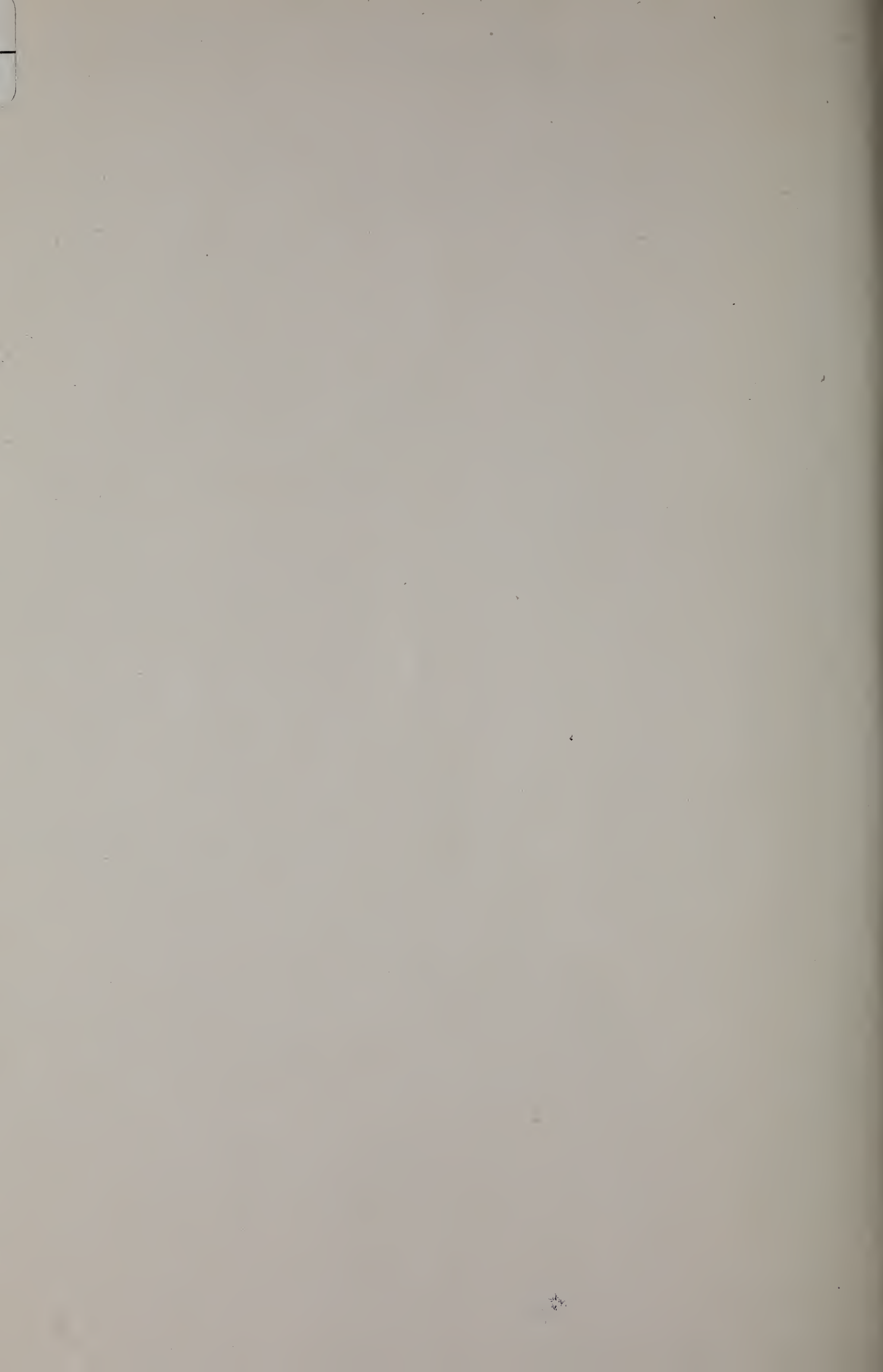


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# Industry AT THE CROSSROADS

by  
Gerald C. Treacy, S.J.



# INDUSTRY AT THE CROSSROADS

A HANDBOOK ON INDUSTRIAL RELATIONS BASED  
ON THE SOCIAL ENCYCLICALS OF  
POPE LEO XIII AND POPE PIUS XI

BY

GERALD C. TREACY, S.J.



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CHAPTER 1  
OUR INDUSTRIAL PROBLEM

**1. What do we mean by industrial relations?**

We mean the relationship that prevails between the two main factors in industry, Management and Labor.

**2. What is the forgotten truth about industrial relations?**

That industrial relations mean human relations.

**3. What is the consequence of forgetting this truth?**

Industrial war that injures Management, Labor and the people of the nation.

**4. Why are Management and Labor called the main factors of industrial society?**

Because they control the tools and machinery on which industry depends.

**5. Are they the only factors in industrial society?**

No. There is a forgotten factor, the largest in the community, the people.

**6. Is not Government a factor in industrial society?**

Yes. For Government stands for the people, acts for the people if it is real Government, and looks to the welfare of *all* the people, not merely the Management-people or the Labor-people.

**7. How does political philosophy express this truth?**

Government's function is to procure the common good.

**8. How is the common good secured by Government?**

When the laws and policies of Government are rooted in social justice.

**9. What is social justice?**

Justice means giving everyone his due. Social justice means giving to all classes and groups in the nation their rights.

**10. When is social justice violated?**

When Government laws and policies are directed to the benefit of one group or a few, but not for all the people.

## **11. Government then should not be pro-Labor or pro-Management?**

No. Just Government is pro-all the people including Management and Labor.

## **12. Where do we find the purpose of Government briefly explained?**

In the Declaration of Independence.

## **13. Why has the Declaration of Independence not helped our industrial life?**

Because its principles have been viewed as applicable only to political life. So they have not been applied to industrial life. The Declaration of Independence has been regarded too exclusively as a political philosophy for political life.

## **14. What is a political philosophy?**

It is a set of principles outlining a way of life for a people, a nation. It treats Government's rights and duties as well as citizens' rights and duties. On a proper balancing of these rights and duties a healthy and happy national life depends.

## **15. What are the main tenets of this American political philosophy?**

1—Man makes the State, the State does not make man. 2—Just Government depends on the consent of the governed. 3—The purpose of Government is to secure the common good, which means the good of *all* its citizens. 4—As Government's duty is to safeguard the rights of its citizens, so is the citizen's duty to obey the authority of Government expressed through the laws of the land.

## **16. Why should the principles of the Declaration be applied to industrial life?**

Because we cannot have the fullness of political democracy unless we have industrial democracy.

## **17. What is the first principle of industrial democracy?**

Industry is for the good of *all* the citizens, not merely for the good of one or two classes of the citizens.

