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# THE CHURCH AND THE SOCIAL ORDER

BY ARCHBISHOPS AND BISHOPS  
OF ADMINISTRATIVE BOARD  
OF THE WELFARE CONFERENCE  
—♦—  
WITH DISCUSSION CLUB OUTLINE

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# THE CHURCH AND THE SOCIAL ORDER

**A Reiteration of the Church's Teaching on Ownership,  
Property, Labor, Security, Wages and  
Establishment of Social Order**

*By the Archbishops and Bishops of the Administrative  
Board of the Welfare Conference*

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**WITH DISCUSSION CLUB OUTLINE**

BY

REV. GERALD C. TREACY, S.J.

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The page citations throughout the following text, unless otherwise indicated, are from the Encyclical, *Quadragesimo Anno*, by Pope Pius XI, The Paulist Press edition.

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# The Church and the Social Order

*By the Archbishops and Bishops of the Administrative  
Board of the Welfare Conference*

## **A Reiteration of the Church's Teaching on Ownership, Property, Labor, Security, Wages and Establishment of Social Order**

### **INTRODUCTION**

1. With sublime pathos Pope Pius XII in his first encyclical letter pleads with the people of the world to turn from the destructive ways of hatred and conflict to the healing ways of charity and peace. He reminds a forgetful world of the universality of divine love; he reconsecrates the whole human family to the Sacred Heart of the Divine Redeemer; and, summoning men to return to Christ, he re-echoes the entreaty raised so often by his predecessors: "Behold your King" (John xix. 14).

2. To re-enthroned Christ in the minds and hearts of men; to re-establish His kingship in human society; to impregnate the laws and institutions, the aspirations and final purposes of all nations with His spirit, is the supreme hope and purpose of Our Holy Father.

3. "Perhaps—God grant it—one may hope," with Pope Pius XII, "that this hour of direct need may bring a change of outlook and sentiment to those many who, till now, have walked with blind faith along the path of popular modern errors unconscious of the treacherous and insecure ground on which they trod. Perhaps the many who have not grasped the importance of the educational and pastoral mission of the Church will now understand better her warnings, scouted in the false security of the past. No defense of Christianity could be more effective than the present straits. From the immense vortex of error and anti-Christian movements there has come forth a crop of such poignant

ant disasters as to constitute a condemnation surpassing in its conclusiveness any merely theoretical refutation.”<sup>1</sup>

4. With all our hearts we thank him for his guidance and with such strength as we possess we emulate his example. We reaffirm the primacy of our Lord Jesus Christ, “Who is the image of the invisible God, the first-born of every creature: For in Him were all things created in heaven and on earth, visible and invisible. . . . And He is before all, and by Him all things consists. . . . Because in Him it hath well pleased the Father, that all fullness should dwell” (Col. i. 15-19).

5. The peace which all right-minded men so earnestly desire, must be based upon a comprehensive program of restoring Christ to His true and proper place in human society. We must bring God back into government; we must bring God back into education; we must bring God back into economic life; we must bring God back indeed into all life; private and public, individual and social. The truth of God, the law of God, the justice, mercy and charity of God, must, by conscious effort and willing submission, be made to permeate all our social intercourse and all our public relations.

6. In the midst of human society, God has set His Church as “the pillar and ground of truth.” To the Church Christ has given the divine mission to teach all things whatsoever He has commanded. The divine mandate permits no curtailment of the law no matter how diverse the circumstances and conditions under which man lives and works, nor any compromise with the full measure of its application to human conduct. The obligation comprehends the actions of man in his private and public life as an individual and as a member of human society.

7. Man is not an isolated individual living in a social vacuum, but a social being destined to live and work out his salvation in association with his fellow beings. He is a member of a community and he has, in consequence, duties of commutative justice and duties of social justice and duties of charity which emerge from this relationship. On no other foundation can man build a right social order or create that good society which is desired so ardently by the great mass of mankind.

<sup>1</sup> *Summi Pontificatus*, The Paulist Press Edition, pp. 7, 8.

### Church's Right as Teacher of Moral Law Reaffirmed

8. Inasmuch as the right and duty of the Church to teach the fullness of the moral law and in particular "to deal authoritatively with social and economic problems"<sup>2</sup> are challenged in some quarters or are too frequently misunderstood in others, we judge it wise and opportune to reaffirm the jurisdiction of the Church as the teacher of the entire moral law and more particularly as it applies to man's economic and social conduct in business, industry and trade. To make our pronouncements authentic and to interpret truly the mind of the Church, we follow closely the teachings of our late lamented Pontiff, Pope Pius XI.

9. First, let it be made clear that the Church is concerned only with the moral aspects of trade and industry and does not enter the field of business in matters that are purely material or technical. The Church is not concerned with the accuracy of economic surveys or the resultant data, nor with the problems of scientific organization, production, cost-accounting, transportation, marketing and a multitude of similar activities. To pass judgment on their aptitude and merits is a technical problem proper to economic science and business administration. For such the Church has neither the equipment nor the authorization. We frankly declare that it would be unwise on her part to discuss their operation except insofar as a moral interest might be involved (p. 12—\*p. 136).

10. The Church does not prescribe any particular form of technical economic organization of society just as she does not prescribe any particular political organization of the State.<sup>3</sup> Pius XI makes this clear in his encyclical letter *Quadragesimo Anno* where he states: "It is hardly necessary to note that what Leo XIII taught concerning the form of political government can, in due measure, be applied also to vocational groups. Here, too, men may choose whatever form they please, providing that both justice and the common good be taken into account" (p. 25—\*p. 149).

11. From the Sacred Scripture we learn that "the earth is the Lord's and the fullness thereof" (Psalm xxiii. 1). No absolute or

<sup>2</sup> All quotations, unless other noted, are from *Quadragesimo Anno*, Pope Pius XI. The Paulist Press Edition.

<sup>3</sup> "Atheistic Communism," p. 13, par. 32, The Paulist Press Edition.

unlimited ownership therefore can be claimed by man as if he were free to follow his own selfish interests without regard to the necessity of others. The moral law teaches that he has indeed a right to private property but, as Pope Leo XIII points out, "the earth, even though divided among private owners, ceases not thereby to administer to the needs of all."<sup>4</sup>

12. Man is truly the steward of his possessions in the sight of God and has therefore definite responsibilities both of justice and charity toward his fellow man with respect to the use he makes of his property.

