

Workers' Participation in Co-operatives

THE COOPERATIVE CONQUEST OF INDUSTRY*

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PART 1

The contemporary co-operative movement is not entirely modelled on co-operative philosophy as conceived by such early co-operative thinkers as P.C. Plockboy, John Bellers, Robert Owen, Charles Fournier, P.J. Proudhon, Philippe Buchez. These authors, particularly the last three or four, were known in their time as "socialists". But they were not socialists in the modern sense: they were "socialistes associationistes". This means that their socialism was based on associations, on cooperative associations, not on political parties, nor on the conquest of political power of the State.

For G. Mladenatz, the author of the famous work *Histoire des Doctrines Cooperatives*, they were the precursors the forerunners of the modern cooperative movement. K. Marx and F. Engels, in their *Communist Manifesto*, labelled them simply as utopians. However, after writing his principal work, *Das Kapital*, Marx himself showed a clear evolution towards cooperative thinking, towards a system based on workers' production cooperatives. One need only refer to his Inaugural Address at the founding in 1864 of the First International at St. Martin's Hall in London. He had, therefore, gone half-way towards the theory of Ferdinand Lassalle, the founder of the German Socialist Party, whose socialism was based on

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workers' productive cooperatives. This evolution in Marx's thinking was stressed by Karl Kautsky himself, Marx's faithful disciple, the highly respected theoretician of the Second International and the formidable ideological opponent of Lenin.

It is, furthermore, interesting to note that Herman Schulze-Delitzsch, one of the architects of modern cooperative economy, envisaged production cooperatives as his cooperative system's crowning glory. As for the Rochdale Pioneers they did not intend to establish an economic system based on consumers' cooperatives as is often believed to be the case. Their ultimate objective was to establish a cooperative which would be responsible for distributing consumer goods, for providing housing for its members and for ensuring their employment through the organization of industrial and agricultural production. In brief, their aim, as stated in the statutes of their society, was the cooperative organization "of the powers of production, of distribution, of education and of government".

It is perhaps worthwhile to mention, in passing, that those who were responsible for the founding of the International Cooperative Alliance in 1895, notably E.V. Neale and E.D. Greening, were interested above all in creating an international organization for the promotion of cooperation in production and of worker participation in industry. And it was above all else due to the influence of Henry Wolff that the ICA became the international rallying point for "all good cooperatives". Wolff, who was a specialist in credit cooperatives, insisted upon this principle in the period preparatory to the establishment of the ICA and was even more emphatic when, in 1896, he was elected chairman in succession to Lord Grey who had been appointed Governor-General of Canada. It is, however, worth remarking that the controversy between the "profit-sharers" and their adversaries raged on for some time within the ICA

itself and has been particularly well analyzed by Henri Desroches in a special study he made of the subject.

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However, workers' cooperation in production, or industrial cooperation which seems to us a more appropriate term, has yet to achieve any notable success despite all the zeal and all the effort involved over the years in various countries and many circles. Why? How does one explain the fact that industrial cooperatives, despite their exceptional importance, despite the revolutionary role they can play in economic and social life, have not developed like other forms of cooperatives in such areas as credit, consumption, insurance, supply, distribution, building, fishing etc? Why have the efforts made failed to open up new possibilities and perspectives for industrial cooperation?

Certainly industrial cooperatives do exist to a limited degree throughout the world, save in communist countries, in which they have been pitilessly repressed, and where even the Marxist conception of the "cooperative system" is ignored. But as a general rule, the development of workers' productive cooperatives has been modest, often very modest, sometimes negligible. France is the only exception. For it is in France that this type of cooperative has best grown roots, thanks to the founding, during the revolutionary year of 1848, of the famous "national workshops", under the influence of Louis Blanc, and with financial aid from the state.

