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Title Meaning - - Guilds

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The Meaning
OF
National Guilds

SECOND AND REVISED EDITION
With a New Preface and a New Chapter on Current Problems :—

Bolshevism, The Social Theory of Functional Democracy, The Expansion of the Co-operative Movement, Major Douglas's Credit Proposals, The Building Guilds Movement.

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London
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OAKLEY HOUSE, BLOOMSBURY STREET, W.C.1.

First Edition 1918
Second Revised Edition 1920
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PREFACE TO NEW EDITION

THE demand for a new edition of this book imposes upon its authors a task which even if it were not welcomed as an opportunity, might none the less have had to have been accepted as a duty. That task, which we are undertaking in this revised edition, with a full sense of our own inadequacy and of the inadequacy of the narrow compass into which it must be compressed, is essentially the continuation of the original purpose with which our book was first planned—namely, to set in true perspective the essentials of the Guild idea. We make no further claims, either to originality or to orthodoxy. It appears to us probable that the demand which has caused the first edition of this book to be exhausted was due to a desire to envisage as a consistent whole the principles and policy comprehended in the term "National Guilds." The propagandists of this idea had not been backward in explaining the various articles of their belief, even to the length of changing their minds about them in the full hearing of a public invited, even importuned, to give a listening ear. The public on its side had not shown itself indifferent, though displaying perhaps more curiosity than understanding. But alike in the interests of "producer" and "consumer" of Guild ideas, we felt the time had arrived for an effort to reveal the wood without omitting altogether to estimate the beauty and value of its trees. The past two years have seen many

fresh adventurers plunge into the forest, of which till then they had been content to be spectators from afar; whilst both within and without its borders change has been at work.

Whilst controversy still rages, for the most part fruitfully, amongst Guildsmen, the curiosity of the public appears rather to be stimulated than appeased. We cannot hope either to solve those controversies, or fully to satisfy that curiosity, but the occasion would seem to dictate some attempt to estimate afresh in the light of the last two years and for to-day the true "meaning of National Guilds."

Fortunately, such a presentation can gain in clearness as much from what it eliminates as from what it adds to the original outline. Indeed, so far as the old body of the book is concerned it is in this direction that our revision has for the most part proceeded, although, of course, various changes in the text have been necessitated by changes in the political and industrial situation since it was written. Social circumstances have happily rendered fairly simple what the economics of publishing in this era of high prices would in any case have dictated. Our book was published in the early autumn of 1918, and not many months later the collapse of the German military power offered our politicians the opportunity to usher us into that "new world after the War" of the advent of which they had for long given us such confident assurances. For those who had accepted these promises the result may have proved something of a disappointment; but Guildsmen, at

any rate, were free from the pains of disillusion. Those, like the authors of this book, who regarded an Allied Victory of vital importance, did so not because they expected that victory to bring any fundamental emancipation to the masses amongst either the victorious or the vanquished communities; but because they desired that the opportunity of struggling for that emancipation should be preserved, and not put beyond the bounds of constructive attainment. They believed neither in the potentialities of a beneficent progress nor in the feasibility of a hypothetical "Reconstruction." We declared the former a myth and the latter a mirage, and we "gave reasons for our answer." Those answers do not seem to us any longer to call for argument. Collectivism, in which the "Progressive" idea found its chief political embodiment, is dead as a revolutionary idea. Reconstruction was strangled in infancy by its parents, the politician and the plutocrat, when they found that the "industrial peace" at which it was to aim could in the changed economic circumstances be re-imposed with a fair chance of success by the familiar methods of wage-slavery. We have, therefore, excised our chapters on Progressivism and Reconstruction without dismay. Moreover, the "Policy and Problems" of the Guildsman have changed so much since this book was first published that some revision of them is imperative. Those problems which are now mainly of a historical interest must be sought for in our

first edition.[1] Those which are of cardinal importance to-day we propose to treat in these pages. In our new chapter on "Problems and Policy of To-day," the reader will see how in our opinion the National Guild idea is affected by such topical phenomena as BOLSHEVISM, THE SOCIAL THEORY OF FUNCTIONAL DEMOCRACY, THE EXPANSION OF THE CO-OPERATIVE MOVEMENT, MAJOR DOUGLAS'S CREDIT PROPOSALS, and the BUILDING GUILDS MOVEMENT. Their emergence during the brief period since the first edition of our book appeared testifies to the truth of the conviction we expressed therein that the Guild idea was one of which the implications had been by no means exhausted. Time will reveal with an ever-increasing clearness that it is only the application of Guild principles which will suffice to achieve the rescue of our storm-tossed society from the waves that from every side threaten its final destruction.

M.B.R.
C.E.B.

August, 1920.

[1] In the "Problems and Policy" chapter in our original edition we discussed the rival merits of the titles "National Guilds" and "Guild Socialism"; the criticisms of the Guild proposals by the "Syndicalists," Mr. Penty and the Local Guildsmen, and Mr. Belloc and the Distributivists; also the questions of Women in Industry, Unemployment, Nationalisation, Parliamentary Action, and Joint Control, in so far as these matters affected our proposals.

INTRODUCTION TO FIRST EDITION

THE one word which has bitten into the minds of the masses of the people during the War, as far as social and economic relations are concerned, is *Profiteering*. The word has become popular, but with its meaning curiously twisted. It has come to mean the private extortion from the community, under the present terrible circumstances, of amounts exceeding what is regarded as "fair." But *Profiteering* really sums up the whole system under which such social functions as production and distribution are conducted by private individuals and enterprises seeking to make profits without regard to the consequences. Indeed, the word simply unveils the truth which was previously hidden under the pseudo-scientific and abstract term, "Capitalism," execrated by reformers and Socialists. *Profiteering* is "Capitalism" without its mask, and with its deformities revealed.

Before 1914 men endured this structure of economic privateering (whence the word "profiteering"[1]) with all its horrors and absurdities, because they were told—by the capitalists and their spokesmen—that it was the only system that could be depended upon to withstand the strains and shocks both of peace and war. Therefore, the legend ran, if you interfere with Capitalism, you are rendering a civilised society unsafe. Facts

[1] It was coined several years before the War by the editor of the *New Age*.

have given the lie to the capitalist claims. At the first alarm of war, Capitalism trembled; and its stunted spires were brought down in ruins by the first shot that was fired.

Exposed to the stress of war, private Capitalism has failed equally in production, distribution, and finance. The State has had to reorganise production as the only means of conducting it with any degree of efficiency; although, in as far as production has been rebuilt on the lines of restricted Capitalism, it is still inefficient and must still fail. The inadequacy of individual command of the means of distribution was exemplified when the State found it necessary to systematise and "control" the whole machinery of transport before even our first little Expeditionary Force could be mobilised and despatched. In the world of finance—the capitalists' chosen kingdom—the failure was no less complete. The State had to guarantee the financiers many millions of pounds to cover the foreign bills of exchange accepted by them, before those great men would consent to carry on at all.

Since, then, its unqualified failure at the very outbreak of the War, Capital has gradually been brought—at a ruinous cost, admittedly—under the "control" of our only slightly more public-spirited State officials. Had not this been done, the conduct of the War would have been not only more incompetent and more unsuccessful than it has been, but we should have found it impossible to face the enemy at all.

But it is in regard to Labour that the War has

shown most clearly the rottenness of Capitalism. We have only to compare the wonderful record of the workers in the trenches with the chaos and confusion in the workshops at home to see that something is hopelessly wrong in industry—not with the men, but with the methods. Labour, after being consistently treated as nothing more than a "commodity," a "raw material," or "one of the factors of production," was suddenly assured that it was the backbone of the nation, that our common fate depended upon its efforts, and that only in the workshops could victory be won. True as it was, this admission was made only partially and always grudgingly. Indeed, save for high-flown appeals to the workers to be worthy of the trust that had never been reposed in them, nothing was done to give effect to so vital a discovery. As a consequence, Labour, after a short period of floundering in the realm of national idealism, was again dragged down by the brute necessity of the capitalist workshop and the brutish hypotheses of the capitalist ideology to its old level of mere opportunism.

Thus, in the fourth year of the War, we have confusion almost as bad as ever; nor is there any further hope of improvement along the lines of the outworn and incompetent structure of Capitalism. Every device, possible and impossible, to prop up the ruins of the old creed has been tried and has failed. Our only hope, as a nation, lies in the determination to build up a new and better structure of society. The War has shown—even to those who ignored the fact before—that it is the

industrial structure of the nation upon which its people must at last base their common efforts. It is with this aspect of society that our book deals. Our purpose is to show that the industrial needs of modern England cannot be satisfied, with either justice or efficiency, unless the connection with Capitalism is cut deliberately and for ever. In its place, there is put forward the programme of National Guilds—not, however, as a Utopian panacea, but as a practical solution of the industrial problem.

The idea of National Guilds is essentially constructive. It is so at the expense of the assumptions which have, for the most part, been held alike by those who accepted the present industrial system and by those who sought to reform it. It is a challenge both to the capitalist and to the Collectivist. It denies that man's labour can justly be hired at a "standard rate," however high; it denies that his industrial life must be regulated by superior authority, from above or from outside; and it denies that society can be saved, or the worker set free, by the initiative in industrial affairs being transferred to the State. The establishment of National Guilds involves the abolition of the wage-system, the attainment of self-government in industry, and the modification of State sovereignty. There is nothing novel about these ideas; already the phrases by which they are expressed are freezing into clichés. But there is something novel in their being accepted as the essential standard by which the value of all social change is tested. Doubtless many social reformers of the last century

would have been brought to agree that these ideals were quite desirable, when reforms had cleared the way for them. But such a condition was really fatal, since the reforms contemplated did not clear the way for the realisation of these ideals; indeed, they postponed them. It was only because they postponed the ideals that the reforms were conceded. The "practical man" in the progressive ranks, in the thirty years between 1880 and 1910, no doubt looked on the great truths upon which this book will throughout insist as mere truisms. Yet a truism is but a truth taken for granted; in our evil society we can no more afford to take truth for granted than a diseased person can afford to take health for granted. There is no other way of achieving truth and freedom in society than by the realisation of them; we can abolish the wage-system only by weakening it; we can establish the Guild only by strengthening and releasing the Trade Union of to-day. As for the State, let us bid the worker not expect it to pull all his chestnuts out of the fire; it will be better employed in rescuing its own from the plutocracy who have usurped so many of its functions, while unloading on Government's shoulders so many of their own burdens.

The Guild idea, then, is not in any sensational sense a new thing. It derives from many strains of pure and disinterested social thinking; but we believe that its sponsors have formulated the essentials of the industrial problem more clearly and completely than any other group to-day. It would be interesting, if space allowed, to trace the

respective shares of the various influences which have contributed to the formulation of National Guild principles and ideas, and to disentangle them. We should find the craftsmen's challenge and the blazing democracy of William Morris; the warning of Mr. Belloc against the huge shadow of the Servile State and, perhaps, something also of his claim for the individual's control over property; the insistence of Mr. Penty on the perils of industrialism and its large-scale organisation, and his recovery and bequest to us of the significant and unique word "guild." We should find something of French Syndicalism, with its championship of the producer; something of American Industrial Unionism, with its clear vision of the need for industrial organisation; and something of Marxian Socialism, with its unsparing analysis of the wage-system by which Capitalism exalts itself and enslaves the mass of men. But it is, above all, the changed direction of the English Socialist and Trade Unionist movements—changed as a result of their own failures and the universal failure of the War—that makes possible the putting into practice of the Guild idea. "The English Trade Unions are the hope of the world."

In the narrower and stricter sense of the term, the propaganda of National Guilds proceeds from two origins—Mr. A. R. Orage and his colleagues of the *New Age*, and Mr. G. D. H. Cole and his colleagues of the National Guilds League. Nor are these sources necessarily distinct, since Mr. S. G. Hobson, author of the well-known series of articles in the *New Age* in which the principles and pro-

posals of National Guilds were first formulated, is a prominent member of the National Guilds League, while Mr. Cole and other members of the League have been constant contributors to the *New Age*. The debt of National Guildsmen (as the advocates of the National Guild system are called) to the *New Age* is incalculable, since not only did Guild principles first take shape in its columns, but they have since been debated and contested there with as much impartiality as ability, and by no one more than by the editor. But even so, we may doubt whether the propaganda of National Guilds would ever have become widely understood by the workers, whom it most concerns, had it not been for the work of Mr. Cole in translating it into terms of Trade Unionism and applying it to the crucial problems of the industrial movement. For ourselves, we acknowledge our debt alike to the *New Age*, Mr. Cole's books, and the publications of the National Guilds League. The extent of our debt will be obvious from a glance at the footnotes and references which suggest (what is, indeed, the fact) that this book is as much a work of editorship as of authorship. Our object is to place before the reader the outlines of what is in reality a very vast subject; and if, in process of doing so, our own idiosyncrasies and defects seem to hinder rather than to assist the argument, we hope he will go to those originals from which we ourselves have learnt so large a proportion of what we here set down.

In conclusion, we would insist that the Guild idea is an idea rather than a creed, and an idea the implications of which are by no means exhausted.

Those who have so far been most prominently associated with its formulation are by no means agreed upon the details of its application; nor do they attach equal importance to the various strains of thought which have contributed to produce it. They would all, however, agree in repudiating any intention or desire to force a rigid system upon a passive people. No true democracy will accept a Utopia which it does not itself create. The essentials of the Guild idea are the recovery of initiative by the ordinary worker, his release from bondage to the base purposes of profit, and his achievement of complete and responsible industrial democracy. By such a transformation alone can society be saved; to make clearer the way to it is the purpose of all that follows here.

We wish to acknowledge our debt to Mr. A. J. Penty, Mr. E. E. Beare, and Mr. J. MacCallum for help afforded in the fourth chapter, and to Mr. Rowland Kenney for many valuable suggestions.

M.B.R.
C.E.B.

April, 1918.

CHAPTER I

THE GUILD IDEA

What is a "National Guild"? Examples: a National Mining Guild; a National Transport Guild. Self-government and national responsibility.

A NATIONAL GUILD would be a democratically self-governing association which, consisting of all the workers engaged in any main industry, would be responsible for carrying it on in conjunction with the State.

For example, a National Mining Guild would be composed of every worker of all grades—administrative, technical, skilled and unskilled, on the surface and underground—actively engaged in mining. As a democratic association, its members would be associated on an equal basis, and not in the undemocratic industrial relationship of employers and employees. As a self-governing body, the National Mining Guild would have full powers, without outside interference, over all industrial matters affecting its members, over the administration of all the mines in the country, and over everything that concerned methods and conditions of mining. Ownership of the mines and of the plant and other forms of capital used in mining would be vested in the State, but they would be at the disposal of the Mining Guild to be worked in the public interest.

Similarly, in the case of, say, a National Transport

Guild, the whole national machinery of transport (railways, shipping, vehicles, canals, etc.) would be the property of the community, but the monopoly of its working would be exercised by the Guild.

In every main industry, then, the workers, organised in a self-governing National Guild, would have the monopoly and control of its working in partnership with the State, which would be the owner of the means of production. The aim of National Guild service is the conduct of industry in the interests of the community. For this every Guildsman would be responsible to his Guild, and every Guild to the community through the other Guilds and the State.

CHAPTER II

SERVILITY OR FREEDOM?

The Wage-system: its assumptions and its implications. Labour a tool. "Our most precious raw material." "Orthodox" Economists and the commodity theory of Labour. Reformist fallacies: (i.) the illusion of "higher wages"; (ii.) the standard rate and a "higher status." Wages, the price of servitude; Pay, the reward of service.

The breakdown of Capitalism: causes of its instability. Capitalist efficiency and civil liberty ultimately incompatible. The capitalist's creed: its "wage-slave-morality." His demand for stability a demand for slavery. The Servile State. Its advent (i.) promoted by the employer—the Garden City and the Garden—scientific management; (ii.) sanctioned by the State through legislation; (iii.) accelerated by the War and its effect upon industry.

Servility or Freedom? A vital choice. The illusions of "good-will." The brotherhood of the trenches and the bondage of the workshop. The impossibilities of industrial pacifism. National Trusts or National Guilds.

THE fundamental basis of the revolutionary case against Capitalism is not that it makes the few rich and the many poor—though this is true; not that it creates social conditions which are a disgrace and an amazement in a civilised community—though this also is true; not that it brutalises the rich by luxury, stifles beauty, and frustrates the hope of craftsmanship for the worker—though, indeed, it does all these things; but that it denies and degrades the character of man by the operation of a wage-system which makes the worker of no more account than a machine to be exploited or a tool to be bought and sold. The seed of all our glaring social failure and distress to-day lies not

in any imagined "problem" of poverty, nor in any inevitable "stage" of economic development, but in a vile conception of human relationship that has entered into and now dominates all our social life and has invested it with its character of injustice and insecurity. This spiritual failure to which we have come finds its concrete expression in the wage-system. Its assumptions and even its ideals (if we can call them so) have won so great a victory over the minds and wills of every section of our countrymen that its creed is the creed of England to-day. Few challenge it; few have the spirit even to desire an alternative, far less to struggle for one. That men should be forced by the menace of starvation to accept a price for the labour which is all they have to sell, to subdue all their purposes and all their gifts to the purpose of others (and that purpose profit), to lay claim to no right of control over the conditions of their working lives, nor any power of government over those who direct them in the workshop, to be divorced from responsibility and all the attributes of free status, to have upheld before them no standard but that of gain, no incentive but the bribe (often fallacious) of higher wages—this pathetic distortion of human fellowship, this vile and perilous imprisonment of the human spirit, is actually accepted as natural, and even providential, by nearly all those who triumph by means of it, and by the vast majority, indeed, of its victims. The existence of the wage-system conditions all our "reforms"; it is (as has been well said) our "permanent hypothesis." It has even infected our very language, so that we

can speak without compunction of the workers as "hands," the process of their hire as the "labour-market," and the return for their services as the "cost of labour." Catch-phrases reflect it: as when we tell the worker (with equal insolence and truth) that he is "not paid to think," or inquire (with the standards of gain transcending all others) "what a man is worth."

Capitalist society, combining economic tyranny and insecurity with political "democracy" and civil liberty, is something quite new in history. Its industrial princes and their Parliamentary hirelings, while preserving and even extending the machinery of human rights and the show of political power, have reduced this parade of freedom to a hopeless mockery by affording to the vast majority no resource in the economic sphere by which that freedom might be translated from theory into fact. For Capitalism demands as the condition of its successful working that the bulk of mankind shall own nothing at all of the means of production, nor even assume any real degree of responsibility for the control of the circumstances upon which their livelihood depends. The worker is thought of not as a man, not even as a labourer, but as "labour"—a mechanical aid to the purposes of another, something to be purchased, a tool. And, indeed, the familiar phrase of the economists, "Land, Capital, and *Labour*," exposes the whole error on which the wage-system rests. Human labour has come to be regarded, both in theory and practice, not as the employer of the instrument of production, but as *one of the instruments of pro-*

duction. A separate class of persons has arisen, almost fortuitously in the first instance, but now ever more rapidly becoming circumscribed and defined, whose function it is to buy labour-power in the " market " as a commodity and pay for the cost of its subsistence with a wage. Labour-power under the wage-system is but machinery under another name ; and as soon as human hands can be replaced more cheaply and efficiently by mechanical devices, the labourer is thrown on to the scrap-heap without compunction, while labour-saving inventions are extolled as the sign of economic progress. And so they would be if—the worker being in command of his own economic life—their effect were to save labour and not dividends. But so long as he is content to barter away his personality and all his priceless potentialities of creation and control for a mere money payment, the basis of which he is almost powerless to determine, the worker must of necessity remain only a factor in production, or, as a recent writer on industrial affairs complacently puts it, " our most precious raw material."

We may resent the phrase, but it is an exact one 'none the less. The " orthodox " economists will generally shirk so bold an admission of the commodity theory of labour. Professor Marshall, for instance, seeking to distinguish wage-labour from slave-labour, says[1] :

The first point to which we have to direct our attention is the fact that human agents of production are not bought and sold as machinery and other material

[1] *The Principles of Economics*, pp. 588-595.

agents of production are. The worker sells his work, but he himself remains his own property.

How much value lies in this distinction the professor then proceeds to expose:

The next of those characteristics of the action of demand and supply peculiar to labour which we have to study lies in the fact that when a person sells his services, he has to present himself where they are delivered. It matters nothing to the seller of bricks whether they are to be used in building a palace or a sewer: but it matters a great deal to the seller of labour, who undertakes to perform a task of given difficulty, whether or not the place in which it is to be done is a wholesome and a pleasant one, and whether or not his associates will be such as he cares to have.

From this it is clear that what the worker sells is not merely his labour but his body, and this not as a result of any free contract in which the seller bargains for his own terms, but under duress at a price determined by the condition of the "labour-market." Nor is the area of that market a matter of free choice for the worker; he may be constrained to fly from one end of the country to another at the bidding of the capitalist in order to dispose of his labour-power. Indeed, Labour Exchanges exist to facilitate this very object. Again to quote Professor Marshall:

Since, however, no one can deliver his labour in a market in which he is not himself present, it follows that the mobility of labour and the mobility of the labourer are convertible terms: and the unwillingness to quit home, and to leave old associations. . . . will often turn the scale against a proposal to seek better wages in a new place.

If the conditions of sale to which the labourer is subject under the wage-system, as revealed in the passages quoted, do not reduce the labour of man to the status of a commodity, it is difficult to see what meaning can be implied by the term.[1]

It is upon the wage-system, then, that our industrial life is founded, and upon the willingness of the worker to sell his body for wages that the ability of his masters to exact rent, interest, and profits depends. It is the foundation-stone of all Socialist criticism that the existence of private property in the means of production involves private property in the destinies of society and in the lives of its members; and it follows that the proletarian not only cannot enforce his right to a share in controlling the society in which he lives—he cannot even enforce his right to live in it! But though every school of Socialism that is more than merely sentimental implicitly involves a repudiation of the wage-system, in practice, as we have seen, Socialists have allowed themselves to be tempted from the highway of emancipation to lose themselves in tangled bypaths of "reform." On the one hand, some have sought to mitigate the

[1] For a full analysis of the economics of the wage-system it is necessary, of course, to go to Marx's *Capital*. The literature, both of exposition and criticism, dealing with the Marxian analysis is enormous; a good short book is *Marxian Socialism*, by W. Paschal Larkin (Purcell & Co., Cork). See also the pamphlets of the Socialist Labour Party (50 Renfrew Street, Glasgow) and many valuable articles in the *Plebs Magazine*. The case against the wage-system, from the moral standpoint in particular, has been restated in *National Guilds: An Enquiry into the Wage-system and the Way Out* (Bell), and again, with special reference to the war situation, in *Guild Principles in War and Peace*, by S. G. Hobson (Bell). See also chapter vi. in *Self-government in Industry*, by G. D. H. Cole.

captivity of the wage-system by urging schemes of "workshop control" which, though they may be harmless and even valuable in themselves, do not necessarily involve any attack on the wage-system itself. For the most part, however, Socialist reformers have been blind altogether to the wage-*slavery* of Capitalism, and have talked only of its *exploitation* of the worker. But though they have talked of it, they have been ready to perpetuate the very system by which it operates—as if the worker's labour ceased to be a commodity because it was purchased by a public and not a private employer. Meanwhile they have sought salvation for the proletariat in a programme of "higher wages," though (apart from the spiritual surrender which a concentration on this demand involves) it must be obvious that in the majority of cases wages cannot be indefinitely increased if profiteering is to be maintained. For the profiteer lives by pocketing the profit (or "surplus value") remaining after he has paid the landlord his toll in rent, provided for the cost of keeping up the necessary plant and other standing charges, and handed over to the worker the price of his labour-power or wage. There will come a point[1] when the profiteer will no longer feel sufficiently assured of his "surplus value" to carry on his business; and unless the *workers are prepared to advance out of the wage-system and shoulder the responsibility for the*

[1] It is alleged that this point has already been reached in the case of a number of small mines in South Wales, which, in view of the comparatively high rate of wages prevailing in that coal-field, it does not pay to work, and which have been in consequence shut down.

maintenance of the industry themselves, they will find themselves on the streets with no wages at all. Wages may be raised here and there by skilful organisation, though even in these cases the capitalist will generally contrive to recoup himself by raising prices, by introducing labour-saving devices, or by "speeding-up" his workpeople. Increased production, indeed, is likely to be the only means by which Labour will be able to maintain its standard of life after the War. But higher wages, on anything like a large scale and over the whole field of industry, are probably impossible within the wage-system—that is to say, a permanent increase in the return for labour is not to be expected as long as the worker looks for it in the form of a wage. Sir Hugh Bell, a prominent employer in the iron trade, states the matter quite bluntly. After an examination of the balance-sheet of his industry and its various items of expenditure, he concludes that "the moral is that, under existing circumstances, the present division of the products of industry cannot be divided in any very much different way from the present."[1] It is hardly necessary to point out that the "existing circumstances" are the facts of the wage-system, by which, so long as he accepts it, the worker is imprisoned and impoverished at the same time.

We see, then, that not only must the wage-system be repudiated if the worker is ever to be spiritually free, but that until it is abolished he can never be assured of a due reward for his

[1] *Industrial Reconstruction*, edited by Huntly Carter, p. 66.

labour, unless the miserable "standard rate" of to-day (that is, the rate of wages established by Trade Union action in any district for any given class of labour) is to be accepted as such. We do not deny the value of the "standard rate" as a temporary safeguard; but there is grave danger in regarding it, with some modern progressive economists, as conferring a more or less satisfactory status on the worker. Mr. Henry Clay, for instance, goes to perilous lengths in this direction. He says [1]:

This standard of life is a conception which, though difficult to formulate, is not indefinite. . . . Any worker in an established industry has a pretty clear idea of what the standard of his grade in that industry and district is; and to that standard he conceives he has a right. . . . *It gives an ideal colour to a material struggle, because it converts a demand for twenty-five shillings a week into a demand for a right and the assertion of a status in society.*[2] . . . The demand for it is the instinctive reaction of the average man against a system of free contract, which leaves him free to get rich in his own way, but guarantees him no secure status if his interests and ambitions do not happen to lie in the direction of amassing wealth, or if inequality of opportunity prevents him from using his "freedom."

And a few pages further on[3] he declares that

Whether our ultimate aim is the conservation or the abolition of the wage-system, we must recognise that

[1] *The Industrial Outlook*, edited by H. Sanderson Furniss, chapter iii., pp. 66, 67.

[2] Our italics.

[3] *Op, cit.*, p. 92. The whole chapter is of great interest in indicating what must be done "if society wishes to give the employee a secure status without an economic revolution."

the insecurity of status of so many wage-earners is an evil. It prevents them from giving much attention to schemes either of reform or of revolution, and its removal is a necessary first step to any considerable social advance.

All this is plausible enough; but what we have got to be sure of is that if we so magnify the importance of the "first step," we do not postpone indefinitely those further steps which have got to be taken if "any considerable social advance" is to be achieved. The only crusade which really promises an increase in status for the workers is the crusade against the wage-system; and there is only too much danger that, if they are persuaded to adopt a policy of *reculer pour mieux sauter*, they may act upon the first part of the advice, but not the second. In giving "an ideal colour to a material struggle" we push into the background that spiritual struggle which is alone of any permanent consequence. This was the result of that Fabian programme of a "National Minimum of Civilised Life" which commended itself so readily to the "best men of all parties," who were delighted to find the worker's "assertion of a status in society" (to reverse Mr. Clay's phrase) converted so easily into "a demand for twenty-five shillings a week." The analogy with Fabianism becomes closer still when we find Mr. Clay declaring that "the most direct way of improving the position of the wage-earners will be by imposing conditions on the contract that will give it stability," and adding that "the intervention of the State is necessary, in order to *enforce* those conditions when

discovered." "Stability" passes swiftly into servility, and the status which Mr. Clay is so anxious to see crystallised in law and guaranteed by the State is likely to be the status of a slave. There is no possibility of a change in status for the worker while the wage-system is maintained, unless it be a change for the worse. If the worker once admits that there is a certain price at which his body can "reasonably" be hired to serve the ends of others, and allows the State to guarantee it for him, his surrender to Capitalism is complete. Yet a short while ago a "revolutionary" programme was put forward as a "Charter for Labour" by a group of people regarding themselves, no doubt, as extremists, which had as its main plank the alluring cry, "A pound a day is the worker's pay." However this formula might be explained, it could only give rise to the impression that a wage-slave ceases to be a wage-slave on receiving £300 a year!

In view of the many confusions which surround this simple but essential fact of the exploitation of the many by the few, we cannot too often insist on the elementary definition of wages as *the price paid in the competitive market for labour as a commodity.* It is sometimes objected that between "wages" and any other term for the money which the worker receives there is no difference, and that it matters nothing what word is used. The objection is specious, but it is in reality very foolish; for between "wages" and "pay" there is all the difference that there is between slavery and freedom. "Wages" represent the cost of hire, a

price paid for the upkeep of the worker as for that of any other machine. "Pay" represents the reward for service, something due to one who is contributing to the common interest; and it carries with it the recognition of an honourable status. "Wages" are a toll which the profiteer finds it necessary to pay before he can collect his profit. "Pay" leaves nothing over to be appropriated by persons who are not serving the community. "Wages" are what the capitalist is constrained to give. "Pay" is what he who renders a service is entitled to receive. The worker, while he is producing dividends for his master, receives "wages," which cease, however, when his job ceases. The soldier in the service of his country receives "pay" whether he be fighting or not; he serves as a man; he is not "taken on" as a "hand." The wage-slave knows nothing of service; without responsibility and without honour, his life is servitude interrupted occasionally by starvation.[1]

A false and very ignorant defence of Capitalism (and its corollary, the wage-system), that it is "inevitable," that we cannot get on without it, and that on the whole it works as well as we can reasonably hope to expect of any social system, is often made, and can best be met by a direct

[1] "The commodity valuation which Capital places upon labour, and enforces upon labour, is governed by the knowledge that starvation is the only alternative. Capital ascertains the cost of housing and feeding labour, and adds to this an allowance for the maintenance and training of children, in order to ensure its supply of future labour. Free education was the signal for an immediate all-round rise in rents, or, in other words, a reduction in the purchasing power of wages. The cost of educating his

negative.[1] The wage-system is not inevitable, but an evil choice permitted by our forefathers, the making of which might have been avoided and the escape from which we may achieve if we will. Far from its being indispensable, it is manifestly breaking down, and has to be patched up and supplemented in a hundred ways by statutory "reforms" and private charity. And, finally, it works so badly that, with all the increase of prosperity at the top of the social scale, it has reduced the masses to such a pitch of wretchedness and want that innumerable agencies, public and private, have been forced to step in to prevent their perishing altogether. For it is not even the case that the wage-system brings with it any social or economic benefits which might appear as compensations for the loss of liberty and the crushing of personality it involves for those whom

children being no longer borne by the worker, the capitalist ceased to allow for it. It is exactly the same calculation as the slave-owners formerly made. But, apart from the political enfranchisement of Labour, there is this difference: Slavery tended to one dead level of sustenance, whereas modern Capitalism requires far more various grades of labour skill. It, therefore, first finds the bare cost of living and, as occasion determines, adds to it the extra cost of training labour to some special purpose. It is this difference in wage-rates that confuses many people. They cannot understand why there are so many variations in wage-rates if wages are really based upon the cost of sustenance. The real formula is that wages are primarily determined by the cost of sustenance necessary to the trade concerned. In this way we discover that wagery is equally degrading to the highly-paid artisan and the lowest-paid labourer. It is the wage-system as a system that is repugnant to the nature of free men, and must therefore be abolished."—From *A Short Statement of the Principles and Objects of the National Guilds League.*

[1] For a most interesting examination of the moral defences attempted on behalf of the wage-system, see the chapter entitled "The Moral Foundations of Existing Society" in *National Guilds*, pp. 109-121.

it enslaves. Capitalism fails in the most obvious essential of any economic system—it does not supply to many thousands of our countrymen the most imperative of human needs. It limits useful production by limiting the purchasing power of the proletariat, and thus produces a state of things known as "over-production," which does not mean that more commodities are produced than are required, but only more than can be bought owing to the impoverishment of the workers. "Over-production" is thus paradoxically caused by "under-demand," and this applies still more to quality even than quantity; for the proletarian cannot affect demand by the exercise of choice, since he has no "power to wait." Scarcely less pitiable than the poor whom the wage-system debases are the rich whom it corrupts by luxury, and brutalises by stimulating the very spirit of avarice which makes its existence possible. For the wealthy no more than for the worker is industry a service; it is "business," and "business is business"—that is what is the matter with it! Riches are seldom gained and with difficulty preserved without restless anxieties, base rivalries and false friendships, suspicion, ruthlessness, and a thousand subterfuges. The prosperous are hardly more free than the poor to find joy in the exercise of a happy activity, or in the pursuit of a culture more valid than the fads of a clique or the barren traditions of a class.

But beyond all other objections to the wage-system, there remains this practical one—that it cannot last. Capitalism is subject to a double

strain. It is not only failing to provide the workers, while treated as free men, with the means sufficient to maintain them in reasonable efficiency ; it is, further, involving such a monstrous divergence between the moral theories on which our society is based and the social features which it exhibits that in the conflict between the principles of freedom and equal status and the practice of exploitation and caste barriers one or the other will have to disappear. The two ideas of a servile but secure proletariat and a free and responsible nation of workers are beginning to reveal themselves in sharp contrast. For no stable society can be founded on a contradiction as absolute as that between our English legal theory and the contemporary practice of our industrial life. The assumption on which our law is founded is that free citizenship reinforced by property is normal to the average man ; theft and fraud are punished as abnormal outrages, and contracts are enforced on the presupposition of the freedom of the contracting parties, whereas the truth is, of course, that the majority of so-called " free " contracts are really " leonine " and morally invalid. Moreover, it is not of any public authority, but of the action of a private individual who happens to be his employer, that the worker is most conscious and most afraid. As Mr. Hilaire Belloc has said[1] :

The real sanction in our society for the arrangements by which it is conducted is not punishment enforceable by the Courts, but the withholding of livelihood from the dispossessed by the possessors. Most men now fear the

[1] *The Servile State*, p. 85.

loss of employment more than they fear legal punishment, and the discipline under which men are coerced in their modern forms of activity in England is the fear of dismissal. The true master of the Englishman to-day is not the Sovereign, nor the officers of State, nor, save indirectly, the laws; his true master is the capitalist.

It is this conflict between the political freedom of the worker and his industrial servitude which manifests itself in the various forms of "labour unrest" and renders Capitalism unstable; and this is increasingly being realised by the capitalist himself. He longs for a legally secured control over "his" workpeople, and he is beginning to claim the position of an industrial tenant-in-chief of the State. There is much to be said for this claim. If industry is to be efficiently organised, it must be controlled. If it is to be controlled by the capitalists, that control must include the control of the most important factor in the production of his profit—the worker. Hence, *the efficiency of Capitalism and the freedom of the worker cannot exist side by side.* The capitalist, in nine cases out of ten, believes in secret what a famous champion of American slavery[1] once asserted openly, that,

The true solution of the contest of all time between Labour and Capital is that Capital should own the labourer, whether white or black.

This conviction, which, whether it is held consciously or unconsciously, is rapidly becoming general among the capitalist classes, does not necessarily arise from a love of tyranny for its

[1] Henry Clay (of Virginia).

own sake (though such an instinct may be strong enough in some cases), but from sheer inability on the part of the profiteer to envisage any society which is not based upon the wage-system. To him the only alternative to Capitalism is chaos. "If this sort of thing goes on, I don't know what's going to be the end of it"—with such a remark will the golf club-houses and first-class carriages of England greet any sign on the part of the Trade Unions that they are awakening to the part they have got to play in the building of a free society. These people do not know how a world can go on from which the profiteer has been eliminated. The capitalist argues in this fashion: "I am socially and economically indispensable to all progress, and even to all order. Without my enterprise the world would come to a standstill in five minutes. Being thus indispensable, the fact that I employ my powers (including my capital) and my activities (including my brains) to keep things going entitles me to be regarded as a public benefactor. I admit my responsibility to the State whose citizens are entrusted to my care to serve as material for the business which I am public-spirited enough to carry on. I accept that responsibility, and undertake that the State shall have no cause to call me to account for their health or well-being. But in return for this I expect the State to assist me and not those who oppose me; for in aiding them it will only be strengthening forces which render difficult or impossible the smooth working of my business, and it will therefore hinder me in discharging my task of increasing

the national output and in fulfilling my mission of keeping a proportion of the working class usefully employed."

This is the capitalist's creed. It is recited daily by hundreds of employers and dutifully subscribed to by thousands of "their" workpeople. The profiteer partly creates and partly subjugates public opinion. He has imposed on the masses a "wage-slave-morality" akin in the economic sphere to the slave-morality to which Nietzsche condemned the bulk of mankind. Like Circe, the wage-system degrades its victims till they no longer realise the toils in which they are caught, and the apologists of the "great employer" are able to represent him as indeed "beyond good and evil," as a necessary stage in economic evolution, a condition of economic progress, indispensable and inevitable. Capitalism is even defended as vital by its champions on the ground that it alone provides the necessary economic pressure without which the working man would never work at all. The idea that the wage-system, by depriving industry of its opportunities for the exercise of human free-will and self-expression, has destroyed the finest stimulus to the worker's activity, and thus degraded work into toil, is one which it is outside their power to grasp. For it is a spiritual conception, and the philosophy of Capitalism is materialist from beginning to end. It bases itself on the maxim that "the greatest benefactor of humankind is the man who makes two blades of grass grow where one grew before," caring nothing for the soil from which it springs, nor the texture of the

grass when it appears. It takes its stand upon "enterprise"; but it is enterprise that can only be called into existence by the prospect of a solid dividend. "To think profits and to make them: that is the business mind." This sentence is not the sweeping accusation of a dreamy idealist; it is a genuine quotation from the syllabus of a "Memory School" which sets itself the task (as it declares) of "mobilising the mental resources of the people." And it is right; this is the business mind, only too faithfully reflected in the outlook of the very proletariat out of whose labour those profits can alone be made. To dream wages and to seek them has been all too often the limit of the aspirations of the working class. It is the "business mind" which the Guildsman comes to combat, to eliminate, and to supersede; for while its "wage-slave-morality" holds sway over us all we can never move towards any free and noble end.

It is clear, moreover, that this creed of the capitalist is driving him on to-day to make substantially the same demand as that which must be made by the Trade Unions of to-morrow—the claim for partnership with the State. He is seeking to gain a national recognition of his right to responsibility and control in the sphere of industry, and in proportion as he gains it will the task of the Guildsman be rendered more difficult. For the State will have thereby sanctioned the servile status of the wage-slave, and in doing so will have gone far to render it permanent. It will be no longer possible to regard the distinction between

the owner of the means of life and those dependent on him as a temporary accident affecting equals; it will have become a decisive reality corresponding to an essential difference in their relation to the community. The assistance which the employer demands, or is on the way to demanding, from the State to which he believes himself indispensable, is not confined to its passive abdication of the right to control the lives of his employees. He seeks its active co-operation in compelling them to work for him "on fair terms." What those terms shall be remains to be settled between the State, the employer himself, and even (he may admit) the Trade Union. But once they have been agreed upon, it is the duty of the State to maintain them, or "things can't go on"—that is, the stability of Capitalism is impaired.

We have already encountered this idea of "stability" in considering the problem of the "standard rate," and we saw that it could only mean the surrender to slavery. Indeed, when the claims of modern Capitalism become sanctioned by the spirit and the letter of our law, and accepted without challenge in our social life, then we have said farewell to the attempt to realise a free society, and we have admitted the establishment of a new form of human association. We must find a new name for this new society; and Mr. Hilaire Belloc, who has with so much insight pointed out its advent, has characterised it as the Servile State. The description is in no sense rhetorical; it is exactly accurate, for it is his free status that the workman of to-day is preparing to abandon. When

a man's power to bargain afresh for the terms on which he shall supply his labour is surrendered or destroyed, when his freedom of action over long periods (whatever benefits be offered in return) is bartered away, when special conditions are applied to him as a manual worker or a "wage-earner" from which other members of society are explicitly exempt—when such things become the normal practice of legal enactment and social usage, then the Servile State is at hand. Clearly it is upon us to-day.

It is not only that all modern legislation tends to interpose, between the workmen and the State of which he is nominally a citizen, the employer for whom he works. The idea of tutelage is the very core of the philosophy of the "good employer." The great enterprise of to-day makes claims upon its employees which bind them closer to its interests than any natural ties of kinship with their fellows in their Trade Union, or with the fellow citizens of their town, or even with the national interests of their country. It is a new feudalism. "Put ———'s first; remember how much you owe to it, and that it is your duty to give it your best in return"—such a sentence as this will be found again and again in the magazines and circulars issued by modern business firms for the benefit of their employees.[1] The employee of

[1] To appreciate the lengths to which interference in the private lives of English workers can be carried, the reader may study a document issued by the Ford Motor Company on the occasion of its opening a branch in this country. An article in the *Daily Herald* of May 14th, 1914, gives particulars of the "Record of Investigation" or schedule of questions issued to the firm's investigators, who set on foot inquiries among the neighbours of those

a great business to-day may spend his days in a model factory and his nights in a "garden-city," but, though his body be well cared for, he finds only too often that—in the full meaning of a tragic phrase—he "cannot call his soul his own."

This truth might be illustrated in a hundred ways; a single true story must suffice. A lady told one of the writers of this book that she was once conducted round the industrial estate of one of our most distinguished captains of industry. She was admiring its order and design, and in particular she inquired of her guide, "How is it that you get your workers to do their gardens so beautifully and all according to a plan?"

"My dear lady," he replied, "you don't suppose we let them touch their own gardens? The gardens are done for them by the firm; if they want to make a mess, they can go and get a patch—outside."

The spirit of benevolent Capitalism could not be better exemplified. It will offer to its hirelings the garden-city, but it will shut them out of the garden.

applying for employment in the firm. A few of the questions are here appended: "Numbers of persons dependent? Name of dependents? To what extent and the reason? Relationship? Age? Address? Debts (total), £ . . .? Hire-purchase owing, £ . . .? Instalments? Arrears? What for? Reason for debts? Name of Bank? Pass-book number? Balance? Name of Insurance Company, Club, or Union? What kind? Amount? Arrears? Premiums? Recreations? Habits? Home conditions? Neighbourhood? Remarks? Approved for share of division of profits by . . .? Date? Rate? Skill? Remarks? *What are you saving for?* Previous employment with this company: Date hired? Number? Department? Rate? Reason of discharge? Date? Previous employment with other firms: Name? Address? How long? Date of leaving? Reason? Pay?"

Among the most sinister developments of the new Capitalism are the ideas and devices associated with the phrase "Scientific Management." It is clear that an expression so vague can have many applications, and it will scarcely be denied by any one that there is much room for the organisation of scientific methods by employers in the management of inanimate objects. But it is characteristic of our modern captains of industry that they should prefer the regimentation of men to the regulation of things; to them Scientific Management means above all the application of "time-study" and "motion-study" to the worker with a view to fixing a time and price for every job, "speeding up" the slower worker to the level thus fixed, and bribing all who can be tempted by the notions of "maximum efficiency" and the lure of attendant material gains to forget all sense of solidarity with their fellow workers and strive openly for themselves alone. A system of cut-throat competition, such as has been largely abandoned by capitalists, who have learnt the greater profitableness of the Trust and the "Ring," is thus forced by them upon the workers, whom, if they can but divide, they will be enabled to conquer. Just as one "can prove anything by statistics," so some people are prepared to determine anything in the name of science. Mr. F. W. Taylor, who has had perhaps the largest share in popularising the doctrines of Scientific Management, has claimed that it "does away with the need for bargaining about wages, and substitutes law for force in the determination of wage-rates."

The answer, of course, is that it does not do this—but it would like to! "All the time-study in the world cannot show how much ought to be paid for a job," as Mr. Cole very sensibly remarks; there will never be "nothing to bargain about between employer and workmen" until there is no longer an employer left with whom to bargain. It is only if we admit Capitalism as eternal and the "proper division of the product between Capital and Labour" as arbitrarily ascertainable that we can permit the "rate-fixer" of Scientific Management to replace the activities of the workers' associations themselves.

