

IV. ECONOMIC SELF-GOVERNMENT

1. *Maximum Advantage*

ECONOMIC society consists of unit groups or organs which are established for the performance of certain functions. Mines and other extractive units take nature's stores from their age-old resting place and prepare them for the railroad, the factory or the home; the transport units convey goods and people; the merchandising units bring together many varieties of goods, and act as a distributing agency for those who will consume the products of mine and factory. The existence of a unit of economic organization is therefore a proof of the presence of some economic function. The whole structure of economic society has developed in response to the economic needs and in accordance with the economic activities of the community in which it exists.

When a part of the economic structure is built, it is expected to function. Mines, when opened, must produce coal; railroads, when completed, must provide transportation. Side by side with the problems involved in the kind of groupings that make up economic society, there is the question of the handling and direction of these groups. No economic institution is of value unless it will perform some useful service by turning out an economic good or by affording a benefit that corresponds to some human need.

Each rational person, and every self-directing social group seeks to get the largest possible return in the form of satisfaction for the time and the energy invested in any given enterprise. This law of maximum advantage—which applies with double force to social enterprises, underlies all intelligently directed effort.

Unintelligent effort concerns itself with the principle of minimum outlay—seeking to ascertain the least possible expenditure of energy that will yield a subsistence. This is one of the essential distinctions between the present day society and most of those that have proceeded it. Likewise it is the difference between the more and the less highly civilized portions of the earth at the present time. The individual or the group—operating on a very narrow margin, or on a deficit that involves constant misery and that may at any time spell disaster, tends to slip by with the least possible misery or suffering, or, to put it more technically, tends to expend the least possible amount of energy that is required for survival. The moment the tables are turned, and the individual or the group operates on a surplus which permits the enjoyment of more than the bare necessities, the law of minimum outlay is supplanted by the law of maximum returns.

The truth of this principle is strikingly illustrated in Canada, Australia, Argentina, and other relatively new societies where resources are abundant and surplus is large. The same men and women who, under European conditions of narrow marginal living, were satisfied to survive with the least possible expenditure of effort, are transformed into creatures operating on another economic plane. In these new and fertile countries, where the individual, and indeed, the entire group is able to live above the line of bare subsistence, and where surplus is so easily accumulated, the individual devotes himself untiringly to the economic struggle. It is not because they are poor, but because they have a chance to get rich that these people are willing to expend unusual effort.

Just as the individual, working on a basis of economic surplus, directs his energies to the task of insuring and of increasing the surplus, so the group, which has a similar economic advantage, devotes itself to the task of building

up a surplus as soon as it realizes the possibility of increasing its returns through an increase in the energy and intelligence devoted to group purposes.

The personal comfort and the industrial prosperity of temperate zone civilizations depend, at the present moment, in great measure upon the supply of coal which is available. Certain parts of the earth, such as Wales, the Saar Basin and Newfoundland contain coal deposits upon which the entire industrial society is dependent for its survival. It is, then, a matter of the gravest importance to secure a maximum coal output, at least to the point of satisfying the minimum demands of the community. Whatever men and machinery are required to produce the ration of coal upon which industrial efficiency depends must be directed toward that goal. At the same time, waste, inefficiency and dis-employment, whether of men or of machines must be reduced to a minimum.

What volume of production constitutes a maximum of return under a given set of circumstances, experiment alone will decide, but the individual and the social effort to secure this return must be unremitting.

Such maximum returns will be obtained by society when each productive unit is operating at maximum efficiency. The efficiency of the human body depends upon the efficient operation of the digestive system, the respiratory system, the circulatory system, and so on. The stomach, the lungs, the heart must all function smoothly to maintain bodily health. The body cannot function as a body. It functions through the aggregate activities of its various organs. The same thing is true of a society. It is impossible for the economic system to secure its maximum returns as a system. It will work only through the co-operative functioning of its various constituent elements. If the efficiency (health) of the economic system is to be preserved, it will be accomplished through the effective working of the mines and other extractive units;

the mills, and the other fabricating units; the railroads and other transport units. Each one of these constituent elements of the whole economic society must be self-efficient, in order that there may be a high standard of efficiency in the entire economic system.

