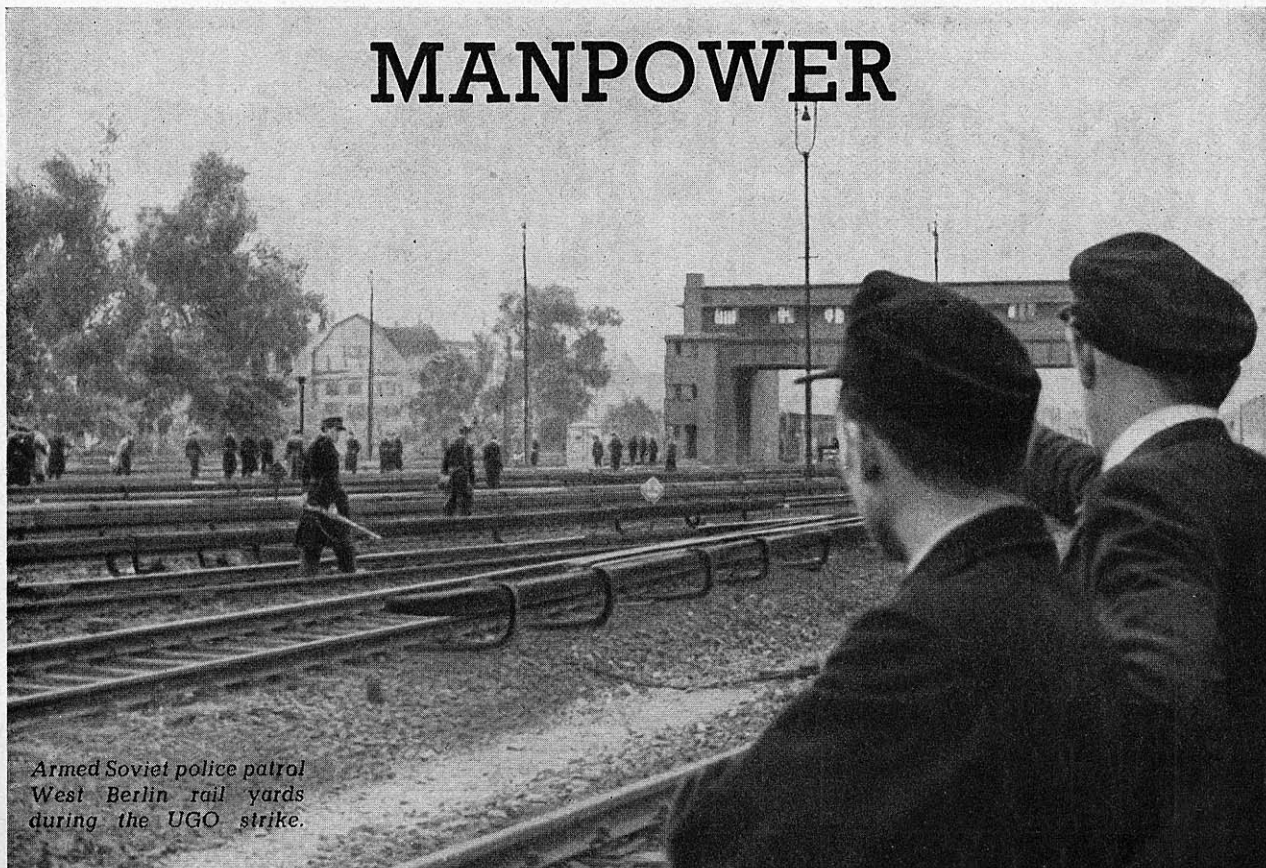


MANPOWER



Armed Soviet police patrol
West Berlin rail yards
during the UGO strike.

Military Government has sought for the past four years to awaken among German workmen a sense of initiative, cooperation, and understanding of the meaning of freedom. That real progress has been achieved is evident from the revival of responsible trade unionism and from the courage and self-confidence of the workers of Western Berlin.

At the beginning, we found the Germans thoroughly cowed, apathetic, and fearful of displaying any initiative. Today, these same people have openly and repeatedly resisted the physical threat of communist domination. We have found labor union leaders emerge from the mass, assert themselves, gain wisdom, and organize an effective grouping, the *UGO*, which has successfully resisted Soviet pressure and blandishments of all kinds.

