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The American Impact on Western Europe:

Americanization and Westernization in Transatlantic Perspective

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OCCUPATION FORCES, CODETERMINATION, AND WORKS COUNCILS

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Debates about Americanization and Westernization have centered on the programmatic agendas of great powers – the efforts of their armies, diplomats, capitalists, and intellectuals to remedy perceived deficiencies of foreign societies by remaking them in the image of the wealthy or victorious. Methodologically complex and empirically rich, this work makes a compelling case that many ideas and structures serve as "models" with powerful influences beyond their nation of origin. Yet the dominant focus on programmatic designs now makes the sound of one hand clapping. Today, when the suspicion of state mischief in the economy is so pronounced, *negative* institutional advice seems every bit as common as programmatic advice. In liberal times, acts of imitation are often simultaneously acts of negation and forbearance. Contemporary examples include advice to remove controls on capital, remove protections on labor, or remove central banks from the influence of elected officials.

Yet the popularity of such policy advice – whether backed by IMF "conditionality" or a more academic "Washington consensus" on economic stabilization – is hardly the first instance of efforts at economic addition through regulatory subtraction. I want to explore that general problem with reference to the allied occupation of Germany after World War II, and more particularly by looking at aspects of labor law. In this, I emphasize the American occupation, though because the British ultimately occupied the economically vital Ruhr region, I also make some mention of their policies. To what extent and with what effect did the allies try to use their own models to restrict the introduction of codetermination and the reconstruction of works councils? I emphasize the iron, steel,

and coal sectors not only because these were then considered the commanding heights of a modern economy, but also because it was here that German labor offered its most sustained effort to counter allied efforts at restricting its ambitions. Sidestepping for now the debate about whether this process is best labeled Americanization or Westernization, I am calling the process simply "ization through negation."

Americanization was never an official policy, of course. On the labor front, as in so many domains, American plans for the occupation were altered by the reality that there was no German government to oversee. In the absence of American grand designs, Weimar institutions and practices were the "default" option. The various American Military Governments (MG) – USGCC, OMGUS and HICOG – mainly tried to rely on Germans to reconstitute and reform the institutions of labor. Surviving or returning Weimar labor leaders often had sufficient legitimacy to regain positions of authority, and the dictatorship had not lasted so long that rank and file workers had completely forgotten the structures and practices of Weimar. For all these reasons – ideology, sociology, and anthropology – the basic contours of post-1945 labor organizations were familiar to those who knew the Weimar system.

On the other hand, "letting the Germans do it" was never a motto meant to apply to all endeavors. And even where it was to apply, MG meant it as a leitmotif rather than a dogma. The victorious American and British powers often tried to change what they saw as failed German practices. In some cases, the allies did push for changes based loosely on British and American practices – referred to above as "positive" or "prescriptive"

models – but in other cases they used their own institutions as guides for restricting German traditions and aspirations. Intrusions in both forms had to be balanced by concern for supporting German democrats, around whom at least part of the new Germany could be built. But the positive and negative intrusions could not be dispensed with because, from the perspective of many MG officers, the dilemma was that even the "good Germans" often wanted bad institutions.

The argument that American and British occupation forces sometimes relied explicitly on their own models of industrial relations does not mean that *all* the occupation forces' actions were informed by these models. They were not. Policy measures were also informed by specific challenges of rebuilding a war-shattered society, American understandings of the nature of Nazism and the historical context of German institutions, American efforts to restart the German economy, and, after 1947, growing concerns about communism. JCS 1067, the Americans' single most important policy statement for the occupation, contains not a single explicit claim that American institutions might provide superior models of organization. Yet actual policy followed a more nuanced course, and in both the areas covered here, the broad motives noted above were joined by a specific effort to use American models to slow and reshape the establishment of works councils and codetermination. This slowing and reshaping took place against a political backdrop that shifted constantly. These shifts occurred both inside Germany – roughly from unconditional surrender, through the Allied Control Council, the Bizone, the *Wirtschaftsrat*, and into the Adenauer era – and outside Germany – driven by British material exhaustion, French obstruction of the Control Council, Soviet demands for reparations, and American efforts to reintegrate German production into the European economy. But while the meaning of American and British models thus varied over time,

the fact of their importance as examples of alternative schemes of economic organization remained throughout the period in question.

MG CONCEPTIONS OF THE ROLE OF FOREIGN MODELS

When discussing the use of their models of organizations, MG in the US zone spoke with a forked tongue. On the one hand, its primary intention was to relinquish most control to the Germans, and it proclaimed this goal loud and long to German officials. On the other hand, even the most determined advocates of this broad MG policy occasionally found irresistible the strategic invocation of American practices.[1]

But invoking American models actively promoting them were two different things. Those officials who wanted to promote their nations' models needed to find potential German partners if their interventions were to endure. Most MG officials knew very little about Germany, however, and those who did often saw recasting German organizations as futile or unnecessary. An important example of the latter is James Pollock, professor of political science at the University of Michigan and deputy for civil administration for General Lucius Clay, the acting US Military Governor of Germany. Pollock is emblematic of the view that the occupation should select reliable Germans and then oversee their work with a very light hand. His diary entry of November 16, 1945, anticipating the first elections in January 1946, can stand for several other entries in

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[1] See James Pollock comments on the Swiss Council of States and US Senate as positive models for German upper house. Pollock memo to John Hilldring, Feb 3, 1947. Reprinted in James Pollock, Besatzung

which he discusses this basic aim: "It looks now as if we are really in earnest in turning administration of their own affairs over to the responsible German officials we have selected."[2]

But Pollock's was a bird's eye view from Clay's office. In labor affairs, the two MG's "Manpower Divisions" – so named because wartime planning focused much more on employing the idle than reforming institutions – were left to react to ever-changing shifts of policy directions and unforeseen German initiatives.[3] In both Manpower Divisions, many key officials were "on loan" from, respectively, the American Federation of Labor (AFL), the Congress of Industrial Organizations (CIO), the National Labor Relations Board (NLRB) or the British Trades Union Congress (TUC) and their affiliate unions. This meant even "pragmatic" judgments about the acceptability of German ambitions were made by those who knew a great deal about their own labor traditions and relatively little about German ones. Thus, even if many of these officers shared the view that the Nazi regime had badly mistreated labor, this did not mean they shared German labor's proposed institutional remedies.

Rather, some of these officers explicitly relied on their understanding of the role of unions in their own societies in formulating and implementing policies. While committed to rebuilding labor unions as part of their democratization efforts, these American and British officers had a particular type of union in mind. They sought to restrict unionism

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und Staatsaufbau nach 1945: Occupation Diary and Private Correspondence, 1945-1948, (Munchen: R. Oldenbourg, 1994): 351-358.

