

INDUSTRIAL DEMOCRACY

Not Through Class Collaboration

BY WM. Z. FOSTER

A RECENT addition to the rapidly growing literature on company unionism is "Political and Industrial Democracy", by W. Jett Lauck. This is a book which should be read and analyzed carefully by every student and militant in the labor movement.

Mr. Lauck is very sanguine that the class struggle will be liquidated in the alleged tendencies to draw the workers into the management and ownership of the industries. He sees strikes and other class strife gradually giving way to an all-embracing class collaboration.

Lots of Democracy—In the Book

There are two general phases to Mr. Lauck's analysis and program. The first relates to the democratization of industrial management and the second to the democratization of industrial ownership. The achievements of these ends will be the realization of industrial democracy.

Mr. Lauck hopes for the democratization of management by an

less the labor union is adopted as the fundamental base of procedure."

Mr. Lauck contends that the B. & O. plan represents such a junction of the shop-committee and the trade union. But his ideal case of such an amalgamation is in the "Golden Rule" Nash plant. There a real company union existed among non-union workers and it was united to the Amalgamated Clothing Workers when that union organized the plant. Substantial economies in production result.

Quotes Green as Willing

Lauck proposes that the company unions all over the country be similarly amalgamated with and based upon the trade unions. He cites Pres. Green of the A. F. of L. voluminously to prove that Organized Labor is ready for the step. He believes that many industrial managers are also ready.

As to the second phase of the problem, the democratization of industrial ownership, Mr. Lauck expects it to take place by the work-

cent of their wages annually and invested it collectively in common stock, they could within a decade acquire a controlling interest in our basic industries such as hard and soft coal mines, steam railroads, iron and steel mills and furnaces, and other branches of mining and manufacturing."

What a delightfully simple solution of the workers' problems. Nothing further to do, once the employers become "reasonable", than to join up the trade unions to the company unions, co-operate with the employers to increase production, and then with the proceeds buy the industries. Thus there would be no strife, no struggle, no hardships, no revolution, only cooperation, harmony, prosperity. Beautiful!

What He Forgets

But the trouble with this utopia is that it overlooks completely the basic contradictions of the capitalist system. It assumes, for one thing, that the present period of industrial "prosperity" will continue. This is the basis of the whole scheme. But it is a fallacy.

For the moment the American industrial system is very favorably situated in the race for the world markets. But soon the growing competition of England, Germany, and other countries will infringe upon its foreign trade. Inevitably this country will again face deep-going and more persistent industrial crises than ever before in its history. The question is not if these crises will develop but merely when and how.

Dreams Will Vanish

The inevitable industrial crisis will immediately fan into flame the smoldering embers of class struggle. The employers, confronted with diminishing markets and reduced profits, will try to recover their losses by taking them out of the hides of the workers through lowering the latter's standard of living. The workers, confronted with mass unemployment, wage cuts, speed-up systems, etc., will inevitably fight back. Great strikes and vast, ever more radical political movements will develop. The cobweb fabric of class collaboration, upon which Lauck pins his hopes, will be shattered by the shock of class conflict.

Mr. Lauck himself unwillingly gives an indication of the fate of the new, intensified class collaboration movement. He says that this movement developed principally during the war and immediately afterward. Then was when most of the company unions were formed; then was when the trade unions, the churches, the employers, and the Government issued statement after statement and held scores of conferences to the effect that a new day was dawning in industry, based upon the collaboration of classes for the benefit of all. Reformists like Mr. Lauck believed we were on the road to a beneficent social peace.

Just a "Mistake"

But the industrial dislocation after the war, with its high prices, industrial depression, mass unemployment, wholesale wage cuts, etc., burst the bubble. The American working class found itself in the most bitterly fought struggle in its history. Mr. Lauck deprecates this period of terrific struggles as a sad mistake. He fails to understand the fundamental clash of class interests that caused it and that another such period must inevitably follow the present era of "prosperity".

