Seed

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The Delusion of Ownership

Recently, in an item entitled "Creeping Capitalism", the CTV public affairs program *W5* chronicled the growing popularity of "profit-sharing", the practice of making employees shareholders in the concerns by which they are employed. Those advocating this technique argue that if "workers" can be made part owners of the means of production, then the labour-management "dichotomy" will be largely obviated, industrial disputes minimized, and productivity increased. The argument sounds authentic; however, reflection reveals it to be specious. In fact, "profit-sharing" is potentially an instrument of monopoly.

This fact is scarcely surprising, since the root assumption of the technique is the Marxist notion that the poor are poor because the rich are rich or, that the workers are deprived because capitalists are confiscating the results of labour as "profits". The solution, it is thought, is to make workers part owners of industry, thereby distributing profits more extensively. However, as we have pointed out elsewhere in *Seed*, the cause of the workers' dispossession and the cause of the cost-price squeeze facing industry are not unrelated and are more fundamental than "inequitable distribution of incomes". That, for example, the Anti-Inflation Board permits price increases as a result of increasing costs is tantamount to an admission that "profits" are not excessive. One wonders what the effect of distribution of corporate profits among all Canadians would be--for the consumer, and for industry.

In fact, we already have extensive examples of "profit-sharing"--in the forms of taxation and nationalized industry. When a company's profits are being taxed at, say, a rate of 80%, a version of involuntary profit-sharing is in force. The consequences of this are, of course, higher prices, difficulty in maintaining investment capital, insolvency, and, often, "nationalization"--another type of compulsory joint ownership and, ostensibly, "profit-sharing"--largely intangible.

Industrial profit-sharing, it seems to me, similarly must carry all the liabilities of ownership and few of the advantages. For one thing, does the displacement of the wage by the share give the worker more real disposable income? Or is it a means of constraining the reinvestment of income in industry--a method of converting income to capital to support the unending capital expansion (and proliferation of costs) which is a feature of the present economic-financial system? Does this sort of shareholding in the ownership of the means of production give the individual increased access to the product?

In this regard, C.H. Douglas has noted that "property" is "decentralised sovereignty". Does worker ownership (or minimal, partial ownership) of industry increase the soverignty (or autonomy) of the individual? Does he own anything that he can utilize except with the consent and cooperation of a majority of the other shareholders? If, for example, a man has one ten-thousandth ownership of a fractionating tower, can he do anything with it? Though he might be one of the "common owners" of the facility, it is the sort of thing that can operate only as a whole (or, form the point of view of the owners, as a collective). The shareholder will have a very small vote in how what is "his" will operate--a point that has been tersely summed up in Douglas's suggestion about what is likely to happen to one of the "common owners" of the Post Office should he endeavour to relieve the local postal station of "his" share of the stamps.

What individuals want is not a fraction of a fractionating tower, but access to the product of that installation--oil, or gasoline. It is as consumer that the individual wants the means of ownership--not as part of a productive collectivity. A consumer having effective demand (an unentailed income) *has* sovereignty; moreover, he has the means to control production by subscribing his effective demand to any enterprise--not through a lonely vote at a shareholders' meeting. Any scheme which promises participation in the ownership of the means of production must be suspected of compromising access to the means of consumption.