[2] Pollock: 122.

to the pursuit of wages, benefits, and working conditions and to constrain the unions from becoming political actors. German union leaders chafed at these restrictions and rejected the premise that there should be a strict divide between economic actors and political ones. While some admired British unionism, few, with the exception of those like Fritz Tarnow, knew much about American unions. Moreover, the allies' persistent bias toward collective bargaining – and away from a labor voice in allocating and redistributing the basic resources of a capitalist economy or even an individual firm – often appeared to most German labor leaders as a conspiracy against union prerogatives.

Interventionist MG officers had to contend with German resistance and, occasionally, with reminders from within their own ranks about the difficulty of social engineering. For example, George Dietrich, a Weimar trade unionist who had emigrated in 1939 and returned as an OMGUS visiting expert in 1948, warned OMGUS not to neglect the different orientations toward politics in the German and American union movements: "From the beginning, the program of German trade unions was directed towards influencing the entire economy. In order to achieve this goal, the unions always attempted to have their objectives embodied into law. . . . Due to the differences in development, American methods should not be imitated indiscriminately in Germany no matter how correct and successful they are in the US."[4] Such statements were made precisely because of the obvious interventionism of some of their fellow officers.[5]

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[3] Michael Fichter, Besatzungsmacht und Gewerkschaften: Zur Entwicklung und Anwendung der US-Gewerkschaftspolitik in Deutschland, 1944-48, (Opladen: Westdeutscher Verlag, 1982): 96-99.

[4] Dietrich, George Phillip, The Trade Union Role in the Reconstruction of Germany, Visiting Expert Series #6, OMGUS Manpower Division, March 1949.

[5] For details on the divisions over policy towards unions *inside* the US occupation, see Fichter: 146-175.

Both allies were, of course, aware of German fears of foreign-imposition after the experience of the Versailles Treaty. And with "Americanization" generally used by Germans as a pejorative, MG officials often justified their policies through appeals to supposedly universalistic processes like economic modernization or democratization. Yet intervene they did, sometimes to the frustration of their superiors: "With the Germans so willing to take orders and so many of our eager beavers anxious to order them around," wrote Pollock, "one can understand why, at this late hour [January 1946], we are still knee deep in operations."[6] In a similar vein, General Clay often said that he was unwilling to force Germans to do things not yet achieved in the United States. But this principle could be used not just to tame what Clay saw as the over-eager prescriptions of MG personnel but also to disallow popular German initiatives like codetermination. In short, policy drift, MG decentralization, and victors' discretion all allowed fairly small groups of officers to intervene in profound organizational questions.

ANTECEDENTS, ASPIRATIONS, OUTCOMES

To gauge the allied impact on postwar outcomes, one needs some sense of Weimar and Nazi antecedents and postwar German aspirations about labor participation *beyond* collective bargaining.[7] With no pretense towards an exhaustive account, we can sketch some of the major developments that directly affected codetermination and works councils. As is well known, unions and most social democrats had generally been

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6 Diary, January 27, 1946, p. 150).

7 Each of which could be a paper unto itself. The author solicits suggestions about the amount of historical detail to include here.

suspicious of the factory and worker councils erected in some firms in Imperial Germany, but experiences in industrial cooperation during wartime production led to legislation mandating works councils across the economy and, ultimately, to managerial acceptance of collective bargaining through the 1918 Stinnes-Legien agreement.[8] The revolutionary face of the council movement rose and then fell again in 1918-1919, and while the 1920 legislation incorporated the name – *Räte* – it bore little other similarity to the council movement's demands.[9] The law, which the council movement protested in demonstrations leading to at least 40 deaths, created a compromise system of representation that was neither "yellow" management-influenced councils nor the system of shop stewards favored by the unions.[10] Workers in firms with more than five employees were entitled to elect a works council to represent the entire workforce in managerial decisions affecting plant working and employment conditions. But the council had also to consider the good of the firm. This created tension between the councils' possible roles as either a second pillar of negotiation between management and labor or as an instrument of the trade unions for the monitoring of their agreements.[11] While the employers had found the works council legislation acceptable for channeling the council movement back under union control, the clear weakening of the council movement diminished managerial fears and, after 1924, the employers tried to paralyze the works councils and neutralize them.[12] Partly in response to the disappointment of the experiment with councils, labor intellectuals began looking to other ways of "democratizing" capitalism.

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8 On the wartime experience and its relevance for Weimar institutions, see Gerald Feldman, Army, Industry, and Labor in Germany, 1914-1918, (Princeton: Princeton University Press), 1966.

9 Cite Rürup piece.

10 Walther Müller-Jentsch, "Lernprozesse mit konträren Ausgängen," Gewerkschaftliche Monatshefte 5 (1995): 320 ff.

11 This potential tension was emphasized by contemporaries like Kurt Brigl-Matthiaß, Das Betriebsräteproblem in der Weimarer Republik, (Berlin: de Gruyter, 1926): 30.

12 Müller-Jentsch: 324.

Like works councils, post-WWII codetermination also had a partial Weimar antecedent, this time in the form of "*Wirtschaftsdemokratie*." This notion, which clearly meant different things to different parts of the labor movement, held that formal political democracy had to be augmented with democratic control of the economy.[13] The program, proposed by the SPD upon its return to power in 1928, has been variously seen as an elaboration of earlier concepts of a corporatist *Reichswirtschaftsrat* and/or the proposals of the union congresses in Breslau (1925) and Hamburg (1928), as an SPD reaction against the earlier Independent and Communist proposals for council democracy, or as a tactic to justify union participation in the modest institutional reforms of Weimar.[14] Whatever the motives, however, the central proposition (which went all the way back to Hilferding) was that capitalism had changed its character from *individual* to *organized* capitalism. The result was the possibility of a parliamentary, rather than revolutionary, transition toward socialism in which trade unions, alongside the SPD, would play a crucial role in the centralized management of the economy.[15] Advocates of economic democracy called for a multi-faceted infiltration by workers of organized capitalism for the purpose of removing economic decisions from the strictly "private sphere."

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[13] For the conception and reality of economic democracy in the late Weimar Republic, see Heinrich Winkler, Der Schein der Normalitat, second edition, (Berlin/Bonn: J.H.W. Dietz, 1988): esp. 606-628.

[14] See Seifert, Christfried, "Die deutsche Gewerkschaftsbewegung in der Weimarer Republik," in Frank Deppe et al (eds), Geschichte der deutschen Gewerkschaftsbewegung, 3rd edition, (Düsseldorf: Pahl-Rugenstein, 1981): 180-191; William Patch, Christian Trade Unions in the Weimar Republic, 1918-1933, (New Haven: Yale, 1985): 146-147; David Abraham, "Economic Democracy as a Labor Alternative to the Growth Strategy in Weimar Germany," The Political Economy of West Germany, ed. Andrei Markovits, (New York: Praeger, 1982).

