

Chapter XIX.

THE OLD IMAGE IN NEW FORM: GUILD SOCIALISM

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Whenever the quarrels of self-centered groups become unbearable, reformers in the past found themselves forced to choose between two great alternatives. They could take the path to Rome and impose a Roman peace upon the warring tribes. They could take the path to isolation, to autonomy and self-sufficiency. Almost always they chose that path which they had least recently travelled. If they had tried out the deadening monotony of empire, they cherished above all other things the simple freedom of their own community. But if they had seen this simple freedom squandered in parochial jealousies they longed for the spacious order of a great and powerful state.

Whichever choice they made, the essential difficulty was the same. If decisions were decentralized they soon floundered in a chaos of local opinions. If they were centralized, the policy of the state was based on the opinions of a small social set at the capital. In any case force was necessary to defend one local right against another, or to impose law and order on the localities, or to resist class government at the center, or to defend the whole society, centralized or decentralized, against the outer barbarian.

Modern democracy and the industrial system were both born in a time of reaction against kings, crown government, and a regime of detailed economic regulation. In the industrial sphere this reaction took the form of extreme devolution, known as laissez-faire individualism. Each economic decision was to be made by the man who had title to the property involved. Since almost everything was owned by somebody, there would be somebody to manage everything. This was plural sovereignty with a vengeance.

It was economic government by anybody's economic philosophy, though it was supposed to be controlled by immutable laws of political economy that must in the end produce harmony. It produced many splendid things, but enough sordid and terrible ones to start counter-currents. One of these was the trust, which established a kind of Roman peace within industry, and a Roman predatory imperialism outside. People turned to the legislature for relief. They invoked representative government, founded on the image of the township farmer, to regulate the semi-sovereign corporations. The working class turned to labor organization. There followed a period of increasing centralization and a sort of race of armaments. The trusts interlocked, the craft unions federated and combined into a labor movement, the political system grew stronger at Washington and weaker in the states, as the reformers tried to match its strength against big business.

In this period practically all the schools of socialist thought from the Marxian left to the New Nationalists around Theodore Roosevelt, looked upon centralization as the first stage of an evolution which would end in the absorption of all the semi-sovereign powers of business by the political state. The evolution never took place, except for a few months during the war. That was enough, and there was a turn of the wheel against the omnivorous state in favor of several new forms of pluralism. But this time society was to swing back not to the atomic individualism of Adam Smith's economic man and Thomas Jefferson's farmer, but to a sort of molecular individualism of voluntary groups.

One of the interesting things about all these oscillations of theory is that each in turn promises a world in which no one will have to follow Machiavelli in order to survive. They are all established by some form of coercion, they all exercise coercion in order to maintain themselves, and they are all discarded as a result of coercion. Yet they do not accept coercion, either physical power or special position, patronage, or privilege, as part of their ideal. The individualist said that self-enlightened self-interest would bring internal and external peace. The socialist is sure that the motives to aggression will disappear. The new pluralist hopes they will. (1) Coercion is the surd in almost all social theory, except the Machiavellian. The temptation to ignore it, because it is absurd, inexpressible, and unmanageable, becomes overwhelming in any man who is trying to rationalize human life.

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The lengths to which a clever man will sometimes go in order to escape a full recognition of the role of force is shown by Mr. G. D. H. Cole's book on Guild Socialism. The present state, he says, "is primarily an instrument of coercion;" (2) in a guild socialist society there will be no sovereign power, though there will be a coordinating body. He calls this body the Commune.

He then begins to enumerate the powers of the Commune, which, we recall, is to be primarily not an instrument of coercion. (3) It settles price disputes. Sometimes it fixes prices, allocates the surplus or distributes the loss. It allocates natural resources, and controls the issue of credit. It also "allocates communal labor-power." It ratifies the budgets of the guilds and the civil services. It levies taxes. "All questions of income" fall within its jurisdiction. It "allocates" income to the non-productive members of the community. It is the final arbiter in all questions of policy and jurisdiction between the guilds. It passes constitutional laws fixing the functions of the functional bodies. It appoints the judges. It confers coercive powers upon the guilds, and ratifies their by-laws wherever these involve coercion. It declares war and makes peace. It controls the armed forces. It is the supreme representative of the nation abroad. It settles boundary questions within the national state. It calls into existence new functional bodies, or distributes new functions to old ones. It runs the police. It makes whatever laws are necessary to regulate personal conduct and personal property.