### **Man Has Inalienable Rights Bestowed on Him by the Creator**

13. From divine revelation we learn that physical labor was decreed by God even after the fall of man for the good of body and soul (p. 39—\*p. 163). The laborer is worthy of his hire. If, however, human labor is treated as a mere commodity to be bought and sold in the open market at the lowest price, then it ceases to fulfill its proper function in society. What a sad perversion of the wholesome plan of Divine Providence that "dead matter leaves the factory ennobled and transformed, where men are corrupted and degraded" (p. 39—\*pp. 162, 163).

14. From divine revelation we learn moreover that each human being has an infinitely precious personality. Pius XI in his encyclical *Divini Redemptoris* sets forth this truth with clarity, force and beauty:

"Man has a spiritual and immortal soul. He is a person, marvelously endowed by his Creator with gifts of body and mind. He is a true 'microcosm,' as the ancients said, a world in miniature, with a value far surpassing that of the vast inanimate cosmos. God alone is his last end in this life and in the next. By sanctifying grace he is raised to the dignity of a son of God, and incorporated into the Kingdom of God in the Mystical Body of Christ. In consequence he has been endowed by God with many and varied prerogatives; the right to life, to bodily integrity, to the necessary means of existence; the right to tend towards his ultimate goal in the path marked out for him by God; the right

<sup>4</sup> *Rerum Novarum*, p. 7, The Paulist Press Edition.



of association and the right to possess and use property" (p. 11—\*pp. 186, 187).

Man cannot in consequence be treated as a mere chattel but rather with dignity and respect as a child of God. His labor is not a thing to be ashamed of, but an honorable calling, whereby he achieves a necessary livelihood and fulfills the divine plan of an earthly economy.

15. Because these are moral principles and spiritual truths, jurisdiction in expounding their full scope and obligation belongs to the Church which Christ established as the teacher of men in this world. We in our capacity as shepherds of the flock of Christ cannot be unmindful of our duties in these matters. "Take heed to yourselves," says the Apostle, "and to the whole flock, wherein the Holy Ghost hath placed you bishops, to rule the Church of God" (Acts xx. 28).

16. It is an unfortunate fact that large numbers of workingmen have become alienated from religion. This is true even of Catholics in some of the older countries. In the words of the Supreme Pontiff it has become the great scandal of the modern world. No matter how we explain the defection, the fact remains that Christian truth and principles of conduct have become greatly obscured "so that we are confronted with a world which in large measure has almost fallen back into paganism" (p. 42—\*p. 166).

17. To bring back those who have suffered loss of faith and with it the loss even of earthly hope and charity, it is necessary to re-establish the sound principles of Christian social teaching. To make our progress sure and effective we must recruit and train leaders from within the various ranks of society who know the mentality and aspirations of their respective classes and who with kindly fraternal charity will be able to win both their minds and their hearts. "Undoubtedly," as Pius XI says, "the first and immediate apostles of the workingmen must themselves be workingmen, while the apostles of the industrial and commercial world should themselves be employers and merchants. It is your chief duty, Venerable Brethren, and that of your clergy, to seek diligently, to select prudently and train fittingly these lay apostles, amongst workingmen and amongst employers" (p. 42—\*p. 166).

18. In existing circumstances the obligation of the Church is manifest. Who can deny the close relationship between economic injustice and a long train of evils, physical, social and moral? Unfair wages due to a greed for excessive profits and insecurity due to false and immoral economic principles lead directly to undernourishment, bad housing, inadequate clothing, and indirectly to irregular family relations, child delinquently and crime. Excessively long hours of work in some industrial areas and in some industrial processes create dangers to life and limb, impair the health of workingmen, and impoverish whole families through infection, disease and premature death. Because human beings and not animated machines toil in industry, therefore the Church cannot abdicate her right and duty to speak out in defense of the rights of human personality nor fail to declare uncompromisingly the moral obligations of industrial and economic life.

19. Today most controversy concerns itself with these questions: (1) Ownership, (2) Property and Labor, (3) Security, (4) Wages, (5) Establishment of Social Order. We shall here present the Catholic doctrine regulating these matters and in doing so we shall follow the exposition given by our late chief pastor of souls, Pope Pius XI, in his celebrated encyclicals.

### I. OWNERSHIP

20. The Church has always defended the right to own private property and also to bequeath and to inherit it. We have vindicated this right even to the point of being falsely accused of favoring the rich against the poor. The Church teaches that the right to own property is based on the natural law of which God Himself is the author. By the law of nature man must provide for himself and his family and he can fully discharge this obligation only if there exists an established system of private ownership (p. 13—\*p. 137).

21. It is essential to remember that ownership has a twofold aspect, the one affecting the individual, the other affecting society. To deny the individual character and aspect of ownership leads to some form of socialism or collective ownership; to deny the social character or aspect of ownership leads to selfish individualism or that form of exaggerated liberalism which repudi-

ates duties and ends in complete irresponsibility to other persons and to the common good.

22. The two great dangers which society faces in the present state of economic organization are first, the concentration of ownership and control of wealth and secondly, its anonymous character which results from some of the existing business and corporation law, whereby responsibility toward society is greatly impaired if not completely ignored. The civil authority, in view of these dangers, must so regulate the responsibility of property that the burden of providing for the common good be equitably distributed. It must furthermore establish such conditions through legal enactment and administrative policy that wealth itself can be distributed so each individual member of society may surely and justly come into possession of the material goods necessary for his own livelihood. It is not however the government alone which has this responsibility, as will become clear from the further considerations to be noted.

### **It Is Right of the State to Define Ownership Duty**

23. Pope Pius XI states:

"It follows from the twofold character of ownership, which we have termed individual and social, that men must take into account in this matter not only their own advantage but also the common good. To define in detail these duties, when the need occurs and when the natural law does not do so, is the function of the government. Provided that the natural and divine law be observed, the public authority, in view of the common good, may specify more accurately what is licit and what is illicit for property owners in the use of their possessions" (p. 14—\*p. 138).

