

Notes on Common Ownership

AN ANSWER TO THE TWO QUESTIONS—

**'What will be owned
in common?'**

AND

'How will it all work?'

WHAT WILL BE OWNED IN COMMON?

COMMON WEALTH holds that "the economic basis of the new order must be common ownership of the great resources." What kind of things should become the legal property of the community, so that the community can use them in the interests of all people?

Our economic resources vary in scale from giant factories employing thousands of workers to tiny family businesses, from chain-store companies to back-street shops. The great majority of employers are "small men," actively engaged in productive work, whose takings are no more, and often less, than a salaried manager would receive for doing the same work. But our economic life is dominated, not by them, but by those who control the large-scale enterprises—the companies, combines and rings which own our "great resources." Every important branch of production is effectively controlled by the self-appointed nominees of the biggest shareholders of a few key firms—men who increasingly employ salaried technicians to manage their enterprises while they themselves concentrate on keeping up the capital value of the shares, often by restricting output, and sometimes even by financial sharp practice. All such large-scale enterprises we propose to transfer to common ownership.

Only experience can determine the ultimate dividing line between the "great resources" which will become public property—and such small-scale enterprises as will remain in private hands. It will certainly not be sufficient to "nationalise" a few key services like the banks, the mines and the land, and leave the rest of industry under some form of "public control." Under such a system a small number of the most powerful industrialists and financiers would still be able to thwart the wishes of the House of Commons. Public control of Private Ownership would degenerate into Private Ownership of the Public Control. Precisely that is happening now under the war-time system of "Public Controls."

Without attempting to give an exhaustive list, the following are examples of the economic resources which, subject to a reasonable compensation for existing owners, should be wholly transferred to common ownership :—

- all land ;
- all credit and investment institutions (banks, insurance companies, building societies) ;
- all fuel and power (coal mines, gas, electricity, petrol) ;
- all water-supply undertakings ;
- all transport (buses, trams, road haulage, railways, canals, shipping, docks, airlines) ;
- all important materials (iron and steel, cement, chemicals, bricks, non-ferrous metals, etc.) ;
- all industries manufacturing capital equipment ;
- all substantial undertakings producing standard utility articles in common use ;
- all important wholesale trading enterprises.

What will be privately owned?

Obviously we do not want communism in toothbrushes. It is not intended to transfer to common ownership any of the goods usually known as "personal possessions" or "consumers' goods." We do not intend to "nationalise" furniture, clothes, houses occupied by their owners, wireless sets, vacuum cleaners, bicycles, motor cars, or even yachts. On the contrary, since common ownership of the great productive resources will ensure that they are fully and properly employed, there will be greatly increased production of all useful goods. This will make possible far wider and more equal diffusion of the private ownership of personal possessions of these kinds.

Nor does COMMON WEALTH propose to take over the tools of a man's trade. Still more, we do not intend to take over and run "on the national account" any of the thousands and thousands of small-scale enterprises, one-man and family businesses, where the individual owner or small group of owners are actively engaged with a relatively small number of workers in full-time productive work. It would benefit the community little or nothing, and it would not solve the problem of unemployment, to "nationalise" small shops and garages, boot and watch repairers, tailors, hairdressers and small workshops of many other kinds. Farmers, in particular, though the land will be public property, will continue to run their farms on their own account, subject only to good cultivation. They will find that the community is a better and more helpful landlord than most private landowners can afford to be.

It is impossible in any community to guarantee every small businessman in his present trade with all the customers he could wish for. But, provided the work of the small man is socially useful and that he observes publicly prescribed standards of wages and working conditions, we are confident that large numbers of small enterprises will persist, that new ones will constantly spring up, and that they will be conducted very much as they are to-day. Indeed we believe that the position of the small man will be far less insecure than it is to-day under the shadow of Giant Capitalism. To-day small men try to compete with vast enterprises which swallow them up one by one, driving them into bankruptcy. We cannot guarantee that the community will not take over services now partially performed by small men in some instances. Thus it seems inevitable that milk distribution, retail as well as wholesale, will become a community service. But when this sort of thing happens, (a) the community will seek to employ those experienced in the trade in the new public service; (b) it will provide both compensation and alternative employment for those who cannot be so employed; and (c) in making any such decision it will take into account the intrinsic social value of preserving large numbers of independent men, and will not be guided solely by narrow considerations of economy and efficiency.

