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GERMAN TRADE-UNIONISTS received a clear definition from their new president of his views on major labor issues of the day as Christian Fette was elevated in June to the top executive office of the German Trade Union Federation (Deutscher Gewerkschaftsbund, or DGB).

Mr. Fette, elected by an overwhelming vote to fill the remainder of the term of the late Dr. Hans Boeckler, declared he favored stabilization in prices or corresponding wage increases, direct negotiations between management and labor on co-determination in other than basic industries, German defense contribution under conditions of full equality, endorsement of the Schuman Plan despite weaknesses, positive labor counteraction against "anti-democratic subversive activity" of both extreme right and left elements, and strict neutrality in political-party affairs.

His stand on the Schuman Plan was expressed at a press conference, at which he said the DGB Council would meet eventually to determine if certain conditions had been met for final endorsement by the labor movement.

The election of Mr. Fette took place at a special labor congress June 22 and 23 in Essen, heart of the iron and steel producing industry of the Ruhr. Participating in the deliberations were the 251 delegates elected by the 16 trade unions affiliated with the German Trade Union Federation, the central body of organized labor in western Germany.

THE MAJOR PURPOSE for the extraordinary convention was the election of a new DGB president to serve out the unfilled term of Dr. Boeckler, whose death last February marked the loss of a courageous, determined and indefatigable champion of democratic reconstruction in postwar Germany. The successor to Dr. Boeckler would hold office until the regular Biennial Congress in the spring of 1952. A new executive board, including the principal DGB officers, will then be elected.

Besides the election of the chief DGB official, current social and economic problems vital to the interests and welfare of the German workers came under consideration by the delegates to the Essen congress. High on the list were wages and prices, social security, labor participation in management and broad economic policy. The convention spotlight also turned upon the Schuman Plan, national defense, the threat to democracy seen in the extreme left and right, and the relationship of the DGB to the political parties.

Decisions on these matters imposed a serious responsibility on the delegates, who represent one of the most influential organizations in the German Federal Republic. The DGB, the only union federation in western Germany,*

boasts a united labor movement supported by members and officers of rival pre-1933 labor groups who have adjusted their differences in order to strengthen the ability of organized labor to combat any repetition of a totalitarian threat. A combined enrollment within the 16 affiliated unions of 5,600,000 members, representing 36 percent of all wage and salary earners in the Federal Republic and western Berlin, makes the DGB the second largest national union federation in free Europe.

TESTIMONY TO THE IMPORTANCE of the special congress was lent by the presence of fraternal delegates from abroad, including those from the American Federation of Labor and the Congress of Industrial Organization and of representatives of the German Federal Government and of the three Allied high commissioners. The absence of guests from the Soviet Zone "trade unions" came as no surprise. They had simply not been invited. On the other hand, the western Berlin unions, which were integrated in the DGB in June 1950 as a symbol of democratic solidarity, sent a full-fledged delegation.

The name of newly-elected DGB President Christian Fette had, only the day before the voting, been virtually unknown to the general public. The DGB Executive Coun-

Mrs. Boeckler, widow of the late president of German Trade Union Federation, is among first to congratulate Christian Fette on his election to fill husband's post.**

* There are however some trade unions not affiliated with the DGB.
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cil presented its candidate — in this case, Mr. Fette — to the convention. No other nominations came from the floor although the delegates had been left free to propose whom they wished. On the first ballot, 184 delegates, an overwhelming majority, cast their votes for Mr. Fette. There were also nine write-in ballots, four "no" votes, 53 abstentions and one not recorded.

Although national prominence was new for Mr. Fette, he was no stranger within the German labor movement, having been the president of the Western German Printing and Paper Union, the most highly-organized union in the consumer goods industries, immediately prior to elevation to his present post. A native of Bremen, where he was born in 1895, he joined the German Bookprinters Union shortly after completing his apprenticeship in 1913. After service in World War I, he returned to his home town where, in 1920, he was first elected to union office. In 1931, he became a full-time functionary as head of the union district for Rhineland and Westphalia, where Dr. Boeckler then held a similar position with the Metal Workers Union.

Life proved difficult for Mr. Fette upon the advent of the Nazi regime which, in 1933, suppressed the trade unions and which suspected union leaders, and with good reason, of being hostile to dictatorship. Mr. Fette underwent constant police surveillance and was arrested on three occasions. After a long period of unemployment, he was finally engaged as a linotype operator by a Cologne daily newspaper. Upon the crushing of Nazism in 1945, he together with his colleagues tackled the arduous task of rebuilding the German labor movement from the bottom up. In 1948, he was elected first president of the newly-founded Western German Printing and Paper Union, which expressed its confidence by reelecting him in 1950.

THE DGB SPECIAL CONGRESS at Essen, after electing Mr. Fette as federation president, took up its responsibility as the highest policy-making body of the federation concerning current problems affecting labor. Resolutions adopted by the congress are binding on the DGB Executive Council as guiding principles. In turn, Mr. Fette, who as DGB president heads the Executive Council, clearly informed the convention delegates where he personally stood on these issues.