## **18. How can this principle be derived from the Declaration?**

Having stated that all men have natural rights from their Creator, the Declaration asserts that "Governments are established to secure these rights" for all the citizens. Lincoln expressed it: "Government of the people, for the people, by the people."

## **19. How can Industry be of, for and by the people?**

By the CO-OPERATION of the three factors of Industry, Management, Labor and Government. For Government represents the people; its function is to secure the welfare of all the people.

## **20. What then should be the first aim of Industry?**

The same as the first aim of Government, the common good, the welfare of all not the welfare of the few, whether the few be Management or Labor.

## **21. What at present is the first aim of Industry?**

Profits.

## **22. Does not this seem to be the natural aim of Industry?**

Yes, it is the natural aim but it should not be the first aim. Because it has been the first aim we are now in an industrial civil war. Management means one thing by profits and Labor means another.

## **23. Is the profit motive to be rejected then?**

No, but it is to be put out of first place and controlled. As it has held first place in industrial Capitalism from the beginning, and the result before our eyes today is industrial civil war, common sense tells us that it must give way to some other motive.

## **24. What motive should replace the profit motive as the first aim of Industry?**

CO-OPERATION. For if co-operation becomes the dynamic force of Industry then there will be some chance of agreement on the meaning of profits. Profits will then have the same meaning for Labor and for Management.

## **25. But is not co-operation too theoretical a motive?**

No, it is eminently practical. If the first concern of Labor and Management today were this: "Let us work together in making this business of ours successful so that the greatest return to each of us from our united effort," there would not be civil war on our industrial front.

**26. Was the motive of co-operation ever strong in Industry?**

Yes. Only through co-operation did Industry prosper at the beginning. For Industry began on a small scale. Then Management knew Labor, for the man in the office knew the workers in the shop, and both realized that the business venture was a common interest and a common risk. This was early America.

**27. When did profits replace co-operation as a motive?**

When the Industrial Revolution gained such momentum that the machine became more valuable than the worker. Expansion called for greater capital outlay. Capital began to think that it alone was the all-important factor in Industry. Then the worker became a machine or a mere cog in the machine.

**28. How was the capitalist mentality expressed?**

By the slogan: "Whatever is good for Capital is good for the nation."

**29. What was Capital's attitude toward Government?**

Capital claimed that Government should keep hands off Industry, leave its management exclusively to Capital and only enter upon the industrial scene by helping Capital with tariffs.

**30. What was Labor's position in those days?**

Labor was helpless as all legislation favored Capital.

**31. How long did this condition last?**

Throughout the nineteenth century and into the early part of the twentieth century.

**32. What was the result?**

An unbalanced social order putting the worker into a condition little better than slavery, as Leo XIII declared in *Rerum Novarum*, the Encyclical On The Condition Of The Workers.

**33. What was the cause of the unbalanced social order?**

Leo XIII revealed the cause: "Too few have too much, too many have too little."

**34. But would not this unbalanced social order gradually right itself?**

No. For a bad social order does not make itself. Men and women make it and only men and women can remake it.

### **35. Did Leo XIII point a remedy?**

Yes. He said that all the factors in our industrial society must CO-OPERATE in righting the unbalanced industrial order.

### **36. What did he mean by all the factors?**

He meant Capital, Labor, Government (representing *all* the people) and Religion or the Church.

### **37. As the industrial problem is economic how can the Church help?**

The industrial problem is not merely economic. It is a moral problem. It deals with the right and wrong of things and not only with the price and cost of things.

### **38. What are a few things that have a moral as well as an economic slant?**

Wages, hours of work, profits, working conditions.

### **39. Did Leo XIII touch on these topics?**

Yes. He said that every worker was entitled by the Law of God and right reason to a living wage, that working hours should be of reasonable length, that working conditions should not endanger health, and that profits were not for Capital alone or for Labor alone but for both.

### **40. Did Leo XIII speak as an economist or a philosopher proposing a theory?**

No. He spoke as the Vicar of Christ applying the doctrine of Christ to the industrial problem. He declared that it was not only his right but his duty to speak. He reminded both Capital and Labor that each had duties, as well as rights. He insisted that there could be no solution for "the question of the hour" which was not a Christian solution.

### **41. Did Leo XIII make an infallible pronouncement in "Rerum Novarum"?**

No. When the Pope speaks infallibly he makes use of his extraordinary teaching power. Leo XIII was using his ordinary teaching power, applying Christ's doctrine to the industrial problem. The infallible teaching power of the Pope is only used for special needs, as for example to make more clear and definite a truth that has been challenged. Catholics accept not only the infallible declarations of the Church, but *all* the teachings of the Church made known



to them by her ordinary teaching power. For a Catholic to say: "I only accept the infallible teachings of the Church," is the same as saying: "I am not a Catholic."

#### **42. Why is "Rerum Novarum" called "Labor's Charter of Liberty"?**

Because it was the first complete and authoritative statement, based on reason and on Christ's teaching, that Labor had natural rights which could not be justly violated. And this at a time when Labor was viewed merely as a commodity to be bought or sold as any other commodity.

#### **43. Does this Encyclical deal only with the rights of Labor?**

No. It treats of the rights and duties of both Labor and Capital.

#### **44. Has the teaching of "Rerum Novarum" influenced industrial society?**

Yes. Pius XI in his commemorative and complementary Encyclical *Quadagesimo Anno* (The Fortieth Year) declared that from 1891 to 1941 a Catholic industrial philosophy had developed, that this philosophy had influenced industrial thought and that the condition of the workers had improved. He also said regretfully that some even among Catholics had not put the teaching of Leo XIII into practice.

#### **45. Why did Pius XI issue "Quadragesimo Anno"?**

He wished to re-emphasize the teachings of *Rerum Novarum*, enlarge upon them, and apply them to the new problems that had arisen in a changed industrial scene.

#### **46. Do these two Encyclicals give us a complete Catholic philosophy of Industrial Relations?**

Yes. They contain the principles of solution for every small and every big conflict. They are not the Ready Answer that fixes the scale of wages or the distribution of profits. These are details that Labor, Management and their economic advisers must settle. Now details cannot rightly be settled unless a principle is back of them. Details need a foundation; the foundation is the principle. The Encyclicals do not calculate that a just wage is so many dollars a day; that profits are to be distributed in this or that proportion. They teach that a just wage is a living wage; a saving and a family wage; that a just distribution of profits excludes the lion's share going either to Management or Labor.

## **47. Is it right to call the teachings of the Encyclicals radical?**

Yes. For they go to the *roots* of the industrial problem. They expose the *causes* of industrial unrest, not the symptoms. That is why they are radical. And that is why they are *practical*. They do not say: "Industrial man is sick, look at the symptoms, strikes, picket lines, riots." What they say is: "Industrial man is sick. Anyone with common sense can see that. What is the *cause* of his sickness? How has he developed his industrial life? Here is the *cause*. Now here are the *remedies*."