The forms of common ownership

The forms of ownership are numerous; there is great scope for flexibility and experiment. Subject to supervision by the National Planning Authority, public ownership may be municipal (*e.g.*, a city bus service), regional (*e.g.*, water-supply services), or national (*e.g.*, coal mines). In some cases it should be international (*e.g.*, shipping services between different countries). Many enterprises may be owned and conducted by voluntary co-operative societies,

both for production (*e.g.*, bakeries) and for other purposes (*e.g.*, housing schemes, restaurants, etc.). Publicly owned resources may be entirely entrusted to individuals subject to a minimum of supervision by public planning agencies (*e.g.*, farming), or to groups (*e.g.*, fisheries). There may be direct central management by a Ministry, on Post Office lines (*e.g.*, banking and finance), or almost completely independent self-administration subject to supervision by bodies similar to the University Grants Committee (*e.g.*, the film industry), or many intermediate forms of control.

HOW WILL IT ALL WORK ?

UNDER Common Ownership, the great resources will, in one way or another, become the legal property of the community.

This will mean that whenever any factory, mine, etc., is operating "at a profit," this profit will go to the community as a whole. When a factory is operating "at a loss," the community will bear the loss. But it will not *necessarily* close the factory, for clearly the burden of keeping the workers in idleness might well represent, for the community, an even greater loss.

We are moving irretrievably out of the period when the economic development of the country and of the world was left in the hands of the hundreds of thousands of independent competitive industrialists, each owning, and usually working in, his own particular factory. Those who argue for a return to individualism as if this could solve simultaneously the problems of liberty and of plenty are arguing for an impossibility. The economic life of the community is bound to be consciously and deliberately planned in one way or another ; and in the last resort, at any one moment, the final working out of the plan must be the responsibility of relatively few individuals. The effective choice before us is whether these individuals should be the nominees and the representatives of the owners of industry, or whether they should be the representatives and nominees of the people as a whole. Faced with this alternative there can surely be only one choice. We believe that the only body which is competent to decide on the general economic plan of the whole community is the Cabinet, subject to the democratic will of Parliament. This will happen under Common Ownership.

The Cabinet will inevitably require the assistance of an Economic General Staff, which will be a quite substantial body. This General Staff will be responsible for presenting to Parliament and Cabinet

the data on which the large scale decisions will have to be made. It will also be responsible for interpreting these decisions into terms of large scale orders to industries for the relevant raw materials and the principal finished articles. There will have to be developed nationally, regionally, locally, or in connection with individual industries, bodies through which consumers, *i.e.*, the public generally, can express their desires for "more of this or less of that"; and the views of these bodies will be taken into account in framing the general plan.

Production planning

Thousands of keen and patriotic business men, who genuinely desire to do a good job of work in the service of the community, have rejected the basic idea of Common Ownership up to now because of their erroneous view that it will mean that each industry will be controlled, in general *and in every detail*, through the Civil Service, and that each will be presided over by a political Minister of Cement, Minister of Bricks, and so on. This is not the case.

Broad issues of policy will unquestionably be brought up in Parliament. But each separate industry will be very substantially self-governing. In most cases an industry will probably be presided over by a Council. On this Council the government will normally be represented, and it will probably lead to mutually beneficial results if in many cases the government representative is a Member of Parliament. But the majority of the members of the Council will be men chosen from industry itself who have justified their position by their proved ability to handle one or more of the problems presented by the industry concerned. Under Common Ownership all workers in an industry, from general manager to unskilled worker, will be regarded, and will learn to regard themselves as a team. All substantial grades of workers will, therefore, be represented on the Councils, not as antagonists, but as co-operators.