The unions' case for equitable wage and price adjustment was explained by Mr. Fette: "Statistical data have been introduced to show clearly that real wages are continuing to decline. On this point, I should like to say that no one wishes more than we for prices not only to become stabilized but also to take a downward trend. If the opposite occurs, the unions have no other recourse but to seek compensation for new price rises by corresponding wage increases — and for the quite simple reason that the man on the street has no way out in as much as he doesn't have reserves into which to reach, and still has to live from hand to mouth."

The DGB congress, in a resolution adopted unanimously, called upon the individual trade unions to continue all efforts to restore a fair purchasing power to wages. The recommendation urged the unions to maintain their "general active wage policy" as long as effective measures were not taken to prevent further price increases and to reduce prices to "an economically defensible level."

THE COURSE OF ACTION in the wage question has been troublesome for the labor federation. For the two years after Germany's currency reform in June 1948, the unions had exercised considerable restraint in their wage program. Wage policy was directed at avoiding an inflationary wage-price spiral which might endanger the stability of the new "hard money" and at promoting the competitive ability of German industry on the world market on which Germany depends heavily. Their statesmanlike approach won commendation from government and management leaders. During this period, real income of manual workers employed in manufacturing and construction in the Federal Republic rose steadily. Contributing factors to this development were wage increases, a marked shortening of the work week, and declining consumer prices.

Sudden increases in mid-1950 in prices of sensitive consumer articles such as bread, meats and fats caused the unions to reexamine their wage policy. With industrial recovery having achieved considerable progress, due in no small measure to ECA assistance and with little prospect of any indirect benefits to real wages through price decreases or longer working hours, the unions embarked on a general wage campaign which is still under way.

Sharp price increases since January 1951 which have boosted the official German consumer-price index by almost 10 percent have tended to cancel virtually all wage gains obtained in the last six months of 1950. Although real wages over the year as a whole have remained stable,
the decline in recent months which has tended to restrict consumption has nevertheless occasioned considerable discontent among the working population.

As was demonstrated at the DGB congress, the unions have not altered their basic approach to the wage-price problem although their course of action has changed. They still maintain that they would prefer to increase real earnings by lowering prices. One of their most frequently-aired charges is that official German economic policy is to blame for not having established controls designed to hold prices down.

Unless consumer prices are rolled back, the unions contend, they have little alternative but to seek further wage increases. The DGB president told the delegates that the passage of legislation for effective price controls was particularly urgent and suggested the establishment of a central price supervision agency endowed with complete authority.

No permanent solution to the problem of maintaining real income by matching price increases with wage increases was seen by the director of the DGB Economic Research Institute, Dr. Viktor Agartz, who stated that such efforts were doomed to failure. Instead, he urged revision in governmental economic policy along the lines proposed in the DGB economic program of March 12, 1951. This policy statement recommended the elimination of bottlenecks to production expansion by investment planning favoring the basic industries with funds coming from compulsory loans out of depreciation reserves.

Other suggestions were the formulation of "a constructive public finance policy" including a more equitable distribution of the tax burden, stricter tax collection enforcement, the establishment of a long-term economic program and of controls over the distribution of raw materials, and increases in farm output and productivity.

Labor participation in management at the plant level, especially in economic affairs, a main issue in current industrial relations, also figured prominently in the convention deliberations. Union demands for so-called co-determination* recently met with initial success when, in April 1951, federal legislation was enacted granting labor equal representation on the boards of directors in the mining industry and of the decartelized iron and steel producing enterprises.

The DGB congress empowered the federation executive council to take measures necessary to promote the passage of special legislation on co-determination in the basic chemicals and railroad industries and general legislation for co-determination covering all branches of employment and the establishment of joint union-employer economic councils.

On July 6, 1951, the Federal Parliament (Bundestag) passed the Railway Law, a measure which will soon be given consideration by the Federal Council (Bundesrat), providing for partial labor representation in the adminis-

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Scene of the convention hall in Essen, in the heart of the Ruhr, during session of the special labor congress.

The need for adequate protection against unemployment and for the extension of social security coverage was stressed by Willi Richter, DGB social policy chief. He urged immediate action on a further increase in unemployment benefits to meet higher living costs, compulsory social insurance for all employed persons regardless of income and the adoption of federal legislation ensuring job opportunities for severely-disabled persons desiring employment.