These powers are exercised not by one commune, but by a federal structure of local and provincial communes with a National commune at the top. Mr. Cole is, of course, welcome to insist that this is not a sovereign state, but if there is a coercive power now enjoyed by any modern government for which he has forgotten to make room, I cannot think of it.

He tells us, however, that Guild society will be non-coercive: "we want to build a new society which will be conceived in the spirit, not of coercion, but of free service." (4) Everyone who shares that hope, as most men and women do, will therefore look closely to see what there is in the Guild Socialist plan which promises to reduce coercion to its lowest limits, even though the Guildsmen of to-day have already reserved for their communes the widest kind of coercive power. It is acknowledged at once that the new society cannot be brought into existence by universal consent. Mr. Cole is too honest to shirk the element of force required to make the transition. (5) And while obviously he cannot predict how much civil war there might be, he is quite clear that there would have to be a period of direct action by the trade unions.

But leaving aside the problems of transition, and any consideration of what the effect is on their future action, when men have hacked their way through to the promised land, let us imagine the Guild Society in being. What keeps it running as a non-coercive society?

Mr. Cole has two answers to this question. One is the orthodox Marxian answer that the abolition of capitalist property will remove the motive to aggression. Yet he does not really believe that, because if he did, he would care as little as does the average Marxian how the working class is to run the government, once it is in control. If his diagnosis were correct, the Marxian would be quite right: if the disease were the capitalist class and only the capitalist class, salvation would automatically follow its extinction. But Mr. Cole is enormously concerned about whether the society which follows the revolution is to be run by state collectivism, by guilds or cooperative societies, by a democratic parliament or by functional representation. In fact, it is as a new theory of representative government that guild socialism challenges attention.

The guildsmen do not expect a miracle to result from the disappearance of capitalist property rights. They do expect, and of course quite rightly, that if equality of income were the rule, social relations would be profoundly altered. But they differ, as far as I can make out, from the orthodox Russian communist in this respect: The communist proposes to establish equality by force of the dictatorship of the proletariat, believing that if once people were equalized both in income and in service, they would then lose the incentives to aggression. The guildsmen also propose to establish equality by force, but are shrewd enough to see that if an equilibrium is to be maintained they have to provide institutions for maintaining it. Guildsmen, therefore, put their faith in what they believe to be a new theory of democracy.

Their object, says Mr. Cole, is "to get the mechanism right, and to adjust it as far as possible to the expression of men's social wills." (6) These wills need to be given opportunity for self-expression in self-government "in any and every form of social action." Behind these words is the true democratic impulse, the desire to enhance human dignity, as well as the traditional assumption that this human dignity is impugned, unless each person's will enters into the management of everything that affects him. The guildsman, like the earlier democrat therefore, looks about him for an environment in which this ideal of self-government can be realized. A hundred years and more have passed since Rousseau and Jefferson, and the center of interest has shifted from the country to the city. The new democrat can no longer turn to the idealized rural township for the image of democracy. He turns now to the workshop. "The spirit of association must be given free play in the sphere in which it is best able to find expression. This is manifestly the factory, in which men have the habit and tradition of working together. The factory is the natural and fundamental unit of industrial democracy. This involves, not only that the factory must be free, as far as possible, to manage its own affairs, but also that the democratic unit of the factory must be made the basis of the larger democracy of the Guild, and that the larger organs of Guild administration and government must be based largely on the principle of factory representation." (7)

