

What Three-Fold State?

DR. KARL POLANYI

In the last issue of NEW BRITAIN an Outline of a New Constitution for Britain was given. Britain should become a Three-Fold State with a Parliament of three chambers: The Political, the Economic, and the Cultural Chamber, and a Senate to co-ordinate their work.

The Political Chamber should have the control of Foreign Policy, including Defence and the Empire, as well as Home Affairs, including Justice and Local Government; lastly the Treasury and National Taxation.

The Economic Chamber should be "responsible for the organization and conduct of the economic system", that is, for the "economic duties of government", consisting in "the planning and the co-ordination of industry, the production and distribution of goods and services". It should control the Board of Trade, the Ministry of Agriculture, the Ministry of Labour, &c. In the economic system "a combination of private enterprise and initiative with public service" is required; but "the burden of debt must be lifted" and "the practice of usury abolished". Every industry and other forms of economic activity are to be incorporated in self-governing Guilds, including everyone actively engaged in industry in whatever capacity (but excluding financial interests). The Guild representatives to be elected on a vocational franchise, whereas the two other Chambers are indirectly elected, in the main, on the present parliamentary franchise.

The Cultural Chamber should look after the things of the spirit. Education, Health, the B.B.C., a new Ministry of Arts, should be under its control.

The Senate—partly nominated by the King, partly elected by the Chambers—is the co-ordinating body; it has a suspensory veto against the decisions of the Chambers in case of a conflict between them. The Executive members of the three Chambers together with the appointed members of the Senate would carry on such actual tasks of government as the system of devolution leaves standing.

The Author of this article does not belong to the New Britain Movement

THE essence of the Outline of a New Constitution for Britain is: Separate representation in the political and in the economic sphere, with cultural affairs as an independent third. Separate representation for separate functions. A Three-Fold State. Is it a solution?

The Three-fold State may in practice work in quite different ways: It might be adopted in order to make Capitalism workable at the expense of freedom, and then it is the road to Fascism. It might be adopted in order to destroy Capitalism and establish Socialism at the expense of Freedom, and then it would lead to a Communist Dictatorship. It might also be used as a means to bring about the transformation of society as a whole under the control of its individual members, making them increasingly responsible for their share in this process. In that case it would be the fulfilment of Democracy. The all-important question is, which of these alternative interpretations of a Three-Fold State would the new constitution serve?

Industrial society is, admittedly, in a crisis. But it is rarely realized that the root of the crisis is to be found in a functional maladjustment, in the mutual incompatibility of our political and economic systems. Democracy, as it is, and Capitalism, as it is, cannot function side by side. Capitalism is in itself far from being an ideal system. Yet the most threatening dangers of the present day are due not directly to this fact, but to the incompatibility of capitalist leadership in the economic field with the ever-increasing influence of the working class in the political field. The source of all our most immediate difficulties is therefore functional. It is thus quite proper to seek for a solution by recasting our functional institutions, political, economic, and cultural.

This, indeed, is the key to the supreme paradox of our time. That although nothing can be more real, spontaneous, and vital than the feud between Fascists and Communists, yet it is practically impossible to draw a clear line of demarcation between the things they stand for. Both propose to introduce a measure of economic planning, of security of tenure, and of regulation of income; both favour the organization of industry into Trusts, and show total disregard of the value of liberty; both refuse to accept the other's doctrine at its face value, and doubt its sincerity. But the very absence of a clear antithesis between their programme proves that their conflict is not about this or that institution, not the expression of

sectional interests, not about concrete and material issues at all. It is about the implications of these things; their interpretation; their ultimate significance. The tragic reality of the actual struggle, despite the apparent obscurity of the issue involved, has always been the characteristic feature of creed wars. This in no way implies that sectional or class interests are not seriously involved, or that the concrete issues do not matter. We should remember how great the secular interests were which were bound up with the religious wars of the sixteenth and seventeenth centuries, which, nevertheless, were genuinely religious. What it does mean is that the fundamental cleavage is to be found only in a deeper stratum of human experience, at a level, indeed, which finds adequate expression only in the forms of functional relationship within society as a whole. It is only by considering these forms of functional relationship that we can grasp the fundamental opposition between Fascism and Communism.

In Communism (or, for that matter, in State Socialism) the Political State is supreme; the economic sphere loses its functional independence and is reduced to a Department of the Political State.

In Fascism the opposite is true. The Political State loses its functional independence and dwindles into a mere accessory of the "Corporate State", which is but another name for the economic sphere promoted to supremacy.

Thus a Communist (or State Socialist) society—the term is used crudely, in the political rather than the sociological sense—comes into being where the Political State takes over factories and mills, and runs them itself; a Fascist society arises where the political sphere proper is extinguished and its functions are vested in industrial corporations, as happened in Italy and Germany, and, recently, in Austria. In Fascism the substance of society is defined in terms of material existence; in Communism, or Socialism, it is thought of as consisting in consciousness and will. This again leads to the recognition that Fascism is an attempt to solve the problems of a modern industrial society by reducing them to the lower plane of mere existence. Socialism (and this is true even of Communism in its intentions) refuses to resign itself to mere existence. The functional antithesis between politics and economics reveals a difference of creed, as momentous as any in history.

Let us return to the Outline of a Three-Fold State.