[15] Thus the rise of the economic democracy ideal was associated with the SPD downplaying calls for socialization and increasing its opposition to the state regulation of trusts. Fritz Naphtali, Wirtschaftsdemokratie, (Berlin: Verlags-Gesellschaft des ADGB, 1928).

Yet while the Weimar SPD did strengthen unemployment insurance, it could advance only very partial legislation towards fulfilling the broader agenda of *Wirtschaftsdemokratie*. This disappointment combined with earlier disappointments on works councils and on the ability of state arbitration to promote desirable and sustainable collective bargaining outcomes.[16] On top of the setbacks of Weimar rested German labor's bitter experience in the Nazi period: forced union dissolution into the DAF, imprisonment of labor leaders, the transformation of works councils into *Vertrauensräte*, the dismantling of unemployment insurance, the significant extension of working hours in a wartime economy. All of these grievances left deep impressions on German labor.[17] Whatever their internal divisions, most wings of the postwar labor movement shared a strong sense that the time for an institutional new beginning had arrived. That new beginning would require the elaboration of old concepts under new political conditions but also the development of ambitions never before realized. To this end, a wide variety of concepts of labor participation played important roles in the wartime thinking of German trade unionists.[18] These concepts, while often vague, insisted that labor have legitimate institutional prerogatives at the highest levels of society as well as the nuts and bolts level of economic management.

While many MG officers were only dimly aware of these Weimar and Nazi antecedents, they all soon came face to face with German union leaders' postwar aspirations. Those aspirations were decidedly not of the revolutionary flavor of 1918, but they were very much oriented around the claim that capitalism required much greater public control –

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16 Detlev Peukert, Die Weimarer Republik: Krisenjahre der klassischen Moderne, (Frankfurt: Suhrkamp, 1987).

17 My formulation does not deny that some workers benefited from Nazi policies; my point here is simply that as the war ended, the significant disadvantages for labor came to dominate the evaluations of surviving labor leaders. See Dan Silverman, Hitler's Economy: Nazi Work Creation Programs, 1933-1936, (Cambridge: Harvard, 1998).

18 Siegfried Mielke and Peter Rütters, "Die DAF: Ein Organisationsmodell für den Neuaufbau der Gewerkschaften nach 1945?" in Gewerkschaftliche Monatshefte, 5/1995: 305.

including socialization – and that economic democracy was required to complement parliamentary democracy.[19] These broad expectations drew strength from the widespread discredit of capitalism by virtue of its perceived connection with the Nazis – a diagnosis shared by many Christian political elites.[20]

In one sense, both MG's shared the view that trade unions were potential allies in the democratization of Germany.[21] On August 6, 1945, General Eisenhower proclaimed, "The full freedom to form trade unions and to engage in democratic political activities will be extended rapidly in those areas in which you show a readiness for the healthy exercise of these privileges. Your own actions will determine the time for removing remaining restrictions."[22] Yet where the large majority of German trade unionists were committed to some form of economic democracy, the allies proposed strong divisions between economic and political activities and rejected several specific attempts to "democratize" economic relations. Instead, allied policy encouraged unions to focus on collective bargaining, which, as AFL internationalists like Irving Brown liked to say to European labor leaders, had secured for American workers the highest living standards in the world. Joseph Keenan, Clay's deputy for labor affairs, expressed this policy in a 1946 letter to the CIO's James Carey: "The more responsibility we put on the trade unions to secure their own objectives by economic strength rather than by legislation,

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19 On postwar reformism, see, most recently, Klaus-Dieter Henke, Die amerikanische Besetzung Deutschlands, (München: Oldenbourg, 1995): 610-622; Gewerkschaftliche Zonensekretariats (British Zone, Abt. Wirtschaftspolitik), "Wirstchaftsdemokratie -- Vorschläge zum Aufbau einer wirtschaflichen Selbstverwaltung" Düsseldorf, Jan. 1947, Bundesarchiv, ZSg. 1-31/35; also Wirtschaftspolitischen Ausschuß beim SPD Parteivorstand, "Grundgedanken eines sozialistischen Wirtschaftsprogramms – Wege und Ziele sozialdemokratischer Wirtschaftspolitik," Hannover, November, 1946, Bundesarchiv, ZSg 1-90/50.

20 Recall the Ahlen Program's blunt statement that "Das kapitalistische Wirtschaftssystem ist den staatlichen und sozialen Lebensinteressen des deutschen Volkes nicht gerecht worden."

21 For the British view, see the documents collected in Rolf Steininger, "England und die deutsche Gewerkschaftsbewegung, 1945-46," in Archiv für Sozialgeschichte, 18, 1978: 41-118.

22 Quoted in Samuel Liss memo, "Revival of Free Labor Organization in the US Occupation Zone in Germany," [undated, probably November, 1945], George Meany Archives, RG18-002, Box 12, folder 04, CIO International Affairs Division: 1.

which had been the practice in Germany for many years, the better it will be for the working people. By the old method, they were dependent more on the passage of laws than on their own ability to achieve improved working conditions, higher wages and every day [sic] functions of trade unions."[23] In addition to material benefits of collective bargaining for workers – secured as a right in America almost two decades later than in Germany – New Deal and wartime American experience with collective bargaining suggested its value in wage stabilization and maintaining purchasing power.[24] OMGUS justified its narrower vision of labor's role in the rebuilding of German society with the claim that unions would need flexibility in bargaining over changes in wages and working conditions, and they should, therefore, focus on private-sector bargaining, as opposed to legislation, which might prove inappropriate for society's further development.[25]

Postwar outcomes reflected a mix of these contending German, American, and British aspirations. Under allied influence, codetermination was not rejected but was turned to an end in and of itself at the firm level, rather than a "step toward self-determination" at all levels of the economy.[26] Works councils, which are not analogous to shop stewards and which did not play important roles in Anglo-American models of industrial relations, were given weak roles that reflected their status in Weimar much more than labor's postwar expectations. From the perspective of most German labor leaders, these restrictions threatened their hopes for economic democracy. For these unionists, the moment had appeared ripe for a major transformation of labor's roles in German society.

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[23] Keenan letter to James Carey, July 30, 1946, George Meany archives, RG18-002, Box 12, folder 03, CIO International Affairs Division.

[24] Christopher Tomlins, The State and the Unions, (Cambridge: Cambridge, 1985): 99-102.