Factory is, of course, a very loose word, and Mr. Cole asks us to take it as meaning mines, shipyards, docks, stations, and every place which is "a natural center of production." (8) But a factory in this sense is quite a different thing from an industry. The factory, as Mr. Cole conceives it, is a work place where men are really in personal contact, an environment small enough to be known directly to all

the workers. "This democracy if it is to be real, must come home to, and be exercisable directly by, every individual member of the Guild." (9) This is important, because Mr. Cole, like Jefferson, is seeking a natural unit of government. The only natural unit is a perfectly familiar environment. Now a large plant, a railway system, a great coal field, is not a natural unit in this sense. Unless it is a very small factory indeed, what Mr. Cole is really thinking about is the shop. That is where men can be supposed to have "the habit and tradition of working together." The rest of the plant, the rest of the industry, is an inferred environment.

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Anybody can see, and almost everybody will admit, that self-government in the purely internal affairs of the shop is government of affairs that "can be taken in at a single view." (10) But dispute would arise as to what constitute the internal affairs of a shop. Obviously the biggest interests, like wages, standards of production, the purchase of supplies, the marketing of the product, the larger planning of work, are by no means purely internal. The shop democracy has freedom, subject to enormous limiting conditions from the outside. It can deal to a certain extent with the arrangement of work laid out for the shop, it can deal with the temper and temperament of individuals, it can administer petty industrial justice, and act as a court of first instance in somewhat larger individual disputes. Above all it can act as a unit in dealing with other shops, and perhaps with the plant as a whole. But isolation is impossible. The unit of industrial democracy is thoroughly entangled in foreign affairs. And it is the management of these external relations that constitutes the test of the guild socialist theory.

They have to be managed by representative government arranged in a federal order from the shop to the plant, the plant to the industry, the industry to the nation, with intervening regional grouping of representatives. But all this structure derives from the shop, and all its peculiar virtues are ascribed to this source. The representatives who choose the representatives who choose the representatives who finally "coordinate" and "regulate" the shops are elected, Mr. Cole asserts, by a true democracy. Because they come originally from a self-governing unit, the whole federal organism will be inspired by the spirit and the reality of self-government. Representatives will aim to carry out the workers' "actual will as understood by themselves," (11) that is, as understood by the individual in the shops.

A government run literally on this principle would, if history is any guide, be either a perpetual logroll, or a chaos of warring shops. For while the worker in the shop can have a real opinion about matters entirely within the shop, his "will" about the relation of that shop to the plant, the industry, and the nation is subject to all the limitations of access, stereotype, and self-interest that surround any other self-centered opinion. His experience in the shop at best brings only aspects of the whole to his attention. His opinion of what is right within the shop he can reach by direct knowledge of the essential facts. His opinion of what is right in the great complicated environment out of sight is more likely to be wrong than right if it is a generalization from the experience of the individual shop. As a matter of experience, the representatives of a guild society would find, just as the higher trade union officials find today, that on a great number of questions which they have to decide there is no "actual will as understood" by the shops.

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The guildsmen insist, however, that such criticism is blind because it ignores a great political discovery. You may be quite right, they would say, in thinking that the representatives of the shops would have to make up their own minds on many questions about which the shops have no opinion. But you are simply entangled in an ancient fallacy: you are looking for somebody to represent a group of people. He cannot be found. The only representative possible is one who acts for "some particular function," (12) and therefore each person must help choose as many representatives "as there are distinct essential groups of functions to be performed."

Assume then that the representatives speak, not for the men in the shops, but for certain functions in which the men are interested. They are, mind you, disloyal if they do not carry out the will of the group about the function, as understood by the group. (13) These functional representatives meet. Their business is to coordinate and regulate. By what standard does each judge the proposals of the other, assuming, as we must, that there is conflict of opinion between the shops, since if there were not, there would be no need to coordinate and regulate?