## CHAPTER 2

### THE WRONG REMEDY

#### **1. What other remedy has been proposed for our ailing industrial society?**

Marxian Socialism, also called Communism.

#### **2. What does Marxian Socialism advocate?**

The doing away with private property. Make all property common and let the State administer it, so that each person shall have a share of whatever there is in land, houses, food, clothing.

#### **3. Why is this the wrong remedy?**

It is wrong because God has given to every person the natural right to own things. The State has no more right to take property away from its owners than one individual has the right to take from another. In both cases it is robbery, forbidden by God's law. Such a remedy would make things worse, especially for the workers, since the State would become a tyrant, absolute and totalitarian. There could be no redress at law for the State would be the Law.

#### **4. Does Marxian Socialism deny any other natural right?**

Yes, it denies man's right to worship God as it denies that there is a God.

#### **5. How does Marxian Socialism regard man?**

As a brute without an immortal soul, whose life is bounded by earth and time, whose future is nothingness.

#### **6. What rights has man in the Marxian doctrine?**

As many or as few as the State gives him.

**7. What of man's inalienable rights mentioned in the Declaration?**

They are annihilated in the Marxian State.

**8. How then can any American follow Marxian teaching?**

No true American can.

**9. What is the main tenet of Marxian Socialism according to "Rerum Novarum?"**

The community of goods.

**10. What does Leo XIII say of this as a remedy for our industrial problem?**

"It must be utterly rejected. For it would injure those whom it is intended to benefit, it would be contrary to the natural rights of mankind, and it would introduce disorder and confusion into the commonwealth."

**11. Is every Socialist a Marxian Socialist?**

No. Some are moderate Socialists rejecting the more radical Marxian teachings.

**12. What does Pius XI say of Socialism today?**

He says: "Since the days of Leo XIII Socialism no less than economics has undergone profound changes. At that time Socialism could fairly be called a single system which defended certain definite and mutually coherent doctrines. Nowadays it has become divided into two opposing and bitterly hostile camps, neither of which however has abandoned the principle peculiar to Socialism, namely opposition to the Christian Faith."

**13. What is the first form of modern Socialism?**

Communism.

**14. How does Pius XI describe it?**

He says: "One section of Socialism has undergone approximately the same change through which the capitalistic economic regime has passed; it has degenerated into Communism. Communism teaches and pursues a two-fold aim: Merciless class warfare and abolition of private property. And it does this not in secret and by hidden methods but openly and by every means even the most violent. To obtain these ends Communists shrink from nothing. And once they have attained power, it is incredible, indeed it seems portentous

how cruel and inhuman they show themselves to be. Evidence of this is the destruction and ghastly ruin with which they have laid waste areas of Eastern Europe and Asia, while their hostility and antagonism to Holy Church and to God Himself are too well known and proved by their deeds.”

### **15. What does Pius XI say of those who make light of Communism?**

He says: “We witness with sorrow the heedlessness of those who seem to make light of these imminent dangers and with stolid indifference allow the widespread propagation of those doctrines which seek by violence and bloodshed the destruction of all society. We condemn even more severely the foolhardiness of those who neglect to remove or modify such conditions as exasperate the minds of the people, and so prepare the way for the overthrow and ruin of the social order.”

### **16. How does Moderate Socialism differ from Communism?**

It condemns physical force and mitigates to some extent the abolition of private property and class warfare.

### **17. What will result if Moderate Socialism continues to change?**

It may happen that its program will not differ from the Christian Social program.

### **18. Does Moderate Socialism attack the ownership of the means of production?**

No. It really attacks the social rule that has been usurped by Capitalism in violation of all justice.

### **19. What does “Quadragesimo Anno” say of this rule?**

It says that this rule or control should belong to the State and not to individuals. “Certain forms of property must be reserved to the State, since they carry with them an opportunity of domination too great to be left to private individuals without injury to the people.”

### **20. What does Pius XI say of this contention of Moderate Socialism?**

It is not opposed to Christian truth. In no sense is it peculiar to Moderate Socialism. Those who believe in this contention have no reason for becoming Socialists.

## **21. Can Christian truth be modified as to meet Socialism half-way?**

No. Christian truth can never be minimized. Socialism as a doctrine, an historic fact, or a movement, as long as it remains Socialism, can never be reconciled with Christian truth. For its idea of human society is utterly at variance with Christian truth.

## **22. What is Socialism's idea of human society?**

Man lives in society merely to gain material advantages.

## **23. What is the Christian view of human society?**

Man lives in society not merely for material advantages but that he may develop all his powers to the praise and glory of his Creator, and so reach his eternal destiny.

## **24. What does Socialism teach about economic production?**

Economic production to be efficient must be carried on collectively. With a view to production men must surrender themselves completely to society. The object of the Socialistic commonwealth is the production of the greatest amount of wealth. So every human right and above all liberty must be sacrificed to efficient production. The loss of human dignity resulting from this will be compensated for by the abundance of goods produced. This abundance each individual may then use for the comforts of life. Socialistic society cannot be established or maintained without the use of force.

## **25. Does Socialism contain only error?**

No. It contains some elements of truth as the Sovereign Pontiffs have always contended. Nevertheless as the Socialist idea of society is utterly opposed to the Christian idea, there can be no such thing as Christian Socialism. No one can be a sincere Catholic and a true Socialist at the same time.

## **26. What is the only effective answer to Socialism in all its forms?**

The application of Christian principles to social life. "If society is to be healed now, in no way can it be healed except by a return to Christian life and Christian institutions," is the statement of Leo XIII repeated by Pius XI.

## **27. What do Christian institutions mean?**

All forms and phases of social life must be rebuilt on Christ's teaching—the Family, the State, Government, Industry. For Christ declared: "I have come that you may have life and have it to the full."

## THE RIGHT TO PRIVATE PROPERTY

**1. What is the right to private property?**

The right to own things.

**2. Then it does not mean merely the right to land and houses?**

No. It means the right to own anything.

**3. As Leo XIII defended this right in "Rerum Novarum," issued in May 1891, why was it necessary for Pius XI to defend it in "Quadragesimo Anno," May 1931?**

Pius XI gives as his reasons: 1—Some critics unjustly accused Leo XIII and the Church of favoring the rich against the poor. 2—Controversy had arisen among Catholics about the teaching of *Rerum Novarum*. 3—The Leonine doctrine which is Catholic doctrine in the passing of years had been at times falsely interpreted, and so needed clear and official interpretation.

**4. What two-fold aspect of ownership must be kept in mind?**

The individual aspect and the social aspect. Property may be regarded as it affects the individual and as it affects the common good.