Of the many factors which have impeded the progress of workers' productive cooperation, the following three appear to us to be the most important:

1. Opposition from the Second Socialist International.

In contrast to the First International which was led by Marx, the Second Socialist International had a negative attitude towards co-operation in general and workers' productive co-operatives in industry in particular. It envisaged nationalization as a solution to all problems and an end to all social evils; it conceived of action by the state as the universal panacea. In its view, co-operative development presented rather a danger and would have a negative effect, for it could only "delay the final solution" by giving the workers "minor benefits", thereby suppressing their revolutionary zeal. Even today one meets socialists who hold these views: 19th century socialists who are living in the midst of the 20th century.

The Second International not only under-estimated the role of cooperation: it went even further. It drove out from its midst the anarchists who insisted upon a cooperative solution to the social problem and who rejected the role of the state: the disciples of Proudhon and Bakunin who had considerable influence at the core of the First International.

It was not until 1910, when the Socialist International Congress was held in Copenhagen, that the Second International decided to end its opposition to the cooperative movement. Despite this decision, the old-guard advocates of nationalization and the anti-cooperationists retained a very strong influence within the International. In reality, socialism identified itself with nationalization until the First World War, as is still the case with communism. Although Kautsky stressed the evolution of Marx towards cooperation, he did so only in the interests of historical accuracy; for, at the same time, he pointed out that, in post-Marxist conditions, "confronted by monstrous cartels and trusts", cooperative conquest of industry had become impossible.

It was only over the years that international socialism gradually abandoned the absolute faith it had placed in nationalization. This change became manifest chiefly after the Second World War, as a result of numerous setbacks resulting from general nationalization in communist countries and also as a result of certain discouraging experiments in the West, notably in the United Kingdom. Today, socialism gives priority to social legislation and cooperative development. In countries such as Sweden and Federal Germany, nationalization is no longer thought of as a socialist aim. And for this reason, the socialist and cooperative points of view have become considerably closer. The socialist movement no longer presents an obstacle to cooperative development and to the creation of workers' cooperatives. One can rather say that the opposite is the case.

2. The second difficulty encountered by industrial cooperation is of a financial nature. Dr. Georges Fauquet expressed it in these words: "It is inevitable that workers' productive cooperatives encounter difficulties which, while not insurmountable, can only be overcome in certain favourable conditions. It is notably difficult for ordinary workers to find, by their own subscriptions or by recourse to credit or loans, the capital necessary for the running of an industrial enterprise."

Fauquet's opinion requires no comment. Financing is one of the most serious obstacles to the development of industrial cooperatives. Despite certain successes, workers' cooperatives have not gained a foothold in a major industry and, as Fauquet noted, their gains have been limited to the periphery of industrial economy. The reason lies with the enormous infusions of capital required by great industries and which workers cannot raise.

It is, however, worth noting that the financing of industrial enterprises is a difficulty also encountered

by capitalist promoters. In order to overcome this difficulty, they form themselves into limited companies over which they exercise a decisive influence; but they obtain the needed resources by appeals to the money markets of the world, by offering share issues to the general public which are frequently taken up by small shareholders. And it appears opportune to ask why it is not equally possible for industrial cooperatives to mobilize, for their own ends and by a new method, the resources of the general public, of major and minor saving accounts, of great and small capitalists. A favourable and affirmative answer to that question would ensure an unprecedented step forward for workers' cooperatives in production.

3. The third obstacle is inherent, resulting as it does from the very nature of cooperative associations and the application of the principle of cooperative democracy, or rather from the abuse of this principle.

Workers who belong to industrial cooperatives have, like everybody else, human failings; they tend to overestimate their virtues and capabilities, and to underestimate those of others. And it is this factor which often leads to the presence of malcontents at the heart of industrial cooperatives, either as a result of the nature of their employment, their place in the salary scale, or some other grievance, as is the case in every other enterprise. But, whereas, in private industry, the worker has no hope of making himself or herself heard, workers in industrial cooperatives can make use of all the power conferred upon them by cooperative democracy. Often they wait for the general meeting of the cooperative in order to launch an attack, to accuse the chairman, the manager or the administrative board of injustice, partiality or nepotism. In such cases, the accusations are sometimes followed by endless discussions, sometimes by exclusions, by schisms and dissolutions. This raises another important question: what solution can one find to this problem which still preserves

cooperative democracy and ensures its full application?

