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THE GUILD SOCIALISTS

OF the various "ways out" of our unsatisfactory industrial system, Guild Socialism makes the strongest appeal to the generous spirit of the youth of to-day. It stands midway between State Socialism and Syndicalism, and claims to avoid the dangers of both extremes. In Guild Socialism, the State will own the means of production, and the rank and file of the workers will manage the processes. Thus, we shall guard against the bureaucratic rigidity which is inevitably associated with State management, and avoid the risk of exploitation by the producers, which is not unlikely to arise in a syndicalist society.

The Guild Socialists expound their philosophy in persuasive, and often picturesque language. They are naturally not in complete accord over minor matters, and differ even on questions of principle. They are seldom quite definite either about the details of their scheme, or the methods for bringing it into operation. They are naturally alive to the danger of setting up a definite position on questions necessarily controversial. And they are undoubtedly right in the view that when a fundamental change in the basis of society is contemplated, the method must be left to the necessities of the moment, and the details to be worked out by experience. All have the same ideal, though they concentrate on different aspects of the question. Thus, in criticising existing institutions, Mr. G. R. Stirling Taylor's bugbear is "Centralisation": Mr. Arthur J. Penty's "Overproduction." Mr. S. G. Hobson, Messrs. C. E. Bechhofer and Maurice B. Reckitt, and Mr. G. D. H. Colè dwell particularly on the evils of wage-slavery, and the advantages of freedom and self-government. None of the writers—with the exception of Mr. Hobson, who is very explicit—find it worth while to discuss capitalist arrangements in any detail; all agree that the taking of wages for work done, and especially the taking of wages in any sort of proportion to work accomplished, is in the last degree humiliating to the worker. All are satisfied to assume that the wickedness of the system demands its immediate abolition.

Mr. Stirling Taylor is most trenchant in his denunciation of the repulsiveness of our modern industrial civilisation. The old Guild system gave us "the miraculous beauty of the stained glass of Chartres,"¹ that subtle complexity of human endeavour which we call Florence and Padua, while modern society "has vomited up Liverpool and Clapham."¹ We can, if we will, get back to the glories of the past by giving up our ideals of progress and production for profit, and re-organising society on the lines of the ancient Guilds. The key is organisation by function, as opposed to political organisation by district. Within the Guild, there must be complete democracy, and above all the Guild State must avoid centralisation, which inevitably means the triumph of the governors over the governed.

According to Mr. A. J. Penty,² the cardinal sin of our industrial system is overproduction. Society before the War had got into a *cul-de-sac*, from which there is no way out, but only a way back. The War was not a colossal accident, but the necessary outcome of general overproduction, and the consequent struggle for markets. There is, according to capitalistic aspirations, no limit to the possibilities of production, but there is a definite limit to the possibilities of consumption, a limit which we have already reached. In the middle ages people spent their surplus wealth on things of beauty. But when Protestantism relaxed the Usury Laws, instead of spending their surplus, people invested it, and so began the vicious circle of overproduction. Mr. Penty urges a return to mediævalism, but he does not indicate how, in the absence of plagues and other mediæval visitations, our industrial population can adjust itself to the limits which mediæval methods would impose.

There are four questions which Guild Socialists must deal with, if their system is to be accepted as a positive and practical scheme. (1) What will be the relation of the Guilds to the State? (2) What will be the relation of the Guild to the individual? (3) How will the product of industry be distributed? (4) And lastly; how will the Guild State be brought into being?

The writers whom we have already quoted, work out their answers to these questions with varying degrees of clarity and attention to details. According to Mr. Stirling Taylor, a great deal of work which in our unregenerate State is assigned to Government Departments, will be absorbed by the Guilds themselves, *e.g.* Education, Public Health, etc. Foreign Affairs, and

¹ *The Guild State*, by G. R. Stirling Taylor, p. 33.

² *Guilds and the Social Crisis*, Ch. I., by Arthur J. Penty.

the maintenance of an Army and Navy, will still be State functions (the latter, it is hoped, will only be a temporary need). The fixing of national minima of remuneration, and maxima of hours, and the standard rules for health conditions, will be State duties. So also, the passing and applying of criminal laws, laws of contract, etc. But the most vital function of the State will be its right to control industry by granting charters to the Guilds, each Guild probably paying a tax or rent in return for its charter.

The weak spot of Mr. Taylor's plan is that he gives us no real indication of what the State is to be. Since the Guilds are to derive their authority from the State, the source of this authority is an institution of fundamental importance. But although he pours ridicule upon our existing electoral methods, the writer is unable to suggest a substitute. His attacks on territorial representation are sound enough, but since his system requires a State to complement the Guilds, and since he cannot give us an alternative State, his arguments in the end rebound against his own position.

