and the benefits of the front-wheel drive, which are familiar to many. Our floating axle and tunnel-less passenger space would be selling points that would allow us to compete in the current, bitterly competitive market at a very good price. There is no other class in which it would be as easy for us to succeed and no other class has a comparable number of new registrations. It would make our lives easier. It would be an exceptional task for us. It would create a monopoly for us. I would ask that you consider the problem seriously."*¹⁶

Hahn had taken a clear position against the trend towards mini cars, and was once again way ahead of his time. A

door was opened here, but no one went through it. On the contrary: the polarization between the two development centers and the personal quarrels were poisonous to his efforts.

*"Mr. Dörner approached Mr. Günther in confidence. The former lacks courage on the issue of the four-wheeled scooter; practically all further work is at a standstill; every suggestion is – as always – talked down ... Let's just let the men who want to build the four-wheeled scooter and who are convinced that they can do it tinker for themselves ... there will no shortage of employees making counter-proposals. And then there is still time for our automobile designers to criticize; as things stand now, we waste month after month in talking."*¹⁷

Four weeks later, another memo from Carl Hahn characterized the situation: *"At the beginning of September I asked Mr. Dörner if he would like to give me a brief, concise written report on how far the work on the four-wheeled scooter has progressed; after fourteen days I got a spineless, meaningless letter and so I took Mr. Dörner to*

Air-cooled, two-cylinder, two-stroke engine, synthetic body and, of course, front-wheel drive: these were the parameters of the STM II three-seater from 1955, with which Auto Union intended to re-enter the small car market





¹⁸ Ibid., memo from Hahn to Bruhn dated October 5, 1953.

¹⁹ Prof. von Eberan had worked as a race engineer in the Auto Union racing department since 1934, where he was responsible for designing the three-liter racing car after parting ways with Porsche in 1938.

²⁰ Auto Union archive A 1/6: memo from Hahn to Bruhn dated October 5, 1953.

task; afterwards it was hinted to me that yes, everyone was afraid to express any opinion, because then Mr. Jenschke would immediately get in a huff... we won't get anywhere if we don't give the men a real opportunity to get a test vehicle up and running, without others interfering."¹⁸

In this situation, so inauspicious for the making of fundamental decisions, Richard Bruhn banked on outside help and brought one of the most important technicians and the former head of the Auto Union

racing department, Prof. Robert Eberan von Eberhorst,¹⁹ to Ingolstadt in 1953. This did not go unnoticed in the development departments, and Hahn reported confidentially to Richard Bruhn "... that a wave of indignation, so to speak, set in after the news leaked that Mr. von Eberan would be coming as deputy managing director before the year was out; for us to have resorted to a man who has been away from Auto Union for so many years when there are so many capable people in the company."²⁰



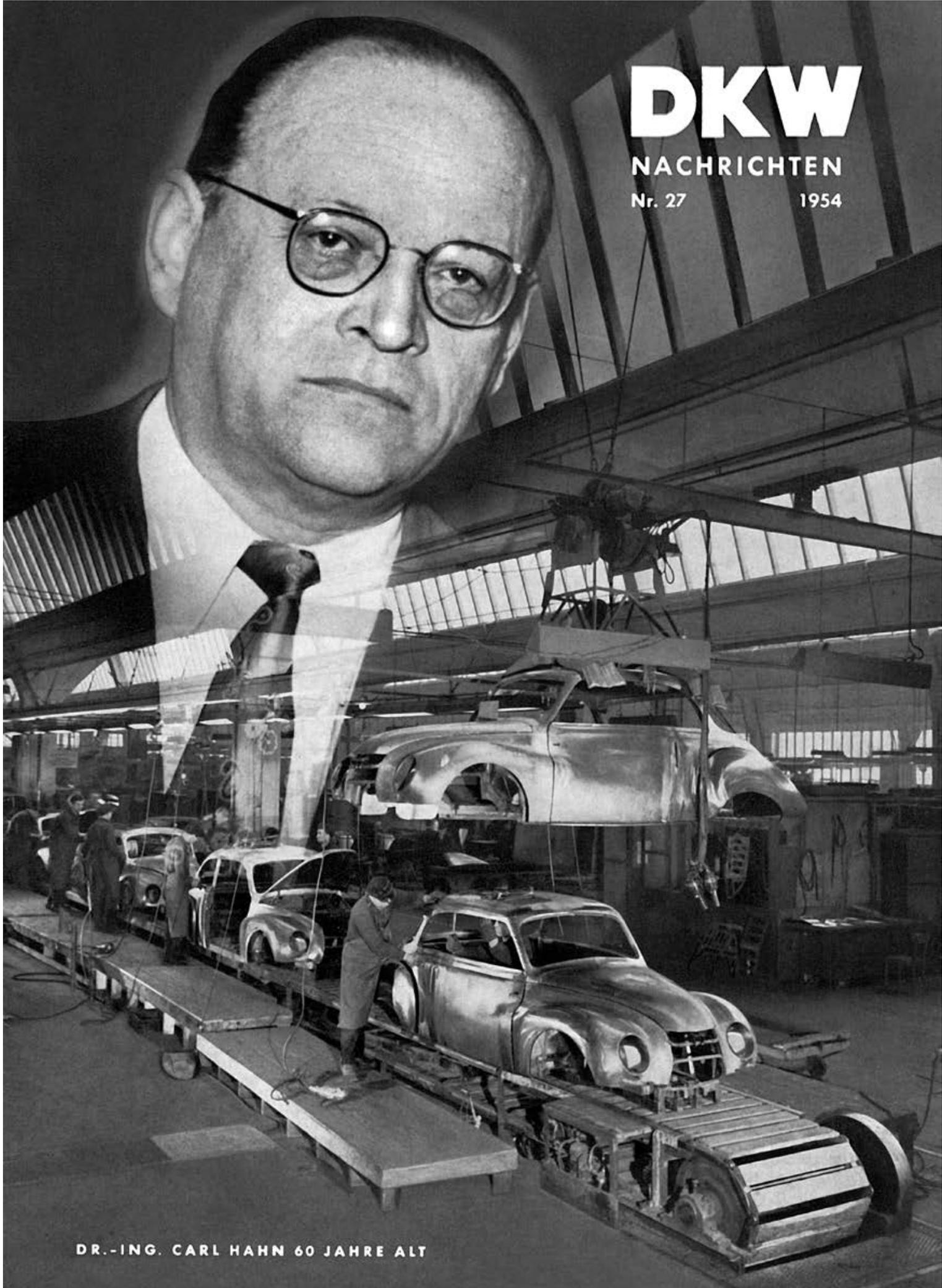
Interior of the STM II three-seater with the unusual center steering, 1955

DKW

NACHRICHTEN

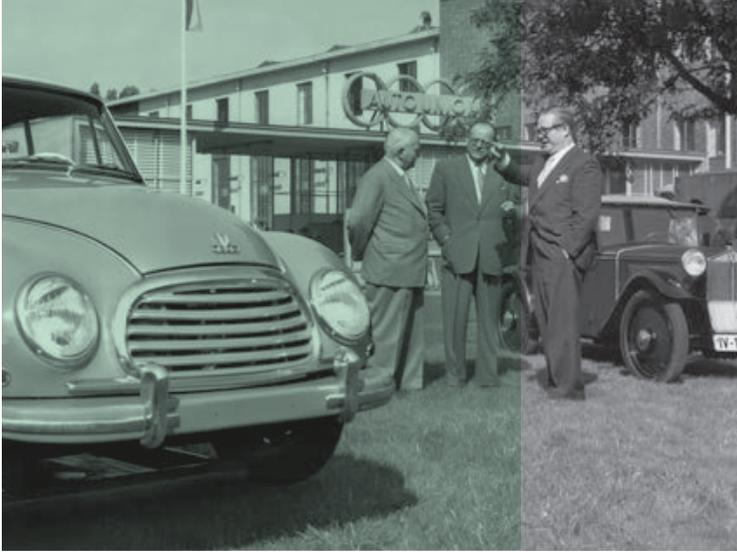
Nr. 27

1954



DR.-ING. CARL HAHN 60 JAHRE ALT





Richard Bruhn, Carl Hahn and Ludwig Hensel in front of the Düsseldorf plant at the launch of the large DKW 3 = 6, September 1955

²¹ Before the war, Auto Union had cooperated with Dynamit AG in Troisdorf to develop a production-ready synthetic material body, albeit on a completely different basis. The senior experts who designed it back then were also no longer available.

²² Auto Union archive, no. 1/6. Letter from Dr. Hahn to Richard Bruhn dated July 30, 1954.

²³ Ibid.

²⁴ Letter from Dr. Hahn to Dr. Bruhn dated January 15, 1953.

Front page of the DKW in-house journal on Carl Hahn's 60th birthday, March 1954

Following in the wrong direction that had already been set, Eberan was initially to develop a small car with a 300 cc engine and synthetic body. He achieved this objective technically in the form of a glass fiber reinforced polyester structure. Several prototypes of this small synthetic-material car, known internally as the STM, were tested out over long trial periods, both as a three-seater with a centrally positioned steering wheel and also as a four-seater, and they were developed almost to the point where they were ready for series production. However, the project had already reached the end of the road, because the large synthetic presses alone would have required an investment of thirty five million marks. No one had any idea where that money was supposed to come from.²¹

The main shareholders, Friedrich Carl von Oppenheim and Ernst Göhner, as well as Friedrich Flick, who had by now become a partner in Auto Union GmbH, became increasingly restless in view of the unsatisfactory developments. As a result of their intervention, William Werner, the former board member from the Auto Union days in Chemnitz, was brought to Bavaria in May 1956 as technical manager. Werner brought Oskar Siebler with him, previously one of the heads of development in Chemnitz. First of all, Werner stopped the plastic car, after which Eberan von Eberhorst left Auto Union. The question of Auto Union's technological future thus remained unanswered. But this is precisely what had been on Carl Hahn's mind for quite some time. Back in October 1954,

he had written a letter to Richard Bruhn, getting his thoughts off his chest: *"Not only recently, but ever since I became ill, I have been dealing more and more with the purely fundamental questions for Auto Union, for which we the entrepreneurs are responsible, not the administrative officials. The future of Auto Union is not about a highly efficient set of administrative skills, it is solely about realizing what we need to initiate for the future. We're both aware that Auto Union will go under if we don't significantly increase our daily production."*²²

As already mentioned, Hahn saw the path to success primarily in increasing the production figures for two- and four-wheeled vehicles. He saw considerable potential for this in boosting exports. After looking at the relevant figures from the competition for 1954 (up to April) – Opel's export share was 48.6 percent, Ford's was 49 percent, VW's was 38 percent, Daimler Benz's (cars only) was 37.4 percent and Auto Union's was 25 percent – he concluded: *"DKW cannot export more at the moment because our costs are too high, and our costs are too high because our production volume is too small ... So, in my opinion, the question that we have to clarify as soon as possible is what we need in order to produce two hundred cars per day so that we can sell just as much in exports as we do domestically ... We have to calculate and plan how much money we need for this and how soon we can do this, because we are chasing competitors who are rushing ahead of us."*²³

Ultimately, then, it was an issue of capital, which Auto Union was still far too short of, for well-known reasons, and it was a question of how to change the situation. As we are aware, Hahn pleaded for development of what was known as the "genuine" DKW to be postponed and for a complete abandonment of the "dumpling" unless it could be manufactured at a gross price of 2,650 marks. Essentially, Hahn was hoping to stabilize Auto Union on the market with a newly developed car and, confirmed in his belief by the failures and high costs of these projects, he still believed that the trend was towards larger cars. As early as 1953, he wrote to Richard Bruhn: *"If you discuss the matter with Mr. Schulz, then Schulz will go along with it as an old DKW man, and if you bring one part of the design department under Jenschke's leadership from Ingolstadt to Düsseldorf in order to clean up the atmosphere and break up the cliques, then we'll finally get some peace and success for half the money. It doesn't work either, the constant 'ideal competition, arguments and envy' between the Ingolstadt and Düsseldorf test departments. We hardly have any more DKW people to advise us, and you don't just become a DKW man overnight. Just remember – and it's really beneficial to remind yourself – how many useless discussions we had about the further development of our engine range ... oh, it's really a shame! These useless, obstinate, stupid and non-DKW discussions. They try to tell us what the DKW range needs, but we already have a pretty good idea, and we're going to enforce that now."*²⁴

Düsseldorf – the Auto Union city. View of Königsallee, 1957

Delivery of the large DKW 3 = 6, type F 93 to the dealers at the Düsseldorf plant, September 1955



Even if these words of his sounded quite resolute, the fully unsatisfactory developments were putting a great strain on Hahn. From his resigned remarks about the dwindling influence of DKW, in particular, and the company's woeful lack of a clear course, we can only conclude that he was also deeply affected. Someone like him, a businessman through and through, could not remain impassive if his intentions were disregarded and his efforts did not lead to long-term success.