[25] Even today the American debate about German industrial relations still iterates between social democrats who look enviously at the institutionalized benefits of the German worker and neoliberals who scoff at the dangerous encrustration of non-wage costs that, they say, inhibits flexibility and adjustment.

[26] To be clear: for many labor leader, self-determination meant socialization of the economy.

Such a transformation would have had a number of far-reaching institutional implications. That the labor movement did not realize these ambitions can be attributed in no small part to the occupation forces, which insisted on industrial unionism, tightly controlled the scope of collective bargaining, limited works councils, suspended codetermination and socialization measures passed by state legislatures after 1948, controlled union publishing possibilities, influenced the composition of union leadership bodies, and suppressed the antifascist committees. Obviously, the allies' use of their own models of industrial organizations led neither to the stereotypical apolitical American "business union" orientation nor to British craft union structures. Paradoxically, the intervention of the occupation forces actually led to unions closer in organization to those of the Weimar period than would have been true without the allies.[27] But this is only the formal level; the clash of allied policies about labor's proper functions with German unionists' ambitions for increased authority also led to novel arrangements not anticipated by German labor. In short, the allies drew upon their functional models in conjunction with certain institutional legacies of Weimar, to eliminate other Weimar legacies and reshape lessons learned in wartime exile. In the process, we shall now see, it did not merely negate but also adjudicated, channeled, and catalyzed flexible solutions to conflicts between German labor and capital.

UNECESSARY DISTRACTIONS: CODETERMINATION AND WORKS COUNCILS

The remaining burden is twofold: first, to show that allied MG's used their own societies' economic models to inform some key decisions toward postwar German economic models. I pursue this point mainly by focusing on the way that OMGUS tried to portray

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[27] Johannes Kolb, Metallgewerkschaften in der Nachkriegszeit, (Cologne: Bund-Verlag, 1983): 123.

strong forms of works councils and codetermination as unnecessary distractions from the main task of collective bargaining. Second, I need to show that allied weight mattered to the ultimate outcomes. Thus, while many forces obviously affected the final shape of postwar forms of *Mitbestimmung*, the interest here is in both the *direction* and the *magnitude* of the allied vector. My purpose in this is less to deliver new archival material than to explore the meaning of Americanization by negation.

The establishment of codetermination and the persistence of works councils – institutions not prominent in either American or British industrial relations – raises the obvious question of the extent to which one can speak here of "Americanization" or "Westernization." The politics of each case, however, reminds us that external pressure based on foreign models can mean not just *adopting* but also *foregoing* certain institutions. Indeed, allied intervention into these institutional domains was significant in two ways: First, the allies set substantial restrictions on both kinds of institutions. In both cases the allies faced a union movement with a strong consensus about the need for codetermination and works councils even if the form remained a matter of debate. In the face of this consensus, the allies fought a rearguard action, defending their restrictions with references to their own societies and with appeals about what was "good for Germany." Second, the allied restrictions did not prevent further evolution in either instrument. Rather, in both of these cases, the allies allowed limited forms of the institutions sought by German labor. The allies thus had an important influence on the shape of the instruments that did emerge, but while early limitations undoubtedly frustrated labor's broader agenda, they also channeled that agenda in sustainable and malleable directions.

FROM MEANS TO END: THE LIMITATION OF CODETERMINATION

While allied MG's sought to limit them to collective bargaining, German labor leaders sought to exert a broad influence on German society. Ultimately, their most visible effort to achieve a political role came through attempts to acquire legal rights to codetermination.[28] This effort can be divided into three overlapping phases. The allied influence differed in character among these phases, moving from restricting societal codetermination to adjudicating battles over firm-level codetermination and, finally, channeling the latter into a particular form. The codetermination resulting from this series of struggles was one in which labor's vision of codetermination as a *provisional* "step toward self-determination" – *ein Schritt zur Selbstbestimmung* – was revised to become a goal in and of itself.

The strategic dilemmas faced by German labor in 1945 were exacerbated by the difficult postwar conditions in Western Germany.[29] In the face of disrupted linkages for material inputs, trade, and transportation, the allies looked to both revive and to control the German economy. In this initial phase, as the unions struggled to rebuild their organizations and carve out a sphere of authority in a political economy highly regulated by the allies, ideas about democratizing the economy remained vague. And as with

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[28] There has been a growing interest in occupation policies toward codetermination. Horst Thum, Mitbestimmung in der Montanindustrie: Der Mythos vom Sieg der Gewerkschaften, (Stuttgart: Deutsche Verlags-Anstalt, 1982); Volker Berghahn and Detlev Karsten, Industrial Relations in West Germany, (Oxford: Berg, 1987); Gloria Müller, Mitbestimmung in der Nachkriegszeit: Britische Besatzungsmacht – Unternehmer – Gewerkschaften, (Düsseldorf, 1987); Carolyn Eisenberg, "The Limits of Democracy: US Policy and the Rights of German Labor, 1945-49," America and the Shaping of German Society, 1945-55, ed. Michael Ermath (Oxford: Berg, 1993); Michael Fichter, "HICOG and the Unions in West Germany," American Policy and the Reconstruction of West Germany, 1945-1955, eds. Jeffry Diefendorf, Axel Frohn and Hermann-Josef Rupieper (New York: Cambridge, 1993). Christoph Dartmann, Re-Distribution of Power, Joint Consultation or Productivity Coalitions? Labour and Postwar Reconstruction in Germany and Britain, 1945-1953, (Bochum: Universitätsverlag Dr. N. Brockmeyer, 1996).

[29] On the sheer pragmatic challenges faced by unions in post-dictatorship and postwar Germany, see Sieghard Mielke, "Introduction," Organisatorischer Aufbau der Gewerkschaften, 1945-1949, ed. idem., (Cologne: Bund-Verlag, 1987): 28-32.

Wirtschaftsdemokratie in Weimar, the vagueness of codetermination probably increased its support since each leader could see what they wanted in the slogan.[30] While it was unclear what the allies would allow, the two main labor aspirations were familiar: socialization of production and democratic control of the economy. A range of different proposals circulated among labor elites, but the core idea was that unions should gain the legal ability to influence a broad range of social, political and economic questions. As Hans Böckler, a Cologne union leader and the first secretary of the DGB put it in 1946, "We must be represented in the economy in completely equal terms, and not just in individual organs, not just in chambers, but in the economy as a whole."[31] Yet these DGB aspirations were blocked by the failure of the Allied Control Authority to enact the Potsdam declaration and treat Germany as an economic whole. Until 1947, both American and British MG's put tight restrictions on any efforts to organize trade unions above the local level. And union efforts to promote parity representation in local chambers of commerce withered after 1947, as did later efforts to develop labor's advisory voice in the *Fachstellen* of the *Wirtschaftsrat*.[32]

While the aim of societal codetermination was pursued unsuccessfully at the macro-level, German labor leaders began to explore other routes to codetermination.[33] In this second phase, especially after the DGB's Bielefeld conference in August 1946, the older emphasis on labor voice in controlling monopolies and cartels was superceded by a stronger emphasis on controlling individual large enterprises.[34] The unions concentrated their efforts on heavy industry – historically, the site of significant labor strength and

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30 While post-WWII union strategizing on *Wirtschaftsdemokratie* was located mostly in the DGB Secretariat around Ludwig Rosenberg and Ftitz Tarnow, the main thinking on *Mitbestimmung* was done under Erich Pothoff at the *Wirtschaftswissenschaftlisches Institut*. See Dartmann: 96 ff.