Now the peculiar virtue of functional democracy is supposed to be that men vote candidly according to their own interests, which it is assumed they know by daily experience. They can do that within the self-contained group. But in its external relations the group as a whole, or its representative, is dealing with matters that transcend immediate experience. The shop does not arrive spontaneously at a view of the whole situation. Therefore, the public opinions of a shop about its rights and duties in the industry and in society, are matters of education or propaganda, not the automatic product of shop-consciousness. Whether the guildsmen elect a delegate, or a representative, they do not escape the problem of the orthodox democrat. Either the group as a whole, or the elected spokesman, must stretch his mind beyond the limits of direct experience. He must vote on questions coming up from other shops, and on matters coming from beyond the frontiers of the whole industry. The primary interest of the shop does not even cover the function of a whole industrial vocation. The function of a vocation, a great industry, a district, a nation is a concept, not an experience, and has to be imagined, invented, taught and believed. And even though you define function as carefully as possible, once you admit that the view of each shop on that function will not necessarily coincide with the view of other shops, you are saying that the representative of one interest is concerned in the proposals made by other interests. You are saying that he must conceive a common interest. And in voting for him you are choosing a man who will not simply represent your view of your function, which is all that you know at first hand, but a man who will represent your views about other people's views of that function. You are voting as indefinitely as the orthodox democrat.

The guildsmen in their own minds have solved the question of how to conceive a common interest by playing with the word function. They imagine a society in which all the main work of the world has been analysed into functions, and these functions in turn synthesized harmoniously. (14) They suppose essential agreement about the purposes of society as a whole, and essential agreement about the role of every organized group in carrying out those purposes. It was a nice sentiment, therefore, which led them to take the name of their theory from an institution that arose in a Catholic feudal society. But they should remember that the scheme of function which the wise men of that age assumed was not worked out by mortal man. It is unclear how the guildsmen think the scheme is going to be worked out and made acceptable in the modern world. Sometimes they seem to argue that the scheme will develop from trade union organization, at other times that the communes will define the constitutional

function of the groups. But it makes a considerable practical difference whether they believe that the groups define their own functions or not.

In either case, Mr. Cole assumes that society can be carried on by a social contract based on an accepted idea of "distinct essential groups of functions." How does one recognize these distinct essential groups? So far as I can make out, Mr. Cole thinks that a function is what a group of people are interested in. "The essence of functional democracy is that a man should count as many times over as there are functions in which he is interested." (15) Now there are at least two meanings to the word interested. You can use it to mean that a man is involved, or that his mind is occupied. John Smith, for example, may have been tremendously interested in the Stillman divorce case. He may have read every word of the news in every lobster edition. On the other hand, young Guy Stillman, whose legitimacy was at stake, probably did not trouble himself at all. John Smith was interested in a suit that did not affect his "interests," and Guy was uninterested in one that would determine the whole course of his life. Mr. Cole, I am afraid, leans towards John Smith. He is answering the "very foolish objection" that to vote by functions is to be voting very often: "If a man is not interested enough to vote, and cannot be aroused to interest enough to make him vote, on, say, a dozen distinct subjects, he waives his right to vote and the result is no less democratic than if he voted blindly and without interest."

Mr. Cole thinks that the uninstructed voter "waives his right to vote." From this it follows that the votes of the instructed reveal their interest, and their interest defines the function. (16) "Brown, Jones, and Robinson must therefore have, not one vote each, but as many different functional votes as there are different questions calling for associative action in which they are interested." (17) I am considerably in doubt whether Mr. Cole thinks that Brown, Jones and Robinson should qualify in any election where they assert that they are interested, or that somebody else, not named, picks the functions in which they are entitled to be interested. If I were asked to say what I believe Mr. Cole thinks, it would be that he has smoothed over the difficulty by the enormously strange assumption that it is the uninstructed voter who waives his right to vote; and has concluded that whether functional voting is arranged by a higher power, or "from below" on the principle that a man may vote when it interests him to vote, only the instructed will be voting anyway, and therefore the institution will work.