Scientific Management, indeed, even when not explicitly hostile to Trade Unionism, is fatal to the principles on which the latter is founded and the ideals at which it must aim. The sops which it throws to the workers are mere incentives to individual gain, and we may be sure that, where each is for himself, the devil will not be content with the hindermost. The experience of an inquirer sent over by a woman's Trade Union organisation to study the methods of American Scientific Management at first hand is of the greatest interest and significance in this connection. She discovered, in the first place, that "the extreme individualism of the system produced an equally strong individualism in the worker." One woman to whom she spoke seemed to have no other idea in life than to maintain her standing as a "100 per cent. efficiency" binder of bundles of handkerchiefs, but confessed, on being questioned, that the monotony of the process to which she had

adapted herself so successfully had reduced her to "a bundle of nerves." Other workers admitted that "the system is making us nervous and selfish," and asked their questioner to "tell the English people not to have anything to do with Scientific Management." The investigator discovered, further, that nothing was managed more "scientifically" in many of the firms of this type than the selection of the "right" workers.[1] One business boasted that their system was "so scientific that not a single agitator had got through their net in three years"! Interference in the life of the worker was not confined to the factory, but carried into his leisure time and even into his home. One firm issued a reading-guide to the girls in its employment (the books in the library having been selected in advance by the management), and their friends were scrutinised in order to decide whether or no they were "likely to be beneficial." An extreme case related to a girl whose efficiency fell regularly every Monday morning; the lapse was traced to anxiety over a brother who was invariably drunk during the week-end. The firm set plans into operation as the result of which the young man was removed from the town. The "sacredness of the home" is not a consideration likely to weigh with the "scientific manager"; his ideal is the industrial compound. The worker is to hand himself over body and soul to his employers, who will undertake to surround him with every social device to keep him bright and efficient, from the "rest-room" to

[1] See the "Record of Investigation" quoted above, p. 23 n.

the "carefully selected library," so that he—or more commonly, she—approximates as nearly as possible to the perfect machine.

This is the apotheosis of wage-slavery, the goal of "garden-citizenship." But this extension of control on the part of the capitalist over those who produce his profits, perilous as it is, would not in itself warrant us in declaring that our society was becoming servile in the strict sense of the term. The disease goes far deeper, and it is when we find the definite inequality, or, at the least, differentiation in status between those who work for wages and those who pay them, finding its way into the statute book and operating decisively in the lives of the people, that the truth becomes plain. The maxim, "One law for the rich, and another for the poor," is no longer applicable merely as a cynical comment on certain inequitable results of the working of our Common Law; it is a perfectly plain and accurate statement of the nature and intention of our modern "reforming" legislation.[1] This legislation accepts the wage-system as something permanent and inevitable, and to obtain its smooth working lays down that those who own shall act in a certain specified way towards those whom they employ, and that those who do not own shall for that reason be subject to certain regulations, tolls, and restrictions which arise out of and define their status as wage-earners. This conception of status, with all its evil consequences in the black-listing and blackmailing of the poor,

[1] For a close and most valuable study of modern legislative tendencies, see chapter ix. in Mr. Belloc's *The Servile State*.

has been definitely recognised in English Law by the notorious measure known as the Insurance Act. The war emergency, while it threw into relief the dependence of the nation upon the workers, did nothing to raise their status, but rather depressed it. Capitalism during the War surrendered nothing but a light toll of "*excess* profits" and a submission to a seldom more than nominal form of "State control," in return for which it has gained vastly in power and prestige. It almost succeeded to the national partnership of which the workers—in spite of many fine speeches—were afforded only a distant glimpse.

The Munitions Act extended a State sanction for forced labour in the interests of profiteering. It definitely created the industrial serf who might not leave his lord, but must labour for him in whatever manner he dictates. No more decisive advance to industrial autocracy had been made previously in this country. Henceforth we have to reckon with a Chartered Capitalism crowned with the halo of State partnership, and claiming, of course, to represent the fruits of "Progress."

Servility or Freedom ?—this is the choice which confronts our society to-day. There are elements in our midst which make for freedom, but unless they are fortified and nourished the supreme opportunity which will follow upon the War will be lost, perhaps for ever. There are people, amongst the most sincere of our revolutionaries, who are impatient of emphasis being laid upon this menace of the Servile State. "While the wage-

system is the basis of our civilisation," they say, "what is the use of speaking of freedom? Men are already slaves for all practical purposes; the passing of a few laws which admit the fact makes no difference." They are wrong; the disappearance of the free and equal legal status of the mass of our population will be a terrible and decisive thing. It is vital to realise that, in spite of many sinister encroachments upon it of late years, this freedom does for the most part exist in legal theory; its practical consequences may be small, but its spiritual value is inestimable, if only as a rallying cry for the future. Where the servile condition of the masses is provided for by law and made obvious to the people themselves, the difficulty of rousing them for any advance to freedom is almost overwhelming. "You are being treated as slaves," cries the revolutionary orator, and the proletarian may still experience a thrill of indignation at the word. But if the servile basis of society be once admitted, the appeal loses all its force. "Well, and why not, since we *are* slaves?" is the natural reply of the servile worker, conscious of his status. When the implications and the consequences of the wage-system come to be crystallised into law, the hope of an escape from them becomes incalculably more remote. Society ceases to be a fluid thing, capable of being guided into the desired channels; it becomes rigid, only to be altered when by violence and destruction it be overthrown.

We may take comfort, then, from the fact that equality still lingers in the laws, and liberty upon the lips of our countrymen, though both have

almost vanished from their hearts. It would be difficult to affirm that fraternity still lingered anywhere. Mr. Chesterton, in one of his cleverest stories,[1] has well pictured the gulf that yawns to-day between those who serve and those who are served. A sudden hitch occurs at a dinner-table of the prosperous, and the result is described thus:

> The waiter stood staring for a few seconds, while there deepened on every face at table a strange shame which is wholly the product of our time. It is the combination of modern humanitarianism, with its horrible modern abyss between the souls of the rich and poor. A genuine historic aristocrat would have thrown things at the waiter, beginning with empty bottles, and very probably ending with money. A genuine democrat would have asked him, with a comradelike clearness of speech, what the devil he was doing. But these modern plutocrats could not bear a poor man near to them, neither as a slave nor as a friend. That something had gone wrong with the servants was merely a dull, hot embarrassment. They did not want to be brutal, and they dreaded the need to be benevolent. They wanted the thing, whatever it was, to be over.

Nothing could better express the utter absence of all that is essential to true brotherhood than this passage. Our social system must work like clockwork, or it cannot work at all. Brothers can afford to quarrel; they need not be for ever talking of law and order. But to-day every social difference and every mutual misunderstanding between men of a different order in society threatens a cold feud, in which each side will soon be talking

[1] "The Queer Feet" in *The Innocence of Father Brown.*

of its rights rather than of what is right. It is noteworthy that the primary significance of the very word "strike" has come at last to include no thought of a blow, but rather of something frigidly passive.

In the face of a cleavage so fundamental as this, what are we to say of that facile optimism which looks for an automatic solution of all our social problems in a general atmosphere of good-fellowship? It was only natural, of course, that during the War we should have found in many quarters a demand for an end to "class differences," co-operation between Capital and Labour "for a common end," and high hopes built upon "the brotherhood of the trenches." The union of men of all classes for a common purpose, with all the devotion and mutual understanding to which it gave rise, was a refreshing and an inspiring contrast to the ugly spectacle of our industrial life. Even the old feudal bond was a bond in the good as well as in the bad sense of the word, for it bound men to one another even more than it sundered them, and both lord and dependant shared a comradeship in arms in the king's service. How natural that men should have looked to this new comradeship in arms to serve as the basis of a reconstruction of society, with the old quarrels forgotten and the co-operation of "master and man" assured by "a spirit of give and take on both sides"!

How natural—and how fatally wrong! Goodwill, however genuine, can never be a substitute for justice, and freedom cannot be founded upon a lie. The "brotherhood of the trenches" was

real enough among men sharing equal risks in a common service; it was more than an ideal, it was an instinct. In the Army all thought of gain is excluded; the officer shares all his men's perils, and carries out his duties side by side with them. He is first over the parapet; our industrial system does not show us the mining director first down the mine-shaft. How can "brotherhood" be reproduced in the workshop while men are at the mercy of bullying foremen (over whose appointment they have not a shadow of control), serving distant "captains of industry," who seldom, if ever, set foot in the industrial "trenches," where their fortunes are made for them by the workers' hands? The wage-system is industrial Prussianism, and the wage-slave is "machine fodder" in the workshops of plutocracy. While the wage-system remains the basis of our society, brotherhood can mean nothing but bondage; unity, the unity of tyrant and slave; social peace, the peace of death. The class-struggle, while some are seeking to buy labour cheap and others striving to sell it dear, is not a quarrel, but a duel; not a misunderstanding, but an *impasse*.

Social peace can only mean for the workers one of two things—emancipation or surrender. Unless we are prepared to establish the Servile State forthwith, we must be awake to the impossibilities of industrial pacifism. The path to social freedom is a steep ascent, and there are no short cuts on the way. Despite the thousand terrors, limitations, and wearinesses that are the lot of the poor, despite the miseries of our cities and the horrors of our

slums, it is not upon the struggle against poverty that the most crucial of all social issues depends. It is on the resistance to slavery that the battle turns which will determine the future of us all.

The hope for society lies in the realisation of a possibility instinctively excluded by the philosophy of the governing classes and against the grain of our civilisation to-day. It depends upon how far we are able to strengthen, and even to stimulate, the initiative, the responsibility, and the appetite for freedom of the ordinary man at his everyday work. For a time such a quickening of the workers' most healthy instincts (now almost entirely atrophied) might not involve any obvious weakening of Capitalism, however much it might transform the machinery through which the latter achieves its ends. But before long it would certainly appear that a principle had been introduced into our industrial system which must needs ultimately transform it altogether. Self-government in industry is bound to lead eventually to the elimination both of the profiteer and of the bureaucrat; men taking their economic destiny into their own hands will not continue to suffer the control of any external authority over their working lives. But so long as the ends and purposes of industry are conditioned by the ideal of profit and determined by the profiteers themselves, the worker is a helot and the community an exploited province. The choice to-day is between the "reconstruction of the industrial machine" and the resurrection of the workers themselves. It is Servility or Freedom; National Trusts or National Guilds.

CHAPTER III

THE MIDDLE CLASS AND NATIONAL GUILDS

The "class war" grounded on industrial antagonisms, not social rivalries. Its meaning for the "middle class," whose true affinity is with the wage-earner. A basis for this in the Guild idea. "Upper-middle" and "lower-middle" classes. The Professions: implications of the term. The doctors and the Insurance Act. Professional morality and Guild morality: the influence of industrial profiteering. Architects and their future in a Building Guild. The Teaching Profession: strength and weakness of its organisation. Towards a Teachers' Guild. The Civil Service: its future as a Civil Guild. The lower-middle class in industry. From shopkeeper to shop-assistant: the disappearance of the "small man." The "salariat": its illusion of status based on method of remuneration. Its members, like the wage-earners (i.) insecure in their employment; (ii.) divorced from control of their work; (iii.) exploited in the interests of profiteering. National Guilds the true goal of all workers, irrespective of class.

THE charge has often been brought against the opponents of Capitalism that the remedies they propose are designed to benefit one class of the community, the wage-earners, at the expense of all the other sections of society. This was particularly urged against early and sentimental Socialism, which painted the virtues of the very poor in as gaudy colours as the vices of the very rich. The truth, however, about the class-war is that it is a war of industrial parties, not of social rivalries. In the industrial struggle, there are only two classes—the proprietors and the producers. It is the attempt to entrust authority and responsibility to the hands of the producers, and to destroy the

gulf between the two by merging the proprietors into the producers, that is the basis of the propaganda for National Guilds. It is aiming at the rise to industrial freedom of the producers as a whole, not of the wage-earners alone. Manual workers, office workers, brain workers—these are all equally producers.

Simultaneously, therefore, with the call to the wage-earners an appeal must be made also to that large and enormously important class of producers known as the "middle class." Their interests are as much concerned in the Guild propaganda as the wage-earners', and it is largely their support which will win or lose the struggle. We shall in this chapter endeavour to suggest that the middle class has as little real dignity under Capitalism as the wage-earners, and that National Guilds are essential to every productive member of society, both as a worker and as a free citizen. The middle class cannot afford to be neutral; still less ought it to side with the capitalists. Its real place is in active and organised alliance with the wage-earners; the two together can make themselves the Guildsmen of the future.

The old error is now happily passing that the wage-earners are Ishmaels with their hands against all the world, and that therefore all the world must range itself against them. It is the capitalists' control of industry for the sake of profit which is the danger to the community; it is against this that all classes should be ranged. Middle class and wage-earning class alike are living and working under the shadow of a profiteering plutocracy.

It is for them to join their forces in an industrial alliance which will oust the capitalists from control and itself take over the conduct of industry.

The term " middle class " is a survival from times when the strata of society were based on birth, or, at least, on easily recognisable functional differences. Nowadays the class distinction is founded almost entirely upon income, although there are certain interesting exceptions to this. First of all, we must notice that the middle class is definitely divided into two parts—the " upper-middle " and " lower-middle " classes. The composition of these two strata is generally understood. The upper-middle class comprises chiefly the leading professions—*e.g.*, medicine, law—the higher ranks of the Services, and, in industry, private manufacturers, wholesale merchants, and the higher administrative grades in wholesale combines. The lower-middle class is considered to consist mainly of the worse organised and remunerated occupations, as well as of shopkeepers and the lower grades of salaried employees both in private and nationalised concerns, especially office workers.

The professions are in a unique position, which is, indeed, half-way on the road to the Guilds. A profession has been excellently defined as a " voluntary association of men who profess or undertake to administer a social function efficiently and responsibly without consideration of reward."[1] Three conclusions are drawn from this definition: First, that the choice of a profession is voluntary on the part of the members; secondly, that the

[1] *An Alphabet of Economics*, by A. R. Orage, 1917, p. 110.

work they do is publicly acknowledged to be necessary and beneficial; thirdly, that, while they count on being remunerated for their work, this is not their chief aim in undertaking it. The fact is to be noted that these three characteristics of a profession are all implicit in the spirit of National Guilds, whether professional or industrial. We must also consider to what extent the rest of the Guild idea is realised in the professional standpoint. Medicine may be taken as a good example of a modern profession whose members rank among the "upper-middle class." We find that the medical profession in England has an effective monopoly of doctoring throughout the country. In consequence, it has effective control of the methods and conditions in which the service is supplied to the country, and can ensure its own members a secure measure of prosperity and a high social status. Its internal organisation, though not free from rivalries, is sufficiently democratic to assure the equal status of all its members as doctors, and to give each a certain part in the determination of his working conditions. And yet the medical profession seldom realises how near it is to being a National Guild!

Doctors, however, are quite aware of the *facts* mentioned above. They know that they have the monopoly and control of their work, that they are all associated on an equal professional basis, and that they are manifestly performing a public service. But after this comes chaos. The doctors realise the power of their profession, and, as good citizens should, they do usually strive to use it

for the public good. At the same time the medical profession has not succeeded in purging itself of a certain instinct of profiteering. The standard and the nature of the preliminary education required, the long and expensive apprenticeship, and the heavy initial costs, all make it an impossibility for anyone to enter the medical profession who has not a long purse to draw from.[1] It must not, however, be supposed that doctors are willing to sacrifice their professional duty to their profiteering instincts; it is well known that the opposite is more often the case. But wherever doctors have found that their private as well as their professional interests may be served simultaneously, they have never been slow to take advantage of their strength, no matter at whose ultimate expense—even to the extent of threatening a general strike.[2] In this they have shown themselves almost Syndicalist

[1] The curious blend of Guild and capitalist ideas is well shown in the case of the ordinary general practitioner. It is usual for a newcomer, instead of setting up as a new and unsponsored man, to purchase a practice from a retiring doctor. The new doctor expects an annual return in fees, amounting to a certain percentage, upon his purchase money, and his predecessor produces his accounts when he offers the practice for sale. We thus have doctors definitely investing in a practice with the intention of getting from it the largest possible return consistent with professional morality. Yet the practitioner is popularly supposed to be assuming a certain benevolent responsibility towards the inhabitants of his new district, without a suspicion or thought of private profit—or of interest upon invested principal. It is a tribute to the leaven of the Guild spirit among the doctors that this popular notion of benevolent responsibility is, on the whole, maintained.

[2] The doctors for a long while, and on various public and professional grounds, were opposed to the Insurance Act, which without their aid could not be brought into operation at all. Finally, they were offered a capitation fee of 7s. a head of the insured population, on which extremely profitable terms they compromised, and by a majority agreed to withdraw their opposition.

in tendency. They certainly may be proud of their professional morality; but they have yet to attain Guild morality. As a Guild, the doctors' collective responsibility would be such that no trace of profiteering, however well concealed, could co-exist with it.

This medley of Guild and profiteering impulses, so well exemplified among the doctors, is present in varying proportions in the other professions whose members rank both in point of public status and of income among the upper-middle class. When the question arises of transforming these associations into National Guilds, their members profess to assume that the whole matter rests on the continuation of Capitalism in industry. For, they say, "It is this which at present prevents us doctors and other professional men from taking up a Guild standpoint; we see no reason why we should, in the national interest, sacrifice our hope of private profit as long as profiteering is sanctioned for men of our own class and families who happen to be engaged in 'business.'" But this point of view degrades a profession to the level of an ordinary commercial concern. It has always been the pride of professional men that their profession means much more to them than a business means to its promoters. The value, the maintenance, and the dignity of their service are the aims of men engaged in a profession, as of Guildsmen; they expect remuneration, but this is by no means the impulse that leads them to practise their profession and to desire success in it. For doctors, therefore, to look to commerce for a lead and an example is

an amazing surrender. It is incredible that the medical profession would permit its members to stoop from service to profiteering; far more properly and probably they might decide to lead the way towards National Guilds. The determination to form a National Health Guild would solve half the internal difficulties with which the various branches of the medical profession are now faced, and would immeasurably assist its progress in the future. At the same time this step would recover for the profession all the dignity that has been lost or compromised by its recent errors; it would win the doctors the honours due to pioneers. The determination of the medical profession deliberately to eliminate among its members not only profiteering, but the possibility of profiteering, by forming itself into a National Guild, would strike a tremendous blow at the capitalist system, and would lay securely the foundation of a better system both in professional work and in industry. The medical profession is an active and energetic body with enormous powers for good or for evil. If it decides to throw in its lot with profiteering, or even to countenance it by a careless neutrality, it will help in great part to ruin the nation it might have saved; it will lose its old high public position beyond recovery. But if it leads the way to National Guilds, as it may well do with barely a shade of difficulty, compared with the obstacles which confront the industrial worker, it will make its members public benefactors to a degree that not even they have yet attained.

The value of the Guild idea for the upper-middle

class professional is not confined to the doctor. Other examples could easily be brought forward; but to no profession has it as much to offer as to that of the architect, for it holds out to him an alternative to the extinction with which his profession is threatened. The normal trend of affairs to-day is all in this direction. The architect belongs to the age of individualism which has almost gone. He has lost his old-time independence. Since the War the private practitioner has almost disappeared; most architects to-day have either left the profession and pursue some other vocation, or are in the employ of the Office of Works or some other Government Department which employs architects. But they are only found in the lower grades of these Departments; the higher positions are always filled by engineers and surveyors, even though at times these should call themselves architects. This means that the architect has been compelled by the force of circumstances to accept an inferior status, and in all probability it is there he will have to remain. For the invasion of every department of industry and life by Government control may well be permanent until the Guild society arises to displace it. This Government control means that private building will be unknown in the future on the scale to which we have been accustomed in the past.

If the architect would escape from this fate, he can do so by joining hands with the building trade to defeat the growth of this tyranny by organising a Guild. The old-time isolation which, before the War, often led the architect to place his faith in

architects' registration is now seen to be an utterly futile proposal that does not touch the real issue, since it could not give back to him his independence. Indeed, that independence is gone for ever, and the choice is whether the architect will allow his art to be entirely extinguished by bureaucratic officialism, or will choose to save it by democratising it through the medium of a Building Guild. In that event the architect would find his place in co-operating with the workers to re-create traditions of design and handicraft—to bring back, in fact, the mediaeval conditions of building, when every craftsman knew something about the art of design, and when the position of master-builder, who then exercised the functions monopolised by the architect to-day, was within the reach of every member of the building trades.

From the architects whose main interest is in the future welfare of architecture the opportunity which co-operation in the Guilds affords would receive every consideration, for among such men there has been for a generation or more a hope that the Guilds would some day and in some form be restored. It will not be due to lack of sympathy with the Guild idea if there should be any hesitation among these men to join in an effort to establish the Guilds. It will be because, with the consciousness that, owing to the uncertainties of practice, success and failure in architecture depend to such a large extent upon circumstances outside their control, and, inasmuch as they are all to some extent disillusioned men, they have for the most part become sceptics, and are somewhat

wary of ideas. The habit forced upon them by the conditions of architectural practice is to wait upon events, and it may happen that they will fail to seize boldly the great opportunity, when it comes, to rid themselves of the yoke of commercialism. The majority of the profession, however, have no high ideals. They are the products of commercialism, for it must be understood that the profession in its present proportions did not arise in response to a demand for architecture, but in response to a demand for men to enforce the contract-system. Under the Guilds architects of this type would find a place on the business side, though not perhaps in their present numbers. Those not required would have to find other work to do.

We come now to the upper-middle class in industry. It is represented by the wholesale merchants (such as are not, indeed, members of the plutocracy, the difference being largely one of financial power) and by the higher administrative grades in large enterprises. The heads of wholesale businesses are usually men who combine in themselves the distinct functions of capitalist, technical expert, and administrator in the industry. Such a man is half a profiteer, half a worker. But the former is his main interest—the " main chance " —and his expert knowledge and administrative ability are wholly subordinated to his search for profits. In this way much ability and enterprise, which might well lead a man to the highest positions in a Guild, are lost to the community and devoted only to the maintenance of private profit.

The private industrialist on a large scale, whether

he is working for himself alone or for himself and several other capitalists as director or manager, is always a capitalist in industry first and foremost, and a productive worker only so far as he may serve his main profiteering purpose in this capacity. The outlook of the upper-middle class upon industry is indistinguishable from that of the capitalist *pur sang*, and their interests are at one.

The lower-middle class, like the upper, has its members both inside and outside industry. There are vitally important professions—teaching, for example—the members of which are ranked in the lower-middle class, simply because, for lack of complete and vigorous organisation, they have not been able to raise their professional standards and their remuneration sufficiently high to place themselves in a superior social status.

The history of the professional organisation of teachers in England is particularly interesting beside that of the doctors. The latter, as we know, by establishing the practical monopoly of their service, have been able to assume both the benefits and the responsibilities of this position. On the other hand, the teachers, highly organised though they are, have not yet achieved solidarity, and for this reason they are, as a profession, as weak as the doctors are strong; indeed, the amazing difference between the positions of the two professions is only too obvious. If the material conditions of doctors and teachers are compared, we find that, with a few outstanding exceptions, the best paid school teacher is hardly as well off as the worst paid doctor. But this is not the point

on which we would insist here. It is much more significant to contrast the social status of the doctor and the teacher. Education and healing, as parallel functions, require in theory similar standards of ability and qualifications. In practice, however, there is a very different state of affairs. The doctors have insisted on a high standard of proficiency among their members; the teachers have not been in a position to demand this, and the standard has not been attained. In the same way, the doctors have been able to demand for their members great social distinction, both publicly and privately. The teachers, on the other hand, occupy even to-day a low social status, comparable only with that of the doctor in the old days who was also the local barber. Putting aside all question of remuneration, it cannot be denied that the teaching profession occupies the lowest status of any professional body to-day.

The reason for this is not that the teachers' work is unimportant or unskilled, but simply that the organisation of the teaching profession, vigorous as it is, is incomplete. Inside the profession there are bodies representing, and often almost completely representing, certificated teachers, London teachers, class teachers, head teachers, uncertificated teachers, head masters, women teachers in girls' secondary schools, men teachers in boys' secondary schools, non-collegiate certificated teachers, head masters of public schools, assistant masters of public schools, etc., etc. But there has not yet been a successful attempt to organise the teachers in a single body representing the

profession as a whole. Nevertheless, just as much as in the case of the doctors, the idea of the unity and dignity of their profession is widespread among all classes of teachers. There is here an exact analogy with the question of craft representation and industrial representation in industrial Trade Unions. The teachers are strongly combined in the craft associations we have just mentioned, but they are weak in not yet possessing any inclusive body which can represent the profession as a whole. Excellent as their craft organisations are, these are almost ineffective—because they are sectional. The National Union of Teachers, however, is the nucleus of an industrial organisation, and includes numerous craft associations within its membership; it offers a clear example of the vast increase in strength and influence that is gained by organising on a broad professional basis. If and when a register is instituted, the teaching profession will at last find itself well started on the way towards raising its public position and its standard of living to that of the other great professions of medicine and law.

The amalgamation of the N.U.T. with the other organisations of elementary school teachers would mean the solidarity of practically all the teachers in the elementary schools, but it would not immediately affect the higher grades of the teaching profession. The teachers in secondary schools and in the private and "public" schools for the sons and daughters of wealthy people would still be left outside, as also would the vast numbers of technical teachers and the professional tutors

of the Universities. But in the interests both of education and of the teachers it is essential that the whole teaching profession should come into line. If there is to be a gulf between the elementary schools and the other schools and authorities, the inevitable result is, first, that the present abominable caste divisions in education—against which all educational reformers are fighting—will be retained and will crystallise; secondly, that the teachers, by being divided, will be ruled by the same circumstances that even to-day make theirs the least respected and worst treated of all the professions. The same process of amalgamation must be carried higher and higher, until the whole educational personnel is included.

What is, then, to be the aim of the organised profession of teaching? The statement has been made, with great truth, that an improvement in the conditions of the teachers' environment will immediately benefit their pupils; for example, a reduction in the number of pupils in an elementary school class, while it lessens the strain upon the teacher, also gives the individual pupil a better opportunity for instruction. However, an obvious gap yawns sooner or later between the mere private welfare of the teacher and his professional responsibility. If indeed the teachers desire to raise their status to that of the doctors and the lawyers, they must be prepared also to save it from the decline in public esteem which in these days is rapidly overtaking those professions in consequence of their supposed reluctance to fulfil their functions in the public interest. In a word, the teachers,

in order to assure and maintain the status to which theoretically they are entitled, must put forward definitely as their aim an Educational Guild. The main significance of the Guild idea for teachers is the amalgamation of all educationalists and the unification of the teaching forces without caste distinctions.

We believe, then, that the Guild idea will commend itself to teachers as a definite aim for their profession. Their position, however, is complicated by the fact that the overwhelming majority of teachers are in the direct service of the State, by virtue of their employment in elementary schools, and that there is a tendency to look to the State to exercise surveillance over the other educational areas also. Is the future of the teachers' profession to be a State service under bureaucratic control? The defects of this arrangement are those that apply to all schemes of complete State control. The *subjects* of education are rightly assumed to be matters of public determination.[1] But the *conditions* of teaching and the staffing of the profession are plainly the province and the responsibility of the Teachers' Guild alone. Unless this is realised by the teachers, their now awakened energy and their latent solidarity will tend to decay into a mere hunt for professional advantage. Their societies will go on wrangling for members and benefits,

[1] There is not space here to enter upon a discussion of the respective limits of parental, teachers', and State control, nor does it closely affect our point, which is, that no scheme of education can be successful which is not ratified by an Educational Guild and entrusted to this Guild of teachers to carry out.

as they are doing now; the status of the profession will not improve, even if its remuneration is increased. But with the Guild idea before them, teachers may rapidly make up the leeway between them and the kindred professions of medicine and law; should these latter be blind to the public appeal of the Guild idea, the teachers may even surpass them in the claim to public recognition.

We may turn to the Civil Service, in the light of the Guild proposals. The Civil Service is not a homogeneous body, nor an exclusive and clearly defined professional caste; its members do not belong as a whole either to the upper-middle or to the lower-middle class, but to both. They range, for example, from the manipulative staff of the Post Office—the sorters and postmen—to the permanent chiefs of the Treasury and the Foreign Office who frame budgets and treaties. Between these classes is set a variety of supervisors (or foremen), clerks, technical officials, executive officers, and departmental secretaries. Hence the unity, the specialised skill, and the traditions of a profession are lacking in the Civil Service.

The question of Treasury control in the Civil Service is perhaps the only subject in which all Civil Servants seem to be equally interested. It may be that the fight against what is regarded as a harsh and inefficient autocracy will bring about unity among bodies that are as yet conscious of no other mutual aim. The Treasury is the overlord of the whole Civil Service; it authorises the staffing of the departments—apart from the privileged irresponsibility of the new War Minis-

tries ; it has the right of veto over all promotions ; and it lays down the general rates of pay and conditions of service. The Treasury, in fact is, the Civil Servant's employer, and it acts like an ordinary dull employer in paying its servants the lowest possible wages on a competitive basis. The new demand of the Service is that the control of the Treasury should be replaced by the management of a Board on which the different classes and grades should be represented, together with the Government of the day as the representative of the taxpayer. It is proposed that this Board should become responsible for such things as Civil Service organisation, the regulation of hours and holidays, the settlement of questions of pay and the control of entrance examinations. The activities of the Board would be subject to the usual forms of Parliamentary scrutiny. This constitutes a definite claim by the Civil Service towards self-government, subject to the general will and interest of the community, and as such it is of immediate interest to National Guildsmen.

We may now come back to industry and consider the position of the lower-middle class in it. This class is commonly supposed to be leagued with the capitalists in the economic struggle, and opposed to the wage-earners in their struggle for freedom. It is necessary to consider why this is the usual opinion and why, in the Guildsman's view, it is erroneous.

First of all we may consider the position of the private enterprise whose head is a member of this class. The private head of a wholesale firm is

considered to belong to the upper-middle class; the shopkeeper is a member of the lower-middle class. But the private retailer is tending to disappear. Combinations of wholesalers are formed which, with the actual purpose of cutting down costs and monopolising sales, but with the public plea of eliminating the "profiteering middleman," contrive to get control of both the buying and selling markets of their trade. The retailer in this branch of industry finds himself practically cut off from his materials, and in addition he is deliberately undersold by the combines in the market where he brings his products. At the end of this process, as familiar here as it ever was in America, the private retailer finds himself forced to surrender to the combine and to administer as its salaried employee what used to be his own private business. Despite appearances, the class-struggle is nowhere becoming more swiftly defined than in the distributive trades. The shop-assistant, once spurred to exertions by the hope of becoming a small shopkeeper and "putting up his own shutters," is now beginning to realise that, if he ever does start on his own account, there is only too much chance that the great multiple "house of business" will put up his shutters for him and drive him back into wage-slavery. The private retailer of to-day is the salaried employee of to-morrow; in treating now of the salaried employee class we are, therefore, in effect dealing also with the disappearing class of private retailers.

Why is it that the "salariat"—as, for convenience, we may call the salaried lower-middle

class employees—consider that they are the natural allies of the capitalists against the wage-earners? Several reasons have been suggested to account for this. Not least is the power of pure snobbishness, which makes a clerk, earning perhaps thirty shillings a week, think himself socially the superior of a mechanic earning double this amount. It is the notion that "brain work" is essentially superior to "manual labour"; but, surely, this distinction disappears when we consider that the brain work in question is never much more than totting up figures and addressing envelopes, while the mechanic may be engaged on the most delicate and difficult manual work. However, the clerk does feel superiority, and we must take notice of this rather shoddy snobbishness—now happily disappearing—as one ground for his inclination to side with the capitalists against Labour. A far more powerful argument for the salariat's siding with the capitalists is the manner of his payment. A salaried employee is properly one who receives remuneration, not by the hour or day, but by the year, month, or week. Hypnotised by the round "O" in the figure of their pay, the salariat feel that they really are important members of the industry. They are not in danger of summary dismissal, since they are assured of a week's or a month's or a year's notice before they can be thrown out of employment. They therefore feel a certain intimate sense of partnership with their employers. Secure in the conviction that they "belong to the firm," they fall unconsciously into the delusion that the firm belongs to them, and even enjoy all

the sensations of proprietorship though they attain to none of its rights. It is a form of megalomania, encouraged, if not caused, by the unnaturally centralised conditions of capitalist industry.

Now that we have seen some of the grounds on which the salariat claim under Capitalism to occupy a higher status than the wage-earners and to resent any attempts of the latter to abandon the system, let us see how far this superiority is real and how far imaginary. We know that, from the point of view of the wage-earner, Capitalism has certain enormous defects, which the establishment of National Guilds would remedy. These are, briefly, that Capitalism denies the worker security in his occupation ; that it divorces him from control over the industry, or even his own work therein ; and that it forces him to engage in work not for the advantage of the community, nor even for his own, but for the profits of the capitalists.

How do these considerations affect the salariat ? We are not speaking here of those fortunate salaried employees who have large personal interests in the profits of industry—they, as we know, belong to the upper-middle class, which is an annexe of the capitalist class. But, apart from these, in what respect are the salariat really better situated under Capitalism than the wage-earners ?

Is the salaried employee secure in his position ? For a week, or a month, or a year—yes ; but for no longer. A year's contract is a year's security—no more. It is not security for life. The salariat are indeed comparatively more secure than the proletariat—but neither of them is truly and ultimately

secure! They stand on the same treacherous ground, liable to dismissal at the will and the discretion of the capitalists.

To take the second point, has the salaried employee any more share in the control of the industry and of his own work in it than the wage-earner? The answer is that neither salaried employee nor wage-earner has the least real control in these respects; both are wholly subject to the decisions of the capitalist and his direct representatives.

Thirdly, has the salaried employee the advantage over the wage-earner in being able to refuse to engage in production for profits and to insist that his services shall be utilised in the public interest? No, the profiteers do not care a snap of the fingers for the conscience and qualms of their salaried employees. If any member of the salariat is dissatisfied with the conditions of his work, he has the full permission of the capitalists to throw up his job—if he dares—and to fare as best he can. When an under-manager or a clerk loses his work, he has the opportunity first of all to run through his own small savings; after this he must starve in destitution like any of the wage-earners whom he despises.

The truth about the salariat is that they have not and never had a fundamentally better position in industry than the wage-earners. All their snobbishness, all their pride in being a superior force in industry, all their fancies about security and privileges—all these notions are based on the most inexact social vision. The profiteers have always exploited the salariat, and, by setting them

against the wage-earners, have divided their exploited employees and ruled them more easily. The wage-earners have retorted on the salariat by calling them the "black-coated proletariat," but this has led to no greater harmony between the parties! When the wage-earners' associations attempt to force up wages, the profiteers promptly raise prices, and explain to the exasperated salariat (who are usually too timid and too gentlemanly to agitate for higher salaries[1]) that the increased cost of living is due to the selfishness of the wage-earners.

With the crystallisation of Capitalism into the Servile State, the salariat are seeing their last dignities taken from them. The capitalists despise them for their pretence of partnership in industry; the wage-earners hate them for their truckling to the capitalists. Meanwhile, prices are rising, and so to some extent are wages, but the purchasing value of salaries is decreasing steadily. The time has come for the salariat to break with their old notions. They have nothing to expect from the Servile State except isolation and servility. The only alternative is for them to throw in their lot with the other exploited class, the wage-earners. But if this combination is to be passive, the salariat have nothing to gain except friends in adversity. The National Guild idea, however, at

[1] An interesting exception to this general rule was the action of the China mercantile marine officers in 1915. Working entirely on the militant lines of a Trade Union or a profession, these officers struck work for better pay and conditions, much to the amazement and indignation of their employers. Their strike was entirely successful.

last gives a basis for active co-operation between the "brain" workers and the manual workers.

A first condition of the success of the propaganda for National Guilds is that the breach between the wage-earners and the salariat should be closed. The war for the abolition of Capitalism and the creation of National Guilds offers the workers, "middle class" and "lower class" alike, their last remaining hope of attaining freedom and dignity in their work. Instead of being, as they are now, two unfriendly classes, divided by an artificial barrier of snobbishness and suspicion, they would all equally be free and self-respecting National Guildsmen. Only by the co-operation of all grades in industry at present subordinate to the capitalists can the Guilds be made. Once this agreement is a fact, the workers will be combined in a single class of producers, which may rapidly supersede all the false and foolish antagonisms of to-day.

CHAPTER IV

TRADE UNIONISM AND BEYOND

The destiny of Trade Unionism. A crusade or a conspiracy? Attitude of employers: the new "Syndicalism." Attitude of the State: its dangers. The Labour Movement a movement away from the wage-system.

1. The Meaning of Industrial Unionism

The Labour "movement": its haphazard growth; its confused aims. The "Army of Labour": a misleading analogy. Some reasons for this. The past of Trade Unionism: Robert Owen; the "kindred-craft" Union; the rise of the unskilled labourer. The challenge of Industrial Unionism: its value (i.) as a weapon in the class-struggle; (ii.) as the framework of the Guilds. Craft and departmental representation not incompatible with Industrial Unionism.

2. The Reconstruction of Trade Unionism

I. *The creation of a central co-ordinating authority. The Trades Union Congress: its weakness. The General Federation of Trade Unions: its objects and its decline. The Triple Industrial Alliance: its origin; its basis in Industrial Unionism.*

II. *The co-ordination of Trade Union activities locally. The Trades Council: its functions and potentialities; need for its reorganisation.*

III. *The founding of Trade Union organisation on the workshop. Vital need for stimulating the Trade Unionist's initiative. Failure of branch organisations by locality. The Shop Stewards movement: its significance; the need for its reconciliation with official Trade Unionism.*

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3. THE FUTURE OF TRADE UNION POLICY

The "right to strike." The menace of Compulsory Arbitration. State intervention and the "impartial person." The machinery of negotiation: its use and abuse. Negotiation as a means to control. "Encroaching Control": "invasion, not admission." Workshop rules. The Collective Contract: its possibilities as an instalment of control. "Direct Dealing": a Liverpool Dock proposal and its opportunities. The Theosophical Society's contract in 1914 with the London Building Industries Federation. The control of officials: Shop Stewards and Foremen. Possibilities in the mining industry. Relations with the salariat: their shortcomings and an apology for them. The appeal of the Guild idea.

Discipline and democracy. The function of leadership.

The employers and the State: could their activities promote the Guilds? Limitations and opportunities. Labour's role in the achievement of emancipation.

THE nineteenth century dreamed many dreams of democracy from which its heirs are now awakening, but one solid achievement remains to console their disappointed pillows. That achievement was the creation of Trade Unionism. Its preservation as an independent force, free alike from the control of State and capitalist, is the principal hope for society to-day. Its future is in debate; but the true path for Trade Unionism is the path of responsibility and freedom, or, in other words, the path to the Guilds. The "continuous association of wage-earners for the purpose of maintaining and improving the conditions of their employment"[1] must transform itself into an association of workers for the purpose of abolishing the wage-system and assuming the control of industry in conjunction

[1] The classic definition of a Trade Union by S. and B. Webb in the early editions of their *History of Trade Unionism.*

with the State.[1] This is the only future for Trade Unionism which is consistent with the liberty and self-respect of the workers and the health and safety of society. The alternatives are tyranny or servility, or even a shameful compound of both. But a Trade Union can only become a National Guild when it has wiped out the dishonour of wage-slavery. To that end, and to nothing less, it must consecrate all its endeavours; to that end it must seek the industrial framework by which the victory over the capitalist can alone be won and the Guild at the same time be prepared for the mission of conducting the industry with which it is concerned; to that end the Trade Union must seek to win both the unskilled of which it has been too often contemptuous and those "brain workers" who have been, with equal foolishness, contemptuous of it. However much the statesman could do to foster the Guild, the public to welcome it, even the truly far-sighted employer to prepare it—all these efforts, even if we could count upon them, would be fruitless unless the Guild is built up by the workers on the foundations they have themselves prepared. The Trade Union movement, therefore, is not a matter which concerns the workers alone, as some even of its most zealous champions contend; it is in the fullest sense a matter of national interest. Apart from it no free society can be constructed—far less "reconstructed"; and it is therefore of

[1] "Trade Unionism was the egg which Liberty laid in Capitalism to destroy the wage-system. It is of no importance that the early Trade Unionists were unaware of the function Trade Unionism was actually created to perform. We do not expect an egg to crow."—A. R. Orage, in *An Alphabet of Economics*, p. 153.

the greatest importance that we should try to understand its problems and appreciate its tasks.

And yet to many readers the attempt to do this will doubtless seem a strange one. To them Trade Unions appear as silent, aloof, and rather mysterious bodies with "anti-social" tendencies which they exhibit by sudden strikes and "impossible" demands. To the ordinary member of the public the strife between Capital and Labour seems merely a hunt for the spoils of industry in which he does not feel called upon to be particularly interested—save as an exploited consumer! Let the wolves rend one another; he feels scant sympathy for either, since each, he believes, is likely to turn on him for compensation for its wounds. And while the struggle rages within the wage-system, the utmost sympathy the worker is likely to get from the public is support for the abolition of sweating or perhaps for the establishment of a minimum wage. But let the struggle be declared *against* the wage-system itself, and the Labour movement will be able to make its appeal to the outside world with a far greater prospect of success. It is much to be hoped that Trade Unionists, in proportion as they become clear about the status which their associations must justly claim in the society of the future, will throw off the policy of "splendid isolation" and seek to take the public into their confidence against the capitalists. For by their doing so his flank is turned, and the passive support which many give, ever more grudgingly, to the claims and superstitions of Capitalism will be withdrawn for nobler uses. The

Guild idea gives a purpose to Trade Unionism which all can understand and which will appeal to many irresistibly. It will provide a unique opportunity to the workers' leaders, if they will but embrace it, to proclaim their movement to the world not as a conspiracy, but as a crusade!

This is the more important since the situation admits of no third alternative. Unless Trade Unionism recognises itself as a crusade for the redemption of society, it will sink into being a conspiracy for its exploitation. In saying this, we are not thinking of those plots and machinations of proletarian desperadoes which haunt the dreams of a terrified plutocracy fearful of its treasures. The conspiracy of which the Trade Unions may become accomplices will be the result not of revolutionary ideals, but of their suppression and defeat. It will arise from the refusal of the governing class to add responsibility to power. The power of the great Trade Unions to-day is enormous. It can never be forfeited unless it is surrendered; its explicit surrender would mean the acceptance of industrial slavery, against which (and we have every reason to be thankful for it) the spirit and the resolution of the bulk of organised Labour is our surest guarantee. Yet it is not the surrender of that power, but its seduction for unworthy ends, that offers the best opportunities to those who are seeking the aggrandisement of plutocracy and a servile solution to the problem of the class-struggle. The Trade Unions are being counselled by many of our most "responsible" writers on industrial affairs, and notably by the

"great" employers—whose appearance in the public Press is an increasingly monotonous feature of modern journalism—to give up any idea of saving themselves from wage-slavery and society from exploitation, and to take a hand with the "captain of industry" at his congenial job of fleecing the public. The suggestion is, of course, decently veiled, and may even be absent from the minds of those who are responsible for it; but the danger is not absent by any means, and there is only too much evidence that the profiteer of to-day will be ready to "sink his differences" with the Trade Unions if he can but induce them to compound the felony of Capitalism by taking a hand in it on terms mutually to be agreed upon. This is a far more perilous form of "Syndicalism" than any of which the Press has so far thought fit to warn the public—more perilous, not only because it would be more easily achieved, but because it would be far more degrading to the nation that accepted it than any experiments in "producers' control" by the workers themselves. If the Trade Unions can be betrayed into abandoning their struggle with Capitalism in return for an explicit understanding to share in its gains, not only will plutocracy have vanquished freedom, but it will have defeated society as well. The public will suffer, in their capacity as consumers, for the servility which they have shown as citizens to the princes of industrialism and the lords of greed and gain.

We are aware, of course, that an argument commonly put forward in support of a partnership

between Labour and Capitalism is that by this means the irresponsible power of Trade Unionism would be modified by an extension of responsibility to the workers, who, if they were given a "share in control" at the employer's discretion and a few workshop committees to play about with, would be thereby diverted from endangering the nation's security by ambitious ideas of improving their status at their master's expense. But the essence of Labour's growing demand for responsibility is that it should be recognised as responsible to the community, not to the capitalist. The employers may hope to find in the Shop Steward a prefect after the public school model, to which they are accustomed, but to the workers who choose him he stands as a tribune, responsible to-day to no one but themselves. He represents the beginning of the worker's claim, not to a "share in the control" of a profit-making concern, but to instalments of a complete control by the workers of every grade over their working life. It is the business of the community to welcome that demand wherever it shows itself, by encouraging the workers' associations in the realisation of the industrial democracy which is their *raison d'être*, and simultaneously to prepare the extinction of those profiteering corporations who exist to frustrate it. By blocking every door to responsibility save that which leads into the counting-house of plutocracy, the community will drive the workers either into a dishonouring and dangerous conspiracy with Capital, or into a blind quest for the spoils of industry. In either case the power of

Trade Unionism will have been lost to the service of society and goaded into defiance of the public interest. For the Trade Unions will either abandon their ideals of a free society for a share in the ways and means of profiteering, or they will plunge on their own account into mere campaigns of self-interest, aiming at nothing more exalted than higher wages.