In the application of the principles of social justice, an important instrument, therefore, is governmental authority. As Pius XI asserts, the civil authority has the obligation to adjust "ownership to meet the needs of the public good," and by so doing "it acts not as an enemy, but as the friend of private owners" (p. 14—\*p. 138).

## **II. PROPERTY AND LABOR**

24. Manifestly if every man worked either on his own land or with his own tools and in his own business, there would be no labor

problems. Self-employment however is not the characteristic of our present economic organization. With the advent of machine industry and especially with the development of mass production there has developed an intensification of the individualistic spirit, creating new problems for labor.

25. It is freely admitted that modern industry requires considerable concentration of capital, but it is not admitted that concentration of ownership and control is consequently necessary or beneficial to the common good. The concentration of capital, however, with mass employment does create a new and more impersonal relationship between capital and labor. The problem is one of providing equitably for the distribution of income between those who supply capital and those who supply labor.

26. In too many instances an undue portion of the income has been claimed by those who have ownership or control of capital, whilst those on the other hand who have only their labor to invest have been forced to accept working conditions which are unreasonable and wages which are unfair. This condition arises from the fact that labor policies have been dictated by false principles in the interests of the owners or capitalists. Secondly, it arises from the fact that labor frequently has had no voice in the regulation or the adjustment of these problems. Labor can have no effective voice as long as it is unorganized. To protect its rights it must be free to bargain collectively through its own chosen representatives. If labor when unorganized is dissatisfied, the only alternative is to cease work and thus undergo the great hardships which follow unemployment.

27. To remedy the situation, it is necessary to adopt right principles for the distribution of the income of industry. These principles must be both economically sound and morally just. The principle that labor should be compensated to such extent only that it remains physically efficient and capable of reproducing itself in new generations of workingmen, is a vicious principle, devoid of all respect for human dignity and opposed to all sense of social responsibility. It is true that this principle was never widely held in theory, but it has been frequently applied in practice. One such application is found in the policy that labor should be compensated solely according to the principle of supply

and demand. This reduces labor to the position of a commodity and makes the workingman accept the fluctuating price in a labor market irrespective of the needs of himself and family. Neither present sufficiency of income nor security for the future play a part in determining his wage standard according to this immoral theory and practice. Such theory or practice is anti-social and anti-Christian, for it denies both social responsibility and the claims of Christian ethics and in their place substitutes the principles of selfishness and force.

### **Domination Equally Wrong for Employer or Employee**

28. New developments in the organization of labor under the great impetus which has been given by recent legislation and governmental policy, make it opportune to point out that the principle of force and domination is equally wrong if exercised by labor under certain conditions by means of a monopoly-control. To defend in principle or to adopt in practice the theory that the net result belongs to labor and that capital shall receive only sufficient to replace itself is an invasion of the rights of property. This is only a more subtle form of the contention that all means of production should be socialized. Clearly all such proposals disregard the contribution which the owner of property makes in the process of production and are palpably unjust.

It is not however the excessive claims of labor on the income from industry which constitute the most immediate problem in labor relations today, but rather the abuse of power which not infrequently results in violence, riot and disorder. Employers at times abuse their economic power by discriminating unfairly against unions, by establishing lock-outs, by importing from outside the community strike breakers who are furnished with arms, and by provoking in other ways ill feeling which precipitates violent disorder. Employees on their part allow themselves at times to be misled by men of evil principles so as to engage in the criminal use of violence both against persons and property. Leo XIII in his encyclical *Rerum Novarum* spares neither group in his denunciation of such immoral conduct. He calls upon the public authority to protect and defend vigorously the rights of

all, forestalling preferably the rise of disorder by eliminating the economic abuse from which this disorder springs (pp. 12-24—\*pp. 8-19).

29. False principles generate false policies and as a consequence there grows and develops a false economic system which sins both against the true interests of human society and against the true principles of Christian morality. Pius XI insists that owners and employers may not hire working people exclusively for their own benefit and profit, nor divert all economic life to their own will, but must guard social justice, the human dignity of labor, the social nature of economic life and the interests of the common good (pp. 28, 29—\*p. 152).

30. The far-reaching need of social justice and its demands are seen from the following words of the Sovereign Pontiff Pope Pius XI:

“Now, not every kind of distribution of wealth and property amongst men is such that it can at all, and still less can adequately, attain the end intended by God. Wealth, therefore, which is constantly being augmented by social and economic progress, must be so distributed amongst the various individuals and classes of society that the common good of all, of which Leo XIII spoke, be thereby promoted. In other words, the good of the whole community must be safeguarded” (p. 17—\*p. 141).

### **Private Property Is Basis of Present Economic Order**

#### **III. SECURITY**

31. Our present economic order rests upon the sanctity of private property. Private property however is not well distributed at present among the members of human society. Whilst it is dangerous to exaggerate the disproportion between those who possess adequate property and those who constitute the proletariat or the propertyless, nevertheless, it is certainly within the bounds of truth to state that the existing situation constitutes a grave social evil. Private property in the judgment of many thoughtful men tends to become less and less the characteristic note of our present society. If the majority of our citizens possess insufficient private property to be independent of a wage income

for even a short period of time, then there is grave danger to the entire social fabric. Social stability rests upon this basis of individual ownership of property. There should be more of it and not less of it, if our existing economic system is to remain secure.

32. The lack of sufficient private property leads to various forms of insecurity. This insecurity not only leads to the creation of a strong social tension expressing itself in social disorder, but is also contrary to the prescriptions of Christian morality. There can be no question but that in our country we possess adequate resources both in respect to raw materials, technical or scientific skill, and mechanical equipment sufficient to provide both a high standard of living and also comprehensive security for all classes of society. Workingmen should be made secure against unemployment, sickness, accident, old age and death. The first line of defense against these hazards should be the possession of sufficient private property to provide reasonable security. Industry therefore should provide not merely a living wage for the moment but also a saving wage for the future against sickness, old age, death and unemployment. Individual industries alone, however, cannot in each single case achieve this objective without invoking the principle of social insurance. Some form of government subsidy granted by the entire citizenship through legislative provision seems to be a necessary part of such a program.