We have seen, during the blockade period, German labor office personnel working daily in cold, unheated offices, in order to pay out vitally-needed unemployment compensation to their fellow-citizens.

This heartening progress has not been without problems, hurdles, and sometimes heartbreaks. And it has been made against a tumultuous background of continuing conflict between East-West ideologies, a conflict in which the Berlin workman has played a front-line role.

The Magistrat Labor Department

The three Western Allies fell heir to an administrative frame-work which had been established

by the Soviets in May and June, 1945. It followed closely the form of the pre-war German city governmental system.

Each of Berlin's twenty boroughs (*Bezirke*) has a district labor office responsible for the registration and administration of its local population. Above these offices is the main Labor Department of the Magistrat. Its major responsibilities are five-fold:

- Labor allocation
- Wage tariffs and labor standards
- Labor protection
- Vocational training and re-training
- Social insurance

The Allied Kommandatura authorized the continued use of pre-1945 wage tariffs, and has since permitted relaxations of the salary ceilings when necessary. In this field, Military Government advisers have always maintained a specialized relationship with the Labor Department of the Magistrat.

All apprentices and vocational training facilities were placed under the Magistrat's supervision in 1945. During the blockade, emergency regulations were issued, setting up twelve special workshops because—with the considerable decrease in industrial activity—there were no longer facilities enough for apprenticeships.

Compulsory insurance for all workers, employees, and independent tradesmen (who do not employ more than five persons) was established by Kommandatura order at the beginning of the Occupation. This insurance is financed by a 10% tax on employers against their gross wage bill and an

equal rate of tax on employees against their gross wage.

At the present time, approximately 900,000 Berliners from the three western sectors are active paying members of the scheme.

The split of the VAB (Social Insurance Institute) in February, 1949, upset its financial position. A large percentage of its assets were retained in the Soviet Sector, and it was necessary for the Magistrat to issue credits to it.

Today, the VAB has no reserves and exists on a hand-to-mouth basis. Its total monthly income is about 35 million Westmarks; its monthly expenditures in benefits are 33 million Westmarks, and administration expenses require the remaining two million.

Some 12,000 German civilians are at present employed by the U.S. Occupation Forces and Mil-

On the other hand, the inflated *Reichsmark*, the widespread black market and the generally low morale following the collapse of Germany had an adverse effect on working standards. (The black market sale of a single package of cigarettes, for example, would finance three months' supply of rationed food, rent, telephone, and transportation costs.)

There was, therefore, little incentive for the average person to work diligently and faithfully. Employers were compelled in many cases to have over-sized staffs to accomplish the same work that a smaller group could have done before the war.

At the beginning of the blockade, the total labor force in the three western sectors was 940,000. At the present time it is 1,091,000.

Employment fell rapidly during the blockade because of the much reduced supplies of fuel, power, and raw materials. At the same time the number of persons seeking work increased, because the currency reform had wiped out *Reichsmark* holdings and greatly decreased black marketeering.

Elaborate demolition and rehabilitation projects were drawn up by the Magistrat to absorb the ever-increasing number of laid-off workers. Eventually over 40,000 people were employed in the various public schemes.

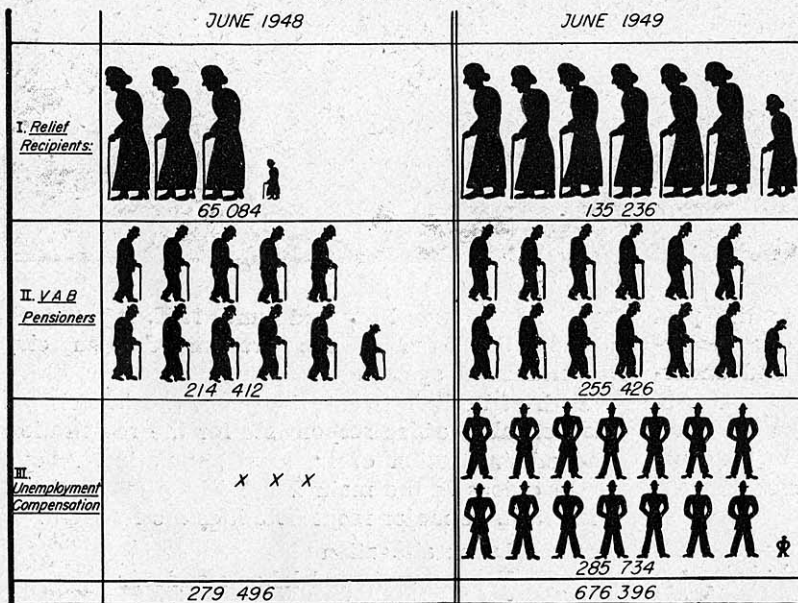
At the beginning of the blockade, 35,000 people were registered as "unemployed and seeking work". By the end of the blockade, this figure had increased to more than 150,000.