But there are two kinds of uninstructed voter. There is the man who does not know and knows that he does not know. He is generally an enlightened person. He is the man who waives his right to vote. But there is also the man who is uninstructed and does not know that he is, or care. He can always be gotten to the polls, if the party machinery is working. His vote is the basis of the machine. And since the communes of the guild society have large powers over taxation, wages, prices, credit, and natural resources, it would be preposterous to assume that elections will not be fought at least as passionately as our own.

The way people exhibit their interest will not then delimit the functions of a functional society. There are two other ways that function might be defined. One would be by the trade unions which fought the battle that brought guild socialism into being. Such a struggle would harden groups of men together in some sort of functional relation, and these groups would then become the vested interests of the guild socialist society. Some of them, like the miners and railroad men, would be very strong, and probably deeply attached to the view of their function which they learned from the battle with capitalism. It is not at all unlikely that certain favorably placed trade unions would under a socialist state become the center of coherence and government. But a guild society would inevitably find them a tough problem to deal with, for direct action would have revealed their strategic power, and some of their leaders at least would not offer up this power readily on the

altar of freedom. In order to "coordinate" them, guild society would have to gather together its strength, and fairly soon one would find, I think, that the radicals under guild socialism would be asking for communes strong enough to define the functions of the guilds.

But if you are going to have the government (commune) define functions, the premise of the theory disappears. It had to suppose that a scheme of functions was obvious in order that the concave shops would voluntarily relate themselves to society. If there is no settled scheme of functions in every voter's head, he has no better way under guild socialism than under orthodox democracy of turning a self-centered opinion into a social judgment. And, of course, there can be no such settled scheme, because, even if Mr. Cole and his friends devised a good one, the shop democracies from which all power derives, would judge the scheme in operation by what they learn of it and by what they can imagine. The guilds would see the same scheme differently. And so instead of the scheme being the skeleton that keeps guild society together, the attempt to define what the scheme ought to be, would be under guild socialism as elsewhere, the main business of politics. If we could allow Mr. Cole his scheme of functions we could allow him almost everything. Unfortunately he has inserted in his premise what he wishes a guild society to deduce. [\(18\)](#)

1. See G. D. H. Cole, *Social Theory*, p. 142.
2. Cole, *Guild Socialism*, p. 107.
3. *Op. cit.* Ch. VIII.
4. *Op. cit.*, p. 141.
5. *Cf. op. cit.*, Ch. X.
6. Reference: *Op. cit.*, p. 16.
7. *Op. cit.*, p. 40.
8. *Op. cit.*, p. 41
9. *Op. cit.*, p. 40.
10. Aristotle, *Politics*, Bk. VII, Ch. IV.
11. *Op. cit.*, p. 42.
12. *Op. cit.*, pp. 23-24.
13. *Cf.* Part V, "The Making of a Common Will."
14. *Cf. op. cit.*, Ch. XIX.
15. *Social Theory*, p. 102 *et seq.*
16. *Cf.* Ch. XVIII of this book. "Since everybody was assumed to be interested enough in important affairs, only those affairs came to seem important in which everybody was interested."
17. *Guild Socialism*, p. 24.
18. I have dealt with Mr. Cole's theory rather than with the experience of Soviet Russia because, while the testimony is fragmentary, all competent observers seem to agree that Russia in 1921 does not illustrate a communist state in working order. Russia is in revolution, and what you can learn from Russia is what a revolution is like. You can learn very little about what a communist society would be like. It is, however, immensely significant that, first as practical revolutionists and then as public officials, the Russian communists have relied not upon the spontaneous democracy of the Russian people, but on the discipline, special interest and the noblesse oblige of a specialized class—the loyal and indoctrinated members of the Communist party. In the "transition," on which no time limit has been set, I believe, the cure for class government and the coercive state is strictly homeopathic.

There is also the question of why I selected Mr. Cole's books rather than the much more closely reasoned "Constitution for the Socialist Commonwealth of Great Britain" by Sidney and Beatrice Webb. I admire that book very much; but I have not been able to convince myself that it is not an intellectual tour de force. Mr. Cole seems to me far more authentically in the spirit of the socialist movement, and therefore, a

better witness.

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