33. We cannot overlook the fact that an important factor making for insecurity is the "immense power and despotic economic domination which is concentrated in the hands of a few and that those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure" (p. 29—\*p. 153). Pope Pius XI then singles out one group in an especial manner as exercising this domination and despotic power.

"This power," he states, "becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying, so to speak, the life-blood to the entire economic body, and grasping as it were in their hands the very soul of production, so that no one dare breathe against their will" (p. 29—\*p. 153).

### **Concentration of Wealth Has Developed Insecurity**

34. That there exists a serious problem from the standpoint of security for workingmen is clearly manifest from the present state of unemployment and the present huge demands on government for public relief against dire poverty. Very significantly our present Holy Father Pius XII writes in his letter addressed specifically to the American Hierarchy:

“May it also be brought about that each and every able-bodied man may receive an equal opportunity for work in order to earn the daily bread for himself and his own. We deeply lament the lot of those—and their number in the United States is large indeed—who though robust, capable and willing, cannot have the work for which they are anxiously searching. May the wisdom of the governing powers, a far-seeing generosity on the part of the employers, together with the speedy re-establishment of more favorable conditions, effect the realization of these reasonable hopes to the advantage of all.”<sup>5</sup>

35. We do not wish to imply that individual employers as a class are willfully responsible for this present state of insecurity but we do claim that a system which tolerates such insecurity is both economically unsound and also inconsistent with the demands of social justice and social charity. Security of the workman therefore as against unemployment, old age, sickness, accident and death, must be frankly accepted as a social responsibility of industry jointly with society. The distribution of the burden justly between the various groups must be determined first through mutual council and honest agreement between the employers and the employees, and secondly through the regulation of government acting in its sovereign capacity as promoter of the common good.

36. Not all responsibility rests upon government. In truth a large measure of responsibility rests upon the proper collaboration of employers and employees or of property owners and wage earners. The economic system itself and the principles which guide its executives must help to achieve security by establishing

<sup>5</sup> *Sertum Laetitiae*, p. 20, The Paulist Press Edition.



a fair distribution of income between capital and labor. It must strive to establish an equilibrium between farm income and city income. If the rate of wages (not the annual income) of the industrial worker in the city is out of balance with the rate of returns of the farmer in the country, then there is bound to be unemployment and insecurity. Hence the duty of both groups is to work for a just balance between themselves instead of encouraging selfishness and greed which defeat the interest of both, and violate the principles of morality.

37. The same can be said of the various classes of industrial labor. Here also there must be a balance between various groups both organized and unorganized. Unless this be true the economic system cannot function smoothly and there will inevitably be unemployment, because the one class of workingmen cannot buy the high priced products of the other class of workingmen with their limited income. If skilled laborers, who, through rigid organization, have a monopoly-control of their craft, raise their rate of hourly wages too high, they do not gain their advantage exclusively from the wealthy but from the poor also, in terms of excessive prices. Higher wages as a rule should come out of excessive profits and not out of increased prices.

38. Heartening indeed are the beginnings toward the greater security of the people that have already been made through legislative enactment and public policy. The immediate benefits of these laws to working people may be small and some modifications perhaps desirable, but it is highly gratifying that the principle upon which they rest has become part of our national policy.

### **Bad or Obsolete Management Does Not Justify Low Wages**

#### **IV. WAGES**

39. In view of the fact that at present many industrial workers and also farm laborers do not possess sufficient private property to provide either a present livelihood or security for the future, the problem of wages assumes outstanding importance. At the outset it is necessary to state that the wage contract itself is not unjust nor in itself vicious as some theorists have falsely con-

tended (p. 22). It is of course true that a contract between employers and employees would serve the purpose of individual and social welfare more effectively if it were modified by some form of partnership which would permit a graduated share in the ownership and profits of business and also some voice in its management. It is not intended that labor should assume responsibility for the direction of business, beyond its own competency or legitimate interest; nor has labor a right to demand dominating control over the distribution of profits. To set up such claims would amount to an infringement on the rights of property. Labor has however certain definite rights which have been frequently ignored or largely discounted.

40. The first claim of labor, which takes priority over any claim of the owners to profits, respects the right to a living wage. By the term living wage we understand a wage sufficient not merely for the decent support of the workingman himself but also of his family. A wage so low that it must be supplemented by the wage of wife and mother or by the children of the family before it can provide adequate food, clothing and shelter together with essential spiritual and cultural needs cannot be regarded as a living wage.

41. Furthermore a living wage means sufficient income to meet not merely the present necessities of life but those of unemployment, sickness, death and old age as well. In other words, a saving wage constitutes an essential part of the definition of a living wage.

42. In the effort to establish a criterion or standard of measurement of wages, it is necessary to consider not only the needs of the workingman but also the state of the business or industry in which he labors. Pope Pius XI states clearly that "it is unjust to demand wages so high that an employer cannot pay them without ruin, and without consequent distress amongst the working people themselves" (p. 21—\*p. 145). Bad management, want of enterprise, or out-of-date methods do not constitute a just reason for reducing the wages of workingmen. It still remains true that a living wage constitutes the first charge on industry. If a business is prevented by unfair competition from paying a living wage, and if such competition reduces prices to such a level that

decent and just wages cannot be paid, then those responsible are guilty of wrongdoing and sin grievously against moral principles as well as against the common good. The remedy lies first in the adequate organization of both employers and employees in their own proper associations and in their joint action; secondly, in adequate regulations and supervision by the State through proper legislative enactment.

