

# Alfred Krupp, Address to his Employees (February 11, 1877)

## Abstract

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One of imperial Germany's leading industrialists, the steel magnate Alfred Krupp (1812–1887) was also a pioneer in the development of private workers' housing projects. In this excerpt from a speech to his employees, Krupp underscores and reaffirms his patriarchal claim to the title "master of the house" by emphasizing both his entrepreneurial accomplishments and his various social initiatives. Here, not only social unrest and strikes, but all forms of socialism, meet with Krupp's unequivocal opposition. This draft version of his speech was revised for style and then printed and distributed to the firm's workers.

## Source

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### A Word to My Employees

This address is meant for the employees of my industrial operations, the cast-steel plant, the pits, and the steelworks; [it is] strictly confidential [and meant] exclusively for the association of workers, masters, and officials of the above-mentioned private property. [...]

[...] When danger arises, one should not carelessly scoff at it or withdraw from it in timidity; rather, with open eyes, one should trace its origins, nature, and course, and then actively prepare a defense. For the same purpose, I am urging you one last time to peace and goodwill, despite any differences in creed, and I believe I am not doing this in vain.

[...] Now everyone is speaking about so-called Social Democracy. The representatives of Social Democracy, in its moderate form and within its most reasonable bounds, demand that everyone is entitled and obliged to work under a general law and higher administration. The aim is to abolish private ownership and the power of disposal over that property. Let's assume for a moment that Social Democracy in its mildest form would ever take the helm here in Germany—without struggle and resistance (though this can hardly be considered a serious possibility). And let's assume further that I, too, would resign from my property and give others free rein. Hardly anyone in [my] top administration—those who are really capable and in the know—would be willing to take on a subordinate role under the new regime. Experience—which alone is capable, through skillful management of manufacturing and trade, of securing the livelihood of the works and steering them through the dangers of uncertain circumstances—would be replaced by dubious, unreliable qualifications and forces. This would soon lead the whole great enterprise into ruin. No one really needs further explanation on this point. But assume for a moment that people could be recruited who would be capable of managing the works, who would be able to match what we have accomplished in terms of price and quality [of industrial project], who could compete with other powerful industrial enterprises; *still* the plant would come to ruin: it could not continue to feed anyone who is not able to digest stones and iron. For it is well known that the factory cannot survive purely on domestic demand.

The majority of products are shipped to foreign countries all over the world. The plant owes this exclusive position to its well-established reputation, to the trust that the company administration has acquired little by little since the factory was founded. Without these personal bonds of trust, the entire business would cease. No state and no government will regard the enterprise as the same one of old, and no one will respect it as much if the managing staff were to be changed; the nature of Social Democracy

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will only give cause for mistrust and antipathy. Yet the champions of the new doctrine about the happiness of nations will not be content with these mere beginnings of radical change; in fact, they will move forward step by step. They do not want to accept any throne, government, religion, property, and inheritance. Equally they reject discipline, a sense of modesty, and moral standards. Whatever good has been created, refined, and sanctified over the centuries—this is supposed to be destroyed, and of course this cannot take place without fire and sword. Whatever a hard-working, thrifty family has accomplished, whatever a generation has honestly acquired, the lazy and slovenly individuals are to be permitted to appropriate; and once their part is consumed, they “share” again with those who have, in the meantime, acquired possessions through hard work and thriftiness. That is frankly the goal that these rioting advocates of the new doctrine pursue. [...]

I now leave this ugly picture and such dismal reflections in order to move on to another subject, namely, the history of my works, so that you may understand for what reasons and based on what right I will not give an inch in my demands. [...]