**5. What is a summary of Catholic teaching on ownership?**

The right to own is a natural right given to man by his Creator in order to provide for individual and family needs and in order that all material things may serve the purpose intended by God. To carry out this purpose a just social order is necessary.

**6. What follows from the two-fold character of ownership?**

In the *use* of the right of ownership a man must consider not merely his own advantage but the common good. The *use* of the right of ownership is not unlimited. Civil law should prescribe its limits. Leo XIII said: "The defining of private possessions has been left by God to man's industry and the laws of individual peoples."

**7. What right has the State over private property?**

The State has the right to control its use so that it does not injure the public good.

**8. Does State control injure private ownership?**

No. When the control is exercised for the common good it protects the right for it thereby protects the use from becoming an abuse.

If only the few benefit at the expense of the many in the use of the right of private property then the plan of God for sustaining the life of the many by the use of private property is defeated. "The earth even though apportioned among private owners, ceases not by that fact to minister to the needs of all," says Leo XIII.

**9. Will any kind of distribution of property secure the purpose intended by God?**

No. Only that distribution which first and foremost secures the common good. Social justice demands the safeguarding of the whole community. It is against social justice for one class in the State to exclude another class from its just share of the fruits of private property. The law of social justice is violated by an irresponsible wealthy class which claims everything and leaves next to nothing to the worker. It is violated by an irresponsible Labor class which claims for itself all the fruits of production as being the product of its toil.

**10. What would this fruit-of-labor theory lead to?**

The abolition of all forms of ownership and all profits not won by labor.

**11. What then should be the share of Capital and Labor in the fruits of production?**

Each group should receive its just share and the distribution of profits must conform to the demands of the common good. This is not true of Industrial Society today when a few hold enormous wealth and many are living a hand-to-mouth existence.

**12. Had Industrial Society changed much between the time when "Rerum Novarum" was written and the time of Pius XI?**

Pius XI said it had changed. The condition of the worker had improved in the more civilized States, but he added that in newly civilized countries and in the Far East "the number of the dispossessed laboring masses whose groans mount to Heaven increased enormously." Moreover there were large numbers of farmers who had no hope of ever sharing in the land, as long as the present system prevailed.

**13. Was there a balanced distribution of industrial profits when Pius XI wrote "Quadragesimo Anno?"**

No. He declared: "There is a formal difference between pauperism and proletarianism. Nevertheless the immense number of propertyless wage-earners on the one hand, and the superabundant riches

of the fortunate few on the other is an unanswerable argument that the earthly goods so abundantly produced in this age of industrialism, are far from rightly distributed and equitably shared among the various classes of society.”

## CHAPTER 4

### THE REAL REMEDY

#### **1. What is the real remedy for our unbalanced industrial order?**

A wider distribution of wealth among all classes in Industrial Society.

#### **2. How does Pius XI express this?**

“Every effort must be made that a just share only of the fruits of production be permitted to accumulate in the hands of the wealthy, and that an ample sufficiency be supplied to the workers.”

#### **3. What is the purpose of this more equal distribution?**

In order to enable the worker by thrift to increase his possessions, that he may make better provision for his family and so be rid of hand-to-mouth uncertainty; moreover that when his working days are over his family may not be unprovided for.

#### **4. Why does Pius XI urge this remedy?**

Because “unless serious attempts are made energetically and quickly to put these ideas into practice, the peace of human society cannot be defended against the forces of revolution.”

#### **5. What is a necessary step in the Pope’s program?**

The worker must be given an opportunity to acquire a certain ownership.

#### **6. How can this be accomplished?**

By wages sufficient to enable the worker to save and so accumulate a modest competence.

#### **7. What then is meant by a living wage?**

A wage sufficient to supply the ordinary needs of life, leaving something over after those needs have been supplied. A living wage is a *saving* wage.



## **8. Does Pius XI condemn the wage contract?**

No. Neither did Leo XIII. Pius XI asks for its modification by a contract of partnership. Where this has been done he says it has resulted "in no small gain both to the workers and the employers. In this way workers are made sharers of some sort in the ownership or the management or the profits."

## **9. What does Pius XI call a just wage?**

A wage sufficient for the support of the worker and his family.

## **10. Should others in the family contribute to family support?**

Pius XI says that "in rural homes and in the families of many artisans and small shopkeepers, it is right that the rest of the family should contribute to its maintenance."

## **11. Is this an approval of women and children workers in industry?**

No. Pius XI states: "It is wrong to abuse the tender years of children or the weakness of women. Mothers above all should devote themselves to the home, especially to the education of their children. If mothers are forced to work outside the home because of the insufficiency of the father's salary, this is an intolerable condition and We condemn it unreservedly."

## **12. What of industrial conditions that make a mother's work necessary?**

Social justice demands that the workers' wage be adequate to meet ordinary domestic needs. Such industrial conditions cannot be justified.

## **13. Do many factors enter into the fixing of a just wage?**

Yes. Pius XI quoting Leo XIII says: "Before deciding whether wages are fair many things have to be considered."

## **14. Does not the free contract justly determine the wage scale?**

No. For then an employer might give anything that was agreed upon, and the worker might accept anything he might choose.

## **15. Why would that be unjust?**

Because labor has two characteristics; it is personal and it is necessary. If it were only personal then a worker might accept anything he could get. Just as he is free to work or not, so he would be free to accept little or nothing for his work. But labor is more

than personal; it is necessary. And this makes the difference. A man is obliged to work in order to live. It is necessary then for the workers' wage to be sufficient for human living. He is not free to accept less. A living wage scale binds the worker as well as the employer.

**16. What of a worker who is obliged to accept less than a living wage?**

He is a victim of injustice.

**17. In determining a wage scale are only the worker and employer to be considered?**

No. Pius XI reminds us that besides the worker and the employer, the public has to be considered.

**18. What three elements enter into the just wage scale?**

The living needs of the worker and his family, the condition of the business and the demands of the common good.

**19. What does Pius XI say of business conditions?**

He says that in determining the wage scale the condition of the business and its owner must be considered. For it is unjust to demand wages so high that the demand cannot be met without ruin to the business and in consequence to the workers themselves.

**20. If bad business conditions are brought about by bad management what is to be done?**

Pius XI declares this is no excuse for less than a living wage. The owner is obliged to correct the conditions or go out of business. For the first charge against any business is a living wage.

**21. What if a business cannot give a living wage because of unfair competition?**

It is the Government's duty to regulate business by fair laws and so prevent unlawful business practices.

**22. Is a wage scale too high injurious to the social order?**

Yes, because a scale too high just as a scale too low causes unemployment, and is harmful to the common good.

**23. What does Social Justice dictate regarding the wage scale?**

A scale that offers the greatest number of people opportunities for employment and secures for them the means of decent human living.

