

ally fears and convince observers that the next time a crisis occurred, workers would do the same.<sup>88</sup>

Beginning about 1970, however, a progressively heated debate arose in the Federal Republic regarding the advantages and downside of foreign labor in the light of prospects that the economic utility of foreign workers could decline. That discussion was intensified by a legislative change: the 1971 Ordinance on Work Permits allowed foreigners who had been employed in the Federal Republic for more than five years to obtain a special work permit. Although limited to five years, that permit was not dependent in any way on developments in the labor market.<sup>89</sup> In May 1972 this law already affected some 400,000 foreign workers from non-EEC countries; thus together with the approximately half a million Italians, who as citizens of an EEC member country were totally free from any restrictions on obtaining a work permit, virtually 40 percent of all guest workers now enjoyed a special status. They could no longer be compelled on short notice to return to their homeland by being denied a valid work permit. Yet this meant in effect that the function of foreign labor as an economic buffer had now been significantly diminished, if not eliminated.

Subsequently, there was a flurry of calculations in the Federal Republic as people tried to determine whether foreign labor was still profitable in cost-utility terms under such altered conditions. Most prominent in this discussion were the employers' federations. In November 1971, one of their representatives commented:

The economic dampening we have been able to achieve by employing foreigners here in Germany is now turning into its opposite: The foreigners and their families now settling here have, at the very least, greater consumption needs. They find it necessary to satisfy these in part by relying on consumer credit. This is compounded by the expenditures for public investment, far greater now than when foreign workers lived here housed in communal hostels. It is not merely a question of providing suitable living quarters, as well as schoolrooms and teachers for the foreign children. Rather, the problem we face is that virtually overnight, the infrastructure of our municipalities has to readjust to a larger population. . . .

In view of the fact that we have more than 2.2 million foreign workers, the question is becoming ever more pressing: Has some threshold been crossed? Has a measure that was originally beneficial now become inefficient economically and in terms of the needs of labor policy?<sup>90</sup>

The press was less differentiated in its arguments but stated the case more clearly and bluntly:

The nonintegrated guest worker, subsisting at a very low living standard, necessitates relatively low expenditures of perhaps DM 30,000. With full integration, however, the cost burden in infrastructural resources reaches some 150,000 to 200,000 marks per worker. That is the point where the problem of the guest workers takes on a political dimension.<sup>91</sup>

In order to keep the situation under control, the employers' federations proposed the idea of the so-called rotation principle. According to this concept, residence and work permits for foreign workers would automatically expire after a few years,

requiring them to return to their native countries. They would then be replaced by newly recruited workers. The plan's proponents argued that this would shorten the length of stay for foreign workers in the Federal Republic and would curb the tendency on the part of guest workers to bring their families and settle down, abandoning any desire to return home. Thus one could avoid the higher costs for infrastructure that would otherwise be necessary.<sup>92</sup>

In essence, this proposal was tantamount to a renewal of the old institution of the *Karenzzeit*, the compulsory rotation regulations (seasonal "closure period") of foreign labor instituted by the Prussian authorities prior to World War I. These restrictions had likewise been designed to prevent foreign workers from staying permanently, though that legislation had been motivated mainly by national-political rather than strictly economic concerns. Yet the profit interests of West German firms themselves also ran counter to such a rotation principle. There could be no possible utility in losing trained and proven foreign workers after a few years because of some rigid regulation regarding compulsory rotation, only to have to hire and break in new, unskilled guest workers to replace them. Consequently, the plan faded. The proposal found few backers, especially because it would have probably generated a welter of social problems and it was opposed by trade unions, the churches, and the political parties in the government.<sup>93</sup>

The government in Bonn also had begun to question the advantages of foreign labor. That was clearly spelled out for the first time in a speech by Labor Minister Arendt in March 1972 and represented a shift from the government's stated position even as recently as the spring of 1971. At a conference on the European labor market, Arendt noted:

The regional mobility of foreign workers declines with increasing length of stay and it associated fact that such workers are often joined by family members. In addition, a continuing influx of foreign workers may mean that certain labor-saving investments are no longer made. The upshot is that the growth rate for labor productivity is declining. At the same time, increasing numbers of foreigners and longer periods of stay are resulting in increased private and public expenditures for measures to promote absorption and occupational restructuring. Somewhere along the line, the point will be reached where the drawbacks outweigh the advantages of growth.<sup>94</sup>

Three arguments were raised here that had been batted about in various discussions for some time: the decline in regional mobility of foreign workers, the function as a brake on modernization, and the burden placed on the infrastructure by the higher number of foreign nationals. These factors interacted to strengthen one another; in the opinion of Minister Arendt, they were bringing the day even closer when foreign labor would start being unprofitable. Basically then, this was also a cost-utility calculation on foreign labor in terms of the needs of the West German economy.

