

Correspondence

HEAVY INDUSTRY AND UNION LABOR IN THE WEIMAR REPUBLIC

George W. F. Hallgarten, in his article on "Adolf Hitler and German Heavy Industry" (*THE JOURNAL OF ECONOMIC HISTORY*, Summer 1952), effectively dispels some simplifying notions about the relationship of German business and the Nazi party. On one point, however, Mr. Hallgarten himself makes a statement which, I believe, should not go unchallenged. Having correctly explained that prior to 1929 the support which heavy industry gave to the Nazis was sporadic and on the whole not very important, Mr. Hallgarten maintains that in this period, especially "as soon as actual fighting [against the Communists] stopped" German heavy industry chose as an alternative "a policy of co-operation with the German trade unions"; a little later he speaks explicitly of the industrialists' "political collaboration with union labor." The record, however, contains no facts that could be properly described as such collaboration.

Mr. Hallgarten mentions the co-operation agreement—*Zentralarbeitsgemeinschaft*—concluded in the "defeat-clouded autumn of 1918" between the employers' association and the labor unions, with heavy industry taking a leading part on the employers' side. But, in the first place, it would be far-fetched to call this agreement an act of *political* co-operation, since it dealt exclusively with conditions of employment and tried to establish a framework for collective bargaining, with no political clauses. Secondly, the agreement was concluded on the eve of the Communist upheavals and did not survive the political consolidation which followed the stabilization of the German currency: in March 1924 the *Zentralarbeitsgemeinschaft* was dissolved. Consequently, Mr. Hallgarten's timetable ought to be reversed: there was more collaboration—though none in the political field—between heavy industry and organized labor before "actual street fighting stopped" than there was afterwards. Politically, heavy industry was at all times the opponent of labor, and, economically, the antagonism increased continually until the great labor dispute which hit the steel industry in 1928 and which was really a lockout by the employers with the purpose of breaking the German arbitration system.

The political conflicts between heavy industry and organized labor during the period 1924 to 1928 were too frequent for complete enumeration. A few examples must suffice: labor supported the foreign policy of Stresemann, heavy industry opposed that policy in principle and most of the time in practice; heavy industry—next to agriculture—was most vociferous in demanding high tariffs, labor opposed high tariffs; heavy industry was the most active defender of cartels, labor—with a few reservations—supported antimonopoly legislation; heavy industry supported Hindenburg as a candidate for the presidency, labor supported the moderate Catholic Heinrich Marx; labor (except, of course, its Communist wing) was the

strongest supporter of the democratic republic, heavy industry was its most dangerous opponent. At least some leaders of the Ruhr industry went even beyond the limits of legality in this opposition: in 1926, the Prussian police detected a conspiracy of industrialists aiming at the violent overthrow of the republican government.¹ When the majority of the Ruhr industrialists turned to the Nazi party during the depression, they did not establish any new goals or revamp their relationship to labor: they merely changed weapons.

Heavy industry, of course, had its internal dissensions. Stinnes, at times, was more moderate than some of the others, and the same was even more consistently true of Paul Silverberg, the king of lignite and electric power. On the other hand, Paul Reusch and, of course, Fritz Thyssen belonged to the intransigents. But German heavy industry was a sufficiently coherent sociological entity to achieve essential unity of action—most of the time. It should be noted, however, that only producers of coal and steel belonged to this sociological group. Independent machine manufacturers (especially those of machine tools) played an entirely different political role: they were the most progressive wing of German industry, and their influence within the Union of German Employers' Associations (*Vereinigung deutscher Arbeitgeberverbände*) prevented for a number of years the breakdown of the machinery for the control of industrial warfare. Heavy industry belonged only nominally to the *Vereinigung*: it had its own agency for handling labor matters, the Northwest Employers' Group.

I am aware that Mr. Hallgarten's remark about political collaboration between heavy industry and organized labor represents merely a brief passage in his interesting and informative article. But if this *obiter dictum* had to be accepted, the course of political and economic events in the Weimar Republic would become unintelligible. Therefore I think it necessary to register dissent.

CARL LANDAUER, *Berkeley, California*

COMMENTS ON MR. LANDAUER'S LETTER

I appreciate Mr. Landauer's interesting remarks and do not see any basic difference between his interpretation of this particular problem and the one I would give. The expression "political co-operation"—I nowhere employed the term "collaboration"—which I used in one instance with reference to the relationship between heavy industry and trade unions was neither meant to deny the involuntary character of this co-operation (the co-operation resulted from Germany's defeat in the First World War) nor the existence of the cleavages and fights between the two elements in question, inherent in all such relations. By using the term "political" I meant that the *motive* for, not the nature of, the co-operation was political. Besides, the passage quoted by Mr. Landauer is contained in part I of my article which, as stated in footnote 1, is only a summary of the nonprinted first half of my manuscript. Thus, my opinion on this particular point might have

¹ See the memoirs of the prime minister of Prussia at the time: Otto Braun, *Von Weimar zu Hitler* (Hamburg: Hammonia, 1949), p. 99.