31 Quoted in Berghahn and Karsten: 174.

32 Dartmann: 104-05.

33 Space considerations prevent the elaboration of proposals on socialization of industry.

34 For details, see Dartmann: 95-102.

determined managerial resistance. Distinct from the council-centered notions of societal codetermination, the newer ideas called for the appointment of labor representatives to supervisory and/or management boards of individual firms. Here, the unions could rely on some degree of sympathy from the allied forces, who saw a need to balance the power of oligopolistic business. The American diagnosis of the German steel sector (as, for that matter, of the Japanese) was that it was an unholy alliance between large, nearly monopolistic producers of standard steel and pig iron – Yahata in Japan and Vereingte Stahlwerke and the Hermann Göring Werke in Germany – and an array of smaller specialized producers attached to the bigger firms by ties of ownership or contract.[35]

Accordingly, decentralization of Ruhr steel firms was a pillar of allied policy. But the allies also remained skeptical – though to different degrees – putting labor on the boards of the entities that emerged from restructuring. Had Manpower Division been the sole allied protagonist in the British zone, restriction would have been quite severe.[36] British Manpower did prefer union representation on firm supervisory boards to the concept of works councils, but the British joined OMGUS in a profound skepticism about institutionalizing a voice for labor on management boards.[37] Yet these skeptics in British MG were not the key actors in the momentous decisions around worker participation in the steel sector. Rather, an ad hoc organization only loosely integrated into British MG – the North German Iron and Steel Control (NGISC) – was the site of several key decisions.

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[35] Gary Herrigel, "American Occupation, Market Order, and Democracy: Restructuring the Steel Industry in Japan and Germany after World War II," in Americanization and its Limits: Reworking American Technology and Management in Europe and Japan after World War II, ed. Jonathan Zeitlin and Gary Herrigel, (New York: Oxford, Forthcoming 1999).

[36] Müller also emphasizes the British role in restricting codetermination to the iron and steel sectors.

[37] Berghahn and Karsten (176-77) suggest that British MG backed codetermination, in part, as an alternative to the radicalism of works councilors. For a different view, see Dartmann: 129-30.

The NGISC efforts to dismantle iron and steel firms delivered a second key impetus to the establishment of firm-level codetermination. The threat of allied dismantling made German managers' traditional antagonism with unions seem less pressing, and some managers began to see the possibility of recruiting unions to their side in persuading the occupation forces to limit industrial dismantling. It was clear that the price for this cooperation was more labor voice in firm operations. Fleshing out this demand challenged union leaders in the British Zone. At first, even the key DGB officials around Böckler (who were working with industrialist Heinrich Dinkelbach and the NGISC's William Harris-Burland on the details of what became *Montanmitbestimmung)* were uncertain as to the competencies of a labor representative on the management board.[38] But over several months of negotiations, the sides developed a model of codetermination in which labor had equal representation on the supervisory board and in which each management board had a single representative for labor approved by the unions. Importantly, this form of codetermination applied only to firms in the iron and steel industry and was not codified by parliamentary legislation. Concurrent British MG efforts to restrict worker participation in management were motivated by efforts to model German industrial relations on British ones, but NGISC's isolation from most of British MG seems to have played a key role in its incubation of this exceptional and important agreement.[39]

In the American zone, where no major deconcentration program served to bring unions and employers to the table over codetermination, the development of state parliaments offered labor a chance to establish codetermination through legislation. As the unions' numbers and organizational strength grew, they began pressing state governments for codetermination laws. Despite Clay's warnings, state governments in Hessia, Bremen and

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38 Dartmann: 116-117.
39 Dartmann: 258-270.

Württemberg-Baden passed legislation in 1948 – albeit weakened through negotiations with the Christian Democrats in all three parliaments – allowing some codetermination in firms. In Hessia, 72% of voters confirmed their support for this provision in a referendum. Whether this vote reflected popular enthusiasm for a new role for labor or frustration with the American occupation forces, the suggestion of a considerable level of mass acceptance implies that American restrictions were not welcomed. Nevertheless, Clay, echoed by the OMGUS Economics Division, publicly argued that decisions affecting the German economy as a whole had to be left to the entire German nation to decide.

US labor leaders who had worked closely with the American occupation urged Clay not to suspend the German states' legislation. These parties, along with many US Manpower officials, tried to convince Clay that some democratization of German industry was inevitable and desirable and that codetermination was a better alternative than socialization.[40] In some cases, union sympathizers inside Manpower fed information to AFL and CIO officials for use in putting outside pressure on Clay, whom they often referred to as "anti-union."[41] But in the fall of 1948, the General suspended the state legislation. In so doing, he explicitly invoked the American model, saying that "trade union forces seem to survive very well in America without such a law."[42] As Clay said later, both socialization and codetermination "were foreign to my way of thinking – and to the American way of thinking.... As long as I was there, I was going to try my best to

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[40] A point on which Clay seems to have disagreed. Clay wrote that "In point of fact, national ownership might well form a better pattern than economic codetermination as the latter is, in my opinion, much more apt to retard the German economy." Letter to Draper January 18, 1949, The Papers of Lucius D. Clay, 2 volumes, ed. Jean Edward Smith (Bloomington: Indiana, 1974): 989 ff.

[41] Henry Rutz memo to Jay Lovestone, Meany Archive, Lovestone papers, box 56, folder 12. Similar dynamics were at work in the British Manpower Division, as its head, Reginald Luce, helped persuade Lord Pakenham, the minister responsible for the British Zone, that British-style restrictions would go too far to curb German labor's prerogatives. Dartmann: 116-17.