The economic turning point for foreigner employment in this sense was reached during the year 1973. In his January 1973 address, Chancellor Brandt had underscored the necessity "that we should carefully consider where the absorptive ability of our society has been exhausted, and where social common sense and r

responsibility dictate that the process be halted."<sup>95</sup> In July of that year, the fee for recruitment of foreign workers from non-EEC countries was hiked from DM 300 to DM 1,000 per worker. This increase was intended to put a damper on the incentive for employers to request foreign workers from the state employment offices. Yet the added expense apparently did not prove to be an effective deterrent, as indicated by the continuing influx of workers recruited even after the fee increase.

On 23 November 1973, a halt in recruitment was instituted that was designed to put a complete stop to the hiring of workers from non-EEC countries. Based on West Germany's experience in 1967, the government and Federal Labor Institute hoped there would be a marked drop-off in the number of foreign workers because it was their assumption that "even in the future, 200,000 to 300,000 will return each year to their countries of origin. On the other hand, there are some 40,000 to 50,000 children of foreign workers living in the Federal Republic who come of working age each year."<sup>96</sup> On balance, this would thus mean an annual drop of about a quarter million in the number of foreign workers. On the one hand, that would require a certain period of adjustment for the economy; on the other hand, one could also anticipate a clear decline in the level of financial burdens that foreigner employment necessitated.

The timing of the recruitment halt prompted many to call it a reaction to the 1973 oil embargo by the Arab oil-producing countries. Bonn indeed lent credence to such assessments by presenting the halt as a preventive measure in the light of the possibility that the oil crisis might have economic repercussions.<sup>97</sup> In actual fact, however, the oil embargo had been no more than a supplementary compounding factor. In fact it had provided a useful occasion to stem the influx of foreign workers and reduce the number of foreigners without encountering any great opposition from the labor-exporting countries or engaging in a protracted public discussion on the social consequences of the measure. In this way, the connection between the long-standing discussion on the cost-utility of foreign labor and the recruitment halt was pushed into the background. The oil crisis appeared to be the real cause behind the turn in German policy toward foreign workers. Thus the *Frankfurter Rundschau* commented: "With their oil embargo, the Arabs are dashingly the dreams of many a Turkish fellow Moslem for a taxi business in Istanbul."<sup>98</sup>

For many workers back home eager to migrate, in particular the Turks, the recruitment halt spelled the end to their dreams. In 1972-73 the waiting time in Turkey for being accepted as an unskilled laborer had already been between six and eight years. When the Turkish workers at the recruitment liaison office in Istanbul, who had already been examined regarding their skills and physical fitness, were informed shortly before their scheduled departure that the way to Germany had been closed, there were violent reactions. Some tore up their passports, others pounded their heads against the wall of the liaison office. It was a complete catastrophe.<sup>99</sup>

The German authorities were disappointed, however, in their hopes regarding the recruitment halt because subsequent developments took an entirely different direction than anticipated. The number of foreign workers in the economy plummeted by half a million within the span of two years, thus corresponding exactly

with Federal Labor Institute projections. Yet the total foreign population in the Federal Republic did not decline to the same extent. On the contrary, it continued its upward trend until 1975 and in 1980 was even one million more than in 1975. 27 percent of all foreigners were below the age of 20, a figure jumped to nearly a third by 1981. The proportion of women also continued to mount. In 1961 the ratio was 451 females to 1,000 males in the foreign population; by 1974 it had risen to 631 to 1,000, and it reached 708 to 1,000 in 1980. The 25-30 age bracket, the ratio in 1980 was almost equal. The percentage of foreigners in the total population was 6.7 in 1974; yet that same year, 17.3 percent of all live births in the Federal Republic were children of foreign parents. In short, all indicators suggested that more and more foreigners wanted to stay in Germany for longer periods of time, if not permanently. They sent for their families and moved out of hostels into low-rent apartments. Their rate of saving climbed, while their share in total West German consumption rose. Ties to homeland grew ever weaker, especially among the children of guest workers so-called second generation.

In the light of the Swiss experience at the time, for example, this particular development should have come as no surprise. The changes in the problematic situation of foreign labor that had become evident in the Federal Republic corresponded in many respects to developments familiar from the experience of countries of immigration and had also been observed in the case of the Ruhr P in Imperial Germany at the beginning of the century. After a prolonged period of stay, ten years and more, temporary labor migration begins to become a permanent status. Objectively this is a process of immigration, which in time comes to be viewed subjectively as such by an increasing number of the foreigners involved.