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In order for industrial cooperation to take its rightful place in the heart of cooperative economy, the difficulties mentioned must be overcome and the questions answered in a positive manner. Only then will it make the conquests that one has the right to expect from it: only then will it provide the working classes, the nations' majorities with the services they need. Above all, it will be necessary to solve the financial problems. But in order to accomplish that, a new approach to the problem is required.

Certain particular approaches have already been made in this field. One worth mentioning is the system known in the UK as "cooperative co-partnership." In this system, the shares in the cooperative are subscribed partly by the workers in its employ and partly by the consumer cooperatives which are its clients. The distribution of surplus is made in the same fashion. The workers then participate in proportion to their earnings and the consumers in proportion to their purchases; a practice which is fully consistent with the Rochdale principles.

So far, however, this system has been confined to the UK. And even there, a country which is renowned for its great cooperative achievements of the 19th century, "co-partnership" has made little progress.

Another approach to workers' productive cooperation is known by the name of "cooperative teams of work". As the title suggests, such cooperatives are working communities in which the members band together to undertake certain tasks. As a general rule, these groups have no legal basis and need not accumulate their own financial resources.

The most practical application of this type of cooperative is the Italian braccianti: literally, groups of manual workers, such as navvies, dockers, porters, workers, who are engaged as a group to perform certain tasks within an agricultural or industrial enterprise. These organizations have cooperative principles in common. But, despite the efforts of Albert Thomas and Dr. Georges Fauquet. they have not achieved much success.

However, even if these results are disappointing, they need not be taken as proof that cooperative action in the industrial area is perpetually condemned to stagnation, to playing only a minor role, without hope and without prospects, in contrast to other forms of cooperatives which continue to flourish throughout the world. Today, as in the past, there is a real need for industrial cooperation to take control of the means of production; today, as in the past, there is an imperative need for employees to become their own employers; to become masters of their destiny; to play a more active, more significant, more independent role. A more effective cooperative action could provide the workers with the rewards they deserve; permit them to assume the responsibility in management to which they are entitled; to play their proper role in public life, and to wield in society an influence which corresponds to their numbers and importance.

Many people have held the view that the problem of wage earners, manual workers, of workers in general, could be resolved by the system known as "workers'-shareholding." In the past, this system has had many apologists, notably among Catholic writers.

In recent times, worker-shareholding schemes have been tried out by a number of concerns in different countries, one of them being Bell-Canada. But, in general this type of share distribution arouses the suspicion of the workers and provokes the opposition of trade union organizations. The latter claim that it

impedes work mobility by tying the workers to the firm without offering in exchange any real part in the conduct of affairs or improvement in their working conditions.

The worker shareholder has hardly any possibility of taking part in the annual meetings of shareholders. Even if he could do so, he might well be unable to understand the balance sheet and the subtleties of the commercial, financial and administrative policy of the enterprise; he would lack the experience needed to present a valid criticism of the report or balance sheet; he may lack the ability to express his views convincingly. Even if he were to possess all these abilities, the individual worker-shareholder, owning only one or two shares with their corresponding voting power, could not possibly influence the decisions of the meeting. He would merely render a service to management, who would boast of enjoying the confidence of the workers in the conduct of its affairs and maintain that the voice of the worker has been heard.

But what workers cannot accomplish in isolation, acting as individuals, becomes possible when they unite themselves and their resources, however meagre they may be: i.e., if they take the road of cooperation, which we shall now consider. In such endeavours, they could easily gain control of industrial enterprises and of the economy as a whole. All that is needed is the determination of the workers. Given such resolution, control could gradually be achieved.

This cooperative plan would represent a merging of traditional workers' productive cooperatives and of the workers' shareholding system, but would also eliminate their defects. Its application and gradual development would in time lead to a transformation of our capitalist society. It could accomplish more, far more: it could result in a better world in the relatively near future.

Here are the essentials of the plan:

In each concern, each enterprise that constitutes a limited company, and wherever possible, a new type of cooperative would be founded. These cooperatives would be similar to what is known in North America as "occupational credit unions". They would have a specific character, and their clearly defined objective would be to acquire the shares of the company in question. Membership of such cooperatives would be limited to those working for the firm.