43. No criterion or standard of wages however can be determined independently of price. A scale of wages too low, no less than a scale excessively high causes unemployment (p. 22—\*p. 146). Likewise a scale of prices too low no less than a scale of prices too high leads to unemployment. Both create hardship and throw the economic system out of its proper equilibrium causing unemployment for the community and hardship even for the individual who is employed, for he must pay too high a price in view of his wages or he receives too low a wage in view of prices. What is needed is a reasonable relationship and a harmonious proportion. Pope Pius XI states:

“Where this harmonious proportion is kept, man’s various economic activities combine and unite into one single organism and become members of a common body, lending each other mutual help and service. For then only will the economic and social organism be soundly established and attain its end, when it secures for all and each those goods which the wealth and resources of nature, technical achievement, and the social organization of economic affairs can give. These goods should be sufficient to supply all needs and an honest livelihood, and to uplift men to that high level of prosperity and culture which, provided it be used with prudence, is not only no hindrance but is of singular help to virtue” (p. 22—\*p. 146).

44. Wages are an essential element in the determination of prices. In the final analysis the cost of raw materials cannot be segregated from wage costs, for the production-cost of raw materials presupposes a multiplicity of wage costs as a component element. If wages continuously change then there must be a continuous change in prices, unless it is assumed that all wage changes will affect only the profits of owners. As a matter of fact they do not. The economic organization might function just

as easily on one price level as another, but it cannot function well if the price level is frequently changing. Rapid or frequent fluctuations disturb the harmonious proportions between income and prices not only for owners and employers but also for the workmen themselves.

45. This consideration is no argument against a necessary increase of wages whenever and wherever the wages are inadequate to provide a decent living. But it is an argument in favor of attaining a relative degree of stability in the price level as soon as commutative justice and social justice permit. A cogent reason for aspiring to such a condition of stability is the higher interest of the family as against the single or unmarried workingman or employee. The single man benefits more from a wage increase than does the family man if the end result is an increase in prices. The family man is penalized in multiple fashion with every increase in prices. Stability in the price level therefore and even a reduction in prices as a secular trend is desirable as one means of distributing our national income more widely and more effectively for the common good. Such a long range policy will supplement the benefits of an increased family wage in view of increased family burdens as recommended by Pius XI.

### **Universal Automatic Rise in Wages Not Practicable**

46. We do not wish to imply that a universal increase of wages will automatically solve our problem of unemployment and idle factories. Some wage increases come not out of the profits of the wealthy but out of the increased prices for the poor. The first requirement is that the lowest paid workingman be the first to receive an increase of wages and simultaneously that prices be not raised but excessive profits be reduced. The ultimate aim therefore must be a reasonable relationship between the prices obtained for the products of the various economic groups (p. 22—\*p. 146).

47. Because economic society has not followed the moral laws of justice and charity, the principles of interdependence have been violated and we have precipitated unemployment with all its consequent hardships and misery. To withhold just and reasonable wages from the workingman has injured him directly

and immediately, but it has also injured the common good and the interests of the very owners of property. Their factories, their commercial establishments and their equipment have frequently stood idle as a result. Unless workingmen as a class have sufficient income to purchase their share of the goods which our economic system is capable of producing, the markets will automatically be closed to the sale of goods, and idle factories and unemployment are the disastrous results.

#### V. ESTABLISHMENT OF SOCIAL ORDER

48. It would be unreasonable to expect that an economic system which has been predicated upon false principles and which has been operative over many decades could be reorganized suddenly or with the easy gesture of hasty legislation and new administrative policy. We face a problem which requires for its solution intellectual vision, moral integrity, and persevering effort. Many leaders both in the field of management and in the field of labor must first be convinced that economic laws and moral laws are in harmony and not in conflict with one another. No one section of human society can be grievously injured without that injury reacting harmfully in the final analysis upon all other sections of society.

49. The remedy for our problems is not so simple as some would have us think. The solution is to be found in clear thinking and in a right conscience. Relying upon God's Providence we dare not be pessimistic but at the same time we frankly recognize that a full restoration to a Christian social order is a matter of steady growth and not a sudden transition.

#### **Extremist Positions on Economic Order Cause Difficulties**

50. There are two attitudes which represent extreme positions respecting our economic and social order. The one attitude is espoused by those who reject any and every kind of economic planning or organization. They constitute the group of extreme individualists or the so-called school of economic liberalism. They want no interference whatsoever with the individual either from the government or from the social pressure

of group organizations. They will tolerate no restrictions upon individual initiative or personal enterprise. They are liberal only to the extent that they wish to be liberated from all social responsibility. They call it free enterprise but the freedom is for those who possess great resources and dominating strength rather than for the weak or those who depend simply on their own labor for their well-being.

51. They oppose all efforts to establish collective bargaining by organized labor and they resent the action of government in enacting laws which make such collective bargaining obligatory. If there is to be any social planning, they will do it themselves without the collaboration of labor, consumers or the government. They want the government to be restricted to the function of a policeman or umpire in enforcing private contracts but not to be entrusted with the responsibility of promoting justice and the common good.

52. The second group reject totally this attitude of the individualists and rush to the opposite extreme. These latter desire to socialize all resources or establish a State collectivity. Either all property, as in pure Communism, or at least all productive property as in Socialism, should be owned in their theory by the community or by the State. The State or the community thereupon will engage through its bureaus and agencies in developing an elaborate system of national economic planning. The hope, impractical as that method may be, is to make provision for the needs of all citizens so that there will be no surplus and no deficiency. This system would ignore human nature and human rights as flagrantly as the aforementioned group of individualists. In fact, experience indicates that where this system has been tried human beings are victimized in a manner and to an extent even more disastrous. Persecution is the logical and inevitable result of such economic dictatorship.

53. Between these two extremes there is a "via media" completely consistent with Christian morality and with sound economic principles. It is manifestly impossible to expect good economic order if wages, prices, working conditions and the public good are left to chance or to the haphazard methods of so-called free enterprise. "Free competition, however," says Pope

Pius XI, "though within certain limits is just and productive of good results, but it cannot be the ruling principle of the economic world." Economic supremacy, he continues, can still less assume this function of a true and effective guiding principle, "for this is a headstrong and vehement power, which, if it is to prove beneficial to mankind, needs to be curbed strongly and ruled with prudence" (p. 26—\*p. 150).

54. The true remedy will be found, according to the mind of Pope Pius XI, in accomplishing two reforms in our social order. In the first place there must be re-established some form of guild or vocational groups which will bind men together in society according to their respective occupations, thus creating a moral unity. Secondly, there must be a reform of morals and a profound renewal of the Christian spirit which must precede the social reconstruction.

