

the workers.

The settlement where this form of city life has been developed to the highest point is at Guise. Ironworks were opened there by Godin in 1846. An ardent disciple of the school of Fourier, he was determined to use his business as a means of elevating his employes, and he began to carry out his ideas by reducing the hours of labor, abolishing fortnightly payment of wages, altering the pay day from Saturday to Thursday or Friday, and establishing a sick club governed by a committee of workmen. Extensive co-operative institutions were established, and everything possible was done to promote the interests and welfare of the wage earner.

This was all brought about by the capitalist sharing the profits of the iron foundry among the workers, instead of keeping them all to himself. In 1877 Godin commenced the plan of sharing profits by giving a bonus in wages and accumulating the sum of the wage-earners. In 1880 he formed the works and various institutions into one great co-operative society, with certain provisions by which the whole eventually became the property of the workers.

INDUSTRIAL CO-OPERATION.

This centre of industrial co-operation was managed by a committee of workers, with Godin as director, and after his death in 1888 he was succeeded by one of the workmen. Those employed in the foundry were divided into five classes according to their length of service, with corresponding privileges. The share of the workers in the business steadily increased. At Godin's death it amounted to about one half of the whole capital, and soon after the workers secured all the capital.

Thus it will be seen that each of the systems mentioned—bonus distribution, profit sharing, and co-partnership—is a chrysalis stage, and the result of the evolution process is industrial co-partnership. Perhaps this is more true in principle and in theory than in practice. Of course an industry does not need to go through these different stages to reach the end mentioned, and in fact co-operation is older than profit sharing. A co-operative industrial unit may be started straight away. But in principle, at any rate, industrial co-operation is an extension or re-velopment of the systems I have noted.

CO-OPERATIVE FARMING.

The application of co-operation to the primary industries was one of the earliest aims of the founders of the movement, and formed a part of almost all the plans of Robert Owen, who has been described as the first English Socialist. From 1829 a number of very successful experiments were made in England and Ireland. The workers demonstrated conclusively their ability to manage the farms that they collectively rented or owned, and it was found that the increased interest which they took in their work gave to their labours an added efficiency. It should be mentioned that some later experiments did not succeed, but their failure was due to poor land, unsuitable machinery, or like disadvantages, and not to the co-operative arrangements.

Nowhere has co-operative farming been more strikingly successful than in Denmark. It is owing to that country's highly organised system of co-operation that the export of Danish butter has so much increased of late. This commodity has now usurped the pride of place in the Danish exports, and to-day almost the whole of the butter made in Denmark is produced by the co-operative dairies.

"It is evident," says one authority on the subject, "that the time is ripe for the application of co-operation to farming, and it only requires the evidence of a few successes on a considerable scale to bring about a great extension of the movement."

EARLY EXPERIMENTS.

Co-operation is of two kinds—associations of consumers and associations of producers. The success and romantic growth of co-operative distributive societies in different parts of the world need no demonstration. But productive co-operation has developed much more slowly. This is chiefly because it has had more serious obstacles to overcome. Some of the experiments were premature and others failed because of the multiplication of small societies which competed with one another, and refused to act in co-operation with each other. Still economists of the time such as J. S. Mill and Professor Fawcett prophesied that the movement would surmount these early difficulties, and the latest facts and figures justify their view. Co-operation in production is now growing rapidly, and is absorbing the attention of the most energetic and capable co-operators.

There are some so-called co-operative workshops which divide their profits only between capital and custom, but repeated resolutions have been passed by large majorities of delegates at annual co-operative congresses affirming that the true principle of co-operation in production requires the co-partnership of labor. The promoters of industrial co-operation are generally agreed that nothing short of the partnership of labor with capital will finally reconcile the two interests and end the conflict between them. The majority of the co-operative workshops recognise this principle, and experience has proved the practicability of successful manufacturing on these lines. The success of these societies has been accompanied by a marked increase in the wages of the workers. This has been brought about without adding to the cost of production, because it has been found that this system has resulted in a decided increase in the productiveness of labor. The reason for this is evident.

THE WORKER HIS OWN CAPITALIST.

Under a system of complete industrial cooperation all the capital in an industrial unit would be owned and controlled by the workers engaged in that particular branch of industry, and they would through their elected representatives manage the business. This is the logical end of co-operation. The term worker is used here in its economic sense to include mental as well as physical labor. It embraces direction and management, and all that goes to constitute the factor of production that is called labor.

Industrial co-operation is opposed to capitalism in that there is no third party to stand between the producer and consumer, and take the business risk. Instead of being owned by a capitalist the various means of production would be retained and operated by those who produced them.