Hahn fell seriously ill in 1953, acute arthritis temporarily putting him out of action. And so, in the spirit of the final sentence in the letter quoted above, he communicated his thoughts on the development dilemma to his colleague Fritz Trump, who remembered events as follows: *"I was asked at the time to go visit Dr. Hahn in the clinic in Ludwigs-hafen [with Prof. Hochrein] to hand him the development report in person. He skimmed through it and then threw it on the couch, saying: I will make the beautiful F 91 bigger with my Mr. Schulz and it will then be the right car for the next few years."*²⁵

As is generally known, Carl Hahn had his way once again and the enlarged F 91 was made. It was given the model code F 93²⁶ and became known as the "Big 3 = 6." It was also Hahn who immediately grasped the huge opportunity for Auto Union when, in October 1952, the Blank²⁷ agency ex-

pressed a desire for *"a three-cylinder light passenger car with the option of driving the rear axle."* He then began energetically promoting the development of this car, helping it over multiple hurdles. However, good things would have to wait: powerful competitors such as Porsche and Goliath had to be convincingly outperformed and financial dry spells had to be endured before this off-road all-wheel drive vehicle²⁸ could be shown to the public for the first time in the fall of 1955. Series production began the following year. The DKW all-terrain vehicle was manufactured in Ingolstadt as the MUNGA for twelve years starting in 1962, during which time almost fifty thousand of them rolled off the assembly lines.

From the very first day of the new beginning, executives and employees from the Chemnitz/Zwickau/Zschopau era were in charge at Auto Union. They all knew each other, and together they had mastered the art of improvisation during difficult times. Since those early years, they had now entered calmer waters. But clear and far-reaching decisions about the future had to be made. Dr. Richard Bruhn, still managing director, had proven to be a master in dealing with the tight money supply. He was extremely proper and meticulous in his dealings with employees, had a decent character and was a downright workaholic, according to his contem-

poraries. He was animated by an extreme propensity to save costs. This is reflected in numerous anecdotes: in 1949/50, for example, the representatives of the Auto Union sales force demanded company cars. Bruhn then replied: *"A company car? Gentlemen, we cannot afford company cars. Auto Union men walk!"* To which an employee responded: *"But hopefully not barefoot."* And Bruhn shot back: *"No, not barefoot, but their socks have got big holes in them."*

However, Bruhn lacked entrepreneurial vision and a willingness to take risks, which is why important decisions were repeatedly postponed, or even reversed after being made. The future of Auto Union had got Carl Hahn pondering: there was no solution to the product strategy problem in sight, they were faced with the need to significantly increase sales figures to survive, and the essential capital for this was not available. He wrote down his worries and his thoughts in letters – above all to Richard Bruhn, who had been a confidant for decades – and held discussions with many different parties. At precisely this time – in 1953 – his path crossed with that of Friedrich Flick. After the Second World War, he had been arrested by the Allies as one of Germany's leading heavy industrialists, and he had been sentenced to seven years imprisonment. At the end of 1950 he was granted early release, but on the condition that



With the construction of the DKW F 91/4 off-road vehicle from 1956, the Ingolstadt plant was able to work to capacity during the motorcycle crisis

²⁵ Minutes of conversation with Etzold – Trump 1988.

²⁶ F 94 in the four-door and station wagon version.

²⁷ In 1955, the Occupation Statute of the Federal Republic was abolished by the Paris Agreement, and Germany now acted as a sovereign state. Theodor Blank and his agency had already been tasked with preparing the formation of the German army.

²⁸ In 1962 this car was given the designation MUNGA, a contraction of the German for multi-purpose universal off-road vehicle with four-wheel drive. For more information on the vehicle and its history, see Ralf Friese: "Die Entwicklungsgeschichte des DKW-Geländewagens" in Kirchberg/Bunke: Vom Horch zum Munga, Militärfahrzeuge der Auto Union, Bielefeld 2010, p. 223 et seq.

he sell off all his coal and steel holdings. Flick bid farewell to his coal mines and entered dynamic growth areas instead. These included the automotive industry, where he acquired a large block of shares in Daimler Benz AG, making him the dominant – indeed the decisive, in the truest

sense of the word – shareholder in that company. He also trained his sights on Auto Union, which did not yet have a network of capital around it, was not within the sphere of influence of any large banks and, being independent, had particular need of these relationships.



View of the shop window of the Munich Auto Union branch, December 1955

Carl Hahn suggested enlarging the DKW 3 = 6. The DKW F 93 luxury coupé in a contemporary advertising photo

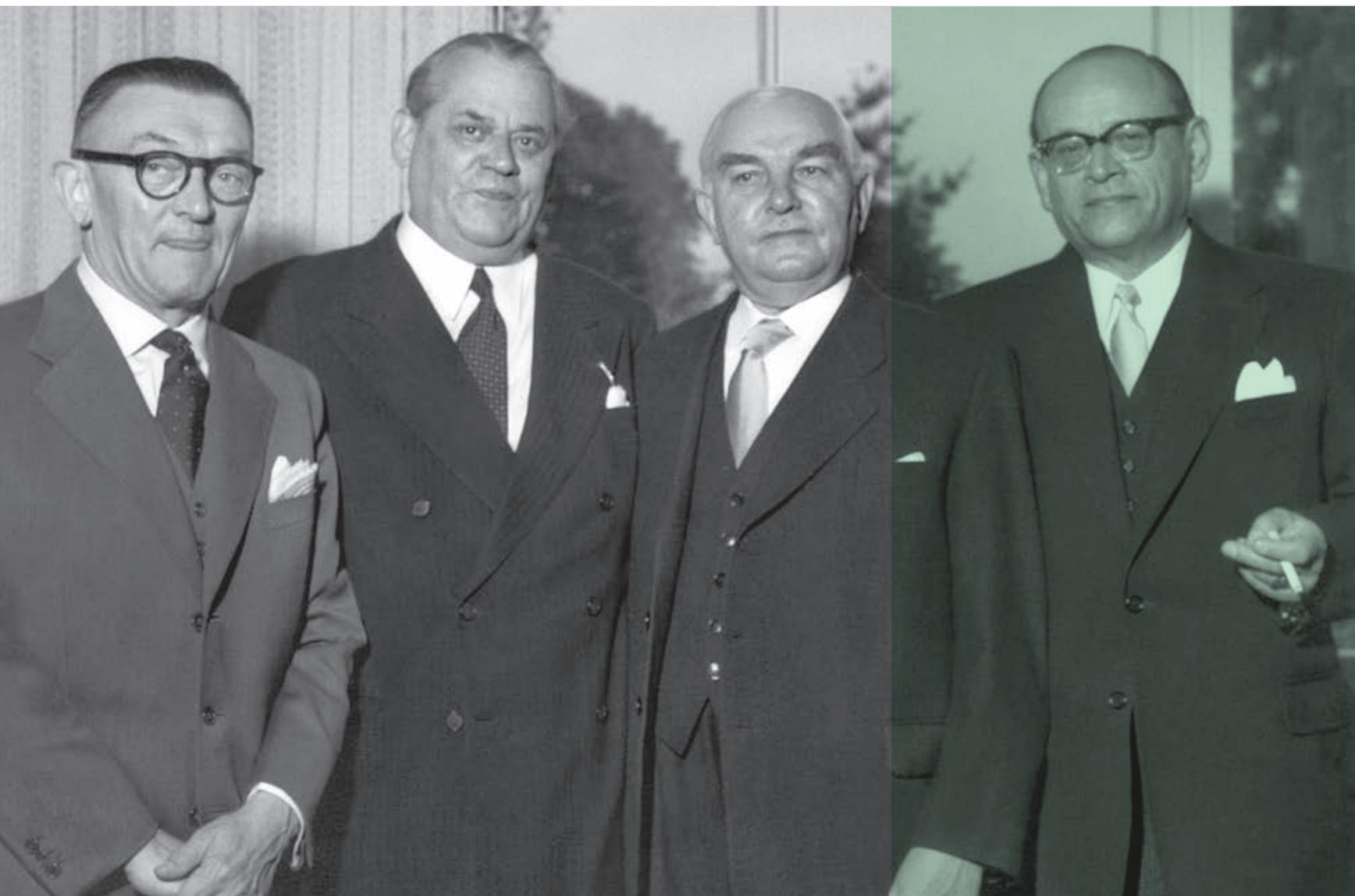
From May 1956, the old Auto Union board from the pre-war era was reunited in William Werner (on left) Richard Bruhn (3rd from left) and Carl Hahn (4th from left). 2nd from left: main shareholder Baron Friedrich Carl von Oppenheim, June 25, 1956

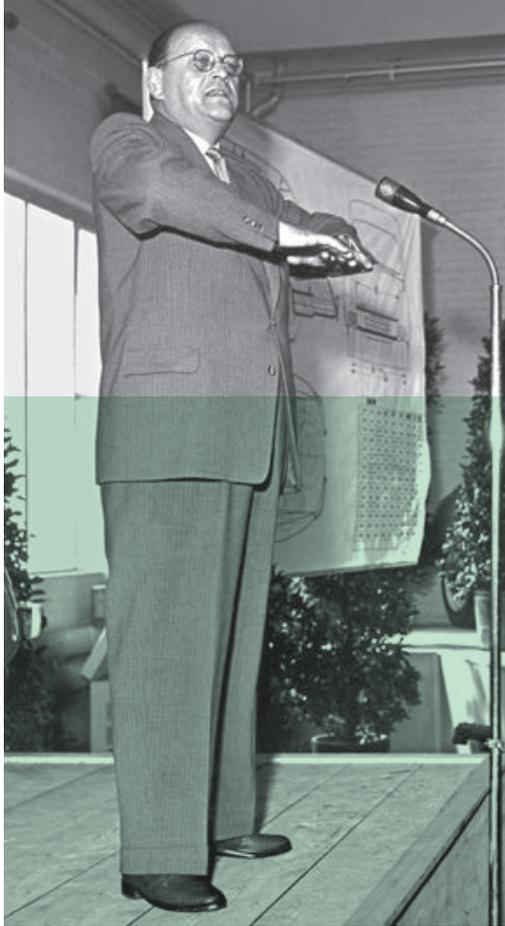
The preparatory talks with Carl Hahn, Richard Bruhn and the Oppenheim bank immediately got to the crucial point: in 1949, the three partners had had majority voting rights written into the Auto Union articles of association. This was meant to ensure that the founding members could not be outvoted on important points despite their small share in the company's capital. The precautionary measure was put in place to safeguard against company policy being pursued against the founders' wishes. At the same time, however, this regulation deterred investors, who were certainly not inclined to forgo the influence to which they were entitled in line

with their capital investment. Auto Union's share capital, amounting to five and a half million marks, came primarily from the two main shareholders, the Oppenheim bank and the Swiss entrepreneur Ernst Göhner. Only Oppenheim advocated a high level of involvement by Flick in the future, while the other shareholders were much more reluctant to see their influence restricted or even eliminated.

The bombshell – and its aftermath – followed on October 15, 1954, when the Auto Union shareholders' general meeting decided to increase the share capital to twelve million marks. The largest share of this was acquired by the Oppenheim

bank. This seemed to make it clear for the time being that there would be no new major investors and that the traditional forces had proven financially strong enough. Carl Hahn was well aware that the much-needed capital injection could not be obtained without concessions and so he showed a willingness to relinquish majority voting rights. The first consequence of the aftermath came when the abandonment of majority voting rights was demanded as an inevitability. However, since the company had a trusted partner in the Oppenheim bank, there were no protests and no objections. The general meeting waved the motion through.





The brilliant orator Carl Hahn, fully in his element, gesticulating energetically, 1955/57



²⁹ Etzold, p. 129.