55. The social organism has been dismembered and broken up into fragments each seeking its own selfish interests instead of the common good of all. Until the organic nature of society is again recognized and re-established through vocational groups or guilds, either one of two things must happen. The State must assume all responsibility, that is, become an absolute economic dictatorship or else the individual remains helpless, defenseless and completely overpowered by those who enjoy economic supremacy.

56. Not only must the moral principles of justice and charity be recognized and accepted by members of society, but the social and economic system itself must be so organized that these principles can freely function and become truly operative. Hence the need of a guild or corporative system which will establish sound prosperity and which respects the proper hierarchic structure of society.<sup>6</sup> Not only must employers and employees be organized singly and jointly but their organizations must be impregnated with Christian moral and social principles or else their work will be sterile or even productive of new disorders.

57. When we speak of the establishment of a right social order, we understand thereby a reform in the concept and organization of the State respecting its responsibility for public

<sup>6</sup> "On Atheistic Communism," p. 13, The Paulist Press Edition.

welfare; secondly, a reform in other fundamental social institutions; and thirdly, and quite emphatically, a reform or correction of morals.

“When we speak of the reform of the social order,” says Pius XI, “it is principally the State we have in mind.” The State cannot do all things nor may we hope for salvation from its intervention alone. In fact, the State has been encumbered with all the burdens once borne by associations now extinct. The distinctive function of the State in consequence has become submerged and its authority overwhelmed by an infinity of affairs and duties (p. 23—\*p. 147).

### **Vocational Groups or Guilds Urged as Means to This End**

58. The State, however, cannot be relegated to the position of a mere policeman or umpire. It has the responsibility of providing for the common good. On the other hand, it may not and should not become totalitarian in attempting to fulfill all social functions in the way of economic planning and direction. It should leave to the smaller vocational groups the settlement of business of lesser importance. It will then be free effectively to accomplish its real function of “directing, watching, stimulating and restraining, as circumstances suggest or necessity demands” (p. 23—\*p. 147).

59. The primary duty of the State and of all good citizens is to abolish conflict between classes with divergent interests. This may at first sight appear to be purely negative. There is, however, a positive responsibility to foster and promote harmony between the various ranks of society and that by specific means. “The aim of social legislation,” says Pope Pius XI, “must therefore be the re-establishment of vocational groups” (p. 24—\*p. 148).

60. The remedy for the class conflict which makes the labor market an arena where the two armies are engaged in combat, is to be found precisely in the reintegration of the social body by means of vocational groups, “which bind men together not according to the position they occupy in the labor market, but according to the diverse functions which they exercise in so-



ciety" (p. 24—\*p. 148). The chief qualifications of those vocational groups or guilds, as noted by Pius XI, are that they are autonomous, embrace whole industries and professions, are federated with other constituent groups, possess the right of free organization, assembly and vote, and that they should dedicate themselves to the common good and with governmental protection and assistance function in the establishment of justice and the general welfare in economic life.

The State itself in the manner described above (paragraph 58), and the existing free organizations of economic life should prepare the way for the ideal type of vocational groups or that sane corporative economic system of which the Pope so frequently speaks, which he so ardently desired to see realized and toward which rightly conducted activities of these organizations can lead (p. 25—\*p. 149).

61. The second reform is of equal importance; it is first in the logical order but simultaneous in the order of time. "Nowadays," states Pius XI, "the conditions of social and economic life are such that vast multitudes of men can only with great difficulty pay attention to that one thing necessary, namely, their eternal salvation" (p. 37—\*p. 161). There grows in consequence a disorderly affection of the soul, having its source in original sin but aggravated by the present unhappy social conditions. This leads to an unquenchable thirst for riches and temporal possessions, and prompted by this greed for gain there develops a fever of speculation unrestrained by any scruple in committing the grave injustices against others. The civil authority which might have mitigated the evil failed lamentably in the enforcement of the moral law and the spirit of rationalism already in the ascendant accentuated the evil by giving free rein to an economic science devoid of moral principles (p. 38—\*p. 162).

### **Frank and Sincere Return to Gospel Urgently Needed**

62. The remedy in the spiritual order is a frank and sincere return to the teaching of the Gospel. God must once more be recognized as the supreme end of all created activity; and all created goods as the instruments under God for the attainment of

our final destiny. "Seek ye first the kingdom of God and His justice and all things else will be added unto you" (Matt. vi. 33).

63. Unfortunately there has been a tendency among too many to dissociate the virtue of justice from the virtue of charity, with the result that life has been made even more selfish and heartless. Charity is no substitute for justice, but it cannot be ignored or derided without failing utterly to comprehend its meaning and its potent influence in regulating and sublimating our social relations and responsibilities. We need justice without doubt or equivocation, but we also need charity if we are to put our lives in harmony with God's plan and promote that spirit of benevolence which will lift the burdens not only from the backs but also from the souls of men.

64. We understand well that a right social order with a lasting and comprehensive peace cannot be achieved solely through improvement in the economic sphere. The present Holy Father states this clearly in his first encyclical letter:

"For true though it is that the evils from which mankind suffers today come in part from economic instability and from the struggle of interests regarding a more equal distribution of the goods which God has given man as a means of sustenance and progress, it is not less true that their root is deeper and more intrinsic, belonging to the sphere of religious belief and moral convictions which have been perverted by the progressive alienation of the people from that unity of doctrine, faith, customs and morals which once was promoted by the tireless and beneficent work of the Church. If it is to have any effect, the re-education of mankind must be, above all things, spiritual and religious. Hence, it must proceed from Christ as from its indispensable foundation; must be actuated by justice and crowned by charity."<sup>7</sup>

65. Our economic life then must be reorganized not on the disintegrating principles of individualism but on the constructive principle of social and moral unity among the members of human society. In conformity with Christian principles, economic power must be subordinated to human welfare, both individual and social; social incoherence and class conflict must be replaced by cor-

<sup>7</sup> *Summi Pontificatus*, Pope Pius XII, page 21, The Paulist Press Edition.

porate unity and organic function; ruthless competition must give way to just and reasonable State regulations; sordid selfishness must be superseded by social justice and charity. Then only can there be a true and rational social order; then only can we eliminate the twin evils of insufficiency and insecurity, and establish the divine plan of a brotherhood of man under the fatherhood of God.