Three months later, 178,000 persons are now registered as seeking work, and 913,000 are actually employed.

Western Berlin is also heavily burdened with an unproductive population, including many thousands of welfare, social insurance, and unemployment compensation recipients. Before

**NUMBER OF PERSONS RECEIVING PUBLIC SUPPORT
IN BERLIN 3 WESTERN SECTORS**

each Figure — 20 000 Persons



tary Government in Berlin. This is a sharp reduction from the figure of 45,000 in 1947.

The service of this labor force is charged against Occupation costs, and its administration is the responsibility of the military organization.

Manpower Branch is in continuous contact with the problems of labor allocation, wage tariff, and employment practices as they arise, and is thus able to guide the U.S. German Personnel Office in aligning its policies with those prevailing among the mass of workers.

Employment Drops During Blockade

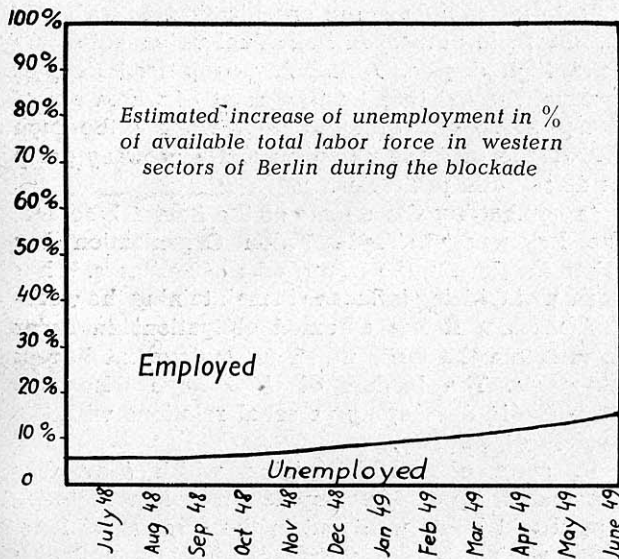
Until the currency reform and the Soviet blockade, employment in Greater Berlin had always been very high.

Allied Control Authority Order 3 required the compulsory registration of all males between the ages of 14 and 65 and of all females between 15 and 50. Thereafter, if a worker refused to accept a job assigned him by the district labor office, his food ration card was withdrawn.



WPA-like projects, sponsored by the Magistrat, helped absorb blockade unemployment in Western Berlin and clear some of the mountainous debris from the city's ruins.

and during the war an important segment of the city's population was employed in federal government jobs. Unless Berlin is restored as a federal capital or there is a great commercial-industrial boom in the city, it is to be expected that the present level of unemployment will be continuous.



Note: The T.L.F. increased from approx. 940,000 in July, 1948 to approx. 1,091,000 in June, 1949; unemployed from approx. 40,000 in July, 1948 to approx. 178,000 in June, 1949. Total available labor force = 100 %.

Trade Union Development

Military Government has from the beginning encouraged the re-development of democratic trade unionism in Germany.

From June, 1945, until May, 1948, the *Freie Deutsche Gewerkschaftsbund (FDGB)* was the union federation of Berlin. This was a highly centralized organization controlled by officials appointed by or elected through the influence of the communist faction or the Soviet Military Administration.

In such a federation the unions existed as departments and not as autonomous units. Finances were centralized through the collection of individual dues by the central treasury, with the resulting financial subjugation of individual union activities to the will of the central federation.

The control from the central federation was effected through district offices manned by paid *FDGB* officials, who were directed primarily not by individual unions but by a 45-member managing committee of the *FDGB*, consisting of 40 communists and five independents.

The character of the *FDGB* has been shaped by the policies of German communists working under the direction of the Russians. Chief emphasis has shifted from matters primarily the concern of trade unions to political activities.