The second consequence of the aftermath was not yet suspected by anyone and was later known only to a few: two months later – in December 1954 – a representative of the Oppenheim bank and an authorized representative of Friedrich Flick met at a notary's office in Düsseldorf. There they negotiated a contract ready to be signed, which, referring to the Oppenheim bank's stake in Auto Union, amounting to 3.8 million marks plus exchange rate allowances, i.e. a total of 4.6 million marks, stated: *"This capital contribution was made by the bank on behalf of and with funds from Dr. Friedrich Flick. Accordingly, the bank owns a share of 3.775 million marks in Auto Union GmbH as an authorized trustee for Dr. Friedrich*

Flick."²⁹ Shortly thereafter, Flick transferred these shares to Eisenwerk-Gesellschaft Maximilianhütte AG in Sulzbach-Rosenberg, a subsidiary of his new business empire. From the outside, the change was barely noticeable, since the known share of 3.775 million marks was still listed under the Oppenheim bank in the list of shareholders. Furthermore, Friedrich Flick remained in the background, from where he increased the capital of Auto Union to a total of thirty million marks in 1957. He now thought the time had come to sell the company to Daimler-Benz AG. The men and partners from the early days – Bruhn, Hahn, Zerbst, Hensel, Schulz, Schmolla, Ferber and Kratsch – were contractually obliged to sell their shares at a nominal

value to Ernst Göhner or Maximilianshütte. In April of the following year, the curtain finally fell on an independent Auto Union when the current main shareholders Göhner and Oppenheim – following Friedrich Flick's lead – sold their shares to Daimler – not at the nominal value, but at a price of 156.6. For Carl Hahn, this was a sign to take the final step: on June 30, 1957, he ended his active career under the Four Rings badge and resigned from his position as deputy chairman of the management board of Auto Union GmbH. Despite two heart attacks, he was to remain active in business for another four years, but now he would really have time for his family, for hunting and, above all, for his beloved horseback riding.



The new "Ettinger Straße" Auto Union factory in Ingolstadt, 1961

Farewell letter from Carl Hahn to the Auto Union workforce, 1957



Speech by VW CEO Prof. Heinrich Nordhoff at the Auto Union dealer conference in Ingolstadt on November 13, 1964

Only a year after Carl Hahn retired, his shares in Auto Union were sold to Flick – expressly approved by Hahn and Bruhn – who, as expected, sold them on to Daimler. Thanks to Flick, the majority share in Auto Union was owned by Daimler-Benz AG in 1958 – a move that went to the heart of Ingolstadt’s survival. Of course, Daimler-Benz “were never really happy with this new acquisition” (according to Daimler boss Zahn). The brand philosophies were too different, the market segments too far apart. So it was no surprise when Auto Union soon changed hands again.

Daimler sold the company in several tranches to Volkswagen in Wolfsburg, and by the end of 1966, Auto Union GmbH was a one-hundred-percent VW subsidiary. They soon realized that the economic problems with the new acquisition were much greater than assumed. Heinrich Nordhoff, the new “pater omnipotens” of the Ingol-

stadt company, immediately ordered the replacement of the two-stroke engine. The first new design that followed came from Ludwig Kraus, who had been seconded to Ingolstadt by Daimler-Benz AG in 1963 and did not want to return when the two companies separated. Without further ado, he took the so-called medium-pressure engine that he had brought with him from Daimler and put it in the DKW F 102 – incidentally with a brand-new, 60 hp, 1.2-liter two-stroke engine – that had just started production. On August 13, 1965, the first of these cars rolled off the assembly line in Ingolstadt, bearing the new, familiar name: AUDI. But, of course, by this time Auto Union was already part of the VW empire.

Hahn’s son, Carl Horst, would end up tending this plant, taking care of it and watching it grow, which led to him being

dismissed – to put it mildly – from the board of management of Volkswagenwerk AG in 1972 because of his Audi policy. Years later, at the end of 1981, fate would have it that he would be proposed and nominated as chairman of the board of management of Volkswagenwerk AG by the chairman of the Volkswagen works council, Siegfried Ehlers, for precisely the same reasons for which he had been dismissed at that time. After leaving Continental AG as CEO, Carl Horst Hahn returned to VW on January 1, 1982. This not only marked the beginning of a stringent Audi policy that was to lead this brand to the top of the premium segment, but also a consistent multi-brand and globalization strategy for the VW Group.

The trajectory from father to son that had begun in Zschopau in 1922 thus came full circle in the best possible way.

The Four Rings and VW united in one corporation. Joint trade fair stand at the Dublin Motor Show, 1969





DR. ING. CARL HAHN

An alle Angehörigen der Auto Union - Familie !

Ende August 1956 erlitt ich einen Herzinfarkt. Ich folge nun der Empfehlung der Ärzte, dem Rat meiner Freunde und dem dringenden Wunsch meiner Familie und ziehe mich am 30.6.57 aus der Geschäftsführung der AUTO UNION zurück, so schwer mir dies auch fällt.

35 Jahre galten mein Sinnen und meine Arbeit dem Begriff DKW und damit dem Zweitakter. Zusammen mit Dr. Richard Bruhn hatte ich 1949 das Glück, die AUTO UNION praktisch aus dem Nichts, jedoch mit dem grossen Kapital menschlichen Vertrauens, neu gründen zu dürfen. Etwa 700.000 DKW Fahrzeuge (Zweiräder wie Kraftwagen) konnten seither Ingolstadt und Düsseldorf verlassen. Die Wiederaufbauperiode mit so manchen unvermeidlichen Unzulänglichkeiten und auch Rückschlägen ist nun beendet. DKW hat seinen Platz auf dem deutschen Markt und in der Welt wieder gefunden, und ich bin gewiss, dass die nahe Zukunft die Erfüllung so mancher alter Zweitakt-Zielsetzungen bringen wird; die neue Geschäftsführung bietet die Gewähr dafür.

Schwer macht mir den Abschied, dass ich viele Freunde - z.T. Freunde seit 1922 - nun nur noch gelegentlich werde wiedersehen können; diesen allen und den vielen DKW-Mitarbeitern sage ich für Freundschaft und treue Gesinnung, für das Zusammengehen und Zusammenstehen ein Leben lang, herzlichen Dank !

Mit allen guten Wünschen für Sie, Ihre Familie und Ihr Unternehmen bleibe ich in alter Verbundenheit

Ihr

Im Juni 1957

At the end of 1945, awaiting interrogation by the US secret service, Carl Hahn was leafing through a lifestyle magazine when he came across an ad for a “Tampax” tampon, a revolutionizing feminine hygiene product unknown in Europe at that time. Being a crafty marketing man, Hahn immediately spotted this unique gap in the market and so, at the same time as reviving Auto Union, he started his real dream project: the first company of his own.

Apart from the idea, however, he had practically nothing to offer capital partners as security. But his enthusiasm, his eloquence founded in expertise, his determination and his willingness to take entrepreneurial risks were prerequisites that were at least as important as capital, especially in those years of upheaval. These formed the essential foundations for the Dr. Carl Hahn KG company, leaving Hahn with unimaginably large bank guarantees in addition

to his personal guarantees for Auto Union.

The o.b. brand became a global success. Once again he invested his private fortune and a lot of time and effort – but in the end he realized that he did not have the energy needed to devote himself to both ventures. And so Dr. Carl Hahn KG was sold to the globally active American corporation Johnson & Johnson, which had the resources to secure o.b. a worldwide presence, quickly.



New direction

The o.b. tampon and Dr. Carl Hahn KG

1948–1957





Carl Hahn
in Ingolstadt, 1951

A second mainstay alongside Auto Union

1948–1957

After the collapse and de facto liquidation of Chemnitz Auto Union, and the first steps towards reviving it in Ingolstadt in 1945, it was not at all clear whether Auto Union would really get a second chance in western Germany. Although Carl Hahn committed himself to the project with passion and all his energies, it was by now clear to him that, despite his commitment, events were dependent on many external factors that he could not influence at all. The familiar thought patterns and working structures he relied on were no longer present. He knew the former reference points that his entrepreneurial activities had been based on, but he did not know what awaited him in the future. So reason and the interests of his own self-fulfillment dictated that he should not focus exclusively in the days to come on Auto Union – if it were even to exist again. He had felt the same way back in Saxony. At that time, Germania offered him the opportunity to realize his own ideas, abili-

ties and achievements in a company he managed himself, to be independent.

Carl Hahn had rediscovered a sense of optimism – although he had never really lost it. He also had his own visions, mostly related to Auto Union. But they also applied to another field, one that would give him self-confidence in moments of doubt. He saw his future in western Germany. Viewed realistically, the tranquil Sandizell, the family's refuge in Bavaria in 1945, offered him no opportunities. He was drawn to Ingolstadt and above all to where the heart of German industry had been beating for over a century – to the industrial region along the banks of the Rhine between Düsseldorf and Cologne. This was also the beating heart of western Germany and later the young Federal Republic; this was its economic center. Indispensable contacts could easily be made or revived here, and it also offered the most suitable, fertile ground in which to plant and grow his own entrepreneurial

ideas and bring them to fruition. As already mentioned, these ideas related to the field of hygiene and cosmetics, to be precise: feminine hygiene. He wanted to develop and manufacture tampons that could be used without a sanitary napkin (“ohne Binde,” “without a napkin” in German, hence o.b.).

The idea of developing and producing o.b. came about by chance. As mentioned above, while waiting to be interviewed by the CIA in Schrobenhausen in 1945, Carl Hahn got his hands on a Life magazine that contained an advertisement for Tampax feminine hygiene. At that time, he was nothing but a penniless refugee in a depressed Germany. His thoughts, which were primarily focused on a new business idea in order to care for his family, always revolved around products that were in great demand. Right from the start, he was fascinated by the idea of manufacturing and selling in Europe a product simi-



lar to the American Tampax. Of course, it was also a dream for him to be able to offer a product that was in demand all year round and was more or less independent of the economic climate.

But first Carl Hahn had to get samples of Tampax. From 1946 onwards, his friend Father Paul Schulte from the USA (to whom the reader was introduced before) helped him here. In addition to the samples, Schulte also procured the US Tampax patent specifications for him, to ensure he did not infringe any patent rights when producing a comparable article.

Two years passed, during which the car man Carl Hahn continued to pursue his "o.b." idea. On Whit Monday, May 17, 1947, the first post-war contact between Dr. Carl Hahn and the lawyer Dr. Heinz Mittag took place. The two had met during the war, when the latter was an army staff liaison officer and Carl Hahn had contacts with the German army in his capacity

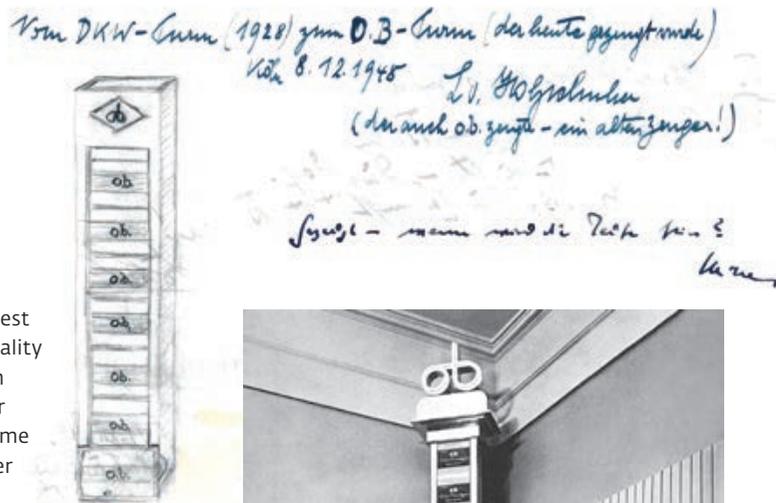
as deputy board member of Auto Union. The bond between the two was made all the closer by the fact that Heinz Mittag had arranged for Hahn's son Carl Horst to be transferred from the infantry to the tank corps, which, according to Carl Horst's own statements, saved his life, even though the tank corps actually suffered the greater losses.

Carl Hahn was able to get Dr. Mittag excited about his "o.b." idea, even though neither of them had any experience in the field of feminine hygiene. Even Tampax's advertising slogan – "*Be a rebel*" – seemed like a challenge they both wanted to take on. They saw producing this revolutionary product as a great opportunity, and one that offered them the prospect of making money. After this first conversation, Heinz Mittag became more and more an assistant, companion and a man of action for the whole development. When Dr. Carl Hahn KG was founded, Mittag became the managing director.

Celebrating Carl Hahn's 60th birthday (left to right): Prof. von Kennel, Ms. Kemmler, H.K.P. Harten, Heinz Mittag, Fanny Bruhn, Carl Hahn, Alfred Pierburg, Petersberg 1954

Naturally, the Dr. Carl Hahn KG fleet was primarily equipped with models from the DKW brand: F 89 L fast truck, 1951

From a sketch in the DKW guest book (December 1948) to a reality at the o.b. exhibition stand in Stuttgart in 1950: The idea for the o.b. advertising tower came from Ludwig von Holzschuher



The DKW delivery van fleet in the service of Dr. Carl Hahn KG, 1951

The technical expertise behind this product, which caused a sensation in Europe, came from the gynecologist Dr. Judith Esser from the Wuppertal women's clinic. She also took care of the clinical testing. The gynecologist, one of the few female practitioners in her field, came into contact with Carl Hahn and Heinz Mittag in 1947. She found their idea "so interesting, new and desirable" that she was happy to champion it. In her work, she also relied on advice from well-known pharmacologists and gynecologists. Dr. Judith Esser later married Heinz Mittag. By that time, she knew Hahn and Mittag very well and once aptly characterized the duo as follows: "Hahn was the imaginative and experienced businessman, my husband the persistent person, a financial genius with a great talent for motivating employees."

