

The Danger of Syndicalism

SYNDICALISM — rule by trade unions — would inevitably take over the economic as well as the political system if unions' demands for an equal voice in the running of German companies were met, a distinguished German lawyer and industrialist warns in an Aims of Industry study* published today.

"There would be nothing and nobody to control the concentration of power into the hands of the unions," Dr. Wolfgang Heintzeler, says in "The Co-determination Problem in Western Germany".

Some union leaders in Germany have openly admitted, he adds, that if their plans for extended co-determination were to become law, it "would be regarded as a hopeful beginning to further fundamental changes in the system".

Dr. Heintzeler describes the system of control introduced after the war, with the encouragement of the Allied occupation authorities, in the Ruhr coal and steel industry. The supervisory board nominates members of the board of executive directors. It is this model the unions want to extend to enterprises of all kinds employing 2,000 persons or more.

Extension of the coal and steel co-determination system to all big companies would in practice mean that the unions gain control over the whole of the German economy.

"There is almost no enterprise of medium or small size which does not have close business relations (as supplier or buyer) or credit relations with one or other of the big companies. Consequently, if the unions were to gain a decisive direct influence on the big companies, they would at the same time gain a decisive indirect influence on the medium and smaller companies."

"Sooner or later the economy would no longer follow the principle of free competition, but, instead, the unions' interest in a central control. Sooner or later its aim would no longer be the best supply possible for consumers, but the group interest of labour as seen by the unions."

Dr. Heintzeler has a word of approval for the system of participation in German limited companies outside coal and steel. This gives labour one-third representation on the supervisory board. "It contributes to social peace while . . . it is still compatible with an economic system based on free enterprise, private property, and competition."

* "The Co-determination Problem in Western Germany" by Dr. Wolfgang Heintzeler; Aims of Industry ; 20p.