Each member would contribute a percentage of his salary to the cooperative: 1, 2, 3, 5% or even more. The proportionate levy would be the same for all and would be decided by the general assembly of the cooperative. This levy could be increased or reduced as the need arises.

The cooperative would progressively acquire shares in the enterprise in proportion to the funds received from its members. At the end of the year, it would divide the dividend obtained on shares among the members on a pro rata basis, or, in other words, in proportion to their wages, to the value of their work.

In this way, the cooperative would augment the revenue of the workers as in the case of traditional workers' productive cooperatives, but by a different procedure, by an indirect method, in a new manner. This new method would transform what is now profit for capital invested, into earnings, into wages and for the people as a whole, as I have explained in my book: *Towards a Co-operative World*.

The application of this plan (while leaving intact their external form) would lead to a total transformation of the internal structure of enterprises and of limited companies: to a transformation of their character, of their role and of their aims. The transformation would therefore affect the spirit and not the letter: it would be achieved by an internal transformation of the enterprises, and not by outside action; it would be the outcome

of victory at the very heart of enterprises and not the result of external pressure or of competitive action: it would not, above all, be due to the founding of a separate cooperative which would develop the same kind of activity as existing enterprises, often with less chance of succeeding. There would, therefore, be little or no risk involved for the workers.

Through the application of this plan, enterprises would fall easily, one by one, under the influence of the workers, under the control of their co-operatives. And one must particularly emphasize that even the greatest enterprises, the bastions of the capitalist system, those hitherto considered to be invulnerable to cooperative action, could easily fall under cooperative control: their destiny would pass from the hands of small groups of major shareholders, often linked to each other by personal ties such as marriage, into the hands of cooperatively organized workers linked to one another by the philosophy of mutual aid, by the co-operative spirit, and by the application of cooperative principles.

This development would inevitably lead to a total transformation of the relations between labour and capital; a reversal of their respective roles. From being the servants of capital, the workers would in time become its masters and, ultimately, the absolute masters of their destiny. And so, a social and economic, political and psychological revolution could be achieved without violence, without hatred, without nationalization and without the abolition of private property.

In order to achieve such a revolution, it would not be absolutely necessary to apply cooperative principles to all enterprises or to every independent individual economic activity. It would be sufficient to ensure that cooperative action exerted a dominant influence at the heart of those enterprises which, by their importance, influence the whole economy. It would be sufficient for

the cooperative to acquire 51 per cent of the shareholding of individual companies. In the majority of cases, the acquisition of 30, 20 or even 10 per cent would be sufficient. That is the method used by small groups of capitalists to dominate giant enterprises which have enormous capital, subscribed by the general public, by thousands and millions of people of all nationalities, of all classes, who never attend annual general meetings.

The industrial cooperatives which are under consideration here would simply benefit from the methods used by experienced capitalists in order to achieve their own ends, in order to build a more just and equitable society. Like the great capitalists, they would be able to dip into the resources of the public at large, into those of shareholders who are more interested in dividends than the running of enterprises.

Naturally, the general public, the little people, the small investors will continue their participation in an enterprise under cooperative control only if their investments, their capital, their shares continue to yield attractive dividends. But under cooperative control, the return on capital would depend upon labour, rather than the reverse.

In practice, workers organized within the core of an enterprise would participate in the profits in proportion to their earnings in the way already described; the other shareholders would participate according to the number of their shareholdings and in proportion to their investment. In due course, the distribution of profits between the two groups could be determined in advance, as is the case with certain experiments in the transport sector in Tanzania.

Private initiative would not be stifled by this system. It will continue to play its part: it will continue to develop new activities: it will continue to

create, in due course, new enterprise. But inevitably, the improvement of working conditions in enterprises under cooperative control would have repercussions on all other enterprises, private and public. At the same time, when a private enterprise becomes large and important, and its shares are quoted on the stock market, it would be impossible to prevent its workers from organizing cooperatively, acquiring shares and obtaining control of the business.