Carl Hahn initially took care of organizing sales and marketing personally, just as he had successfully done at DKW and Auto Union. He was not only responsible for creating the product, he also came up with the name "o.b.". With the product name, the aim was to find a designation

that was as neutral as possible, so that women would be spared the embarrassment of having to say a conspicuous name out loud when making a purchase. After all, buying a tampon was still uncomfortable for many women back then and they wanted to do it as discreetly as possible.

The name o.b. had the great advantage of being short and concise, easy to remember and usable in all countries and languages. An extremely important partner to Hahn in all this was the advertising manager Ludwig "Luggi" von Holzschuher, whom he had known since the Zschopau days. All the way back in the 1920s, he was responsible for advertising DKW motorcycles and later cars, and had been on friendly terms with Carl Hahn ever since. The two worked together on publicity for the o.b. idea and they ended up creating a lasting resonance. Incidentally, von Holzschuher helped out with DKW advertising much later. He made his Düsseldorf advertising agency available as the first bridgehead in Europe for the agency Doyle, Dane and Bernbach, New York, (DDB), which later achieved legendary fame. As

it turned out, DDB's Beetle ad was later honored as the "Best Ad of the Century."

Carl Horst Hahn remembers his father personally promoting "o.b. hygiene" whenever the chance arose. *"My father was happy to demonstrate an o.b. tampon at every opportunity. Wherever he was in a restaurant, he would ask the waiter to bring a glass of water. And my father would demonstrate the impressive effectiveness of the o.b. tampon to the people present, women or men – everyone was still relatively prudish back then."*

But there were still a few prerequisites to be put in place before the foundations for o.b. could be laid. The most important economic policy measure in German post-war history was the currency reform of June 20, 1948. In the three western occu-

pation zones of Germany, the Deutsche Mark was introduced as the sole legal tender. The stage was set for the economic miracle. At almost exactly the same time, on June 1, 1948, Carl Hahn founded his Dr. Carl Hahn KG company in Düsseldorf, which was entered in the commercial register of the District Court of Düsseldorf on July 20, 1948. Dr. Carl Hahn was the sole owner. This founding was probably his most important and lasting entrepreneurial achievement apart from his activities at Auto Union.

In parallel to this, he officially founded the Auto Union consortium, a partnership under civil law, on June 13, 1948 together with Richard Bruhn and Friedrich Carl von Oppenheim. Hahn now dedicated the majority of his professional attention to this, while the events surrounding

Dr. Carl Hahn KG were discussed over coffee and cake at the weekends, either in Heinz Mittag's living room or in Carl Hahn's. Appointments for dealings related to Dr. Carl Hahn KG became increasingly rare in Carl Hahn's diary in the 1950s. He knew he could fully rely on Heinz Mittag. As Mittag commented later: *"As soon as Hahn smelled gasoline, he was gone!"*

The Dr. Carl Hahn KG company's business address was in Düsseldorf, initially a few small offices in "Am Wehrhahn," then in the "Wilhelm-Marx-Haus" on Heinrich-Heine-Allee, a 57-meter high, twelve-story building, one of the earliest skyscrapers in Germany. Finally, the company moved to the building on Kaiserswerther Straße, where it can still be found today, albeit as a subsidiary of Johnson & Johnson since 1972.

o.b. advertisements from 1950 and 1954



Nur noch o.b. ! Dann fühlst Du Dich an allen Tagen völlig unbehindert, sicher und frei. Nichts kann Dich mehr verraten!

Bestehen Sie in jedem Falle auf Original „o.b.“, dem deutschen Markentampon in der hygienischen Cellophanpackung, klinisch erprobt und ärztlich empfohlen. Die o.b.-Hygiene (ohne Binde und natürlich auch ohne Gürtel) ist die Monatshygiene der modernen, gepflegten Frau. Erhältlich in führenden Fachgeschäften.

Bezugsquellennachweis durch:
Generalvertreter Friedrich Ebel
 Hamm (Westf.), Alter Uentropener Weg 8c



o.b. packaging, 1950

10 STÜCK
 o.b.
 Die Monatshygiene
 ohne Binde

Moderne Frauen vertrauen



DKW F91 delivery van belonging to Dr. Carl Hahn KG advertising Panteen hair tonic, 1954

As already mentioned elsewhere, Hahn sold his Lancia Aprilia to remedy the lack of capital in the early days, at least for the time being. The capital brought into the company by Carl Hahn came from the sale of this car, for which he received 32,000 Reichsmarks in the spring of 1948 – before the currency reform. He first invested the money in industrial engines as a security for his equity financing. Carl Hahn was personally liable for this capital, and these debts. This more than exhausted the family's capacity to take on debt. Other investors included the Winkelsträter brothers, industrialists from Wuppertal. With their help, tampon production started up in Wuppertal, and the brothers were members of the supervisory board from the very beginning.

Last but not least, the Sal. Oppenheim jr. & Cie. KG bank was involved in financing Dr. Carl Hahn KG. An exploratory meeting took place between Friedrich Carl von Oppenheim and Carl Hahn on August 26, 1948.

Although Heinz Mittag was managing director from the start, he initially did not contribute any capital to the company. It was only later, when Carl Hahn left the

company, that he also received shares in the company, in honor of his special position and qualifications.

A later investor in Dr. Carl Hahn KG was the Swiss pharmaceutical wholesaler Doetsch, Grether & Cie AG from Basel.

With its initially modest capital stock, the Dr. Carl Hahn KG company bought a small cotton wool factory in Wuppertal. Although it now had a potential production facility for the new product, which could be manufactured on a vise, they had no experience with the automated manufacturing process in continuous operation.

The risk to the business partners in the early post-war period was extremely high because Carl Hahn, for one, had no further funds available to cushion any financial problems that might arise during development and production. In addition, the young company lived with the constant threat of being sued by the American manufacturers of Tampax for possible patent infringements.

The fact that Dr. Carl Hahn KG initially only manufactured one product increased the business risk even further. The production range was only expanded in the course of the coming years. These included hygiene products such as Oligo or Mimosept and grooming product ranges like Kemt (advertising slogan: *“Just a hint of Kemt leaves your hair with a silky shine!”*), Panteen (a La Roche product), La Plus, Tashan and air fresheners such as Air Fresh.

On September 15, 1948, his twenty third wedding anniversary, Carl Hahn recorded in the “DKW guest book” that pre-assembly of the o.b. machines had begun. The first

test tampon was completed shortly afterwards. Now, it was “just” a matter of refining the prototype and producing it as an inexpensive mass-market product. That said, production of o.b. at the manufacturing facilities in Wuppertal only began in 1950.

In retrospect, it all sounds easy. However, there were many problems in making the idea a reality, because post-war Germany had no experience with the mass production of tampons. They were helped significantly in this by the patent specifications for Tampax that Father Schulte had obtained in the USA, especially with regard to the construction of the production machines, which had to be designed in such a way that they met the high demands placed on the product. At least they knew what to do and what not to do to avoid infringing Tampax patents, and how to prevent drawbacks for their consumers, which would have meant the immediate end of the company, with catastrophic consequences for Carl Hahn and his family.

At first they experimented with vises to shape the tampons into the desired form and to compress the cotton. But this approach proved to be a dead end. Cutting a piece of cotton and winding it up while inserting a removal string – a technical solution to the task was soon found for the prototypes, but not for the mass production process itself. The real problem emerged when compressing the tampons. Special machines that could produce rolls of cotton wool in large quantities were not available on the market. And so another industry had to help with the process of birthing the machines: the cigarette machine industry.

Fleet of DKW delivery vans with Panteen advertising for the Hamburg factory warehouse, DKW F 800 type 30 panel van, 1955



This industry had long had equipment capable of rolling mechanically. Carl Hahn was familiar with the technology from his time at Brinkmann in Bremen in the 1930s. Since then, he had maintained connections to the cigarette machine industry, which was at that time concentrated in the Bergisches Land region – specifically Gevelsberg, in this case – in the immediate vicinity of the planned production site for o.b. in Wuppertal. Carl Hahn remembered this when he was looking for a solution for the production of o.b. tampons. So he commissioned a tobacco rolling machine designer to adapt the technology to the production of cotton tampons. The initial problem with this is that cotton wool has a much more unruly consistency than tobacco, making it more difficult to process. In the end, however, they managed to modify technology from a cigarette rolling machine to press the cotton wool blanks while simultaneously providing them with a loop so that they could be used as tampons.

On October 20, 1948, Carl Hahn received a telegram from Heinz Mittag stating the following:

“Dr. Hahn c/o Dr. Schueler – Unterer Grabweg 69 – Ingolstadt

Private pressing tests successful stays dry from 12 mm under 30 kg pressure per cc without heat with ½ sec press time Stop Report on solution with the machine to follow Thursday test completion probably next week with improvements Stop Arrived Wuppertal 1148 Moton Gevelsberg Machine Two start of assembly Monday pleasant weekend Mittag”

On November 25, 1948, another telegram from Heinz Mittag followed, announcing the successful conclusion of testing within the next few days – good news!

On December 7, 1948, Carl Hahn noted in the “DKW guest book”: *“The first proper tampon!”*

Hahn and Mittag patented the process.

In the coming weeks, development of the o.b. tampons had progressed to the stage where, on March 9, 1950, the o.b. was presented to an invited specialist audience for the first time in a Wuppertal restaurant. On March 13, 1950, the first packs of o.b. tampons went on sale, accompanied by typically (for the time) verbose advertising:

“New for the German woman!

For more than ten years now, a new method of menstrual protection has been available in the Western world: tampons that are worn internally and thus remain invisible. This modern hygiene method has proven itself so well that millions of women abroad have already switched to it. They all enjoy the great convenience of being able to move freely and appear uninhibited every day, at work, in sports and in society.

Until recently, Germany lacked the raw materials and special machines for mass production of these tampons. Flawed imitations could only disappoint. After long preparatory work, our company has now managed to master all the difficulties. Under the ‘o.b.’ brand, we are the only ones to bring a tampon that is manufactured fully automatically onto the market, the specific advantages of which are hardly matched, even abroad. Now, German women are also able to benefit from the new method, and free themselves from outdated practices. Try it, and you will be convinced: The future belongs to ‘o.b. hygiene.’”

Aufgenommen				Befördert	
Tag	Monat	Jahr	Zeit	Tag	Zeit
von			durch	an	
München					
Amst					
- LT -DR HAHN BEI DR SCHUELER					
UNTERER GRABWEG 69 INGOLSTADT -					
ERHEBENDER ANBLICK BEIM LAUFEN DR MASCHINE MIT ZUNAECHST					
PAKT 36 STOP KLEINERE MAENDEL WERDEN BIS NAECHSTE WOCH					
ABGESTELLT VORAUSSICHTLICH ENDER NAECHSTER WOCH					
ENTSCHLIESSUNG UEBER ANSCHLUSSAUFTRAEGE MOEGLICH GRUSS					
- MITTAG +					
Rev 69 36 ENDER NAECHSTER DR MASCHINE +					

The first production trials were successful. Telegram from Heinz Mittag to Carl Hahn, November 25, 1948

Jederzeit sicher und frei beweglich!



**Moderne Frauen vertrauen der o.b.-Hygiene
Machen auch Sie einen Versuch!**

The first advertisement appeared on April 15, 1950 in the Rheinische Post newspaper. Initial reactions to the new o.b. product varied wildly to begin with. Some women had been waiting for something like this; then there were others who couldn't imagine at all how it could fit into their bodies. The only option was education at all levels, targeting specialists, midwives, nurses, doctors, clinic managers. Ultimately, it was a socio-cultural task. Many women were scared of the tampon and had reservations about it. Only slowly did they begin to develop an awareness of their

own bodies and their bodily functions.