The units of which the economic system is composed must therefore be self-motivating and self-acting. They must be "alive." If one part of the economic body is dead, the whole will eventually disintegrate and decay.

2. *The Essentials for Maximum Returns*

The efficiency of the economic unit—the mine, the factory, the railroad division—depends upon the attitude of the individual human beings of which the unit is composed. Just as the entire economic system is made up of an aggregate of functioning units, so each unit is made up of functioning individuals. What would a coal mine be without its pick miners, road men, drivers, door-men, dumpers? The efficiency of the economic unit cannot be maintained unless the individuals who compose it are self-acting, intelligent beings, who know what they want and why they want it; who know the ends they desire to attain and how to reach them. Without this beginning there can be no lasting efficiency in a society that is dependent for its success upon the self-generated activity of autonomous groups.

In order that society may enjoy a maximum of return for its outlay of labor and machinery, therefore:

1. *The human values present in each economic unit must be maintained at a high level through an appeal to the finest qualities of the individual human being.*

That appeal must be strong enough and constant enough, when coupled with the economic appeal, to provide a reason or incentive for continued activity.

2. *The integrity and permanence of the unit must be preserved.*

The economic unit is one of the tools with which society does its work, and is the means relied upon for the production of livelihood. Like the axe of the woodsman or the lathe of the mechanic, the social tools and machinery must be kept in effective working order if society is to receive a return for its outlay of labor and materials. Three items enter into the maintenance of this efficiency: (a) current repairs, (b) periodic rebuilding, and (c) ultimate replacement. This is as true of any part of the social structure as it is of mechanical devices. The more complicated the structure the more necessary are rebuilding and replacement.

3. *The productivity of the unit must be kept up to a high level of efficiency.*

This is the purpose for which the unit exists. Efficiency is the product of the individual activity of the group members, and of the working effectiveness of the mechanism with which they accomplish their tasks. Thus both are essential to efficiency in production.

4. *Self-motivation and co-operation are the two fundamentally important requirements in the working of all economic units.*

The former is the best guarantee of the continuous functioning of the unit. The latter links together the different units, making them working parts of the whole economic system.

Here are four indispensable requirements—the maintenance of human values, the preservation of group integrity and permanence, productive efficiency and self-generated activity—for the building and successful continuance of economically sound unit groups. If society is to secure maximum returns, if the economic mechanism is to yield its largest quota of goods and services to mankind, the units out of which

society is built must meet these requirements which constitute four of the essential pre-requisites to the success of any economic experiment.

3. *Centralized Authority*

Granted the desirability of efficiency in economic organization, the question at once arises as to how this efficiency is to be guaranteed. Up to this point the means adopted to secure such an end have consisted in concentrating economic authority in the hands of a small owning and managing class, and in leaving with the members of this class the determination of policy and of methods of procedure.

The concentration of administrative authority at one point has proved impracticable, first because of the great amount of red tape involved in the handling of the endless detail, and second because of the resulting destruction of initiative and enterprise. Such a centralization of social function would be just as cumbersome as a like centralization of all bodily functions in the higher brain centres. If men were compelled to reason about and to direct each step, each movement of eyes or hands, each breath, each heart-beat, the attention would never pass beyond the boundaries of such pressing and never-ending routine. Many bodily organs, like the stomach, function involuntarily. Walking becomes habitual. It is only when the stomach and the legs fail to work properly that they become the objects of attention. The same thing should be true of a well-directed economic system. Each local unit should function locally and autonomously, and the problems of local function should never come to the attention of a more central authority until there is some failure to work on the part of the local unit.

Those who despair of the future of society, and who feel that effective co-operation between social groups is impossible, should remember that the organs of the human body have been gaining experience in co-operative and harmonious

function for hundreds of thousands or for millions of years, while the organization of society is an art that is still in its extreme infancy. The astonishing thing about the various social groups is not that they work so badly together, but that they work so well.

