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TEXT

TAGS: PHUM, PGOV, EIND, GE
SUBJECT: WILL DAIMLER-BENZ COMPENSATE WW II FORCED LABOR?

1. (U) SUMMARY: DAIMLER-BENZ IS CONSIDERING
COMPENSATION FOR WW II FORCED LABOR. PRESS RESPONSE: "IT'S
ABOUT TIME." THE AUTOMAKER SEEMS TO BE TRYING TO FORESTALL
CRITICISM WHICH MIGHT MAR 100TH ANNIVERSARY CELEBRATIONS

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NAZI WAR CRIMES DISCLOSURE ACT
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NEXT WEEK. END SUMMARY.

2. (U) IN A PROMINENT PAGE ONE ARTICLE JAN 21, THE "STUTTGARTER NACHRICHTEN" REPORTED THAT DAIMLER-BENZ IS CONSIDERING PAYMENT OF COMPENSATION TO WW II FORCED LABOR AND HAS ENGAGED AN INDEPENDENT RESEARCH ORGANIZATION TO STUDY THE ISSUE. SEVERAL OTHER PAPERS CARRIED SHORTER ARTICLES ON THE SAME SUBJECT.
3. (U) WITH ITS 100TH BIRTHDAY OF THE INVENTION OF THE AUTOMOBILE CELEBRATION LESS THAN TWO WEEKS AWAY, DAIMLER-BENZ APPEARS TO HAVE DECIDED TO STEAL THE THUNDER OF ONE GROUP THAT MIGHT DAMPEN THE FESTIVITIES---THE ORGANIZATIONS OF SURVIVING FORCED LABORERS FROM THE "THIRD REICH." DAIMLER SPOKESMAN BERND GOTTSCHALK TOLD THE NEWSPAPERS THE FIRM HAS, IN CONJUNCTION WITH PUBLICATION OF A TWO VOLUME HISTORY OF DAIMLER-BENZ (RELEASED JAN 20), WORKING ON A SPECIAL DOCUMENTATION COVERING THE NAZI PERIOD.
4. (U) GOTTSCHALK, THE "STN" REPORTED, STATED THAT THE FIRM SPONTANEOUSLY DECIDED TO LOOK INTO ITS USE OF FORCED LABOR AFTER PUBLIC DISCUSSION ON THE SUBJECT AROSE WHEN THE DEUTSCHE BANK BOUGHT THE FLICK CONCERN. DAIMLER HAS ENGAGED THE SOCIETY FOR THE HISTORY OF ENTERPRISES UNDER PROF. HANS POHL TO STUDY DAIMLER'S USE OF FORCED LABOR. AT THIS POINT, GOTTSCHALK CONTINUED, IT IS KNOWN THAT DAIMLER USED FORCED LABORERS FROM 20 COUNTRIES, BUT THE TOTAL NUMBER OF WORKERS REMAINS TO BE DETERMINED. SEVERAL PAPERS, INCLUDING THE "STN" AND THE "HEILBRONNER STIMME" HAVE RECENTLY RUN ARTICLES ON DAIMLER'S HISTORY, INCLUDING PHOTOGRAPHS SHOWING ADOLF HITLER GREETING CROWDS FROM AN OPEN MERCEDES LIMOUSINE.
5. (U) IN A FRONT PAGE EDITORIAL JAN 21, THE "STN" CONGRATULATED DAIMLER FOR BRINGING THE ISSUE OF USE OF FORCED LABOR INTO THE OPEN, THOUGH THE PAPER IMPLIED DOUBT THAT DAIMLER CHOSE TO CONSIDER THE MATTER "SPONTANEOUSLY." THE EDITORIAL POINTED OUT THAT 40 PERCENT OF DAIMLER'S WORK FORCE AT WAR'S END WAS FOREIGN AND URGED THE FIRM TO PAY COMPENSATION.
6. (U) THE NEWSPAPER ARTICLES CAME OUT OF A PRESS CONFERENCE IN WHICH DAIMLER INTRODUCED ITS TWO-VOLUME HISTORY. THE FIRM APPARENTLY CHOSE TO BRING UP THE SUBJECT OF WW II FORCED LABOR, A DECISION SOME OBSERVERS CONSIDER BAD TIMING. THEY POINT OUT THAT PUBLIC CONTROVERSY OVER WW II FORCED LABOR COULD TARNISH THE SHINE ON DAIMLER'S 100TH ANNIVERSARY CELEBRATIONS.
7. (U) A SOLID COUNTERARGUMENT WOULD BE A DESIRE ON DAIMLER'S PART TO PREEMPT CRITICISM. REFERENCE IS OCCASIONALLY MADE TO DAIMLER HAVING KEPT ITS ARCHIVES FOR THE PERIOD 1933-45 CLOSED, AND TWO SHAREHOLDER RESOLUTIONS AT THE FIRM'S MOST RECENT ANNUAL MEETING CHIDED THE STUTTGART AUTOMAKER FOR ITS ROLE DURING THE SECOND WORLD WAR. BY ANNOUNCING THAT IT HAS EMPLOYED AN INDEPENDENT RESEARCH ORGANIZATION TO STUDY ITS USE OF FORCED LABOR AND THAT IT HAS NOT RULED OUT COMPENSATION FOR FORCED LABOR'S VICTIMS, DAIMLER STEALS THE THUNDER OF THOSE WHO MIGHT HAVE

