

Module 04: The End of Optimism? The Great Depression in Europe

Evidence 27: Diplomatic Reports on Germany, 1934

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The Ambassador in Germany (Dodd) to the Secretary of State
Berlin, January 26, 1934

SIR: In amplification of my despatch No. 451 of January 18, 1934, I have the honor to report that the so-called "law for the regulation of national labor" enacted on January 20, 1934, which virtually constitutes a new labor charter, was published on January 23. The new law is an attempt to solve the problem of capitalism and labor in accordance with National Socialist tenets and to do away with class struggle, strikes and lockouts. It is an important departure from the old type of labor legislation.

The Nazis contend that the materialistic individualism of the post-war era of liberalism was responsible for the rise of Marxism which led to class struggle, and one of the principal features of the new law is that employer and employee are to form a community of interests; both are to be held responsible by the Government for the welfare of the shop or factory. Unlike Mussolini's Carta del lavoro, the German labor charter is not based on the corporative system. The trade unions have been completely eliminated. Like all social, cultural and economic organizations in the Third Reich, the new labor charter is based on the principle of authoritarian leadership. In every factory the head of the concern or his representative is the Führer of his men.

The law gives the trustees of labor who are appointed for labor districts, not for industries, especially important functions and far-reaching powers. Their primary task is the maintenance of industrial peace. They are now in effect social-political representatives of the Reich Government, and in order to lend emphasis to the importance of their authority they have been given the character of Reich officials. The trustees of labor must watch over the activities of the confidential councils. They must also examine the regulations issued by the Führer of a shop or factory with respect to wages and conditions of work. They have power to rescind these regulations and

issue new regulations themselves if requested by a majority of the confidential council. They can interfere in cases where large dismissals of men are contemplated and are empowered to postpone dismissals for four weeks and in certain cases to prolong this period to two months.

Though the new labor code is no doubt intended to give the impression that it is genuinely socialistic, it has all the earmarks of a compromise between the capital and socialist tendencies in the Nazi Party. It is a flexible instrument, and much will depend upon its application. It is probable that the chief motive for its enactment was political, namely the desire of the National Socialists to obtain the support of the laborer and to strengthen thereby their own position. It remains to be seen whether the workman will be contented with a law which deprives him of the right to strike and gives so much power to the trustees of labor.

Respectfully yours,
William E. Dodd

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U.S. Diplomatic Report

The Ambassador in Germany (Dodd) to the Secretary of State

Berlin, June 1, 1934

SIR: I have the honor to report that according to official statements, the number of unemployed throughout the Reich decreased during the month of April to the extent of 190,000 persons. The total number of unemployed at the end of the month is given as 2,609,000. At the same time it is announced that 640,000 more persons found employment. The apparent discrepancy is accounted for by the influx of school graduates into industrial occupations as well as of numerous individuals who had been previously unoccupied but had not been obliged to seek assistance from the Government. The latter fact would tend to indicate that the official unemployment figures do not correctly represent the actual amount of unemployment in Germany.

The increase in employment, however, has not been evenly distributed, the country districts showing a much more satisfactory situation in this respect than the cities. In order to stop the flight of labor from the country districts to the towns, the Federal Government, at the suggestion of Dr. Syrup, the

President of the Federal Office for Employment and Unemployment Insurance, has enacted a law authorizing this official to forbid persons who are engaged during the previous three years, to obtain industrial occupation without his consent, and to prohibit persons who are not permanent residents of communities with a high percentage of unemployment to seek the occupation of laborer in such a community. Apparently business and professional men are exempt from the foregoing.

Source:

Diplomatic Reports on Germany, 1934.