As the centralization of authority increases, the amount of red-tape piles up until more social energy is consumed in overcoming social inertia and the friction that is the result of social function, than is produced by the function in question. When this point is reached, the social machinery operates at a constant loss, and it is only a question of time when it will cease to operate altogether, and the social machinery will begin to disintegrate into its constituent elements. The greater the degree, therefore, of localization, provided the mechanism can be held together and kept in working order, the less the loss in social energy.

4. *An Ideal Economic Unit*

The social group thus faces two problems: One is the development of sufficient energy to keep the social machinery going. This problem is tied up with the stimulation of human wants, as it is only from the aroused energies of men and women that the social energy is derived. The other is the reduction of social friction and other forms of social waste to a minimum, in order that the largest possible amount of social energy may be devoted to the work of driving society.

The present social order relies, in part, for its driving power on man's desire for personal economic advantage. Where the rewards have been considerable, large amounts of energy and ingenuity have been developed as the result of this stimulus. The worker, the manager, the whole producing unit strove to excel, both because failure carried with it the penalty of destruction (bankruptcy or unemployment) and because success carried with it the probability of large economic rewards (profits). The result was an outpouring of social energy in the various independent local groups.

The real difficulty inherent in the earlier stages of the present order was not its failure to secure abundant human exertion, but its failure to provide any means of co-operation between individuals and between groups. The same set of social principles which decreed local rewards and local punishments for initiative and enterprise, or for the lack of them, was built upon the theory that "competition is the life of trade." Thus, while the present economic system, in its earlier stages tended to stimulate initiative, its form made co-operation difficult or impossible.

The ideal economic unit would be one capable of generating its own driving power, and given a legitimate exchange of commodities and services with other units, one that could maintain its own energy and efficiency. A society composed of such units would have great vitality because its energy would be generated in a large number of more or less independent localities. A study of the agricultural village of Central Europe or of the Mexican Indians shows how workable and how stable such a form of society really is.

The only practicable method of maintaining efficiency and of reducing the friction incident to social function is to erect a form of local self-government that will make possible both the stimulation of initiative and effective co-operation between groups.

5. *Rewarding Energy*

The issue of economic self-government resolves itself into two questions, which the average human being will sooner or later ask:

1. What do I get out of it?
2. Who is to be the boss?

The intelligent man or woman cannot be expected to exert himself freely for the building of a palace at Versailles, on whose grounds he can never set foot, or for the maintenance of a Palm Beach that he sees only on the screen. The economic

necessities are too immediate and the economic urge is too strong.

Before the individual will expend his maximum energy upon the economic process, he must see tangible results such as bread, shoes, schools, and holidays. One of the strongest arguments that the present economic system advances in favor of its continuance is the showing of large tangible returns in the form of economic goods. To be sure these results have not been secured by everyone, but there is neighbor Pitt who started as a stable boy, and who now owns the largest garage in the city; there is neighbor Wallace who began life as a grocery clerk and to-day is master of many acres of coal and timber. Besides, yonder store is filled with the good things of life, ready for anyone who has the money to buy them. Many persons, under the present system, make enough to buy all of them and others beside. So the argument runs, and those who advance it can give a wealth of instances to prove the point.

The huge rewards of the present system even though they have gone to the very few, have been turned over to those who could survive in the struggle. Everyone knows that the winners in a lottery are few and the losers many, yet each buys a ticket because he hopes and expects to be one of the winners.

Society, as reconstructed, must be less of a gambling venture and more of an established certainty, with the material rewards going to those who are responsible for producing them. And each person who thus shares in the economic rewards of society must see the connection between the energy expended and the share received. Only while such a connection apparently exists will economic effort be expended by the normal individual.

6. *The Ownership of the Economic Machinery*

The individual cannot be expected to exert himself where there is no apparent connection between the effort expended

and the return for his effort. Neither can he be expected to exert himself in the interest of economic machinery that belongs to someone else. His interest can be maintained only by the hope of a return for the effort that he expends, and by a sense of control over the job on which he works. Among the various experiments that society has tried, in an effort to attain these ends, none has been more successful than self-government.

