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SOURCE The following information was obtained through a usually reliable channel from trade union leaders and SPD officials.

- In recent weeks there has been a change in the very close and harmonious relationship which prevailed between the Social Democratic Party (SPD) and the German Federation of Trade Unions (DGB) prior to the death of the latter's chairman, Dr. Hans Böckler. Although it is too early to speak of a rift or even tension between the two organizations, there have been certain disagreements recently on political and economic issues, and the chairman of the SPD, Dr. Kurt Schumacher, stated that he is somewhat concerned over the matter. In his opinion Böckler's death has left the trade unions in a state of confusion. Since the DGB did not have a deputy chairman to take over the leadership until a new head could be elected, there has been no effective direction of the German labor movement in the last two months.
- Speaking in a small circle of party friends the SPD leader said that he felt that the election of a successor to Böckler would be very difficult, not only because of the regional and party differences within the present DGB leadership but also because the German trade unions lack clear-cut political policies. In this connection Schumacher made it plain that the SPD must not be considered the parliamentary adjunct of the DGB. On the contrary, the trade unions, on most issues of the day, must be supporting elements of the party, he said. Schumacher categorically denied recent newspaper stories which claimed to know about the development of a new DGB-SPD relationship, somewhat along the lines of the connection between the British Trade Union Congress and the Labor Party. The DGB's limited endorsement of the Schuman Plan has not had the slightest effect on the SPD's policy, he said. While most trade union leaders, especially on the lower levels, are also functionaries of the SPD, Schumacher had no doubt that their primary allegiance belonged to the party.
- When the co-determination law was finally presented to the Bundestag, the SPD found it unsatisfactory, a watered-down version of co-determination. Nevertheless, the DGB accepted the proposed law. (The DGB representatives had been approached by Labor Minister Anton Storch, State Secretary Otto Lenz, and others to accept a reasonable compromise.) After heated debate in the Bundestag faction of the SPD, in which Schumacher did not participate, the SPD representatives decided to follow suit over the strong protests of Erich Ollenhauer and Herbert Wehner.

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4. Informed SPD officials state that Schumacher's participation in the debate of the faction would have led to the rejection of the co-determination compromise had the SPD leader so desired. Schumacher knew that his silence on the issue would lead to the acceptance of the government's proposal but he reasoned that it would be unprofitable to raise the co-determination issue in the elections now pending in Lower Saxony and Rhineland Palatinate. In both Länder the SPD can hardly gain more votes from labor but has to seek additional support from the bourgeoisie and small-farmer groups. With both these groups the co-determination issue is not very popular. Raising this issue in the campaign might turn these non-labor groups back to the CDU. Silence on the issue would bring at least some of them to the ballot boxes in favor of the SPD or at least keep them home on election day. Acceptance of the law as presented would place the onus of passing any co-determination legislation on the CDU and thus deepen the schism within the government coalition.
5. According to some sources, however, the SPD acceptance of the co-determination law was not based solely on these strategic considerations; financial matters were also decisive. Early in March 1951 the SPD treasurer, Alfred Nau, stated to some of his intimates that the party had no funds with which to conduct election campaigns in Lower Saxony and Rhineland Palatinate. Efforts to secure bank loans had failed and the party press could not be counted on for sizable contributions. Shortly after the SPD agreed to the co-determination law, the treasurer was able to lend the election committees in the two Länder a total of DM 200,000. According to Carlo Schmid these funds came from two of the largest trade unions in Germany, the Miners' and the Metal Workers'.
6. The same sources report that Minister President Karl Arnold of North Rhine Westphalia, a leader of the left-wing CDU with excellent connections to labor leaders, is fully informed of the financial embarrassment of the SPD and is attempting to make political capital out of the situation. He has made great efforts to convince some SPD men that this is the time at which the party should enter into a so-called "great coalition" government. Arnold's representative in this matter is Mathias Föcher, second chairman of the DGB and the highest ranking CDU man in the trade union leadership. Föcher, in turn, operates through Walter Freitag, chairman of the powerful Metal Workers' Union within the DGB, who is also an SPD member of the Bundestag. The concept of a "great coalition" government is also supported by Christian Fette, chairman of the Printers' Union, and reportedly Böckler's choice for chairman of the DGB. Other prominent SPD/DGB leaders in favor of the "great coalition" include Professor Victor Agartz, member of the SPD Foreign Policy Committee, Consumers' Union chairman Gustav Dahrendorf, Ministerialdirektor Heinz Pothoff of the North Rhine Westphalian Ministry of Economics, and Professor Erich Nölting, the SPD's leading expert on economic matters. Dr. Schumacher is fully informed about the efforts of the above and he does not consider their activities in any way disloyal to him. There should be a distinction made between the activities of the above group and the occasional anti-Schumacher efforts of such old-time SPD leaders as Wilhelm Kalsen and Ernst Reuter, Lord Mayors of Bremen and Berlin respectively.
7. Schumacher has stated unequivocally that, while he may go along in the administration of the Schuman Plan once accepted and ratified, he is not prepared to compromise on his basic opposition to it. In this opinion he has the strong support of August Schmidt, chairman of the Miners' Union within the DGB, and of Georg Reuter of the DGB leadership. Schumacher has two distinct reasons for his adamant position. On the one hand, he believes that if the SPD should accept the Schuman Plan it would provide the Communists and the extreme nationalists with the best anti-Western propaganda material they could possibly wish for. He also believes that some of the big industrialists of Germany are prepared to support ultra-nationalists and their Communist front appeasers in the anti-Schuman Plan campaign. In combination with the KPD they could succeed in turning the German people against cooperation with the West. That, in Schumacher's opinion, would be equivalent to handing West Germany to the Russians. On the other hand, Schumacher believes that continued SPD opposition will force the U.S. and France to make additional concessions to Germany which in turn will not only aid the SPD prestige with the electorate but will also depreciate the propaganda value of the material to the Russians and the Communists and their nationalistic allies.

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