[42] Quoted in Eisenberg: 77.

prove that in encouraging free enterprise we were encouraging a more rapid recovery for Germany than would have occurred otherwise. Certainly, I came from a free enterprise country, and I represented to the best of my ability the advantages of free enterprise."[43] Moreover, we cannot explain away American restrictions by attributing them to ignorance of German traditions and aims. The charge may hold for Clay, but it certainly does not for Franz Neumann. Neumann went from helping draft societal codetermination legislation during Weimar to opposing it as a member of the US occupation. Neumann argued that since state officials would be involved in such a process, the anti-democratic German civil servants would render such models ineffective for promoting the social democratic goals that he shared. To be sure, his reasoning was different than Clay's, but, like the more conservative General, he argued that legal privileges could not substitute for a lack of union "militancy."[44]

Lacking legal guarantees, German unions hoped *Montanmitbestimmung* would be a foot in the door toward broader codetermination rights in other sectors. This did not happen. Rather, growing Cold War tensions shifted the allies' calculations about the possibility of coexistence with the Soviets. With the occupation forces thinking much more about promoting German and European economic recovery, employers saw less and less need to secure labor's cooperation. These changes in the international environment and in the strength of business interests narrowed the opportunity for broader participation rights for labor in firms. By the late 1940s, labor's gains appeared tenuous. Clay had suspended the codetermination laws of democratically elected states while developments in the British zone appeared unstable given the lack of a legislative basis. The pressing

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[43] Quoted in Jean Edward Smith, Lucius D. Clay: An American Life, (New York: Henry Holt, 1990), 393; after Clay retired from the Army, the Continental Can Company which he headed was indicted by the US Department of Justice for anti-trust violations. See Smith: 11.

[44] Franz Neumann "The Labor Movement in Germany," Germany and the Future of Europe, ed. Hans Morgenthau (Chicago: Univ. of Chicago, 1951): 103-104.

question became whether the gains of the late 1940's could be defended against renewed attacks from business interests.

Debate on the legal status and scope of codetermination continued past the transition to the era of civilian occupation and the founding of the Federal Republic in late 1949. In this third phase, divisions *within* the US occupation ultimately emerged as important in channeling the unions' efforts for codetermination in a particular direction. Different US actors lined up on opposite sides of the German codetermination debate. While AFL support for the DGB position was minimal – in part, no doubt, because many US union leaders were highly skeptical of codetermination – the AFL did urge John McCloy, the US High Commissioner, to advise Adenauer to establish national legislation on codetermination or face the lifting of the since-retired Clay's suspension of the state laws in Hessia and Baden-Württemberg. After much dithering, McCloy did so. When talks between unions and employers then broke down in the spring of 1950, McCloy carried out the threat and lifted the suspension. Because this reinstitution raised the specter of different laws in different states, McCloy's actions may have helped spur the German government and employers in their negotiations.[45]

As the German parties jockeyed over legislation in 1951, however, the US National Association of Manufacturers also entered the fray. NAM warned that American capital could not be expected to flow into Germany if the protection of stockholders rights could not be assured.[46] In the course of subsequent debates, the AFL and the German unionists lined up on one side and the NAM and German industrial federation on the other. The NAM defended its interest as an effort to "determine what US industry might do to halt

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[45] Because he favored holding out for federal legislation, Böckler was actually lukewarm to the idea of lifting the suspension. Thus, it appears that the suspension would not have been lifted without AFL involvement.

[46] Until 1950, the State Department had generally disallowed new US investment in Germany.

the spread of this scheme in its extreme form." The NAM also maintained that the German political right needed help as it was, "paralyzed" by its inexperience in dealing with the public, its association with Nazism and its fear of reprisals for public action should the Soviets later come to occupy Western Germany.[47] Yet, the NAM intervention came across as a heavy-handed foreign intrusion, concerning even some key CDU officials who were committed to passing a bill based on a deal between employers and unions and brokered by Adenauer.[48] In May 1951, the bill, which extended the iron and steel model to coal as well, passed by an overwhelming majority.

With the legal basis of codetermination secured, at least for the coal and steel industries, efforts turned to elaborating that legal model. By early 1951, yet a third US actor had entered the debate, this time the Labor Division of the Marshall Plan Administration (ECA).[49] The ECA Labor Division, headed by Clint Golden of the United Steelworkers of America, undertook a two-track strategy. First, it sought to transform existing codetermination arrangements in iron and steel into a basis for labor's participation in efforts to enhance productivity. American unionists used instruments of the Marshall plan to wage a highly effective campaign to recast codetermination as a means for unions to deliver "immediate benefits" to their members by raising the productivity of the firms in which they worked.[50] In this process, sponsored visits to the US for German union leaders helped break down skepticism about American industrial relations. For example,

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47 Both quotes are from Werner Link, Deutsche und amerikanische Gewerkschaften und Geschäftsleute, 1945-75, (Düsseldorf: Droste Verlag, 1978): 49 ff.

48 Dartmann: 276.

49 The following paragraph follows Christoph Dartmann, "Labour-Management Relations, the Marshall Plan and the Politics of Productivity Growth in Germany," in Management, Labour and Industrial Politics in Modern Europe, eds. Joseph Melling and Alan McKinlay (Brookfield: Edward Elgar, 1996): 70-72.

50 Dartmann, "Labor-Management…": 72; on the ambivalence of German labor toward "productivity" during the Weimar period, see Mary Nolan, Visions of Modernity: American Business and the Modernization of Germany, (Oxford: Oxford, 1994); on the more modest effects of US efforts to increase French productivity, see Richard Kuisel, Seducing the French: The Dilemma of Americanization, (Berkeley: UC Press, 1993).

after returning from a visit to the US, Markus Schleicher spoke with 25 groups in the next three months, helping thereby to shift some of the weight from allied negation to German emulation. There is no doubt that Marshall Plan officials targeted organized labor with visions of American workers' affluence, easier working conditions and more humane, trusting relationships at work. According to Werner Link: “above all, the possibilities for influence held by the American trade unions were recommended as a model – they were much larger than in Germany and were based on excellent cooperation between labor and management; the German workers and their unions would be happy if they could exchange their shop steward committees, suspended by the military government for such political influence as the trade unions had in the US.”[51]

This brief sketch shows that while the unions began the postwar era with hopes of codetermination on social, economic and political levels which could be translated into constitutional prerogatives, they saw those high hopes disappointed. The allied conceptions of the limitations on the juridification of labor's role in society and the economy were evident throughout this period. However, restriction was not the only component of allied influence in this case: in the end, while the military occupation refused to allow German labor an instrument that British labor distrusted and American unions "survived very well without," the civilian occupation, under pressure from US domestic interests, actually helped reopen pressure on the FRG government to produce modest codetermination. Once that pressure was reopened, the Labor Division of the ECA sought successfully to channel codetermination by linking it to productivity gains. In this case, then, “ization through negation” is put too simply. Indeed, three different functions – restriction, adjudication, and channeling – are evident in the allied actions.