It must not be supposed that the Economic General Staff will give detailed orders for the exact quantities of every single product which is to be produced. They will give the general large scale orders. They would undoubtedly decide upon such questions as the total output of, say, cement, steel, and ships: they might place a definite order for, say, 10,000 tractors. But they would not place a definite order for, say, nuts and bolts. The makers of nuts and bolts would have to assess their own production programme in the light of their forecasts of prospective demand as calculated from their knowledge of the general orders placed by the Economic General Staff, and the general state of the community's production programme.

This procedure will unquestionably lead to maladjustments, to surpluses, shortages, bottlenecks, etc. But these are the price which must be paid in order to escape from the web of red tape which would entwine us if the Economic General Staff gave specific orders on the output of nuts and bolts. And these maladjustments, bottlenecks, etc., could not possibly be anywhere nearly as bad under Common Ownership as they are under private ownership. No one will have any interest in concealing a prospective shortage. When in doubt, the Council of an industry can far more safely decide to run at full pressure, since any error in overproduction will merely lead to (a) accumulation of stocks, and (b) transfer of some part of the man-power and the resources of their industry to other common needs—it will not lead to the bankruptcy of their "firm," or the unemployment of technicians or workers. As we gain in experience, the Economic General Staff will learn how to equip everyone concerned with the information necessary for the making of ever more and more nearly accurate decisions.

Self-government in industry

Within the plan laid down by the Cabinet, interpreted in general outline by the Economic General Staff, and broken down into yet greater detail by the Councils of the various industries concerned, we are earnestly determined to produce in each factory both the feeling and the reality of a live democratic control by the men and women who actually do the work, from the manager to the unskilled. Though factories cannot be managed by "public meetings," the general programme of the factory must be periodically explained in full detail to all the workers, who must feel that their suggestions on details and on general policy are not merely welcomed, but necessary. The principles implicit in the present tentative development of works councils must be immensely developed, and applied to as many aspects as possible of the work of every factory.

This will require a very real education of workers, technicians and managers in the principles and responsibilities of a people's democracy. We do not under-estimate the magnitude of the task.

The ultimate control of the detailed management of any factory must rest in the last resort in the hands of quite a small team—or executive committee—of technically qualified men and women. It is neither possible nor necessary to forecast at this stage the precise machinery by which these men and women will be selected or elected. Clearly the right solution must provide, as far as is humanly possible, for the promotion of genuine merit, and for the demotion (if possible without dishonour) of those who prove incompetent for their job.

The Civil Service

Thus at no point is industry to be "run" by the Civil Service. We cannot regard the Civil Service as we know it at present as an adequate instrument for the administration of the coming community.

It is essential to introduce into the Service a much more elastic system of promotion for merit, and the possibility of dismissal or demotion of those who are not up to their job. It might prove essential to preserve the salary rights of those demoted, and, in some cases, of those dismissed.

We will also propose that a department trained in the rapidly developing science of organisation shall have power to review, and to insist upon reforms in, the sheer mechanical organisation of the Civil Service as a whole, and of every department in it.

But we cannot rely on mechanical change for the transformation of the Civil Service. It is a matter of a new spirit more than of a new machinery. This new spirit can be introduced from the top only when we have Ministers who understand the atmosphere and the motive forces of the new community. Beyond doubt such Ministers will establish throughout the Civil Service effective machinery through which individual civil servants, or groups of civil servants, can secure genuine attention for their views on the means of increasing efficiency.

COMMON WEALTH does not suppose that it has solved in advance all the detailed and technical problems which will arise. Business men and managers who have already joined Common Wealth will agree that those of its members who have no business experience have always been willing to address their minds with seriousness to the technical problems presented by both managers and workers who have served in factories. Common Wealth is willing to offer answers, or to state quite frankly that it has not, as yet, any detailed "official" answer, to any question which may occur to anyone in industry. But if either workers or industrialists feel that the general plan we offer is in present circumstances and in broad outline, the only plan by which we can fully employ our whole resources for democratic plenty, then we hope that they will be prepared actively to associate with our movement now, and to help us to achieve our objective.

For further information on the way we will plan our lives under Common Ownership, on compensation of private owners, and on many other matters, see Acland's "What it will be like" (Gollancz, 3/6).

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(Further copies of this leaflet 1/- per 25 post free.)

COMMON WEALTH

For Vital Democracy and Common Ownership

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