Production began in Wuppertal at Heckinghauser Straße 263 with around twenty five employees. Initially, the factory produced ten million o.b. tampons. On March 10, 1954, Dr. Carl Hahn KG sent out an invitation to a festive evening at a spa hotel in Petersberg am Rhein for May 1st. *"The meeting of friends of our company is also intended to honor Dr. Hahn, who turned sixty at the beginning of this year."* The company was now on solid ground and there was reason to celebrate.

o.b. sales stand, 1969



The o.b. brand over the years



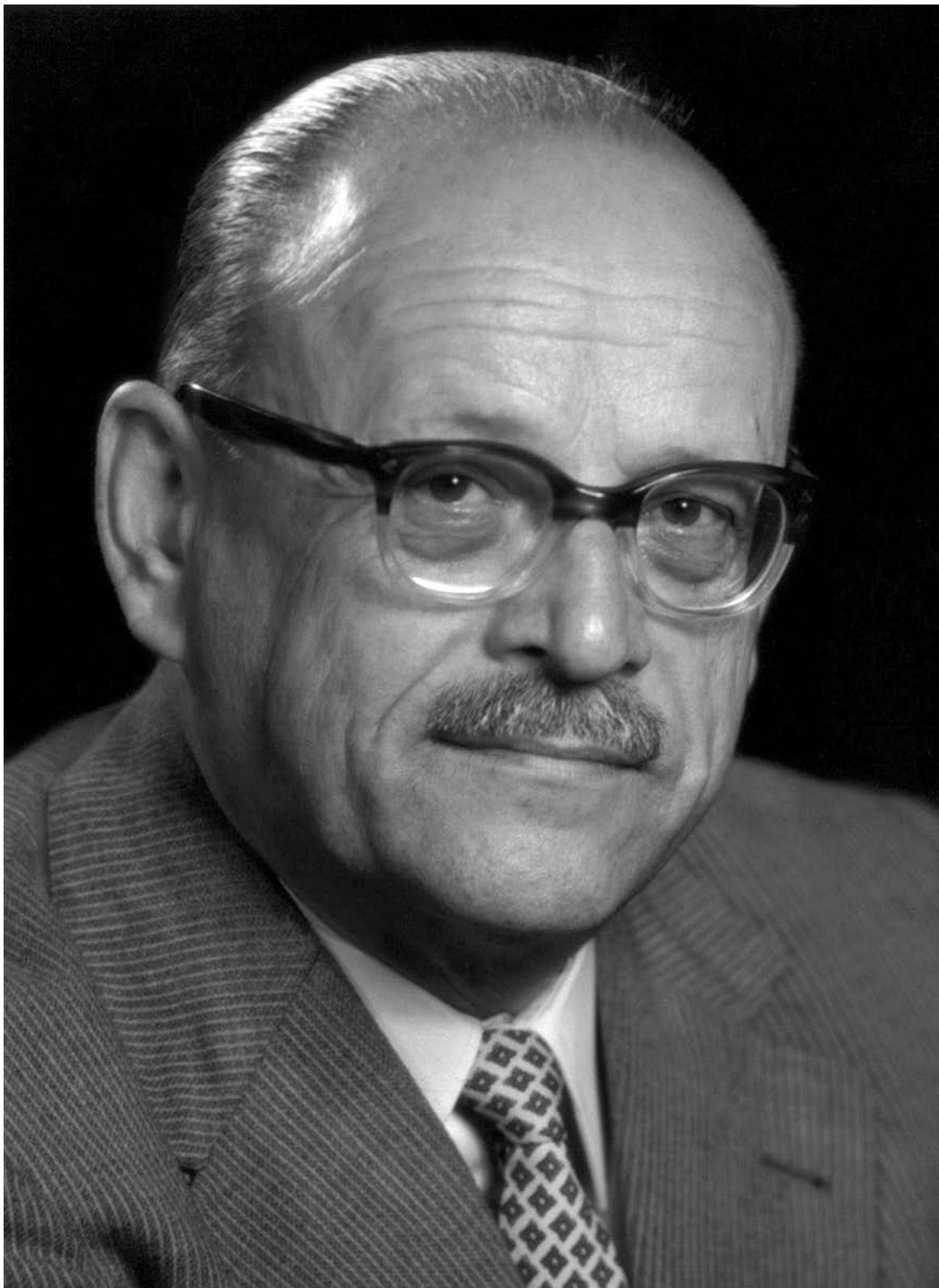
Reception at Getrag GmbH (gear construction) in Ludwigsburg (left to right): Hanns Schüler, Nono Hahn, Vera Schüler, Carl Hahn, Hermann Hagenmeyer (managing director and owner of Getrag), April 30, 1960

After a severe heart attack in 1956, Carl Hahn withdrew from all of his Dr. Carl Hahn KG duties. But this was also in reaction to tensions that had built up between him and Heinz Mittag. In the previous few years, the company had increasingly been represented by its managing director, Mittag, while Carl Hahn, although he was a partner in the company and gave the company its name, saw his true domain to be at Auto Union GmbH. Eventually, Heinz Mittag wanted to create “clear” conditions – in his words – and used his good relationships with other limited partners to force Carl Hahn out of the company completely. With this takeover (today we would describe it as hostile), the friendship between Carl Hahn and Heinz Mittag ended. Despite his departure, Carl Hahn allowed the company to continue under its previous company name, in the hope

this would commemorate its founder and progenitor for as long as possible.

It was only after Hahn’s death that Dr. Heinz Mittag was named the sole managing director and personally liable partner, in a commercial register entry dated September 19, 1962.

In 1973, the company was sold to Johnson & Johnson GmbH, which continues to run it successfully as a subsidiary that has become well and truly global. In this way, a creative entrepreneur changed and improved the quality of life of many women everywhere. The o.b. tampon developed such a strong technical position over the years that no new competing product has emerged. It dominates the world as a jewel in the Johnson & Johnson crown. If you will, this is also a belated compliment to the businessman Carl Hahn, who sadly was unable to reap the rewards of his success.





They may rest from their labors ...

EPILOGUE

Carl Hahn was an “old school” marketing expert, so to speak. Throughout his life, he dedicated most of his efforts to one very specific and in a way unique product: the DKW motor vehicle. He was there when it was still in its infancy, and he remained its prophet almost to the end of the two-stroke era. The most notable consequence of this long-lasting relationship was, logically enough, his very high level of expertise and his entrepreneurial instinct.

Carl Hahn saw his marketing task – although the word “marketing” was unknown at that time in Germany – as being to rush ahead of the product, to foster a vision for its technical and constructive development and to inspire his own technicians with this vision. In particular, the history of DKW in Zschopau during the Auto Union years provides illustrious examples. Hahn was certainly not just someone who provided the stimulus and then left it at that; he stuck to it. This went as far as actively participating in the test drives for the DKW F 9 and the Hum-

mel (“Bumblebee”). In his product loyalty and his influence on making his ideas (and those of others) a reality, he was considered an absolute one-of-a-kind among the advertising and sales experts in the German automotive industry. There was no one directly comparable, which is why the nickname “DKW Hahn” took off the way it did.

The years between 1932 and 1939 were particularly important for the close bond between Hahn and DKW. The main reason for this was that the DKW brand was no longer tied to the intentions of one individual entrepreneur – who often acted on the spur of the moment – and could instead pursue the medium and long-term concept of a general association of the West Saxon motor vehicle industry. This offered a completely different, larger and, above all, more reliable framework for developing DKW’s potential.

Auto Union AG Chemnitz, which Hahn

played a key role in managing, experienced extremely dynamic growth in precisely these few years. In 1939, on the basis of strategies and planning methods that even to this day seem timely, it had become a four-brand group that, in a few more years, would meet all the requirements to take a leading position in Europe, as well.

Auto Union concentrated fully on making these projects a reality, and company management focused primarily on the rapidly increasing motorization of road traffic, and almost exclusively on passenger transport. Although its rate of growth exceeded that of all its competitors in Germany, the intervention measures introduced by the Nazi government shackled the company noticeably. These measures related to the scarcity of materials characterized by rigidly enforced rationing and the significantly clouded future prospects caused by the mandatory type limitation. Just as the company was shifting its investment focus onto new



Carl Hahn (1894–1961)

production sites, adapting the range of models to these exigencies, while simultaneously consolidating and even expanding its market position in the long term through structural changes – precisely at this time, war broke out. It was already clear at this point that Auto Union’s special military vehicles would be phased out in the foreseeable future. The attempt made before the war to gain a foothold in the commercial vehicle market with a truck design – admittedly, a groundbreaking one – failed due to opposition from the military. The Schell plan had to be implemented as written, without exceptions. The Four-Ring vehicles were at risk of being completely excluded from military vehicle production. Which is what actually happened in 1944 – from then on, the company would manufacture replicas of products from other companies. There was only one ray of hope: the RT 125 and NZ 350 DKW motorcycles were approved as the only army bikes for solo use. It was probably also thanks to Carl Hahn that

this production was kept alive – ultimately in a “downgraded” form, as was typical for wartime Germany: the rudiments of a once brilliant range of peacetime products.

Hahn worked as an entrepreneurial manager for most of his life. For him, loyalty to the company was always an overriding priority. That applied to DKW and to Auto Union, as it did to Germania and also to his own understanding of himself as head of the cosmetics company, even though he also owned it. But he also practiced this self-effacement in his relationships with the people who stood next to him as partners or who were in some way superior to him. Whether it was Jørgen Skafte Rasmussen or Richard Bruhn, William Werner or Heinz Mittag – he always first tried to understand their intentions and help make these a reality. He did not hold back with critical analysis or contradiction, but he never rebelled. He cultivated friendships with his open, charming manner, his Austrian-Bohemian amiability.

It had its limits. When Rasmussen publicly disavowed him and Mittag betrayed him, even Carl Hahn stopped smiling. And once it was over for him, it was definitely over.

During his years in Chemnitz, Carl Hahn worked primarily for DKW (as his job description specified), and he was involved in laying the foundations on which the company continued to build for decades after it moved to Ingolstadt. Far beyond this, he was also involved in shaping visions that, when realized, made Auto Union one of the most forward-looking companies in the motor vehicle industry. It was absolutely clear to him – as it was to his colleagues on the board and the other key employees in Chemnitz, Zwickau, Zschopau and Spandau – that they had to focus all their efforts on a range of types that was tailored both to demand and to what was genuinely feasible, and thus, by direct correlation, they had to focus on the most modern production methods.

Looking back at it from today, we so easily forget that achieving an objective like this under the conditions of extreme state intervention in the economy took a huge effort. Iron and rubber were rationed starting in 1937, with armaments taking precedence. A state authority prescribed which cars could be built, when, by whom, for how long and under what conditions. And the state determined the – low – octane rating gasoline was permitted to have. Despite the unbroken urge of the Germans to use motor vehicles, it was no longer demand that influenced the supply, it was official regulations. Industry had to adapt. This almost inevitably resulted in business actions that seem incomprehensible from today's perspective.

Nevertheless – and all the more remarkably – Auto Union succeeded in making its mark as a complex brand, almost overnight. Its extremely successful participation in motor racing certainly played a major part in this. The sport was hugely popular in those years and, to put it in modern terms, secured the highest ratings. The high-performance victories on

the racetrack ensured that the Four Rings company, which was almost unknown in 1932, was on everyone's lips within a year.

Over and above this, however, skillfully managed product and manufacturing policies ensured that the range of cars and motorcycles available from dealers made the Four Rings present in everyday life. The Technical Board Report for 1937,¹ quoted above, reveals a sense of satisfaction that, as a result of disciplined structuring and rational vehicle development, they had managed in just a few years to establish a model range that could fully exploit market conditions in all price and engine size categories. Successor companies and competitors took decades to achieve this status quo again.

The foundation had already been laid in the 1920s. Its name: DKW. This also helped Auto Union later on. DKW was not only the world's largest motorcycle manufacturer and later the creator of the most promising small car concept in Germany, it was also the most enthusiastic promoter of the two-stroke engine worldwide. In 1939, the head of technology at Auto Union, William Werner, saw an important competitive advantage in the two-stroke engine, and this two-stroke principle continued to shape the car market in both East and West Germany for many years after the war.

DKW was and remained the cornerstone of the Four Ring group, in terms of both volume and value creation. By 1932, DKW had already reached the brink of viability with its motorcycles and small cars alone. DKW would not have been able to survive in the long term without expanding into the mid-sized range of the automotive world. But without DKW, Auto Union would not have come about in the first place.

The self-image of the Chemnitz-based corporation was not the result of a speculative takeover policy, it was based on the strategic concept of the four companies growing together to form a unified brand that could preserve and further develop the peculiarities of its component parts. From this concept, fundamental technical

engineering convictions arose and were handed down; convictions that cannot be summed up in purely structural or organizational terms. But they can be discerned in the vehicles that were built here. In addition to the two-stroke engine, this also included the small car concept with a transverse in-line engine, the front-wheel drive and, in particular, the eight-cylinder expertise that was almost unique in Germany and was promoted under the Horch brand as the market leader in the luxury class. Key findings from research into high-performance engines, lightweight construction, aerodynamics and the use of synthetic materials also deserve a mention in this context.

But – just as Audi was deprived of the fruits of great development work in 1914 by the outbreak of the First World War, so twenty five years later the Second World War, started by the Nazis, prevented Auto Union from converting its strengths into economic advantages. Carl Hahn assuredly found this painful. Even before war broke out, he had already experienced for himself the effects of an all-powerful state, for example with the compulsory type structuring or with the establishment of Volkswagen. He preferred to acquiesce rather than practice open resistance, which in the end would have done him thorough and lasting damage, but would not have changed the evil in the slightest.