**24. Have prices a connection with wages and good industrial conditions?**

Yes, prices too high or too low, like wages too high or too low, cause unemployment.

**25. How should Management arrange prices?**

By fixing them at a level that benefits the greatest number of people and not by considering only profits for the few.

**26. If Management fails to do this what is Government's duty?**

Government's duty is to regulate business for the good of all the people until business learns to regulate itself.

**27. What should be the aim of Labor and Management in Industry?**

To supply all the people adequately and provide opportunity for all to earn a decent living.

**28. What further aim does Pius XI mention?**

"To uplift men to that higher level of prosperity and culture, which is not only no hindrance but is a help to virtuous living."

**29. Are Management and Labor thinking of this aim today?**

No. Both Management and Labor have a one-track mentality. Management is thinking of Management's interest, Labor of Labor's. The profit-motive dominates both.

**30. What two things are necessary for upbuilding industrial society?**

Pius XI says: "the reformation of the social order and the correction of morals."

**31. What has Pius XI in mind in the reformation of the social order?**

The first thing he has in mind is the State.

**32. Why does the State need reformation?**

Because the modern State is encumbered by a number of duties that should be shouldered by individuals or groups of individuals.

**33. How has this come about?**

It began with the destruction of the Guilds, increased with the development of the machine and the growth of large corporations, until today as Pius XI says: "Social life has lost its organic form."

### **34. When does Society possess organic form?**

When all the groups in Society are linked together in mutual help and are interested in the good of all the people.

### **35. Did Society ever have this organic form?**

Yes, as long as the Guilds flourished. *Quadragesimo Anno* declares: "Rebuilding the social order will be of no avail without a reform of morals. History proves that. For at one time there existed a social order based on right reason, according to the needs and conditions of the times. It perished not because it was incapable of development and adaptation to changing needs and circumstances, but because of the wrong-doing of men. Men became hardened in selfishness and refused to extend that order, as was their duty, to greater numbers of people. Or else they rejected that order because of the obligations it imposed. They wanted freedom from all authority."

### **36. What is the Guild System?**

The Guild System means the association of those in an industry to regulate the conditions of that industry. Civil law gave the Guilds the power to regulate industry. They recognized their obligation to exercise this control not merely for their own special interests but for the good of all the people.

### **37. What did Leo XIII say of the Guilds?**

He said: "History attests what excellent results were effected by the Artificers' Guilds of a former day. They were the means of many advantages not only to the workmen but they advanced art to a great degree, as many monuments remaining today prove. Such associations should be adapted to the present day."

### **38. How long did the Guilds last?**

From the eleventh to the eighteenth century.

### **39. Were changing economic conditions responsible for the passing of the Guilds?**

Not entirely. For economic conditions changed greatly during the lapse of seven centuries yet the Guilds kept on.

### **40. Was it because the Guilds were suited to small industrial groups?**

It is true that they were small industrial groups. But they did big things as the cathedrals of Europe testify. They were small because they wanted to be small. They did not go in for mass produc-

tion. They went in for the security of the worker in his work, and for a just distribution of profits.

#### **41. What economic conditions hastened the disappearance of the Guilds?**

One economic cause was the enlargement of markets. In the fifteenth century Nation markets replaced City markets. City economy gave way to national economy. National trade was then regulated by national legislation. So home markets widened, and the same was true of foreign markets, as it was the age of expanding exploration. Bigger capital became necessary as markets grew wider. Soon the big capitalist became the big employer of labor. The workers who had been craftsmen now became merely wage-earners. The guildsman was not only a worker but an artist. With the expanding economic scene the art of work changed into a trade, becoming merely a means of livelihood.

#### **42. What other conditions hastened the downfall of the Guilds?**

Abuses crept into the system. In their beginning and for many years the Guilds were democratic. They were open to all. Officers were elected and after their term of office they returned to the ranks. The ranks in the Guilds were those of apprentice, journeyman and master. After a while they lost their democratic character. Their entrance fees became excessive so that only the well-to-do could qualify for admission. Exclusiveness became a policy. Oligarchy succeeded to democracy.

#### **43. What was the main cause of Guild decline?**

The loss of the Catholic spirit. The Guilds flowered from Catholic teaching. Catholic principles of brotherhood and co-operation made them. When selfishness became their guiding principle the Guilds began to fail.

#### **44. Did Leo XIII and Pius XI urge the restoration of the Guilds?**

No. They urged the application and adaptation of Guild principles to our industrial order.

#### **45. What does that mean?**

It means that to rebuild the industrial order we have to lay its foundations on Christ's teachings. It means that sole reliance on economic plans is futile. It means that Management and Labor

have to base their relationship on social justice. There is no practical solution for any human problem that does not rest on God's Law. Only the spiritual solution is the practical solution. The growth and decay of the Guilds prove that.

## CHAPTER 5

### THE RIGHT TO STRIKE

#### **1. What is the right to strike?**

The right to refuse to work under certain conditions.

#### **2. As work is the law of life how can anyone refuse to work?**

Work is the law of life for without work man cannot gain a living. "It is as natural for a man to work as for a bird to fly." (*Quadragesimo Anno*) But the law of work like any other law must be grounded on reason. No man is obliged to work if the working conditions are unreasonable.

#### **3. What are unreasonable conditions justifying a strike?**

When working hours are too long, working conditions too hard, and wages insufficient, the worker has the right to strike. (*Rerum Novarum*.)

#### **4. A strike then is like a declaration of war?**

It is a declaration of industrial war. And as a nation has no right to use war as a weapon of first resort, so Labor has no right to make use of the strike as the first means of settling industrial disputes.

#### **5. Has the strike proved effective in righting many industrial wrongs?**

Yes, in many instances. For unfortunately in our industrial history the philosophy of FORCE has often prevailed. In the beginning of industrial development Management was hostile to unionism and never hesitated to employ FORCE to block it. As Labor grew strong through unionism it often followed Management's example and resorted to FORCE.

#### **6. In the case of a just strike what are the obligations of the strikers?**

Not to injure the property or person of the employer; not to employ violence; not to engage in riot and disorder. (*Rerum Novarum*.)

## **7. What are the effects of a strike?**

“It not only affects employers and workers, but is extremely injurious to trade and to the general interests of the public. On such occasions violence and disorder are not far off and the public peace is often threatened.” (*Rerum Novarum.*)

## **8. In the event of a strike what is the Government's duty?**

To show justice to both sides in the controversy. More important still, Government by its laws “should be beforehand and prevent these troubles from arising; it should lend its influence and authority to the removal in good time of the causes which lead to conflict between employers and workers.” (*Rerum Novarum.*)

## **9. How may this be done?**

By social legislation protecting the rights of both Labor and Management, and obliging both to carry out their agreements. Both Labor and Management have duties as well as rights.