As long as the Political Chamber has its way, Fascism is ruled out. For the Political Chamber is the depository of the common human ideal; it represents human beings as equals. Its laws and decrees are the expression of their common concept of justice. And it is within the framework of these laws that economic life would have to be carried on. The laws of inheritance, for instance, could be greatly changed. Society could thereby gain control of a part of the instruments of production. It could advance to a sustained collective economic effort, even perhaps without a complete abolition of private property.

But what if the Economic Chamber were to disagree? If it refused to acknowledge the competence of the Political Chamber to legislate on laws of inheritance regardless of the "responsibilities" of the Economic Chamber for the "production of goods and services"? What if it objected that such interference with the right of property would weaken the incentives to the accumulation of capital to such a degree that the increase of production of goods was in danger for the future? And what if the Senate, as the supreme co-ordinating body, were to uphold the resistance of the Economic Chamber? In this case the Political Chamber would have ceased to be an organ for formulating the ultimate ideals of the community about that which is right and wrong. The whole endeavour to transform society in accordance with the will of its members would practically be defeated.

It might be objected that the re-election of the Economic Chamber would in due time supply the voters for the Political Chamber with an opportunity of reshaping also the complexion of the Economic Chamber, so as to bring it into line with the Political Chamber. But here the "vocational franchise" comes in. An Economic Chamber elected on a "Guild Franchise" (as the Outline proposes) means a body in which the great mass of the producers would have no relevant influence whatever. For as long as the wage system obtains, the parties to the wage contract would have to be represented on some basis of parity, *i.e.*, the proprietors and managers on the one hand, the employees on the other. Thus the re-election of the Economic Chamber would not solve the deadlock. The owners, entrenched behind the constitutional rights of the Economic Chamber, could dictate their will to the Political Chamber. You would be in Fascism.

Three-Fold State or no the principle of democracy calls for a clear supremacy of the Political Chamber above the whole of society.

Under the Outline the Economic Chamber would not even be stretching its case. For the Outline expressly states that the Ministry of Labour is to be controlled by the Economic Chamber. But are hours of work not first and foremost a matter of cultural interests, especially in a society in which technical progress provides for the satisfaction of elementary material needs? And is prohibition of child labour really only a matter of technical efficiency and not a question of humanity, decency, and justice? Is there not here a serious misunderstanding?

Rudolf Steiner, the creator of the concept of a Three-Fold State, aimed at humanizing Capitalism by subjecting its working to the effective control of a Political Chamber.

Human labour should cease to be a commodity altogether. This should be achieved by refusing to allow the conditions of human labour to be determined by a process of economic bargaining. Economic life should be subjected to human ideals of Justice as it is conditioned by the bounty or severity of Nature. Child labour should be just as much out of reach of the employer as if children were physically incapable of work. In Steiner's conception of the Three-Fold State, the Ministry of Labour would necessarily be regarded as the very corner-stone and the chief executive organ of the Political Chamber.

A no less radical reform of property rights was de-

manded. Again, not on economic but on cultural and political grounds. Strict laws of inheritance would make society the "overlord" of capital. Society, however, would not use this capital itself, but would hand it over for use to the people best qualified for the job. Running a business would thus become a free profession as the medical or engineering professions are at present. The educational authorities would select the persons called to run the business enterprises belonging to the community. The supremacy of the Political Chamber over the Economic Chamber in all matters of human concern was, for the founder, the very *raison d'être* of the Three-Fold State.

But more than anybody else, Rudolf Steiner realized that a society lacking moral unity could never establish the Three-Fold State. It would remain hanging in the air. But the Three-Fold State would not be an instrument of achieving this unity. Quite the opposite: A society lacking moral unity would disintegrate if its functional parts were organized separately. They would fall under the control of social strata with a different outlook or life.

The only real problem is cultural. A society united in its values needs no artificial unity in its institutions. It is ripe for the Three-Fold State. More than any other form of society, functional society must rely for its unity on the ultimate personal convictions of its members about the significance of human life in society, that is, in plain English, upon an underlying unity of a religious kind.



Facts for New Britons

The improvement in the unemployment figures, welcomed by the general Press as confirmation of the return of prosperity, corresponds very closely, industry by industry, with the renewal of preparations for war. The decision to spend a further three million pounds on enlarging the Navy will, it can be confidently predicted, produce a further slight improvement in the shipbuilding, steel, and coal industries. Under the United States Naval Programme—part of the Public Works Scheme—orders have just been placed for twenty-one ships. By 1932 the Admirals want 148. Nothing makes so much work as the manufacture of instruments of destruction.



While Mr. Eden, the Lord Privy Seal, bleats all over Europe about peace by disarmament, England makes all other countries' navies necessary by refusing to renounce the right of mercantile blockade. Abroad they call that "English Navalism".



At Doument the Germans were entangled with barbed wire exported from Germany by the Magdeburg Wire & Cable Co. to Switzerland only a couple of months earlier. That's only Germany. Listen to a fact or two about England. Sir William White, K.C.B., at one time director of warship construction for Armstrong Whitworth, used to travel about the world pointing out to various nations what big navies the other nations had got. The British at Anzac and Suvla Bay were mowed down with the best shells in the world—of British manufacture. The French, Italian, and American Air Ministries have recently purchased, for a very substantial sum of money, the right to fit the Handley-Page slotted wing, a feature of the Royal Air Force, to their military aircraft. Last year an ex-Cabinet Minister said that England was exporting tanks to Germany. Naval vessels and steel for naval vessels for foreign countries are at this moment under construction in England. Trade is more important than disarmament.