During the war, state power increased exponentially. Armaments factories were allowed to continue working, while all others – unless essential – could be closed. This sword of Damocles also hung over businessmen and employees in the mechanical engineering sector. Survival depended on orders, the assignment of resources and raw materials needed for these orders, and the workforce. The state was responsible for all the relevant allocations. Given the increasing scarcity of resources, companies had to really fight for these. And Carl Hahn had to join the fray, both for Auto Union and for Germany. The clearer it got that Germany was on the losing side of the war, the more grotesque the consequences of playing

this role became. Management of the economy was completely restructured; managers were placed in leadership “rings” and assumed state authority when it came to distributing material. The employment office was no longer responsible for the supply of workers; this responsibility was placed in the hands of a plenipotentiary with special powers, and the SS. With this, the course of the war entered its most inhumane phase, even behind the front lines. From now on, even the economy was managed with orders and decrees only; violations were not tolerated and the penalties were draconian. No exceptions were made. The way people behaved and acted under these working and living conditions is no longer empirically comprehensible to us from today’s perspective. Trite moral judgments are often made by those who enjoy the enviable privilege of having always lived in conditions of liberty. The ambivalent behavior of the people who lived and worked through that time is rarely captured in a realistic way.

Carl Hahn had not chosen this war economy, which was becoming more and more appalling, with all its constraints, hardships and cruelties. But he couldn’t escape it either. And so he did what he considered his duty – and for as long as possible. The fact that this system worked, even when it had to be clear to everyone that there was no longer any chance of escaping destruction, is what Helmut Schmidt once described as the “*tragedy of our sense of duty.*”

When this terrible war was over in May 1945, but the wounds were still burning terribly, and the aftermath of the war was bringing forth new tragedies – it was women and also men who saw the light at the end of the tunnel and who knew how to get there. Carried by their own ideas, driven by an insatiable urge to act, and held up by a seemingly invincible hope of getting back on their feet, they trod the path forward and swept others along with them.

Again, it was entrepreneurs who found gaps in the market, procured materials,

mobilized capital and got the chimneys smoking again. Carl Hahn was one of them. His willingness to take risks and his stamina brought him success with o.b. When rebuilding Auto Union, too, he lifted up thousands with his call: “*DKW is back!*” For them, the message: “*We’ll start again in Ingolstadt!*” was like the sun rising once more. In April 1951, Carl Hahn drew up a revealing interim balance for himself and his work in the post-war period: “*35,000,000 o.b. tampons, 10,000 DKW fast trucks, 35,000 DKW RT 125 motorcycles and 4,000 DKW cars.*”

He had a lot in common with his employees. Like them, he could and had to improvise, and like them, he lived on visions that actually became reality. And the last of these visions became a reality in 1963, when the DKW 102 was launched, the car about which he had written ten years earlier in a letter to Bruhn dated August 13, 1953: the ultimate goal should be “*developing a 60 hp, front-wheel drive, two-cylinder car. If we succeed in developing a front-wheel drive car, with a displacement of 1.2 l, a three-cylinder, two-stroke engine, four-door, with the spacious comfort of the Fiat 1100.*” And he added: “*It’s just an idea I had ...*” And this is precisely what the F 102 was – albeit now with a four-stroke engine – as well as being the car that started the rebirth of AUDI.

Sadly, Carl Hahn was no longer around to experience this, having passed away two years before. This marked the passing of one who had built bridges between yesterday and tomorrow, between technology and marketing, between visions and tangible reality. He always strove to connect people rather than separate them.

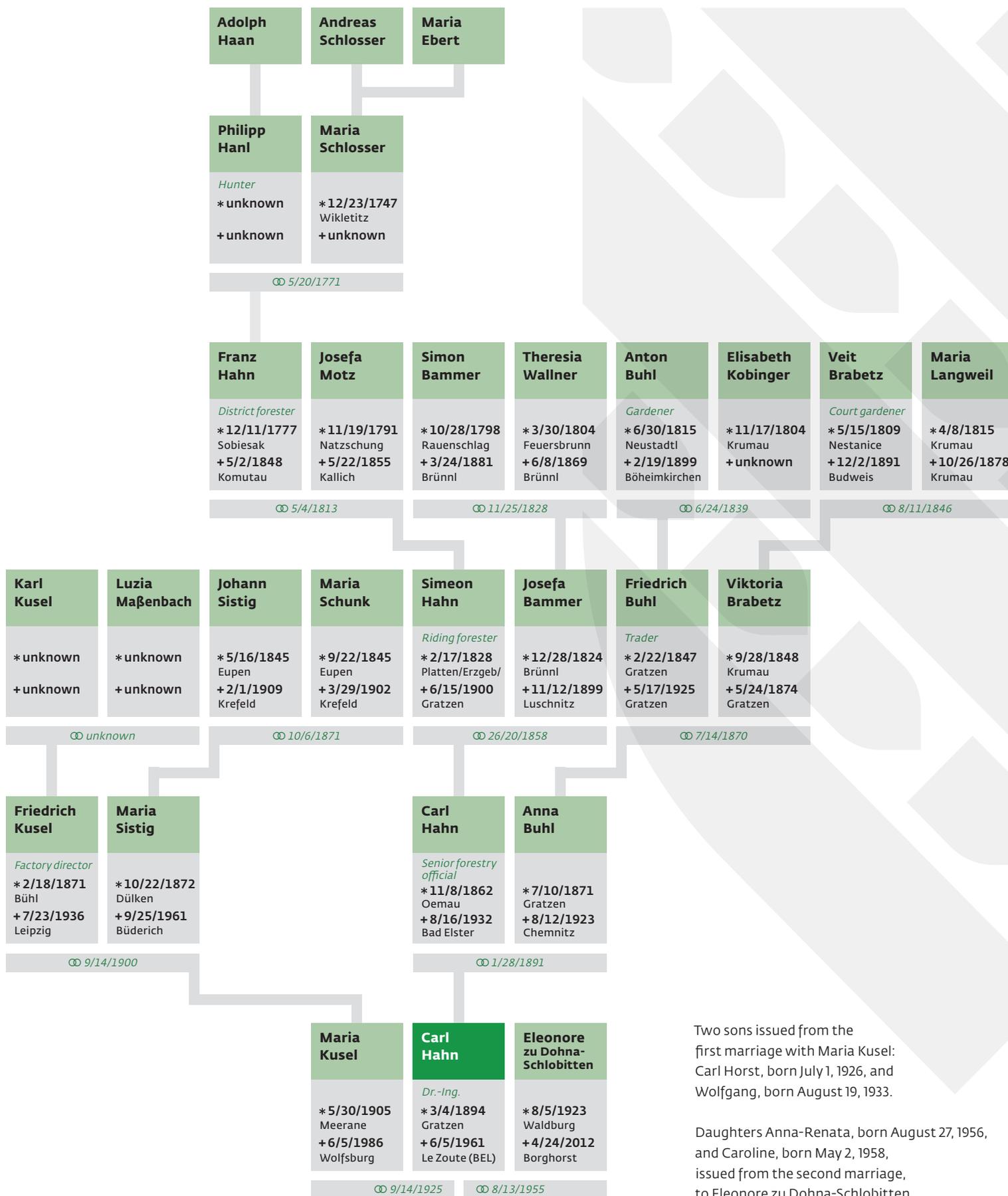
His name is inextricably linked to the initials DKW. And he was one of the people who, with Auto Union, had such a strong influence on automobile construction in Saxony that he lived off the legacy, the constructive essence of the two-stroke engine with two and three cylinders (among other things) for decades to come. The vitality of Auto Union and its leadership is also evidenced by the fact that it was the only company in this industry to make

the exodus to the West and survive in the long term. Audi in Ingolstadt, one of the most successful German automobile manufacturers, still proudly proclaims its Saxon roots.

It was not just a matter of genetic logic or the unbroken bond to the city of his birth, Chemnitz, it was also because of the maxims and beliefs which his father so consistently upheld that decades later led his son Carl Horst Hahn to revive automobile construction at the traditional Auto Union locations, leading to a new boom. In doing so, he clearly followed his own intentions, but he was also following in the footsteps of his father. In this respect, DKW Hahn was still present: They may rest from their labors, for their works do follow them.

Dr. Carl Hahn's family tree

1894–1961



Two sons issued from the first marriage with Maria Kusel: Carl Horst, born July 1, 1926, and Wolfgang, born August 19, 1933.

Daughters Anna-Renata, born August 27, 1956, and Caroline, born May 2, 1958, issued from the second marriage, to Eleonore zu Dohna-Schlobitten



The family of Carl Horst Hahn, Carl Hahn's eldest son, 2015 (left to right):
top row
 Grandchildren Lara and Giacomo (children of daughter Pia), grandchildren Sofia, Victoria and Carl Philip (children of son Christopher), granddaughter Clarissa (daughter of son Alexander)
center row
 Son Peter Andreas, grandson Carl Ferdinand (son of son Alexander), grandson Nicolai (son of son Peter)
bottom row
 Vanessa (wife of son Christopher), son Carl Alexander, son Christopher Anthony, Anna Heitz (life partner of son Peter) with granddaughter Cosima, daughter Pia Luisa Marocco, Carl Horst Hahn

Family of Anna Renata Schultz, Carl Hahn's eldest daughter, 2012 (left to right):
standing
 Sons Maximilian, Friedrich and Ferdinand
sitting
 Husband Federico with Anna-Renata and her mother Nono Hahn



Family of Wolfgang Hahn, Carl Hahn's younger son, 2015 (left to right): Wolfgang Hahn with wife Brigitte, granddaughter Maren (daughter of daughter Dagmar), Nicole Kaupke (life partner of son Markus), grandson Thorsten (son of daughter Dagmar), son Markus, daughter Dagmar, Michael Männel (husband of daughter Dagmar)



Carl Hahn's younger daughter, the dressage rider and Olympic athlete Caroline Hatlapa (here on grand prix horse Abamo Duke of Borghorst) and her daughter Helena, 2015

Credits/index

AUTHORS

Carl H Hahn

Prof. Dr., Dr., Jg. 1926. Carl H Hahn began his career in 1953 at the Organization for European Economic Cooperation (OEEC) in Paris and in 1954 moved to Volkswagenwerk GmbH as head of export promotion. From 1959 to 1964 he was Chief Executive Officer of Volkswagen of America. After his return from the USA, Hahn became a member of the executive board of Volkswagenwerk AG in 1965, responsible for the sales division. From 1973 to the end of 1981 he was chairman of the board of Continental Gummi-Werke AG, Hanover. Hahn returned to Volkswagen AG as chairman of the board of directors in 1982 and held this office until his retirement in 1992.

Since then he has been active on various supervisory boards of European and American companies and institutions. He is also an honorary professor for industrial corporate strategies at the University of Applied Sciences Zwickau.

Hahn initiated the Kunstmuseum Wolfsburg contemporary art museum and is still a member of its board of trustees today. He is also active in various political and cultural organizations.

Hahn has been awarded academic honors by eight universities in Germany and abroad. Austria, Belgium, Brazil, Italy, Kyrgyzstan, Spain, South Africa and the Federal Republic of Germany, as well as Lower Saxony and Saxony have decorated him with medals. In 2006, he was elected to the European Automotive Hall of Fame.

Carl Hahn has been an honorary citizen of the city of Wolfsburg since 1977, of his hometown of Chemnitz since 1994, of the city of Zwickau since 1998 and of Changchun, China, since 2003.

Peter Kirchberg

Prof. Dr. habil., Jg. 1934. After completing his history studies in Leipzig, Peter Kirchberg worked from 1960 as an assistant at the Institute for the History of Technology and Natural Sciences at what was then the Technical University of Dresden. One of his first major jobs was writing the screenplay for the motorcycle museum in Augustusburg. In 1964, he was awarded a doctorate for his thesis on the history of Auto Union AG Chemnitz. In the same year, Kirchberg became a senior assistant in the Institute for Economic and Transport History at the Friedrich List University of Transport in Dresden. In 1978, he completed a postdoctoral qualification focused on the development of technology in the German motor vehicle industry from its beginnings until 1929. From 1980, he worked as a lecturer in economic and transport history at the same university and in 1990 became a professor for technology and transport history at the University of Transport in Dresden. Since its closure in 1992, Kirchberg has worked as a freelancer and as a consultant to Auto Union GmbH in Ingolstadt on matters of tradition and company history.