## **10. Is it just to picket during a strike?**

Yes, provided it is peaceful picketing. Picketing is merely dramatizing the right of freedom of speech and of assembly. If it means violence, disorder or injury to anyone, it is unjust.

## **11. What is the practical danger in every strike?**

The danger of radical, unprincipled leaders or individuals controlling its technique.

## **12. What is the Government's duty toward radical leadership?**

“While all men may justly strive to better their conditions, neither justice nor the common good allows any individual to seize the property of another, to lay violent hands thereon. While the vast number of workers prefer to better themselves by honest means, there are some who are guided by vicious principles. Their main purpose is to rouse their fellows to disorder, violence and revolution. Government should intervene to restrain such firebrands, to save the workers from being led astray; and to protect lawful owners from spoliation.” (*Rerum Novarum.*)

## **13. Did Leo XIII warn against the false leaders of Labor?**

Yes, in *Christian Democracy* (1896), he urged the clergy and all interested in the Labor problem to warn workers “to beware of sedition and seditious persons wherever found, and to hold inviolable the rights of every one.”

#### **14. Did any other Pope show his anxiety in this regard?**

Yes, Pius X, in 1903 speaking on *Christian Social Action*, stated: "The obligation of the worker are these; to perform completely and faithfully the work freely and equitably agreed upon; not to injure owners in their property or persons; to abstain from acts of violence even in the defense of their own rights, and not to make their demands by disturbing the public peace."

#### **15. What of the sit-down strike in the light of these teachings?**

The sit-down strike as carried on today is wrong.

#### **16. Why is it wrong?**

The sit-down today necessarily implies violence. This is a wrong means. Violence does not merely mean gun-play or club-play, but it means the forceful invasion of the rights of another. To enter another's property against his will is violence. "The laying violent hands on others' possessions" is wrong. (*Rerum Novarum*.) The sit-down often means the destruction of machinery or at least its injury. This is violence.

#### **17. What is the sympathetic strike?**

It is a strike in which workers with no personal grievance against their employers, stop work out of sympathy with other striking workers.

#### **18. Is such a strike just?**

Sometimes. For instance if the sympathy strikers are *not* under an obligation or a valid contract to continue working under conditions freely accepted by them, and others in the same plant are on strike for just reasons; there is justification for a sympathetic strike as a measure of last resort.

#### **19. Is it justifiable if the sympathizers are under a valid contract?**

No. It is not just to perform a duty of charity in violation of a duty of justice that goes with a valid contract.

#### **20. What of the sympathetic strike that is extended to several businesses?**

It is unjust. For it injures employers who have done no injustice to their workers.

#### **21. What is the lockout?**

The lockout means the action of Management in shutting down a plant in the event of a strike considered unjust by them. Since the



passage of the National Labor Relations Act legal limitations have been placed on the lockout. When a business owns several factories it is unjust to shut down all these factories because workers in one factory have made unfair demands.

## **22. Is the boycott ever justifiable?**

Yes. If unfair conditions prevail and all workers' appeals have been ignored by Management, the workers have the right to persuade customers not to patronize an unjust employer. But economic pressure on a third party, by threatening to withdraw patronage unless the unjust employer is boycotted, is illegal. This is known as the secondary boycott.

## **23. What is collective bargaining?**

It means the workers' right to bargain with the employer through representatives of their own choosing. It is a natural right for a man may deal directly with another or through the agency of some one else. It is now a legal right guaranteed by Federal Law.

## **24. Did the workers always bargain collectively?**

No. Before the growth of unionism they bargained individually. It was called the free contract method. Allowing that worker and employer should "freely agree as to wages, there is a dictate of nature more imperious than any bargain between man and man, that the wages must be enough to support the worker in reasonable and frugal comfort." (*Rerum Novarum*.) As work is not something merely *personal* but also something really *necessary* "it follows that each one has a right to procure what is required to live; and the worker can procure it in no other way than by work and wages." (*Rerum Novarum*.) It is just as wrong for a worker to accept less than a living wage as it is for an employer to offer it. The free contract theory ignored the dignity of the human person, entitling him always to decent standards of living. Worse than the free contract was the so-called *yellow-dog* contract. This meant that the worker had to sign away his right to join a union if he wanted to work in some industries. It was immoral. Today it is illegal.

## **25. What is the jurisdictional strike?**

A strike caused by a dispute between two unions concerning exclusive jurisdiction over the workers. It is wrong. It unjustly harms Management, the public and even the workers themselves. It is fatal to the interests of sound unionism.

CHAPTER 6  
WORKERS' RESPONSIBILITIES

**1. Do the Encyclicals speak of workers' responsibilities?**

Yes, workers are reminded that they have duties as well as rights. "They are to carry out *honestly* and *well* all equitable agreements freely made; they are not to injure Capital nor to outrage the person of the employer; they are never to employ violence in furthering their aims and they are to have nothing to do with men of evil principles." (*Rerum Novarum.*)

**2. Is the worker responsible only for the interests of his group?**

No. For the worker is not only a member of a union "but a member of the national community. The workers are real component parts, living parts which make up through the family, the living body" of the nation. (*Rerum Novarum.*) If the interests of the union clash with the public interest, the good of all the people, it is wrong for the worker to promote them.

**3. Must the worker respect the rights of others?**

Certainly. "Rights must be religiously respected wherever they are found; and it is the duty of Government to prevent and punish injury, and to protect each one in the possession of his own." (*Rerum Novarum.*)

**4. What is Government's duty toward radical leaders?**

"The authority of the State should intervene to restrain these disturbers, to save the workers from their seditious acts, and to protect lawful owners from spoliation." (*Rerum Novarum.*)

**5. Provided that wages are high are workers to accept any working conditions?**

No. "In all contracts between employers and workers there is always the condition, expressed or understood that there be allowed proper rest for soul and body. To agree in any other sense would be against what is right and just. For it never can be right or just to require on the one side or to promise on the other, the giving up of those duties which a man owes to his God and to himself." (*Rerum Novarum.*)

**6. What is the worker's responsibilities to the union?**

To support all union policies that are just.

**7. What if union policies are against justice?**

The worker is obliged to repudiate them. He should moreover take practical steps toward removing leaders who sponsor such policies.

## **8. How account for racketeer leadership in unions with a large Catholic quota?**

Many Catholics are due-paying members only. They take no interest in union activities. The union to them is merely a means of getting a job. The result is that a small racketeering minority dominates the union and dictates its policies.

## **9. What effect has this on Organized Labor?**

It gives many people the idea that *all* Organized Labor wants is more pay by fair or foul means. It does more harm to sound unionism than any outside hostile force can do. A Catholic union member and much more a Catholic leader who sanctions crooked union policies not only injures good unionism, but does irreparable damage to the Catholic Church. "The extent to which the representatives of Labor are penetrated with the principles of the Gospel, will decide in large measure the extent to which the society of tomorrow will be Christian," are the words of Pius XII.

