

Now, the American Federation of Labor has declared itself opposed to the shop committees promoted by employers. It has also passed a resolution in favor of, and has since launched, a nation-wide drive for the unionization of the iron and steel industry, in which the majority of these shop committees are found. On the other hand, the Metal Trades Department of the American Federation of Labor, has entered into a trade agreement with the Bethlehem Shipbuilding Corporation (five yards) and the American Shipbuilding Company (eight yards) under which the constitution and the functioning of the works committees in the yards of these corporations are approved and supervised by a joint body consisting of an equal number of representatives of each of the parties to the agreement.

What is novel in the new form of workshop organization is not its representative character as democratic—for the trade-union shop committees in closed union shops are representative and in so far democratic. What is novel is that the employees' representatives constitute merely one side of a joint body in which the employer is also represented by a smaller or equal number of appointed representatives. This difference in organization represents, of course, as it is designed to serve, a different aim and purpose, namely the performance of cooperative and constructive functions.

Whether the function of collective bargaining and these cooperative and constructive activities can be performed by a single body, even if that body is jointly constituted and even if it is sanctioned and supervised by trade unions and employers' associations, is a question which experience alone can decide finally. In the meantime, a critical analysis of the question into its elements, supported by such experience as can be adduced, may cast some light ahead on the road which experience itself must follow.

II.

We have long been familiar with two main forms of industry, in both of which ownership and control ultimately inhere in the same person or persons, that is: (1) *private ownership and private control and operation*; (2) *public ownership and public control with government operation*. With the development of the joint stock company there has grown up an increasing distinction between the owners of industry, either as shareholders or as bondholders, and

those who manage or operate it. Under public ownership, the number of owners being equal to that of all the citizens of the respective community, whether city, state or nation, the direct control and the operation of utilities likewise rests with a few, that is the Government and its appointees. The ultimate control in both cases remains, of course, with the owners, that is stockholders and citizens respectively. The chief difference between the two systems, from which ultimately all other differences derive, is that stockholders and boards of directors under private ownership and operation are commonly more mindful of their interests and duties than are citizens and governmental agencies.

A third form of industry, better known in Europe than in this country, we find in the cooperative societies, which represent a system of private ownership and private control and operation that differs from the ordinary system of privately owned and controlled enterprise in so far as each shareholder has only one vote, no matter what his holdings may be, while the members at large, holding no stock, are also represented on the governing board of the society and share in the profits from the business. We have, therefore, in the cooperative society, a partial separation between ownership and control which does not appear under the other two systems already noted.

Now, the war has made us familiar with a more thorough-going separation of ownership and control in two forms, namely: (1) *private ownership and government control and operation*, as with the railroads, the merchant marine, the telegraph and cable system and numerous controlled establishments in industries engaged upon war work; and (2) *joint private and public ownership and joint private and public control and operation*, as in the "consortium" established or proposed for establishment in some European countries, especially France and Germany.

Here and there we have had, even in this country, and some persons now propose with respect to the railways, *public ownership and private (capitalistic) control and operation*, as where public utilities and services have been operated by private persons upon lease or concession. This differs, of course, very little from private contracts upon public works.

All radical proposals for changes in industry can be very directly compared with the systems already described. As most closely related to the system of unrestricted individualism or private ownership and control and operation we have Syndicalism, that is

trade-union ownership and trade-union control and operation. The elimination of all forms of government except the government by the trade or occupational union, which consistent Syndicalism demands, makes it akin to anarchism, both being ultimately individualistic, though both claim that they are not—and in their intent they need not be—anti-social. The Syndicalist promises a better social system by distributing ownership, but he limits the distribution to less than the whole community, confining ownership of an industry to those who are directly concerned in operating it, that is the crafts concerned. This is only the converse of our present capitalistic system, with this important difference, that while Syndicalism proposes to eliminate from ownership all who do not render service, whether as managers or as operatives, Capitalism, in the joint stock company, has extended both ownership and ultimate control to more shareholders, while at the same time it has called forth the development of a specialized class which is directly concerned with management and only secondarily and accidentally, if at all, with ownership.

Taking half its social philosophy from State Socialism or Collectivism, which demands not only government ownership but government control and operation, and half from Syndicalism, which as we have seen proposes to vest both ownership and control and operation in the trade union, the school of Guild Socialists, or National Guildsmen as they prefer to call themselves in Great Britain, proposes a compromise system, namely, *public ownership and trade-union control and operation*. This is a program with which, in its essentials, the Plumb Plan of the railwaymen's Brotherhoods is identical. But while under the pure Guild Socialist plan the state has no share whatever in the operation of the properties after having leased them to the respective operating guilds, exercising its over-riding control in the public interest solely through its taxing power, the Plumb Plan provides a further guarantee through the participation by the Government in the operation of the properties. It does so by allotting to the Government one-third of the membership of the board of directors. For the exercise of the taxing power the Plumb Plan substitutes, as equivalent, the exercise of the rate-making power by the Interstate Commerce Commission.

Another form under which industry may be carried on, again little known and still less practiced in this country though successfully tried in France and Italy, offers decided advantages, especially for the transi-

tion period during which any given industry must pass before it and the public mind are ready for the application of more radical rearrangements. This is the system of the collective contract. This system also takes various of its constituent elements from the other systems already in use in industrial enterprises to-day. In the first place, it does not touch ownership. A "collective contract" can be made with private owners, with the government as representative of the public as owner, with cooperative distributive societies, or with cooperative producers' societies, in fact with any legal person capable of making a contract. From privately controlled industry the system borrows the system of group payment for work done, since for any particular job the contract price goes to the "contract fellowship" of all the workers engaged upon that particular job. Properly to safeguard the bargaining power of the workers, the system may borrow either from the present system of shop and works committees and from the system of trade-union control of the shop. For it will seem advisable to the workers, and in certain handicrafts such as the building trades imperative, to make the "contract fellowship" co-extensive with all or at least the majority of the followers of the craft, in other words, to take in all who are potentially fellows on a given contract. That would mean an inclusion of all the employees in a factory department or in the entire plant or all the trademen in the locality. The shop or works committee, or the trade union, functioning as "contract fellowship," would then become the sole medium of contract between the firm and the workers. Individual contracts, already restricted where their terms are stipulated in advance through trade agreements, would disappear; collective contracts, their terms and the observance thereof similarly stipulated and supervised under the provision of trade agreements, would supplant them.

Which of these steps, if either, any given industry, or industry as a whole, is going to take nobody can foretell. This much alone is certain; that however accelerated its progress may be, industry will reach its ultimate status, by next steps and not by leaps and bounds. On the other hand, those who would wisely guide its next steps should orient themselves by what is ultimately possible. That alone is ordered progress toward a goal; all else is drifting.

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