This political stress was reflected in the almost exclusive use of political propaganda in so-called trade union schools, the straight communist line of the official newspaper of the *FDGB*, the suppression of differing points of view in trade union councils, the political manipulation to exclude other than communists from key positions of the leadership, interference and competition with the functions of the Magistrat and political use of those functions such as food and clothing allocation.

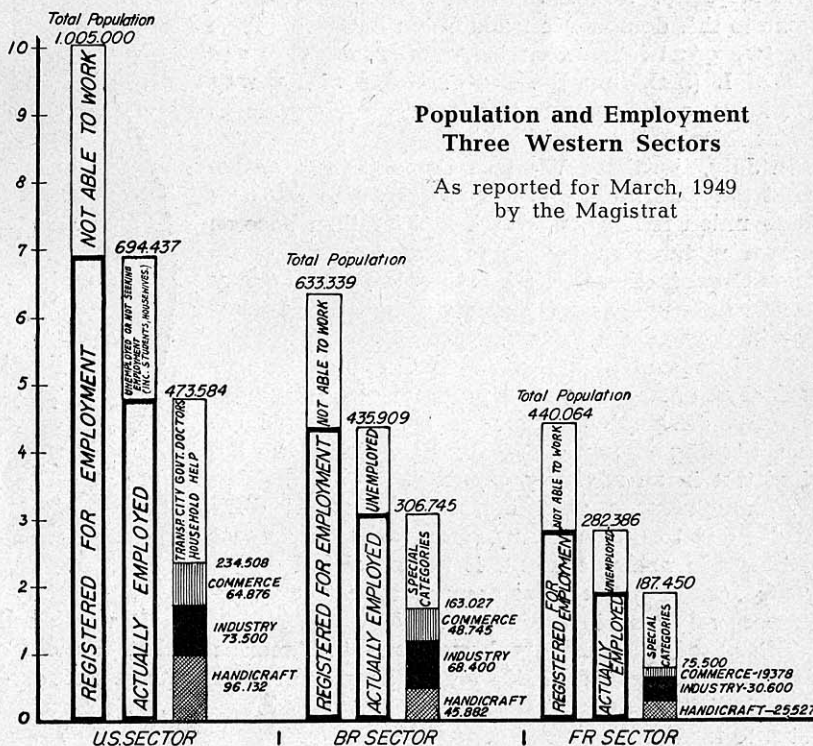
There developed within the *FDGB*, however, an increasingly strong group opposed to the communist concept of unionism and in favor of the development of a non-partisan federation of autonomous unions based on the maintenance of individual rights, freedom, and responsibilities and upon the free expression of differing points of view.

The spearhead of the opposition appeared in two unions which soon achieved a majority opposition vote, namely, the Commercial Employees' and the Technicians' Unions. Majority opposition also appeared in the Teachers' and Agricultural Unions.

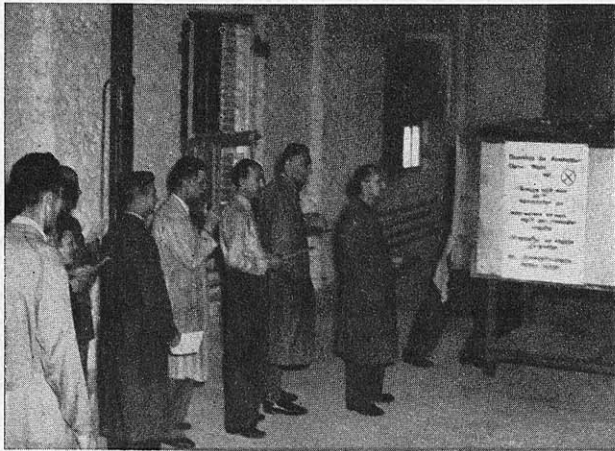
In the fall of 1947, opposition members were estimated at approximately 120,000 to 150,000 out of a total of 600,000.

In November, 1947, union leaders consolidated the various opposition groups into a single force, on a non-partisan basis, which was quickly made representative of all opposition forces in all existing unions.

In the elections of the communist-dominated *FDGB* in the spring of 1948 the opposition polled a majority which was stolen by the communist election committee. At this point the opposition declared itself to be the provisional management of the *FDGB* of Greater Berlin and established its own headquarters and its own operating mechanism.