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[51] Link: 35. Fritz Tarnow, Schleicher's colleague in the Weimar woodworker's union, had visited the US before the war and written an enthusiastic book about the relationships between high wages, rationalization and purchsing power, entitled Why Be Poor? (Warum arm sein?), (Berlin: Verlagsanstalt des ADGB), 1928. Compare the similar reaction of many non-communist French unionists reported by Kuisel: 92-94.

THE WORKS COUNCILS: MAKING THE BEST OF A BAD SITUATION

As noted earlier, the 1920 law produced fairly weak works councils, and many German labor leaders were determined to achieve more authority after WWII. Works councils were quickly regenerated in the weeks immediately after the war's end and were crucial to restarting production in many areas of the country. In some cases, leftist works councilors, jailed as political prisoners, were released to factories for war production as the allies' final offensives pinched the German military from both East and West. Present in the factories at the war's end, these individual works councilors restarted plant-level labor organizations almost immediately. After the war, many councils helped MG officers denazify firms and local public administration.[52] In these activities, they often enjoyed the support and understanding of local MG detachment officers, who were generally grateful for any help in restoring general order.[53] But neither allied occupation force was enthusiastic about factory-level labor organizations as entities independent of trade unions. For their part, DGB officials generally saw works councils as a necessary but far from sufficient extension of labor's voice in the firm. The more that codetermination moved into the center of the DGB agenda, the more emphasis it put on clear delineation of the councils' areas of competence.[54]

Such strictures were more or less consonant with limitations emphasized by the allies. As Michael Fichter has demonstrated, OMGUS found it convenient to recognize works

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[52] Henke: 619.

[53] Order is a key focus of Siegfried Mielke, "Der Wiederaufbau der Gewerkschaften: Legenden und Wirklichkeit," in Heinrich Winkler (ed), Politische Weichenstellung in Nachkriegsdeutschland, 1945-53, Geschichte und Gesellschaft: Zeitschrift für historische Sozialwissenschaft, Sonderheft 5, (Göttingen: Vandenhoeck & Ruprecht), 1979.

[54] Dartmann emphasizes the DGB's "controlling support" for works councils and, especially, Böckler's opposition to *Gesamtbetriebsräte*: 130 ff.

councils as independent entities because this helped them in a more fundamental struggle over whether trade unions should be based upon “grass roots” support or whether Weimar union leaders could establish new unions from above (i.e. without first being constituted in individual firms).[55] Preferring the latter course, US Manpower officials soon came to accept a division of labor between works councils and unions because it meant that regardless of the strength of the firm-based labor organizations, there was justification for basing the union movement elsewhere. OMGUS thus initially accepted dualism for tactical reasons: to justify building postwar union organizations around former exiles with few connections to firm level organs. But after resolving the dispute, OMGUS found itself in the uncomfortable position of having defended an institution for which it had no real sympathy.[56] Accordingly, OMGUS proposed keeping works councils in place but weakening their prerogatives and making them ineligible for any extra-firm organization.

These goals were codified in Allied Control Council Law 22 of April 10, 1946. Criticized by both unions and works councils as a weakening of labor's voice in the running of firms, Law 22 gave both MG's the kind of union-dominated labor structures they wanted.[57] US motives for restricting works councils were threefold: limit a tool of potential Soviet influence, promote union organizations in firms, and avoid codetermination. The British supported this agenda and added to works council restrictions by imposing rules for procedural democracy on the one labor institution that

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55 The following paragraph follows Fichter: 177-78.

56 At one point, some Manpower officials considered trying to implement a shop steward movement. That proposal probably was shelved because OMGUS feared that if no works councils developed in Western zones, under German reunification, works councils from the Soviet zone would dominate any national organization.

57 On the OMGUS use of Law 22 to subordinate works councils to unions, see Eisenberg: 64-65. On British MG’s position, see Dartmann: 248; For details of close works council-union relations in this period (much closer than after WWI) see Klaus Koopmann, Vertrauensleute: Arbeitsvertretung im Betrieb, (Frankfurt: Büchergilde Gutenberg, 1981): 71-73.

already had close ties to its popular base. As a skeptical MG official noted to a TUC officer in 1945, shop elections in the British zone involved a "miniature parliamentary election complete with nomination by eight sponsors, election of a returning officer, division of the factory into constituencies and a number of other purely English practices."[58]

To be sure, the point that American and British occupation forces were skeptical about works councils can be taken too far. As noted above, the allies were willing to relax restrictions if allowing modified councils helped them achieve other goals. Yet the western allies' interest in weak works councils became even more pronounced as its anti-communism superseded its anti-fascism. With growing Cold War concerns and the promotion of German economic recovery, the balance of power between labor and capital shifted, and business organizations became much less reliant on labor unions. As legislative maneuvering began, the dominant employer position, just as in the wake of WWI, was that councils should be strictly separated from unions. The law passed by the *Bundestag* in 1952 was far weaker than labor had expected in the immediate postwar years. Essentially, the injury of strict formal independence of unions and councils was added to the insult of fairly low competence foreshadowed already in ACA 22. Yet as in the case of codetermination, the foundation left by the occupation and codified by the first CDU government proved quite adaptable. In the course of the postwar period, works councils indeed became key players in shaping German industrial relations. Trade unions leaders began the difficult task of gaining influence over works councils and creating a fruitful division of labor in interest representation.

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58 Major E.A. Bramalls letter of September 15, 1945 to H. Tracey of TUC printed in Appendix to Steininger: 98.

The stylized outcomes in figure 1 reflect the "ideal" positions characterizing the demands of key actors and also give some sense of the rough outcomes resulting from both the 1920 and 1952 German laws, Law 22, and four decades of experimentation in the FRG. The ideal positions follow from a few simple assumptions: while unions and works councils have generally sought high levels of formal competence, the latter have also sought to control unions, making them the "long arm of the union" inside the plant. The allies generally sought low competence for works councils – though both MG's found them strategically useful as noted earlier, as long as their independence from unions was low. Finally, in deliberations on the 1952 legislation, postwar employers pushed hard for low formal competence and high levels of independence from unions.