The application of the principle of self-government to the economic world involves the control of economic machinery and economic policy in each unit by those who compose the unit. The members of each economic group must be supreme in their own field, except in so far as their decisions affect the welfare of other units. In such cases the decision must rest with that larger economic group to which the involved economic units belong. Thus the aim of economic self-government is to keep the responsibility centered upon those who would normally be the most concerned in getting results.

All matters of policy will therefore be decided by those individuals or groups that are directly involved. Where possible such decisions should be reached in open meetings corresponding to the tribal council or the town meeting. Such meetings may always be held in local economic units, such as collieries, departments of factories and the like. Where it proves impossible to get the members of an economic group all into one meeting place, their affairs must necessarily be transacted by representatives, chosen as directly as possible.

7. *Economic Leadership*

The decisions having been made with regard to matters of policy, the next and equally important question arises: "Who shall be entrusted with the duty of seeing that policies once decided upon are carried out? Who shall be entrusted with leadership in economic affairs?"

Those who are entrusted with the carrying out of economic policy in a producers' society may be divided, roughly, into two classes: the executive and the expert. The executive is the director of general policy. The expert is the specialist, selected to do a particular piece of work. For example, the representatives of District 2, United Mine Workers of America decide that, as a matter of general policy, they will advocate the nationalization of the coal mines, and they instruct their president and their executive board accordingly. The executives of District 2 are therefore charged with the duty of organizing a propaganda, which, to be effective, must consist of a well-ordered summary of facts about the coal mining industry, put in a form that can be easily understood by the average man, and distributed in such a manner that it will reach the people responsible for coal mine nationalization. Here, then, are three distinct tasks: (1) an investigation of the facts; (2) a plan for nationalization; and (3) an advertising campaign. The first two of these tasks, to be well done, must be placed in the hands of engineers, statisticians and mine experts. The third will fall to the lot of an advertising or publicity man. The president of District 2 is an executive, charged with the duty of seeing that a program of mine nationalization is carried forward. The engineers, statisticians and advertising men that he secures to do the work in their respective fields are experts. These distinctions have been well established in the world of government and of business, and they are rapidly finding their way into the world of labor.

There can be no great difference of opinion about the expert. He is a technically trained man, and as a chemist, an electrician, or as an auditor of accounts he has a special field in which he is supposed to be a master craftsman. The selection of such an expert, therefore, is a question of finding men with the knowledge and experience necessary for the doing of a certain piece of work.

8. *The Selection of Leaders*

The situation is far more complicated when it comes to the selection of the executive. He is the keystone of the social arch—the binding force that holds the various parts of the group apart and together. Upon his decisions may depend the success or the failure of an entire enterprise, because, tie him with red tape as you will, he still has a margin of free choice in which he registers his success or failure as an executive.

The executive is put in office to do the will of a constituency and to carry out a certain policy. But what is the will of the constituency, and which one of a half dozen lines of action will most completely and effectively carry out the policy in question? The executive must find an answer to those questions, and he must find it hour after hour and day after day.

Society has striven for ages to devise a successful method of picking executives, and of keeping a watchful eye on them after they assume the reins of government. There are three general ways in which the selection may be made:

1. Through heredity—the leadership descending from one generation to the next in the line of blood relationship.

This is the method practiced in all countries that have kings, aristocrats, plutocrats or others who automatically inherit power from their ancestors.

2. Through self-selection—the leadership being assumed by those who are the quickest to seize it.

Primitive, disorganized or unorganized societies or associations pick their leaders in this way. The strongest, the most courageous, the most cunning, press to the front in an emergency, and their leadership is accepted as a matter of course by those who are less strong or courageous or cunning. The leaders of a miscellaneous mob are apt to be thus self-selected. The leaders of new activities, like the organized business of the United States and Canada, have been, for the

most part, self-selected. Seeing opportunities for economic advantage, they have grasped them before their fellows realized what was happening. The great accumulations of economic power that were made in this way during the past generation are now being passed from father to son, and the leadership in American economic life is therefore tending to fall into an hereditary caste or class. There is still, however, a considerable margin of self-selection of American economic leadership.