On June 9, 1948, the U.S. Commandant recognized the provisional management of the *FDGB* as the authoritative governmental body of the trade union federation in Berlin. At the same time, recognition of the U.S. Military Government was withdrawn from the executive committee of the *FDGB*, whose headquarters are in the Soviet Sector, as the properly elected representatives of the trade unions.



UGO trade union members in West Berlin have learned the meaning and the importance of the secret ballot.

This action on the part of the U.S. Commandant was based on the result of the 1948 spring elections when the provisional management of the *FDGB* received a clear victory of 75—80% in the 12 western boroughs. They won a minimum of 45% in the Metal Union and a majority in the Public Services', Commercial Employees', Railroad, Post, Technical Employees', Teachers' and Agricultural Unions.

The estimate of the popular vote for all of Berlin was that the opposition achieved approximately a 60% majority. Within the next month, recognition came to this democratic trade union federation from the two great federations in America, the CIO and AF of L (including the Brotherhoods of Railway Workers), and from the Trade Union Congress of Great Britain.

In July, the three Western Commandants authorized the *Oberbürgermeister* to recognize the new trade union federation, which had by then become known under its new name (Independent Trade Union Organization—*UGO*), as the competent agency to conclude wage agreements under German labor law in the western sectors.

The Independent Trade Union Organization embarked at once on a broad program of trade union activity, developing collective bargaining, education, training of apprentices, and relations with the Magistrat in an advisory capacity.

Although faced with incredible financial difficulties due to the currency reform and the impact of blockade unemployment, it forged ahead on all fronts including the development of active international relations in the labor field.

Fifteen of its members have gone to America since the summer of 1948, either as members of special visiting groups or as official German delegates to trade union conventions.

A Berlin member of *UGO*, who was an official delegate of Germany at the Geneva Conference in June, 1949, called for the formation of the international democratic trade union federation. Nearly every individual union within *UGO* has been invited to join its corresponding international federation.

In terms of democratic organization, *UGO* has in its short life developed individual union autonomy to a high degree. Although young leadership is lacking, the existing leaders, most of whom are of the pre-1933 era, bring to their work a thorough knowledge of trade unionism and a growing grasp of democratic principles.

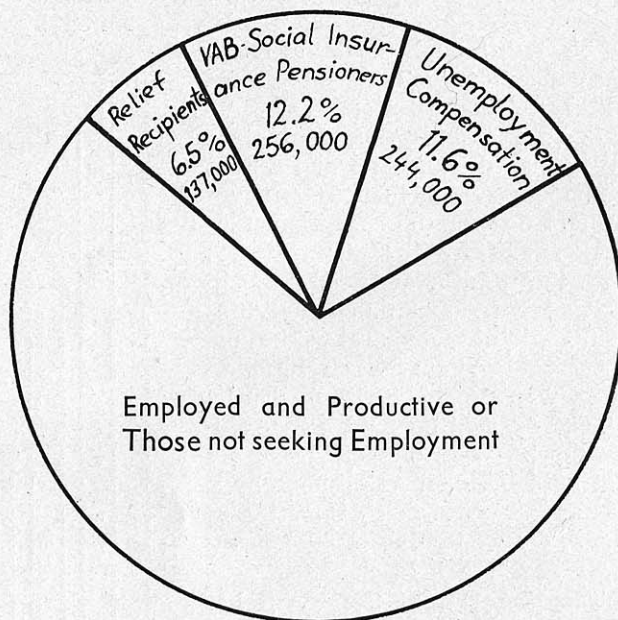
In combatting the effects of the Soviet blockade, the Independent Trade Union Organization has taken its place in the front ranks of Berliners. It has been a stabilizing influence in maintaining the workers' morale; it has assumed obligations in order to maintain the trade union unemployment benefit payments. The leaders of *UGO* have taken the initiative in developing personal relations with the leaders of industry.

In spite of the depression which inevitably descended upon the population when factories closed and lights went out in the summer of 1948, *UGO* rallied to the standard of trade unionism hundreds of young people, who spent many hours of their time in groups for discussion and study in the new trade union center, *Leuschner-Haus*.

The new democratic trade union federation fruitfully maintained its non-partisan position. This attitude contributed toward a most successful relationship of individual trade unionists with the political parties of their choice.