It is clear that true statesmanship would do all in its power to foster those ideals of national service in industry, of which, though fitfully and half-heartedly the Trade Unions are almost the sole champions to-day. Instead of this, however, our governors seem far more concerned to preserve the capitalist system sacred and inviolate than to encourage responsibility and self-government in the ordinary worker. Yet if the State identifies the future of industry with the future of Capitalism and assumes the wage-system as a "permanent hypothesis,"[1] then it will challenge decisively the hostility of Trade Unionism and force the class-war upon the workers from above. Nor can there be any doubt that such a challenge would be accepted by all the most courageous and independent spirits in the ranks of Labour. We are too apt to accept as the voice of the workers the servile accents of a few leading figures—or rather, figure-heads—of the Labour movement. The Labour pensionaries of the Government, and Trade Union secretaries, long superannuated in everything but fact, may rush into print to repudiate the sugges-

[1] This excellent phrase we owe to Mr. S. G. Hobson. See his *Guild Principles in War and Peace.*

tion that the workers have profaned themselves with revolutionary ideals. But we should do well to look a little further before we accept their assurances that the workers "know their place" and mean to keep it. There are other leaders of Labour who, if they are less notorious, are not less representative. One such has pronounced his verdict on the principal issue of modern industry in two blunt and uncompromising sentences[1]:

> Acceptance of the inferior status of wage-labour is impossible. In that direction Trade Unionism has no future.

We may accept his verdict if we add the qualification, "Compatible with the dignity, liberty, and self-respect of the worker." The very phrase, the "Labour movement," is a denial of the idea that the industrial situation can be crystallised in the form—or in anything similar to the form—which it takes to-day. The "movement" to which the workers are committed by all their moral aspirations and all their economic instincts is a movement away from the wage-system; and if the State attempts to arrest that movement by an alliance with their enemies, it may provoke a social conflict fatal not only to the true interests of society, but to its own existence.

§ 1. THE MEANING OF INDUSTRIAL UNIONISM

We have stated the essential aim of the Labour movement and the consequences to society which are involved in its attainment and in its defeat.

[1] Mr. J. F. Armour (Organising Secretary, United Operative Masons of Scotland). See *Industrial Reconstruction*, p. 107.

But when we turn to consider the Labour movement itself, we must not expect to find either that this aim is clearly understood by it, or that an appropriate structure exists to achieve its realisation. Indeed, it would be difficult to say which was the more lacking—the clear consciousness of Labour's true destiny, or the machinery by which that destiny might be attained. This twin failure is essentially a single problem. It is just because the British Labour movement has grown up at haphazard, confused as to its aims, vague as to its immediate tasks and possibilities in industry and in politics, content to regard "solidarity" as merely a sentiment, and never able to determine whether it had a "world to win" or merely a wage to earn, that it presents to us the sorry spectacle of jealousy, muddle, and incompetence which is the despair of its friends and the secret delight of its opponents. The Labour movement has yet to be made. The term is used to-day to cover a dozen conflicting strains of thought and hundreds of quite unco-ordinated activities. We sometimes hear talk of the "movement," as if the workers had made up their mind upon the industrial and social future they sought and were consciously moving in a united fellowship towards a certain goal. But the idea is a foolish figment of the sentimental progressive and an absolute caricature of the facts. The structure of Labour's organisation has been unpremeditated; its functions as an industrial force, as a political party, in the field of Co-operation and in the spheres of insurance and benefit, are but dimly understood

and clumsily worked out. Suspicious of theorising, the workers have fallen victims to sentimentalism, and their "movement" is still groping after the Alpha and Omega of conscious will—a principle from which to start and a goal at which to aim. We may tinker as we will with the crazy framework of "industrial democracy," but unless we are resolved upon these our patchwork will be vain. We shall never see a Labour movement worthy of the name until the workers—or a substantial proportion of them—repudiate the wage-system and strive towards the Guild.

We are concerned in this chapter only with the industrial aspect of the Labour movement, or, to be more accurate, with the present and future of Trade Unionism. And here we must be on our guard against falling into the delusion that we shall be dealing with defiant organisations of class-conscious proletarians. The inversion of that academic abstraction, the "economic man," has led astray the revolutionary Socialist in his writings on Trade Unionism, just as the original abstraction betrayed the "classical" economists, and the myth of the "noble savage" deceived the philosophers of eighteenth-century France. The workers' associations may testify to the existence of the class-struggle, but they were not built up in order to prosecute it. We are all familiar with the cliché which describes Trade Unionism as the "Army of Labour"; but it is an army which has never determined whether to fight for its own territory or merely to mutter (to its enemies!) for its keep, an army which experiences its hottest combats in

the struggles which it wages within itself, an army whose commanders lead their forces from behind, and find it less exciting—if more profitable—to themselves. The outsider who begins to study Trade Unionism is astonished by the feuds and rivalries, the muddle and overlapping, the apathy and carelessness, which he finds. He is puzzled that the innumerable suggestions and improvements which suggest themselves immediately to his common sense, and appear so glaringly obvious, have not been adopted ages ago. His experience perhaps of the practical intelligence and sound instinct of the British artisan has led him to expect something very different from the confusion, amounting at times to chaos, which he meets. The explanation is twofold. It lies partly in the fact that, deceived by the framework of Trade Union Congresses and General Federations, he is regarding as a homogeneous whole something which is an agglomeration of very diverse units—diverse in strength, diverse in organisation, diverse even in aim—and partly, too, in the circumstances of the history of British Trade Unionism, which has passed through successive and quite inconsistent phases (all of which have left traces behind them), and which to-day, perhaps more than ever, is in process of transition. We may accept Mr. Orage's excellent definition of Trade Unionism as the "egg which Liberty laid in Capitalism to destroy the wage-system," but we must not count our chickens before they are hatched. It is impossible to expect the application of general principles in a

world of labour that is devoted to the vested interests of general secretaries.

But the problem of Trade Union structure does not consist merely—nor even, perhaps, principally—in organising the worker in his "appropriate" Union. It consists more often in discovering what that appropriate Union is, in determining the principles on which it should be founded, in eliminating its rivals if it be already in existence, and in setting about to create it—in the teeth, be it remembered, of a rooted conservatism and powerful vested interests—if it is not. Before we can appreciate these cardinal problems of structure, it is necessary to glance at the past of Trade Unionism to see how its present structure has come about. We cannot attempt more than the most hasty outline of a subject deserving of the closest study, but it is necessary to know something of the ideas which determined the framework of yesterday before we can appreciate the problems of to-day.[1]

The essential, though often the unconscious, aim of Trade Unionism runs right through its history from Robert Owen to Robert Smillie—

[1] It must be understood that in our sketch of Trade Unionism in this chapter, and in the criticisms we may pass upon its shortcomings in the past and at the present day, we are treating of it only in relation to the Guild idea which the purpose of this book is to explain. If we say nothing of its struggles to gain recognition by the law and at the hands of the employers, or of its efforts to raise the workers' standard of life, it is not because we do not realise the magnitude and the value of what has been achieved in this respect, but because we are only concerned to deal with those aspects and activities of Trade Unionism which are capable of raising the status of the worker and preparing the foundation of the Guild.

the claim to become responsible partners with the community in the control of the nation's industry. That aim, so long stifled and driven underground, was definitely proclaimed by the revolutionary Unionism of the later thirties; indeed, what was valuable and true in the teaching of Owen is too often discounted and forgotten, buried beneath the ruins of the clumsy structure of his "Grand National Consolidated Trades Union." Before the ideal of the *Trades* Union could be attained, the *Trade* Union had first to be built, and in the bitterness of disillusion the workers turned away from ideals altogether. In their efforts to prove themselves "respectable citizens" they forgot that citizenship is the privilege of the free man and is impossible for the wage-slave. With the advent of the mid-Victorian era we find the growth of Trade Unionism attended by typically mid-Victorian characteristics —solidity, caution, complacency, and an ideal of comfortable respectability. It is to this period that most of the principal Unions in the engineering and building industries date their origin, and they still obstinately reproduce the structure and ideas of that day. The greatest achievement of that time was the foundation in 1851 of the Amalgamated Society of Engineers (the A.S.E.), the first example of a great "kindred-craft" Union, including in a single body artisans engaged on a number of diverse skilled processes in the engineering industry. This was reproduced to some extent in the building industry by the formation in 1860 of the Amalgamated Society of Carpenters and Joiners. But, though the next quarter of a century

was in many ways an eventful one for Trade Unionism, no fundamental change in its outlook or in its history is to be recorded until with the end of the eighties came the great London dock strike and the attainment of what had been hitherto held to be impossible, if not positively undesirable—the permanent organisation of the general labourer. Trade Unionism passed at a bound from being the close preserve of the "aristocracy of labour" to being a class movement of compelling claims and vast possibilities for even the humblest of wage-slaves.

The despised "unskilled worker" thus established his claim to a share in the Trade Union movement; but a more important victory remained to be won before that movement could arm itself for its true task of emancipation. The general labourer had gained his place in the Trade Union *movement*; he had next to gain a footing in the Trade Unions themselves. Organised apart, his position might still justify the view that the working class as a whole had no fundamental solidarity of interests and no common destiny to strive for side by side. While the motto of Trade Unionists was still "Defence, not Defiance," the skilled man might keep his jealously guarded Craft Union for defence against the employer, and reserve his defiance for the less fortunate among his fellow proletarians. But with the realisation and acceptance of the fact of the class-struggle, and, still more, with the growing consciousness that Trade Unionism had for its true end not merely to destroy Capitalism, but to replace it, a new phenomenon was bound to emerge. This was the Industrial

Union. It was already foreshadowed by the appearance in 1888 of the Miners' Federation of Great Britain, and it arrived definitely twenty years later by that amalgamation of railway Unions in 1913 which established the National Union of Railwaymen (the N.U.R.).[1] Just as the A.S.E. was the "new model" of Trade Unionism in the nineteenth century, so the N.U.R., with its uniquely representative character, its admirably balanced constitution, and its share in the great Triple Industrial Alliance,[2] is unquestionably the new model of the twentieth.

Industrial Unionism stands before the world of Labour as at once a challenge and a clue—a challenge to the wage-system, and a clue to the economic structure which must replace it. It proclaims that, whatever the interests which divide the workers in one section of an industry from those in another, there is one compelling interest which must transcend all others—a recognition of the common fraud and shame of exploitation by the profiteer. It provides, moreover, the sole framework on which a true democracy in industry can be built up. For all those who accept the fact of the class-struggle not only does it furnish the means of victory, but it foreshadows the goal. The Industrial Union unites the workers in every industry to free themselves and to free society at

[1] The substantial truth of this statement is not affected by the independent existence of Unions for drivers and firemen and for railway clerks, or even by the question of whether the railways constitute an "industry" apart from other transport. See on the whole subject, *Trade Unionism on the Railways*, by G. D. H. Cole and R. Page Arnot.

[2] See below, pp. 85-90.

the same time from the tyranny of Profit; it unites them to govern themselves and to serve society in the Guild.

Let us not be misunderstood. The mere acceptance by Trade Unionists of a change in the structure of their associations will not in itself necessarily achieve anything fundamental. No change will do that which is less than a change of will. But the adoption of the industrial structure, though its true aims may be obvious at first only to the few, will enable the many to catch a glimpse of those aims which would have remained impossible to them while they were tied to the narrow tether of Craft Unionism. The change of structure will in itself provoke a change of will. For consider the implications of the distinction! The Craft Union took for its basis the process on which a man was engaged. It did not ask him to think of the industry or service to which he was contributing; it did not suggest to him that he had interests outside the preservation of the rates and conditions under which he worked at that process, or obligations to those without whose labour, however unskilled, there could never result the finished product. The Craft Union organised the workers roughly on the basis of a common wage, not of a common wage-slavery. Moreover, it provided no organ through which the workers could exercise a positive and responsible control over industry, even if they aspired to such a thing. It is true that Craft Unions may federate with one another, and that in many cases they have done so; but such federations, while they may provide

for common action, cannot undertake it in advance without grave risk of their undertaking being upset. No federation of Craft Unions, still less a federation which contained conflicting and overlapping Unions, could offer to the community such a satisfactory guarantee of efficient service as would allow that federation to be recognised as the natural and responsible authority for the industry which it covered. No one in his senses, we imagine, however enthusiastic a believer in the doctrines of self-government in industry and producers' control, would dream of handing over the responsibility for even the manual side of the British engineering industry to the Engineering and Shipbuilding Trades' Federation.[1] But when the N.U.R. has carried through its far from improbable amalgamation with the Railway Clerks' Association, and has settled its differences with the locomotive men who remain at present outside, the responsibility for the running of the nation's railway service could be thrown upon it at a few months' notice.

The Industrial Unionist asks what a man is making, not how much a week he is making; he asks not merely what a man is working at, but for what industry of service that work is intended. His ideal is not a network of self-sufficient associations of process-workers federating for occasional common action, but a united brotherhood of interdependent workers contributing to a common

[1] The suggestion is particularly ludicrous now that the Amalgamated Society of Engineers, by far the most important Union in the industry, has withdrawn from the Federation. But the argument would, of course, have held good had the withdrawal of the A.S.E. never taken place.

social function. While the capitalist is the master of industry, he will delight to see those who perform the various tasks which contribute to produce his wealth divided into exclusive little corporations, sundered by caste barriers, and busy only with those interests which divide them one from another. Such a congeries of cliques, with their demarcation problems and their conflicting claims, will be too busy quarrelling among themselves to quarrel much with him; and their clumsy multiplicity could not infringe his efficient autocracy, even if it desired to do so. But the employer, faced by an Industrial Union, with the workers united in the workshop and ready not only to claim his functions from him and his officials, but to assume them themselves, would be in a very different case. He would find his territory threatened not merely by grumbling rebels who, when they could not be induced to fall out among themselves, could at least be counted upon to exhaust themselves in wasteful forays, but by a disciplined army of workers who, as they drove him from one point or another, promptly settled in it and organised it for themselves.

We have drawn the distinction between Craft and Industrial Unionism as sharply as possible, because we believe the decision whether the workers shall be organised according to the process on which they are engaged or according to the product towards which their labour is contributing to be an all-important one. It represents not merely a cleavage of opinion and judgment, but a real cleavage of principle and outlook. But we realise

that the distinction is not so simple as we may seem to have implied hitherto. A somewhat artificial simplification is necessary for an understanding of the subject in theory. But, in practice, the structure of modern Trade Unionism is complicated by half a dozen varieties of the simple and conflicting types with which we have so far been dealing.

We do not wish to suggest that, however clear we may be upon the principles of Trade Union organisation, its practical details can be other than complex. There will inevitably be many "hard cases" and "border-line problems" in any classification we may make. In the case of the craft, for instance, we would not for a moment be thought to be denying the validity of craft representation because we have combated the narrowness and insufficiency of Craft Unionism. Not only is it possible for the craft to be represented within the Industrial Union, but it is very necessary and desirable if a truly representative democratic organisation is to be achieved. Nor need there be any great difficulty in providing for this. The constitution of the National Union of Railwaymen contains a provision which admirably combines departmental with district representation.[1]

[1] See the constitution of the N.U.R., Rule III. (3): "The twenty-four representatives on the Executive Committee shall be chosen by ballot on the single transferable vote system. The Union shall be formed into six electoral districts for this purpose. Within these districts the various grades shall be divided into four electoral departments. The electoral departments shall be classified as follows: (1) Locomotive Department; (2) Traffic Department; (3) Goods and Cartage Department; (4) Engineering Shops and Permanent Way." It is further laid down that "The Execu-

Moreover, in cases where crafts extend over various industries, as with clerks and wood-workers, we may look forward to seeing craft federations running across and supplementing the Industrial Unions concerned.

§ 2. THE RECONSTRUCTION OF TRADE UNIONISM

The fundamental basis, then, of all Trade Union reorganisation must be the adoption of a principle of structure which will enable Labour to spend its energies—and its funds—in the struggle with Capitalism and not in miserable demarcation squabbles within its own ranks, and which will, further, provide it with a framework whereby it can assume control as opportunity offers and as its own initiative decides. Industrial Unionism provides this principle and opens up these prospects ; this is why it is the cardinal issue for Trade Unionists to-day. But though it may offer us the clue for which we are seeking to the maze of the modern Labour movement, there is much more upon which we have to make up our minds before we can feel assured that our plans for the future of that movement are well and truly laid. If the Industrial Unionist principle of structure be accepted, five main problems still lie before those who seek to build the new Trade Unionism : the creation of a central co-ordinating authority, the reproduction of a similar authority in the localities,

tive Committee shall be divided into four departmental sub-committees, comprising the representatives of the departments named."

the establishment of the Union securely upon the essential unit of the workshop, the amalgamation of competing and overlapping Unions, and the assignment to the general labour Unions of a definite function in relation to the rest of the world of labour. To the consideration of these problems we must now turn.

I. The well-worn cliché, to which we have already referred, which pictures Trade Unionism as the "Army of Labour" is nowhere seen to be more at fault than when we consider the first essentials of an army—authority and command. The Trade Union movement recognises no authority and moves in obedience to no command. It may be argued that from the standpoint of the advanced Trade Unionist this is all to the good, since no check is thereby imposed on the initiative of a Union which has the courage and intelligence for a spirited policy; nor is it left to a reactionary officialdom to set the pace. Yet this freedom from co-ordination and direction is bought at a high price, and the result is that if Labour is advancing, it is also (to adopt a famous phrase) "advancing in all directions." To recognise that a strengthening of central control, or at any rate of co-ordination, might have perils for the enterprise of Trade Unionism if it followed certain obvious lines, does not absolve us from the necessity of thinking out ways and means by which that control could be developed without reactionary consequences following. Until Trade Unionism realises itself as a whole and translates its watchwords of solidarity

into terms of a voluntarily imposed discipline, it will never take a decisive step forward. Victory in the class-struggle may not involve revolutions as commonly understood, but it will certainly involve something stronger than the resolutions which seem to be all that Trade Unionists can unite to achieve at the present time.

We are not concerned in this chapter with either the Co-operative or the political activities of Labour, but with its primary weapon and most significant and potential manifestation—Trade Unionism. And here the most important and authoritative central body is indubitably the Trades Union Congress. In this assembly, which has met annually since 1871[1], the vast majority of Trade Unions are represented and discuss social and industrial questions of interest to the working class as a whole. The Congress can legitimately claim to represent British Trade Unionism, and it is popularly styled—with natural, if somewhat wearisome, inaccuracy—the "Parliament of Labour"; but it is in fact less a parliament than a glorified debating society, or, as Mr. and Mrs. Sidney Webb described it two dozen years ago, "an unorganised public meeting, unable to formulate any consistent or practical policy." Not only is membership of the Congress not compulsory, but its decisions are not even binding (save perhaps "morally"—for what that is worth) upon the affiliated Unions affected by them; when its decisions are resented by a Union, they are con-

[1] Except in 1914, when the Congress was postponed—unwisely, as many thought—owing to the outbreak of war.

sistently ignored.[1] The Congress elects each year an executive known as the "Parliamentary Committee," the very title of which is really an anachronism, now that the Labour Party has been definitely established to represent the political interests of Labour. The Parliamentary Committee still fritters away over the consideration of legislative problems time which would be better spent in attempting to reconcile the sad divisions and differences which distract its affiliated bodies.[2]

But little is to be hoped for from the Trades Union Congress till it shakes itself free from the deadweight of officialism and the monstrosity of misrepresentation known as the block-vote. By means of this ridiculous device the whole weight of a Union's voting strength is cast for or against a measure, though opinion upon it within the Union may be almost equally divided.[3] The whole method of procedure combines to rob the Congress of the democratic qualities of initiative and spontaneity. One finds in it the dominance and ubiquity of officials, the rigid binding down of the delegates by their Unions before they start, and their helplessness before the "platform" when they arrive, together with the congestion of business and the wearisome reappearance of "hardy

[1] A notorious example is the repeated condemnation of "half-time" juvenile labour in the cotton-mills.

[2] Efforts have recently been made to take up this task, with but indifferent success.

[3] An instance which seems likely to become classic is that of the miners' vote at the two Labour Congresses in 1917 to consider the question of a British delegation to Stockholm. It was due almost entirely to the transference of the miners' vote from one side to the other that a majority of 1,296,000 was reduced to one of 3,000.

annuals " on the resolution paper. Something to keep it in closer touch with the more virile elements amongst the younger workers must certainly be done if the Trades Union Congress is to retain its prestige at the head of the world of Labour. Its authority may remain unrivalled, but, unless it adds to that authority something of initiative, spirit, and imagination, it will cease to be a democratic organ, even in form, and will justify the gloomy verdict of one of the keenest of the younger champions of Labour, who returned from a recent Congress convinced that, " so far as the workers are concerned, democracy seems to mean government by the old " !

The Trades Union Congress, then, is without the authority to enforce its decisions and without satisfactory machinery even to arrive at them. Where else can we turn for a body able to command Labour's allegiance and co-ordinate its industrial activities ? There is another competitor with claims to be considered—the General Federation of Trade Unions. This body was founded in 1899 with the express intention of unifying the Labour movement ; it does not interfere in politics, but sets out (to quote from its " Objects ")

> To improve in every direction the general position and status of the workers by the inauguration of a policy that shall secure to them the power to determine the economic and social condition under which they shall work and live, and to secure unity of action amongst all societies forming the Federation.

Here we might seem to have at least the nucleus of the authority for which we are looking. Its

structure, its ambitions, and the energy of its secretary, Mr. W. A. Appleton, have led some observers to accept the G.F.T.U. at, and even above, its face value.

But the history of the General Federation is the old story of nearly all Federations; the Unions that joined came in very often in the hope of getting something for nothing. Some of them have got it, but others have been badly hit. Naturally, the weakest Unions flocked to take advantage of the chance to get benefits on such good terms as the Federation offered. All went smoothly for a few years; but in 1911 came the uprising of the less skilled workers, and the weaker Unions began to drain the Federation's resources.[1]

The strong grew tired of helping the weak, and with the weakening of their allegiance within the Federation the attacks of its enemies outside redoubled. To-day the G.F.T.U. has lost its reason for existing (save as an insurance society against strikes) and has become a *tertium quid*, rather in competition with the official authorities of Trade Unionism than complementary with them.

We might lament the decline of the G.F.T.U. more deeply if there had been real reason to think that its prosperity would have been valuable to the true interests and purposes of Trade Unionism. But the evidence is to the contrary. The best feature of the Federation—its protection of the weak Unions by the strong—was neutralised, to some extent at any rate, by its general tendency to encourage the survival of small societies which would have better sought the interests of their

[1] G. D. H. Cole, *The World of Labour*, p. 243.

members and of Labour as a whole by amalgamation with more influential bodies and, especially, with such Industrial Unions as already existed. The G.F.T.U., even more than the Trades Union Congress, has acted as a bulwark of Craft Unionism. Moreover, among its "Objects" is the specious phrase, "to promote industrial peace." Never more than now would it be disastrous for the Trade Union movement to fall under the sway of an authority aiming explicitly at industrial pacifism. The activities of the G.F.T.U. since the War have done much to encourage the apprehension that industrial pacifism is its principal goal for the post-war period; some of its leading spirits have been associated with proposals for that premature and spurious industrial millennium in which the profiteer lion will lie down with the labour lamb in a "National Alliance of Employers and Employed." The G.F.T.U. may aim at "improving in every direction the general position and status of the workers," but it seems blind to the only improvement in their status that is worth a moment's consideration—their emancipation from wage-slavery.

Thus far our survey of the co-ordinating machinery of the Labour movement has been rather depressing for those who look to see the central authority of Trade Unionism something better than a mere mouthpiece of officialdom or an association for the preservation of Craft Unionism and "industrial peace." But there is one achievement in the field of Trade Union co-ordination of a unique character and vast potentialities. We

refer to the "Triple Industrial Alliance" (the T.I.A.) of Miners, Railwaymen, and Transport Workers.[1] The scheme for joint action in certain contingencies between these three great industrial bodies caused some excitement when first mooted in 1913; but when it was finally ratified in June, 1917, it attrtaced little notice in face of the more sensational issues of the Russian Revolution and the War. Yet in its way the successful completion of the Triple Alliance is a sensational fact enough. A joint arrangement between nearly 800,000 miners, 350,000 railwaymen, and 250,000 transport workers to act together if they agreed that circumstances demanded it, representing a force capable (as one of their spokesmen has expressed it) of "stopping every wheel in the country if the necessity arose of doing so," is clearly a matter of no little importance.[2]

The idea behind the Triple Alliance is simple enough; it is, in fact, no other than the old dogma of Trade Unionism that an injury to one is an injury to all. But this doctrine is true in a very special sense in the case of the miner, the railwayman, and the transport worker; and it was brought home to them in the great strikes of 1910-1912, when the workers' "downing tools" in one of

[1] See articles in the *Labour Year Book* for 1916 and 1919; also a useful pamphlet on *The Significance and Possibilities of the Triple Alliance*, by G. R. Carter ("Advertiser" Press, Page Street, Huddersfield, 3d.). There is a chapter on the Triple Industrial Alliance in *Trade Unionism on the Railways*, by G. D. H. Cole and R. Page Arnot.

[2] The Triple Alliance was finally constituted in June, 1917, at a full representative meeting attended by 280 delegates, representing 1,286,000 organised workers.

these industries led to an involuntary stoppage of work in the others, "as a result of which the workers had incurred all the drawbacks of being simultaneously out of employment without gaining any of the advantages of sympathetic action." Whatever the value of the "sympathetic strike," it is clearly better that the sympathy should be voluntary, and better still that machinery should exist to provide for the *synchronised* strike, the threat of which would—in most cases at any rate—prevent the strike taking place at all and gain for the Unions concerned a "bloodless" victory. We shall speak later of the morality and policy of strikes in general, but it must not be thought that the Triple Alliance is likely to embark upon an ambitious strike policy or apply its enormous power indiscriminately. Not only have its pioneers, Mr. Robert Smillie and Mr. J. H. Thomas, for example, exhibited in their speeches a sense of the deep responsibility imposed by the possession of so much power, but the constitution of the Triple Alliance forbids action being taken save on matters of the first importance to all its constituent bodies, and then only after the most thorough consideration.[1]

Space forbids us a full quotation of the constitution of the Triple Alliance; but Clause 8, which gave rise to the fullest discussion when the constitution was being drafted, is worth reproducing in full. It runs as follows:

Joint action can only be taken when the question

[1] See the summary of the constitution in the *Labour Year Book*, 1918.

at issue has been before the members of the three organisations and decided by such methods as the constitution of each organisation provides, and the Conference shall then be called without delay to consider and to decide the question of taking action.

It is clear that this provision sufficiently guards against the danger of precipitate action. The clause was only agreed to in its present form after several other proposals had been considered. It was first of all suggested that joint action should be taken when two of the executives decided in favour of this being done ; but to this it was objected by the Miners' Federation that in a matter of so much importance more democratic methods were necessary, and its representatives brought forward a proposal that a ballot vote should be taken and a two-thirds majority obtained before a conference was called to decide the question of taking action. To this the representative of the other bodies objected that a ballot was not suitable or even practicable for their organisations. The result was that the clause was agreed to in the form quoted above.

Important as may be the influence of the Triple Alliance upon the affairs of the country generally, nowhere is that influence likely to be more important than inside the Trade Union movement itself. This is true, above all, in one direction, upon the significance of which we have already insisted in this chapter : the Triple Alliance is a practical affirmation of Industrial Unionism more striking than pages of theoretical argument. This statement must not, of course, be pressed too far ; the

constituent bodies of the Alliance are of three very different types, and only one could be accurately described as an Industrial Union. But the miners are organised explicitly upon an industrial principle, and (though their Federation may not be free from the weaknesses of all federations, or be a finally satisfactory form of organisation) it enjoys a degree of power and authority not generally associated with the term. The Transport Workers' Federation (the T.W.F.), though from the nature of the case far weaker and less satisfactory, confronted with many difficulties and anomalies[1] and not free from inter-Union rivalries, forms a valuable step towards a Transport Workers' Union on industrial lines, which is the goal at which its more enterprising and far-sighted leaders are aiming. It was, no doubt, with the case of the T.W.F. chiefly in their mind that those who drafted the constitution of the Alliance included the important Clause 6 which lays down that "Every effort shall proceed among the three sections to create effective and complete control of their respective bodies."

Any doubt, however, of the Industrial Unionist tendency of the Triple Alliance is set at rest by the consideration of a most important decision to which it came at the outset of its career. The Federation of Enginemen, a federation of "kindred-craft" Unions at issue everywhere with the principle of Industrial Unionism, and including the Associated Society of Locomotive Engineers and

1 For example, the problem of the general labourer, who forms a high proportion of those employed in the industry.

Firemen, the great antagonist of the N.U.R., applied to be admitted to the Alliance when its formation was first proposed. This application was refused on the ground that Unions should only be admitted "through the appropriate body representing the industry as a whole." The significance of this decision is obvious, and it is emphasised by the following words written by Mr. J. H. Thomas, the general secretary of the N.U.R., to explain the origin of the Triple Alliance:

> The workers concerned saw that sectional Unionism had become obsolete, and that even occupational Unions would have to be put into the melting-pot and recast. Not only must future organisation be on industrial lines, and its marking of the units of industry pay some regard to the employer, but there must be co-operation between the various Industrial Unions.

The foundation of the Triple Alliance on the principle of industrial unionism, the vast power which it represented and the ideal of partnership with the community which was so widely spread among its members, led to high hopes being placed upon it by those who looked for a new lead from the side of the workers. In such hopes we ourselves shared, and explained in our first edition what large possibilities seemed to us to be opened by the creation of the Triple Alliance if its power were employed for constructive ends. If, we said, its power were used "to raise the status of the workers and not merely their wages, its title to the leadership of Labour will be as indispensable in the realm of ideas as it bids fair to become in the sphere of organisation." Unfortunately, though

perhaps not unnaturally, the Alliance was challenged before it had developed a constructive policy corresponding in scope to the industrial power which it wielded. This challenge was involved (whether deliberately or no) in the Government's policy towards the N.U.R. last September which led inevitably to a general strike upon the railways. Though ostensibly the issue raised was one of wages only, far larger issues were soon shown to be involved; and if the Triple Alliance had felt any confidence in its own ability to translate its power into a substantial practical achievement, the opportunity to do so had obviously arisen. Yet not only did the N.U.R. embark on its own course without taking counsel with the other unions composing the Alliance (a contravention of its basis difficult to justify, and one which gave rise to some bitterness), but when as the struggle grew more intense the kindred unions offered to come out in sympathy, the offer was hastily declined by the N.U.R. on the ground that it did not wish to widen the area of conflict.

The truth is that the railwaymen were alarmed at the dislocation their own action (almost forced upon them as it was) had already created, and were anxious above all for a swift end to the dispute which would not appear to be a desertion of the position on which they had been compelled to stand. They realised well enough that an increase in that dislocation would in the circumstances mean only social chaos, for while during the preceding years they had been perfecting an organisation capable of paralysing society, they had taken no proportion-

ate steps to evolve a policy adequate to replace the system with which they were in conflict. Vague ideas of the need for workers' control of a nationalised railway service were widespread, but scarcely an attempt had been made to work out the possibilities of their application even in theory, far less to develop practical machinery capable of putting them into effective operation. The instinctive reliance of the Englishman on the efficacy of 'muddling through' had left the railway men with nothing but the muddle before them. The result was that they were more alarmed than the Government or even than the public at the power of which they had possessed themselves.

The general confusion into which the Labour movement was plunged by the railway strike was so obvious that even the official leaders of the Trade Union world were bound to take account of it. A 'mediation committee' of some dozen Labour leaders arose spontaneously to pave the way for negotiations between the Government and the N.U.R., the official bodies appearing, significantly enough, to be completely paralysed. As a result a cry went up that what was wanted was a 'General Staff for Labour' to exercise an authority and provide a co-ordination that neither the Parliamentary Committee of the Trades Union Congress nor its rivals had been able to establish. In the following December a Special Trades Union Congress endorsed a report recommending that the Parliamentary Committee should be replaced by a Trades Union Congress General Council, and that a scheme should be worked out in conjunction with

the Labour Party and the Co-operative movement for joint departments dealing with research, legal advice and publicity. Detailed proposals have lately been elaborated and will be presented to the Trades Union Congress that meets in September of this year. The General Council is to consist of thirty members, representing seventeen trade groups, and its duties are defined as "the keeping of watch on all industrial movements, with the object of co-ordinating them; promoting common action, and protecting any union which is attacked by employers or Government; settling disputes between unions; carrying on propaganda for the purpose of improving organisation, and promoting international solidarity."

It is highly probable that by the time these lines appear this scheme will have been adopted, and it is satisfactory to find that reforms so elementary and so obviously overdue are at last to be undertaken, and an appropriate organisation to be created for the purpose. But organisation, however efficient, will effect nothing constructive without ideas adequate to achieve the realisation in practice of the vast but vague aspirations of the Labour movement, and a policy capable of being understood and acted upon by the rank and file of the workers. The problem for Labour is not to construct massive organisations for the paralysing of capitalism; for, until the control of the capitalist can be replaced, merely to paralyse him is to paralyse society also. Badly as a co-ordinating authority is needed in the Labour world, it cannot by a mere centralisation of power, however effective,

furnish a substitute for the democratic initiative which must be forthcoming from the locality and from the workshop, or attain by the mobilisation of blind force an emancipation which only the power of ideas and the wide apprehension of them can possibly prepare.

II. When we pass from the national area to the locality, the need for centralisation and co-ordination is no less, though here the problem is rather different. The difficulty in this case is not to find the appropriate authority, nor does it lie in the absence of such a thing; it consists in the need for strengthening the prestige and enlarging the functions of a body, the existence of which is fairly widespread—the Trades Council. These Councils represent an attempt to co-ordinate the interests and activities of Trade Unionism in the various localities where they exist. Being free as a rule from the domination of officialdom, and offering an opportunity for the ordinary worker of zeal and intelligence to express himself, they represent in some respects the most spontaneous manifestation of the keen Trade Unionist's point of view.[1] There has lately been a distinct tendency to a revival in the local life of Labour[2] and an increased interest in and spread of Trades Coun-

[1] If only some of the self-professed "revolutionaries" in the Trade Union movement would appreciate the analogy between the Trades Councils and the better features of the Soviets they so delight to extol, their ineffective efforts to extemporise new revolutionary organisations for the workers might disappear in favour of effective use of the well-established machinery already in existence.

[2] The recent revision of the Labour Party constitution, for instance, strengthens—though not, as some think, sufficiently—the local Labour Parties and Representation Committees.

cils. But until the authority of the Councils is strengthened, their financial resources much increased, and their functions more clearly defined and more ambitiously designed, Labour will remain without one of its most valuable weapons for to-day and one of its most necessary organs for the future.

The functions of the Trades Councils in a reorganised Trade Union movement have been outlined so clearly and so convincingly by Mr. Cole in his recent book[1] that we may be pardoned for quoting what we should only injure by reproducing in any other form :

First of all, they should serve as the centres of Labour propaganda and education. They should make Trade Unionists, and, having done this, they should make good and enlightened Trade Unionists. The Trades Councils should be linked up closely with the educational side of the Trade Union movement, with the Workers' Educational Association and with the Labour Colleges. They should run, in connection with these bodies, classes on industrial and kindred subjects, and they should serve to bring together into one fellowship the whole Trade Union life of their district. Secondly, they should be given new industrial functions. The control of the Labour Exchanges, either wholly or jointly with the employers, should pass into their hands, and they should assume a share in the control of the provision for and against unemployment. Local Federations of Trade Unions should be linked up with the Trades Councils, they should be kept fully informed of all local movements, and should serve as centres for information about and research into local industrial conditions. . .

Clearly, if the Trades Councils are to fulfil these

[1] *Self-government in Industry*, pp. 149, 150.

functions, they must have money. They will need buildings of their own to serve as centres for the whole Labour life of their district, for meetings, demonstrations, conferences, concerts, plays, and all other aspects of the industrial, political, educational, research, and social work of the Labour movement. Whence, then, is this money to come? Clearly, it can come only out of Trade Union contributions. Every Trade Union should insist that all its branches shall affiliate to the local Trades Councils, and Councils should be formed wherever they do not exist. Then it should be made possible for branch contributions to the Trades Councils to be increased, in order that the local life of Trade Unionism might be made more vigorous and class-conscious.

This admirable summary shows the possibilities for Labour still left unexplored by the neglect and starvation of its local organs. Nor does it exhaust the tasks which a vigorous and authoritative network of Trades Councils might reasonably undertake. The adjustment of inter-Union relations and the solution of demarcation and other disputes between the local branches of Trades Unions might well be handed over to the Councils as they gain in prestige and general recognition amongst the workers. The task of strengthening the local life of Labour offers opportunities which should be no longer neglected, and which, if widely used, would sensibly increase the initiative and the control of the rank and file. But for this to be accomplished completely an even more urgent reform is needed—the founding of Trade Unionism upon the true industrial unit of the workshop. This problem we have now to consider.

III. It cannot be too often repeated that self-government is something more than representative government, and that no democracy is a real one which does not provide for the individual, and even stimulate his initiative. This is not less true in industry than in politics; before it can be realised in the Guilds of to-morrow, it must first be sought for in the Trade Unionism of to-day. It is true that Capitalism seeks ever to suppress the independence of the worker, and is suspicious even of his originality and his every creative impulse, lest the exercise of these qualities should drive him into conflict with the narrow purposes of profit. But, circumscribed as he is by the wage-system till he has gained the will and the strength to smash it, the worker has in his Trade Union a standing challenge to Capitalism. Here he may hope to exercise the initiative and enjoy the true self-government so largely forbidden to him outside. Yet Trade Unions are far from being patterns of democratic practice, whatever they may be in theory, and the worker is too often expected, by those who have induced him to elect them, to play nothing but a passive game of "Follow my leader." No doubt many leaders do not desire this, but they have not the imagination to see any alternative to it but anarchy; if they can imagine a better alternative, they are too conservative to provide for it. They blame the apathy of the rank and file (when they are not deploring their "insubordination"); yet they fail to recognise that alternate apathy and insubordination are but symptoms of a system which fails to allow—or, at any rate, to

encourage—the constant assertion of will by the ordinary man. We are far from saying that either the apathy or the insubordination of the average Trade Unionist can be transformed immediately into conscious will by any mechanical changes in Trade Union government. But without these changes they will only increase, and no impressive amalgamations of national bodies, though consistent with the most approved Industrial Unionist models, will achieve anything worth while unless they are reflected in changes throughout Trade Union organisation. Many such changes could be suggested: the balancing of the power of the executive by the check of constant *ad hoc* national conferences of the rank and file; provision against the automatic re-election of officials; adequate representation for locality and craft. But more important than all is a reform which lies at the base of the whole structure, and must largely condition it—the establishment of a true unit of Trade Union government by the recognition of the workshop as the branch.

The proposal is not merely hypothetical; it is already in the way of becoming an accomplished fact. The question is whether that fact shall be realised under the auspices of Trade Union authority, or in defiance of it. Circumstances differ, of course, in various industries, but the common practice in the past has been for the branch organisation to depend for the most part on the place at which the Trade Unionist is sleeping, not on that at which he is working. To supplement this, a number of Trade Unions appointed shop stewards

to represent their interests in the various workshops, and in some cases shop committees also. But these officials and committees have tended less and less to represent the sectional and "official" interests of particular Unions, and have become more and more the representatives of the workers in the shop themselves, regardless of Union and even of craft barriers. What was originally set up to strengthen the hold of official Trade Unionism over the workshop has passed into being in many cases a rival authority to it. The spontaneous democracy of the workshop, ignoring the quarrels and prejudices of their national leaders and the artificial division to which they led, seeking often for a natural and efficient organ through which to express their contempt for what appeared as a pusillanimous and dilatory policy, and resolved somehow to take "direct action" themselves, has created in many centres, and especially in those where the munitions industry gave rise to new problems, new perils, and new opportunities, a Shop Stewards movement at variance with official Trade Unionism and often in open revolt against it. What appeared as a new phenomenon on the Clyde in the spring of 1915 is now arising everywhere, and the Trade Union leaders—in the engineering industry in particular—are confronted in this new "ferment of revolution" with the Nemesis of half a century of complacency, sectionalism, and lack of enterprise and spirit.

It is true that the causes of the Shop Stewards movement are complex, and the faults are not all on one side. There is an element of recklessness

and impossibilism in the movement. Its attacks upon established Trade Unionism are not always due so much to a conviction of its errors and a desire to reform them, as to a doctrinaire determination (derived often from the half-baked "Industrial Unionism" of the U.S.A.) to overthrow the existing TradeUnions simply because they *are* established, and to create new organs for a "class war" which bids fair to be waged primarily upon the workers' own class. Whether by the attempt to create the amorphous absurdity of the "One Big Union," or by the setting up of defiant little "Industrial Unions" which only add to the chaos of competition that they set out to contend against, the extremists of the "Workers' Committees" seem sometimes likely to do more harm than good. Their violence irritates the ordinary man more than their arguments persuade; the average Trade Unionist is as suspicious of the rhetoric of "Defiance" as he is disillusioned with the platitudes of "Defence." But the strength and significance of the Shop Stewards movement lie not in the language of a few leaders, nor even in their personalities, but in the soundness of the fundamental ideas for which they stand.[1] The heresies of unofficial Trade Unionism are but the intellectual vengeance of the suppressed truth of workshop initiative and control.

If we listen, for instance, to the words of a leading

[1] Unfortunately recent developments indicate that the movement is deserting its real task in the industrial field for excursions into the catastrophic politics of Communism. The result is that a constructive workshop policy has not yet been fully worked out—much less applied.

spokesman of the Shop Stewards movement, Mr. J. T. Murphy, of Sheffield, we shall find the essentials of industrial democracy stated and applied with a directness and sanity altogether admirable. We take the following from his valuable pamphlet *The Workers' Committee*, which we recommend to the attention of our readers:

Compare the outlook of the man in the workshop and the man as a full-time official. As a man in the workshop he feels every change; the workshop atmosphere is his atmosphere; the conditions under which he labours are primary; his Trade Union constitution is secondary, and sometimes even more remote. But let the same man get into office. He is removed out of the workshop; he meets a fresh class of people, and breathes a different atmosphere. Those things which were once primary are now secondary. He becomes buried in the constitution, and of necessity looks from a new point of view on those things which he has ceased to feel acutely. . . .

Men working together every day become familiar to each other and easily associate, because their interests are common. This makes common expression possible. They may live, however, in various districts and belong to various branches. Fresh associations have therefore to be formed, which at the best are but temporary, because only revived once a fortnight at the most, and there is thus no direct relationship between the branch group and the workshop group. The particular grievances of any workshop are thus fresh to a majority of the members of a branch. The persons concerned are unfamiliar persons, the jobs unfamiliar jobs, and the workshop remote; hence the members do not feel a personal interest in the branch meetings as they would if that business was directly connected with their everyday experience. The consequence is bad attendance at branch meetings and little

interest. We are driven, then, to the conclusion that there must be direct connection between the workshop and the branch in order to obtain the maximum concentration on business. The workers in one workshop should therefore be members of one branch.[1]

It is impossible to resist the cogency of this reasoning by one who is himself a worker and speaks of what he knows. The urgent problem is to reconcile a movement so essentially necessary to the vigour of Trade Unionism with the established machinery of the Trade Union world. Conflict between them may satisfy the stubbornness of the extremist on the one side and the reactionary official on the other, but it will only bewilder and disgust the ordinary worker, who neither wishes to shatter all that he has contributed to build up, nor regards as sacrosanct the details of its framework. There is nothing inherently impossible in refashioning the basis of branch organisation so as to make it depend upon the workshop, or even in securing that the shop steward elected in the workshop should be as much an officer of the Trade Union as was the shop steward appointed from outside.