3. Through social selection—the right and duty of leadership being assigned by the group, after some form of deliberation to a designated individual.

This is the method common to all highly organized and self-conscious societies that are not dominated by a system of hereditary caste rule. Public officials in most of the countries of the world, officials of trade unions and other voluntary associations are usually selected in this manner.

The selection of executive leadership in any organized society must be through heredity or through group choice. Self-selection is necessarily confined to new or temporary or loosely organized groups.

9. *The Details of Organization*

These general principles of economic self-government may be applied to local, district, divisional and to world economic groupings. To be sure the application, in each instance, will be varied in accordance with the peculiar needs in question, but a general scheme of procedure may be suggested somewhat as follows:

1. SUGGESTIONS FOR THE ORGANIZATION OF A LOCAL ECONOMIC UNIT IN A GIVEN INDUSTRY—A MINE, FACTORY, STORE—
 - a. The entire working force would meet at regular intervals, in a shop meeting, or colliery meeting, or store meeting, to transact general business.

- b. At such a meeting a shop committee selected by those present, would be charged with the responsibility of directing affairs in the shop that had selected it. The shop committee would consist of a small group, varying in size with the size of shop, under the chairmanship of a person selected by the workers at the same time they elected the committee.
- c. This chairman of the shop committee would be called the shop chairman. His duties would correspond roughly with those of the present-day foreman, or with those of the shop-steward or shop chairman in some of the more advanced of the British industries. In reality this shop chairman would be the shop executive, holding office while he could retain the good will of his shop-mates, and while he could give a satisfactory account of his shop in the way of production and discipline.
- d. Where there were a number of departments in a large factory, store or other establishment, there would be a plant committee made up of the chairmen of all shop committees in the plant.
- e. Where plant committees were organized, it would be their duty to designate one of their members as chairman. This plant committee chairman would therefore be what, under present conditions, is the general manager of the plant, with his fellow committeemen as his executive committee or board of managers.
- f. Each economic unit, whether shop or plant, would have its engineers or experts, picked, like other workers, by the shop committee or the plant committee, and responsible to that committee for the particular tasks assigned to them.

All participation in the activities of this basic economic unit—hiring and firing as it is called—would be determined by the shop committees and by the plant committee, each with

final local jurisdiction, subject, of course, to a referendum of the workers in the department or the plant concerned. By this means, the members of each basic economic group would be made the sole judges as to those with whom they should work. Each group would therefore have an opportunity to set its own group standards and to build up its own group spirit.

The individual worker, in order to secure a job, or work place, must therefore subject himself to the scrutiny of his prospective shop-mates, perhaps even to work for a time on probation, and this to prove his fitness to join the group and thus to participate in its activities.

Such a plan would provide a self-governing and self-directing economic unit, capable of adaptation to the various phases of economic life, and at the same time capable of generating its own social steam, and thus driving itself forward on the path of its own activities.

Farming, hand-craft industries, and other occupations in which the worker owns his own tools, and is worker, manager and business-man combined, would be forced to organize a local unit more nearly approximating the mediæval guild or some of the modern organizations for producers' co-operation. The general principles of organization would be the same in the one case as in the other, power and control being held locally by self-directing, autonomous groups.

This plan for the organization of a local self-governing economic unit represents an attempt to apply the best principles of economic and political science to the working out of an intelligently directed society.

2. SUGGESTIONS FOR THE ORGANIZATION OF AN ECONOMIC DISTRICT IN A GIVEN INDUSTRY.

- a. The district would consist of a number of economic units in the same or in an immediately related field of industry. For example, it might be formed of steel mills alone, or of machine shops and steel mills, or of machine shops, steel mills, and foundries. The deci-

sion on the matter of membership in the district would rest, first with the local economic units that united to form the district, and second, with the industries immediately concerned. The purpose of the organization would be to link together those economic units that were most dependent upon one another, and that therefore had the most interests in common.