## **10. What are some of the tasks facing unionism today?**

The same as mentioned by Msgr. John A. Ryan who wrote in the *Catholic Courier* for November, 1943: "One of the most urgent tasks facing the unions after the war will be to *clean house*. This obligation falls definitely on both local and national unions and their members. Up to the present none of these groups has accepted the obligation with sufficient seriousness. The penalty of neglecting it or deferring it will undoubtedly be a great decline in the prestige and effectiveness of Organized Labor. . . . Not the least important work of Labor after the war will be to eliminate the unfortunate division now existing between the wage earners and the farmers. The interests of the wage-earners and the farmers are more nearly identical than those of any other two classes."

## **11. What are the mutual responsibilities of workers and employers?**

"Wealth must be so distributed among the various individuals and classes of society that the common good of all, of which Leo XIII spoke, is thereby promoted. The good of the whole community must be safeguarded, in other words. By these principles of social justice one class is forbidden to exclude the other from a share in the profits. This sacred law is violated by an irresponsible wealthy class claiming everything and leaving the worker nothing; it is violated also by a propertyless wage-earning class who demand all the fruits of production as being the work of their hands. Each class then must receive its just share, and the distribution of wealth must be brought

into conformity with the common good and social justice. The evil of modern society consists in the vast differences between the few who hold excessive wealth and the many who live in destitution." (*Quadragesimo Anno*.)

## **12. What does the Closed Shop mean?**

The term Closed Shop and Union Shop are sometimes used to mean the same thing. Some authorities make a slight distinction. The Closed Shop usually means that the worker must hold a union card before he may hold a job under a union contract. If the employer has a right to hire employees, on condition that after a stated time all must join the union, that is spoken of as a Union Shop. In both instances bona-fide membership in the union, once a member, is required.

## **13. What are the characteristics of the Closed Shop or Union Shop?**

They are three. 1. Jurisdiction over workers. 2. Discharge of workers who refuse to be or to remain members of the union under the terms of the agreement. 3. Hiring procedures which demand that only union or prospective union members be employed under the contract.

## **14. How long has the Union Shop principle been advocated?**

From the very beginning of unionism in this country. It was also a principle of the English Guild system.

## **15. Is the Closed Shop sanctioned by law?**

Indirectly, yes. The National Labor Relations Act legalized union organization in 1935. The Supreme Court sustained the Act in 1937. The logical conclusion to the acceptance of the legal right of organization is the acceptance of the Union Shop if that be the will of the workers.

## **16. Do most unions favor the Closed Shop?**

Yes as it makes for a stronger union. A notable exception is the Railroad Brotherhood or Big Four. This union considers the Closed Shop undesirable for its purpose which is security. Railroad workers obtain security through the principle of seniority.

## **17. What has been Management's attitude toward the Closed Shop?**

It has varied. Certain groups of employers have opposed it as certain groups have opposed unionism. The opposition has often been due to abuses that have occurred under bad union leadership. The Closed Shop or Union Shop originated as a defense against unfair employer tactics as well as against non-union competition. Besides

its defensive value it aids union organization, provides permanency of membership, increases the sense of responsibility among union members and promotes co-operation between Management and Labor.

### **18. Do the unions base their Closed Shop on their legal rights?**

Some also claim to have a moral right to a Closed Shop. They consider the needs of workers permanent and universal and argue that only by a permanent and widespread use of unionism can their rights be protected.

### **19. Do the Encyclicals endorse the Closed Shop?**

Not explicitly. But the Encyclicals endorse the Guilds and they were unions that a worker might join or not as he pleased. However if he were not a Guild member he could not work at his trade or craft, within the jurisdiction of the Guild.

### **20. What about the principle of the Closed Shop?**

There is nothing morally wrong about the principle. The difficulty comes in the practice. In the hands of a racketeer or semi-dictator the Closed Shop can be a bludgeon both against the employer and the rank and file. On the other hand an Open Shop (made up of union and non-union workers) has been used by anti-labor employers in the past to destroy the union. The question can be reduced simply to this: Is the Closed Shop a *necessary means* for the existence and the functioning of the union? If it is, the workers have a right to it and the minority of employees should cede their individual right to work as individuals and join the union for the good of all.

### **21. What safeguards should be put up for rank and file protection under the Closed Shop?**

For the proper functioning of the Closed Shop every union must be open to qualified workers on reasonable and non-discriminatory terms, and suspended or expelled members of a union should have the right of appeal to an impartial chairman or to a Labor Board.

### **22. Are Labor Boards mentioned in the Encyclicals?**

Yes. "It is advisable that recourse be had to Societies or Boards or to some other method for safeguarding the interests of wage-earners." (*Rerum Novarum*.) The principle here stressed is the principle of arbitration. It is for Management and Labor to apply the principle in a form agreeable to both.

### **23. What is the alternative to voluntary Management and Labor arbitration?**

Compulsory arbitration imposed by Government with more and more Government dictation to both Management and Labor.

**24. Have the workers the right to engage in political action?**

Yes, just as any other American group.

**25. What is meant by political action?**

The use of any political methods customary in American life such as the endorsement or disapproval of candidates, the advocacy of fair Labor laws, the use of the ordinary channels of information, the radio, the movie, the press.

**26. Have the workers the right to form a political party?**

Yes. Any group in our democracy with sufficient numbers enjoys this right. Whether this would benefit the workers and help the common good is a disputed topic. The possession of a right and its exercise or use are two distinct things. Because an individual or a group possesses a right it does not follow that it is always good to use that right.

CHAPTER 7

LABOR UNIONS, VOCATIONAL GROUPS, COOPERATIVES

**1. What does Leo XIII say of unions?**

“Employers and workers may effect much—by means of those organizations which afford opportune assistance to those in need, and which draw the two groups more closely together.” (*Rerum Novarum.*)

**2. What is implied by this?**

That associations of employers and workers are not formed for conflict but for co-operation and mutual help.

**3. Have workers the natural right to form unions?**

Yes. “To enter a society of this kind is a natural right of man, and the State must protect natural rights not destroy them. If it forbids its citizens to form associations, it contradicts the very principle of its own existence. For they and the State exist in virtue of the same principle—the natural propensity of man to live in society.” (*Rerum Novarum.*)

**4. May the State interfere with these societies?**

Yes. If any group is organized “for purposes evidently bad, unjust or dangerous to the State, Government may justly forbid such associations or dissolve them when they already exist.” (*Rerum Novarum.*)

**5. What is the State's duty regarding religious societies approved by the Church?**

To respect and cherish them and to defend them from attack.