Figure 1: Stylized grid of desired (X) and actual (Y) forms of works council organization

	Range of Competence of Works Councils: High Competence	Range of Competence of Works Councils: Low Competence
High Independence from Unions	X Ideal of WWI *Räte* Movement Y FRG today	Ideal of most X postwar Employers Y 1952 Law Y US MG during "grass roots" fight
Low independence from Unions	X Ideal of DGB of councils as the "long arm of union"	Y 1920 Law Y ACA Law 22 Ideal of US occupation forces X

Law 22, driven mainly by American pressure, set back labor's efforts for strong works councils with tight links to unions. Above all, it was the vagueness of Law 22 that

bitterly disappointed German unionists in both zones.[59] And it was the passage of the 1952 law, that led a dismayed Viktor Agartz to make his famous call to "drive the parliament into the Rhine." As it was, the union response was a different one. As with codetermination, German labor did not take allied restrictions lying down. Rather, German unions set to work to make the best of a bad situation. Negation spurred innovation as unions developed new ways to link councils to local *Verwaltungsstellen* and to use the councils for member recruitment. In the subsequent years of the Federal Republic, coordination between the unions and the works councils became quite strong, and the councils accumulated a striking range of functions that generally lessened the organizational burden for unions yet also provided some "flexibility" for employers.[60]

CONCLUSION

There are good reasons to ponder the linkages between Americanization or Westernization and restriction. Neo-liberal economic theory is commonly used to claim that when it comes to regulation in markets, the less the better. After 1990, Central and Eastern European states faced a real dilemma in wanting to adopt EU regulatory institutions but without losing all of the social protections of the Communist-era. As in the post WWII cases of codetermination and works councils, there have been political struggles between those who seek institutional protections and those who advocate more regulation through markets; imitation may lead to restricting institutional capacity.

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59 Marshall writes of the British zone that Law 22 "came as a severe disappointment to the German workers...[which] did not even provide the Works Councils with the rights they had enjoyed under the Works Council Law of 1920": 116; also Dartmann: 135.

60 This is a key theme of Kathleen Thelen, Union of Parts: Labor Politics in Postwar Germany, (Ithaca: Cornell, 1992): 14-20 and passim; Walther Müller-Jentsch, "Mitbestimmung als kollektiver Lernprozeß: Versuch über die Berufsverfassung," Geschichte als Möglichkeit, eds. Karsten Rudolph and Christl Wickert (Essen: Klartext Verlag, 1995).

But what does this broader perspective add to a study of these particular cases? The paper proposes additional conceptual vocabulary for talking about foreign influences in Germany. The time is past for asserting that postwar labor structures are mere replays of Weimar or of attributing postwar changes to German "learning."[61] Certainly, Weimar elites who survived the dictatorship engaged in both soul-searching and lesson drawing about the past. Yet two problems – diversity and voluntarism – make indigenous learning an incomplete explanation for most post-war changes. Different German actors drew different lessons from the Weimar and Nazi experiences, and these conflicting visions had to be adjudicated, justified, and implemented. Some lessons also had to be forgotten: in the case of trade unions, where there were a number of important institutional continuities from Weimar, the allies prevented some *discontinuities* (based on "learning") which labor leaders expected to achieve. An example is societal codetermination based on parity representation in economic chambers and complementing parliamentary democracy. The second problem with the “learning” explanation is voluntarism. Cognition is not power. Since there was no German government for much of the occupation, the allies set themselves the task of integrating the lessons learned by diverse groups of German elites into a larger set of domestic and foreign policy priorities. Allied efforts to push their own designs also helped them decide which German reform ideals should be promoted over others and allowed them to link individual reforms to broader policies in ways that "voluntaristic" learning could not. These initial struggles between the allies and German labor, business, and politicians then left behind a set of actors both aware of the intense competition over alternative conceptions of institutional design and of the need to mobilize citizens to promote their own visions.

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61 A leading example from the occupation literature is Edward Peterson, The American Occupation of Germany, (Detroit: Wayne State, 1977): passim but esp. 341-343.

Regarding the themes in the call for papers, mine offers several points. Rather than characterizing Americanization as an outcome, this paper takes it as a motive and an ambition, but one which was realized most incompletely. Rather than using the survival of both codetermination and works councils as evidence that Americanization "failed" as an outcome, I have suggested occupation officials used American models to restrict and moderate labor's ambitions for discontinuous change vis-à-vis Weimar structures. Rather than claiming these restrictions "succeeded," I have shown that they mattered in important ways. In one case, the works councils, American models were used to limit the reconstitution of structures that had previously existed, and, in this, the case resembles Berghahn's account of American efforts to restrict cartels. In the other case, codetermination, outside models were used to restrict and reshape objective without a clear historical antecedent. In both cases, however, the foreign models were important not despite of but because of the fact that that they were used in halting, indirect, and incomplete ways. Almost everywhere in the occupation where the allies tried to force their own designs on Germans, they ended up sowing resistance, resentment, and failed policies.[62]

That it was easier for the allies to restrict than to compel, was also evident in areas where the allies worked together. As anticipated by the Westernization thesis, American influences on trade unions did run alongside British influences, which in the case of codetermination were profound. Both allied MG's shared a conception of union

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62 James Tent, Mission on the Rhine, (Chicago: Univ. of Chicago), 1982.

prerogatives that saw codetermination proposals as a threat to capital's right to manage private enterprise. This was true even under a Labour government and even with many trade union officials serving inside the MG's. The allies' hesitations helped cost German labor its "zero hour" – its chance to fundamentally rework the institutions of capitalism – because the allies were unwilling to allow unions to amalgamate at higher levels until they were confident of their political reliability. Labor ambitions for participation in firm governance were one of the key reasons – though not the only one – for the MG's to doubt this reliability. Actors want to act; unions were acted upon. In this sense, my argument is akin to that of "*verhinderte Neuordnung*," but without Schmidt's insistence that there was available both a broad and deep revolutionary basis.[63]

Finally, my emphasis on the halting and iterative American efforts is perhaps not in conflict with the modernization approach's emphasis on the empirical and temporal lags between American models and German realities. We should not imagine that American influence came only early in the occupation, when the MG's had a monopoly on formal political power. As it turned out, neither MG was claiming "success" in 1949. American observer Mathew Kelly's 1949 survey of occupation policy towards unions even foresees the imminent reconfessionalization of unions and the reassertion of *Richtungsgewerkschaften*.[64] Neither was the use of American models purely organizational or purely restrictive. It is clear, for example, that the idea of productivity did influence how codetermination was put into practice even after the 1951 law was "on

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63 Eberhard Schmidt, Die Verhinderte Neuordnung, 1945-52, (Frankfurt: Europäische Verlagsanstalt), 1970.

the books." Real German enthusiasm for American structures arises largely after the initial occupation period.

There is a disjuncture between Americanization as an organizational phenomenon and enthusiasm for America as a broader cultural phenomenon. There is also a useful distinction between Americanization as a motive and as an outcome. I have used the first alternative in each of these conceptual divides to argue that negation can be as effective a tool of organizational hegemony as programmatic blueprints. It remains to be seen whether "ization through negation" can be as effective when adjectives other than "American" are used to make the noun.

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64 Kelly, Matthew, "The Reconstruction of the German Trade Union Movement," in Political Science Quarterly, 64 (1), 1949: 24-49.