Any action aimed at cooperative conquest of companies envisaged on these lines can be undertaken by the workers themselves, on their own initiative, by self-help and mutual aid. But this process would be considerably accelerated if they obtained the technical and financial assistance of cooperative centrals. On the other hand, the moral support and the powerful influence of trade union organizations could be of paramount importance for the realization of this project. At the same time, their involvement in the organizing of cooperatives within industrial enterprises would give them new prospects, open up new horizons. It would make it possible for them to gain within the national economy a place similar to that of the Histadrute in Israeli economy. This would be particularly the case if the unions who often invest considerable resources in enterprises would give some priority to the shares of concerns in which the workers' cooperatives had obtained a foothold.

The execution of this plan must be considered also in the light of the attitude of the enterprises concerned and of their management. The position here may vary greatly from one company to another. Some of them would certainly adopt a favourable attitude because a cooperative takeover of the shares would represent a means of improving the lot of the workers, without increasing their salaries: that is to say, by simply giving them dividends like all other shareholders. But

that is not all. Enterprises could easily see that such a development would ensure a greater stability of labour, a better means of gaining the loyalty of employees to their respective firms and, therefore, the diminution, in every case of conflicts between workers and management.

But conversely, many enterprises, their management, or the groups of shareholders that dominate them, would be resolutely hostile to workers' cooperatives. They would see in these cooperatives a danger to themselves, to the particular benefits they receive. Naturally, they would then do everything in their power to impede the formation of workers' cooperatives. But their opposition to cooperation would prove to be as futile in this case as it has been in so many others.

Once the cooperative is founded and the members' contribution is assured, it can start acquiring shares. The problem would therefore be how to obtain the shares on favourable terms. And in this respect, the support of the central cooperatives would be of the utmost importance. These central cooperatives should, above all, assist individual cooperatives in the acquisition of shares and do so in liaison with trade unions. For shareholding changes continually, not only as the result of speculation, but also as the result of the death of shareholders.

In the course of time, all shareholders must die because that is the human lot. But a cooperative, as Phillipe Buchez said, "as a social institution is immortal". And for this reason, the shares would gradually pass into the hands of the cooperatives.

The cooperatisation of enterprises by the method suggested in this plan, that is to say by action within the enterprises themselves, could not be achieved without difficulty. The legal basis of the new cooperatives; the technique and means of acquiring shares: the financing of share-buying, particularly in certain cases; the

relationship between cooperatively organized workers and those who do not belong to the cooperative; the coordination of cooperative forces; the elimination of possible risks to co-operatives; the demarcation of responsibility between cooperatives and trade union organizations; the negotiation of mutually advantageous agreements between them; the building of sound relationships between cooperatives and the enterprise; the methods of winning workers for the new cooperative action, would present numerous difficulties to be resolved. None of them, however, seem to be insuperable.

PART IV

One fundamental question must now, however, be answered here: would the organizations under consideration have, in their internal structure, in their external relationships, their working and objectives, a true cooperative character, a cooperative essence?

It is easy to answer yes, if one considers the question in the light of cooperative principles as defined by the International Cooperative Alliance. For these new cooperative organizations would have all the basic characteristics of other categories of cooperatives: urban and rural, consumers' and producers'. The following features confirm this statement:

1. Cooperatives, as suggested by this plan, would, as is the case with all true cooperatives, be free organizations, formed voluntarily by the workers and without any outside constraint;

2. Membership in these new cooperatives would be open to all workers at the given enterprise, regardless of their religion, nationality, colour, race, sex or political convictions;

3. These new cooperatives would be neutral in their attitude towards political parties, religious or other

organizations. They would, at the same time, be independent of the state and private corporations or public bodies;

4. They would be democratically controlled by their members according to the rule: one man: one vote;

5. Their objective would be to improve the social and economic condition of their members, of workers, by ensuring them a greater share in the benefits of the enterprise and a decisive influence in the conduct of its affairs. But they would pursue their objectives by a new method, by the cooperative buying of shares. They would in some way play the role of "holding companies of labor", not of capital, since each member would benefit in proportion of his work as expressed by his wage.