Unproductive Population Groups

Three Western Sectors, July, 1949



It was on the initiative of trade union leaders that the demonstration of 300,000 Berliners took place before the *Reichstag* on September 9, 1948.

The Soviet blockade reduced industrial activity by 60 to 75 percent, forced curtailed use of electric

power, gas, and coal, and brought in its train the many hardships that inevitably accompany the strangling of an economy. On the other hand, it brought to the foreground the strength and courage of people who have convictions which they will fight for.

It evoked a new kind of cooperation between the trade unions and the city government, on one hand, and the employer, on the other. It called forth increased initiative in meeting the problems of readjustments. It called forth also new willingness and desire on the part of the states of Western Germany to aid their fellow workers in Berlin.

Not all of the credit for accomplishments in Berlin is due to the workers. But it is true that the action of the democratic trade union leaders of Berlin in 1947, in breaking away from communist leadership, was a leading factor contributing to the confidence with which the workers and the people of the city now face an uncertain future.

Railroad Strike of 1949

Among the workers hardest hit by the first currency reform in June, 1948, were the railroadmen who live in Western Berlin. They represented the largest single body of people who did not receive any Westmarks in wage payments. (The general practice in Western Berlin from June, 1948, to March, 1949, was to pay 25% of wages in Westmarks, vitally supplementing the buying power of the worker's income.)

In March, 1949, when the Westmark was made sole legal tender in Western Berlin, the railroad workers could no longer contain their discontent. They were actually suffering because their employer, the Soviet-controlled *Reichsbahndirektion*, refused to abide by the law of the territory in which it was operating.

From the rise of the opposition trade union federation, the *Reichsbahndirektion* had discriminated against *UGO* adherents by discharging lifelong railroad workers without cause. By April 1, 1949, the number of people so discharged had reached approximately 1,200 to 1,500. This was a second cause for the strike.

A third cause was simply the worker's strong desire for the freedom which he understood democracy to offer. He asked only that he have the right to join any legitimate organization without fear of persecution, discrimination, or reprisal.

Accordingly, on May 6, 1949, the railroad union voted to strike. They postponed action to give the Magistrat time to try to persuade the *Reichsbahndirektion* to negotiate with the workers or with the

Magistrat as a mediator. With the failure of these efforts, the possibility of a peaceful solution was gone.

The union, with the support of the federation, stopped work at 12.01 a.m., May 21, 1949. Its demands, immediately made public, were:

- a. Payment of wages in Westmarks in accordance with the law.
- b. Justice for persecuted employees.
- c. The right of "free coalition", which means freedom of speech and assembly.

Approximately 11,000 people joined the work stoppage, led by the 3,000 members of the *UGO* railroad union. During the next few days the number of strikers increased to about 15,000, and within a relatively short time the membership of the union increased to 8,000.

Immediate response by telegrams and shipments of supplies came from the major western trade union federations: the American Federation of Labor, the Congress of Industrial Organizations, the British Trade Union Congress, and the International Transport Workers Federation.

Recognizing the delicate international situation, the Berlin union and the federation declared at the outset that they would retain emergency crews to operate all traffic growing out of the Paris Agreement ending the blockade.

When, through perhaps a certain lack of foresight and planning, incoming trains began to jam the yards, the union renewed its offer in writing to increase emergency crews and place them under *Reichsbahndirektion* orders. All such offers were categorically refused by the *Reichsbahndirektion*.

Railroad properties were patrolled by Soviet-controlled railroad police. On May 21, the Russians brought into all stations in the western sectors large reinforcements of Soviet railroad police, supplemented by thousands of *Volkspolizei* from the Soviet Zone, *FDGB* (communist trade unionists) and *FDJ* (communist youth organization members), and civilians in and out of uniform, many of whom were armed with carbines, pistols or tommy-guns. The intended strike-breakers were brought in on special trains and they debarked in squads.

The peaceful picketing of *UGO* was immediately disrupted by mob violence accompanied by the use of firearms.

The Western Commandants thereupon ordered the Soviet police out of the stations and assigned responsibility for maintaining law and order to the



Rail-yard battle: rifles and tommyguns were the weapons of communism—"the upholder of workers' rights"—against a legitimate railroad strike in Berlin.

west sector police, after which no single act of violence was recorded during the entire strike.