The workshop movement, in all but its most extravagant manifestations, is the herald of the true Industrial Unionism which builds up from below a democracy capable of waging the class-struggle and of organising its conquests when they are won. Without organisation in the workshop

[1] *The Workers' Committee*, pp. 3-5. The pamphlet should be referred to for many interesting suggestions (some, perhaps, of dubious value) as to the organisation and federation of Workers' Committees.

the workers can never gain that control over production which is an essential step towards the Guilds that should be the goal of all their effort. Moreover, the workshop movement holds the promise of a solution to the next problem with which we have to deal, a problem which would, save for this promise, seem often to be insoluble—the problem of amalgamation. The jealousies, rivalries, and egotisms which officially sunder one Union from another and provide the vested interests at their head offices with the material for an interminable feud are calmly ignored and set aside when men begin to organise in the workshop. They are ignored because they are seen to be negligible in face of the overwhelming community of interest that the workers have with one another when they are labouring together to create a common product. The "obstacles to amalgamation" dwelt upon so persistently by Trade Union leaders are shown to be more imaginary than real when amalgamation ceases to be a vague and often hypocritical aspiration and is quietly translated into fact from below by the rank and file. Amalgamation achieved by this means, if it is slower and less sensational than the big fusions arranged from above, is not less valuable and perhaps not less secure.

IV. It is when we turn to consider the problem of amalgamation as more commonly understood that we see how the process we have been discussing may alone serve to retrieve a situation which would otherwise appear in many instances to be desperate

indeed. In view of all we have already written, we do not propose to rehearse the arguments in favour of closer unity between the Unions composing an industry, or even to debate the rival merits of federation and amalgamation.[1] For the Industrial Unionist the case for amalgamation is clear; it only remains to achieve it. In some industries, as we have already suggested, the goal seems not far off. The position in mining and on the railways, if not finally satisfactory (and Craft Unionism is not dead in these industries by any means), is still very hopeful; and there are other branches of industry where little in this respect remains to be done.[2] But when we turn to other industries, the situation is depressing indeed. Sectionalism is rampant; demarcation disputes exhaust the energies of the workers; the snobbery of the "skilled man" persists in its most obnoxious form, and the framework and the spirit of Industrial Unionism seem equally remote.

There can be no doubt that of all obstacles to amalgamation the greatest is the reluctance to attain it. It is necessary to state such a truism since it is so often and so successfully veiled beneath a camouflage of "insuperable barriers" adroitly paraded to deceive the innocent. There are none so deaf as those who will not hear the call to unity and solidarity which must be presumed to reach even the bureaucracy of Trade Unionism in their

[1] For a full discussion of this subject, see *The World of Labour*, by G. D. H. Cole, chapters vii. and viii.

[2] Very much has been achieved during the two years since this book was first issued, notably in engineering by the creation of the Amalgamated Engineering Union.

official fastnesses. It is a call, moreover, which comes not merely from "bourgeois" friends of Labour with perhaps no special claim to be listened to (and even less expectation of such a thing!), but from the rank and file of the workers themselves. The secretary of the National Union of Hair-splitters (which, for all its ambitious title, may well prove to be a single-branch organisation unheard of outside its native town and the Trade Union directory of the *Labour Year Book*) is not going to see "his society" swallowed up in a more efficient and representative organisation in the interest of any hypothetical "solidarity of Labour," or to sink from his general secretaryship to a humbler post, even though at an enhanced salary. This pride in the body to which a man has given, it may be, the best years of his life, and devotion to its traditions and its fortunes, are natural enough and even praiseworthy; but if the cause of the workers' emancipation is really to transcend the private interests and hobbies of individuals, these instincts must give way to a larger loyalty. The crusade against wage-slavery cannot be endangered or impeded because every petty captain claims undisputed command over his own troop.

We have mentioned first this obstacle of official egotism, because we are convinced that if it is not the chief barrier to amalgamation, it is at any rate the most obstinate. Where this particularism is reflected in the rank and file, it is as often as not deliberately engendered from above. Instances of this could be given, were we not deter-

mined to avoid being plunged in the maelstrom of inter-Union rivalries. Does a local branch of some Craft Union enter into friendly relations with the local branch of the Industrial Union which is competing for the allegiance of its members? Down comes a high official from the head office and in a "powerful" speech rehearses all the old causes of dispute, adding perhaps a few more that may happen to be current and of which the branch has been previously in happy ignorance, passes on to expatiate upon the unique and exclusive glories and benefits pertaining to membership of their particular society, and sits down with the conscious satisfaction that no such deplorable incident as the fraternisation of the workers in a single industry is likely to recur in that centre for an appreciable time. The official interest working on the craft spirit has achieved its end of disunion by stoking up bad feeling which would otherwise have died down.

We do not deny that the official, and, far less, that the craft obstacles to amalgamation are sometimes genuine, or that the difficulties involved are real. But however real they may be, it is not beyond the power of goodwill and resolution to cope with them, and the history of Trade Unionism affords ample illustration of the maxim that difficulties exist only to be overcome. Where the officials of the societies concerned cannot be found useful posts in the offices of the new amalgamation, as will generally be the case, it is better that they should be handsomely pensioned off than that the tenure of their old offices should be made the excuse

to postpone a fusion which may be long overdue. The remarkable generosity and loyalty of the British workman is nowhere exemplified more clearly than in the consideration which he shows to the officials whom he deems to have served his interests and whose tenure of office he is so reluctant to disturb. But this generosity and loyalty can be carried too far if they lead to the perpetuation of a *status quo* which, in the interests of the more vigorous prosecution of the workers' cause, it is essential to disturb. The craft difficulty is more fundamental, and it may be admitted that some Industrial Unionists have not sufficiently taken into account the just claims and natural apprehensions of the craftsman. The Miners' Federation, for instance, might be more successful in its struggle to enrol the surface workers if it conceded something to their natural and legitimate desire for sectional representation, and took steps to provide for this explicitly in the constitution of the Federation. That there is nothing impossible about the reconciliation of organisation upon industrial lines with representation for the craft, we have already shown in the quotation given above from the constitution of the N.U.R. It is by some such provision as this that the hostility of Craft Unionism is most likely to be undermined and the path to amalgamation robbed of one of its most genuine terrors.

Further and more concrete obstacles to amalgamation are financial and legal; difficulties are raised by the existence of varying benefit scales and unequal reserve funds, and by the necessity

of conforming with a law which has, in the past at any rate, made the attainment of a fusion between Unions desiring it unreasonably difficult. The financial difficulty often looms very large before Trade Unionists, and it has wrecked many promising schemes of amalgamation. Perhaps it would be more accurate to say that this has often served as an excuse to wreck schemes to which some at least of their nominal promoters were secretly opposed, the means of frustrating them being to prey upon the ever-present suspicion of the Trade Unionist that someone is after his funds. The member of a wealthy society wants to be assured that the desire of less opulent Unions to bring about an amalgamation is not motived by secret ambition of financial gain. This suspicion is generally as groundless as it is unnecessary, for it is not beyond the wit of leaders sincerely desiring amalgamation to devise schemes of benefit which will safeguard every legitimate claim of the wealthier Union, even when that Union is not prepared to surrender some immediate material advantages in return for the greater moral and economic gain that the amalgamation signifies. To discuss means by which this may be done would take us into technical details outside the scale of this book.[1] But it is substantially true that, in this respect as in the others with which we have dealt, the will to amalgamation is the key to its attainment, and that where there is a will to over-

[1] The difficulty arises principally in regard to superannuation benefit, the claims of which constitute a frequent danger to the soundness of Trade Union finance.

come the financial obstacles a way will ultimately be found.

The legal obstacle, which in the past has proved formidable, is likely to prove less so in the future. Previously it was necessary to obtain a vote from two-thirds of the members of each Union concerned before an amalgamation between them became legal. The difficulty of securing a ballot from such a large proportion of Trade Unionists is notorious, and there is no good reason why so foolish a provision should have been allowed to obstruct the course of Trade Union reorganisation so long. The situation has now been largely, though not completely, remedied by the passage in July, 1917, of Mr. Hodge's Bill,[1] and good results may be expected to flow from it. But where a formal amalgamation still proves, for one reason or another, too difficult, a useful and interesting alternative is provided by a scheme of confederation such as has been adopted with so much success by the iron and steel trades. By this arrangement the Unions which are a party to it agree to accept no further members; all further applicants for membership become members of the Confederation, to which members of the constituent Unions may also transfer, if they so wish. Thus, as the old bodies die out from lack of membership, a new association comes into existence to represent the unity which the original Unions were unable by other means to achieve.[2]

[1] As a result of this Act, amalgamation between two or more Trade Unions may take place if 50 per cent. of the members entitled to vote record their votes, and if of those 20 per cent. more vote in favour than vote against.

[2] For a full account of the Iron and Steel Trades Confederation scheme, see the *Labour Year Book*, 1919.

V. The spread of Industrial Unionism tends naturally to stimulate the amalgamation movement, but there is another sphere in which the tendency to amalgamation has been spreading recently, after many disappointments, with an almost sensational swiftness, and with the promise of important results. This is among the Unions catering for general labourers.

This marshalling of forces on the part of the unskilled worker is of great significance and importance; but, though the amalgamation of competing Unions is always a step in the right direction, we must not draw the hasty deduction that those who promote it necessarily mean to continue any further along the road of which amalgamation marks but the first milestone. Before we can be sure whether the schemes for closer unity among general workers are likely to strengthen the Labour movement as a whole, we must first be clear as to the precise function of the general labour Union in relation to the rest of Trade Unionism. Secondly, we must discover how far that function is accepted and its fulfilment aimed at by the general labour Unions themselves.

It is clear that, for all those who share the views upon the purpose and organisation of Trade Unionism sketched out in this chapter, there can be no question of the matter being considered from the standpoint of the unskilled worker alone. If the general labour Unions are to consolidate their forces, it must not be with the object of merely playing for their own hand. Yet the danger of civil war in the world of Labour is never far away,

and nothing would suit the employers better than to drive a wedge between the "aristocracy of Labour" and the mass of the less skilled. One of the strongest points in favour of Industrial Unionism as a method of fighting the capitalist is that, in proportion as it is accepted and acted upon, his prospect of dividing the workers and so commanding them disappears. In the Industrial Union there must be organised every grade of worker whose services contribute to the finished product that the industry is concerned to turn out; there must be no artificial limits imposed, beneath which the labour of the worker is not considered to be of sufficient importance to warrant his organisation alongside those to whom the possession of skill, or maybe merely tradition, has guaranteed a higher price in the labour-market. It may be replied that a limit can be discovered which is not artificial, by counting all those the nature of whose labour is such that it may equally well be employed in a number of industries, as not being specifically concerned with the industry in question. These "general labourers," it is argued, are a class apart, and should be organised apart. But even if we admit—what is, of course, the case—that there does exist a class of mobile labour which passes indifferently from one industry to another according to the demands of the labour-market, it does not follow either that this genuine type of "general labour" is synonymous with what is generally termed "unskilled labour," or that the Industrial Union, where it exists, should not have any control over the general labourer

during the time when he is actually engaged in the industry which it covers. The solution of the latter problem is largely a matter of administrative detail concerned with the transference of membership cards and mutual arrangements for the payment of contributions for industrial benefits. It cannot be discussed here, but it certainly offers no very serious difficulty if approached by the parties concerned with a sincere desire to effect a settlement; while, as for the gulf presumed to yawn between the skilled and the unskilled, it is well known that the recent tendency of industrial development—a tendency greatly accelerated by the War—has been to narrow the gap by the evolution of methods of production which create a large mass of "semi-skilled" workers in the middle, alike infringing on the monopoly of the skilled and raising the standing (and incidentally the wages) of the unskilled.

It is not particularly fruitful either to rejoice in this tendency or to weep over it, but it is important to recognise its existence. Solidarity cannot be satisfied by a horizontal organisation of Labour into two great opposing brigades of artisans and general labourers, struggling for members across an ill-defined and fluctuating border-line. It demands rather a vertical organisation of Industrial Unions, ever widening to include the converts to Trade Unionism which the general labour Unions make. The general labour Unions must conceive themselves as pioneers; like all pioneers, it will be their mission to serve the cause for which they struggle rather than to serve themselves. They

must strive rather to grow smaller by surrendering their members to the Union which can most appropriately organise those nembers than to grow larger by setting up a (ass of semi-skilled workers in opposition to th skilled artisans.[1] Naturally this involves a reciprocal obligation on the part of the skilled workers to offer a fair share of control over the affairs of the Union to the less skilled workers who join them; it is clear that the matter will be infinitely simpler where an efficient Industrial Union exists to obviate the problems of overlapping and to express in concerte form the principle of solidarity. Though this solution doubtless involves many difficulties, it is fundamentally sound; and no other is compatible with the interests of Trade Unionism, conceived as a whole.[2]

It is natural that such an apparently altruist principle—however much it may serve the interests of all the workers in the long run—requires more imagination and a higher sense of solidarity than one can as yet expect the majority of Trade Unionists to show. Some such principle is, how ever, generally accepted by certain of the organisations concerned, as, for instance, the Workers' Union, though its acceptance does not always lead

[1] See G. D. H. Cole, *The World of Labour*, p. 240. "The general labour Union," he says, "ought to be a sort of clearing-house, retaining only such members as could not well be permanently organised in any other way."

[2] We do not think, however, it can be claimed that general labour Unions must or ought to surrender a member to any organisation less capable of safeguarding his ultimate interests than they themselves. Over several minor industries a properly sectionalised general union is a far better form of organisation than the weak unions now existing.

to its realisation in fact. The difficulty arises not merely from disputes about the proper organisation of some class of workers in a centre where branches both of general labour Unions and artisan Unions exist; it arises, too, as a result of pioneering work done by a general labour Union in a district where the scattered population has not warranted the artisan Unions troubling to organise the few persons qualified for their membership. A shifting of population may induce these Unions to start branches; they then find themselves in conflict with the general labour Union over the right to entice away members who clearly should belong to a skilled Union. The proper solution of these difficulties will involve unselfishness on the part of the general labour Union and patience from the artisans; but unless the growing strength of the former develops an egotism which overbalances their devotion to the cause of Labour as a whole, a solution is not impossible.

§ 3. THE FUTURE OF TRADE UNION POLICY

We have indicated what seems to us the only future for Trade Unionism compatible with the safety of society and the liberty of the worker. We have stated the principles on which its reconstruction must be founded, and outlined the main details of structure which its reorganisation on the lines of Industrial Unionism will necessitate. It remains to suggest what should be the immediate policy of an alert and spirited Trade Unionism in its relations with the capitalist, whom it recognises

as an enemy (of society no less than of itself), and with the State, whom it perceives as destined to be its partner on the "morrow of the social revolution" when both shall have thrown off their allegiance to the creeds and codes of the profiteer. We shall be dealing in this chapter only with the immediate problems of Trade Unionism; the larger issues which arise when we consider the transition to the Guilds receive treatment in a separate section. Moreover, we shall be touching only upon such problems as bear directly upon the question of how the worker, through his Industrial Unions and workshop committees,[1] may gain that control of production which is the indispensable preliminary to an advance to the Guilds. We do not deny that there are many other problems, including all those comprised under the heading of "wages questions," which are temporarily of the highest importance to the workers. But, just as in sketching briefly the past of Trade Unionism we touched only upon those items in it which were of significance from the standpoint of the Guild idea, so in discussing its immediate future we shall deal simply with those problems which involve the status of the workers, and not with those others (however immediately urgent and important) which concern their comfort or security. This we shall do, not merely for reasons of space, but

[1] We do not wish to be taken as implying that the structure of Trade Unionism must be perfected before any problems of policy can be attacked. The two are really inseparable, and each will help to determine the other. But if the policy which we shall suggest is to be successfully followed out, it will render only more urgent the structural changes we have discussed.

because we believe that if Trade Unionists seek first the cause of emancipation and its righteousness, all else shall be added unto them.

Before we can turn to discuss how the worker may render more real his status as a free man, we have first to consider how he may preserve it. We have dealt in an earlier chapter with the menace of the Servile State, but here we are thinking of one particular method by which that menace might be most swiftly and decisively realised. We mean the withdrawal from the worker of the right to strike. The very phrase, "the right to strike," is a perilous one, since it suggests that the decision to cease labouring for the private profit of others is not a choice that any worker may naturally and freely make, but a privilege conceded to him by society. The right to combine in the refusal of labour-power to those who purchase it is an assertion of the collective free-will of Labour, with the vanishing of which its degradation would be complete. There is therefore a sense in which every strike is morally justifiable, however much it may be politically inexpedient or ill-chosen. It reminds the profiteer that his human machinery differs fundamentally from the rest of his plant in possessing a will of its own, and that, if it is his "most precious raw material," it is also the most precarious. It reminds the public that somewhere at the bottom of the huge impersonal apparatus of modern production there is after all a personality, debased, degraded, and denied, but a personality none the less. "The British Public," Mr. G. K. Chesterton has said, "only remembers the British

workman when he stops working." It is just as well that the public should be reminded of the worker by means of a strike, if no less drastic a method will suffice. Moreover, the strike is an outward and visible sign of that class-struggle the existence of which the worker is only too ready himself to ignore ; for in the vast majority of cases everyday life means for him the crushing of initiative, the extinction of every natural enthusiasm, and a slow sapping of all those qualities which are indispensable to his deliverance from wage-slavery. The strike demands courage, imagination, and a strong sense of *esprit de corps*. Even a foolish and mistaken strike has something manly about it.

It may be asked how the right to strike can ever be taken away from a Labour movement determined to enforce it. Is not the danger a mythical one, since you can take the Trade Unionist to the workshop, but you cannot make him work ? The fallacy in this question lies in the assumption that Labour is united in holding precious its free status, conscious of the peril in which it stands, and determined at all hazards, and despite all temptations to barter it away, that it will preserve it as the indispensable preliminary to every advance of which it dreams. No doubt it would be impossible to force the great mass of the workers to continue at work against their will by bluntly declaring that compulsion would be applied to them. In the crisis which the War emergency created, not even the genuine patriotism of the workers prevented them rising in indignant protest at the

more blatant and clumsy attempts of the bureaucracy to treat them undisguisedly as industrial serfs. But it is not the open and confessed efforts to impose industrial compulsion on the workers which are likely to achieve their end. It is the subtle and plausible assumption that, since industrial peace is a good thing for all concerned, it must be preserved by an impartial State interfering to procure for the worker a reasonable standard of wages and conditions, and guaranteeing to the employer in return the punishment of such of his work-people as show themselves to be insatiable and irresponsible—in short, by the introduction of compulsory arbitration. "Impossible!" it may be objected. "Has not the Trade Union movement repeatedly protested that it will not touch the accursed thing?" It has indeed; but there is much to make one doubt whether the protest was clearly understood.[1] The illusion of impartiality in industrial issues is very deep-rooted, even amongst the workers themselves, and it sometimes takes yet stranger forms than a belief in State intervention. It has been stated by the representative of a large Employers' Federation that, in the case of any dispute with a federated firm, the Unions were encouraged to take the matter direct to the Federation itself, since they could regard it as an impartial

[1] "At present, as the general debate at the 1912 Trades Union Congress revealed, they (the Unions) have the haziest idea of what the whole subject implies. Generally speaking, there is a vague objection to compulsory arbitration; but the objection seems to be so much a matter of words that it is very doubtful if such a proposal would not be accepted were it called something else."—G. D. H. Cole, in *The World of Labour*, p. 290.

authority and did in fact so regard it! If the workers can find impartiality in the tribunals of the master-class, how much more ready will they be to recognise it in the impersonal detachment of the Sovereign State?

Our criticism of this assumption—that the standpoint of the State and the practice of its officials is likely to be impartial—is based not so much on the conviction that State interference will upset the *status quo* between Capital and Labour, as on the fear, amounting almost to certainty, that it will attempt to preserve it. There is no more painstaking promoter of a patched-up peace in industry than the Government official. There is no wage dispute in which he is not prepared to split the difference between the demands of masters and men with all the air of having hit upon the sole solution compatible not merely with the claims of abstract justice, but with the circumstances of the case. If the wisdom of Solomon is necessarily exemplified by following his precedent of giving each claimant half of what he asks for, the "impartial person" may doubtless pride himself on being as wise as he is neutral. But when wé are at issue with the wage-system itself, it is not so obvious that neutrality can be reconciled with wisdom. Confronted with this fundamental problem, the "impartial person" is an impossible person! He does not exist, and he never can exist. If we have any doubt upon which side of this question the impartial chairman is likely to be found, we have only to ask ourselves with which party to the issue he is likely, when

negotiations are concluded for the day, to go out to dinner. And since there is every reason to hope that disputes between Capital and Labour will turn more and more upon questions of "discipline and management," suggesting the first beginnings of a repudiation of the wage-system, it is increasingly important that nothing should be done to give compulsory powers, or indeed any kind of very considerable powers, to outside chairmen, whose impartiality is never likely to extend to open-mindedness on the fundamental question of whether industry should be autocratically controlled in the interests of profit, or democratically controlled by the worker in the interests of society and of themselves.

It is improbable, as we have seen, that the right to strike will be explicitly withdrawn from the worker by the State (which has, in fact, never conferred it on him), even though the "right to work" for which Labour has so often contended—in a rather muddle-headed way, it must be admitted—were to be conceded in return. No doubt the capitalists would be only too glad to see a bargain driven so essentially satisfactory to themselves. But whatever the leaders of Labour may be prepared to accept in this direction, it is to be hoped that the rank and file would see, were it plainly put before them, that there is another right far more vital to the worker than the right to work; this is the right not to work, if he so chooses.

The strike, then, is a weapon which it is vital for Labour to preserve against all attempts, direct or indirect, that would result in diminishing its power.

But it does not follow that this power should be constantly resorted to or lightly exercised. A strong and well-organised Trade Unionism would aim at few strikes, and these directed to the establishment of some important principle, well understood and openly proclaimed. What such principles should be will form the subject-matter of much of the remainder of this chapter. But it is better that even these should be established where possible by organisation and determination sufficient to convince those against whom they are directed that it would be unwise to oppose the combination of conscious will and economic power which they represent. Labour need never be ashamed of any victory, however "bloodless," which leaves it in occupation of the territory of its adversaries. Moreover, the machinery of negotiation may be employed to advance the interests of Labour in the future as effectively as it has often been employed to defeat them in the past. The workers, as they advance in strength of purpose and of organisation in support of that purpose, will be better able to turn schemes of conciliation into schemes for the consolidation of their own industrial power. It is not to the interest of either the capitalist or the workman to precipitate a stoppage when the issues can be resolved by discussion based on the economic strength of either party. If that discussion fails, recourse may be had to a trial of the strength that lies behind. As long as no external authority is called in to impose a settlement, then the machinery of negotiation is valuable and even indispensable to the worker in saving him

from continually falling back upon his Union funds with the arrival of every fresh matter for dispute with the employer.[1]

The working of conciliation schemes in the past has often been such as to inspire amongst Trade Unionists the deepest mistrust of every kind of negotiation machinery between employers and themselves. This feeling arises partly from a confusion between schemes of *arbitration* and those other forms of collective bargaining which do not involve any submission to the decision of an outside party; and partly from the unwise provisions which certain important conciliation schemes have contained. The true remedy, however, lies not in rejecting the existing machinery of negotiation altogether, but in stripping it of its oppressive and objectionable features. The workers must get rid of the "impartial" and impossible person; they must refuse to enter into long time-agreements which might hamper their action in the event of unforeseen circumstances, and they must provide for the termination of all agreements covering an industry (and perhaps all industries) at the same moment; they must refuse to allow the employer to rule out of discussion any matter concerning their working lives; and they must be careful to accept no scheme which provides for the separation of different grades within the industry.

The importance of negotiation depends not merely upon its value as a means of securing victories for Trade Unionism without resort to a

[1] Mr. Cole has well described conciliation as "the diplomacy of Industrialism," in *The World of Labour*, p. 48.

strike, but upon its possibilities as a training-ground for future control by Trade Unionists in the sphere of production. Control is the logical development of recognition; once the worker has established his right to interference in questions of discipline and management, the prospect of encroaching upon the employer's prerogative in the control of production begins to open before him. The immediate task of Trade Unionism in the well-organised industries must be expressed in the watchword of "Encroaching Control." As the extension of control over production must be the principal goal of Trade Unionism, if it is to aspire to any future more exalted than that of a passive servitude to the purposes of profit, we will turn now to consider in what ways a task of such vital importance may be best begun.

In doing so there are certain matters which we shall take for granted, without further discussion of them. One is that, in proportion as the Trade Unions develop the spirit and imagination to put forward concrete claims to instalments of control, they will prove themselves capable of fulfilling the tasks that they accept. In view of the success of the Co-operative movement—to say nothing of the creation and development of Trade Unionism—there is not much reason to doubt the administrative capacity of the British workman; it is well known that many of the important and responsible posts at the head of our great industrial concerns are held by men who have risen from the ranks of the workers. In view of these facts, the surprising thing about Trade Unionism is rather its modesty

and diffidence than any tendency in it to undue ambition and presumption in putting forward its claims. The workers are still under the spell of the ideas of individual "self-help," and, though they may believe that Samuel Smiles was right in showing to what heights the individual may climb by a careful devotion to his personal interest, they do not yet see that what is possible for one in isolation may be no less possible for the many in association. Trade Unionism must have for its purpose the transformation of the instinct for individual self-help into the conscious determination to climb to a nobler status side by side.

We shall assume, moreover, that it is no longer necessary to urge the need for a full and explicit recognition of Trade Unionism, and that in those cases where this has not yet been fully won (as, for example, in such an important instance as that of the railways) it will be urgently and ceaselessly contended for until it is achieved. Again, we shall not multiply arguments to show how much easier will become the attainment of victory in the sphere of control in proportion as the principles of Industrial Unionism are accepted and the structural changes consequent thereon satisfactorily brought about. Nor need we demonstrate the importance of eliminating the non-Unionist and realising as soon as may be the ideal of the "blackleg-proof Union."

The ground is now clear for a consideration of how "Encroaching Control" may be translated into practice. It is obvious that the circumstances of every industry are so different that no policy

will apply in the same way to the conditions, for example, in a workshop and at a railway station, at a pit and in a local post office. It is very necessary that Guildsmen should undertake the tasks of formulating a Guild programme for each industry. In the meantime we can only say generally that the watchword of the workers everywhere in regard to schemes of control should be *Invasion, not admission.* They must not wait for an invitation from their masters to share the burdens of discipline and responsibility ; they must themselves lay down the terms on which they are prepared to sell their labour. These terms will deal not merely with the amount of the price to be paid for the labour, but with the circumstances under which the labour is to be employed.

This leads us to a consideration of the policy of Collective Contract,[1] a point in the immediate programme of Guild theory of the utmost significance and value. By the application of this proposal a principle of great importance may be introduced—namely, that individual relations between the capitalist and the wage-earner should give way to relations between the capitalist and the Trade Union. So long as the workers sell their labour, let them declare that they will only do so through

[1] The elaboration of this idea was the special contribution of the Glasgow Group of the National Guilds League through their excellent monthly, the *Guildsman.* See, for instance, the article on "Collective Contract" in the issue for December, 1917, the Editorial Notes for May and October, 1917, and a memorandum, "Towards Industrial Democracy," in the issue for June, 1917; the last has since been reprinted by the Paisley Trades Council. An article by G. D. H. Cole in the *Guildsman* for July, 1920, forms a valuable restatement of the subject in the light of criticisms brought against it.

the sole channel of communication with the employer which they are prepared to recognise—the Trade Union, with its allied trades committees in the district and its shop committees in the works! One development of this principle might take the form of a demand that the members of a Union should no longer be paid wages on an individual basis; but that the employers should hand over a lump sum to the Union itself, which it should divide amongst its members on lines agreed upon within the Union. This sum should not in any way depend upon the price at which the product might be sold nor upon the amount of the capitalist's profits; it would be in the nature of a standard rate. The individual standard rates which the Union merely intervened to secure for the individual worker in his bargaining with the employer would give way to a collective standard rate in regard to which the Union would assume complete authority before the capitalist in the name of the workers he employed. The profiteer would be bargaining no longer with his individual wage-slaves, assisted in the process by a Trade Union; he would be face to face with a new authority fundamentally inconsistent with his own, and already preparing to challenge it by assuming functions in regard to his work-people which he had hitherto fulfilled. He would be forced to recognise that the children are growing up, and that, though their labour may still support him in comfort, he is no longer undisputed master in his own house.

This is even more obvious in the case of the

Collective Contract itself. A contract system is already in existence in certain engineering shops and ship-building yards; by the development of this under Trade Union control (through shop committees in the first instance, and, at a later stage, upwards to the works and even the district) the whole relationship of the wage-earner to the capitalist may be fundamentally changed, and a large degree of control over production secured to the workers through their Union machinery without taint of co-partnership or complicity in profiteering. We have no wish to paraphrase what has already been clearly expounded by others; we prefer to quote the following excellent summary of the proposal, from the columns of the *Guildsman*[1]:

Under the Contract System a workman or group of workmen in partnership enter into a contract with a firm to perform a particular piece of work, say, to construct a steel mast or part of the framing of a ship or to erect a piece of machinery, for a price agreed upon beforehand. In some cases the contractors engage their own men and pay them, pocketing whatever profits the transaction may yield. Now, we would point out that men working under these conditions are in a very different relation towards the employer or manager from the ordinary hour-to-hour wage-earner. Where they are concerned, the foreman is little more than an inspector, scrutinising only the quality of their workmanship and exercising a very limited authority over them. The real authority, the effective control, has been transferred to the sub-contracting boss of the squad.

Our proposal is briefly, then, that the shop committee, democratically elected by the Trade Unionists

[1] See the "Notes of the Month" for May, 1917.

in the workshop, should be substituted for this chief of the squad, and that the squad should be extended to include the whole body of the workers in the firm. The committee would assume complete control, and the principle of petty profiteering—which is, of course, no less objectionable in the workman than in the employer—would disappear. The committee would be the sole medium of communication and contract between the management and the workman; so that the employer would no longer have any dealings whatever with individual workers. The foreman, if the office were not abolished, would retain merely the status of inspector, a shadow of his former self. His power would pass to the convener or leader of the committee. We see no reason why the shop committee should not eventually take over, either in a single large contract or in a multitude of smaller contracts, the entire production of the works, reporting to the Trade Unions periodically, perhaps weekly, the amount due to each man. The employer would remit the contract price and the men would be paid, possibly through their Trade Unions, and by whatever system they cared to adopt, since it would no longer be the concern of the employer. It is conceivable that specially enlightened shops might go in for equal payment. An important feature of all contracts under these new conditions would be a clause limiting the responsibility of the committee to the actual business of production. That is to say, they would not be held answerable for any stoppage of work from whatever cause, or liable for losses arising therefrom; *nor could they accept any sort of responsibility for the smooth running of industry.* . . .

The advantages of such a system as we have here very roughly sketched would be, first, that collective bargaining would be substituted for the individual bargaining which is the real danger of "Payment by Results"; second, the functions of management would be transferred to the shop committee, a body directly

elected by the workers themselves ; and, thirdly, combination on an industrial as distinct from a craft basis would be realised, since the committees would necessarily be representative of the different trades.

This admirable outline of the case for the introduction of Collective Contract as a step towards Guild control shows in how many respects it would encroach upon the present operation of the wage-system at the expense of the profiteer. It offers a sound and practicable alternative to the dangers inherent in capitalist schemes of payment by results—devices which, for the most part, swindle and corrupt the worker at the same time. It opens up the prospect of a *de facto* amalgamation of sectional Unions which would inevitably soon become *de jure* also. It provides a training in the control of production, and an opportunity of industrial self-government through leaders chosen by the workers themselves. It weakens the autocracy of the capitalist by withdrawing functions from him which had been previously bound up with his ownership of the means of production ; and there is no reason why, as the process is carried further, out of the workshop into the works itself, it should not withdraw the further function which the capitalist exercises by his purchase of raw material.

It cannot be denied that a policy with such great possibilities as the Collective Contract would translate into action our maxim of " Encroaching Control." It is true that, in the shape in which it has been formulated, it applies only to certain industries, of which engineering is the most obvious

example; but a little thought would suffice to adopt the principles involved to the circumstances of any industry by those familiar with its conditions. The question may be asked whether the capitalist is likely to accept a programme that threatens so formidably his power and prestige. We might reply that, when the workers are sufficiently alert to appreciate the issues at stake in the adoption of such a policy and to formulate the terms of their demand in unmistakable language, they will also be sufficiently spirited to force it upon the capitalist whether he cares to accept it or not. We might then see the definite appearance of a strike for status already foreshadowed by the disputes which have broken out over questions of "discipline and management."

But there is some reason to think that the employer might be prepared to accept an arrangement which would, *in the first instance*, owing to the smoothness and efficiency it promised,

> appeal to the employers' commercial instinct in as favourable a light as that of individual contract. But no objection need be offered to it on this score, for may *we* not offer a bribe in the shape of increased efficiency, if we see a possibility thereby of gaining our ultimate ends? It matters not that this gain will ultimately prove as illusory to the capitalist as higher wages under individual contract will prove to the worker. Men always will consult their immediate economic good, but what shall it profit an employer if he gain a big profit and lose all control?[1]

That an employer may sometimes even propose

[1] The *Guildsman*, December, 1917; article on "Collective Contract," by Geo. W. Thomson.

a scheme in his own immediate interest which would prove of high value to the workers if they adopted it was exemplified in a number of suggestions for the regulation of labour at the docks[1] put forward in the course of a letter to the Press by a prominent Liverpool shipowner in June, 1914. The following sentence from his letter explains (with the aid of our italics) the essentials of his suggestion :

> The true policy, in the opinion of the writer, is that the employers of dock labour should, in their corporate capacity, guarantee to *every registered docker* a regular adequate minimum week's wage in return for *the regular offer of his services, whether used or not,* in accordance with conditions and regulations *jointly* to be agreed.

He further proposed that the men should be divided into two sections, those working regularly for individual employers, the others obtaining employment from the various employers through the labour clearing houses, but all retained, whether actually at work or not, by the payment of a minimum weekly wage which each could supplement by earning what he could beyond that on an agreed scale. The administration of the scheme was to rest with the Dock Labour Joint Committee. By these means it was hoped to import steadiness and regularity into the habits of the dockers and their conditions of employment, in return for which the employer should be prepared to maintain the dock labour he needed, whether,

[1] A letter giving particulars of the proposals, from "S. A. M.," appeared in the *New Age*, September 23rd, 1915.

at any selected moment, work could be found for all of it or not.

It may be objected that these proposals are very vague, and at a first glance they may not seem to amount to much. But what makes them important is the opportunity which was thereby offered to an alert Trade Union to seize the control of its labour and thereby raise the status of the workers. It would have been simple to translate the rather tentative proposals of the employer into a scheme of direct dealing between the employers "acting in their corporate capacity" and the men acting in *their* corporate capacity—that is, through the Union. "Registered dockers" could only have been interpreted to mean members of the Dockers' Union; "regular offer of services" involved a decisive change in the status of the docker; "jointly" suggested opportunities for continued interference by the Union in the conditions of the dockers' service. Very little effort would have been needed to arrive at some such terms as the following: (1) That the Union should undertake to supply labour at the docks; (2) that labourers supplied by the Union to the number demanded by the employers and definitely registered as belonging to the industry should be paid, whether working or not at any given time; (3) that the Union should receive such a lump sum in pay as should be agreed upon, and should distribute it amongst its members covered by the scheme as might be decided by the Union itself. Such a result, by interposing the Union completely between the men and their employers, would have been a distinct advance

towards self-government; that no notice was taken of the employer's proposals does not speak well for the enterprise and far-sightedness of the Union concerned.

A more hopeful exhibition of these qualities was afforded by another organisation of the workers, at the very moment when the Liverpool Dockers' Union (through the drowsy apathy of its head office to anything more important than a wages dispute) was throwing away the chance of raising the status of its members. The contract entered into by the London Building Industries Federation with the Theosophical Society in the midst of the great London building lock-out in the summer of 1914 was an extremely interesting example of direct dealing. The Federation agreed to supply the labour for the Society's new building without the intervention of any contractor; it promised, moreover, that the labour should be efficient, and undertook full responsibility for the proper execution of the work, while carefully abstaining from embarking on any *financial* responsibility in connection with it. The Theosophical Society, in return, agreed to pay the men whom the Federation selected, individually at current rates.[1] Coming as it did in the midst of a big dispute in the building trade—a dispute, moreover, precipitated very largely by the masters from fear of the growing strength of the Federation as distinguished from

[1] Full accounts of the circumstances and conditions of the contract will be found in the *Daily Herald* for the months of May and June, 1914. The best statement of its significance from a Guild standpoint will be found in the "Notes of the Week" in the *New Age*, June 11th, 1914.

the various sectional Unions it included—the contract attracted a good deal of attention. Its significance was widely appreciated, as, for instance, by the *Manchester Guardian*, which wrote that "the principle of organised labour entering industry *as* organised labour is here admitted." On the other hand, the *New Statesman* declared that "all that the agreement amounts to is that the Trade Union is to act as a Labour Exchange." But this was obviously a short-sighted view in face of the fact, already referred to, that the Federation assumed responsibility for the labour it supplied and for the quality of the work, which is more than any Labour Exchange can do, or, for that matter, any employer either. Indeed, it may be remarked that in undertaking explicitly this twin responsibility Labour showed an honesty and public spirit in agreeable contrast to the spirit of profiteering. It is worth noting, too, that it was only the coming into being of the Federation which made possible the undertaking of such a contract—an example how, with the development of organisation and the approach to a monopoly of labour, Trade Unionism becomes aware of its first great step towards an improved status, the control of labour, and through the control of labour approaches the control of production. Further, the proposal of the Theosophical Society indicated that if Labour holds out for honourable conditions, honourable conditions will be offered to it. We may speculate from this example to what important results a strike undertaken explicitly for status might lead.

On the other hand, as the *New Age* wisely pointed

out at the time, the contract, significant as it was, was far from being a final step towards the Guilds as some enthusiastic critics had seemed to suggest.[1] In the first place, it was but a single incident in a single industry. Again, the Federation covered only manual labour; the architects, surveyors, and other professional workers had to be separately engaged through independent channels. Further, the men were not paid through the Federation—as they might well have been, and as we have seen they would be through the wise application of the policy of the Collective Contract. And, finally, the officials concerned were the ordinary officials of the Trade Unions, chosen and adapted for the very different purpose of fighting, or, at any rate, negotiating with the employer, not for the purpose of replacing him and his officers. It is a point well worth consideration whether, with the progressive encroachment of the Unions on the control of production, a new type of official will not have to be evolved whose business will be the positive function of administration—in full responsibility to the Union only, of course—rather than the more negative, though still necessary, tasks previously associated with the holding of a Trade Union office.

However this may be, it is certain that the selection of Trade Union officials will become an increasingly important matter as the policy of "Encroaching Control" becomes adopted more widely. The men will be electing representatives

[1] For the great strides forward taken by the Building workers in the Building Guild movement of 1920, see below, chapter vii.

destined not merely to negotiate with the employers, but to challenge the authority of their officers and to replace it. Already in the negotiations upon the recognition of shop stewards the question of their relation to foremen has emerged, and, however it may be temporarily adjusted, there is not much likelihood of its being finally settled until the employers' nominee has been driven out of the workshop altogether. It may be a long time before this is accomplished explicitly, and in the meantime two processes may continue side by side: the strengthening of the authority of the shop steward, and the extension of control over the foremen. As regards the first, we have seen already how by the introduction of the Collective Contract that authority can be increased, while the right of the shop steward to visit any shop in the works to see that conditions agreed upon are being actually complied with,[1] which has now been conceded in principle by the Employers' Engineering Federation, is an important point to have gained in this respect. As to control over foremen, the right to veto any foreman introduced by the employer has already been gained in some cases, and here obviously it is no long step to the demand that the right to reject an official should be transformed into the right to elect one. It is essential, however, that in cases where such a demand may be put forward it shall not provide for the election of a foreman from a distinct caste of individuals separated and

[1] It was the denial of this right to Mr. David Kirkwood by a Glasgow firm which led to the trouble on the Clyde in 1916, and ultimately to the "deportation" of a number of the Clyde shop stewards.

perhaps organised apart from the Trade Union to which the rank and file of the workers belong. The foreman, whether or not he has been previously a recognised shop steward, must be organised along with his fellow workers in the association which, by its widening authority, will replace the present captain of industry and his subordinates, the N.C.O.'s of Capitalism.

We have written of the "workshop" for the most part in this chapter, since it is here that the problem of control has arisen most sharply in the last few years. But, of course, the worker has no less need to govern himself in every other industrial unit; the question presents itself with varying degrees of insistence in every industry. In mining, for instance, the control of officials is an urgent matter, and some advance in this direction has already been made. The recognition of the checkweighman, an officer appointed by the Union, is often pointed to by Guildsmen as a valuable step towards control.[1]

> The checkweighman, well controlled by an alert miners' lodge, can serve for more than the mere checking of weights. He can, and sometimes does, become the recognised spokesman of the miners in many matters affecting the management of the mine. Again . . . the miners have a limited right to appoint visiting inspectors, and here again they possess a weapon that can be used for interference with the management.[2]

As regards the future,

[1] For example, see *National Guilds*, pp. 56, 57.
[2] *Towards a Miners' Guild* (National Guilds League pamphlet), p. 12.

The workers can claim for themselves the right of choosing their own deputies, foremen, examiners, and the like. There will have, no doubt, to be some standard of attainment to which every candidate must conform; but in the mining industry these standards already exist, and amongst those who have reached them the miners can claim to make their own choice. By this means they can win to their side and make responsible to themselves, those who are now the representatives of the management; and this process, by a series of steps, can be carried further and further, till the mine manager holds his office by appointment as the nominee of the Miners' Union. Each step in this process will give the Union more power, and will make the employer less necessary to the conduct of the industry.[1]

But it is not only the officials who direct them that Trade Unionists have got to enrol in their organisations. That vast array of clerical workers now sundered from them almost entirely by caste, costume, and convention must be attracted to their ranks, and the gulf between the proletariat and the salariat must be bridged in the only way that it can be bridged, by the Guild idea. Trade Unionism has spread fairly rapidly amongst clerks during the present century; this is due largely to the activity of the National Union of Clerks, an energetic body with a rapidly growing membership. It is obvious that the organisation of clerical workers presents problems too numerous and specialised to be discussed here.[2] But Industrial Unionism has claims here no less than it has in regard to the skilled craftsman; the continued

[1] *Ibid.*, p. 14.

[2] See *Trade Unionism for Clerks*, by J. H. Lloyd and R. E. Scouller (Cecil Palmer).

existence of separate organisations for "brain workers" is incompatible with the ideal of solidarity. The future of the National Union of Clerks would seem to be rightly envisaged as a "clearing house" for those clerical workers whose interests are not specially identified with any particular industry. In addition to this function, it might serve further as a craft federation to cope with those particular interests of clerks *qua* clerks which were not covered by their own craft representation on the particular Industrial Union to which they were attached. In cases where the "brain workers" in any industry are already organised apart, as is the case on the railways and, to some extent, in mining and engineering, the Industrial Union concerned must not consider its task of organisation completed until these separate societies have been merged in itself, and the workers in them have been given their fair share of craft representation on the governing body.

We have said that only the Guild idea can bridge the gulf between the mental and manual worker; but though, as we have seen in a previous chapter, that gulf is very largely imaginary, the circumstances of his employment make it loom very large before the clerical worker. Indeed, the distinction between a salary and a wage is sufficiently real to blind both salariat and proletariat to their underlying unity of interests. This distinction, on which we have already remarked, has

been well brought out by a writer in the *Guildsman*[1] in the following passage :

The clerk and the draughtsman, the commercial traveller and the salesman, although their labour is also bought, are retained in times of slackness, and their salaries go on regularly as in the busiest period. The salaried person is not " questioned " when he is late, nor do holidays and sickness mean a stoppage, sudden and complete, of the means of life. But the employer has not paid something for nothing. It is not one of Fanny's pretty ways ! The salaried man has sold something more than his labour ; he has sold his birthright and his soul. Thus, the employer has him always in demand for spurts and emergencies, generally at no extra cost to himself, and, moreover, he has succeeded in alienating him from the class to which he truly belongs, that of the workers, and by giving him the bribe of admission on to the staff he has convinced him that his interests are much more closely identified with those of the firm than with those of the wage-earner.

What is the result ? The salaried workers have lost not only their friends, but their enemies ! They are the spectators, and even the victims, of a class-struggle which they cannot understand, and they are the more miserable since, in a world of injustice, they have surrendered even their antagonisms.

Only at great peril of the spirit can a man give up his right to healthy and just hatreds, and this the salariat has done. This class is an object of contempt to the capitalist, and an object of despair and a stumbling-block to the wage-earner. Yet in the great fight for emancipation we must carry him with us.

[1] See the *Guildsman*, September, 1917 ; " The Salariat : A Study in Pathology," by G. W. Thomson.