Thus not only had the main purpose of the halt of the recruitment—a reduction in the costs for foreign labor—not been achieved, those costs had even multiplied as the gap widened between the number of foreign workers and the total number of foreign residents in the country. Within the course of a few short months, it came evident in the Federal Republic that a mountain of problems—long-term, cost-intensive, socially explosive, and serious in moral terms—had arisen as a consequence of the unchecked rise in the number of foreigners resident there. First reaction to these problems in the public and among business and government leaders was a sense of rather stunned astonishment.

Yet these problems were merely the high price that had to be paid for a social and economic policies that had remained oblivious to the future, denying the possibility that there could be longer-term negative consequences, and been narrowly riveted to the concept of economic growth. Such policies had only served as the foundation of government action for more than two decades had also provided the basis for the objectives and conceptions among employment trade unions, and the great mass of the population. At the end of the long decade of the 1960s, the authorities, employers, policymakers, and the general population slowly became aware that the presence of millions of guest workers could no longer be seen as something temporary and a mere concomitant of unchecked economic growth. They understood that this had become a politically and socially

plusive problem, and there was no telling what its longer-term prospects might hold for the future.<sup>102</sup>

## NOTES

This chapter was translated by William Templar.

1. See Ulrich Herbert, *Hitler's Foreign Workers: Enforced Foreign Labor in Germany under the Third Reich* (Cambridge: Cambridge University Press, 1997). The following discussion is based in significant parts on chapter 5 of Ulrich Herbert, *A History of Foreign Labor in Germany, 1880-1980* (Ann Arbor: University of Michigan Press, 1990).
2. On the social history of refugees and expellees, see Volker Ackermann, *Der echte Flüchtling: Deutsche Vertriebene und Flüchtlinge aus der DDR, 1945-1961* (Osnabrück: Rasch, 1995); Albrecht Lehmann, *Im Fremden ungewollt zuhans: Flüchtlinge und Vertriebene in Westdeutschland, 1945-1990* (Münich: Beck, 1991); Klaus J. Bade, ed., *Neue Heimat im Westen: Vertriebene, Flüchtlinge, Aussiedler* (Münster: Westfälischer Heimatbund, 1990); Uwe Kleinert, *Flüchtlinge und Wirtschaft in Nordrhein-Westfalen, 1945-1961: Arbeitsmarkt, Gewerbe, Staat* (Düsseldorf: Schwann, 1988); Rainer Schütze, ed., *Flüchtlinge und Vertriebene in der westdeutschen Nachkriegsgeschichte: Bilanzierung der Forschung und Perspektiven für die künftige Forschungsarbeit* (Hildesheim: Lax, 1987).
3. "Gesetz über die Rechtsstellung heimatischer Ausländer," 25 April 1951, published in *Bundesgesetzblatt* (hereafter BGBl.) I 1951: 269-71.
4. Cf. Cord Pegenstecher, *Ausländerpolitik und Immigrantidentität: Zur Geschichte der Gastarbeit in der Bundesrepublik Deutschland* (Berlin: Bertz, 1994).
5. "Vereinbarung zwischen der Regierung der Bundesrepublik Deutschland und der Regierung der Italienischen Republik über die Anwerbung und Vermittlung von italienischen Arbeitskräften nach der Bundesrepublik Deutschland," 12 December 1955, published in *Bundesgesetzblatt* 17 January 1956.
6. See "Rede des Abg. Oehlenthal (SPD) vor dem Deutschen Bundestag (hereafter BT)," *Verhandlungen des Deutschen Bundestages*, 66. Sitzung, 17 February 1955, 3388.
7. See Bundesarchiv Koblenz (hereafter BAK), B 136/8841, "Bundesministerium für Arbeit [hereafter BMA] an Bundeskanzler Adenauer," 29 November 1954; memo, Bundeskanzleramt (hereafter BKA), 7 December 1954.
8. On the following, see Johannes-Dieter Steinert, *Migration und Politik. Westdeutschland, Europa, Übersee, 1945-1961* (Osnabrück: Secolo, 1995), 220-38.
9. Selections, interview transcription, BAK B 136/8841, "Bundesministerium für Wirtschaft [hereafter BMW] an das BKA: Interview des Herrn Ministers Erhard im NWDR vom 6. Dezember 1954 über die Frage der Beschäftigung italienischer Arbeiter in Deutschland," 10 December 1954.
10. See Jürgen Fijalkowski, "Gastarbeiter als industrielle Reservarmee?" *Archiv für Sozialgeschichte* 24 (1984): 399-456.
11. Vereinigter Wirtschaftsdienst (hereafter VWd), 30 December 1954.
12. See Steinert, *Migration und Politik*, 130.
13. BAK B 149/6232, "Vermerk über die Besprechung mit MinR Dr. Pühl / BKA," 4 January 1956; 5 January 1956; see also BAK B 149/6232, "Vermerk über die Aussprache im Ausschuß für Arbeit des Bundestags am 16.12.55," 16 December 1955.
14. BAK B 149/6233, "Aufzeichnung des Sozialreferenten Berlé der Deutschen Botschaft in Rom über den Besuch bei der Deutschen Kommission in Verona," 27-28 October 1959; "In ad-

dition, the Italian authorities take a dim view of the practices of certain German employers, so of whom are using quite violent methods in recruitment; see also "Bericht des Deutschen Konsulats in Neapel an das Auswärtige Amt [hereafter AA]," 14 January 1960, BAK B 149/6232.