**6. What did Leo XIII say of some unions in his day?**

He said: "Many are in the hands of invisible leaders, and are managed on principles at variance with Christian teaching and the public well-being. They try to control the whole Labor field, and to force workers to join them or to starve." (*Rerum Novarum.*)

**7. What is the worker's duty regarding such unions?**

His duty is to get rid of bad leaders, or else form unions that are guided by Christian principles and aim at the good of all the people.

**8. How should unions be organized and governed?**

"To attain their object which is to help each individual member to better his condition to the utmost, in body, mind and property." (*Rerum Novarum.*)

**9. How may this be attained?**

By policies based on God's Law and the common good.

**10. What is the pressing need of unionism?**

Real Christian leadership.

**11. Is it enough for unions to safeguard the rights of Management?**

No. The rights of all the people must be protected.

**12. Do the Encyclicals speak only of Labor Unions?**

No. They treat of unions made up of Labor and Management.

**13. What are these Labor-Management unions called?**

Vocational groups.

**14. Why did Leo XIII and Pius XI advocate these groups?**

Because our present industrial set-up divides men in the Labor Market into two hostile camps, "two armies engaged in combat." (*Quadragesimo Anno.*)

**15. What is the purpose of vocational groups?**

To do away with industrial strife or reduce it to a minimum "by binding men together not according to the place they occupy in the Labor Market, but according to the different functions they exercise in society." (*Quadragesimo Anno.*)

## **16. What groups are meant in this statement?**

All groups that make up society, industrial, professional, agricultural. Pius XI maintained that our social order was based on the unnatural division of *classes*. It should be rebuilt on the natural base of groups.

## **17. Would this end Labor Unions and Management Associations?**

No. But it would broaden the base of each and draw them together in a real partnership.

## **18. The Encyclicals seem to agree with Karl Marx in their view on classes. Do they?**

No. The Encyclicals oppose a social order based on class distinctions and divisions that inevitably lead to conflict. Classes will always be in human society; they should be harmonized by uniting them into groups. Karl Marx on the contrary taught that classes were naturally hostile, that this hostility should be promoted by class conflict until a classless social order evolved.

## **19. Is not a peaceful agreement reached through collective bargaining sufficient?**

It is sufficient as a beginning.

## **20. Why only as a beginning?**

Because such co-operation is based on class consciousness. Even though the process is friendly each group is thinking along class lines. Management is figuring out: "This is the best agreement Management can get." Labor is calculating: "This is the best Labor can get."

## **21. Why must this attitude change?**

Because there can be no healthy industrial order built on what divides men. At present Management and Labor are organized on the basis of their part in the Labor Market. The lines are horizontal, one class on one level, the other on another. They should merge into a vertical basis. Management, Labor, stockholders unified in each industry. This is the group plan.

## **22. Does that mean a partnership arrangement?**

Precisely. It is expressed by an outline statement in the *Wage Earner*, the Catholic Labor paper of Detroit, as follows: 1. Industry is a partnership; the two co-equal partners are Capital and Labor. Neither can do without the other. Co-operation between both pro-



duces wealth. 2. Industry should be governed not by Capital, nor by Labor, but by an agency representing both. This can be done by establishing in each industry a joint board or industry council. 3. The industry council should be composed of an equal number of representatives of Management and Labor within the particular industry. The council with a chairman representing the public, should set general standards of price, quality, production, wages, working conditions and dividends for the industry. 4. Individual businesses and unions within the industry should continue their normal functions, with rights, such as the right to strike, unimpaired. The industry council should mediate disputes. 5. Industries should form a federation. Thus federated they should choose a national economic council, equally representative of Management and Labor. The national council should plan, co-ordinate and govern the national economy.

### **23. Is this plan a ready answer to all our industrial problems?**

No. There is no such answer. This plan is a concrete application of the Encyclical teachings to our present industrial life. In principle it can be applied to every industry; in detail it may be modified to suit particular needs. It strikes down the class barriers now prevailing in industry. It is not a union of Management, and another union of Labor, but it is a union of Management and Labor in each industry, and a federation of all these Management-Labor unions guiding industry for the good of all the people.

### **24. What are the two basic requisites for industrial peace insisted upon by Leo XIII and by Pius XI?**

Social justice and good will on the part of Management, Labor and Government. The foundation of industrial peace is a right industrial order. There is no right industrial order without justice. Justice cannot be effective without good will. For a right order depends on right thinking men. The fullness of good will is CHARITY. Charity is love of God shown by love of man. Charity is not love of man for man's sake. It is love of man for what God has made man, His adopted child and the heir to His Kingdom. "In as much as you have done ever so little for the least of Mine, you have done it for Me," said One whose good will toward man led Him to the Sacrifice of the Cross.

### **25. Has the principle of co-operation ever been tried in industrial life?**

Yes, in Cooperatives.

## **26. What are Cooperatives?**

“A cooperative organization is a group of people who join together to produce something, to sell something, to buy something for themselves, or to pool their financial resources for credit or loan purposes,” is Father Schmiedeler’s definition of Cooperatives. (*Consumers’ Cooperatives*, Social Action Series No. 5; Paulist Press.)

## **27. Are there different kinds of Cooperatives?**

Yes. 1. Producers’ Cooperatives, when a group unites to produce something. 2. Marketing Cooperatives, when the group’s purpose is selling something. 3. Credit Cooperatives when a group’s object is to advance loans. 4. Consumers’ Cooperatives when the idea of the group is purchasing. Sometimes these several types are combined in one group.

## **28. Where did the cooperative idea start?**

At Rochdale, England a little more than 100 years ago. A group of weavers in Rochdale managed to put together \$140 to begin their cooperative. Today consumers’ cooperatives have grown into big business in England. For example the English Cooperative Wholesale Society extends throughout the British Empire, owning plantations in India, Ceylon and Africa, and owning the ships that carry the raw materials to the home factories. From Rochdale the cooperative idea has spread to different countries.

## **29. What are some of the cooperative principles?**

The Rochdale principles laid down by the pioneers are as follows: 1. Control of cooperative management is democratic. Capital is procured by the sale of shares to members, but no matter how many or how few shares a member may own, he has a right to only one vote in the management of the cooperative. 2. A fixed rate of return is paid on shares, and earnings are distributed to the members in proportion to their patronage. For example after the interest has been paid and all business expenses met, the funds left over are distributed according to the value of the purchases made. A member who has spent \$1,000 a year at a cooperative store gets ten times as much as a member whose purchases totaled only \$100. 3. Prices are at the same level as the prices in other privately conducted concerns. No price war is envisaged by the cooperative plan. Any profits made are returned to the members of the cooperative. This is a general rule. Exceptions however may occur. 4. Not all earnings are distributed. Part of the earnings is put aside as a reserve. Part may be used for educational, recreational and insurance purposes if the members so decide.