66. "In the recognition of the royal prerogatives of Christ and in the return of individuals and of society to the law of His truth and of His love lies the only way to salvation."<sup>8</sup>

67. Well-nigh fifty years have passed since the far-sighted Pope Leo XIII stated the Catholic principles of social justice for the modern world. His successors have reaffirmed and elaborated upon them. On numerous occasions, individually and collectively, the bishops of the United States have not only stressed their importance but have formulated practical programs for their effective application to conditions in this country.

### **These Principles Frequently Were Affirmed by Bishops**

68. In giving renewed emphasis to these principles, we urge our people again to give them earnest study, so that they may come to know and love the way of justice; and to strengthen themselves spiritually, through prayer and the Sacraments, that they may ever follow it. So doing, by God's grace they will, as a leaven in society, fulfill their appointed role in the establishment of the Kingdom of God among men.

Given at Washington, D. C., Ash Wednesday, February 7, 1940.

The Administrative Board and Assistant Bishops of the National Catholic Welfare Conference:

Samuel A. Stritch, Archbishop of Chicago, chairman; John Gregory Murray, Archbishop of St. Paul; Joseph F. Rummel, Archbishop of New Orleans; John Mark Gannon, Bishop of Erie; Hugh C. Boyle, Bishop of Pittsburgh; Francis C. Kelley, Bishop of Oklahoma City-Tulsa; John B. Peterson, Bishop of Man-

<sup>8</sup> *Summi Pontificatus*, Pope Pius XII, p. 7, The Paulist Press Edition.

chester; Edwin V. O'Hara, Bishop of Kansas City; John A. Duffy, Bishop of Buffalo; Edward F. Hoban, Bishop of Rockford; Emmet M. Walsh, Bishop of Charleston; Karl J. Alter, Bishop of Toledo; Charles Hubert LeBlond, Bishop of St. Joseph; Francis P. Keough, Bishop of Providence; Walter A. Foery, Bishop of Syracuse; Bartholomew J. Eustace, Bishop of Camden.

## DISCUSSION CLUB OUTLINE

### QUESTIONS

#### I

Paragraphs 1 to 12

(Pages 3-6)

- What does the Pope call for in his first encyclical? (1)  
 Of what does he remind a forgetful world? (1)  
 To Whom does he reconsecrate the whole human family? (1)  
 What is his clarion call? (1)  
 What is the supreme hope and purpose of our Holy Father? (2)  
 What is the hope of the present hour? (3)  
 What is Christianity's strongest defense today? (3)  
 What is the result of past error and anti-Christian movements? (3)  
 What do the Bishops and Archbishops reaffirm in this pastoral? (4)  
 What must be the basis of the peace the world is longing for? (5)  
 Into what phases of life must God be brought back? (5)  
 Where must the truth, law, justice, mercy and charity of God enter? (5)  
 What mission has been assigned the Church by command of the Eternal God? (6)  
 Is man merely an individual leading an individual life? (7)  
 Enumerate his duties as man. (7)  
 What is the right and duty of the Church respecting social and economic problems? (8)  
 Does the Church enter the field of technical business problems? (9)  
 Does the Church prescribe a particular form of economic organization? (10)  
 Does the Church advocate a particular form of government? (10)  
 What does Holy Scripture teach regarding ownership? (11)  
 What does the Moral Law dictate regarding private property? (11)  
 What are man's responsibilities relating to private property? (12)

## II

## Paragraphs 13 to 19

(Pages 6-8)

- What does Divine Revelation teach us regarding labor? (13)  
What does Pius XI say of human personality? (14)  
Enumerate man's inalienable rights. (14)  
What conclusion follows from these human rights? (14)  
To whom does it belong to explain in their fullness these truths? (15)  
What has happened in recent years to a large number of workers? (16)  
How may we bring back faith and hope to the hearts of the workers? (17)  
How make this progress sure and effective? (17)  
What relationship exists between economic injustice and human living? (18)  
What is the Church's obligation regarding the moral obligations of economic life? (18)  
With what questions does controversy deal today? (19)

## III

## Paragraphs 20 to 30

(Pages 8-12)

- State the Church's teaching on the right of private property. (20)  
Name the twofold aspect of ownership. (21)  
Mention the results following the denial of this twofold aspect. (21)  
What two great dangers are apparent in the present state of economic organization? (22)  
How should the civil authority deal with these dangers? (22)  
What does Pius XI teach regarding governmental authority and private ownership? (23)  
What has intensified the individualistic spirit in modern industry? (24)  
Does modern industry require a certain concentration of capital? (25)  
Is concentration and control of capital necessary for the common good? (25)  
What is the result of the concentration of capital and of mass production? (25)  
Name the resultant problem of these two forces in modern industry? (25)  
State the modern condition of capital and labor in many instances. (26)  
How did this condition arise? (26)  
What gives effective voice to labor? (26)  
What is the remedy for this situation? (27)  
Name a false principle that has frequently been applied in the compensation of labor? (27)  
Is the principle of supply and demand as applied to labor a just principle? (27)

- Has labor the right to exercise a monopoly-control? (28)  
 Is capital's right merely to receive enough compensation to replace itself? (28)  
 Whose right is invaded by the socialization of all means of production? (28)  
 Do the excessive claims of labor on the income of industry constitute the immediate problem in labor relations today? (28)  
 How do employers complicate the problem? And how do employees do the same? (28)  
 What does Leo XIII say to both groups and to government in this matter? (28)  
 What does a false economic system grow from? (29)  
 What does Pius XI tell employers? (29)  
 What has this Pope to say of the distribution of wealth? (30)

#### IV

##### Paragraphs 31 to 38

(Pages 12-15)