As an author, Kirchberg has published numerous books on the history of Saxon automobile construction, in particular on Auto Union and the IFA – including, above all, the standard work “Plaste, Blech und Planwirtschaft – die Geschichte des Automobilbaus in der DDR” (Berlin 2000 ff.). Peter Kirchberg played a key role in setting up the August Horch Museum in Zwickau and has been the chairman of the advisory board responsible for the content from the very beginning.

Klaus Müller

Dr. phil., Jg., 1946. After studying history and archival science in Dresden and Berlin, Klaus Müller held various teaching positions in adult qualification and worked at the Chemnitz State Archive. He has been retired since 2009.

Müller continues to be active as an author and publisher of various essays and lectures on archival and regional historical topics.

Bernd Wiersch

Dr. phil., Jg. 1942. Bernd Wiersch studied history, geography, English and journalism at the University of Göttingen. In 1974, he received his doctorate from the University of Hanover.

From 1969, Wiersch was the archivist responsible for maintaining the company history of Volkswagen AG, where he experienced the development of the company and its vehicles first-hand. One of his particular concerns was the creation of a historical vehicle inventory in order to document the company's ability to innovate in the past. In 1985, this vehicle collection became the AutoMuseum in Wolfsburg, which Wiersch has headed since then. From 1992 to 2003 he worked on the board of the Wolfsburg AutoMuseum Foundation.

Bernd Wiersch has published a series of automobile history books with a focus on Volkswagen history.

PHOTO CREDITS

Hahn family archive (160)
AUDI AG company archive (179)
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Verlag Heimatland Sachsen archive (10)
Jørgen Rasmussen archive (5)
Walter Siepmann archive (3)
Deutsches Museum München archive (2)
Wolff & Tritschler archive (2)
Sächsische Landesbibliothek –
Staats- und Universitätsbibliothek Dresden,
Deutsche Fotothek (1)
Sächsisches Industriemuseum Chemnitz (1)
City of Chemnitz, city archive (1)

INDEX

Index of persons

A

Adenauer, Konrad (1876–1967) (p. 43, 44, 45, 172)
 Ahrens, Hermann (1904–1995) (p. 97)
 Amerongen, Otto Wolff von (1918–2007) (p. 44, 159)
 Arlt, Oskar (1889–1945) (p. 34)
 Au, Friedrich von (p. 76)

B

Badoglio, Pietro, Marschall (1871–1956) (p. 136)
 Bauhofer, Anton "Toni" (1892–1968) (p. 112)
 Baumbach, Heinz von (p. 105)
 Blank, Theodor (p. 182)
 Blau, Richard (p. 63–65, 74, 76, 84)
 Bleicher, Alfred, Dr. (p. 85, 87, 93)
 Bodmer, Karl (1911–1955) (p. 112)
 Bonelli, Pero (p. 136, 138)
 Boroevic von Bojna, Svetozar, Field Marshall (1856–1920) (p. 19)
 Böttcher, Herbert (p. 47)
 Brand, Otto (p. 36)
 Brod, Max (p. 156, 158)
 Bruhn, Fanny (p. 191)
 Bruhn, Richard, Dr. (1886–1964) (p. 6, 28, 33, 35, 37, 44, 47, 58, 85, 87, 93, 103–105, 110–117, 129–131, 136, 143, 150, 155, 156, 158, 159, 161–163, 168, 172, 177–179, 181, 182, 184–186, 191, 193, 201, 203)
 Bucquoy, Count von (p. 4, 10, 11, 12)
 Burghalter, Erhard (p. 155)

C

Castellini, Lea (p. 4)

D

Degenhardt, Carl Gottfried (p. 93, 97)
 Doerschlag, Siegfried (1894–1972) (p. 61, 72)
 Dohna-Schlobitten, Eberhard, Count of (p. 49)
 Dohna-Schlobitten, Renata Countess von, née Countess von Hochberg (p. 49)
 Dörner, Nikolaus (1906–1986) (p. 174, 176, 178, 179)
 Drechsel, Arthur (p. 122)
 Drechsel, Thea (p. 30)
 Dyckhoff, Otto (p. 108, 109)

E

Eberhorst, Robert Eberan von, Prof. Dr. (1902–1982) (p. 113, 144, 178, 179, 181)
 Ehlers, Siegfried (p. 186)
 Ehrenberg, Baroness von (p. 12)
 Ehrenberg, Georga von (p. 12)
 Einsiedel, Countess von (p. 66)
 Eisenhower, Dwight D. (1890–1969) (p. 40)
 Erdmann, Wolfgang (p. 159)
 Erhard, Ludwig (1897–1977) (p. 5, 161, 162)

F

Falkenhayn, Fritz von (p. 128)
 Ferber, Franz (p. 185, 162)
 Fiedler, Fritz (1899–1972) (p. 97)
 Fischer, Emil (p. 58)
 Fischer, Robert, Prof. Dr. (p. 20)
 Flader, Hans (p. 22, 23)
 Flick, Friedrich (1883–1972) (p. 181–186)
 Foedisch, Hermine (p. 51)
 Ford, Henry (1863–1947) (p. 43)
 Franz Ferdinand, Archduke (1863–1914) (p. 16)
 Franz Josef I., Emperor of Austria (1830–1916) (p. 19)
 Frick, Wilhelm (p. 116)
 Friebe, Paul (p. 48)
 Friedrich, district forester (p. 23)
 Frisch, Walther, Dr. (1879–1966) (p. 114)

G

Ganz, Josef "Janus" (1898–1967) (p. 97)
 Gehle, Mr. (p. 81)
 Geiss, Arthur (p. 112)
 Geite, Werner (1908–1994) (p. 156–158)
 George, Heinrich (1893–1946) (p. 14)
 Goebbels, Joseph (p. 130, 139)
 Göhner, Ernst (1900–1971) (p. 47, 162, 163, 181)
 Göring, Hermann (p. 105, 129)
 Görke, Fritz (1895–1967) (p. 174)
 Gould, Major (p. 44)
 Graumüller, Alexander (p. 93)
 Grimmke, Ernst (p. 44)
 Günther, Paul (p. 163, 178)

H

Hagenmeyer, Hermann (p. 198)
 Hahn, Anna Maria Viktoria, née Buhl (1871–1923) (p. 10–12, 25)
 Hahn, Brigitte, née Hoffmann (p. 52, 53)
 Hahn, Carl (1862–1932) (p. 11–13, 22, 24, 26, 27)
 Hahn, Carl Alexander (p. 54)
 Hahn, Carl Horst, Prof. Dr. (p. 4–6, 14, 19, 25–27, 29–36, 39, 41–45, 53–55, 83, 130, 138, 148, 186, 191, 193, 203)
 Hahn, Christopher Anthony (p. 54)
 Hahn, Dagmar (p. 53)
 Hahn, Eleonore Elisabeth Anna Marie "Nono", née Countess of Dohna-Schlobitten (1923–2012) (p. 14, 47, 49–54, 178, 198)
 Hahn, Heinrich (1904–1948) (p. 11, 12, 15)
 Hahn, Marie Lucia Lina "Mia", née Kusel (1905–1986) (p. 9, 24–26, 29, 34, 35, 38–42, 44, 46–48, 83, 87, 131)
 Hahn, Marisa Lea, née Traina (1926–1913) (p. 53, 54)
 Hahn, Markus (p. 53)
 Hahn, Peter Andreas (p. 54)
 Hahn, Simeon (1828–1900) (p. 12)
 Hahn, Waltraut (p. 40)
 Hahn, Wolfgang (1911–1972) (p. 11, 15)

Hahn, Wolfgang Günter (p. 6, 25, 29–35, 37, 41, 42, 46, 50–53, 148)
 Hammerschmidt, Mr. (p. 47)
 Harten, H. K. P. (p. 191)
 Hartmann, Mr. (p. 122)
 Haspel, Wilhelm (1898–1952) (p. 5)
 Hatlapa, Caroline, née Hahn (p. 6, 50–53)
 Hatlapa, Helena (p. 52)
 Heckel, Oswald (p. 155)
 Hensel, Ludwig (p. 34, 124, 162, 174, 177, 181, 185)
 Hitler, Adolf (p. 20, 27, 105, 113, 129, 130, 152)
 Hochrein, Prof. (p. 182)
 Hoffmann, plant manager (p. 127)
 Hoffmann, Jakob Oswald (p. 41)
 Holzschuher, Ludwig Rudolf Sigmund "Luggi", Baron von (1897–1973) (p. 49, 83, 192)
 Honsel, Hans (1910–1977) (p. 41)
 Hopkins, Harry (1890–1946) (p. 79)
 Horch, August (1858–1951) (p. 33, 116, 163, 168)
 Hühnlein, Adolf (p. 110)
 Huschke, Hans (p. 115, 116)

I

Innitzer, Theodor, Cardinal (1875–1955) (p. 20)

J

Jacoby, Werner (p. 5, 130, 131)
 Janeček, František (1878–1941) (p. 121)
 Jannings, Emil (1884–1950) (p. 14)
 Jansen, Werner (p. 35, 37)
 Jenschke, Karl (1899–1969) (p. 170, 176, 179, 181)

K

Kaden, Karl (p. 87)
 Keller, Helmut (p. 159)
 Kemmler, Ms. (p. 191)
 Kennel, Prof. von (p. 191)
 Kiegele, Josef (p. 40)
 Kiegele, Resi (p. 40)
 Kiegele, Sofferl (p. 40)
 Kirchberg, Herbert (p. 176)
 Kluge, Ewald (1909–1964) (p. 112)
 Kratsch, Werner (p. 162, 185)
 Kraus, Ludwig (1911–1997) (p. 186)
 Krüger, Johannes, Dr. (p. 143–146)
 Küchen, Richard (p. 127)
 Kuhn, Liselotte (p. 44)
 Kusel, Friedrich Wilhelm Arnold (1871–1936) (p. 5, 24)
 Kusel, Maria Luise, née Sistig (1872–1961) (p. 5, 24, 25, 29, 35, 37, 42, 46–48, 50, 51)

L

Lahusen, Gebrüder (p. 93)
 Lampe, John (p. 42)
 Lenau, Niklaus (1802–1850) (p. 15)

Leyers, Hans, Dr.-Ing., Major General (1896–1981) (p. 47, 136)
 Linneborn, Fridel and Johannes (p. 44)
 Liske, Mr. (p. 158)

M

Maassen, Konrad (p. 106)
 Marbach, Prof. (p. 44)
 Marocco, Pia Luisa, née Hahn (p. 54)
 Mathis, Émile (p. 84)
 May, Karl (p. 33)
 Menz, Gustav (p. 133)
 Meyerhöfer, Ilse (p. 174)
 Mittag, Heinz, Dr. jur. (p. 42, 47, 191–198, 201)
 Mittag, Judith, Dr. med., née Esser (p. 42, 192)
 Morgenthau, Henry (1891–1967) (p. 42, 156)
 Morschbach, Mr., salesman (S. 159)
 Müller, Arthur (p. 66)
 Müller, Gerhard Dr. (p. 114)
 Müller, Herbert, Dr. (p. 93, 105)
 Müller-Andernach, Hans (p. 133, 134)
 Mundorff, Victor (1897–1973) (p. 29, 98, 99, 136, 137)
 Munnerlyn, Don (p. 40)
 Münz, Friedrich (p. 79)
 Mußenbrock, Anneliese (p. 47)
 Mutschmann, Martin (p. 27, 143)

N

Nebelung, Kurt (p. 30, 114, 116)
 Neumann, Bernhard (p. 134)
 Neumann, Hannelore (p. 44)
 Nordhoff, Barbara (p. 53)
 Nordhoff, Heinrich (1899–1968) (p. 53, 138, 186)
 Nuvolari, Tazio (1892–1953) (p. 44)

O

Oehl, Eduard (p. 178)
 Oertzen, Irene von (p. 116)
 Oertzen, Klaus-Detlof von (1894–1991) (p. 103–105, 110, 116, 117)
 Oppenheim, Friedrich Carl, Baron von (1900–1978) (p. 44, 45, 47, 159, 161, 162, 163, 181, 184, 185, 193, 195)
 Ostermeier, Prof. Dr. (p. 20)
 Ostwald, Walter, "Wa." (p. 168)

P

Paffrath (p. 81)
 Pferdenges, Robert (1880–1962) (p. 44, 45)
 Pflaum, Richard (p. 44)
 Pierburg, Alfred (1903–1975) (p. 42, 43, 47, 191)
 Pinnau, Ernst (p. 15)
 Pokorny, Miss (p. 12)
 Popp, Franz Josef (1886–1954) (p. 39)
 Porsche, Ferdinand, Dr. (1875–1951) (p. 104, 116, 129–131, 179, 182)
 Prüssing, August (1896–1967) (p. 74)

Q

Quadflieg, Will (1914–2003) (p. 14)
 Quayzin, Theophil (1884–1965) (p. 33)