Mr. Penty also conceives the chief function of the State to be the chartering of the Guilds, thus enabling production to be organised on an equitable basis, and society to be protected from the depredations of the rogues who would otherwise prey upon their fellow-creatures. We may conclude from his writings that he would be satisfied with any form of State which could be fitted into his Guild organisation.

Mr. G. D. H. Cole¹ leads his readers into an impasse and leaves them there. According to his view, men are bound together in a variety of forms of association, among which, though none is absolutely sovereign, two stand out predominantly. These are Associations of producers and Associations of consumers.

The Trade Unions are Associations of producers which will merge into Guilds, and "the various Guilds will be united in a Central Guild Congress, which will be the supreme industrial body, standing to the people as producers in the same relation as Parliament will stand to the people as consumers."² Again: "Neither Parliament nor the Guild Congress can claim to be ultimately sovereign: the one is the supreme territorial association, the other the supreme professional association."³

We seem, therefore, to be left with a Dualism, but while the duties and prerogatives of the Guild Congress are clearly defined, the functions of Parliament are left in the shade. We are not to

¹ *Self-Government in Industry*, pp. 71-99.

² *Ibid.*, pp. 86-87.

³ *Ibid.*, p. 87.

suppose, however, that Parliament will have the vital function assigned to it by the writers previously mentioned, of granting charters to the Guilds, for Mr. Cole expressly states that: "We cannot conceive of an association of producers deriving its right to exist from an association of users."

Mr. Cole is alive to the possibility of conflict between his two independent authorities, and admits that a single Guild may have a quarrel with Parliament. Who is to be the arbiter? Apparently, "some joint body representative equally of Parliament and the Guild Congress". For this sovereign body, however, Mr. Cole does not appear to have much enthusiasm, and it is left even vaguer than Mr. Taylor's territorial Parliament.

The relation of the Guilds to the individual is a less difficult question, and we find more agreement between various writers in matters of detail. All are agreed that the Trade Unions—when they have succeeded in purging themselves of the vices of Craft Unionism, and when they have absorbed the "salarariat" and the technical workers within their ranks—will become the Guilds of the future. It seems generally accepted that no Guild will be guilty of any desire to exploit the Community in its own interest. This is a capitalist failing, which will end with Capitalism. Mr. Stirling Taylor, dealing with the suggestion that a Mining Guild might consult its own convenience at the expense of the Community, dismisses the objection very briefly: "The argument is based on the knowledge that the present capitalistic traders who control industry consider little else but their personal interests. So the objection has little weight."¹ He gives away the position, however, by maintaining that even if the miners should put their own interests before those of the Community, the self-interest of many miners is preferable to that of a few mine-owners.

Mr. G. D. H. Cole is more cautious. He is not satisfied that the vulgar desire to grab will become extinct, but a Guild society can protect itself. Should any Guild fall so far from grace as to endeavour to make specially good terms for itself, its attempts can be frustrated either by a regulation of the price of its products, (imposed by some authority external to the Guild) or by some system of levy or taxation on Guild incomes, which will skim off any surplus that might otherwise take the form of profit.

Mr. Cole takes it for granted that each Guild will include all the workers in its particular industry: the Engineering Guild will include all the Engineering establishments in the country, the Building Guild all the builders, etc. Messrs. Bechhofer and Reckitt state very emphatically that each National Guild must

¹ *The Guild State*, p. 44.

have a complete monopoly. Mr. Stirling Taylor, on the other hand, welcomes the idea of competing Guilds, but maintains that competition between Guilds will be something very different from the deplorable scramble between individual capitalists.

The remuneration of the individual Guildsman will doubtless be a matter of considerable interest to him, though in the writings of the exponents of Guild Socialism it seems a subordinate question. Mr. Stirling Taylor supposes that the State will settle a minimum wage, and beyond this "one imagines that each Guild will be allowed to distribute its surplus as the members decide by a vote of the majority. It is very improbable that they will vote at first for equality of wages."¹ Mr. Stirling Taylor would apparently not skim off the surplus of each Guild's earnings, for he contends that the Guilds will be as anxious to secure efficient managers as the capitalists are to-day, and for the same reason—the increased prosperity of the business.

Messrs. Bechhofer and Reckitt reject absolutely any idea of remuneration in relation to output. The Guilds will hand over to the Guild Congress all monies received in payment of their products, and in return each Guild will receive from the Congress the remuneration required for its own members on a basis of numerical membership. The amount apportioned to each Guild then, is to be in exact proportion to its membership. The manner of distributing the remuneration within the Guild, however, shall be at the discretion of each Guild. It would seem, therefore, at the first blush, that absolute equality of remuneration for every kind of work—whether teaching, weaving or scavenging—was aimed at, but it is not quite clear why this exact numerical standard should be set up from without, if the Guild can afterwards proceed to upset it from within.