Industrial co-operation is distinguished from State Socialism by the fact that the capital of each industry is controlled by the workers in that industry, whereas under State Socialism all industries would be controlled by the State through government departments. The term industrial Socialism is now coming into use as synonymous with industrial co-operation and as distinguished from State Socialism.

The question suggests itself as to whether the industrial unit should be the whole industry in a country, State, or town, or whether the industry should be divided up into small sections, each independent of the other. According to Dühring small economic associations are to replace the large undertakings; every association being free to buy and sell with every other, but bound to permit its members to share in its benefits.

But the general tendency is towards amalgamation. Just as the trade union and the friendly society have passed through the stages of scattered and isolated local effort into national associations, so will co-operation. The aim of industrial Socialism is towards the control of whole industries by the workers engaged therein.

It might be convenient if we could use the term industrial Socialism to mean this—the control of the whole industry on co-operative lines, and the term industrial co-operation to denote the co-operative management of sections or parts of industries.

The two forms of Socialism—industrial and State—are not diametrically opposed to one another. One could assist the other, and some industries, such as those that have to do with public utilities and natural monopolies, might well be controlled by the State, while others were left in the hands of co-operators.

Industrial co-operation may be brought about either as a development of co-partnership—as in the case of the foundry at Guise, or by the direct act of organised labor. An interesting proposal of the latter kind is being discussed by Adelaide unionists.

ETHICALLY SOUND.

Some of the advantages of industrial co-operation may be briefly noticed. In the first place the proposal is ethically sound. It would place the different factors of production in a just relation to one another. What could be more disastrous to the work of supplying the needs of mankind than the persistent tug-of-war between the two agents of production, labor and capital? These two applied to land give us the means of life. The more they work in harmony together the more production there will

be. The ever-widening separation between these two forces means just this. As soon as labor and capital by their mutual efforts land a pound's worth of wealth on the surface of the earth they immediately roll up their sleeves and pitch into one another to decide which shall enjoy the major share of the haul. It matters not whether the produce is wheat, coal, or anything else, the fact is true of all occupations. Now at present we settle the matter in this fashion. Each needs the services of the other, and if one factor is not satisfied with the terms that the other offers what it has to do is to withhold its services until one side gives in. Every strike means this. Whichever side can do without the other can hold out the longest, is bound to win. Now industrial co-operation by uniting capital and labor prevents this wasteful friction.

OTHER ADVANTAGES.

It is not claimed that this system will bring the millenium, but it is in harmony with other necessary reforms, such as those dealing with the land question. What could be more just than that the unearned increment, the economic rent or land values should belong to the people as a whole who create them, and that capital should be owned and controlled by the workers who produce it? All capital is the produce of labor. Industrial co-operation will secure for the worker that which is his own by right, and will prevent him from being exploited.

According to a writer in Palgrave's Dictionary, the principle of productive co-operation is a sound one. By many authorities it is regarded as inevitable, and as a natural development of the present trend of affairs in the industrial world.

One great argument in its favor is that the stimulus to exertion would not be removed, and that it is not likely that the workers in a co-operative industry would tolerate the waster and the loafer. The men would be responsible to each other as well as to their directors. Thus the general or average efficiency would be increased. This has already been conclusively proved by experience. Industrial co-operation would have all the advantages of co-partnership in this respect without its disadvantages. There is a feeling among the workers that co-partnership might still only leave them the crumbs that fall from the capitalists' table. Industrial co-operation gives to the workmen a common interest in the welfare of the industry to a much greater extent than does co-partnership in its limited sense.

Mention has already been made of the increased productiveness of labor under this system. Too much emphasis cannot be laid upon this point, because it is the most important means of bringing about a rise in the real wages of the worker.

Industrial co-operation would not give its officers much opportunity to abuse their power and bully the men, as these same officers would be responsible to the men. There would be no spirit of antagonism between the leaders and the men, for their interests would be mutual. Instead of working for "bosses," either departmental or private, they would be subject to a committee of management or board of directors which they themselves elected.

The method of industrial Socialism is simpler than that of State Socialism, and has this advantage that it can be applied straight away to almost any industry. It is not dependent on the uncertainties of party politics, for it can be put into operation a any time.

With the adoption of the proposal strikes would be prevented, and this would be a great economic gain. If the workers in none industry were to decide to withhold their services from the rest of the community—and this is extremely unlikely—then it would be the duty of the State to step in and stop whatever might be causing the restraint of trade.