- b. When formed, the organization would apply for recognition to the divisional organization of its particular industry. If the district comprised manufacturing industries, it would apply to the divisional organization of the manufacturing industries; if the district comprised coal mines, it would apply to the divisional organization of the extractive industries. It would be to the interest of the divisional organization to recognize only such district organizations as did not involve the divisional organization in jurisdictional disputes.
- c. After securing recognition from the divisional organization, the district organization would be the judge of its own membership, and would be in a position to add such local economic units as were to its advantage in pursuit of its general policy.
- d. The control over the affairs of the district would be in the hands of a district committee, elected directly by the workers of the district, each group of workers voting by ballot in its own shop.
 - A. When the elections for membership of the district committee were held, the members of the plant committees, or of the shop committees where there were no plant committees, would be the candidates. By this means, only those of recognized standing in a local group could become candidates for the higher offices. At the same time, the local group, when it elected to local office would be nominating for higher office.

- B. When a plant committeeman was elected to the district committee, his position in the plant committee would be filled by special election.
- e. The district committee would be a large body, consisting of at least one representative from each of the plants or shops in the district.
 - f. The routine work of the district committee would be handled by the district executive committee, picked by the district committee from its own membership, and responsible to it as a board of managers.
 - g. Each district would have its staff of engineers, experts or inspectors, whose duty it would be to check up on the technical side of the activities in the district, very much as a county agricultural agent or a district sales manager checks up on the work of those who come within his jurisdiction. These experts would be selected by the district executive committee, subject to the approval of the district committee.
 - h. Where possible, important issues confronting the district would be brought to the attention of the workers in the district through one or a series of mass meetings. Where this proved to be impossible, newspapers, leaflets, and other forms of printed information must suffice.
 - i. The district would therefore be a self-governing group of economic units, engaged in activities that fell within one of the main divisions of industry. It would be the judge of its own economic affairs and would be autonomous in all matters affecting only the district.
3. SUGGESTIONS FOR THE ORGANIZATION OF A GEOGRAPHIC DIVISION WITHIN A GIVEN INDUSTRIAL OR OCCUPATIONAL GROUP.
- a. The division would consist of a convenient geo-

graphic area, in so far as possible contiguous and closely bound together by transport facilities, related economic interests, etc. North America, South America, South Africa, and Mediterranean Basin, Northern Europe, Northern Asia, Eastern Asia, Southern Asia, and Australia might be agreed upon as such divisions.

- b. The organization of the division is, in the main, a replica of the organization of the district, with two exceptions:
 - A. The scope of the organization is limited geographically to the division in question, and covers all of this division, whereas the district organization includes a group of local economic units, which are not necessarily contiguous, and are in no particular geographic relation to one another. While the district organization is strictly industrial, the divisional organization is industrial and geographic.
 - B. The organization is definitely limited to the major occupational groups, each of the groups covering the whole of the division. Hence there would be, in each division, a division organization of transport workers, a division organization of agricultural workers, a division organization of those engaged in manufacturing and so on, making a divisional organization for each of the major industrial groups. A district might comprise only one branch of an industry such as textile manufacturing or electric transport. All of these districts would be included, however, in the particular divisional organization with which they would logically affiliate. Thus there might be a district organization for the textile workers of Lyons and vicinity, and another district organiza-

tion for the metal workers of St. Etienne and vicinity. Both districts would be included in the divisional organization of the manufacturing industries of the Mediterranean Basin.