The Soviet strike-breaking procedure pointed up to the public of Berlin and to the world the Soviet methods of dealing with working people. It stiffened the determination of the members of the railroad union to achieve their objectives.

Once again the Magistrat (May, 27-May, 30) urged the *Reichsbahndirektion* to negotiate with the workers, or with an acceptable mediator as being the simple, direct, and right way to settle the strike.

An offer by the *Oberbürgermeister* to conduct a meeting of the conflicting parties on June 1st was refused, but the *Reichsbahndirektion* informed the Mayor that it would announce a settlement negotiated between themselves and the communist labor federation (*FDGB*).

On May 31st, Soviet front pages blazoned the terms of the so-called settlement of the strike between the *Reichsbahndirektion* and the *FDGB*. These terms were: (a) The railroaders would return to work at six a.m. on June 1st; (b) the railroad would collect Westmarks for west sector services; (c) it would pay 60% of the wages of west sector resident workers in Westmarks; (d) it would permit no reprisals against striking workers.

This was the occasion for the first strike referendum which was held on June 2nd, and recorded a 95% opposition to accepting a proposal which was in no sense an agreement between the striking workers and their employers.

The three Western Commandants, recognizing that Military Government not only had an interest in this strike, but also shared responsibility, initiated a meeting with the Soviet Commandant on June 3rd, prepared to propose a number of possible solutions.

The Soviet Commandant refused to admit that a strike existed, because he did not recognize the *UGO*, and refused to listen to as many as six reasonable solutions proposed by the Western Commandants.

A mediation proposal by the U.S. Sector Commandant was the next step. This proposal, agreed to by the other Western Commandants, was simply that General Howley—acting as a mediator—would obtain personal confirmation of the terms of the *Reichsbahndirektion-FDGB* agreement from General Kvashnin (Soviet transport chief), deposit these terms with the Western Magistrat, and announce the terms publicly to *UGO*.

This he did in a letter of June 10th, addressed to *UGO* announcing the conversation with Kvashnin

and the confirmation by the Soviet General and urging *UGO* to accept this method of settlement.

The labor leaders were prepared to accept this method, although there was much misgiving concerning Soviet sincerity. So great was this misgiving that, instead of ordering the railroaders to return to work, the union leaders submitted the question in the second referendum to be voted on June 14th. The leaders confidently expected the majority to favor the Howley mediation plan.

A typical Soviet surprise move was carried out during the night of June 13th. Waiting until it was impossible for other papers than their own to get the news, the Russians issued a release which appeared in the Soviet-licensed *Tägliche Rundschau* on the morning of June 14th, denying that there was any validity in the Kvashnin assurances to General Howley.

A resurgence of fear among the people produced, on June 14th not an overwhelming vote to return to work, but rather an overwhelming vote not to return to work.

The Western Commandants then asked Maj. Gen. Kvashnin to re-confirm his conversation with General Howley in writing. To everyone's surprise he did this on June 20th. His letter lacked clarity and directness, but on the basis of it the Western Commandants asked the *UGO* leaders to accept the compromise terms as a basis for settlement.

On June 22nd, the *UGO* railroad union leadership voted not to accept the Kvashnin letter as an adequate guarantee of their safety.

The Deputy Military Governors then conferred with the Berlin Commandants, and a plan was evolved on June 25th to break the impasse.

The union thereupon called on all West Berlin railroaders to resume their duties on June 28th at eight a.m.

The terms of the settlement were:

- a. Renewed expression of the Western Commandants' continued support of *UGO*.
- b. Acceptance at their face value of General Kvashnin's written assurances.
- c. Acceptance at its face value of the *Reichsbahndirektion* promise to pay at least 60% of the wages of West Berlin railroaders in Westmarks, accompanied by an authorization of the Western Commandants to the Magistrat to exchange for railroad workers residing in the western sectors the difference between what the *Reichsbahndirektion* might pay and 100% of the wages in Westmarks for a period of three months.
- d. Workers who through fear of reprisals did not wish to return to work might indicate that in writing and would be given every possible aid in finding other employment.

The railroaders returned to work and were ready to operate the trains on June 28th.



Striking *UGO* railroadmen run for cover when the Soviet-directed *Reichsbahn* police open fire in Berlin.