If he only understood it, our cause is his cause. His shallow vanity and snobbishness make him verily an "old man of the sea" on the worker's back. We cannot, if we would, lay him down.[1]

The writer of this article proceeds to elaborate his indictment against the salaried employee, and we cannot deny that many counts in it are true and the result damning to those—the majority of the lower-middle class—against whom it can be justly brought. But we cannot deny that there is something to be said, too, upon the other side. The apologia of the salariat might perhaps be framed in such words as the following: "You accuse us of deserting you in your struggle with the capitalist system; but when have you ever asked for our assistance? Moreover, when have you ever taken pains to explain to us and to society generally exactly what that struggle is about, what part you expect us to play in it, and what precisely our relation will be to your Unions when they have won their victory? Again, we do not clearly understand (and we are not sure that you do) what part you consider your Unions should take in the new society that will replace Capitalism. What you call the 'class-struggle' looks to us very often rather like a scramble for spoils; what you call 'social democracy' we would define as 'government by the bureaucrats for the politicians.' You talk about improving your status, but you will not do that by strikes for higher wages; and for all your century of Trade Union agitation, we prefer our comparative security—on

[1] *Ibid.*

a salary, the amount of which, however small, is at any rate assured for a reasonable time—to your precarious existence as casual labourers, which is all you weekly wage-earners really are, however 'skilled' you may be. Admittedly, we have done wrong in listening to the temptation held out to us by our masters that, if we are good, we may one day hope to take a hand with him in running the administration of his profiteering system; but, unless we are very much mistaken, that is precisely what some of your leaders were proposing to do under the name of Reconstruction. If you are really going to give us a lead, do try and make sure that it is a lead in the right direction. Which reminds us that we should like to hear more of these National Guilds that some of your members are talking about."

A retort along these lines would not be without justification; Trade Unionists will do well to recognise that in the alienation between the salariat and themselves there have been faults on both sides. That alienation can only be ended when it is replaced by co-operation for a common purpose. No lesser purpose than the common pursuit of control, responsibility, and a real change in status will suffice to bring together the workers of every grade. Nor can the process stop with the attraction of the lower ranks of the salariat into the orbit of Trade Unionism. Besides the higher officials of every industry, there are the great professional associations of technicians and experts who form to-day a most essential section of the industry to which they are attached, and who will

be no less essential to the proper functioning of the Guild. These professionals, banded together in institutes and associations, have already something of the Guild spirit, and will often be found to be impatient of the trammels which Capitalism imposes even upon them, and of the canalisation of their energies to the purposes of profit. In proportion as the Guild idea is spread and formulated by the Trade Unions, the problem of reconciliation between the workers and the professionals will be brought nearer to a solution. It is the Guild for which every rank and grade of the genuine workers in modern industry are waiting—whether consciously or no.

Our survey of Trade Unionism, though it has been long, has touched only those of its features and problems which are essential from the Guild standpoint, and touched them only so as to provide an introduction to a fuller understanding and a closer study. We have attempted throughout to deal with the issues at stake in the light of that future which lies beyond Trade Unionism and gives to it its crucial importance to-day—the future in which the Guildsman, like a new St. George, will have vanquished the dragon of profiteering which now enslaves our nation and humiliates its people. The Guildsman will be no magic deliverer from without, but the common Englishman shamed into action by the peril in which he finds his freedom to stand, awake at last to the possibilities of

" self-government " and " citizenship," and determined to experience as realities what he has long worshipped at a respectful distance. We have heard much more in these years of war of the ordinary man, of his spirit, of his initiative, and of the respect and honour due to him, than we heard in those pre-war days when reactionaries discussed what was to be done with the people, while Liberals boasted of what they were going to do for them. Yet the " people " was always conceived as a passive thing, to be regulated, to be benefited, or to be bribed ; never as an aggregate of active wills, with purposes of their own and demands formulated by themselves. The creation of the Guilds is a problem and not a theorem—a task to be done, not a proposition to be proved. It is for this reason that throughout this chapter we have insisted on the impulse from below as vital before all, on structural changes based on the workshop, on a *de facto* solidarity as more important even than a *de jure* amalgamation, and on a policy of " Encroaching Control " which starts at the end which the worker can best understand since it concerns his everyday life and labour. But while we have thus insisted on the essentials of industrial democracy, we have sought equally to emphasise the crying need for organisation and discipline, without which Trade Unionism will find itself betrayed on every battlefield. Discipline, self-sought and self-imposed, can alone prepare the victories which democracy justly demands, and which leadership and loyalty will win. Of leadership we have said little in this chapter, since it is idle to talk of

leaders till the workers have determined whither they would be led and are able to recognise the stages on the way. It is because in the past the blind have too often led the blind that Trade Unionism has stumbled again and again into the ditch of servile legislation and industrial defeat. Hence the outcry against all leaders, and the suspicion of the rank and file that it is being sold and trapped.

Yet if Trade Unionism is to make even the advances which we have sketched out in this chapter, it will need more leadership rather than less. The remedy, after all, lies largely with the rank and file themselves; for if they would take more trouble in the choice of the men whom they elect to lead them, and treat those who serve them well with as much generosity as they now treat with toleration those who serve them badly or not at all, the tragedies of treachery and ineptitude which at present too often disgrace Trade Union leadership would seldom occur. Leadership is not, as some imply, a denial of democracy; it is a condition of its success and even a witness to its strength. The Trade Union leader of to-morrow will need the loyalty of those to whom he is responsible as much as they will need his loyalty to their interests. Every wile will be used by his enemies, whether capitalists or bureaucrats, to dazzle, to bewilder, even, it is to be feared, to bribe him, if by these means he can be induced to desert his fellows and betray his class. Trade Unionists must realise how strong may be the temptations to an able and enthusiastic workman to throw over the uphill

struggle for the promise of power and influence and a life of "usefulness." The motives which lead a Trade Union official to throw in his lot with the "governing class" are not always sordid, however much we may deplore them; it is sometimes the sheer apathy of the workers that drives their former champions in disgust over to the ranks of the enemy. While the highest aims of Trade Unionism are but reforms within the wage system, we cannot wonder at the apathy of the mass or the disillusion and desertion of the abler few. But, with the Guild idea before them, we could hope for the loyal activity of the rank and file and for the fidelity and boldness in those whom they choose to lead. Even to-day that hope is not unreasonable. Though the workers still wander in the forest of wagery, some there are amongst them—an ever-growing company—who have seen the light beyond the trees.

It may be objected that in seeming to throw the responsibility for the emancipation of Labour so completely on the workers we are underestimating both the goodwill and the capacity of employer and State alike to assist in the true reconstruction of a free and noble social order. Employers, we may be told, are often sincere in their desire for such a real reconstruction; if they act as tyrants, it is against their true nature; if they flourish as profiteers, it is against their will. The State, again it may be said, is at the bottom an organ of social justice, seeking on the whole the common good. Since these things are so, are we not short-sighted in

refusing their aid and precipitating a struggle which may engulf us all ?

It may be hoped that, for those readers who have followed thus far the argument of the book, the pathetic eagerness and transparent sincerity of such questions as these will not obscure the fallacies and misapprehensions concealed in them. Guildsmen would be the last to assert that the Government of the country or the activities of any of its citizens are powerless to help forward the great changes by which freedom in the Guild may come to replace slavery in the wage-system. Let the State set its face against the exploitation of the workers, support everything that is a challenge to it, and set about to create and foster social bodies based on the repudiation of profiteering and the development in its place of responsible self-government for all concerned ! Let the employer divest himself as quickly as may be of his rôle of profiteer, set before his workers clearly and courageously the ideal of the Guild, and prepare them, by the grant of rapid and complete instalments of control, for its final realisation ! Let the man or woman who is in no direct way concerned with industry apply his time and his talents to the understanding of the issues which are at stake, and seek by every means to frustrate the peril of a confirmed slavery and to help the Trade Unions to realise their true destiny and to achieve it ! Thus could the whole nation point the way to freedom, and cut down the weeds and tangled barriers that choke the path to National Guilds.

Alas ! it is only necessary to state these possi-

bilities to perceive the folly of building high hopes upon them. But even if all these efforts were exerted to the full, it remains true that for the realisation of the Guild idea there is one thing needful above all—the exercise of initiative by the workers themselves. Freedom can be stimulated; it cannot be imposed. The Guild can be fostered by us all; but it is by the workers that it must be built. Its building will mean a struggle, for it must perforce arise in opposition to the great powers and interests of our time. In the next chapter we shall trace the stages through which the struggle may pass if the worker be not vanquished in the course of it. But here let it be said of that essential conflict of interests and ideals known as the class-struggle, that we do not "precipitate" it because we are frank in recognising the plain fact of its existence. The shirking of that plain fact can be excused by lack of intelligence; it can be explained by lack of courage; but otherwise there can be no escape from it. "I am the bread," says a Hindoo proverb, "thou art the eater: how shall we agree?" Even so might the worker address the profiteer who buys his labour and commands his life.

What hope can we have, then, that the employer will lead the way to the Guild, in which he will but share a power and a prosperity he has been accustomed to enjoy unchecked? He may be caught for a moment by the glamour of the Guild ideal; but when he perceives its challenge, he will turn away sorrowful, having great possessions. Even if he really embraces a policy so fatal to his selfish

interests and so hostile to all the creeds and traditions of his class, his opportunities may be few and his difficulties enormous. Employers are seldom in supreme control; their fellow directors have to be considered, their managers consulted, and, moreover, they must, in the majority of cases, "have regard to the interests of their shareholders." But if all these obstacles are overcome by a courageous capitalist, his will may find a way to help his workers to their emancipation. He may co-operate actively with the Trade Union or Unions catering for his employees, inviting the assistance of their shop committees in every decision taken in the works, throwing responsibility on them for every true function of industry (as opposed to profiteering) as soon as they are ready to accept it, handing over to them altogether such experiments as "Welfare Work," smoothing the way to every means by which his transition from profiteer to servant of the Guild was likely to be hastened. It may be objected that in doing so he will be risking the prosperity of the business by granting power to inexperience. A skilful devolution in the hands of a capable and democratic employer could probably be carried out in such a way as to avoid this to any serious extent; in any case, there is a sense in which self-government, in industry no less than in politics, is to be preferred to good government. Despite difficulties on the way, a point might eventually be reached when managers and organised workers could approach the State with the claim to be recognised,

not as a profiteering corporation, but as a responsible partner in the national service of industry.

It must be borne in mind that we are not putting forward this policy as the probable, or even necessarily as the most desirable, line of approach to the Guilds. We are only attempting to meet the inquiry, "How can the employer help?" That he can help if he would is clear, but he cannot call a Guild into existence where the workers are not prepared to consider the prospect of establishing one. His rôle in such a development must necessarily be secondary to theirs. The same is true of the State, though perhaps in a lesser degree, since the State, by a policy of genuine nationalisation, has it in its power to cripple the greatest enemy of the Guild idea—the existence of private profiteering. But nationalisation in itself will do nothing to raise the status of the worker or upset autocratic administration. It is to be hoped and expected that when the nationalisation of any industry is proposed by the State the Trade Unions associated with the industry will press urgently for large instalments of control. Even apart from such a demand, the State could do much to establish a nationalised industry on a basis of industrial autonomy. It could approach every grade of the workers concerned, from the manager to the unskilled labourers, and demand that they should form a Joint Council to represent each one of their associations from the "highest" to the "lowest." That Council it would hold responsible for the efficient carrying on of the industry, at rates of pay to be agreed on between the Council and a

Committee of Parliament and coming up for revision at frequent intervals. With its internal discipline the State would not be concerned further than to encourage every democratic development within the Council which offered guarantees of a reasonable efficiency and broke down the barrier of caste.

Again, we are not proposing this course as the best possible movement towards the Guilds, nor are we suggesting that such a Joint Council would be equivalent to a perfectly developed National Guild, though it would certainly serve for the rudiments of one. We only desire to indicate ways in which the State could prepare a real reconstruction of industry with Service as an end and Freedom as a means. But emancipation is not to be had for the wishing, or for the asking. If Labour seeks the noble end of its own deliverance from bondage and dishonour, it must search out and follow against all obstacles the ways by which that deliverance may be won.

CHAPTER V

THE TRANSITION TO NATIONAL GUILDS

In politics, democratic forms make constitutionalism possible for the worker; in industry, capitalist autocracy makes a revolutionary policy essential for them. The strategy of industrial revolution: three possible alternatives: (i.) Parliamentary action: limitations of this. Industrial action essential to industrial emancipation. (ii.) Direct proletarian action. "Industrial Unionism" as a programme of revolt: (a) the hostility to established Trade Unions; (b) the projected assault on profits. Failure of this programme in practice: reasons for this. (iii.) Trade Union action as a path to the Guilds. The organisation of a Labour monopoly. The Guildsmen's doctrine: difference as to its application. The "academic" school: "negative control" and the veto. Practical objections to the academic programme.

The policy of "Encroaching Control." Economic and Industrial Power: which must the worker conquer first? The control of production: steps to its attainment. Result, the partial atrophy of Capitalism and the foundation of the Guilds. The rôle of the State. Public opinion and the Guild idea.

Revolution would only precipitate the choice which society must some day make between National Guilds and industrial slavery.

THERE is, we are often told, a great deal of "loose talk about revolution" in Trade Union circles. Trade Unionists, it would appear, have wild notions of overturning the State, the Monarchy, Parliament, and the Church in favour of amazing schemes of communistic anarchy. It is to be noted that the journalists and others who bring this accusation against Labour usually put themselves out of court by indulging in "loose talk" about reaction. And, indeed, nothing could be less true of the Trade Union movement than a charge of this nature, especially in as far as Labour is concerned with

politics. Trade Unionists, as a body, no doubt prefer a democratic form of government to an autocracy or an oligarchy; but this preference shows only that Trade Unionism is politically in line with British tradition. Trade Unionists are constitutional to-day in politics, because they are democrats; but they ought to be revolutionary in industry, also because they are democrats. There cannot be peace in industry while the undemocratic system of Capitalism remains. There is no question here of the rights of the capitalists or the rights of the wage-earners; we are concerned solely with the rights of the community and the righting of industry. Only when the control of industry is in the hands of public-spirited National Guilds can there be industrial peace. Industry must be democratised. In this sense, Labour must be revolutionary; and here the Trade Unions should have the world behind them.

We propose to consider in this chapter the lines upon which the revolution in industry from autocratic Capitalism to democratic National Guilds may be brought about.

The plans which are most commonly advocated fall into three classes: Parliamentary action, direct proletarian action, and Trade Union action. We shall take these in turn. First we may see how far the plan of Parliamentary action by the workers is likely to succeed. It cannot be denied that, in theory, Parliamentary action *might* be successful in democratising industry. If everything went as the advocates of this method desire,

there might come a time when the workers would fill Parliament with Labour members, who would then use all the powers of Parliament to establish democracy in industry. But, against this, we must note that such a time is unlikely to come soon; meanwhile the present tendency both in politics and industry is flowing away from democracy. Indeed, long before Labour representatives will be in a position to avail themselves of the powers of Parliament, those powers are likely to have vanished. There are other fundamental objections to the Parliamentary plan. We must remember that it is not possible to democratise industry from above. Unless the workers in an industry are prepared and organised to control it, no Government ukase to this effect can be successful. Thus the Parliamentary method is plainly valueless unless it is accompanied by parallel democratic movement in industry; this is no longer denied even by Labour members of Parliament. Another important objection to the overvaluation of Parliamentary action lies in the fact that the Labour representatives in Parliament, even when in an overwhelming majority there, might turn out after all not to favour democracy in industry. It is indeed known that most, if not all, of the present Labour members of Parliament are in favour of State Socialism in industry—which vests the control of industry not in the workers, but in a bureaucracy. Can we hope that a Labour majority in Parliament will seek to bring about democracy in industry by means of National Industrial Guilds or otherwise? It

may indeed be of value that there should be workers' representatives in Parliament; but it would be both an error and a disaster if any great hope were placed in them as inaugurators of a revolution in industry.

No matter where we look for a real improvement in industrial conditions, we must always come back to direct industrial action as the basis of all progress. What form this direct action should take is another question, very difficult to answer. Mr. Chesterton has said that "any denial to-day of the divine rights of the capitalist is in effect a revolution." Evidently, then, there are two elements to be considered in regard to an industrial revolution—the will to this revolution, and the power; that is to say, first, the denial that Capitalism is right, and then the strength to overturn it and establish a better system in its place.

At present we know that Labour has neither the will nor the power to replace Capitalism. We have seen that the Parliamentary method is far from placing this power in the hands of Labour, and is also utterly remote from developing in it the necessary resolve. Turning to the doctrines of direct action in industry, we find that there are two sharply defined wings of opinion in revolutionary thought. (For the last time we may repeat that we are using the word "revolutionary" here wholly in regard to its industrial and not its political significance, as expressing the freeing of industry from Capitalism and its democratisation.)

First we may consider the proposals of what is

called "Industrial Unionism." It is necessary to point out that the phrase "Industrial Unionism" is used in this connection to mean something different from what it signified in our foregoing chapters. There it was opposed to "Craft Unionism." Here "Industrial Unionism" means what is sometimes loosely termed nowadays "Syndicalism," a social goal, not a temporary expedient of working-class organisation.

We must admit that this school has so far had a larger influence on theory than on action. The numbers of such Industrial Unionists are doubtless small, but their earnestness and persuasiveness are beyond question. The Industrial Unionist appeals to the workers, or rather to the proletariat, somewhat after this fashion: "You, the proletariat, are the exploited class; the capitalists are the exploiters. Every product is the work of your hands, and of the machines and tools made by you. But the product is stolen by the capitalists, and, instead of its true price, you receive only a wage. Realise your position and your strength! Sweep away these parasites who are living on the wealth you produce; dispossess them of your rightful possessions—the goods you yourselves have made and are making. Drive the capitalists out of industry by every means in your power, by every form of pressure undertaken at every likely moment." The Industrial Unionists have little liking for the existing Trade Unions, which they regard as mere mutual benefit societies. They call upon the proletariat to cut themselves loose from the moneybags of the established Trade

Unions, and to organise in new and vigorous fighting units. These will set before themselves the single aim of so harassing the capitalists that the latter will at last withdraw from industry altogether. Industry will cease to be any longer profitable to them, for the fighting forces of the proletariat will take every possible opportunity and use every conceivable method to reduce profits to a minimum. For example, these fighting units will strike when trade is prosperous, instead of when it is languishing. The usual practice so far has been for Labour to wait till trade is bad and wages low before taking hostile action against the employers. But this is a mistaken policy. No employer minds a strike when trade is bad, as he then has little to lose by a stoppage of work, and can indeed effect economies in his wages bill. On the other hand, a strike when trade is brisk is a serious matter, since it interferes with the execution of profitable work. But at such a time Labour is in demand, and is little inclined to take aggressive action. The Industrial Unionists will change all this; they will aim at the capitalist in his tenderest spot—his profits—and so by constant attacks drive him out of industry.

These, then, are the two weapons of Industrial Unionist action: the first, the substitution of proletarian fighting organisations for the present Trade Unions; secondly, the driving of the capitalists out of industry by making it unprofitable to them.

We are bound to say that both parts of this

plan must in practice meet with failure. Where these methods have been adopted, consciously or unconsciously, neither has the Trade Union movement been galvanised into insurrectionary activity, nor have the capitalists been driven out of industry. On the contrary, instead of the proletariat's forces becoming united against the capitalists, they have tended rather to disunion. And the capitalists, instead of being driven out of industry, have combined so actively in the face of their common foes that they have made their own position more secure than ever.

This is not an unfortunate accident, but the inevitable result of the Industrial Unionists' methods. In the first place, what is to be expected from their appeal to the workers to disband their present Trade Unions and to organise in new fighting units? Clearly, that, while the consciously revolutionary Trade Unionists may agree to do this, the less class-conscious members will stand fast by the old associations. The original Trade Union, losing its leaven of conscious revolutionaries, will become more moderate and more reactionary than ever, and more hopelessly immersed in the wage-system. Indeed, the plan of the Industrial Unionists is wrong at the outset. Their propaganda is avowedly based on the discovery that the Trade Unionists of to-day have not an active will to revolution; and yet the proposal is made for them to combine in new revolutionary bodies —which presupposes this very non-existent will to revolution. Of course, the Industrial Unionists declare that the present form of Trade Unions

explains why the workers' revolutionary aims are strangled. The Trade Unions, they point out, are clumsy, unadaptable and conservative; they have huge benefit funds, which they are chary of endangering by industrial aggression; they are led by industrial pacifists, and their morality is that of the wage-slave. For are they not primarily intended to improve the conditions of their members under the existing industrial system?

The fact is that, unfortunately, the Trade Unions are fairly exact images of their members. It is not simply the Trade Unions, it is the Trade Unionists themselves who are so often industrially servile and pacifist. Trade Unionists have the policy they deserve; and we have to take their Unions as we find them. As Mr. Chesterton implied in the phrase we quoted, the workers have not yet to any considerable extent become convinced of the need for revolutionary action. When they become revolutionary in resolve, they will certainly find the Trade Union a form of organisation sufficiently plastic to be turned to new and more aggressive activities. Meanwhile, if those Trade Unionists who are revolutionary draw away from the old Trade Unions into new bodies, two results are certain. In the first place, instead of banding the workers more closely together and reducing the number of Trade Unions, this propaganda has an exactly opposite effect. The new associations rise up beside the old, but not in their place; and they are usually overshadowed by the original Unions, instead of absorbing them.

Thus, instead of less Unions, there are more![1] Secondly, the energetic revolutionaries, by organising a rival and alternative association, alienate the sympathies of their former fellow Unionists and lose the chance they previously had of converting them to revolutionary ideas. The clear duty of revolutionary Trade Unionists is to educate their Unions in the real function of Trade Unionism; not to cast them off, thus losing their support and their real, if not at present consciously revolutionary, strength into the bargain.[2]

The second part of the Industrial Unionists' programme—to make industry unprofitable to the capitalist—will be as unsuccessful as the first. Let us suppose that the miners should deliberately set about obtaining wage increases, lowering the output of the mines, and taking aggressive action at moments when it was particularly inconvenient and unprofitable to the owners. In a few cases they might succeed finally in making some of the small mines unprofitable to the owners. According to the Industrial Unionists' theory, these owners would then say, "Take over the mines your-

[1] A very clear instance of this may be observed in the building trade, where the formation in 1914 of the "Building Workers' Industrial Union" merely resulted in the addition of one more to the sixty odd building Trade Unions already in existence.

[2] Our criticism, while it applies particularly to those Industrial Unionists who have advocated the formation of entirely new bodies in direct competition with the established Unions, has some bearing also upon those who seek to organise workshop committees *in opposition* to "official" Trade Unionism and not rather as a stimulus to it. We believe thoroughly in workshop organisation, but we hold that it should develop as an essential form of Trade Union structure hitherto neglected, not as something antagonistic to it.

selves!" Thus, with the voluntary relinquishment of the mines by the owners to the miners, Capitalism would be gradually driven out of industry and the co-operative commonwealth would dawn. More probably, however, the mine-owners in these cases would simply close the mines; but the workers would not therefore come into possession of them. The employers would not be reduced to destitution. Combined against the common enemy, the mine-owners would long before the end of the process have banded together for mutual defence against a direct threat.

The inevitable failure of the second part also of the Industrial Unionists' plan shows that the capitalists have really nothing to fear from it; indeed, by the fighting organisation which is forced on them by circumstances, they are actually able to strengthen their grip upon industry. Nor do the workers benefit; for industry is restricted, not liberated, by the capitalists as a result of the workers' attacks. And by the restriction of industry—in the case we have mentioned, the closing of the less profitable mines—society is deprived of the use of some of its natural resources.

The weakness of Industrial Unionism is that it is in too much of a hurry, and too impatient of the gradual evolution of the Trade Unions into responsible bodies of producers. It concentrates on the will to revolution, without sufficiently considering how the strength of the revolutionary alternative to Capitalism is to be built up. The Industrial Unionist is right to be impatient of the slave-

morality of the modern Trade Unions, but wrong to despise their latent strength and potentialities. It is becoming increasingly obvious that the Trade Unions of to-day are to bear the burden of the industrial administration of to-morrow. Whether they will do this as the capitalists' wage-slaves or as associations of free men depends very largely on the activities of those Trade Unionists who are at present attracted by the proposals of the Industrial Unionists. If these men will turn their energy and their eloquence to the task of transforming the existing Trade Unions into National Guilds, we have no doubt of their success. If, on the other hand, they seek to draw off the best and the most brilliant of the younger Trade Unions into a field whither the vast mass of the workers will not follow them, they will be unwittingly helping to deliver Labour helpless and disunited into the hands of its enemies.

We have seen that industrial, not Parliamentary, action is the path to the workers' freedom; also, that this path leads through the perfection of the existing Trade Union organisation, and not through new and guerilla proletarian units. We now come to consider a method of transition which brings us upon the broad and beaten path of National Guilds theory.

The underlying argument of this plan is as follows: Industry consists of two indispensable parts, Labour and Capital. Labour is the sum of the human energy expended in economic production; Capital comprises the instruments with which and upon which production is effected. Each part is necessary to the other, and useless

by itself; without instruments men cannot produce, nor is anything produced by instruments alone without human direction. These two parts being necessary each to the other, whoever controls one can, by withdrawing it from use, paralyse the other. But capital is effectively controlled and monopolised by the capitalist class, who therefore compel Labour to work for them at their own terms, as the alternative to not working at all. There is only one way for Labour to meet the monopoly of capital, and it is by making a monopoly of the other essential part in production, to wit, labour itself. Thus to the capitalists' monopoly of capital is to be opposed the workers' monopoly of their own labour. This is to be brought about by the development of the existing Trade Unions. When a Trade Union becomes so strong in the monopoly of its labour as not to fear the possibility of competition by non-Union workers ("blacklegs") under any circumstances in the event, say, of a strike—that Union is said to be "blackleg-proof." Such Unions are bound to become recognised as indispensable parts of their particular industry. The next step is to amalgamate and federate the "blackleg-proof" Unions into a vast Trade Union army with a General Staff, Intelligence Departments, and proper lines of communication. The task of the General Staff will be to lay down the broad principles of action; the Intelligence Departments will watch every move of the organised capitalists, both on a large scale and in individual cases, and will show how to counter it; while the lines of communica-

tion will consist of financial and commissariat arrangements, to be worked in conjunction with the Co-operative Societies, to which unimpeded resource can be had in time of emergency. When all the Trade Unions of the workers in any industry—both wage-earners and salariat—become blackleg-proof and join forces sufficiently to make themselves one in industrial disputes, they are clearly strong enough to challenge the capitalists in that industry. The two monopolies are opposed—the capitalists' monopoly of capital, and the workers' monopoly of labour. But these monopolies are of unequal strength; the workers will now have the advantage. Clearly the workers are in a position to do either of two things: to offer partnership to the capitalists or to the community. In the first case they will join the capitalists in exploiting the community. If the second course is adopted, they will call upon the State to dispossess the private capitalists of the instruments and control of industry, and to leave its conduct in the hands of the workers. Partnership with the capitalists is unlikely, except as a temporary measure, first, because the workers are unlikely to permit this huge incubus to take toll of their labour; secondly, if there is any public spirit among the workers—and we have no reason to doubt its existence—they will hardly be willing to join the capitalists in a vast system of profiteering. The second alternative for the Trade Unions, when they achieve the monopoly of their labour in any industry, is to offer partnership to the State by means of that system of National

Industrial Guilds which is the subject of this book.

This is the doctrine of the path to the Guilds as once set out in the editorial columns of the *New Age*, which first made the Guild ideas coherent, and in the book *National Guilds*, the contents of which were first published in the same periodical. That this method is an ideal approach to the Guilds is admitted on all sides, and in its broad outline it may be accepted by all Guildsmen.

It is, however, in the details of the process where we find disagreement among its advocates. We must remember that the struggle of the workers for self-government is an uphill fight. The workers are on the slope of a steeply inclined plane; not only have they the gigantic task of marshalling their forces and settling their internecine divisions and quarrels, but all the time the capitalists are vigorously attempting to push them still further down the slope into utter industrial servitude. The workers are like the fragments of a regiment rallying in the open under the hot fire of machine-guns. They are under fire the whole time, and those who try to rally them are targets both to the enemy and to malcontents in their own ranks. It is difficult enough for Labour to stand fast even where it is; what an enormous effort is needed to rouse it to an organised advance!

The struggle for the control of industry being as it is, a struggle in which all the weapons seem to be on the side of the capitalists, can the workers look forward to the fulfilment of any so subtle doctrine of attack? This is the doubt that suggests itself to critics of the foregoing doctrine of transition

from Capitalism to the Guilds. The objectors agree whole-heartedly that the method thus originally laid down by the *New Age*—we shall, for convenience, call it the "academic" method—is a path to the Guilds. But, it is objected, is there any posibility of carrying out a method at once so direct and so logical in the face of the hostile and aggressive forces of capitalist reaction? Surely these hostile tendencies, hastening towards the Servile State, will break up the advance of Labour and force it into dangerous and difficult by-ways, if indeed they do not tumble it back headlong into disaster?

To this the academic school replies that Labour, besides organising its labour-power, must mobilise its intellect. The attacks of Capitalism, open or masked, must be exposed and guarded against. Labour must remain firm under temptation and united in danger; as long as it follows the straight —and strait—path towards the Guilds, its progress cannot be stopped. And the academics picture the immediate future of Trade Unionism somewhat as follows: As the strength of the Union increases, it is to be anticipated that the capitalists will make the workers various offers of partnership. The first offer will presumably be made to isolated fractions of the men, as individuals and not as members of their Union. This rejected by the Unions, the offer will be repeated, but now to the Union as a whole. But this too will be rejected, or accepted only as a temporary measure, without prejudice to the Unions' future action, since, by agreeing to a partnership with the capitalists, Labour would be

conniving both at the continuation of the wage-system and at production for profit. But it is to be all or nothing for Labour—either all the responsibility for production, or none; there is to be no active alliance with the profiteers, nor any positive acceptance of the wage-system.

The immediate tactics suggested by the supporters of the academic plan are that the Unions, in order to escape the responsibility, even in part, for the wage-system and the profiteering which active association with the conduct of capitalist industry would force upon them, should exercise only a negative control, in the form of the veto. Every innovation initiated by the capitalists should be considered by Labour on its merits. If harmless, it should be allowed to pass unchallenged; if harmful to their best interests, the Unions should veto it and calmly face the consequences. Thus Labour would neither lose its self-respect nor dull its aim by active, positive association with Capitalism. Meanwhile its forces would be growing stronger and more determined to achieve the emancipation they would one day effect by a few decisive strokes.[1]

The reader will see that several objections are to be made to the academic method of overthrowing the wage-system. The first is that too much reliance seems to be placed upon the conscious impulse of Labour towards revolution. We may seriously doubt if Labour is prepared to play as long and as deep a waiting game as the academic

[1] See the *New Age*, 1917, vol. xxi., Nos. 1, 2, 3; "Towards National Guilds."

method implies. This strategy makes an obvious appeal to the intellect, but the path is so strait and the way so hard that one fears whether Labour's broad coaches will be able to pass along it. It implies, to nearly the same extent as "Industrial Unionism," an absolutely clear-sighted class-consciousness on the part of Labour, and joins to this the need of incredible resolve and self-control. If we take all these qualities for granted in the workers, are we not assuming that the revolutionary change of mind which Mr. Chesterton spoke of has taken place among them? But this, alas, is far from being the case. Yet, even if Labour were far more resolute than it is, and far more prepared to concentrate and mobilise its forces, we must not overlook the fact that there are serious objections in principle to the academic plan of campaign. Not the least is its insistence upon negative action. This is fatal; for it does not enlarge Labour's faculties, but limits them to a single, narrow plan of action. Such a method may be very well for the leaders, but it will not increase either the morale or the initiative of the rank and file.

We have seen that the Parliamentary and the Industrial Unionist paths to emancipation are for all practical purposes hopeless at the outset. The academic method of economic action also seems to need a degree of resolve, self-control, and wisdom that Labour has not yet attained, nor is likely to attain in the near future.

It must not, moreover, be forgotten that Labour will need much coaxing before it enters upon its

true destiny. For the practical purposes of Labour there is the need for another course, less picturesque perhaps, but not less inspiring. We propose to consider it as a path to the Guilds which may succeed where the academic method is likely to prove impracticable.

This policy, which we cannot do more than indicate in broad outline, is in the strict sense a path to the Guilds; a path, it may be, with many milestones, but these will serve at least to mark the way. In some societies the worker is born free, in others he must achieve freedom, while in a third he may conceivably have freedom thrust upon him. But in a Britain under the dominion of a wage-slave morality the third alternative is only less impossible than the first. It is only in the building of the Guilds that we shall get the Guildsman, for the Guildsman (unlike the poet) is made, not born—though, in their making, he will be born again. The appetite for industrial democracy will grow by what it feeds on, and "a taste of control will engender a taste for control."[1]

The keynote, then, of the worker's struggle towards the Guild must be the maxim of "Encroaching Control." Let, then, the Industrial Unions of the future, through their shop committees, extend their authority over one aspect after another of workshop control; let them secure that no regulations are made for the

[1] See Mr. Cole's chapter on "The Abolition of the Wage-system" in *Self-government in Industry*. Without endorsing everything which he says there, we strongly recommend it to the attention of our readers as a convincing and closely reasoned outline of Guild policy for the workers.

running of the workshop or the discipline of the workers save such as these committees themselves sanction, and that no foreman enters the shop save with the approval of the committee—such passive approval to be transformed at the earliest possible moment into active election by the workers themselves, so that the shop steward becomes an officer not of the Union only, but of the industry ; let these claims be extended from the workshop to the works itself, and the works' manager brought into co-operation with the Union, instead of remaining merely a nominee and representative of the profiteer. Moreover, let the Collective Contract become increasingly recognised as the only terms on which the workers will consent to sell their labour, so that the responsibility for performing a job is undertaken by the Union, and the price paid for it arranged for and the money distributed by the Union to its members in accordance with conditions democratically laid down. Let these aims become the immediate programme of the workers and, though the economic power of Capitalism may remain to all appearances undiminished, the employer will none the less have sustained a grave defeat. As his functions pass from him one by one to the workers whom he exploits, his fundamental character as a profiteer will become ever more glaringly obvious. To the cynical outburst of their masters that " they are not in business for their health," let the workers reply that it is essentially for their health and the health of society that *they* are in industry, and that to the claims of health the

disease of Capitalism must give way. As the Unions encroach upon those activities of the capitalist which, though they are incidental to his purpose, are of some real social value, nothing will remain to mask the truth that he is in business not for his health, but for his wealth. The control of production by the workers will leave the profiteer his profits for the moment, but it will fatally impair what is even more essential to his power—his prestige!

Thus the encroaching control of the worker over the sphere of production will atrophy the power of Capitalism in proportion as it expels his authority. Moreover, it will provide a sure foundation for the Guilds, which can be fully established only when the money lord is driven from his economic castle. Even though democratic sentiment or popular indignation induced the State to attack the capitalist's economic power and wrest from him his control of the product, it would be difficult to call into being a system of National Guilds that had not been already prepared for by the workers themselves through the advance of their Industrial Unions to the control of every circumstance of their working lives. But we need not labour the point. Not only is industrial democracy in the workshop and the works essential to the Guild idea, but not until this is achieved is the capitalist in much danger of losing his grip upon the economic machine. The State may, it is true, regulate the operations of Capitalism and make claims upon it, but the "State control" of Capitalism is more than balanced by the capitalist control of the

State. Even in war-time the interests of the public did not induce the State to imperil the interest of the shareholder; the War Office could not do more than grumble when a powerful contractor suddenly discovered that a "reasonable" percentage would be necessary for services originally offered freely in the name of patriotism. "Money talks"; when it will have its say, even the State has got to listen. Just as money in the hands of a capitalist class of merchants wrecked the old Guilds, so it may frustrate the new. Labour, when it has successfully challenged the employer in the workshop, must confront him in the counting-house. Democratic control at one end and "State control" at the other would still leave the capitalist the control of the product. He determines the conditions of its sale; he purchases the raw material (including the labour) which is necessary for its production; and he decides by investment into what industries fresh capital shall flow. The State, even though it wished to strip these functions from him altogether in the name of the community, would be likely to retire baffled from the attempt, save on one condition. This condition is that it acts in concert with an aggressive Labour movement, determined to rid society of a usurper whose claims it has already exposed.

An Industrial Union in command of production is not only unlikely to remain content to leave the business of purchase and sale to the employers; it would find this almost impossible. If its authority over the works is to be in any way complete, it will be driven on to concern itself

with these matters more and more. There is no logical reason why it should not, and every reason why it should. By this time, however, the industrial authority and influence of Labour will be such as to give its political influence economic weight. The State will find that its permanent hypothesis of the passivity of Labour no longer works ; it may even welcome the co-operation of an active force strong enough to allow it to advance against plutocracy in the interests of society, which its impotence—even more, perhaps, than its corruption—has forced it to neglect so long. The State and the Industrial Unions may between them force the capitalist to abandon, one after another, his functions as a merchant, as the Unions will have already forced him to abandon them as a producer, leaving him only his manœuvres as a money lord in the field of investment and finance—and this not for long!

To-day the assault upon Capitalism is " against the grain " of society because it is Capitalism to which the nation's will is surrendered, however reluctantly. But, as Labour stirs to nobler purposes and confronts the claim of Capitalism with a claim of its own to the functions which Capitalism so imperfectly fulfils, we may expect to see subtracted from Capitalism much of the opinion and influence which now passively support it, apparently *faute de mieux.* We may expect, too, the allegiance of many who are to-day functionaries of Capitalism to pass over willingly to the cause of Labour when the Industrial Union is seen to be the champion of the true interests of the industry as against the mere

machinery of profit. The policy of "Encroaching Control" may prove valuable not merely in undermining the power of the adversaries of Labour, but in subtracting from their power those who now belong to them for want of any obvious alternative. A taste of democratic control will not only give a taste for control to the workers; it will also open up a vision of Guild control to the officials whom Capitalism exploits, and to the public whom it so basely disserves.

"*A taste of control gives a taste for control*"—this is the key to the whole plan we have just set out. The employer will at the outset be to a certain extent disarmed, since the effect of this policy is to save him the trouble of arranging the disciplinary details of his works. If he does make a stand against it, he finds himself opposed at once by a solid and integral section of the workers. But it will be a bold employer who tries to beard a workshop committee in its native workshop! The movement towards control will go onward, step by step, never losing ground, and always, like a snowball, gathering weight as it goes, until at last the whole industry is swept clean of profiteering. The capitalists will have their industrial functions stripped from them until they become no better than parasites upon industry—to be knocked off at last as easily, it may be, as a rotten apple from its bough.

Since the first edition of this book, a new policy of transition to the Guilds has been enunciated in the pages of the *New Age*, for which it is claimed by its authors that it will achieve with a minimum of friction what its

writers now definitely assert cannot be achieved in any other way, catastrophic or otherwise. Although properly this policy should be treated in the present chapter, we have preferred to discuss it more fully than would be possible at this point, together with other aspects of Major Douglas' proposals, in our final chapter.[1]

There is one last point to be considered. We have denied the existence of any desire among the workers for a political revolution. But there is just the possibility that such a disaster may be forced upon this country by the folly of its rulers.

We are not concerned in this book with the lines along which such a revolution would be likely to move, but only with its probable effects upon industry. A period of revolution would bring all sorts of grievances to the surface; it would enormously precipitate action in the industrial sphere, and might—indeed, almost certainly would—overthrow the last vestige of the capitalists' *moral* authority. If the revolution were successful, National Guilds would be the only likely alternative to industrial anarchy; if the revolution failed absolutely, the industrial result must be the suppression of the Trade Unions as active and autonomous bodies, and, in consequence, the definite establishment of industrial slavery. Thus the revolution only precipitates the choice that is before society to-day. Let us decide in the calm of civil peace rather than in the agonies of civil war that we prefer liberty to slavery—National Guilds to the Servile State!

[1] See below, pp. 259-271.

CHAPTER VI

NATIONAL GUILDS IN BEING

Apology for the chapter-heading. "*National Guilds*": *justification of the term. Truth and value of the analogy with mediaeval Guilds. The spirit of the Guilds. And of the Guildsmen.*
The Guilds from within. Entrance to the Guilds. The question of expulsion. The Guildsmen's pay. The basis of remuneration; the wrong way and the right way. Equality of pay as between GUILDS, *but not necessarily as between* GUILDSMEN. *Self-government in the Guild. Election and ratification of officials. Craft representation. Vigilance Committees as a safeguard against "politicals" in industry.*
The structure of the Guilds. Provision for local autonomy and initiative essential. Inter-Guild relations. The Guild Congress: its functions of arbitration. The case of the recalcitrant Guild. The Guild Congress and the State. The Joint Committee and its functions: (1) *in relation to foreign trade*; (2) *as regards the provision of fresh capital*; (3) *in determining taxation. The fixing of prices and the role of the consumer. The Distributive Guild. Its function as the successor of Co-operation. Its relation to foreign imports.*
The individual Guildsman: his standpoint essential throughout. Individual producers (1) *outside Guild organisations*; (2) *as licentiates of the Guild.*
Two final points.

WE intend in this chapter to sketch the outline of National Guilds in being. Purist readers, however, may take exception to our appearing to treat of National Guilds as if they were bodies already in existence; we may be told that every one of our sentences should be moulded in the conditional mood—that "would" and "should" should take the places of "is" and "will be." The objection is justified; but we hope that we shall be allowed, for our readers' sake no less than our own, to dispense with pedanticisms and (always, of course,

with a mental reservation) to speak of National Guilds, when necessary, in this chapter as if they really were "in being."

Before we go on to outline their organisation, we may deal with objections that have been made to their title. It is said to be meaningless or, at best, misleading. It is meaningless, we are told, because the words "National Guilds" present no clear image of the industrial structure they represent; and it is misleading, because the only Guilds known to history are mediaeval associations, of masters as a rule, situated within the limits of a city. In spite of these objections, we may doubt if the title can be bettered. Many industrial organisations, indeed, are known by names only broadly descriptive of them. For example, no one ignorant of the nature of a "Trade Union" would be helped to realise its present form by the name alone. A "Trust," again, hardly lives up to its name on close acquaintance. We cannot hope to find a word or a couple of words which will sum up a complete industrial organisation; nevertheless, we deny that the word "Guild" is inaccurate. If those who object to it were more familiar with the mediaeval Guilds, they would no doubt see the huge generic resemblances between them and National Guilds. It is true that a mediaeval Guild was confined to a city; but so also was mediaeval industry. By the growth of communication, industry is now no longer bounded by city walls, but organised on a national scale; the Guilds, therefore, must also be national and not limited to a city. Yet in many and by far the

most important respects the Guild idea remains constant in National Guilds. The title of *Guilds* has implicit in it several unique industrial attributes ; it means that public recognition is accorded to the body, that the monopoly of its particular trade is vested in it, that all its members have an equal and free status as associates in it ; also, that the Guild spirit in work is revived.

The first of these conditions is really a measure of reciprocity ; the State acknowledges the functions of the Guilds, because the Guilds acknowledge the functions of the State. Neither of the parties to this social partnership can claim absolute sovereignty or enforce subjection, and the independence of each will be limited only by their interdependence. The demarcation of these functions and the division of authority, ultimate and immediate, we must defer for a space ; it is sufficient to emphasise here the social significance of the Guild's statutory position.

We come to the second characteristic of a Guild—monopoly. This has an evil sound, but only when it can be abused for the private advantage of the monopolist over the rest of the community. This consideration, however, applies only to industrial structures in which profiteering has a part. The necessity to each National Guild of complete monopoly in the working of its particular trade is obvious enough, for purposes of control, discipline, and security against outside interference. The leaven of competition within the Guild is not affected by the prevention of competition with the Guild from outside. Nor does this monopoly

forbid the activities of the individual craftsman, who may, as a Licentiate of the Guild, own his own workshop and supply his goods to the public, subject to the conditions of his arrangement with the Guild. Monopoly in the Guild sense is rather autonomy; its most important implication is the right of each National Guild to govern itself.

It is hardly necessary to emphasise the third point, that all members of a Guild would, as Guildsmen, have the same status. Position and privileges would be accorded to Guildsmen according to their abilities; but there would be no servile class, like the wage-earners under Capitalism, whose only duty in industry is to supply another class with labour. Every Guildsman alike would receive remuneration and privileges as a Guildsman, and he would be entitled to these in all seasons and under all circumstances. The profound difference in this respect between National Guilds and the capitalists' wage-system is evident. The notion now disappears that the wage-earner is a "hand," to be engaged when work is plentiful and dismissed when it is slack; to be paid when he is well and working, but to be thrown on the dustheap of charity when he is without work or ill. Labour ceases to be regarded as a commodity, the market price of which, called "wages," is reckoned as merely one of the costs of production; Labour in the Guilds would be recognised as the human element in industry, and, therefore, as unmarketable and unpriceable. As a Guildsman, every worker has the right to share in the government and control of his Guild, nor would any Guildsman

have authority over others except in those matters of working and discipline that require the election of such leaders. National Guilds would be democratic and fraternal bodies.