A unanimous convention resolution called attention to the plight of persons completely dependent on social-insurance benefits and recommended a 25-percent increase in old-age and invalidity pensions effective April 1, 1951. The congress also urged that the lowest pension groups be given this supplement without deducting any part of the increase granted in 1949. On July 11, the Bundestag approved a law according a 25-percent increase retroactive to June 1 with certain deductions, however, for supplements provided under the 1949 act. In the Bundestag debate, the labor and finance ministers maintained that sufficient funds are not available for a blanket 25-percent boost.
Fireworks at the convention exploded as the literal handful of seven Communist delegates went into action with what DGB Vice President Georg Reuter termed the product of a "resolutions factory." Their main effort came in sponsoring a resolution against the Schuman Plan and against remilitarization with the usual Communist arguments. In reply, the Berlin DGB district leader, Ernst Scharowski, commented tersely: "My views can be expressed in just one sentence: Better a European coal, iron and steel industry than a Soviet-Russian Stahlindustrie."* The resolution was turned down unanimously by all the delegates except the seven Communists.

THE DGB PRESIDENT, speaking at length on this point, expressed support of a German defense contribution under conditions of full equality. His remarks were in reply to an apparently Communist-prepared leaflet asking the delegates to take a stand on peace and remilitarization. Mr. Fette noted that the union position on peace was well-known since the German trade unions had always demonstrated on May Day for world peace and, therefore, no collection of signatures was required on so self-evident a point. The unions are much more radical than elements on the left, Mr. Fette declared. "We abhor war because precisely Korea has shown us again that wars can also be conducted without an atom bomb."

Remilitarization and security, Mr. Fette continued, are interrelated and inseparable concepts. "I believe that we have more to lose than our chains," he added, "and must therefore be prepared to make our contribution to defense for the preservation of our freedom under conditions of self-evident complete equality with other free nations of the world. A free labor movement can develop only in a free and democratic state."

The Schuman Plan agreement was endorsed by Mr. Fette at a press conference where he stated that he, speaking personally, would answer "yes" despite weaknesses which he sees in the plan. For three decades he had striven for international cooperation, he said, and would consider it wrong to destroy the first concrete opportunity toward a Europe on the way to unification. He interpreted a recent resolution by the DGB Executive Council as neither a clear-cut approval nor dissent but rather as an endorsement dependent upon the fulfillment of certain conditions.

On May 7, the DGB Council urged complete lifting of all regulations of the Allied authorities which have prevented German equality in the economic area before ratification of the Schuman Plan, and noted that the DGB endorsed the basic idea of the Schuman Plan in whose development it had cooperated, Mr. Fette said that the council will eventually meet to review the situation in order to determine whether its conditions had been met.

Concerning the problem of internal security, the DGB congress reiterated its demand, most recently presented in a White Book on "Enemies of Democracy," for vigorous government action against alleged efforts by extreme right and left elements to undermine democracy. Repeating this criticism, Mr. Fette announced it his duty to warn clearly that the unions were unwilling any longer to stand idly by in the face of "anti-democratic subversive activity."

Several recent examples were cited to indicate that "the total loss of the most total of all wars has also left behind spiritual debris which must be removed." To the Communist delegates of the convention, Mr. Fette said: "Don't you understand that you are again standing so far to the left that you swish the right with your tails?" Over Communist opposition which charged that the reference to "agents of Bolshevist state capitalism" as working hand in hand with "hirelings of neo-Fascism" to undermine democracy was a violation of DGB political party neutrality, the convention adopted a resolution urging determined action by governmental authorities. The German unions, it was further stated, would not tolerate the "totalitarian lust for power," whether coming from the right or left, to lead to the destruction of all freedom.

The DGB, which subscribes to strict neutrality in political party and denominational affairs, appealed to all political parties to refrain from any effort to influence or determine union policy. In this connection it may be noted that the Social Democratic Party (SPD) recently sponsored a meeting of union officials belonging to the SPD where an anti-Schuman Plan agreement statement was approved, while the "Social Committees" of the Christian Democratic Union (CDU) called upon CDU trade unionists to keep the DGB from changing its "positive stand" on the Schuman Plan. Highlighting the dilemma confronting the DGB, the World of Labor, the DGB journal, pointed out that no matter what the final position of the DGB on the Schuman Plan one or another of the political parties would be certain to charge the DGB with bias.

SPEAKER AFTER SPEAKER stressed the value and importance of a united labor organization and deplored outside action which might split this unity. DGB Vice President Matthias Foecher, a pre-1933 Christian trade unionist, said: "It has already been pointed out that political groups have caused us much concern. All down the line, it should have been understood that the present labor movement can exist as a united movement only if it is completely independent from political parties, tolerant in matters of world philosophy, and respects the equality of all its members."

Commenting in the same vein, Mr. Fette, a Social Democrat, declared that there must be no reversion from united trade unions to the former unions which were closely linked with political parties. Recognition of this principle, he noted, required the greatest possible tolerance in matters of faith which must be granted by everyone who takes union activity seriously. The appointment to leading positions in the union movement, Mr. Fette added, should be governed exclusively by performance and ability and never on the basis of general philosophic doctrine.

+A END

* A pun linking "Stahl." German word for steel, with the first syllable of the Soviet premier's name.