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RAISED THE ISSUE DURING THE BIRTHDAY CELEBRATION ITSELF. BY TAKING THE OFFENSIVE NOW, IT SAVES ITSELF FROM BEING PUT ON THE DEFENSIVE LATER. BY RAISING THE ISSUE NOW, IT ALLOWS PRESS INTEREST TO PEAK BEFORE THE FESTIVITIES GET UNDERWAY. BY NOT HAVING RAISED IT EARLIER, DAIMLER AVOIDS BEING CONFRONTED WITH DEMANDS FOR RESULTS DURING THE ANNIVERSARY.

8. (LOU) A WELL-PLACED DAIMLER OFFICIAL CONFIRMED TO POST THAT THE COMPANY MADE A CONSCIOUS DECISION TO CONFRONT OPENLY AND FORTHRIGHTLY ITS OPERATION DURING THE NAZI PERIOD, ESPECIALLY DURING THE WAR. DAIMLER MADE THIS DECISION THREE YEARS AGO WHEN IT COMMISSIONED A CORPORATE HISTORY PROJECT IN CONNECTION WITH THE 100TH ANNIVERSARY CELEBRATIONS. DAIMLER'S USE OF POW'S AND FORCED LABOR DURING THE WAR, THE OFFICIAL EXPLAINED, IS WIDELY KNOWN IN GERMAN SOCIETY---EVEN TODAY, SINCE THE COMPANY CONTINUED TO PRODUCE LARGE QUANTITIES OF MILITARY VEHICLES AT A TIME WHEN A SIGNIFICANT PORTION OF ITS NORMAL WORKFORCE WAS SERVING ON THE FRONT. THE CORPORATE LEADERSHIP, EMBARRASSED FOR SOME TIME BY ITS FAILURE TO COME TO GRIPS PUBLICLY WITH THIS SORDID PAGE IN COMPANY HISTORY, DECIDED THE 100TH ANNIVERSARY CELEBRATION WAS THE PROPER TIME TO WIPE THE SLATE CLEAN, SO TO SPEAK.

9. (LOU) THE ISSUE OF DAIMLER'S WARTIME USE OF FORCED LABOR TOOK ON SOME URGENCY OF LATE AFTER THE DEUTSCHE BANK BOUGHT THE FLICK CONCERN. DEUTSCHE BANK, REACTING TO MEDIA PRESSURE, SUBSEQUENTLY ANNOUNCED IT WAS PREPARED TO PAY DM 5 MILLION (DOLS. 2 MILLION) IN COMPENSATION TO FORMER FLICK FORCED LABORERS. AWARE THAT FLICK HAD BEEN A MAJOR POSTWAR SHAREHOLDER IN DAIMLER, THE PRESS BEGAN TO DIRECT SIMILAR INQUIRIES TO THE COMPANY. OUR SOURCE TENDED TO CONFIRM THAT EARLIER FLICK OWNERSHIP WAS A FACTOR IN FORCED LABOR ISSUE BEING KEPT UNDER WRAPS FOR SO MANY YEARS.

10. (LOU) THUS, WHEN QUESTIONS WERE AGAIN POSED AT PRESS CONFERENCE DEVOTED TO PUBLICATION OF COMPANY HISTORY, SPOKESMAN GOTTSCHALK WAS PRIMED TO REVEAL FIRM'S DECISION TO HAVE THE FORCED LABOR ISSUE THOROUGHLY STUDIED BY AN OUTSIDE EXPERT. OUR SOURCE'S PERSONAL VIEW IS THAT EXPERT OPINION WILL CONFIRM DAIMLER'S USE OF FORCED LABOR AND RECOMMEND PAYMENT OF COMPENSATION ON A VOLUNTARY RATHER THAN A LEGAL BASIS.

GRIFFIN

END OF MESSAGE

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