- c. The control of each industry within a division would be vested in a divisional congress, elected directly by all of the workers in the division who were engaged in that industry.
 - A. The members of this congress would be elected by districts, with a minimum of at least one member from each district, and an additional member from each district for each additional quota of workers over a specified minimum. The details would necessarily vary with the division, but if there were 100 districts in a division, with a million workers in all of the districts, each district might be allowed a minimum of two members in the divisional congress, with one additional member for each 5,000 workers in excess of 10,000. Under such an arrangement, a district with 25,000 workers would have five representatives in the congress, and so on.
 - B. The members of the district committees are the candidates for election to the divisional congresses.
- d. The divisional congress meets at least once in each year, and within thirty days of its election.
- e. The divisional congress picks from its own membership a divisional executive committee, which meets at intervals through the year, and is responsible for the affairs of the division when the divisional congress is not in session.
- f. The divisional congress selects from its membership a divisional executive board which sits constantly. Its members are members of the division executive

committee, and it is responsible to the division executive committee when the division congress is not in session.

- g. Each divisional executive board picks a staff of experts or engineers, who are approved by the divisional executive committee, and who constitute the technical general staff of the division.

4. SUGGESTIONS FOR THE ORGANIZATION OF A GENERAL INDUSTRIAL GROUP ON A WORLD BASIS.

- a. The general industrial group, or general occupational group, would be a major subdivision of the world's industrial life. All of those producers who were engaged in like activities would be classed together, and the number of these world industrial groups would be determined as a matter of administrative convenience. The producers of the world might, for example, be divided into the following major industrial groups: agriculture, the extractive industries, manufacturing, transport, trade, house-keeping, and general (miscellaneous) workers. Some such economic grouping of producers would include all who are employed in producing goods and services and would provide the basis for an alignment of the world's population in terms of what the producers did rather than in terms of where they lived.
- b. Thus far, in the detailed statement of local, district and divisional organization, only the barest outline has been given, first because it was the intention to discuss the world economic problem rather than the local problem, and second because the internal structure of each industry would be determined largely by that industry, and would, of necessity, vary considerably with the varying industrial conditions. The organized world industries, however, are the economic framework of

the producers' society, and their organization becomes a matter of the most supreme concern to producers everywhere.

- c. The control of affairs in each of the major industrial groups would be vested in a congress of from 500 to 1000 members, meeting at least as often as once in each January.
 - A. The members of the divisional congresses, within these same industrial groups, are the candidates for election to the world congress. They are voted for directly by the workers in each division, and if they are elected to the industrial congress, the places thus made vacant in the divisional congress are filled by special election.
 - B. Each division would send a minimum of twenty members to the industrial congress, and an additional member for each specified quota of workers.
- d. The industrial congress would pick an executive committee from its own membership. This committee would meet at regular intervals, and would be responsible for the conduct of the industry when the industrial congress was not in session.
- e. The congress would pick a number of additional committees to deal with the various problems arising within each industry. These committees might be called policy committees. In practice, and for the sake of greater effectiveness, it might be desirable for the industrial congress to select a chairman, permit him to pick his committee from the membership of the congress, and then endorse the whole committee, very much as a minister in a responsible government picks his cabinet. Since these committees would be concerned with problems of policy on one side and with problems of administration on the other, such

- a method would develop a far more harmonious working group.
- f. The chairmen of these various policy committees together with the chairman of the executive committee would constitute the board of managers of the industry, which would be the responsible directing authority for the world industrial group.
 - g. Connected with each of these committees, and selected by them, there would be a board of engineers and experts, responsible for the technical side of the industry

A diagram may help to visualize the relations existing between the various parts of the world organization. (p. 98.)