Mr. G. D. H. Cole gives us very little information in *Self-Government in Industry* regarding the remuneration of the individual Guildsman. On the principle that it is the work and not the remuneration that matters, he is chiefly concerned with the organisation of industry, and the necessity of securing complete freedom and self-government for the workers. "The Works will supply its products to the District Committee for purposes of distribution, and the District Committee will pay it according to the price lists fixed by the National Guild for what it produces, quality as well as quantity being, of course, taken into account in fixing the price."²

Here then, it would seem that the Guild will be paid by result,

¹ *The Guild State*, p. 65.

² *Self-Government in Industry*, p. 274.

but as already explained, the members will not be able to profit by any accidental superior productivity of their industry, since a judicious system of fixing prices or appropriating any possible surplus, will maintain a uniform level.

None of the writers discusses, except as a side issue, the question of the worker's stimulus to exertion, under Guild Socialism. Just as the individual Guildsman is assumed to be without the vulgar instinct to grab, so a universal predilection for steady work—irrespective of reward—seems to be taken for granted. Human vices, in fact, will disappear with capitalist institutions, and the only problem will be how to organise the surviving virtues to the best advantage.

From such minor and rather sordid details, all the writers turn with visible alacrity to the fundamental question how the Guild State is to be brought into being.

Mr. Stirling Taylor here, as on other points, gives away a great deal of the position. He cannot offer the workers any short cut to victory. The capitalists control industry to-day only because labour is not competent to do so. "What other reason can there be?"¹ the writer frankly asks. A few shillings per head from the working classes would quickly raise the capital necessary to make them their own masters. If they do not raise it, it is because they have not the necessary knowledge either of the productive or the commercial side of the business. He advises the workers, for the sake of education, to accept that instalment of reform called co-partnership and co-management. Above all he advocates peaceful transition—"only the illiterate still believe in the Revolution as a mode of social advance."²

Mr. Penty is equally opposed to violence, because, "if the present order were thrown over in its entirety, it would be impossible to improvise arrangements to meet the situation which would be created. We should be starved at the end of a fortnight."³ If the working class of Russia has not been able to abolish two per cent. of the population without precipitating social chaos, what chance have the working class of this country, after abolishing thirty per cent.?⁴ Industries should, therefore, be taken over in their entirety, and the workers must be magnanimous where they are victorious.

Messrs. Bechhofer and Reckitt also favour the gradual taking over of industry, but they warmly repudiate anything in the nature of a friendly co-partnership. On no account can Unions either

¹ *The Guild State*, p. 103.

³ *Guilds and the Social Crisis*, p. 81.

² *Ibid.*, p. 96.

⁴ *Ibid.*, p. 82.

stoop to conciliatory methods, or run the risk of allowing themselves to be conciliated. The method to be adopted is that of "Encroaching Control"; the Unions must get more and more power into their own hands. Foremen must cease to belong to a separate caste, and the gulf between the proletariat and the salariat must be bridged. Thus Labour, blackleg-proof, will make a monopoly of itself, in order to confront the monopoly of capital. When the latter has thus been stripped of all its functions, and has consequently lost its prestige, it will become a mere parasite, ready to be knocked off as a rotten apple from a bough. The writers favour nationalisation of industry as a useful step on the road to Guild Socialism, partly because unified management makes for unity among the workers, and partly because bureaucrats are so much more stupid than capitalists, that they will unconsciously play into the hands of the workers, and facilitate the final transition.

Messrs. Bechhofer and Reckitt devote some space to the question of expropriation. Like Mr. Penty, they advocate magnanimity. It is not to the interest of the mass of those who have won their way to emancipation, to be ungenerous to those whom they have dispossessed. The writers are prepared to endorse Mr. S. G. Hobson's suggestion of terminable annuities extending over two generations, as a very fair offer, and as much as any capitalist could expect. It must not be supposed, however, that in assessing compensation the balance sheet value of a concern will be adopted. For the balance sheet value implies that the business is a going concern, and when Labour has withdrawn itself, the concern is no longer a going one.

Mr. G. D. H. Cole dismisses the question of compensation with the curt remark that when the State "slips naturally into ownership" it "will deal as it thinks fit with the owners it supplants."¹ He describes the transition processes which will lead to the Guilds, with more restraint than Messrs. Bechhofer and Reckitt, but with a deeper, if less explosive, hatred for the existing industrial system. He too, is most unwilling that Labour should soil its fingers by any sort of contact with capitalist methods. He is afraid that Labour might sink to the level of the capitalist, and a temporary partnership might endanger its independence. Nevertheless, he thinks that a transition period of divided control is almost inevitable.