Naturally, this participation would not result from bilateral agreements between workers and capitalists, employers and employees, as was the case in the motor industry in the United States. It would be a unilateral action by the workers. In organizing themselves co-operatively within their enterprise, the workers would gradually gain control and would thus benefit from the profits that should accrue to them on the basis of their work. They would achieve this by their own initiative, in their own way, by their own means, their own force, by self help and by mutual aid. They would do so by a simple and efficient method: the cooperative buying of shares of the enterprises in which they are employed. They would not need to obtain their employer's permission to begin their cooperative action: they would not even have to inform them of their intention if they did not wish to do so. But, in due course, they could do so. Everything would depend upon their own will and the nature of their relations with the employers or, rather, with the enterprise and its management. They would do cooperatively what other shareholders do individually.

Nobody would be able to become a member of the cooperative and benefit from this cooperative action if he were not employed by the enterprise. Those who work within the concern would subscribe cooperative shares for the building of the resources of the cooperative, i.e. for the purchase of the shares of the enterprise in proportion to their wages on a predetermined scale - neither more nor less - in order to safeguard cooperative equity. In this way, each member would participate in the division of dividends from the shares acquired cooperatively, in proportion to his salary, according to the value of his work, and not in proportion to the resources at his disposal;

6. In the case of a member wishing or having to leave the cooperative, it would merely be necessary to repay him the sum invested in cooperative shares, as is the rule in cooperative practice throughout the world. In this way, no one would be able to benefit individually from the normal increase in value of the shares of the enterprise and thereby acquire a gain that cannot be justified by work.

This increase of profit would go to the cooperative, to the cooperative community; it would become a cooperative capital, a social asset, serving successive generations of cooperators, as is the case with the indivisible cooperative reserves as conceived by Philippe Buchez and applied in practice by Friedrich Raiffeisen;

7. New cooperatives, like all cooperatives, would be affiliated to cooperative unions, and would thereby apply the principle of mutual aid on the regional, national and even international level, a process which the International Cooperative Alliance has described as "cooperation between cooperatives". In consequence, it appears evident that the new cooperative proposed here would have all the characteristics of true cooperatives and would apply all fundamental cooperative principles.

PART V

In conclusion it would be interesting to examine in a more concrete manner the consequences of the application of this plan: its general and particular repercussions; the advantages and disadvantages which it offers for the various social categories and groups, as well as for the national economy.

It goes without saying that the principal beneficiaries of the system would be the workers, the employees, the non-independent social categories. The plan would offer them an additional revenue, a share in the benefits of enterprises in proportion to the quantity and quality of their work or, in other words, in proportion to their salary. Thus, a more just, a more equitable division of profits would ensue. At the same time, labour itself would gain a new dignity, would acquire new responsibilities. It would play a new role in the very being of the enterprises; it would be represented at shareholders' and board meetings. Workers would be represented by highly qualified specialists, in such areas as economics and commerce, employed by their cooperative unions. These specialists, well-formed, well-trained, well-experienced, would naturally play a different role from that of the ordinary worker-shareholder. Labor would cease to be a simple commodity which one could buy or reject at will; the worker would therefore no longer be a docile executor of orders received. He would become more active, more independent, more responsible; he would feel himself to be more of a man and less of a cog in industrial machinery; less of an insignificant element in the economic structure; he would become more conscientious in his acts; more conscientious and more enterprising in his role as a worker and as a member of society.

Representatives of labour and the workers' cooperatives would gain ever-increasing importance within enterprises; they would exercise a markedly greater influence in the company's commercial, financial and administrative policies. They would, however, continue to take an

interest, as before, in policies affecting wages and working conditions within the enterprise. And naturally, they would, as before, continue to rely on the support of their trade unions. The reasons for this are obvious. The workers' wages represent a concrete gain, an immediate acquisition, whereas dividends are an income that one could draw upon at a later date, at the end of the annual financial year. Furthermore, this income would be shared with other shareholders.