The Guild spirit in work would be revived. Every Guildsman, having once been entered in his Guild, would be entitled to its privileges ; and while he is thus materially secured, he would be no less spiritually at an advantage over the worker under Capitalism. The wage-earner is working, as he knows, primarily for the profit of his employers ; the Guildsman knows that his Guild, whereof he is an active and responsible member, is a body engaged in the public service. He is working for the community, as a member of a Guild which he and his fellow Guildsmen control—not for the capitalists, nor under the external control of a political authority and its bureaucratic officers. With this knowledge and under Guild conditions of freedom and security, the worker would find in National Guilds a happy release from the horrors of Capitalism and its wage-system. Industry and production mean more to the world than they do under Capitalism. The old Guildsmen looked on their trades in another spirit ; they saw that society needed the things which they produced, and that they owed it the duty and themselves the joy of making these things in the best possible manner. The work was often a drudgery, but it was a drudgery which Guildsmen were content to do and proud to do well. If a thing is worth making at all, says the Guildsman, it is worth making well ; this is the spirit in which Guild work

is done. The worker who can take pride and joy in his work sees a new importance in his trade; for he knows that he is worthily fulfilling a social need. Thus the National Guildsman would find a new dignity in the work; the consumer of Guild products would know that he is assured of good work and quality in all he uses; and the community that entrusts its industry to National Guilds will find itself possessed of a new race of citizens, looking upon the world with other eyes than those of greed alone. Indeed, the Guild idea, if not the Guild organisation, is, as we have seen, already implicit in several professions, where the interests of society and the responsibility of the service are put above the thought of gain. When we regard the Churches, Medicine, and the Army, we see bodies in which the thought of personal gain is, as a rule, subordinate to better aims. There is no reason whatever why Industry should not take its place beside these others as a public service. The advantage of the community and the upholding of craftsmanship would then be regarded as the main purposes of its existence; while the fear of the workers for their livelihood, and their employers' greed for personal gain—the characteristics of Capitalism—would be removed by the provision of industrial self-government, equal status, and secure remuneration.

We must never forget when we speak of National Guilds in being, first, that the Guildsmen would be the men and the sons of the men who had fought and won their battle from wage-slavery to industrial democracy; secondly, that they would be enabled

to look upon their work, its purposes, and its conditions, with a nobler outlook than any we know of in industry to-day. Only if we bear these two facts well in mind can we hope to examine the organisation of the National Guilds with sympathy and understanding. It is not our purpose in this chapter to attempt to lay down hard-and-fast rules for the Guilds of the future; the most that can be done at this stage of Guild propaganda is to sketch, as well as past and present indications allow, the limits within which a stable Guild constitution must lie. To this attempt we now turn.

We have already pictured a National Guild from the outside. It is, we saw, a democratic and self-governing association, consisting of all the workers of all grades engaged in any given industry, and carrying on that industry in conjunction with the State. Applying this idea to the great industries of the nation—mining, land and marine transport, engineering, textiles, building, and the rest—and to the professions, such as medicine, law, education, and the Civil Service, we can easily envisage the sort of Guild structures that will arise. Each Guild will be organised on a national scale; the supreme Guild authority will be the Guild Congress, upon which all the National Guilds will be represented. But the working of the Guilds will depend not so much on their national organisation as on their decentralisation. The Guild starts in the workshop and finishes in the Guild Congress, not *vice versa*! Thus there will be **Local, and also**

District, Guild Councils, upon which representatives of the various Guilds will meet, and which, by reason of their close contact with local industry, will tend to be the recognised centres of Guild life and authority. Each separate Guild will build up its organisation, storey by storey, from the local branch to the national authority; later on we shall see how this may best be done without swamping the Guild spirit in the whirlpool of the large organisation. But if we stay too long to look at the Guild structure from the outside, we shall not get much further on the path towards attaining it. We must seek rather to examine the Guilds from the inside, from the point of view of the Guildsman himself. He, after all, is the man who will make them, and for the good of whom and whose work they are to be made.

We shall, then, start our sketch of the National Guilds *from inside* with the first question of all that affect the Guildsman, namely, entrance to the Guild.[1]

Entrance to the Industrial Guild will not presuppose any qualifying examination. Each man will be free to choose his Guild, and actual entrance will depend on the demand for labour. In fact, the principle will be that of first come, first served. In the event of there

[1] Some years ago a group of National Guildsmen drew up privately a *Syllabus* upon matters of Guild propaganda. It dealt largely with the organisation of the Guilds and their relations with each other and with the community. This *Syllabus* has never been published, nor was it intended for publication; but the authors of this book have consulted it throughout the present chapter, and, as will be seen, often quoted it verbatim. They wish to notify their debt to the authors of the *Syllabus*, and to congratulate them on the fact that so few of its conclusions have been rejected by later Guild writings.

being no vacancy, it will be open for the applicant either to apply for entrance to another Guild, or during his period of waiting to take up some occupation of a temporary character. He will then secure the option of entering the Guild of his choice when a vacancy occurs.

To the occupations requiring technical knowledge there will be a double system of entry. One way will be by apprenticeship in the Technical Colleges, followed by a qualifying examination for entrance to the craft; but it will also be open for any working member of the Guild who passes the qualifying examination to enter any craft without apprenticeship, and so, whatever his method of entry to the Guild, to rise to any position in it.

Labour in "dirty industries"—scavenging, etc.—will probably be in the main of a temporary character, and will be undertaken by those who are for the time unable to obtain an entry elsewhere.[1]

The question of expulsion from the National Guild arises naturally at this point. It is clear that the right to expel an undesirable member must be reserved to the Guild, but it is obvious also that this right must be most carefully regulated. There is the danger to be guarded against, on the one hand, that a Guildsman might be liable to expulsion at the will of the Guild officials. But this is incompatible with the Guild ideas, since it might easily degenerate into an intolerable tyranny, similar to that now exercised by the employer over "his hands." It is clear that an unsatisfactory Guildsman ought to be judged, in the first instance, by the men who are working beside him; this alone, however, will not be enough to justify expulsion. A man might become disagreeable to

[1] From the *Syllabus* (see preceding note).

his associates for many reasons which would not, however, dishabilitate him as a Guildsman; in such cases there would have to be machinery for offering the man a transfer into a branch of the Guild in another district. The extreme step, however, of expulsion is far too serious to be settled off-hand by any one section of the Guild, and it must not be resorted to without the definite decision of the Guild as a whole. For this purpose courts might be established to try the offenders; but no step as drastic as the expulsion of a member should be undertaken unless there is an overwhelming majority in its favour. Among the causes rendering a Guildsman liable to expulsion would be the deliberate lowering of Guild standards, breaches of Guild discipline, or conduct that reflected adversely on the Guild as a whole. (This would correspond with the "infamous conduct" for which nowadays a doctor or a lawyer may be struck off the register of his profession. The Guilds, however, would probably narrow their interpretation of this phrase to exclude some of the social offences which are repugnant to the somewhat snobbish dictates of the professional mind of to-day; but doubtless the leniency of the Guilds to the Guildsman in this respect would be balanced by greater strictness about offences committed by him as a worker.)

We may turn now to the question of the Guildsman's remuneration. Is the Guildsman to be paid according to what he does, or according to what he needs, or according to the position he occupies?

The first alternative is out of the question. In

its crude industrial form, "payment by results" brings with it all the abominations of systematic speeding-up, and of the scamped and bad work that are especially the faults of industry under the wage-system. Such a system, based on the output of the worker, tends sooner or later to ignore both the quality of his work and the conditions under which he produces it. Even if an attempt is made to consider also the quality as well as the quantity of the output, the position is little bettered. We must hope to appeal to something better in the worker as an incentive than the interest of personal profit alone. It might seem at first sight as if the second alternative, to pay the Guildsman according to his needs, were the right one. The arguments in its favour are obvious and plausible. The first difficulty arises when we come to consider what a Guildsman's needs really are. Clothing and a bed he clearly needs; but only the wise men of Gotham know if he *needs* an umbrella and an eiderdown. If we are going to decide what the worker really needs and what is not absolutely necessary for him, we shall be perpetuating a most sinister aspect of the tyranny of the large employer to-day. He says that his workmen need this, that, and the other—and includes even a certain proportion of recreation and cheap luxury in the list—but he does not desire the workers to make the choice for themselves. He is aided in this attempt to issue rations of life to them by the general tendency of public action to-day. It is everywhere agreed that wage-earners must be allowed a certain standard of comfort, calculated

to keep them in working order and their children after them. Thus there are public regulations for the housing of the wage-earners and their families, for their schooling, their employment, their holiday-making, their drinking, their healing, their being born, and their dying—indeed, for the whole of their unhappy existence. By virtue of these public restrictions and allowances, it is possible for the wage-earner in normal times to live in a certain standard fashion. The injustice of the arrangement is that, while the wage-earner has to live in this way, his employer is permitted to live however he himself prefers. It might be tolerable if the whole of a community put itself on rations, so ordering its life that nothing it consumed was wasted and that there was no useless luxury. Short of this, however, any attempt to standardise the conditions under which one section of the community lives, while leaving the rest free to live as they choose, reduces the standardised class to a condition of virtual slavery. Indeed, the whole tendency towards the Servile State has been made extremely evident by the half-vindictive, half-philanthropic efforts of the employing classes to standardise the lives, pleasures, and pains of the workers. The invariable tendency of any powerful class of men to claim the right to dictate to their weaker fellows is a warning that it will not be safe to seek to standardise the life of the Guildsman by standardising his pay according to what are considered to be his needs. A free man will share this right with none but Nature.

Different is the question whether Guildsmen

should be paid according to their position in the Guild, or whether all the members of the Guild should be paid equally. To the capitalist type of mind the question is ridiculous. Who will trouble to excel, the capitalist asks, unless he knows that by so doing he will be improving his material position? But this attitude is quite alien to the spirit of Guild work. A craftsman who loves his craft will aim always at executing good work, regardless of any additional monetary reward. If he is also an ambitious man, the admiration of his fellows—and even their envy—means more to him than money. It may be suggested, however, that the assumption of especial responsibilities entitles a Guildsman to especial remuneration, or at least to especial privileges. The last must certainly be admitted; privileges should be apportioned according to responsibilities—among free men they always are! The matter of actual monetary remuneration, however, is not covered by this. It will be difficult to grade men in the new Industrial Guilds as simply as they were graded—as apprentices, journeymen, and masters—in the old Craft Guilds. What, then, is to be done?

It is clearly impossible dogmatically to lay down any rules at present for the payment of individual Guildsmen. We may, however, suggest the following as incontrovertible points of Guild doctrine. First, the amount apportioned to each National Guild for the remuneration of its members should be in exact proportion to its membership. For example, each of two Guilds of equal membership

should have the same amount for distribution in pay; and a Guild of half the membership of the foregoing should have the half of the amount to divide. Secondly, the manner of distributing pay to its members should be at the discretion of each National Guild, as a democratic and self-governing body. It is, after all, no business of the miners how the transport workers decide to apportion their pay. One Guild may decide to grade the pay of its members, and another to pay them all equally. Both these methods are unobjectionable from the Guildsman's point of view.

We must remember that the total amount of pay to be allotted for distribution by the Guilds will not be standardised. The governing consideration in arriving at this sum will be not so much the fixing of an arbitrary "standard of life" for the Guildsman, after guaranteeing which the State will feel justified in appropriating the rest for public purposes; rather will the position be that the State will ascertain its needs for the year and present its statement to the Guild Congress (of which we shall speak in a moment), and the Guild Congress, on its side, will have to take into consideration the economic needs in capital and plants of the various Guilds. These considerations settled,[1] the rest of the Guilds' income, whatever its amount, will belong to the Guilds. In order, however, that no individual Guild shall deliberately increase its prices in order to increase its income, it is necessary that all Guild moneys

1 The provision of fresh capital has also to be taken into account. See below.

should be pooled in the Guild Congress, which will insist on the operation of the first rule of National Guild remuneration, namely, that all the Guilds shall receive money for their members' remuneration on a basis of numerical membership.

The basis, then, upon which the individual member of a National Guild will be paid is " neither what a man's labour will fetch, nor what a man is supposed to need, nor what a man's service is estimated to be worth to the State, but the fact that he is a member of a Guild. As such, he will be entitled to full pay both when he is working and when he is unemployed, and to a pension when he ceases to produce." Should a Guild decide to institute equality of pay among its members, the decision must come spontaneously from the Guild and must not be the result of dictation from without. This equality of income does not, of course, preclude the possibility of a differentiation of the hours and conditions of the members of the Guild, according to the character of their occupation. As for the Guildsman's savings:

> The individual will be free to save or bank such portion of his earnings as he may choose, but no interest will be paid on such savings. The present method of individual saving will be no longer necessary to the reproduction of capital, since this reproduction will be arranged for by the Guilds themselves.[1]

We have now seen, in broad outline, how a Guildsman would enter his Guild, how an unworthy member might be expelled from his fraternity, and how the Guildsman is to be re-

[1] From the *Syllabus*.

munerated. We shall now proceed to discuss the administration of the Guild as it will strike the Guildsman, our intention being always to work from the individual Guildsman upwards to the Guild Congress rather than *vice versa*; for, indeed, the National Guilds will be based as certainly on the individual members and their common purpose as a nation depends on the individual citizen and his morale.

On entering his Guild, the Guildsman will find himself able to influence its administration in a double respect. His first voice will be in the workshop where he is actually working (we use the workshop as a convenient example of the smallest distinct unit in the structure of any industry) and in the works of which this is a part; his second voice will be through his craft organisation.[1]

The main principle of National Guilds in regard to administration is that every official in the main framework of a Guild should be chosen, not by a general election, but by the men best qualified to judge of his ability for the position, and that every such choice must be ratified by the workers who are to be affected by it. The Guild would build up in this way a pyramid of officers, each chosen by the grade immediately below that which he is to occupy. The lower the grade, the shorter the period for which the official would be elected.

The second form of the organisation within the

[1] In some Guilds, as, for instance, Engineering, it may be necessary to provide for a third form of representation, for the Department or "Sub-industrial Grouping" to which the worker belongs, *e.g.*, the foundry, or the shipyard (should shipbuilding, as seems probable, fall within the scope of the Engineering Guild).

National Guild would be by craft representation. Over against, and in addition to, the structure of officials (each grade rising by election out of that beneath it) there will be also a vast organisation by craft. All those members of a National Guild who are engaged in the same craft will have the right of separate craft representation in addition to the direct election of officials. This form of craft (or professional) representation, running horizontally across the Guilds, provides another means by which the individual Guildsman will direct his own working life; for the craft representatives, chosen by their fellow craftsmen, will take their place in the administrative structure of the Guild, side by side with those representatives whom the worker has elected, not as a craftsman this time, but as an industrial worker.[1] It may in certain cases be desirable that the grades above —instead of those below—should suggest suitable candidates for posts; it is essential, however, to the safety of the Guild that the actual election of these officers should rest with the grade below, and that it should in every case be ratified by the workers most closely concerned. (These rules, of course, need not always apply in cases where the office in question is wholly advisory and does not entail any authority over other Guildsmen.) The craft organisation would also, where necessary, have to decide if the technical qualification of the candidates entitled them to seek election; indeed,

[1] It may in some instances be both possible and desirable to combine these two principles of local and craft representation in a single electoral process; see, for example, the constitution of the N.U.R.

it would in such cases be necessary for these to pass the craft tests before standing for office. The common aim of the Guild in its choice of officers must be the finding and keeping of the right administrative talent in the right official places; the methods here outlined seem to us the best adapted to secure this.

The objection might, however, be raised that the officials as a whole—from the shop stewards and workshop committees to the general managers and the Guild Executive—might combine, with the " never-ending audacity of elected persons," in a huge conspiracy against the rank and file, and turn their official positions into one vast vested interest—in short, that they might become politicals in industry. To this we would reply that, if the workers have the sense to get rid of the wage-system and to found the Guilds, they will be sufficiently intelligent to form vigilance committees within the Guilds, should these be necessary to prevent the officials, who are elected to carry out the administrative work of the Guilds, from degenerating into rogues seeking only their own individual interests.

The foregoing will have given the reader a rough idea of the administration of a National Guild from the individual Guildsman's point of view, and have shown incidentally the path by which capable and trusted men would rise to office in their Guild and in their craft association. We may now turn to a consideration of the structure of the Guilds. We shall perforce deal with outline

rather than detail, since it is not possible to take any one industry and to apply the results to all the others. Nor, to be sure, are National Guilds intended as machines for the stereotyping of industry; on the contrary,

If the Guild is not to fall into mediocrity, it must preserve the distinctness of works from works, of locality from locality, and of nation from nation.

We may quote, also, from the *Syllabus* of which mention was made above:

The system of National Guilds does not involve a highly centralised and universally sovereign national authority, and it is essential to avoid either stagnation in the methods of production or excessive standardisation of the product. The local branches of each Guild will, therefore, be free to adopt and apply new inventions, to specialise on certain products, and in general to adapt production to their own ideas and local needs. This freedom will, however, be subject to the observance of the regulations laid down by the National Guild authority and to the national fixation of general conditions, *e.g.*, hours and factory amenities, etc.

The amount of local autonomy in the Guild will vary according to the type of industry concerned, *e.g.*, the transport and railway system will be far more highly centralised than the building industry, which produces for a local market. Though orders will to a great extent continue to be placed with and payment made to the local Guild authorities, these authorities will act solely as receivers for the National Guild, to which all moneys will belong. Competition of quality will thus continue between the various branches of the Guild, but the incentive to better workmanship will not be financial.

And Mr. Cole points out that

It is, in fact, not *production*, but *trading*, that must be under a national control. . . . Let each works

be in the first instance self-governing where production is concerned ; but let the organisation of exchange be carried out by a national authority acting in co-operation with local authorities. . . . The preservation of a high standard of craftsmanship will be a function of the national and district authorities ; but the works will be self-governing, and intervention from without will come only by way of occasional criticism, and in answer to an existing grievance.[1]

National Guilds will be based upon national industries. There will, therefore, be as many National Guilds as there are main industries susceptible of Guild organisation ; and their structure will be conditioned by the nature of their functions. The number of National Guilds cannot at present be accurately determined, since much depends on the manner in which the Guilds come into being. For example, it may be academically desirable that the railwaymen should merge with the other transport services and should form with them one inclusive Transport Guild ; it is, however, quite possible that, if, as is probable, the Guilds come gradually into existence, one of the first will be a Railway Guild, concerned only with that form of transit. But there cannot be a smaller division than this ; the railwaymen cannot have two Guilds. Thus the number of National Guilds may be supposed to lie somewhere round about a score. This is not, however, a matter that need detain us.

We wish now to consider, first, the relations of the National Guilds with each other, and afterwards their relations with the community as a

[1] *Self-government in Industry*, pp. 272—4.

whole and with the individual in it. Modern industries are so interwoven that it is often difficult, sometimes even impossible, to find the exact point of demarcation between two industries—and thus between their respective Guilds. A certain body of men may be laid claim to both by the Railway Guild (or will it be the Transport Guild ?) and by the Engineering Guild. There are, for example, the men working in the railway shops who may find themselves in this position. One solution of the demarcation difficulty would be that the two Guilds should, with the approval of the men concerned, come to a decision about them one way or the other; better still, the men might be considered members of both Guilds, with special conditions applying to them.[1] This is an interesting point, but, again, not one of great importance; we mention it here as an example of the inter-Guild problems that may arise. The chief industrial relations, however, of one Guild with another will arise in the supply and consumption by the one of the products of the other.

The interaction of the Guilds will be determined by the extent of the interdependence of their industries. There must be local, district, and national arrangements, according to the nature of the matters involved. With the quickening of individual expression that we expect from the Guilds, and the consequent development of local interests, it is to be anticipated that the bulk of the inter-Guild relations will be centred in the

[1] The system of transferable cards of membership between two Trade Unions is already in existence in some cases.

Local and the District Guild Councils. To the National Councils will be submitted only such matters as are of national importance; otherwise, as in all Guild activities, decentralisation will be the rule.

As one Guild will in many cases consume in its own production the produce of another, and as many problems connected with demarcation, transference of membership, and the dovetailing of seasonal industries will arise, it will be necessary that there should be some machinery for the discussion of such questions. For this purpose the Guilds will probably set up Joint Committees, local and national, temporary or permanent, responsible to the executives of the two or more Guilds concerned.[1]

The circle expands, and matters arise which concern in some degree all the Guilds. If the matter is a local one, it is clearly one for decision by the Local Guild Council or by a special committee appointed by this body; if it concerns a whole district, the District Guild Council will deal with it. Industrial matters of still greater importance will be dealt with by the National Guild Congress, on which every Guild will have representation. We must now consider the nature of this important body.

There are several functions that belong peculiarly to the Guild Congress, and for the settlement of which it will no doubt establish permanent committees.[2] Indeed, every question that is the

[1] From the *Syllabus*.

[2] The precise constitution of the Guild Congress is in dispute among Guildsmen. Some argue that it should include representatives of all those who are rendering services, whether in Industry, in the Educational, Medical, and Legal Guilds, or in the Adminis-

affair of all the National Guilds as a whole is clearly a matter for decision by the Guild Congress; but it must be remembered that the working out of any decision arrived at is, as far as any individual Guild is concerned, largely the affair of that Guild alone. Most factory laws and similar industrial regulations will be the province of the Guild Congress; also, disputes between Guilds must, in the last resort, be brought before the Guild Congress for settlement.

Indeed, a query often brought to confound National Guildsmen is this: What would happen to a National Guild that began to work wholly according to its own pleasure, without regard to the other Guilds and the rest of the community? We may reply, first, that this spirit would be as unnatural among the Guilds as it is natural nowadays with the present anti-communal, capitalist system of industry; secondly, if it did arise in any Guild, this contempt for the rest of the community would be met by the concerted action of the other Guilds. The dependence of any individual Guild upon the others would be necessarily so great that a recalcitrant Guild would find itself at once in a

trative Guild of the Civil Service, since all these are (in the widest sense) "producers." Others contend that the Guild Congress should cover Industry only, and prefer, therefore, to speak of the "Congress of Industrial Guilds." In their view, the relation to the State of each Civil Guild is a question to be decided on its own merits, and is entirely distinct from that of the relation of all the Industrial Guilds to the State. Accordingly, they foresee a number of "Second Chambers," each dealing with a special function of Government and elected *ad hoc*, *e.g.*, an "Industrial Senate," or Joint Committee of the State and the Industrial Guild Congress; an "Educational Senate," representing the State and the Teachers' Guild, etc.

most difficult position; with all the other Guilds against it, and the State as well (for it is to the interest of the State to see industry harmoniously conducted), a Guild that pressed forward demands that were generally felt by the rest of the community to be impossible or unreasonable would soon be brought back into line again. A Guild, however, that thought itself ill-used by its fellows would be able to signify its displeasure by the threat of a strike; but it is to be anticipated that there would be sufficient machinery for the successful settlement of inter-Guild dealings that occasion for this would seldom arise. The further objection may be made that other considerations besides that of personal profit might lead a Guild to take high-handed action. However, it may justly be answered that the establishment of the Guilds and the Guild Congress means the end of irresponsibility among the workers and ensures their determination to avoid internecine differences. Such conflicts, it must be remembered, as at present occur between two Trade Unions are almost invariably due to their centralised constitution; were the local life of the workers quickened by the rise of the Local Guild Councils, the interested feuds of Labour's high officials would never be able to affect, as they do now, thousands of their fellows.

The main duty of the Guild Congress, besides its being the supreme authority for the decision of inter-Guild differences, concerns the income and the taxation of the Guilds. Here we come into direct contact with that aspect of society which lies outside the Guild organisation. The exact

nature of the relations between the Guild Congress and the State is a subject of discussion amongst National Guildsmen. There is the one party that insists that the State is entitled to claim ultimate authority over the Guilds. Another school points out that this claim, without the power to enforce it, is empty, and suggests that the sovereignties of the Guilds and the State should be equal and opposite; that neither of the parties to this social partnership can claim absolute sovereignty or enforce subjection, since the independence of each will be limited only by their interdependence. We shall not enter into the philosophic discussion that rages between these two schools. The problem of sovereignty is fascinating in the extreme, but it is not necessary to pursue it here. From our standpoint the essential and basic thing is that initiative in industry should lie with the producers themselves through the Guilds; this no Guildsman will dispute. It will be sufficient for our immediate purpose if we lay down the following broad rule: *The Guilds (through the Guild Congress) shall be the final authority in all purely industrial matters, while the State (through its Parliament) is to be the final authority in all purely political affairs; matters of both political and industrial importance are to be determined by joint committees of the Guild Congress and Parliament.*

This rule may be applied, for example, to the questions of foreign trade and foreign affairs. So closely connected are these two functions that neither Parliament nor the Guild Congress could hope to control them without mutual co-operation.

For the conduct of foreign affairs a body representing both the geographical State and the industrial Guilds will be necessary, since it is impossible to separate economic from national problems in foreign relations, and since the connection between them will become even more intimate in a democratic system.

International barter will be a function of the Guilds. That part of our overseas trade which now represents, not the direct exchange of commodities or services, but the investment of a portion of the national wealth, will be carried on while it continues by the State.[1]

The formula we suggested above for the demarcation of State and Guild authority applies equally clearly to the matter of providing capital for new undertakings or new forms of industry—as, indeed, to all questions where both political and industrial interests are directly concerned. Thus, for example, with regard to taxation and revenue, we find the following procedure suggested: The Guild Congress will be the repository of all moneys received by the Guilds in payment for their products, and it will determine annually, upon the representation of the various Guilds, what sums should be set

[1] From the *Syllabus*. While touching here (if only to exemplarise another point) upon the matter of foreign trade, we may take the opportunity to reply to a question sometimes asked of Guildsmen: Would the Guilds be able to maintain our national position in foreign markets, especially, for instance, in the vital markets of raw materials? We should reply that, if it is possible for our private firms, with or without the active assistance of the State, to maintain their position in these markets, it is all the more possible for a National Guild, working in conjunction with the State, to fulfil all that has to be effected there in the national interest. And since it is by the quality of British wares rather than by their multitude and cheapness that we must hope to maintain our position in the world's markets in the future, the Guilds, with the revival of good work that they would necessarily bring, would prove to be the best possible instrument for the successful conduct of our foreign commercial relations.

aside for depreciation and development. The State also will draw up an annual budget, stating the amount it requires from the Guilds for communal purposes. These two budgets—the State's and the Guilds'—should then be discussed and the result ratified by the Joint Committee of Parliament and the Guild Congress, and the sums apportioned. The rest of the Guilds' income should then be allotted by the Guild Congress to the various Guilds in proportion to their membership, to be concentrated or distributed, equally or otherwise, according as each separate Guild determines its own practice.[1]

This effectively prevents profiteering by a Guild, since the money it receives from the consumer does not remain its own property, but goes, together with the incomes of all the other Guilds, into the treasury of the Guild Congress. The price of commodities may, therefore, be established by the Guilds and the consumers jointly, partly on an economic, partly on a social basis.[2] In order to effect this, the consumers must be organised in representative local and national bodies. Whether the latter will coincide with the local and national

[1] "In the event of large sums of new capital being necessary for the development of any particular industry, such sums will be provided either by a remission of the tax due from the Guild in question to the State, or, in the event of that sum being insufficient, by the grant of a sum . . . to the Guild concerned. The normal stimulus to the expansion of productive enterprises will come from demand; and the Joint Committee which fixes the taxation due from the various Guilds will see to it that each Guild makes adequate provision for normal development, as well as for depreciation."—From the *Syllabus*.

[2] In the majority of cases the governing factor would undoubtedly be the cost of production.

machinery of the State, *i.e.*, the municipal bodies and Parliament, or whether the consumers' associations will grow up beside these, need not be discussed in this chapter.[1]

The consumers' associations will draw up their "budget" of demands for commodities for the coming year, or a less period. If the Guild Congress, through its various industrial committees, agrees that the demands are reasonable, the Guilds will arrange to produce them. Needless to say, this budgeting will tend to be far more on a district basis than on a national scale, and will in practice, perhaps, never come before the Guild Congress at all, except for formal ratification. The District or Local Council of each Guild will, no doubt, determine the amount of commodities that each of its component works shall produce.

We come now to the important question of distribution. This part of the Guild theory has been very thoroughly discussed by National Guildsmen, and we cannot do better than quote the following [2]:

Retail trade will be partly in the hands of the producing Guilds, and partly in the hands of the Distributive Guild. Where the maker of the goods is, from the nature of the commodity, also naturally the retailer, as in the case of clothing, the producing Guild should organise distribution through its own shops. Where the retailer is naturally divided from the maker, retailing should be controlled by a Distributive Guild, with shops in every locality. (This Guild will

[1] See Chapter VII. for a fuller treatment of this subject, more particularly in relation to the future of Co-operative movement.
[2] From the *Syllabus*.

succeed to the functions of the private tradesman and the co-operative store of to-day.)

The Distributive Guild . . .will sell its products at the prices at which it buys them from the producing Guilds or from foreign producers. This applies except where, in the case of imported products, a different selling price is fixed by the joint committee of consumers and producers. . . There will thus not be two standards of price, the one wholesale and the other retail. The Distributive Guild, like other non-productive Guilds, will receive (for the payment of its members) a sum calculated according to the number of persons whom it employs. Both the producing Guilds and the Distributive Guild will have wholesale warehouses. (In this aspect, the Distributive Guild will succeed to the distributive functions of the Co-operative Wholesale Society.)

Foreign products which compete with the products of the producing Guilds will be imported through the Distributive Guild, subject to the right of the Guild Congress to exclude any product made under unfair conditions by the foreign producers. Wholly imported commodities ready for distribution to the individual consumer will be imported by the Distributive Guild. Such articles as form either the raw material or the instruments of production of a productive Guild will be imported by the Guild concerned.

In order that the individual consumer may have an opportunity of making his demand effective, there will be associations of consumers among the buyers connected with the local branches of the Distributive Guild.

All . . . freight charges shall be abolished for home traffic; there would then be no variation in the selling price of commodities according to the varying cost of transport to the districts in which products are to be consumed.

It is with regret that, from the point where we began to speak of inter-Guild matters and of those

which affect both Guilds and State, we have ceased to view the Guild society from the standpoint of the individual Guildsman. But we wish emphatically to declare that we do not regard any of the matters we spoke of as being in a sphere removed, as it were, from the understanding of the mere Guildsman. On the contrary, it is to be hoped that all these problems can be brought into the ken of the smallest units in the Guild. Another way, also, in which the individual Guildsman will be able to interest himself in the larger problems of industry will come through his craft organisation, since not only will this elect and nominate a portion of the members of any committee dealing with matters that intimately concern it, but it will also be in a position to certify that those Guildsmen who satisfy its tests are sufficiently qualified to enter, in the capacity of experts, the service of other Guilds who consume largely the products of the experts' own Guild. Such a "foreign" position, which will, of course, exist as much in the district as in the national relations of the Guilds, will particularly enable the Guildsman who occupies it to take a larger view of industrial problems.

While we are speaking of the individual Guildsmen, we may consider a question, often raised, concerning producers who would remain outside the Guilds or are engaged in forms of production that are not susceptible of Guild organisation. With the latter, at least, the Guilds will clearly not claim to interfere, unless they interfere with

the Guilds.[1] With regard, however, to individuals engaged in an industry that is administered by a National Guild of which they are not members, it is obvious that the Guild must claim a certain authority over their activities. With the decentralised "cartel" organisation of the Guilds, it is unlikely that there will be many individual enterprises which will not willingly seek the shelter and protection of the National Guilds. But where, for some reason or another, there may be good cause why such men should remain outside the main organisation, the Guilds will, no doubt, institute a system of licences, which, granted for a certain period, will permit the licentiate to diverge in some respects from the general rules of the Guild. This is perhaps the choice that will be set before small owners—in agriculture, for example: they will have the choice of remaining as single-handed and self-contained licentiates of a National Guild, or of joining forces with their neighbours as fully fledged Guildsmen in the local organisation of the Guild.

Two final points, and we are done. A capable and practical supporter of National Guilds, discussing once the possibility of forming a Guild upon the railways,[2] set out a few of the amazingly complicated tasks that are undertaken daily in the

[1] There is a well-known equivoque in the *Catechism of National Guilds* (published by the National Guilds League) as follows: "Outside both Civil and Industrial Guilds would be a number of occupations insusceptible of Guild organisation—journalism, art, literature, etc., How would the members of these callings live?" "They would live, as they do now, by their wits."

[2] Mr. "Henry Lascelles," in his "Towards a National Railway Guild," reprinted from the *New Age* as an appendix to *National Guilds*.

administrative work of the railways, and said that

> The genius that has evolved and made possible the smooth working of such arrangements could, if released from the solving of these and similar complex problems, initiate a National Railway Guild, and be as successful in overcoming difficulties yet unforeseen, but of a far less difficult character.

We may apply this remark to other industries, and to the maintenance as well as the foundation of National Guilds in them. The administrative genius manifested nowadays in industry will not disappear with the coming of the Guilds; it is likely rather to be quickened with the general resurrection of the Guild spirit. We are led to emphasise this on account of the nature of some questions frequently put to National Guildsmen. A typical example of the kind of question to which we refer is the following: What would happen to a body of men whose occupation, for one reason or another, ceased suddenly to exist? Would they become non-working pensioners of their original Guild; or, if not, *how would it be possible* to transfer them to another Guild which was in need of members? This "how would it be possible"—when, indeed, the questioners even anticipate that National Guildsmen will admit the possibility at all—leaves entirely out of account the enormous administrative ability exercised by the managerial grades in industry to-day. It would not be insuperably difficult, even in the present unnatural and inefficient conditions of the wage-system, to deal with such problems as those

referred to in the question. With National Guilds, they would be a matter of skilled arrangement. Moreover, the Guild Congress and the Local and District inter-Guild Councils would provide admirable machinery for the adjustment of precisely such difficulties.

Some other critics of our proposals, and Mr. Hartley Withers in particular, argue against our suggestions for "Joint Conferences" and "Joint Councils" between, say, the Guilds and the State, one Guild and another Guild, and the Guild and the consumers, as mere verbal inventions to bridge unbridgeable gulfs. They fear that such joint bodies would be unpractical and ineffective, since there can be no certainty that agreement will be reached between the two conferring bodies; they would much prefer, they say, to see the questions that are to be put before these joint bodies settled by some single authority. So should we, if it were possible for this to be reconciled with the other requisites of the Guild idea. But surely this is no more possible under present industrial conditions than it would be with the Guilds. There cannot be many businesses now that are conducted by one man without conferences with his banker, his partners, his managers, and even his foremen and workers. Presumably he confers also with his customers and with the agents of the chief sources from which he obtains materials. If they have a common purpose—to exchange goods, enlarge the business, alter its scope, arrange new rates of pay—there seems no more natural way of discussing and settling the matter than by a

meeting (or, in technical terms) a "Joint Conference" of the parties concerned.

Moreover, from a joint conference of two or more authorities really representative of distinct (though not hostile) interests a fresh and more complete view-point can reasonably be expected to emerge than is possible to any single authority. To the objection that there can be no certainty that agreement will be reached, it must be replied that in a free society there can be no certainty that a settlement dictated to functional authorities from outside will be respected. To those accustomed to look for their social sanctions in force and starvation, any other alternative motive of social order must inevitably appear inadequate. To them we would suggest that to-day plutocratic irresponsibility and recurrent threats of "Direct Action" by Labour hardly produce an atmosphere of social stability. We believe that in the interaction of fully responsible functional authorities society will regain that stability for the attainment of which there is no alternative guarantee but a complete industrial slavery.

CHAPTER VII

PROBLEMS AND POLICY OF TO-DAY

The expansion of the Guild idea. New aspects of its development.

Bolshevism and Guild principles. The appeal of the Bolshevist experiment to the imagination of Socialists. The true nature of that experiment: its conflict with the fundamental principles of Guildsmen; support for this view in Bolshevist writings. The essential feature not the Soviet, but Bolshevist control of the Soviet. The Marxian philosophy rooted in Capitalist soil.

The Dictatorship of the Proletariat: Power as a substitute for Will. What is "the proletariat"? The role of "the class-conscious minority." Dictatorship or leadership: a vital distinction. Dictatorship as a dogma: dangers and fallacies. Economic self-interest not the sole ground for effective opposition to Capitalism.

The State in a Guild society: is it destined to vanish? The State in the light of a materialist interpretation of history: truths and falsehoods involved in such an interpretation. The position of the State to-day: why it is found in opposition to the Labour movement. State action can become pure only in an economic democracy. The State as spokesman of the common purpose to which functional authorities contribute their essential shares

The principle of Function: its relation to Guild theory and to the development of modern society. Danger of over-elaboration. Its application to the problem of the Co-operative movement. Co-operation and the function of Distribution. Nationalisation or municipalisation of Co-operative activities undesirable and impracticable. Limitations and opportunities of the Co-operative movement. Its future in relation to a Distributive Guild. The criticisms of (1) Co-operators; (2) some Guildsmen. Co-operation and the domestic consumer. "Encroaching Control" a policy especially applicable to the Co-operative movement.

Guild policy and State action. Limited value of Socialist formulæ. Nationalisation: its difficulties and dangers. Control of administration ineffective without control of finance. Nationalisation involves risk of consolidating financial power over the workers.

Finance and credit: their relation to Guild principles and policy. Need for a Guild programme of encroaching economic control. The widening of the Guildsman's appeal. Finance the real enemy, no longer facilitating production but frustrating it. The "wasting asset" of Labour. Socialist remedies ineffective, as resting on a false diagnosis. The attack on Property a false issue. "Power retreating from Ownership to Finance." Major Douglas's analysis of Finance and Credit: its double challenge. Mobilisation of the Credit inherent in Labour monopoly; a "Labour Bank" in each industry. Objection to this on ground of Guild principle superficial. The socialisation of price-fixing. Value and practicability of Douglas proposals. The resistance of Plutocracy. Is not "a change of heart" necessary?

The Building Guild movement: its fundamental significance. Steps towards the "Guildisation" of the Building Industry, national and local. The Building Trades' Parliament: its origin, nature and purpose. The Foster Report: its extensive proposals. The Manchester Building Guild: the example widely copied. Some features of the movement. The Guild Committee's proposals to cover unemployment. Its standpoint in regard to financial guarantees and purchase of materials. Need for a further widening of its scope. The London "Guild of Builders, Ltd." and its provision for this. Criticisms of the movement; the value of its achievement.

The fundamental question.

IF it were necessary to indicate in a single sentence the principal tendency in the development of the Guild idea during the past few years it might be described as the enlargement of Guild policy and speculation beyond the industrial issues upon which it was at first mainly concentrated. It would never have been true to say that Guildsmen were occupied with nothing more than the elaboration of a constructive programme for British Trade Unionism, but it is certainly true that the idea of founding a free industrial order upon a basis of National Guilds to be built up from the nucleus of National Trade Unions of artisans has carried its protagonists into fields of thought and spheres of activity in which many at any rate had hardly

expected to find themselves. The progression was not more easily foreseen for being in most cases quite natural. Opposition to Collectivism combined with the mediaeval tradition of the Guild to suggest to many Guildsmen the necessity for a new theory of the State; moreover, while that theory was being elaborated, Guild propagandists were recalled to the Marxian interpretation (from which in their analysis of the wage-system they had already borrowed something) by the translation of that materialist conception into the material fact of the Bolshevik revolution. At the same time the Guildsman's perception of the importance of the shop stewards movement inclined him to look with keen interest upon the Soviet as the basis of a new social order. A section of the "Guild Socialists" ran with enthusiasm for a fraternal hug from the Russian bear, now turned "deepest red" in equal defiance of zoology and political tradition; other "guildsmen" (the nominal distinction is not without a real significance) prophesied nothing but extinction for the Guild idea in such an embrace. Meanwhile problems less sensational, but perhaps more practical, were presenting themselves, if not for decision, at least for very urgent discussion. The Co-operative movement appeared like a lion in the path of the Guild pioneer, who began to speculate that, since the lion could not in any case be slain, it might be as well to consider whether it might not be tamed. Again, the most familiar of Guild clichés was resurrected in a new form by the speculation of *New Age* writers round the revised maxim that

economic power preceded and dominated not merely political power, but industrial power also. If Finance was the capitalist's citadel, as Guildsmen had always been ready enough to concede (though without drawing any very important consequences from the admission), then Credit was its key, and until that key had been stolen or counterfeited (so ran the *New Age* argument) the big battalions of Labour, despite the most brilliant of General Staffs, would batter at the gates in vain. In the midst of all this speculation came the welcome rumour of a practical achievement. As the result of the enterprise of a prominent Guildsman there emerged the fact of the Manchester Building Guild. Mr. S. G. Hobson's experiment set all England talking of Guilds, largely no doubt because in this instance to talk of Guilds was to talk of houses; and enthusiastic propagandists saluted the opening of 1920 with the slogan (excusable, if a shade premature), "The Guild arrives."

BOLSHEVISM AND GUILD PRINCIPLES

For the revolutionary of every shade all roads to-day lead to Russia, although those who travel on them find widely different prospects at the end of the journey. This would seem to apply as much to those who make the trip in actual fact as to those whose pilgrimage to Moscow is one of the spirit only. The reports of the official British Labour delegation are the most recent example of this, and tend to confirm the impression that the

virtues of Bolshevism (and some, maybe, of the defects also) lie mainly in the eye of the beholder. Although the present writers are not altogether without qualification to treat of Russian affairs, it seems to us of less importance to bandy fact and counter-fact about the working of the Bolshevik experiment than to consider the declared principles on which that experiment is being attempted, the methods it designedly employs and the immediate aims (for *ultimate* aims are inevitably platitudinous and so of small significance) which it is setting itself to realise. It is only by doing this—even though we can do so here with scant justice to the importance of the issues raised—that we can arrive at any considered judgment as to the reality of that presumed 'solidarity' with Bolshevism which some Guild adherents urge their fellows to proclaim, while too often leaving it quite obscure upon what, save a common antagonism to plutocracy, such a solidarity can be based.

It is characteristic of the muddle into which the word "Bolshevism" plunges too many of those who might be expected to think clearly on such a subject that a recent conference of the National Guilds League which, though by a slender majority, "affirmed its solidarity with the Russian Soviet Republic," went on immediately, by turning down a proposal to approve the "dictatorship of the proletariat," to refuse the clear acceptance of the essential strategy by which that experiment is both theoretically and practically maintained. For it will scarcely be denied by any intelligent advocate of Bolshevism that it stands or falls as

a social theory on the doctrine of the Dictatorship of the Proletariat. This specious phrase is no new one, it is true; it goes back to Marx himself, or perhaps more definitely to Engels[1]; but it remained a phrase until the Bolsheviks gained the opportunity of putting their own interpretation on it. As a result, dictatorship has certainly become a reality, even if the share of the proletariat in the matter has not. Indeed, the phrase, if we can resist its hypnotic suggestion, will be discovered neither to say what it means, nor to mean what it says.

But before we invite our readers to make the discovery, and in order that we may enable them to do so to good purpose, we shall prefer to suggest means whereby they may effectively resist the hypnotic suggestion to which we have referred. The chief appeal that Soviet Russia makes to the imagination of Socialists is, we believe, the appeal of fact. After a century of Socialistic thought and speculation, here, in a world of talk, is something attempted, something done, which can earn for those who will accept it, their minds' repose. A 'governing class' has been destroyed; let it be enough to feel that 'destroying, we create' the opportunity for an emancipated society, without stopping to care whether 'creating, we undo' forthwith every hope of realising it. Such we

[1] Ultimately, of course, it goes back much further. As Marx quite appreciated, the doctrine is implicit in the Jacobin policy during the French Revolution; and it was as a "proletarian dictator" that Robespierre enjoyed supreme power (or more accurately that he was allowed by the Great Committee of Public Safety to believe himself in enjoyment of it) in 1794.

believe to be the psychological explanation of the impassioned acceptance of Bolshevism by so much that is best in our revolutionary movement—as well as by some who do not represent its best by any means. To us it is clear that the whole position is based on an error, which, being a psychological error, is therefore a fundamental one. If men are to build anything that will not merely endure but will deserve to endure as a social order, they must think first not what they want to destroy, but why they want to destroy it, and, being clear upon this, what it is they seek to achieve in its stead. Socialists will never arrive at the right answer to their problems until they ask themselves the right question; caught in a tangle of technical phraseology, many of them have still to do this for the first time. Is it the whole truth to affirm that in our social chaos it is essentially Capitalism which is the enemy? Most Socialists would affirm so without a moment's hesitation, and would explain that by Capitalism they mean the private ownership and control of industry. Yet this is not the whole truth; and it is not so for two reasons, major and minor. The minor reason is that industry is dominated by the finance that lies behind it and sets it in motion, and that consequently, while industrial ownership may boast and bluster of its power and achievement, it must keep silence while 'money talks.' But the major reason is far more important, and it is upon that we are seeking now to insist. Capitalism is the enemy of justice and freedom because it is based on force rather than inducement, on fraud

rather than on frankness, on contempt for personality, and on material success (by however few enjoyed) as the criterion of social value. It is such an enemy precisely for these reasons; but other societies with a different economic framework and avowing other aims might still be based upon these evil things. In judging a revolutionary experiment we have to ask ourselves not how completely is the capitalist machine dislocated, but how completely are the values that Capitalism despised, realised or foreshadowed in the new order.