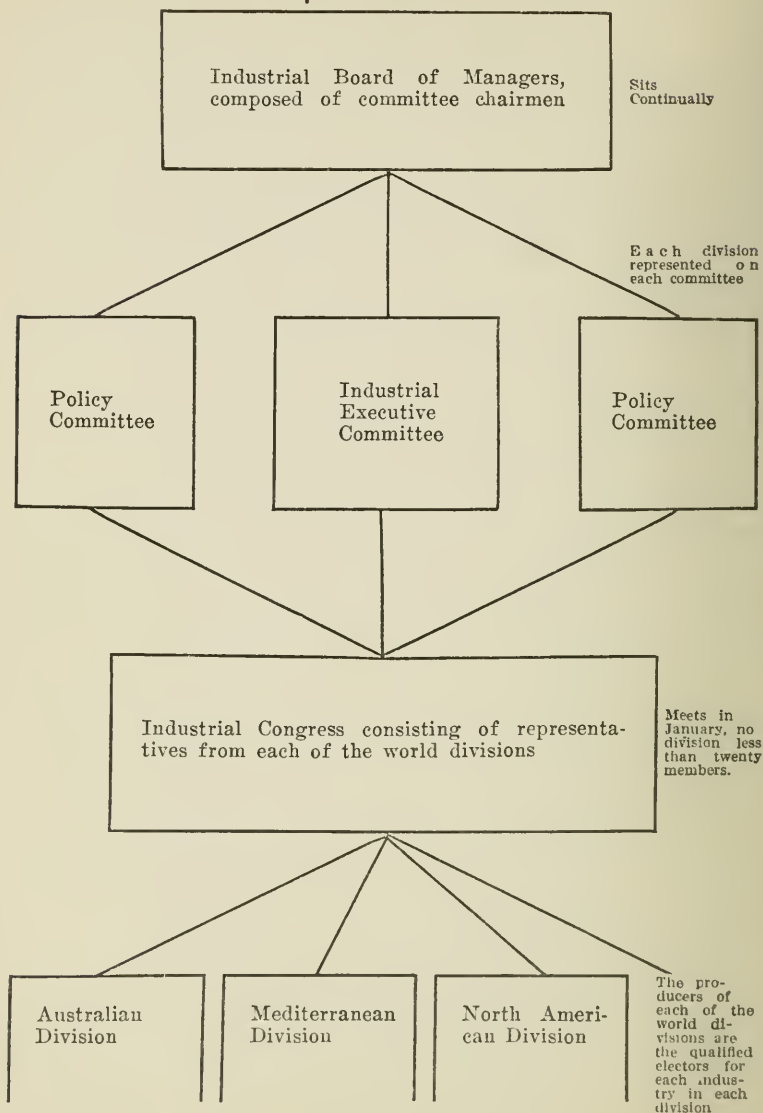
10. *The Progress of Self-government*

This outline of the organization of one of the major world economic units is tentative and suggestive rather than arbitrary or final. The details of the plan would necessarily vary from one industry to another and from one district and one division to another. All such matters of detail would be subject to the decisions made by the district committees, by the divisional congresses and by the world congress of each industrial group.

The aim of the plan is to build up an economic structure that will be efficient and at the same time sufficiently elastic to meet the changing needs of the times. Production is always necessary, but the methods vary from one age to another. The changes which occur in the economic activities of a population must find their counterpart in the changing economic structure of that community, otherwise disorganization and chaos will inevitably result.

The means best calculated to preserve the efficiency and to guarantee the mobility of the economic life of the world is self-government. No other known means of directing and controlling social affairs will secure permanent results, either of efficiency or of mobility.

PLAN FOR THE WORLD ORGANIZATION OF ONE INDUSTRIAL OR OCCUPATIONAL GROUP



Self-government is present to some degree in every form of society of which there is a record. Under some circumstances it is confined to one caste or class. Again it is the right of the whole society. In one place it is confined to political affairs alone. In others it is present in all public activities. Everywhere, however, there is self-government of some kind.

Recent generations have devoted their attention to the fostering of political self-government, and to the organization of a multitude of voluntary associations based on the self-governing principle. Generation by generation the peoples have been prepared to assume an ever-increasing authority over the complicated mechanism of public affairs. Self-government in the clan or in the agricultural village was a simple matter compared with the management of public affairs in a modern economic society. It is this task, however, that confronts the present generation. The principle of self-direction, extended into the complex field of economic relationships, must be relied upon to pull together the scattering threads of economic activities. That this task involves an immense amount of propaganda and educational activity, goes without saying. That it is the only sound basis for social procedure seems to be the conclusion inevitably arising out of a careful examination of the premises.

The organization of sound economic groups is a problem in the field of social engineering. The preparation of the industrial populations for economic self-government is a problem in the field of education. Both of these problems lie at the root of any effective reorganization of the world's economic affairs.