- On what does our present economic order rest? (31)  
 Is private property well distributed today? (31)  
 How may our present economic system be made secure? (31)  
 What does the lack of sufficient private property lead to? (32)  
 Have we sufficient resources in this country to provide a high standard of living and adequate security for all classes of society? (32)  
 Against what hazards should workers be made secure? (32)  
 What is the first line of defense in this security? (32)  
 What wage should industry provide to the worker? (32)  
 Can industry unaided do this? (32)  
 What kind of subsidy must be provided to aid industry? (32)  
 What is an important factor making for insecurity? (33)  
 What group does Pius XI single out as responsible for our present social disorder? (33)  
 What does the present state of unemployment and government relief indicate? (34)  
 What does our present Holy Father say of this situation in America? (34)  
 Are employers as a class responsible for present labor insecurity? (35)  
 What do we say of a system that tolerates this insecurity? (35)  
 Who must accept the burden of securing the position of the worker? (35)  
 How is it to be accomplished? (35)  
 Does all responsibility in this matter rest with government? (36)  
 Who must collaborate in procuring security? (36)  
 How is it to be done? (36)  
 What equilibrium must be maintained? (36)

- What balance must be maintained between the organized and unorganized labor groups? (37)
- Are higher wages the solvent of unemployment? (37)
- Do higher wages come only from the wealthy? (37)
- What should be the source of higher wages as a rule? (37)
- What is a heartening sign of the beginnings of greater security for the common man? (38)
- What are social security laws indicative of? (38)

## V

Paragraphs 39 to 45  
(Pages 15-18)

- Why does the problem of wages assume outstanding importance today? (39)
- Is the idea of the wage contract wrong? (39)
- How could the contract between employer and employee serve individual and social welfare more effectively? (39)
- Should labor assume the direction of business beyond its own competency? (39)
- Has it a right to dominating control over the distribution of profits? (39)
- What is the first rightful claim of labor? (40)
- Define a living wage. (40)
- Define a saving wage. (41)
- What is necessary to consider in determining a standard of measurement of wages? (42)
- How does Pius XI state the fallacy of "high wages at any cost"? (42)
- Name three false reasons for reducing wages. (42)
- Mention the first charge on industry. (42)
- What is the remedy for unfair competition? (42)
- Can a criterion of wages be determined independently of prices? (43)
- What is the result of too high or too low a wage scale? (43)
- Name the result of the reasonable relationship and harmonious proportion between wages and prices as expressed by Pius XI. (43)
- What is an essential element in the determination of prices? (44)
- Can the cost of raw materials be separated from wage costs? (44)
- If wages continually change what else must change, too? (44)
- Can the economic organization function well if the price level is frequently changing? (44)
- Does a fluctuation like this affect only employers and owners? (44)
- Does this mean wages should not be raised when they are admittedly inadequate for decent human living? (45)
- When should the price level attain a relative degree of stability? (45)

Give a solid reason for hoping for such a condition of stability. (45)

How does a rise in price affect the single man? The married man? (45)

What is one means of better distribution of our national income? (45)

## VI

Paragraphs 46 to 49

(Pages 18-19)

Will a universal increase in wages solve unemployment? (46)

What is the first requirement in a wage increase policy? (46)

What must be the final aim of a price policy? (46)

Why have the principles of interdependence of all classes been violated in our economic system with consequent unemployment? (47)

Whom are penalized by an unjust wage? (47)

How does the worker's insufficient income affect all classes? (47)

Can our economic order be readjusted speedily and by legislation? (48)

What is required for the readjustment? (48)

What fact must be acknowledged by labor and management in respect to economic laws? (48)

What two things must contribute to the solution of the economic problem? (49)

How may we attain to a full restoration of a Christian social order? (49)

## VII

Paragraphs 50 to 57

(Pages 19-22)

Explain the two extreme attitudes respecting our economic and social order. (50)

What is the true meaning of "free enterprise"? (50)

What is the attitude of economic liberals toward collective bargaining, government regulation, social planning? (51)

How do they define government responsibility? (51)

What do the collectivists advocate? (52)

How does pure Communism differ from Socialism? (52)

How would human rights fare under either system? (52)

What is the middle course between these two extremes, advocated by Pius XI? (53)

What are the two primary reforms necessary for our social order according to this Pope? (54)

Why has our social order been disrupted? (55)



- If the organic nature of society is not re-established through vocational groups or guilds what will necessarily happen? (55)
- Explain the need of the guild or corporative system. (56)
- Does it mean the organization of employers' and employees' groups separately? (56)
- What three reforms are necessary for the establishment of a right social order? (57)
- Will State intervention alone remake the social order? (57)

## VIII

Paragraphs 58 to 68  
(Pages 22-25)

- Should the State fill the position of a mere umpire? (58)
- What is its responsibility? (58)
- What should its social function be? (58)
- Mention the primary duty of the State and all citizens. (59)
- What specific means must be adopted to foster harmony? (59)
- What part should vocational groups play in rebuilding the social order? (60)
- Name the qualifications of these groups. (60)
- In what manner should the State co-operate with existing organizations? (60)
- What does Pius XI say of present conditions of our economic life? (61)
- What accentuated the evil in our social life? (61)
- Name the spiritual remedy necessary for the readjustment of our social order. (62)
- Is justice sufficient for a new social order? (63)
- What other virtue must play its part and how is it to do this? (63)
- Is it sufficient to improve the economic sphere in attaining a new social order? (64)
- What does Pius XI say of the roots of the present economic crisis? (64)
- How must the "re-education of mankind" proceed? (64)
- On what principles must our economic life be reorganized? (65)
- Following Christian principles, what must be the relationship between economic power and human welfare, between class conflict and organic unity, between competition and State regulation? (65)
- Where lies the one way of rescue from the present crisis? (66)
- Since Leo XIII first proclaimed the Catholic social principles for the modern world what have his successors done? What have our American bishops done? (67)
- In re-emphasizing the Catholic Social Gospel at this time what do our bishops urge American Catholics to do? (68)

**RECOMMENDED PAMPHLETS**

*Why the Guilds Decayed*, by Henry Somerville

*Balanced Abundance*, by Rev. Edgar Schmiedeler, O.S.B.

*The Sound Old Guilds*, by Rev. Matthew Clancy, S.T.D.

*New Guilds*, by Rev. R. A. McGowan

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