R

Ramberg, Max (p. 76)
 Rasmussen, Hans Werner (1906–1945) (p. 34, 110)
 Rasmussen, Jørgen Skafte (1878–1964) (p. 9, 22–28, 30, 34, 56–117, 148, 201)
 Rasmussen, Ove (1909–1995) (p. 22)
 Rasmussen, Therese, née Liebe (1884–1973) (p. 76)
 Richter, Kurt (p. 177)
 Rintelen, Anton, Dr. (1876–1946) (p. 20)
 Ritter, Hermann, State Councilor (1878–1949) (p. 30, 31)
 Ritter, Wolfgang (1905–1993) (p. 30)
 Rosemeyer, Bernd (1909–1938) (p. 112, 113)
 Ruppe, Hugo (1879–1949) (p. 58, 60, 63)

S

Sachs, consul (p. 30)
 Saldern, Elisabeth von (p. 49)
 Sandizell, Carl Max, Count von (1895–1962) (p. 38–40, 138)
 Sandizell, Karl Hochbrand von (p. 38)
 Sandizell, Paula von, née Müller (1904–1993) (p. 39)
 Sauerberg (company, Hamburg) (p. 106)
 Schacht, Hjalmar (p. 27, 105)
 Schell, Adolf von, General (1893–1967) (p. 129)
 Schieber, State Councilor (p. 136)
 Schierig, Max (p. 148)
 Schittenhelm, Karl (p. 155)
 Schmidt, Helmut (p. 203)
 Schmidt, Walter, Lord Mayor (p. 33, 143, 145)
 Schmidt, Walter, lawyer (p. 162, 169)
 Schmidt-Lamberg, Herbert (p. 58)
 Schmolla, Walter (p. 34, 162, 185)
 Schneidereit, Mrs. (p. 44)
 Schnürle, Adolf (1897–1951) (p. 118, 119)
 Schubert, Franz (p. 117)
 Schuh, Heinrich (1886–1950) (p. 34, 127)
 Schüler, Hanns, Dr. (1906–1975) (p. 34, 157, 159, 161, 163, 198)
 Schüler, Vera (p. 198)
 Schulte, Paul, Father (1895–1971) (p. 43, 191, 195)
 Schulz, Conrad (p. 177)
 Schultz, Anna-Renata, née Hahn (p. 52, 54)
 Schultz, Federico (p. 52)
 Schultz, Federico Jr. (p. 52)
 Schultz, Ferdinand (p. 52)
 Schultz, Maximiliano (p. 52)
 Schulz, Conrad (p. 133, 158, 159, 162, 177, 181, 182, 185)
 Schwalbe, Johann Samuel (1778–1845) (p. 142)
 Schwenk, Kurt (1909–1985) (p. 163, 164, 170, 178)
 Schwenke, Hilde (p. 29)
 Schwenke, Martin (p. 29, 41)
 Siebler, Oskar (1895–1976) (p. 127, 132, 134, 181)
 Sievers, Immo (p. 79, 87, 93, 94, 110, 111, 117)
 Simson (Company, Chemnitz) (p. 106)

Spahr, Emil (p. 106)
 Speer, Albert (p. 147)
 Sprung, Hans (p. 64)
 Stauffenberg (p. 47)
 Steudel, Horst (1872–1959) (p. 81)
 Strobel, Werner (p. 127, 132)
 Stuck, Hans (1900–1978) (p. 110)

T
 Tauscher (company, Leipzig) (p. 106)
 Tautenhahn, Hans (p. 26)
 Thiele, Willy (p. 71)
 Traina, John (p. 4, 54)
 Traina, John Jr. (p. 54)
 Traina, Lea (p. 54)
 Trost, Mr. (p. 127)
 Trump, Fritz (p. 182, 183)
 Tschammer und Osten, Hans von (p. 116)

V

Valletta, Vittorio (1883–1967) (p. 43, 138)

W

Walb, Willi (1890–1962) (p. 113)
 Weber, Hermann (1896–1948) (p. 6, 33, 63–65, 74, 118, 156, 181)
 Werner, Mrs. (p. 29)
 Werner, Hans (p. 29)
 Werner, Ursel (p. 29)
 Werner, William (1883–1970) (p. 29, 33, 36, 104, 105, 108–110, 116, 123, 127–132, 134, 136, 156, 157, 181, 184, 201, 202)
 Wessely, Paula (1907–2000) (p. 14)
 Wiedemann, Fritz (1891–1970) (p. 113)
 Winkelsträter, Gebrüder (p. 195)
 Winkler, Walfried (p. 112)
 Wünsche, Siegfried "Sissi" (1916–2000) (p. 177)

Z

Zerbst, Fritz (1891–1958) (p. 158, 162–164, 170, 176, 177, 185)

Index of places**A**

Adorf near Chemnitz (p. 5, 36)
 Altchemnitz (p. 142, 143, 145, 148)
 Amiens (p. 10)
 Amsterdam (p. 131)
 Annaberg (p. 79)
 Auerbach i. Vogtl. (p. 35–57, 148)

B

Bad Neuenahr (p. 159)
 Badenweiler (p. 48, 49)
 Bansin (p. 39)
 Basel (p. 195)
 Benrath (p. 41, 44)
 Bensheim (p. 49)
 Bergamo (p. 54)
 Berlin (p. 14, 31, 66, 68, 71, 77, 86, 87, 89, 93, 97, 98, 104–107, 115, 116, 122, 124, 129–131, 136, 138, 152, 155, 158)
 Bern (p. 44)
 Bonn (p. 43, 52)
 Borghorst (p. 52, 54)
 Bremen (p. 30–32, 74, 113–116, 156)
 Bristol (p. 44)
 Buderich-Meererbusch (p. 43, 46–48, 54)
 Budweis (p. 11)
 Bühl in Baden (p. 24)
 Bucharest (p. 5, 30, 123)

C

Chemnitz (p. 5, 6, 9, 25, 27–37, 39, 42, 46, 56–58, 79, 90–93, 98, 100–104, 106, 110, 112, 116, 127, 136–139, 140–149, 156, 159, 160, 164, 181, 182, 190, 200, 202, 203)
 Cologne (p. 20, 39, 42–47, 106, 159, 169, 190)
 Como (p. 24, 136, 138)

D

Darmstadt (p. 93)
 Dessau (p. 144)
 Deutsch-Beneschau (p. 136)
 Dresden (p. 71, 74, 91, 93, 143, 144)
 Dublin (p. 186)
 Dülken (p. 24)
 Düsseldorf (p. 5, 9, 41–48, 150 et seq., 162, 166, 168–177, 181, 182, 187, 190, 193, 195)

E

Eisenach (p. 152, 153)
 Erfenschlag (p. 79)
 Erla (p. 59, 79)
 Essen (p. 72)

F

Fleckeby (p. 37, 156)
 Flitsch (Italian: Plezzo) (p. 19)
 Frankenberg i. Sa. (p. 77)
 Frankfurt a.M. (p. 55, 124, 128, 156, 170, 172)
 Freiberg (p. 34)
 Freystadt/Silesia (p. 69)
 Furth/Chemnitz (p. 33)

G

Gallen, St. (p. 45, 52)
 Gelenau (p. 24)
 Gevelsberg (p. 196)
 Gratzen (Nové Hradý) (p. 10–13, 20)
 Graz (p. 20)

H

Halle (p. 35)
 Hannover (p. 164, 165, 173)
 Hamburg (p. 39, 48, 49, 74, 106, 144, 195)
 Hof (p. 114)
 Hüttengrund (p. 77)

I

Ingolstadt (p. 5, 6, 9, 31, 37, 41, 46, 47, 52, 98, 150 et seq., 154–160, 163–166, 170–187, 190, 193, 202, 203)

J

Jöhstadt (p. 22)

K

Kamenz (p. 34, 35)
 Kassel (p. 66)
 Kempen (p. 24)
 Kiel (p. 52)
 Klaffenbach (p. 36)
 Koblenz (p. 131)
 Komotau (p. 13)
 Kraków (p. 16)

L

Le Zoute, Belgium (p. 51)
 Leipzig (p. 35, 36, 60, 74, 81, 90, 93, 106)
 Ludwigsburg (p. 198)

M

Marienberg (p. 24, 59, 63, 77, 112)
 Meerbusch (p. 47)
 Meererbusch (p. 43, 46–49, 54)
 Meran (p. 39)
 Meschede (p. 41)
 Mittweida (p. 58)

Montevideo (p. 131)
 Moscow (p. 34)
 Munich (p. 37, 45, 52, 53, 124, 144, 155–157, 183)

N

Naumburg (p. 73)
 New York (p. 43, 68, 156, 193)
 Nuremberg (p. 86, 156)

O

Oberschlema (p. 93)
 Oberwiesenthal (p. 29)

P

Padua (p. 19)
 Papadopoli (p. 16)
 Paris (p. 44, 52, 53, 92)
 Perugia (p. 4, 45)
 Plauen (p. 69, 134, 158)
 Port Elisabeth, South Africa (p. 116)
 Potsdam (p. 42, 153)
 Prague (p. 12, 20)
 Pressburg (Bratislava) (p. 16)
 Preßnitz (p. 13, 22)

R

Rathenow (p. 71, 85)
 Reichenbach i. Vogtl. (p. 35)
 Remscheid (p. 144)
 Rohnstock (p. 49)

S

San Francisco (p. 4, 54)
 Sandizell (p. 5, 9, 36–42, 44, 46, 52, 138, 159, 190)
 Sarajewo (p. 16)
 Scharfenstein (p. 78, 79)
 Schrobenhausen (p. 37, 39, 45, 190)
 Schweinfurt (p. 30, 144)
 Seitenstetten (p. 13, 15)
 Siegmar (p. 92, 93, 98)
 Siegmar-Schönau (p. 36)
 Solingen (p. 41)
 Spandau (p. 78, 79, 81, 84, 124, 133, 155, 158, 202)
 Strasbourg (p. 84)
 Stuttgart (p. 53, 79, 106, 192)
 Swakopmund, Namibia (p. 43)

T

Tarnopol (p. 16)
 Taucha (p. 146)
 Turin (p. 19, 35, 45)

V

Veith, St., Carinthia (p. 19)
 Vienna (p. 4, 5, 12, 16, 20, 21, 36)
 Villa Giusta/Padua (p. 19)

W

Windhook (p. 43)
 Wittgsthäl (p. 79)
 Wolfsburg (p. 48, 53, 54, 76, 138, 152, 186)
 Wuppertal (p. 192, 195, 196, 197)

Y

Yalta (p. 36)

Z

Zöblitz (p. 77)
 Zschopau (p. 5, 6, 9, 22–30, 49, 56–69, 74–85, 87, 89, 93, 97, 98, 106, 116, 118, 119, 121, 124, 127, 139, 156, 167, 182, 186, 192, 200, 202)
 Zurich (p. 5, 44, 54, 162, 163)
 Zwickau (p. 5, 26, 36, 79, 84, 90–95, 98, 100–104, 109, 127, 139, 158, 182, 202)



The manager and entrepreneur *Carl Hahn (1894–1961)* went down in German automotive history with the honorary nickname *DKW Hahn*.

This book presents his outstanding contribution to the development of *DKW* and *Auto Union* in the context of his life. *Carl Hahn* began his career as a top manager under *DKW* founder Rasmussen; a career that is closely linked to the international success of the *DKW* automobile and motorcycle brand. When a merger of the most important Saxon automobile manufacturers became unavoidable in the course of the Great Depression, *Carl Hahn* was one of the key players who shaped the merger that created the new *Auto Union* group based in Chemnitz.

The standards he demanded for technical progress in motor vehicle construction made *Auto Union* an outstanding personality of the age. In 1938, one in four newly registered cars in Germany bore the *four rings* on its radiator, one in five came from Zwickau and one in three motorcycles was a *DKW*. *Carl Hahn's* name is inseparable from the legend of the *DKW* brand. The following figures provide a partial proof of this: by 1945, around 500,000 motorcycles, 250,000 passenger cars and 100,000 stationary engines with a total output of eight million horsepower were manufactured under the *DKW* badge.

Auto Union was liquidated after only thirteen years, almost six of which were spent in wartime conditions. Some of the managers and staff took their decades of experience with them on their exodus to the West. With this transfer of knowledge, *Auto Union* began a new life there. Right in the middle and at the forefront of it all was *Carl Hahn*, who was able to announce in 1950: *DKW is back!*

This book is published jointly by *Carl Horst Hahn*, son of *DKW Hahn*, who himself worked for decades in top management in the German automotive industry and was CEO of the *Volkswagen Group* until 1992, and the automotive historian and doyen of Saxon motor vehicle history *Peter Kirchberg*.