15. Workers were occasionally housed in former camps and that practice also provided for rumors. Thus, a letter from a reader published in the Communist paper *Unita* on 26 February 1965 caused a stir when it reported that guest workers were being housed in a former concentration camp surrounded by barbed wire, where the gas chambers were still standing. A check established that the camp in question was Bernrode near Hannover; it had been constructed in 1930s and had served as a camp for the housing and training of an aerial intelligence unit during the war. See BAK B 149/22380, "Bundesanstalt für Arbeitsvermittlung und Arbeitslosenversicherung [hereafter BAVAV] an BMA," 13 July 1965.

16. Siegfried Behlhelm, *Heimkehrerziehung, DDR-Flucht, Gastarbeiterzuwanderung: Wanderungsströme und Wanderungspolitik in der Bundesrepublik Deutschland* (Stuttgart, n. 1982), 147-54.

17. The proportion of permanent, nonseasonal workers in the total number of workers in rose from 32.6 percent in 1959 to 61.5 percent in 1960; see BAK B 106/47427, "BAVAV an a Dienststellen, Erfahrungsbereich für 1960," 14 April 1961, 3.

18. See BAK B 149/6232, "Hauptverband der Deutschen Bauindustrie, Sozialpolitische Abteilung an das BMA: Auswirkungen des Winterbaues auf die Beschäftigung ausländischer Arbeitskräfte," 3 February 1960.

19. BAK B 149/6233, "Aufzeichnung des Sozialreferenten Berlé der Deutschen Botschaft Rom über den Besuch bei der Deutschen Kommission in Verona," 27-28 October 1959.

20. BAK B 149/6231, "BAVAV, Erfahrungsbereich vom 15.1.1959 über die Vermittlung italienischer Arbeitskräfte im Jahre 1958."

21. BAK B 149/6232, "BAVAV, Zusammenfassung der Berichte der Landesarbeitsämter über die Erfahrung bei der Anwerbung und Beschäftigung italienischer Arbeitskräfte in der Bundesrepublik Deutschland im Jahre 1956," 20 October 1956.

22. BAK B 149/6231, "Kurzbericht über eine Besprechung beim Eschweiler Betriebsverein, Anpassung italienischer Arbeitskräfte an die Bergarbeit," 4 July 1957.

23. "Gehst es ohne ausländische Arbeiter?" *Handelsblatt*, 21 September 1955. See also "Reporter in der deutschen Industrie," *Frankfurter Allgemeine Zeitung*, 21 October 1959, which contains the statement: "Poor treatment was most probably what lay behind much of the bad experience with Italian workers in earlier years. If you want to avoid trouble, you have to do more than just set up a new catalogue with the heading 'Italian workers.'"

24. See BAK B 149/6231, "BAVAV, Erfahrungsbericht vom 15.1.1959 über die Vermittlung italienischer Arbeitskräfte im Jahre 1958."

25. See Statistisches Bundesamt Wiesbaden, *Bevölkerung und Wirtschaft 1872-19* (Stuttgart/Köln, 1972), 148, 260.

26. "Vollbeschäftigung: Die dritte Garnitur," *Der Spiegel* 13, no. 34 (1959): 26.

27. See "Deutsch-spanischer Anwerbevertrag vom 29.3.1960," Amtliche Nachrichten Bundesanstalt für Arbeitsvermittlung und Arbeitslosenversicherung (hereafter ANBA) 196 269-86; "Deutsch-griechischer Anwerbevertrag vom 30.3.1960," *ibid.*: 286-301.

28. See Steinert, *Migration und Politik*, 292; he dates Spain's first efforts to 1957 and the legalization of its economic policies. Greece officially let its interest be known as early as January 1956, see *ibid.*, 300.

29. "Abkommen mit der Türkei," 30.10.1961," Bundesarbeitsblatt (hereafter Barbl.) 196 69-71; "Abkommen mit Portugal," 17.3.1964; "Gemeinsames Ministerialabtl (hereafter GMB 1964: 270; "Abkommen mit Jugoslawien," 12.10.1968," BGBl. II 1969: 1107. The number of Yugoslav nationals employed had risen from 23,600 in 1962 to 95,700 in 1967.