To us it appears that the Bolshevik experiment in Russia has succeeded in maintaining itself not because it has hazarded a fundamental alternative to the plutocratic society it has so vociferously denounced, but largely because it has been content with a very partial transvaluation of capitalist values. Indeed, the contrivers of that experiment seem to owe such success as they have achieved precisely to their readiness not merely to effect their *coup*, but to maintain themselves in power by incorporating much of the Tsarist tyranny, industrial dictatorship and proletarian passivity left over from the collapse of the old order. It may be said that such was the only result that could be looked for from a Russian revolution, though it seems rather that the chances of the 1917 revolution establishing a true social democracy were finally ruined from the moment that the Bolsheviks usurped control of it. But even if it be the case that better could not be reasonably expected of Russia than her present masters have

achieved for her, we may surely ask why the democratic movements of the western nations should now be exhorted to learn all their lessons from Moscow. And Guildsmen especially may enquire what they have to imitate in a society which transgresses, often explicitly, every one of their fundamental principles. We are aware that there are many Socialists, "Guild" and otherwise, who could never bring themselves to believe this, though William Morris (let us say) rose from the dead to assure them of its truth. But for others less impervious to reality a few references to fact may not be altogether irrelevant.

It will not, we think, be contested that Guild principles of social order have been generally understood to demand decentralisation and a high degree of local initiative; independence of control from the central political authority for movements and associations of a spontaneous and democratic origin; suppression of capitalist systems of wage remuneration; repudiation of systems of "scientific management" based on a regimentation from above of the "human machine" by alleged experts; an effort to escape from a purely quantitive production in the direction of subordinating the machine to the man who is at present its slave; and, most undeniably of all, the attempt to found an industrial democracy on a Labour discipline self-imposed and a wide area of choice and control for the individual worker through his own associations, independent of outside interference. Guildsmen may have differed about the stress they thought fit to throw upon

these various elements of their 'idea,' but they would scarcely have denied the vital importance of all of them. Every one of these Guild principles is repudiated by the Bolshevik administration of Russia, not merely in fact, but what is even more significant in this matter, in theory also. It is often objected that Russia is in a state of siege and that it is unreasonable to expect a satisfactory social democracy to be evolved in such circumstances. This objection would have more force if there were any indication in Bolshevik writings that the measures adopted and the objects sought by the Soviet Government were essentially emergency measures and temporary objects. The evidence, however, is all in the other direction. The whole standpoint of Lenin himself is authoritarian, capitalist and materialist to a degree which suggests nothing so much as the outlook of an American multi-millionaire; and it is, he himself says, in " the demands of the large machine industry " that he finds " the basis of Socialism."

What fruit can Guildsmen expect to pluck from such a withered bough? Is it freedom from a centralised political tyranny? " State Capitalism," Lenin answers, " under the Soviet Government would be almost complete Socialism."[1] Mr. Sidney Webb, in the maddest raptures of his Collectivism, let fall no dictum so hostile to social freedom. Is it a new social order wiping out the servile assumptions of Capitalism? " The possi-

[1] *The Political and Economic Currents with which the Revolution must contend: Speech delivered by Lenin to the Plenary Sitting of the Central Executive Committee of the Soviets. May,* 1918. (Workers' Socialist Federation.) p. 11.

bility of Socialism," Lenin tells us, " will be determined by our success in combining the Soviet and the Soviet organisation of management with *the latest progressive measures of Capitalism.*"[1] What are those great social discoveries with which Capitalism has enriched the world? We find them, as outlined by Lenin himself, to be quantitative production, the Taylor system of scientific management, dictatorship in the workshop, and " wages on the basis of productivity." Is it the autonomy of democratic associations which we are to look to Bolshevism to safeguard? If so, we look vainly; for not only have the Soviet authorities subordinated the Russian Trade Unions to a rigid political control, but they have ruthlessly destroyed the independence of the Co-operative movement, which was the most authentic achievement of the democratic spirit in Russia.

Finally, does Bolshevism mean industrial democracy and workshop control? No, but far otherwise. Lenin dismisses the " meeting-holding " in which the Russian workers indulged in the early days of the Revolution as a mere phase, desirable only as a means of proving its inherent impossibility.[2] And in a proclamation of the Central Committee of the Russian Communist Party put forth in the spring of this year, the Bolshevik leaders, after complaining of the continuance of an " excessive collegiality " on the part of the workers, declare bluntly that " the workmen should

[1] *The Soviets at Work*: *Programme Address before the Soviets. April*, 1918. (Scottish Socialist Information Bureau.) p. 34.
[2] *The Soviets at Work.* p 36.

be definitely told that we are coming to the introduction of management by a single person." Perhaps our British Bolsheviks will encourage the democratic ardour of their followers by passing on the information.

In these circumstances, speculations in which some Guildsmen have been tempted to indulge upon analogies between the Soviet of their imagination and the Guild of their dreams become painfully academic. The Soviet may have features which entitle it to claim the interest due to the happy accident of a revolutionary hour; it may, on the other hand, involve a confusion of political and economic functions and an apparatus of indirect election which have not generally found favour in Guild circles. But such problems need not detain us, for they are beside the point, and will remain so until Russia attains an entirely different regime than that to which she is at present subjected.[1] *It is not the Soviet, but Bolshevik control of the Soviet, which is the dominating feature of the situation.*[2] While the Soviet, even in its purely industrial form, remains a body from which political opponents of

[1] Some writers affirm that, somehow or another, the Bolshevist regime is arriving unconsciously at Guild conclusions; but we cannot believe that so desirable an accident is probable.

[2] Our readers must understand that it is not the purpose of the authors to weigh up all the pros and cons of the complex situation in Russia, or pronounce upon the comparative virtues of the Soviet Republic and its assailants, Russian or otherwise. It is probably too early for so formidable a task to be undertaken by anyone with any chance of avoiding bias or error due to imperfect information, and the authors in attempting it would not even be likely to agree with one another. They are here seeking only to disentangle such principles and facts as seem to them essential for the understanding by Guildsmen of the bearing of the Russian example upon their own problems.

the ruling party are excluded—or even liable to be excluded—although elected thereto by an overwhelming vote of their fellows, it is not worth while wasting time discussing "Sovietism" as a form of social democracy. Soviet Russia, indeed, is not an experiment in democracy at all, and does not need to be considered as such; it is based on a negation of democracy explicit in many respects and actually effective in a great many more. If its industrial methods are fundamentally identical with the methods by which Capitalism supports its degrading domination over our western proletariats, its political theory of dictatorship is not less an oligarchical tyranny for taking the proletarian interest as its sanction. The whole Marxian philosophy and programme has its root in capitalist soil, and is itself the most convincing witness to its own half-truth that ideas are limited by the material circumstances of the age in which they take their rise. In an age when plutocracy dictates to a proletariat alternately rebellious and submissive, the Marxian can conceive no more enlightened solution than a violent reversal of the process. He is not content to work for the abolition of all dictatorship or the destruction of the servile conception of a proletarian caste; he even glorifies these evil things by accepting them as the central values of his 'revolution,' and for such a wretched subversion he would hazard all the dearly won achievements of democratic efforts in the desperate throw of a catastrophic 'class-war.'

In considering the doctrine of a proletarian

dictatorship, we do not, however, wish to dwell upon the hardships inevitable to a situation into which a violent dislocation has been introduced without any attempt to enlist the constructive energies of the mass, or to win over the will of society as a whole to the conviction of a need for drastic change. We prefer rather to meet the advocates of this doctrine upon their own ground of revolutionary principle. It is true that men with a sense of realities will often be justly appalled by the light-hearted manner in which the Bolshevik theorist contemplates (if, indeed, he gets sufficiently near to fact as to contemplate it) the complete dislocation of a nation's economic life by a stroke of social revolution, more especially when the nation is one like our own, dependent for its food supplies and for much else vital to its very existence from overseas. But for great ends great perils may have to be faced ; and if the united will of a potential industrial democracy, having exhausted every other alternative, and fully persuaded of its mission and its ability to realise it, could attain its goal by no other means, the final defeat of plutocracy might even sanction the appalling risks of such a revolutionary stroke. Moreover, we are not so blind to the atrocities perpetrated daily and hourly by our existing economic system, and even inevitable to it, as to shirk a dictatorship merely because it involved hardships for those whose unjust tenure of power a democratic discipline had arrived to supersede. But even if we were convinced (as we are not) that no other method existed by which not merely

could Capitalism be destroyed, but a more just and stable society instituted, we should still declare that nothing could justify such a revolutionary stroke or guarantee a successful issue of it but a conviction widely, almost universally, spread among the workers of every class that it must be attempted, and that a victory thus gained could be substantiated. Power, in our view, can only be justly employed when it comes to the aid of democratic Will: the Bolshevik, however, would employ Power as the substitute for Will. It is here that the Bolshevik doctrine is most fatal to liberty and most dangerous to the Labour movement throughout the world. Its danger to capitalist society is secondary by comparison.

Most terms that are of social significance escape precise definition, and the term 'proletariat' is no exception. Any intelligent social student knows what he means when he employs it, but he cannot be sure at all precisely what anyone else will mean by it. We have no space for such an analysis; but a useful definition has been provided by an advocate of proletarian dictatorship in this phrase, "the workers regarded as in conflict with the capitalist." Yet this is not finally satisfactory, since it leaves uncertain from what motives such workers place themselves (or are placed) in conflict and for the achievement of what end. The worker in conflict with an employer over a piece rate may know little and care less about theories of class war; yet he is a proletarian none the less for his indifference. A working class united in action to restore the right to drink beer filched from it by

a Prohibition Law secured by the support of capitalists with aspirations after 100 per cent. efficiency might be acting as proletarians, yet with as little purpose to effect a revolutionary change in the social structure as their opponents. But to the Marxian, the proletariat, however he may define it, means directly the term ceases to be a metaphysical abstraction, something perfectly simple and definite.[1] It means the people who agree with him—or, as he would prefer to put it, with Marx as he interprets that complex and voluminous writer. The proletariat, for all practical purposes, and certainly for the particularly practical purpose of dictatorship, are those who accept and agree upon a certain interpretation of historical phenomena and of the social situation by which they are confronted. They are the 'people,' and wisdom would die without them. Their dictatorship would not be merely the rule of a class over society: it would inevitably be—as their most honest advocates admit[2]—a dictatorship over very large sections of any proletariat.

The implications of such a position involve considerations which are far more than merely tactical. On the tactical ground, indeed, the consequences are grave enough. The elect of the Marxian faith, the predestined saviours of the society they must first destroy, will find in this doctrine a sanction to stampede the Labour move-

[1] See R. W. Postgate's exposition *The Bolshevik Theory*, the clearest and most honest presentation of the Bolshevik position which has appeared in English.

[2] As, for instance, Eden and Cedar Paul in their *Creative Revolution*.

ment, of whose fate they believe themselves the authentic interpreters, into precipitate action at any moment they choose. By such a coup, hurried on with no effort to win the understanding of the movement as a whole and even against its judgment, the cause of democracy might be fatally betrayed and the chance of achieving economic freedom put back for a generation. We are not denying the mission of a minority, conscious of the truth and justice of its ideals and with plans of their realisation, to take a lead and shoulder the responsibilities and face the risks of leadership. But between leadership and dictatorship there is a great gulf fixed. Leadership seeks to inspire activity; dictatorship aims at little more than imposing submission—and this a submission of and even an oppression over the very masses whose emancipation it is claiming to hasten. A leading Guild Communist in defending dictatorship has even given it as his considered verdict that the task of a revolutionary champion is not to aim at winning the support of the workers, but merely at lulling their suspicions.

Dictatorship, then, does not call the workers to action: it summons them to passivity. It demands of the citizen passive complacence or complete civic extinction. To its critics it replies not merely with the suppression of electoral rights (which may in certain eventualities be a justifiable measure, but in no case one of fundamental and primary importance), but with the suppression also of the right of meeting, of freedom of speech, of public expression in journal, pamphlet or book,

of every sort of public personality. That such an attempt should be made in the name of the emancipation of Labour and fail before the reprisals of plutocracy might have tragic results : that it should be made and succeed might have results more tragic still. For such triumphs bring their own revenges ; the roots of liberty destroyed, it withers everywhere ; and force used to murder freedom in the market place can never operate to establish it in the workshop. Out of such an atmosphere only tyranny can grow, and a centralised tyranny at that, since by reason of the very friction it generates it is compelled to postpone all hope of decentralisation as fatal to its own security. It might not be easy for the proletariat to set up a dictatorship in their own name ; it would be far harder to pull it down. The class-conscious minority of to-day becomes too easily the self-conscious oligarchy of to-morrow.

We are not denying that the advocators of proletarian dictatorship can offer a strong intellectual case and a tempting emotional appeal. Of their many subtle defences we can stay only to mention two. Capitalism, they declare, has acted so, and Capitalism, acting so, has won. Again, they argue that in a society saturated with the influences of plutocracy, clear thought and noble feeling cannot be looked for, save in the few ; force must supply what persuasion cannot suffice to achieve ; there is no other way.

To the first objection we reply that nowhere could it be truer that two blacks don't make a white than here. Socialist analogies drawn from capi-

talist examples are futile, for the methods of Capitalism are natural to it, and actually result from capitalist ideals and are consonant with them. They are fatal to the spiritual values for which the Guildsman at any rate has seldom been ashamed to stand. There may have to be some sort of democratic discipline to substantiate a freedom widely understood and safeguard a popular responsibility eagerly embraced. But to preach dictatorship as a dogma involves the huge risk of translating such a possible means into an essential end. Once get this idea of an inevitable dictatorship into the mind, even the subconscious mind, of the Labour movement, and you have outlined the social issues no longer in terms of Will, but in those of Power alone.

To the objection that "there is no other way," there can, of course, be no brief reply. It is, indeed, one of the main purposes of this book to indicate the elements of a more constructive alternative, and we shall have more to say of this in its latest development in what follows here. It is the habit of the Bolshevik who asks for his "Socialism now" to sneer at the Guildsman's industrial policy because it does not expropriate the capitalist at one fell swoop. But the worker, 'on the morrow of the revolution,' as wrought by Marxian formulas, might wish regretfully that his leaders had pointed the way to his acquiring previous instalments of encroaching control which would have enabled him to do for himself and in his own way what he must now submit to a dictatorship in order to have done for him. Guildsmen have a more

profound interpretation than many Marxians of the Marxian dictum that the emancipation of the workers must be by their own act.

But the Bolshevik grounds his assertion that "there is no other way" chiefly on the fact that in a capitalist society the mentality of the majority can never free itself from capitalist ideas. Moreover, he says, the immediate material interests of the thousands parasitic upon plutocracy bind them to allegiance to it. The problem is a real one, and against the complacent Parliamentarianism of the orthodox Labourists the Bolshevik case is strong. Yet we are not convinced that, with the power of plutocracy centralising itself more and more into the Money Trust and the Manufacturing Ring, its real power, based as it is largely upon the prestige that it can command, is actually increasing. The public sees the capitalist no more as the enterprising employer, but more and more as the money lord, the controller of credit and the manipulator of prices; and seeing him in this guise, its dawning suspicions of his moral inevitability are stimulated a hundredfold. The employer was respected: the profiteer is not revered. Complacency once disturbed, idealism may hope to enter. But the Bolshevik presents his scheme of ultimate emancipation in a guise of forcible antagonism to many who are increasingly ready to rally to a constructive ideal. In doing so, it is the capitalist he serves: for it is the policy of those who seek to preserve the existing economic system to divide society as low down as possible, and to stigmatise the artisan Trade Unionist as a bandit with whom no self-

respecting person of the middle classes could honourably mix. The business of those who seek to weaken Capitalism is to divide society as high up as possible, just below the authentic economic governing class, who are the monopolists of credit and the controllers of the Trusts.

Finally, we would suggest that the Bolshevik, precisely because he is a materialist, actually weakens the forces working against Capitalism by confining his appeal to one of them. The motive of self-interest is not by any means the only ground in which the opponents of Capitalism find the impulse of their antagonism. This antagonism may spring from many another motive or medley of motives—spiritual, moral, aesthetic, cultural—or may find its sanction merely in a genuine love of efficiency and good work done for its own sake, which the economic sabotage of Capitalism is constantly thwarting. There are hundreds of experts of every kind in modern industry who keenly resent the canalisation, in the interest of profits, of their energies away from the best of which they are capable. These men can be won for a constructive alternative to the system which exploits them; indeed, they must be won if such an alternative is not to break down for lack of their co-operation. The Russian Communists have found themselves compelled to fall to the humiliating expedient of bribing the industrial experts whom they had been too contemptuous or too short-sighted to set about to win. A materialist interpretation of social policy which can conceive only self-interest as a revolutionary motive, is as

inadequate as a materialist interpretation of history which can find in the lust for economic dominion the only explanation of the origin and nature of the State.

THE STATE IN A GUILD SOCIETY

Guildsmen were not long in discovering that the application of their principle of industrial autonomy could not proceed far without a parallel attempt to determine the proper sphere and functions of the State. In the case of some, such an enquiry resulted in the elaboration of a social theory distinct from and often antagonistic to that accepted by orthodox political scientists. No attempt will, or could, be made here to reproduce the outlines of this theory; nor is there any need to do so, since various books published during the past two years expound it in the clearest terms.[1] It is not to be supposed that Guildsmen's enquiries into the nature of sovereignty or "functional democracy" are at an end, but two conclusions may perhaps be taken as established by this time for the majority distinguishing them alike from the State Socialist on the one hand and the Marxian on the other. Guildsmen, generally speaking, would not now (even if they ever did) use the term "State" as synonymous with society as a whole, or regard the State as the only important expression of the nation's public life or as entitled to claim from the

[1] See for instance *Social Theory* by G. D. H. Cole and *The Meaning of Democracy* by Ivor Brown; also the writings of Mr. Bertrand Russell. A rather different view will be found in *National Guilds and the State*, by S. G. Hobson.

citizen an exclusive allegiance. At the same time they would equally reject the contention that the State is essentially and of its nature the organ of a governing class, destined to wither away with the elimination of such a class. They would, on the contrary, affirm the necessity for some organ to persist in a Guild Society which would concern itself with " those things which affect men equally and in the same way," in Mazzini's definition, manifesting itself centrally where those things call for the attention of a central authority, with corresponding authorities locally in the municipality or rural district and intermediately in the county or (as seems more probable) in the regional area. Such authorities might have—indeed, they would inevitably have—a relation to the economic life of the community; but their purpose would not be exhausted or even primarily expressed by such a relation. Neither the true nature of the State nor its origin can be explained by a purely material interpretation. Its sanction is more than an economic one, and its purpose is something nobler than coercion.

Most Guildsmen, we repeat, would be prepared to distinguish their social theory from that of the Marxian along these lines. But in combating in a few words the very potent falsehoods of economic materialism we shall not claim henceforward to speak for anyone but ourselves. Its interpretation of the past we must leave others to examine, content only to point out that an economic interpretation of history is not a close preserve of the

Marxian.[1] Such an interpretation is indeed necessary to the true understanding of any historical epoch, but it must be regarded as one of a number of explanations all indispensable to the elucidation of the truth. Let us further agree that man in society will always be influenced by the material circumstances of his age, whilst strongly contending that he is always capable of choosing the principles by which he will live amid those surroundings. Since he can seldom foresee the results of his choice, and often makes no attempt to do so, the choice may appear to succeeding generations to have been a blind one, or even to be one dictated to him by the mere pressure of facts. It is not so. Moral principles and the social atmosphere which they create determine the working and, ultimately, the form of the economic structure of a society. It was because men really believed in the principles of Vocation and Fraternity (Function and Solidarity as an untheological age prefers to call them) that the old Guilds grew to maturity; and when men ceased to believe in these things as the basis of social order, the Guilds decayed.

We would not be bold enough to affirm any such positively moral origin for the State, but we do contend that it arose, not as a kind of conspiracy, but in response to a need definitely felt by all men of western culture for an organisation to express the common traditions their nation has inherited from the past and to maintain their ability to make

[1] See Mr. A. J. Penty's suggestive study, *A Guildsman's Interpretation of History*, which we recommend without subscribing to all its inferences.

future history without restraint from another community. As the creation of man as a political animal it reflects, like all such creations, the social vices and defects of the age in which it appears. It is possible, for instance, to recognise the large measure of control and influence now exercised directly and indirectly, consciously and subconsciously, by plutocracy over every manifestation of State authority, without accepting the Marxian conclusion that the State is essentially and of its nature the organ of a governing class and that it exists to coerce the opponents of that class whether within its own community or outside, and is destined to disappear with the disappearance of class rule.[1] Guildsmen have reiterated that "economic power precedes political power," and they maintain accordingly that it is only in proportion as economic (and not merely industrial) power passes away from plutocracy that political action can become pure. In the meantime, therefore, it need not surprise them to find that the State of to-day, in policy, law, and administration, acts, save in so far as it is checked by organised efforts on the part of the workers (or efforts made consciously on their behalf), in a manner hostile to working class interests. Nor need it surprise them if this continued to be substantially the case despite the election of a Labour Party majority to Parliament, or despite the nationalisation of industries under the policy-control of Government depart-

[1] The best statement of this view is to be found in Lenin's *The State and Revolution*, written before his rise to power. See also *The Bolshevik Theory* by R. W. Postgate, and *The State: its origin and function*, by W. Paul.

ments, even though such nationalisation were combined with some measure of workers' control in the purely industrial sphere. Only a real achievement of economic democracy will deliver the State from its bondage to financial power, and will allow the political function such free exercise that its true nature may be clearly revealed.

It is not, however, accurate to say even of the State to-day that it acts consistently in the Marxian rôle of "an executive committee administering the affairs of the governing class as a whole," since not only are the interests of the various sections of the governing class divergent in many respects, but motives of tradition, efficiency, public safety, and patriotism in a disinterested sense are among those which influence State action. It is true that the State finds itself commonly in opposition to the aspirations of the Labour movement. But it finds itself so for a further reason than that already suggested (*i.e.*, capitalist influence), precisely because Labour's effort *is* a movement. The instinctive object of Governments is to preserve the appearance of stability in the communities in which they rule. (Capitalism also would maintain a superficial stability, while at the same time endeavouring to transform this precarious sway by scarcely perceptible degrees into the real stability of the "Servile State.") A "movement" of Labour inevitably threatens to disturb the seeming equilibrium, and the State, as the trembling custodian of that equilibrium, which is the only substitute Capitalism permits for the real security of social justice, turns upon

Labour an apprehensive frown. In a healthy society the conservative element which the State organisation would in some measure represent would be of value if it was properly balanced by opportunities for growth and development and initiative in other spheres of society. To-day it operates only to preserve the falsehood and injustice on which the rotten fabric of plutocracy is built.

The State, then, can never be a true guardian of the common interest while Capitalism remains the guardian of the State ; it cannot express the common purpose while the tradition of private gain is so overpowering that no such purpose can stand against it. Nor can it—or any single form of association—act in a rightly constituted society as the sole guardian of such a common interest or the only means through which a common purpose is expressed. A free society must be in some degree what contemporary phraseology would call a " functional " society ; the aspects even of man's public life are far too varied to be represented by a single form of human grouping. Without our seeking to resolve the vexed problem of sovereignty, it is clear to us that among the secular organisations that must go to compose a true social order, the State will be *primus inter pares.* It will be so since of its nature it stands as spokesman of those ideals and interests which unite all its citizens for the common purposes to which the functional authorities of society contribute their several and essential shares. The State has to perform tasks of protection and co-ordination,

without the guarantee of which no community could maintain its corporate identity; it has to hold its own in a hostile world or fulfil its mission in one pacific and regenerated. The determination and maintenance of measures of national defence so far as international circumstances rendered these measures necessary; the determining voice in national policy in respect of other communities, whether through the medium of a share in a League of Peoples or otherwise; legislation by statute, or locally by bye-law, to cover matters outside the scope of functional authorities, and the possible codification of criminal and civil law; a share in the determination of the *ends* of Education and the broad lines of a national curriculum (perhaps by means of a determining voice in these matters—and in these matters only—in an Educational Senate): such tasks as these, apart altogether from economic functions to be separately considered, would have to be performed by a responsible authority of national scope in any free society. These are the essential tasks of what we can rightly define as the State. But only with the distorting influence of plutocracy removed can we hope to find them performed in such a way as to render it possible for the other associations composing the community to function in freedom and in health.

FUNCTIONAL DEMOCRACY

No discussion amongst Guildsmen about the nature of the State in a free society is likely to proceed far without the magic word 'sovereignty'

being thrown like an apple of discord into an assembly harmonious enough, in all probability, until that moment. Our discussion here (as in our first edition) must prove that rule by remaining an exception to it. And this not from any failure to appreciate the importance of the issues involved, but rather because our present craft is too frail to brave the perilous seas of political philosophy in quest of a fairy land so forlorn. We have already[1] recommended our readers to vessels of deeper draught which will undertake to make the journey, though their masters will not always guarantee that the elusive thing will be securely captured at the end of it. Many Guildsmen, banishing the very notion of sovereignty from their Utopia, but instinctively abhorring the vacuum thus created, have found another political conception to put in its place. This is the principle of Function. It was Mr. de Maeztu[2] who first sought in the idea of function a basis for the Guildsman's philosophy which should prove a safe refuge from the horrors that fall on those who surrender to the principle of authority with its doctrines of power and its ultimate goal of world domination, or to that of Liberty which takes the self-realisation of the individual as its object and ends with anarchy as its result. The basis of all social action, he contended, should be the perfection of the

[1] See above p. 230.

[2] *Authority, Liberty and Function in the Light of the War*, by Ramiro de Maeztu. See also the chapter on "The Organisation of Freedom" in *Labour in the Commonwealth*, by G. D. H. Cole, and his *Social Theory, passim*. Also *The Sickness of an Acquisitive Society*, by R. H. Tawney.

object to achieve which the association concerned with it was called into being. Rights should adhere to functions and not to individuals; though man as a being with many functions would not have his status in society defined merely by his relation to one of them.

The bearing of this not only upon the theoretical position of the Guildsman and the mediaeval conceptions of policy from which that position derives, but upon the actual development of modern society, is clear. The religious organisation, the Trade Union, the Co-operative movement, and the '*ad hoc* authority' of every kind are showing themselves increasingly impatient of the never-ending audacity of the *politically* elected person. The true statesman of to-day must take into his consideration matters far wider than fall within the rightful province of the State to undertake or within the power of its machinery to settle. Facts indeed (and the potential fact of 'direct action' not less) only make more obvious what the social theories of the Guild writers have already demonstrated—the vital necessity of setting society on a true basis of rightly co-ordinated functions.

The claim of the Guildsman has always been that he is not building up a purely imaginary fabric based on ideas alone, but seeking to develop out of such rudiments as already exist a true 'functional association' in the economic sphere, which can, because of its own healthy development, contribute its share to the health of society as a whole. For this, and not the achievement of any separate or selfish destiny, is the true purpose of every func-

tional body rightly conceived. "Function," as Mr. Cole points out, "emerges clearly when, and only when, an association is regarded not in isolation, but in relation to other associations and to individuals. . . . Such a system evidently implies a more or less clear demarcation of spheres between the various functional associations in order that each may make its proper contribution to the whole without interfering with the others. It is, however, easy, in search of symmetry, to push this point too far."[1]

It is, and Guild theorists have not always avoided the danger themselves. They have, moreover, pushed the application of their principles so far that on the one hand the community seems to shrivel away beneath the particularism of innumerable and rigidly-circumscribed 'autonomies,' stitched together by ineffectual hyphens called 'joint committees'; while on the other the individual is conceived as so completely a "political animal" that he will be unable to exhaust his appetite for elections and the whole apparatus of governmental organisation, although able to indulge it in an endless round of functional franchises, direct and indirect, national and regional, municipal and rural, craft and industrial. The artificiality of such an outlook is partly to be accounted for by the artificiality that inevitably creeps into minute discussions of the framework of a hypothetical future. The 'practical' view, which defends this riot of electioneering by arguing that men will only take part in such activities of this

[1] *Social Theory*, p. 55.

sort as are concerned with matters that really interest them, and that, by providing a wide range of such opportunities, democracy is most nearly achieved, is not very convincing. For experience suggests that the result of a social system which actually induces indifference in the many would be that affairs would fall into the hands of a few busybodies with a taste for interfering in the lives of others. There is a very real danger that the over-elaboration of political machinery will result not in the quickened initiative and awakened sense of responsibility which are ultimately the only guarantees for an actively free social order, but in the reverse—a satiated apathy. Boredom and freedom are incompatibles.

THE CO-OPERATIVE MOVEMENT AND THE GUILDS

Guildsmen are on stronger grounds when they abandon the effort to weave minutely 'functional' strands into the semblance of a tidy social pattern, and take as their starting point the actual factors of the existing situation. Theorists are proverbially liable to discover that facts are stubborn things; and Guild theorists, seeking a true basis of representation for the consumer's outlook, encountered —not for the first time—a distinctly stubborn fact in the development, actual and potential, of the Co-operative movement. Co-operation, no less than Trade Unionism, was a workers' movement, built up in opposition to Capitalism. Yet for Guildsmen Co-operation appeared as something of a stumbling block, since it explicitly concen-

trated the control of industry and of those engaged in it in the hands of the consumers; nor had it in practice been found friendly to the idea of its employees becoming responsible even for their own labour-discipline. Guild ideas have found rigid opponents in the champions of the Co-operative movement, whose views on the desirability of the 'conscription of labour' and the need for an external direction of the worker's industrial life bear a surprising resemblance to plutocratic ideals in regard to such matters.[1]

Divergence of outlook, then, certainly exists between those who look to Trade Unionism as supplying the basis of an economic democracy, and those who see in the existing Co-operative movement the nucleus of the future 'Co-operative commonwealth.' But an internecine struggle between Trade Unionists and Co-operators is no less a physical than a moral impossibility, since the bulk of the combatants would have to be fighting on both sides at the same time. Moreover, events have been drawing together the two movements on the political field, and Guildsmen are faced by the obligation of considering whether these two working-class movements have not both got functions to fulfil in struggling for the development of a true commonwealth, and in sustaining the economic life of that commonwealth when that struggle has been successfully achieved.

The future possibilities of the Co-operative movement from the Guild standpoint must be

[1] For instance, L. S. Woolf in his *Co-operation and the Future of Industry*, 1918.

discussed as part of that "problem of the consumer" which Guildsmen have from the first had pressed upon their attention, often quite justly, by their critics. We discussed this problem at some length in our first edition; space prevents our reproducing, or even recapitulating, our treatment of the whole matter, and the discussion has advanced several stages since we summarised it, but it seems worth while to recall what we wrote in 1918 of Co-operation in its relation to the Guild programme. This movement, we pointed out,

offers perhaps the most striking example of control by consumers to be found to-day. As such, while essentially a workers' movement, and at present developing an even closer connection with other democratic movements, it must inevitably come into conflict with a Trade Unionism seeking to obtain a control of industry by the workers themselves. While Co-operation and Trade Unionism seek only to palliate the wage-system, it will not be impossible to effect an accommodation between them; but if they set out definitely to replace it, one of them will have gradually to yield to the other. The relation of the employee to the Co-operative Society that engages him is not fundamentally different from that of the ordinary worker to a capitalist firm which buys his labour power. . .

It seems clear, then, that the Distributive Guild cannot be directly developed out of the Co-operative Societies, but that it will arise rather from the pressure of an encroaching control from the Trade Unions in which Co-operative employees are organised, similar to the encroaching control of the Trade Unions upon the functions of the capitalist employer. But this demand for control, as it becomes articulate and defined among Co-operative employees, should be far more easily susceptible of adjustment to the claims of the present managers than where it is confronting a

definitely profiteering interest and a governing caste. Especially should this be so in respect of the distributive, as opposed to the productive, aspect of Co-operation, on account of the necessarily close relation of distribution to the consumer. The share which the consumer now takes in the control of the distributive store under Co-operation must be very considerably modified before the workers reach the Distributive Guild ; but it need not be eliminated altogether. Just as initiative now lies with the Co-operative committee of consumers, but a certain limited right is sometimes permitted to the worker, so in the Distributive Guild initiative must pass to the producer, but the representation of the consumer will not altogether disappear.[1]

We do not see any reason to revise the conclusions suggested in the above, but further discussions of this subject by Guildsmen have produced proposals at once more definite and more far-reaching. Mr. Cole, for instance, in a very interesting chapter of his most recent book,[2] has enlarged the problem by treating it as one not merely of control, but even of ownership. The Guild ideal of communal ownership (it cannot be too often insisted upon) does not imply that every variety of industry and service should fall at the earliest possible moment into the proprietorship of the existing State and municipal administrations. Guildsmen have always rejected nationalisation and municipalisation as neither desirable nor feasible as ends in themselves ; many of them are increasingly dubious of the validity of such policies even as means. We will touch upon this subject later in this chapter—here

1 *The Meaning of National Guilds* (first edition) pp. 362—364.
2 *Chaos and Order in Industry* (1920), chapter x., "Distribution and the Consumer."

we are only considering it in relation to the problem presented by the Co-operative movement and its future development. Mr. Cole, in the chapter to which we have referred, points out how ridiculous, to say nothing of how impossible, would be a proposal put forward on democratic grounds to nationalise or municipalise the operations of a movement created and administered by the working-class themselves on a basis of "distribution for use and not for profit" with an accumulated tradition and experience of nearly a hundred years. There is not the remotest chance of uniting the workers on such a programme, and only those we imagine whose minds have been lulled into a state of coma by the reiteration of Collectivist shibboleths would still be found to urge it. Guildsmen will have to struggle for their ideals against the grain of plutocratic standards and institutions; they need not multiply their difficulties by contending also, in obedience to nothing better than obsolete Socialist formulas, against the few existing democratic ones. A movement which aims at the destruction of the Stock Exchange will not hasten its success by the extinction of the Co-operative store.

There is no reason, Mr. Cole suggests, why the Co-operative movement should not be recognised by Guildsmen as a valid form of community ownership in that sphere where its operations have been really successful—*i.e.*, in those industries which are engaged in the production and distribution of goods for the final consumer—the man and woman in the home. All this sphere of industrial activity

s to be distinguished from the great industries vhich produce intermediate products for use in 'urther production; from the transport services, ıational and local; from public utility services; ınd from the building industry, which stands in a :lass by itself and which we shall consider later in .his chapter. In all these cases the differing form)f productive activity demands a different form of :onsumers' representation, but it is obvious that n regard to articles of domestic consumption the view-point of those who have to buy and use them s of the greatest individual importance, and cannot)e left to the specialised vigilance of expert committees. The Co-operative movement seems to)rovide a very satisfactory framework for such :onsumers' representation, and it is to be noted :hat bodies like the Women's Co-operative Guild :estify to the extent to which women are preparing :o organise themselves and seek representation for :heir interests as housewives and housekeepers—:he most important body of direct consumers in :he community. Other forms of consumers' ıssociations may very possibly arise in other :trata of society in the attempt to build a dam ıgainst the tidal wave of high prices which threatens :specially to overwhelm those of fixed (and dwindling) income among the professional classes, but :heir reconciliation with the Co-operative committees, as these widen their scope with the widening developments which opportunity is offering to them, should be in no wise impossible.

It may be further suggested that certain small productive industries which cater directly for the

domestic consumer should be linked up with the Distributive Guild and thus be placed in that close touch with the public which the development of the present Co-operative machinery would afford. Several industries of this kind are already conspicuous among the successful features of Co-operative production (baking and other forms of food production are obvious instances), and the principle is capable of a fuller extension to cover groups of workers in larger industries, such as wood-workers and clothing workers, who need to be in close touch with those whose wants they supply. This would offer another alternative to the possibility of such workers becoming licentiates of the Guild which governed their craft, which we indicated in the previous chapter—an alternative which might offer greater security and continuity of employment to those who wished to avail themselves of it. The possibility of such obvious alternatives testifies to the elasticity of the Guild idea, which is not a precise formula to be applied with rigid and doctrinaire uniformity, but the living principle of a true social democracy. To take another example, the Distributive Guild, succeeding to the activities of the great profiteering stores of to-day, assuredly does not require as the condition of its success the extinction of the small shopkeeper and of every individual enterprise in the sphere of distribution. A second advent of Capitalism will not be foreshadowed because a village blacksmith continues to ply his trade under a spreading chestnut tree on his own terms, or two maiden ladies decide to augment their

income by opening a tea shop. There will probably be less incentive for the distributive worker to "set up on his own," when he has a better alternative as a free member of his democratic Guild than is now open to him as a capitalist employee. But as far as the small shopkeeper deserves to exist by meeting a public demand, and can do so without depending upon the exploitation of others or aiming at the accumulation of large masses of capital, we may feel sure that a Guild society will not from any doctrinaire motive set out to disturb him.

The proposals which Mr. Cole and others have developed as a common programme on which Trade Unionists and Co-operatives could unite in an effort to replace Capitalism by a Guild structure of economic democracy, and which we have in part summarised, are still in the tentative stage, and would not as yet be likely to find acceptance by those ambitious spirits of the Co-operative movement who have not yet abandoned the hope of bringing all spheres of industry, and not merely those concerned with the production and distribution of domestic utilities, under the sway of this form of consumers' control. 'The Co-operative Commonwealth' is an alluring catchword which not only blinds those who find satisfaction in it to many difficulties in the full implications of industrial freedom, but obscures the limitations which an unprejudiced examination shows to be imposed on the true development of the Co-operative movement. Certainly it is not easy absolutely to determine those limitations on any purely

theoretical ground[1]; and the subject is worthy of more detailed working out than has yet been devoted to it.[2] Indeed, such a practical investigation undertaken by Labour on its own behalf would be of great value as recognising the fact that the "solidarity of the workers" needs to be shown in relation to problems of a constructive character, and not confined to the affirmation, too often merely rhetorical, of a common antagonism to the present controllers of industry.

[1] Mr. Cole discusses various "marginal cases" in the chapter referred to, both in the relation to the supply of milk and coal, and as regards the productive activities already covered by the Co-operative movement.

[2] But opposition to such a policy is not to be anticipated only from the Co-operative side; it has already been forthcoming in Guild circles. The Co-operative movement, it is urged, may ha e an idealist basis, but its practical operations bear a striking resemblance to those of the capitalist enterprises alongside which it carries on its business. "To-day it is only distinguishable from surrounding capitalist companies by a more democratic system of electing directors and a different method of dividing profits among its shareholders. The Co-operative employee is as much a wage-slave as the worker in the multiple shop, and owes his better economic position not to Co-operation but to Trade Unionism." (Miss Ellen C. Wilkinson in the *Guildsman*, May, 1920.) That business, say these critics, is really based on the wage-system, and maintains dividends for its shareholders out of the energies of its employees, whose status and conditions are seldom better and are sometimes worse than those of their fellow workers in kindred industries controlled by avowedly capitalist owners. It even obtains its capital on occasion by the issue of interest-bearing bonds, and its controllers share the purely commercial outlook of the joint stock enterprises whose profiteering example they often copy. Co-operation, in short, is not a means of supplanting capitalism, but rather a means of buttressing it by the creation of a *petite bourgeoisie*: and for a revolutionary movement to extend its sanction to the preservation of such proprietary rights in perpetuity would be to imperil the whole prospect of social freedom by attempting to blend a guild society with an ideology essentially capitalist.

It seems to us that this view, while it contains much that is true and valid criticism of the shortcomings of the Co-operative move-

ment, does not sufficiently take into consideration the fact that Co-operation is after all forced to operate within a social system the broad lines of which are dictated by the financial powers whose moral standards and economic manœuvres are the dominating feature of our present phase of civilisation. Its operations are naturally coloured by that dominance, and it does not and cannot by itself provide the moral or material resources sufficient to replace plutocracy. But as a factor, though probably a secondary factor, in that process, Co-operation is not to be neglected by the Guildsman, if only for the practical experience it incorporates and the democratic framework it provides, which form a most valuable alternative to the bureaucratic and otherwise inappropriate machinery to which Guildsmen have been too often content to entrust the interests of the consumer in matters which demand the exercise of individual choice. It is true, as we have already affirmed, that not only is a policy of rapidly encroaching control necessary for the Co-operative employee, but that nowhere does such a policy promise such fruitful results. Let the shop steward and the shop committee be appointed not only for the store as a whole, but in every department of it; let the workers' store committee claim to share with the Co-operative committee in managing the store as a whole as an executive body, while each departmental committee of the workers strives to obtain as much as possible of the management of the department, including a voice in promotions and dismissals and any appointment to office which may be made from outside. Such a policy would not really deprive the Co-operative committee of any functions which it actually exercises now, and would leave them free to concentrate on their real business, which is not to interfere with those who are working in the store, but to express the outlook of those who buy at it, and to watch over its development in conjunction with the Distributive Guild as a whole. If changes of this sort are to be won over the whole field of Distributive industry, they will require a unity of ganisation and policy among Distributive workers which is at esent lacking, but in striving for them Co-operative employees ould be enabled to give a lead, since they are not confronted by a plutocratic authority, but by one democratic at any rate in origin. They will be far more likely to succeed if they urge these developments not as moves towards the extinction of an enemy, but as a sincere effort to achieve a just allocation of function between bodies whose essential objects, when understood in relation to the social problem as a whole, are not conflicting but complementary. As employers and wage slaves Co-operative committees and Co-operative workers will inevitably have a hundred grounds of quarrel: as the twin authorities of an economic democracy they need have none. The sooner this latter ideal is grasped and worked for on both sides the sooner will the difficulties that to-day bring discredit on both parties disappear.

STATE ACTION AND GUILD POLICY

We have discussed at some length the possibilities of the Co-operative movement not only because it represents a practical factor in the problem which Guild theorists cannot neglect without the risk of an academic futility, but also because it suggests a way of escape from the dangers of applying the political and civil machinery of the State to the solution of economic problems. In this respect, too, many Guildsmen have been deluded by the Socialist formulas on to which they have tacked their Guild ideas. To us their method of approach seems the wrong one. A Guild society may well require for its secure establishment the application of what may be regarded as Socialist ideas—the social regulation of economic functions and the social absorption of surplus value. If these ideas are necessary for the safeguarding of the Guilds and of the economic democracy which will derive from them—and we believe that they are—let them be applied. But do not let them be applied as sectarian formulas, whether in a Collectivist or a purely Marxian sense. Guildsmen need not—indeed, they must not—hold themselves committed to the idea of either a bureaucratic or a 'proletarian' state as necessarily assisting at every or any stage of the worker's emancipation.

Consequently, from the Guild standpoint nationalisation is not in any way an 'absolute value,' but a good or bad thing precisely in proportion as it helps forward or hinders the full development of

the Guild solution in the industry to which it is proposed to apply it. As we have already made clear, we do not, as do some who profess and call themselves "Guild Socialists," so far despair of the State as to regard it as a mere instrument of class rule, disappearing as that rule disappears. We foresee positive functions of supreme importance for the State in a regenerated society, and we are content to regard it (as some Guildsmen are no longer content) as the owner of the nation's industrial assets, so far as in a real economic democracy the conception of ownership as applied to natural wealth and large scale plant persists at all. But we do not therefore regard "the social regulation of economic functions and the social absorption of surplus value" as requiring us to identify 'social' with 'State' operations exclusively, still less with the activities of the State as we know it to-day, largely subject to plutocratic influences. In discussing nationalisation at some length in our first edition we pointed out that it might in some circumstances assist towards a Guild solution by establishing a unified management to which Labour organisation would on its side tend to approximate; by eliminating the "benevolent employer" and the false allegiance his benevolence tends to create; and by encouraging the workers to demand a higher status as public servants than that to which they might have aspired as hirelings of Capitalism.