Mr. Cole points out that when Labour has wrested from the capitalist the whole control of production, the battle will not be finished. The questions of purchase, sale and investment will

¹ *Self Government in Industry*, p. 219.

still remain to be dealt with. Under the wage-system, capital, which absorbs all the profit of industry, consumes a portion, but saves and re-invests the remainder. If Labour succeeds in making industry unprofitable to the capitalist, no new capital will flow in. How will Labour secure the means of carrying on? Mr. Cole concludes that, "apart from capitalistic blunders, a catastrophe will be necessary to end the wage-system."¹ From this catastrophe, *i.e.* the General Strike and Revolution, he is both too logical and too much in earnest to shrink. The transition to a better state would involve a "mess,"² but even this mess would, he thinks, be preferable to the existing state of things.

The question of provision for the future is very lightly touched upon by the Guild Socialists. In our existing industrial system, the needs of the future are provided for by the spontaneous flow of capital and labour into those industries which meet the public need. We must suppose that in the new State the Guild Congress will consciously and laboriously work out the changes and developments which are now effected by automatic adjustments. When a Guild requires new capital, it will apply to the Guild Congress, and its claims will be carefully considered and weighed against all the claims made by other Guilds. The method is likely to be cumbrous and slow-moving, but there is worse than this. According to Mr. Cole :

"The particular Guild desiring new Capital or the placing of a heavy sum to reserve will, no doubt, have great weight in placing its recommendations before the community, but the ultimate decision cannot rest with the individual Guild. The State as the representative of the consumers must have a voice equal to that of all the producers gathered in the Guild Congress."³

In short, extension of any kind can only proceed when it has secured the sanction of the whole body of producers represented in the Guild Congress, plus the whole body of consumers represented by Parliament—a method of procedure beside which even Government control appeals are direct and speedy.

As these are questions, however, on which Guild Socialists differ, and which, moreover, they are willing to work out in the light of experience, it would not be fair to condemn their system on account of these shortcomings. The real weakness of Guild Socialism lies in the view which it adopts of human nature. The "Guildsman" is no more true to nature than the "economic man" of the classical economists. But the characteristic which the

¹ *Self-Government in Industry*, p. 190.

² See *Labour in the Commonwealth*.

³ *Self-Government in Industry*, p. 192.

latter selected to typify man, was at least a general attribute of all live men. Their error lay in the importance which they attached to a single motive to the exclusion of all others. But the qualities and motives of the "Guildsmen" are the infirmities of noble minds rather than the characteristics of average men. Guild Socialist writers paint in vivid colours and strong relief; throughout, they contrast the capitalist villain with the virtuous proletarian. The employer is never anything but a thief who battens on the labour of others. The workman is always blameless, never self-regarding, with an enduring affection for work for its own sake, and a consuming passion for self-government. These gifts it is necessary to endow him with, since Guild Socialism does not otherwise afford any particular incentive to exertion, or to the attainment of excellence. It presupposes an enthusiasm for humanity which even the overthrow of capitalism is hardly likely to bring into existence.

To the Guildsman, the taking of wages for work done is an unutterable degradation. To accept the wages and not do the work, or, better still, to accept the wages and use the opportunities afforded by the workshop for propaganda directed to wresting the control, and finally the workshop itself, from the employer, would seem to him a natural and even a commendable course of conduct. Guild Socialist writers do not, however, claim that the average workman has reached this stage of evolution—on the contrary, they deplore the fact that the majority of workers are too degraded to feel the full dishonour involved in wage-slavery.

When they are criticising the evils of capitalism—their strictures of which are generally as sound as they are sincere—Guild Socialists are in their element. In their constructive work they are less happy. They claim that their society avoids alike the conflicts inseparable from Capitalism, and the peculiar risks involved in State Socialism and in Syndicalism. In fact, the Guild Socialist State would not be free of any of these risks. The individual Guild might still exploit the community, if not by making a profit out of its product, then by giving inadequate value for its remuneration. The individual worker, if he be possessed of initiative and originality, may be more effectively imprisoned within his Guild than in the existing system, and the hierarchy of Committees, Delegate Meeting and Guild Congress, may well be as difficult to set in motion as any bureaucracy. Moreover, until human nature is fundamentally altered, we are not likely to be completely rid of factions, conflicts and jealousies.

The Guild Socialist draws a picture full of promise, but his

material is carefully chosen. His Guildsman has all the right qualities. Syndicalism and State Socialism might do equally well under the same conditions, and with the best human material to work with, even Capitalism might give a good account of itself. The Guild Socialists must give us a workable theory with human nature as it is, not with men as they would wish to have them. We had almost said men and women, but the only writers who mention women, appear to find them a considerable embarrassment to their scheme.

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