Mr. Lauck is an able cultivator of reformist illusions, fatal to the interests of the workers. Objectively he is in harmony with the policy of the capitalists, even though he hides them from time to time. The employers, confronted with a favorable economic situation, have need to speed up production. Strikes injure them greatly and must be avoided. They must

IMPERIALISTS THREATEN WAR ON CHINA AND SOVIET RUSSIA

The developments since the bombardment of Nanking show ever more clearly that the imperialist powers, under the leadership of the British government, are determined to crush the Chinese nationalist-revolutionary movement and are definitely preparing for war against China and Soviet Russia.

Under the pretext of protection for their nationals, they are concentrating ever larger armed forces in China. Battleships and troops are stationed not only in Shanghai and other sea ports, but in the interior ports as well. In Hankow alone, at present the capital of the Nationalist government, there are twenty-one foreign warships with their guns trained on the city.

Having apparently, for the moment, come to terms among themselves, as shown by their joint note on the Nanking affair, the imperialists are trying to weaken the nationalist forces by fomenting friction and division in their ranks. They have instigated the raids on the Soviet embassy and consulate in Peking and Tientsin and have instituted a siege of the consulate at Shanghai. They are trying to provoke the Soviet Union to take military action against the imperialist tool, General Chiang Tso-lin, in order to use this as a pretext to declare war on revolutionary China and Soviet Russia.

Only the action of the working class in the imperialist countries can prevent this war. The British workers are already mobilizing for action against their imperialist government. The Minority Movement, the organized left wing of the British trade unions which at its last conference rallied over a million workers, has called a series of regional conferences throughout England to take place this month and will no doubt develop a formidable movement to halt the imperialists.

The American workers must follow their example. The militants must arouse the masses of the American workers to a consciousness of the grave danger and of the necessity for resolute action to prevent a new world war.

amalgamation of the trade union and company union movements. The employers must grant the workers the right to organize independently; the workers must collaborate freely with the employers to carry on production efficiently. He opposes "pure" company unionism as being insufficient. The present company unionism as being insufficient. The present company unions are steps in the right direction, but they cannot obtain their objective until they are based on the trade unions.

Company Unionizing Trade Unions

In the Workers Monthly for October, 1925, I pointed out that the real significance of the B. & O. plan was its tending to amalgamate the trade unions and the company unions. Mr. Lauck recognizes this tendency and militantly propagates it. He says:

"Shop-committees and more extensive systems of employee representation are of fundamental importance, but they should be co-ordinated with regular unions.... Co-operative relations between employers and employees can never be realized by shop committees or systems of employer representation un-

ers buying their way into control of the industries out of their share of the returns from the increased production brought about by the new collaboration. Stock-buying by individual workers he condemns as futile, firstly because the workers, if left to their own devices, do not buy heavily enough and, secondly, they do not hang on to their stocks but sell them at the first favorable opportunity. Hence, says Mr. Lauck, the workers must buy collectively the stocks of the industries in which they work.

A Bright Idea

He cites as classically successful collective stock-buying by the workers the experience of the "Millen Plan" in the Philadelphia Rapid Transit Co. and of the A. Nash Co. of Cincinnati, in the first of which companies the workers have bought more than a third of the common stock ("a practical control") and in the second of which they have actually secured a majority of the common stock. Mr. Lauck believes that it is only necessary to extend this movement further and the trick will be turned. He says:

"Under such a procedure if wage-earners received a share in productive gains of only ten per

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keep the workers on the job and make them produce more and more.

A Stupid Illusion

Hence the employers are willing to and do make modest concessions to sections of their workers in the shops of higher wages, shorter hours, company unions, welfare systems, profit-sharing, etc. To suppose that such concessions will cumulatively free the workers is stupid. But along comes Mr. Lauck and magnifies these concessions and the system of making them as real progress and the open road to emancipation for the workers.

The upper bureaucracy of the unions are captured by the class collaboration schemes, of which Mr. Lauck is such an able champion. Many of the workers are also deceived by them. For these a rude awakening is in store. They will be made to learn by bitter experience that *power is the deciding factor* in the class struggle. The employers will give the workers nothing. If they appear to give them anything, as in the various class collaboration schemes, it is only so they can rob them more effectively.

The workers' sole reliance is in strong organization, political and industrial. All else is vain illusion. To put hope in class collaboration illusions instead of building strong fighting organizations is to sacrifice the interests of the working class.