At the same time we declared that in the social circumstances of to-day "nationalisation would probably result in a sharing of the spoils of profiteer-

ing between the Government and the capitalist." The events of the post-war period have done nothing to dissipate this suspicion, and further consideration of the whole matter in the light of them suggests possibilities even more fatal to the development of Guild authority and freedom.

We need say nothing here of the enormous handicap imposed in the matter of public propaganda by a term so widely and justly suspect as 'nationalisation.' It will be necessary to explain to far more audiences than the most efficient propaganda has at present any chance of reaching that nationalisation means something in the twentieth century in violent distinction from what it was elaborately explained to mean in the nineteenth. The careful addition of the saving clause "with workers' control" is not likely—such is the power of phrases that have sunk into the subconsciousness of the public—to persuade the people as a whole that nationalisation means anything else than control by State officials. Nor in regard to fundamentals is it likely to mean anything else. Let us take the case in which the issue has most sharply arisen—that of the mining industry. However large the sphere of *industrial* control left to the Miners' Federation, the nationalisation of the mines in any form in which it could conceivably be extracted from a Government under capitalist influences would leave the union without the policy-control of capital. It is to be noted that this fatal result is precisely what the famous Sankey Report of the Coal Commission, so eagerly and imprudently embraced by the Labour move-

ment, actually proposed. Yet because it pronounced the blessed word nationalisation, organised Labour and the bulk of its 'intellectual' supporters hailed it as a victory for industrial freedom, without stopping to consider whether, while the private capitalist had chastised the workers with rods, the centralised Capitalism of the State might not chastise them with scorpions.

The problem is a very real one, and leads, as we shall attempt to show, to questions which go to the root of Labour policy as it has been generally understood. It brings us to the contention which the economic writers of the *New Age* have for many months been untiringly seeking to establish as the basis of their new policy for Guildsmen, namely, that control of administration will be rendered impotent unless there be simultaneously achieved the control of finance.

Until Labour shares in the control of finance, its control of administration may be partial or complete—it remains for purposes of policy equally ineffective. .

It is a sheer delusion that the financial control exercised by the Treasury differs in essence from the financial control exercised by any body of directors. Financial control is control by finance; and since the accepted principles of finance are common to the Treasury and the private capitalist class, control by one is identical with control by the other.[1]

If this statement be an accurate diagnosis—and we shall have to examine its wider implications in what follows—it is obvious that nationalisation, whatever its purely industrial results, would involve almost certainly a consolidation and centrali-

[1] *New Age.* "Notes of the Week," November 27th, 1919.

sation of financial power over the workers. Moreover, it would enable the Government to attract public sympathy to itself in any resistance it might offer to the workers' encroaching claims. "We have nationalised your industry," it would say, "and allowed you a voice in your industrial conditions. If you demand more you are subverting the State, striking against yourselves and attempting to terrorise the community." Who can doubt that with such an argument the Government would effectually arm itself with a large share of public support in preparing the ruthless suppression of its employees? And yet their unions might never have attained real power or responsibility in regard to matters of really vital consequence concerning their industry.

FINANCE, CREDIT, AND GUILD POLICY

But the primacy of Finance involves problems for the Guildsman far wider than the issues raised by nationalisation, important as these undoubtedly are. So wide, indeed, are they that we cannot hope and we shall not attempt in the course of a general chapter on Guild policy even to indicate, far less to explore, all of them. Nor can we set out any full diagnosis of the disease with which centralised Finance has mortally afflicted our society, or exactly analyse the remedies which *New Age* writers—and in particular Major C. H. Douglas and the writer of the weekly Notes—have proposed as consequent upon the diagnosis they have so minutely supplied. We must refer the

reader to the original sources[1] of this subject, so far as it relates to the Guild position. It has already given rise to some controversy in Guild circles,[2] though the discussion that has been created is far less, both in volume and quality, than the importance of the subject warrants. This is not difficult to account for. Not only is the field to be investigated difficult in itself, but its treatment by *New Age* writers has often been so highly technical and so little clear that those uninitiated into the mysterious phraseology of finance have retired baffled from the effort to follow it. Moreover, the matter is further complicated by the fact that the *New Age* has throughout related its disquisitions on the subject in general to a particular scheme devised for immediate application to the circumstances of an individual industry, which scheme has only at the time of writing been publicly divulged. "Men fear death," said Bacon, "as children fear to go in the dark": many Guildsmen have feared to face up to the whole problem of Credit for a similar reason. They have not always confessed their fear, but secretly believing the subject to be out of their reach, have cried sour grapes and declared the whole matter a 'stunt,' likely to distract the Guildsman, if he pursued it, from his real business.

[1] *The New Age*, 1919—1920, Vols. XXV.—XXVII., *passim*. Major Douglas' first series of articles, *Economic Democracy*, have been published in book form; a second series, *Credit-Power and Democracy*, has lately been appearing in the *New Age*, and its subsequent publication in book form may be expected.

[2] See for instance the chapter on "The Finance of Industry" in Mr. Cole's *Chaos and Order in Industry*; also the correspondence columns of the *Guildsman*, April-August, 1920.

By pausing, however, to enquire what that real business is, we may be enabled in some degree to set this matter of Credit in its true perspective for the Guildsman—a task which we venture to think neither the *New Age* writers nor their more disdainful critics have as yet really attempted to accomplish. It has to be remembered that when the Guild movement began to take shape, it did so as a new development of the conflict against industrial Capitalism, and in sharp and conscious distinction from two theories which professed to challenge it—Collectivism and Syndicalism. Both these theories proposed primarily to displace the employer in favour of another authority in the sphere of production, and it was natural that Guildsmen, believing both these alleged solutions erroneous, should combat them on this same field of production. Moreover, the analysis of the wage-system from which the Guildsman developed his whole position threw into especial relief the relation of the wage-worker to the employer who hired his labour-power, and the need for expelling the employer from his position as an industrial dictator by a process of encroaching control over the sphere of production led to the elaboration of a policy of organisation and strategy for Trade Unionism which has been up to now the most striking contribution of the Guild movement to the practical business of building up the elements of a free society.

The task was an essential one, and those who have laboured in the Guild movement have some ground for congratulating themselves on the

success of their efforts. Nor can these efforts be relaxed yet. Encroaching control of production must remain a fundamental item of Guild policy, since without it the basis of industrial democracy cannot be laid, nor the initiative of the worker stimulated. His appetite for freedom and responsibility at his work must grow—and only can grow—by what it feeds on, and it must feed on those industrial tasks and functions, hitherto the profiteer's prerogative exercised either directly or through his nominees, which Capitalism can be forced or induced to relinquish to the workers' associations. We have discussed in earlier chapters of this book how such a policy may be developed; if developed successfully it will undoubtedly weaken the hold of the capitalist class upon industry by preparing the atrophy of its functions. But the very success of the Guild movement, so far as it has proceeded in its short history of some half-dozen years, is revealing what Guildsmen have always more or less clearly perceived—that such a policy is not enough, and, moreover (what many had not perceived), that it cannot be satisfactorily supplemented by resorting to the old-established nostrums of obsolescent progressive movements. Unless Guildsmen are to abandon themselves, and society, to the desperate expedients of Bolshevism, they must reinforce their industrial policy with an economic policy equally characteristic of the Guild idea. Such a policy should enable the unions to encroach also upon the control of the product of industry, if possible without at the same time destroying the

momentum of the industrial machine by an abrupt dislocation of it, and to do so in such a way that the perils of trustification are avoided and the community safeguarded from exploitation by an *anti*-national 'union of employers and employed.'

Before going on to discuss whether there is any prospect of such a policy being discovered, it is important to point out that, whereas in attacking the capitalist employer Guildsmen could appeal, as naturally they did appeal, to the wage worker whom he exploited, in preparing an attack on the *economic* stronghold of Capitalism they will be challenging the financier, who, though a far more subtle and elusive foe, is yet the foe which every unit of the public in every stratum of society has cause to dread, since his malign power is expressed in the high prices beneath which the whole of our people, irrespective of social class, are groaning. Guildsmen have always maintained, and with good ground, that the establishment of Guild control over industry would benefit the general public no less than the Trade Unionists who would form the indispensable nucleus from which the Guilds were developed. But the Guild propagandist, by enlarging the scope of his policy to embrace measures not merely of industrial but of economic democracy, can appeal at once, and with hope of carrying conviction, to every class in the community outside the wealthy oligarchy whose sinister operations govern the fixing of prices and whose power dictates the lines of industrial policy.

It can be demonstrated to anyone of average

intelligence that the capitalist system in its most recent developments, regarded as a means of 'delivering the goods' and keeping society as a whole in being, is rapidly breaking down. The war has brought to a head tendencies that were already operating before its outbreak, and were not without their influence in precipitating it. But we have grown so used to declaring that "the resources of civilisation are not exhausted" that many fail to perceive the obvious fact that the resources of the old civilisation *have* been exhausted over the greater part of Eastern Europe by the effects of the war, and are being rapidly and progressively undermined by the operations of finance over the rest of it. Finance, indeed, is no longer facilitating production; it is frustrating it by its effect in diminishing the real purchasing-power which can alone create an effective demand for the production of anything but luxuries or materials for further production and for export. And while financial credit is serving only to inflate currency and to raise prices, which competition among capitalist producers scarcely operates any longer in these days of Trusts and Cartels to restrict, the basic (even if tacit) assumption on which the efficiency of capitalist production is founded is ceasing to correspond to facts. This assumption is, of course, the control of labour by the capitalist. This is the ultimate basis of capitalist credit, but it is, as Mr. Cole has described it, a "wasting asset."[1] The growing strength of

[1] *Chaos and Order in Industry*, chapter xi., pp. 218—224, where this thesis is elaborated.

the Trade Unions, and their determination to use that strength to increase their own independence rather than the prosperity of the employers, is knocking the bottom out of capitalist production. Capitalism has nothing to offer the public but rising prices and an aggravated 'Labour unrest.' The Guildsman can offer the Guild as an industrial authority rendering possible (as did the mediaeval guilds) the establishment of a Just Price, and the mobilisation of the credit inherent in organised Labour's 'ability to produce,' and as a means of putting an end to Labour unrest in the only way in which this can be securely done—by ending its material causes and its spiritual justification.

To achieve this, the ordinary 'Socialist' remedies will be of little avail, for they arise from a false diagnosis of the disease. It is not property, but money and the manipulation of money, which is the root of our social evil. The assault upon property rights which has been a characteristic of the Socialist movement is partly a false issue and partly (by this time) an anachronism. It is a false issue because no distinction is made between property which serves the public interest and property which defeats it. It is for this reason that so many Socialists have failed to appreciate the essential soundness of mediaeval society in its best period of development.

Whatever the future may contain, the past has shown no more excellent social order than that in which the mass of the people were the masters of the holdings which they ploughed and of the tools with which they worked, and could boast, with the English freeholder,

'that it is a quietness to a man's mind to live upon his own and to know his heir certain.' With this conception of property and its practical expression in social institutions, those who urge that society should be organised on the basis of function have no quarrel. It is in agreement with their own doctrine, since it justifies property by reference to the services which it enables its owner to perform. . . The idea of some Socialists that private property in land or capital is necessarily mischievous is a piece of scholastic pedantry as absurd as that of those Conservatives who would invest all property with some kind of mysterious sanctity. It all depends what sort of property it is and for what purpose it is used.[1]

These words, by one of the most incisive and practical critics of our "acquisitive society," deserve to be pondered, for they help to suggest why the movement for the workers' emancipation from economic servitude has so far failed to enlist a due volume of support from those in the middle class who, though in different ways, are as little independent (taken as a whole) of plutocratic control as is organised Labour. To them property does not represent power over others or the opportunity to revel in luxury; it represents a margin—often a very slender margin—of security. Insurances, annuities, a few gilt-edged securities—these are commonly the limit of their acquaintance with the problems of investment; but these precious guarantees against destitution bind them, and will always bind them, to the defence of property when it appears to be threatened. Behind these human ramparts, as has been frequently pointed

[1] R. H. Tawney in *The Sickness of an Acquisitive Society*, pp. 33 and 46.

out by Socialists themselves, the forces of plutocracy and high finance take most effective cover; but it has too seldom occurred to such reformers that the only remedy for this is to transfer the challenge to a stronghold which can be defended solely as what it is, the castle of the money lord. Indeed, the power of the financier is now so tremendous that the industrial capitalist is rapidly becoming his vassal, and even his potential foe. To concentrate the attack upon the capitalist *tout court* is, as we have said, becoming an anachronism, and in doing so progressives are likely to find themselves paradoxically, if characteristically, behind the times. As the *New Age* has shrewdly remarked, "Power is retreating from ownership to finance; and when Labour arrives at ownership it will find the cupboard bare."

What is demanded by the social situation is less the destruction of the idea of property than the moralisation of it by severing its connection with the organised avarice of Finance. The detailed working of that system, as exposed by Major Douglas, space forbids us to examine. Not all the features of it upon which he concentrates attention are brought to light for the first time; many of them are already commonplaces to those who have studied the subject; but the originality of his treatment lies in the boldness with which he disputes the inevitability of hypotheses which had established themselves as beyond question. Just as Guild writers began by challenging the "permanent hypothesis" of the wage-system, so do Major Douglas and the *New Age* writers who are

now collaborating with him challenge the assumption that because prices have hitherto served as "the authentic register of the relation between the supply of goods and the supply of money" they must always remain so, and the further assumption that credit can only be based on the securities which can be offered by capitalists. Prices, they declare, not only can be brought lower than costs, but they must be if the purchasing power of the masses is ever to be increased. And credit is not only something which organised Labour can command equally with capital, but it may be made the means of transforming the whole character of society without excessive friction or long delay, until by sure stages an economic democracy succeeds to the plutocracy of to-day.

It is obvious that to determine the theoretical and practical feasibility of these remarkable propositions would require an elaboration of argument far beyond our resources of space. We repeat that it is only our purpose here to state the bearing of the matter upon the Guild position as a whole. To estimate its precise value and its implications in Guild policy is an obligation laid upon Guildsmen which will require from them detailed study.[1] But it is essential to point out that if there is any substance in the claim that a Labour monopoly in an industry can be made the basis of credit, the mobilisation of such credit for constructive purposes suggests a clue to that policy of "encroaching

[1] The whole subject is now being investigated by the Executive Committee of the National Guilds League on the instruction of its last Annual Conference.

economic control" of which we have seen the Guild programme to stand in need. Credit is so universally associated with financial wealth, or the expectation of it, that such a claim seems startling and a trifle absurd. It is interesting to notice, for instance, that even the Editor of the *New Age*, in his book published only three years ago, after defining credit as "in general a belief in a man's ability and will to perform what he undertakes to perform," declares that "credit may be regarded as the future of capital," and does not suggest any wider significance for it.[1]

Yet a wider significance becomes apparent if credit is defined, as the *New Age* has recently defined it, as "the ability to produce." This ability only remains a prerogative of the capitalist so long as he can count upon the passivity of Labour under his control. The limitations of this credit in face of the challenge of an effectively 'blackleg-proof' union are obvious, and the existence of strikes exposes them. But strikes are in no true sense 'direct action,' and can never become so; they are merely the passive frustration of the purposes of others, on however large a scale they are planned. Action only becomes constructive—and thus truly 'direct'—when Labour, effectively organised, confronts the assumed credit of Capitalism with the credit inherent in its own ability to produce. Production being dependent on the conjunction of Plant and Labour, a deadlock arises unless the capitalist in control of plant consents to share the powers and the privileges

[1] *An Alphabet of Economics*, by A. R. Orage (1917), pp. 27, 28.

inhering in credit with the Industrial Union (collaborating with, if not including, the salaried and technical workers) in full control of Labour.

It is to meet this situation that the scheme of the *New Age* has been devised—a scheme, it is claimed, as immediately realisable as is the situation for which it is planned. Its details, as we have said, were not publicly divulged until very recently,[1] the authors perhaps previously hoping that when it appeared it should do so sponsored by more resounding names than their own—the leading Trade Union Executives, for instance. However this may be, the main lines of the project were not impossible to trace from the indications of them which had been revealed. As a first step to the mobilisation of Labour credit in any industry there is required the establishment of a Credit Bank based on the Industrial Union involved, through which all the salaries and wages of those registered as being engaged in this industry shall be paid. In this bank every registered worker would have one 'share,' which would carry a vote, but no interest. The next step is to prepare not the 'expropriation' of the capital in the industry, but the creation of a new holding rising up side by side with it, to which the old capital would be rapidly subordinated. Without going into details of how this might be accomplished, it is not difficult to see that since the control of capital would naturally rest with those who provided it, the economic control of the industry would pass over to the workers' bank in proportion as it provided

[1] See the *New Age*, August 19th and 26th, 1920.

the new capital (based on its mobilised 'credit') required by the industry. No *individual* profits would accrue as such to the workers; these would go back into the industry to provide the new capital required, and thus increase the holding of the Labour Bank, and the economic control which would gather strength by means of it, until a democratic authority had grown up to supplant the former plutocratic one.

The proposal thus rapidly summarised suggests at once to the Guildsman critic a number of objections which seem at first sight as overwhelming as they are obvious. They are obvious certainly, but a closer examination may suggest that they are not so fatal as they at first appear. Mr. Cole, for example, dismisses the whole idea as valueless because it involves the suspension of antagonism between capital and labour in the industry to which it might be applied. "If I am right in maintaining that, on any general basis at least, such a reconciliation or alliance is altogether out of the question, I cannot be wrong in holding that there is 'nothing in' the proposal to find a way out of Capitalism by using the 'labour power' of the workers as a basis for credit."[1] He could not, indeed, be wrong in holding this if that 'reconciliation' was proposed on two assumptions, (*a*) that it was a static solution, intended to preserve the existing economic balance of society, with the exploitation and injustice inevitable to it; and (*b*) that the fixing of prices was to be left in the power of the capital and labour in each industry jointly to

1 *Chaos and Order in Industry*, p. 228.

decide. Such assumptions are, of course, totally incompatible with the Guild solution, or with any other democratic solution of the social problem: but they are expressly ruled out in the proposals made by the *New Age*. The whole point of the suggestion that Labour should organise its credit through a Labour Bank is that it affords the opportunity of developing a rapidly encroaching control in the economic sphere with all the privileges and powers that accompany property rights; and if this control can in fact be thus obtained, it is obvious that the monopoly of economic power which plutocracy now enjoys would be progressively diminished. And far from the *New Age* proposing to entrust price-fixing to the caprice of irresponsible forces ruling production, its writers have devoted columns to the elaboration of schemes for the socialisation of price. The means by which they contend that this result could be accomplished cannot be understood save as proceeding from their analysis of the methods by which prices are now determined. This we must leave our readers to study and test for themselves. If they appreciate the implications of Major Douglas's demonstration that since the amount distributed in wages, salaries, and dividends forms only a part of cost, and that therefore the community is never at any given moment in a position to purchase the total volume of production, they will be on their way to understanding the *New Age* definition of Just Price as "an automatic register of the relation between the Consumption of goods and the Production of goods." That is to say, if in

a particular period twice as much, reckoned in terms of money, is produced as is consumed, the selling price of commodities should be half their cost price. The price fixed should be the net cost after cancelling inflation; the margin to be made up to the industry by the issue of communal credit through local clearing houses democratically controlled. The process penalises no one but the present manufacturers of credit, who are the financiers and the almost completely amalgamated banking monopoly which they control.

Objections less superficial arise when we consider the possibility of such far-reaching reforms being put into operation. It seems to us that the proposals made by the *New Age* for the development of an encroaching economic control by the mobilisation of the credit inherent in labour-monopoly and for the simultaneous socialisation of the machinery of price-fixing, offer a vast and immediate opportunity to enlarge the effective scope of the Guild programme. But it does not appear so clear as the *New Age* writers certainly imagine that these proposals enable the Guild programme to be put into effect without friction. It is true, as we have already maintained, that if the issue can be shifted from the largely irrelevant ground of 'property' to the real matter of money power, a great deal of the resistance which Guildsmen have now to encounter should be removed and some of it translated into active support. If prices can be reduced while the power of Labour at the same time becomes substantially increased, the public may not show much disposition to pity the finan-

ciers and profiteers who may be injured with the process. To the objection that the steady transference of economic power, however attempted, would involve the resistance of far-sighted interests, the *New Age* writers reply in effect that (*a*) such resistance would only be offered by *purely* financial interests and not by the mass of property owners as such, and (*b*) since the latter would feel their "property rights" respected, so far as these could morally be justified on any satisfactory ground, the support which the "moneyed men" could hope to obtain from public opinion could be negligible. The social conscience would not even feel itself violated.

It is a valid wish which perhaps serves as father to so consoling a thought, and we agree that nothing could be more miserable than the tenacity with which certain schools of revolutionaries seem to cling to envy and revenge as the indispensable motives of the change for which they work. But we must confess to a doubt whether plutocracy will allow its grip on society to be weakened without powerful and subtle resistance. And that resistance will be aided less by any sympathy with the individual 'hardships' which the wealthy oligarchy might suffer in the transition to economic democracy, than by the 'moral' support extended to the controllers of a system the standards and practices of which were widely (if covertly) accepted and revered. The *New Age* writers are apt on occasion to express impatience with the idea that a radical change of system requires a "change of heart" to bring it about, and most sensible people

must at one time or another have felt impatience with the idle sentimentalism which is all that the phrase too often conveys. But a change of heart—or, more precisely, a change of will—is certainly what is needed if society is to rid itself of the plutocratic values it has so complacently allowed to be imposed upon it. So long as a majority of the population have no more fundamental objection to the working of our economic system than that they individually are not enriched and aggrandised by it, we shall never get any social democracy worth having.

It has been objected to all attempts to mobilise the workers for economic action against financial monopoly that this will mean attacking Capitalism at its strongest point, and that the workers must first capture industrial power before any challenge to finance can be driven home. This does not seem to be conclusive if, as we have suggested, the workers can associate their efforts with the active support of the public. Moreover, the economic straits to which society is being reduced by finance are becoming so desperate that the masses simply cannot afford to postpone attempts to grapple with the economic issue until their industrial authority is fully and satisfactorily established. But in this connection it is urged by Mr. S. G. Hobson that constructive action in the industrial sphere will suffice if it is only ambitious enough, to solve the economic problem at the same time. "The problem of credit," he contends, "is not primarily that of controlling through the banks the gradually diminishing credit found in wasting securities, but

with the more difficult task of creating new forms of credit. As nearly as I can discover, this credit must spring from group undertakings to produce commodities by a given time, and limited or guaranteed by effective demand."[1] Mr. Hobson has in mind such experiments in the organisation of direct labour as those which the Building Guild movement have strikingly exemplified. Though we cannot see in such tentative efforts a completely effective challenge to the financial control of capital, we agree that by withdrawing labour from capitalist undertakings and organising it for the immediate service of the community by means of a Labour discipline democratically controlled, the Building Guild movement is offering a practical example of the first importance in the translation of Guild theories into immediate fact.

THE BUILDING GUILD MOVEMENT

It is appropriate, if a trifle unexpected, that the first conscious effort to recreate an industry by the application of Guild principles should have been made in connection with building, where the achievements of the Middle Ages most obviously remain to testify to the practical validity of them. Although at first sight there may not appear any very essential connection between the construction of the great cathedrals which mark the pinnacle of attainment reached by mediaeval industry and the construction of modern dwellings for the working-class of to-day, yet it is significant that

[1] See the *Guildsman*, April, 1920, p. 8.

in each case Guild activity has been called for to provide what capitalist 'enterprise' could have no motive to supply. The shrines and altars of mediaeval Christendom arose as a result of the skill and service of altogether anonymous corporations of craftsmen; the "homes for heroes" which our politicians so blandly promised, can only be provided by the organisation of corporate service, for Capitalism scorns to satisfy so little "effective" a demand. It will not be the last time that the Guildsman, despised as a mere theorist, comes to the rescue with the only practical proposal applicable to the situation; and though it is possible to over-estimate the extent of the material achievement which the Building Guild movement is as yet equipped to provide, it would be difficult to over-rate the significance of what this new departure promises. A public largely resigned to the 'inevitability' of Capitalism has been already acutely and pleasantly surprised to discover that in one direction at any rate, when need was urgent, industrial freedom could be organised to supply a demand to which the profiteer remained indifferent. The lesson is not likely to be lost. Every house built by Guild organisation witnesses to the failure of Capitalism and the validity of the only idea true and constructive enough to replace it.

The movement towards the guildisation of the Building Industry is primarily the work of two men—Mr. S. G. Hobson and Mr. Malcolm Sparkes. Though it was only after Mr. Hobson's intervention in the counsels of Manchester building Trade Unionists that the organisation of a local Guild

movement was begun at the opening of the present year, Mr. Sparkes had for several years previously been seeking consciously to influence the Building Industry as a whole in a Guild direction, and a practical result of his efforts was seen in the inauguration of the 'Building Trades Parliament' in May, 1918. Though nominally an "Industrial Council," this body in its organisation, and still more in its spirit of working, is something entirely different from those ingenious devices for the modernisation of the wage-system which had been prescribed as a cure-all for our whole social disease by the famous Whitley Report.[1] Mr. Sparkes, indeed, has some grounds for his claim that its foundation and working constitute "a revolution in industrial development," even though we may hazard the guess that this development has not yet realised his most sanguine hopes. The story of its inception—on the initiative, be it noted, of the Trade Unions concerned—is a remarkable one, and worthy of the Guildsman's study as an example of the practical steps which a conscious idealism may achieve without any threat of force. Here it can only be pointed out that the Builders' Parliament is unique in excluding matters of wages and hours (which commonly form the basis of industrial disputes) from its purview altogether; in aiming at no merely static condition of affairs, but in recommending "means of securing that industrial conditions affecting employers and operatives or the relations between them shall be systematically

[1] The Whitley Report was criticised and exposed at length in chapter vi. of our first edition.

reviewed by those concerned with a view to their improvement"; and in taking its decisions and electing its officers and committees not by sectional ballot of 'masters and men,' but by a vote of the whole house sitting together.

The Builders' Parliament, in short, took as its avowed ideal "organised public service in the building industry," and it was not long before the report of one of its sub-committees gave evidence that in the minds of some at least of its members the ideal was not to remain a phrase merely. The original terms of reference to the sub-committee were the not obviously inspiring ones of "considering the question of scientific management and the reduction of costs" with a view to increasing the efficiency of the industry. Avoiding the usual capitalist practice of interpreting scientific management to mean merely a more subtle wage-slave-driving, and refusing to regard the reduction of the cost of labour as the only one worth a profiteer's consideration, the committee "decided unanimously at our first meeting that if we were to do any really useful work we must review the whole structure of the Building Industry." The result was the production of the really remarkable document known as the 'Foster Report,' from the name of its chairman, a prominent employer in the north-western area.

We have glimpsed the possibility (said its signatories) of the whole Building Industry of Great Britain being welded together into one great self-governing democracy of organised public service. . . We believe that the great task of our Industrial Council is to develop

an entirely new system of industrial control by the members of the Industry itself—the actual producers, whether by hand or brain—and to bring them into co-operation with the State as the central representatives of the community whom they are organised to serve.[1]

The approximation of this statement to the Guild idea is obvious, and a standpoint at once idealist and practical is apparent throughout the report. Guildsmen have had enough "exalted idealism" from industrial sources to render them highly suspicious when the voice of idealism is raised above a whisper, but this report gives them something really worthy of the sentiments by which its signatories profess to be animated. Among those signatories it is interesting to find not only the names of Mr. Sparkes and of Mr. J. F. Armour, a Scottish Trade Unionist who has been for long an active member of the Glasgow group of the National Guilds League, but those of three of the employers. The remaining five found the report as a whole more than they could swallow at a first gulp, and did "not see their way to sign it without important reservations," which, however, they refrained from specifying.

The report is of unique interest to the Guildsman[2] as indicating the possibility of achieving, in certain industries at any rate, large and rapid advances towards the National Guild without provoking an

[1] See *The Industrial Council for the Building Industry*, published by the Garton Foundation. This volume contains the full text of the important "Foster Report" hereafter referred to.

[2] A criticism by one of the present writers appears in the *Guildsman* for September, 1919. See also *Chaos and Order in Industry*, by G. D. H. Cole, pp. 171—181.

industrial conflict, but simply, as the report itself says, by "the liberation and right direction of man's true generous qualities of goodwill, enthusiasm, and adventure." The circumstances of the Building Industry, where, save in a few of the largest industrial centres, the employer is not in any full sense a 'capitalist,' but a genuine industrial functionary with the profiteering attribute subordinate, offer an opportunity to transcend the class-struggle by setting about to realise the ideal of an organised public service by progressive stages, putting interest upon a short chain, standardising the "wages of management," devoting profits to the improvment of the industry as a whole, and giving the worker an assured status in the industry by relieving him of the anxieties involved in employment and under-employment, and affording his Trade Unions representation on works committees, and all other committees, national, district and local. In all those directions the report made bold recommendations, so bold indeed that it is not surprising that when first submitted to the Builders' Parliament in August, 1919, the opposition of a section among the employers prevented its immediate adoption.

The Council ultimately decided

to receive the report and ask the committee to further examine the possible effects of the application of the principles it sets forth, in the light of the criticisms which the present discussion has evoked.

Almost at the moment of writing the Builders' Parliament is to consider the result of this "further examination" by its sub-committee.

It is highly improbable that the schemes proposed in the Foster Report will be accepted in anything like their essential form as a compulsory code for the whole industry, but this fact does not deprive the attempt to outline a preliminary framework on Guild lines of its great value. For it has long been a favourite idea with Mr. Sparkes, whose influence in these quarters is a powerful one, that what cannot be agreed upon as a compulsory standard for the industry may yet be accepted by a nucleus of employers as "voluntary code" aiming at converting dissentients by proving its practicability and essential soundness.

The Foster Report closed by declaring that "the force of a great example is the only thing that will lead the way to the commonwealth that all men of goodwill desire"; and whether or not this large generalisation be true, it cannot be denied that the power of a really public-spirited example from the employer's side in any industry would be very great, not only in convincing the timid, but in changing the whole atmosphere by which the industrial problem is surrounded. It would not be surprising to find that "further examination" of the Foster Committee had led them to recommend an even more drastic reorganisation of the industry than their first report proposed, and encouraged by the practical achievement of the local Building Guild movement, to come forward with a scheme insisting on the immediate establishment of a national framework based on Guild principles, to which employers (in their capacity as industrial functionaries) no less

than professional and manual workers might be invited to offer their adherence.

It was the development of such a framework round which a National Guild could be built up to which Mr. Sparkes' energies were throughout directed, and if the Foster Report represented only a half-way house, it was at least one that stood upon the right road. But it was pointed out by Guild critics[1] that this national framework, whatever its merits from the Guild standpoint, concerned rather the commercial than the productive side of the industry, and did nothing to increase the control of the average building trade operative over his job and the conditions of his daily work. It was suggested with some force that the building industry offered an excellent opportunity for the application of the principle of collective contract. But while these suggestions were being put forward a still more ambitious idea had been conceived, and with remarkable promptitude translated into a practical proposition. Mr. S. G. Hobson, the first to systematise the National Guild idea, became the pioneer of its actual application by proposing to the Operative Bricklayers' Society in Manchester, where he had for some years been known as a Guild propagandist, that they should solve the housing deadlock and assure their own freedom from capitalist control by allying their labour monopoly to the credit of the local authority. The idea had only to be propounded for its significance to be

[1] See for example an article on "Building Self-Government," by A. E. Smith, a building trade unionist, in the *Guildsman*, January, 1920.

instantly appreciated ; the bricklayers found immediate support from their fellow Trade Unionists in other branches of the industry, and their Trade Unions being debarred from actually entering into such contracts themselves, they formed a joint authority, which they boldly christened a Guild, and approached the municipality with an offer to build 2,000 houses. Within a few weeks their concrete experiment in Guild principles was being discussed in every quarter of the country, and its significance was neatly summarised in the *Guildsman* by the following announcements :

BIRTH.—January, 1920, at Manchester, Building Trade Unionists and the National Guilds League, of a Guild. Parents and child doing well.

MARRIAGE.—January, 1920, at Manchester, a marriage has been arranged between the labour-power of the building workers and the credit of the public.

DEATH.—January, 1920, at Manchester, the theory of the necessity of Capitalism passed painlessly away. No flowers by request.

Though the death thus announced may have been " greatly exaggerated " by some Guildsmen in the enthusiasm of the moment, there was good reason to claim that the diseased victim had sustained a serious blow. The delight with which the workers sprung at the opportunity of co-operating with the public authority to the exclusion of the profiteer and in the general interest made a deep impression. " Manchester has a chance," said its chief daily newspaper, " apparently a good chance, of carrying out an experiment which is not only of the first practical importance in the life of the

city, but, if successful, might well mark a turning point in the industrial development of the country. That is a large claim to make, but it can hardly be put lower."[1] The movement soon showed that it was not proposing to confine itself to Manchester. Similar offers were shortly made to municipal authorities all over the north—often as a result of invitation from them[2]—and the original Building Guild Committee, of which Mr. Hobson became secretary, entered upon a parallel career of organisation and propaganda which has resulted in the formation of about sixty local Building Guild Committees which are to meet in national conference in a few weeks from the time of writing. The idea has been taken up in Ireland and America, and a Guild is now in process of formation as far away as at Auckland, New Zealand.

The history of the Building Guild movement, though so far a short, has been also a chequered one, obstruction having been encountered both from some at least of the Ministry of Health officials and from the tactics of profiteering employers. We cannot re-trace this history here, but can only comment on a few features of the movement as it has so far proceeded. It is worth noting at the outset that the term 'guild,' far from proving a stumbling block to the workers, as has been sometimes objected by Socialist critics with an anti-mediaevalist bias, has shown itself to be one the

[1] *Manchester Guardian*, January 21st, 1920.

[2] For a copy of the letter containing the principles of tender and much other valuable information about the Building Guild Committee, see *Guilds of House Builders*, by S. G. Hobson (N.G.L. Leaflet).

significance of which the workers can instantly appreciate. Again, from the first the movement, though local in its spontaneity, has had for its ultimate aim the creation of a National Building Guild, a possibility which the formation of the separately organised London Guild of Builders has, as we shall see, still further provided for. Thirdly, the Guild committee at its very inception recognised (as the schemes for the Builders' Parliament had failed to do) the place of the professional and technical workers in the Guild organisation of the industry, and although the nature of the work to which the committee originally proposed to confine its activities did not call for much assistance from these grades, the plans and lay-outs having been completed by the municipal authorities, provision for their representation upon the committee was made. It is interesting to notice that the recently formed Architects' and Surveyors' Assistants Professional Union has formed a special Guild Group to co-operate with the Building Guild movement, and has selected Mr. A. J. Penty, its chairman, as its representative on the London Guild of Builders. Thus the first of modern Guild theorists becomes appropriately associated with the first practical experiment in Guild organisation.

Another essential feature of the Guild Committee's proposals has throughout been the determination to carry the cost of supporting its members in unemployment due to bad weather or any other cause during the period of each contract. The original proposal was that the houses arranged for should be built at net cost plus ten per cent.,

Trade Union rates being paid to the operatives and the materials being bought and delivered to the site by the municipality. Of this 10 per cent. it was proposed to devote 6 per cent. to the defraying of overhead charges, salaries of officials and acquisition of plant; 4 per cent. would remain to enable the committee to guarantee continuous pay to the workers engaged. This arrangement was subsequently modified in the agreement finally arrived at between the Guild Committee and the Ministry of Health in June after many delays which ought to have been avoided by the Ministry, but the guarantee of continuous pay for the operatives concerned in the Guild contract seems to have been effectually safeguarded.

A problem which arose at an early stage was connected with the nature of the guarantee which the Guild Committee could offer to the municipality which it was approaching, a matter which, as Mr. Hobson has pointed out, "brought into sharp contrast the commercial standard of a bank balance with the Guild standard of group credit based upon productive capacity." The standpoint of the committee was thus summarised in the *Manchester Guardian*:

> The representatives of the Building Guild Committee were asked if they would submit to the usual guarantees and sign the usual bonds. Their answer was that they were not in essentials in the same position as the contractor. A builder, on signing a contract, may properly be asked to give security, because his financial stability is the essential thing. He must have financial resources, because he cannot control the supply of labour. On the other hand, whatever its financial

arrangements, the Building Guild Committee has an ample supply of labour, perhaps even a monopoly of it. Therefore, they argued, the nature of the guarantee required from them is not primarily financial, but fundamentally a guarantee that the labour would be forthcoming and the houses built. A builder may fail to build houses, not because he is financially unsound, but because he cannot obtain the labour ; the City Council may insist upon its pound of flesh, but the houses remain unbuilt. Finance, in short, plays a subsidiary part. But the Building Guild Committee can build the houses, which is the essential thing, and full guarantees on this head can be given.

The point was one of real importance in Guild theory, and it is interesting to notice that it was appreciated with very little difficulty by the municipalities to which it was put. At the same time, the arrangement by which the purchase of materials and their delivery was left to the municipal authorities was not altogether a happy one, and friendly critics of the scheme pointed out that by limiting their operations to the sphere of production the Guild Committee imperilled the result of their experiment. By themselves enlisting the services of trustworthy and expert buyers, which would not have been difficult owing to the sympathetic interest the schemes had created in many quarters of the industry where service was placed above profit, they could have made sure that the cost of the contracts in which they became involved would not have been swollen by the commissions and similar illegitimate tolls which are only too commonly levied and conceded in the process of purchasing building materials. The municipalities,

forced to depend upon buyers whose charges they would not be likely to check effectively from lack of expert knowledge on the subject, might find themselves burdened by a heavy weight of unjustifiable, but in the circumstances unavoidable, costs, which would swell their total expenses beyond those which the capitalist contractor might find necessary to charge, and thus compromise the Guild scheme in the eyes of the public. The situation was greatly improved, however, from the Guild point of view when in May the Co-operative Wholesale Society came to the assistance of the Guild Committee with the offer to associate its practical credit, based on long experience and the conduct of many large operations, with the potential credit of the Building Guilds; and to undertake in conjunction with them the purchase of materials, an arrangement which strengthened the hands of the Guild Committee in its negotiations with the Ministry of Health, and made its financial position unassailable from the capitalist standpoint.

The Building Guild movement, however, was still rather a loosely co-ordinated federation of local experiments than a concerted effort to organise a National Guild of Builders. It was, again, rather an effort to meet a particular difficulty—the lack of artisan dwellings—than an attempt to refound the whole basis of the industry. Of these larger tasks Mr. Sparkes, while welcoming with enthusiasm the courageous lead from Manchester, had never lost sight, though some Guildsmen were apt to do so in their delight at the success of a practical experiment in the sphere of production. Beyond pro-

duction, Mr. Sparkes pointed out, lay the problem of supply, which would have to be tackled by the Guild itself before it could claim to have established itself as a complete substitute for capitalist control of the industry—and Guildsmen ought to be satisfied with no smaller claim. Here the Builders' Parliament, with the elaboration of a really bold scheme as a "voluntary code" for the whole industry, could come to the aid of the experiment so successfully initiated in Manchester, and he made known the fact that a scheme for a National Guild of Builders was already under discussion by its committees.

By this scheme the workers would contribute their labour and the employers would contribute their capital—including plant—and their technical and administrative service. As capitalists they would receive their return in interest through the creation of debenture stock. As superintendents or managers they would receive salaries, just as the workmen would receive theirs. The control would be completely democratic.

While these plans were still under discussion by the committee, the Manchester Section of the Operatives' Federation set up their now famous Building Guild Committee and brought forward their offer to build 2,000 houses for the City Council. There has been an inclination in some quarters to regard the two schemes as rivals; but a little reflection will show that this is by no means the case.

The national plan, described above, is essentially a great combine under democratic control, organised for the service of the community and setting out, primarily, to secure for that service the immense advantages of industrial combination. These include such matters as the assured and steady supply of

materials purchased in bulk throughout the world, the standardisation of products, the co-operative use of plant and transport facilities, the utilisation of by-products, the financing of contracts, the unification of advertising and selling organisation, the interchange of data and experience, the promotion of scientific and technical research, and the regular development of real craftsmanship by the holding of continuous exhibitions of individual works of art throughout the country. This last will undoubtedly become one of the most important and striking features of the undertaking, and may do much to promote such a revival of the building art as has not been seen since the Middle Ages.

While this central organisation, therefore, will concern itself mainly with the tasks of manufacture and supply, and perhaps with the general distribution of work among the branches, these branches themselves will concentrate mainly on the actual construction of buildings and will only touch supply where it is advantageous to do so.

And here the bold lead of the Manchester operatives is of the utmost value, not only because their action has brought the whole subject within the region of immediate practical politics, but also because they have shown us the beginnings of a local self-governing branch.[1]

A meeting was held in London in February, under the joint auspices of the London District of the Federation of Building Trade Operatives and the National Guilds League, at which Mr. Hobson and a number of his Trade Union colleagues from the Manchester district expounded the Guild scheme, and at which Mr. Sparkes and Mr. Cole joined with them in urging a similar effort by London building workers, many hundreds of whom

[1] *Ways and Means*, February 21st, 1920.

were present and pledged themselves to embark on a scheme of their own. The result was seen in the production of the "Preliminary Prospectus of the Guild of Builders (London), Limited," issued in May by the London District Council of the National Federation of Building Trade Operatives.[1] The prospectus is worthy of study, for though it has, of course, many points of similarity with the more restricted schemes initiated from Manchester, it is planned on a scale capable of wider expansion and able to form the nucleus of an effective National Guild. "The Guild will undertake work for every type of building owner, whether public or private"; and it is obvious that though the scheme at present covers workers only (albeit of every grade, professional, technical, and manual) it could easily be expanded to include any such employers who might accept a "voluntary code" which would deprive them of the character of profiteers, and enable their capital to be used to increase the efficiency of that "organised public service" which it is the mission of the Building Guild movement to supply.

Though we have written at length of a movement which is still very much on the move, we have only been able to give an outline of its principal features, and we cannot stay to examine the criticisms which it has incurred. Its organisation of labour-discipline has been criticised by some Guildsmen as not fundamentally democratic and as involving only control by Trade Unions and not control for

[1] And published by them under the title *An Industry Cleared for Action* (9 Rugby Chambers, Chapel Street, W.C.1.), 1d.

the Trade Unionists themselves. Again, it has been criticised by the *New Age* as marking no essential advance, since "the *relative* situation as between Labour and Capital remains unchanged." Such criticisms may be valid, and it is not difficult to suggest others; but nevertheless the instinct which has acclaimed the Building Guild movement as a unique and revolutionary phenomenon is a true one. The movement has given evidence of the susceptibility of the workers to constructive ideas; it has made obvious the great appeal which the Guild idea can make when once shown to be capable of application, however tentatively; it has challenged the inviolability of capitalist assumptions; and it has raised in a most practical form the question of Labour credit—a question which, once revived, is not likely to be set aside until it is fully answered, with revolutionary consequences. The Building Guild movement has not settled the issues which are involved in society's great alternative of Industrial Servility or Social Freedom, but it has by a practical experiment defined those issues in a new and striking manner. Such an achievement is no mean one, and Guildsmen may be proud of the share they have had in bringing it about.

THE FUNDAMENTAL QUESTION

We have examined the main problems that have lately arisen in connection with the ideal and the programme of National Guilds. The fundamental problem of all, however, concerns neither the one

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tion, they would not compensate for the building of our social life upon shame and fraud.

We would not have it thought that, in espousing frankly and completely the cause of the workers' emancipation, we have surrendered to the illusion that all personal and collective virtue lies upon the one side, and nothing but iniquity upon the other. The convenient fiction of the well-intentioned workman and the wicked capitalist is as perilous as it is foolish; it leads men to seek for nothing but a "change of heart" in the capitalist, rather than a change in the whole purpose of society. Yet, while we resign this fiction to those sentimentalists who have an inclination for such things, we insist that the fundamental distinction between the cause of the worker and the position of his adversary is that the former standpoint is essentially moral, while the latter is not. The one is a demand for service, for fellowship, for the honour of the worker and his task; the other is a denial of value to these things, where they conflict—as they do everywhere—with the maintenance of profiteering. There could be no greater disaster than that Labour should surrender its moral claim, in return for immediate security and immediate peace.

But it will not do so; of this we are confident. Never was Capitalism so strong in its resources and so weak in its moral appeal. It has lost the confidence of the country; we are now at the turning of the ways. The profiteer has given us the world of Business, a sordid and shoddy den of money-makers and money-changers. Industry as an honourable craft and a social service—this is

the better way now open to our country, made possible by the repudiation of profiteering and the toils in which it has strangled us. It is the high destiny of the worker, and the goal of National Guilds.