The improvement of the position of workers by co-operative action within enterprises and by outside pressure from trade unions, would inevitably have general and national repercussions. In one way or another, either directly or indirectly, this influence would make itself felt in various types of businesses and, ultimately, in the national economy as a whole.

Moreover, these cooperatives, given their individual existence, independent of enterprises, would have a greater stability than the traditional workers' productive cooperatives. At the same time, their members would enjoy greater security and run fewer risks. Also, possible divergencies of opinion between co-operators would not be reflected in the enterprises.

Cooperative representatives at the meetings and on the boards of the various enterprises would be elected democratically, according to cooperative principles, and would form a team, a whole, despite possible divergences between cooperative members.

If, as a result of differences of opinion at the core of the cooperative, or for any other reason, one or more members decided to withdraw, it would not be necessary for them to quit the enterprise and lose their job. They would then merely cash in the contribution which they had made to the cooperative. In contrast to what occurred when the traditional workers' productive cooperatives were dissolved, the members of a cooperative,

as envisaged here, even if it were dissolved, would not be given notice, since the existence of the enterprise would not be affected. And, obviously, their holdings in the enterprise and their cooperative shareholdings would not be in dispute.

It is necessary to emphasize another very important point. The improvement in the remuneration and working conditions of the employees would not necessarily take place at the expense of shareholders, and above all, of small shareholders. It would rather constitute a deterrent to the chairmen, the vice chairmen, the whole board of directors and sleeping directors, and to the unjustifiably high incomes and "expense accounts" which they grant themselves.

From the point of view of the enterprise, the positive effects of this plan are self-evident. Co-operative share-buying would lead inevitably to a gradual rapprochement between labor and management. These two camps, which are presently in a state of mutual hostility, because of their opposing interests, would eventually become one; a united, indivisible body. The worker would feel himself to be part of the enterprise, or even better, master of the enterprise and not a subordinate. One of the most important results would naturally be an end to wildcat strikes provoked by demagogues and politicians as opposed to responsible trade unions and their leaders. Employees would naturally work better because they would have a greater interest in the enterprise, in its success, in its economic results.

Furthermore, one can see several other advantages in such a system: greater stability in investments: greater loyalty of enterprises to their location, to their environment and their personnel. This, above all, would be a decisive factor when the controlling influence would pass from the hands of big capitalists, always on the look out for the greatest possible profits

and always fleeing from the smallest danger, into the hands of cooperatives, of workers who are linked to their employment and to their locality by a multitude of ties.

In a general way, the application of this plan would inevitably have favourable repercussions at the national level. It would gradually favour an equitable distribution both of income and of the national wealth. Little by little it would erase the crying inequalities in present society. It would ultimately put an end to the division of society into two categories; those who throughout their lives work for a meagre salary and those who accumulate the profits.

On the other hand, the forming and financing of cooperatives for the acquisition of shares, would teach workers the virtues of thrift. They would not merely improve their way of life; they would transform earnings which might otherwise be squandered into productive capital in the service of the national economy. This would also counter inflationary tendencies, particularly since the shares acquired by workers' cooperatives would cease to be the object of speculation, and nobody would benefit individually from the eventual increase in their value.

In conclusion, the cooperative acquisition of shares would, above all, present an obstacle to the takeover of enterprises by foreign capital, which is in many countries considered as an economic danger and resisted by various means. A particular example of this issue in Canada was the decision taken by the authorities to permit insurance companies to buy their own shares cf. the Porter Committee report, and thereby become mutuals, i.e. cooperatives. By the application of the plan outlined here, the same kind of protection would be extended to all manners of Canadian enterprises. The only difference would be that the shares, instead of being bought by the firms themselves, would be bought by those most concerned

with their existence, that is by cooperatively organized workers.

This plan would appear to be simple in comparison with so many others, which pursue similar ends but rely on state intervention, on political measures, on nationalization. Simplicity is not, however, a defect, and the plan nonetheless can be effective. All that is needed for it to be put into effect is the decision of the workers themselves.

Once this plan is realized, the workers themselves would be able, without revolution, without blood-letting, without destruction, simply by their own initiative, simply by self-help and mutual aid, to make of themselves the masters of individual enterprises.