It is a well-known fact, and need not be repeated here, that in 1826 the dilapidated cast-steel plant without assets was entrusted to my leadership. I started with few employees; they earned more and lived a better life than I did. This continued for almost 25 years, accompanied by worries and arduous work. And when I finally employed a greater number of staff, my fortune was nevertheless smaller than that possessed by many a worker in the steel works today. The employees with whom I began and carried out this work were very fine people, and belatedly I would like to thank all of them for their loyalty, including the majority of them who have already passed away. Those, however, who came to me from the herd or plough, who were unemployed, or who were children of widows—they were glad to start working for me because they improved their lot, and in most cases they wanted to express their thanks. Quite a few of them have become prosperous men. [...] None of them ever thought of making any claims on the [company's] profits after having received their agreed wages. But today some learned benefactors of the people advocate exactly that claim, using fine phrases; and these have resulted in Socialist doctrines.

I needed workers and I hired them. I have paid them the wages they demanded, improved their station most of the time, and renewed their contracts or dismissed them according to regulations. Some have left the factory to get ahead elsewhere; as one left, someone else took his place. Where originally three men were employed, 15,000 worked later on. Over the course of time, more than 100,000 men have gone through this cycle in my plants. Each one of them has received wages according to individual strength and ability. In most cases one could easily take the place of another, because workers do not have any inventions to their credit; one can find skilful workers everywhere as replacements. So there can be no question of anyone having any particular claim except for the usual one, that being increased wage and salary, which is always a consequence of greater performance. The apostles of Social Democracy, though, try to corrupt the minds of the most modest people through tempting speeches, and they will be to blame for the ruin of many a worker who lends them an ear and is therefore dismissed.

The industrial employer, just like the farmer, has to be prepared for any vicissitudes. Both often pay for the seed but reap no harvest. The worker, however, wants undiminished wages for his work. The cast-steel plant has to send its agents to all corners of the world without sparing any expense in order to obtain work for the factory; and these efforts do not always succeed. Some years yield no profit at all; but nevertheless the worker receives regular wages. It is imperative to gather the necessary strength during the good years in order to weather the bad ones. Without a reserve of profits, the employer would have to dismiss workers in the lean years. Yet even in the worst years, when everything was depressed, the plant continued to operate, produced surplus stocks or supplied products at a loss, just for the purpose of feeding the people and keeping their home-fires burning. — The doctrine of the Socialists also takes issue with everyone's innate sense of justice. Just as everyone defends his property, so I defend mine. If an idea belongs to me, the experience is mine as well and so is the fruit it bears. The same holds true for the cast-steel plant and its production. It is I who has introduced inventions and new production

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methods, not the workers. The worker is compensated with wages, and whether I make a profit or loss out of that is my own business. [...]

I have had the courage to improve the workers' lot by building housing for them—20,000 people have already found accommodation—to establish schools for them, and to set up facilities to allow them to purchase necessities at affordable prices. To accomplish this I have gone into debt, which now has to be paid off. So that this may happen, everyone must do his duty, in peace and harmony and according to our rules. [...]

Enjoy what has been granted to you. After a day's work, stay among your loved ones, your parents, your wife and children, and reflect on the household and education. That ought to be your policy. However, save yourself the upset of high state politics. Conducting higher politics requires more time and insight into conditions than the worker has been granted. You are doing your duty if you vote for people recommended by shop stewards.

Yet you will certainly cause nothing but harm if you attempt to interfere with law and order. Incidentally, politicizing at the pub is very expensive; you can get something better at home. [...]

Over the course of time, from one decade to the next, everything will improve. Anyone looking back on the past cannot deny that great progress has been made for the benefit of all, and thus for the working classes as well. Fifty years ago, no worker enjoyed such good nourishment, accommodation, and clothing as today. No one would be willing to trade places with our parents and ancestors.

What I have expressed here may serve everyone for enlightenment about how things stand and make clear to all what they may expect if they exert effort on behalf of Social Democracy. You do not nourish a snake from your bosom, and whoever does not grant us his whole-hearted devotion, whoever resists our regulations, had better move along, and quickly, too, for he is not welcome here. I will stipulate in my last will and testament that company practices should always be conducted with benevolence and fairness; however, utmost severity will be applied to those who attempt to disturb the peace. If great moderation has been practiced until now, that should not entice anyone to stray from the correct path.

I would like to close with best wishes to all of you.

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