

McGowan, Raymond A.  
New Guilds ...  
ADT 9861

# *NEW* GUILDS

A CONVERSATION



**SOCIAL ACTION SERIES NO. 1**

by

REV. R. A. MCGOWAN

Assistant Director,  
Department of Social Action,  
National Catholic Welfare Conference

The pamphlets in the *Social Action Series*, of which this is the **first** number, are edited by the Social Action Department of the National Catholic Welfare Conference. They represent an effort to present to the general public, and especially to Catholics, a discussion of current economic facts, institutions and proposals in the United States in their relation to Catholic social teaching, particularly as expounded in Pope Pius XI's Encyclical "Forty Years After—Reconstructing the Social Order" (*Quadragesimo Anno*). In the spirit of that Encyclical they are urged upon and recommended to individuals, study clubs, discussion groups and school classes.

COPYRIGHT, 1937, BY THE MISSIONARY SOCIETY OF ST. PAUL THE APOSTLE  
IN THE STATE OF NEW YORK

# New Guilds: A Conversation

*By*

REV. R. A. MCGOWAN

*Assistant Director, Department of Social Action,  
National Catholic Welfare Conference.*



**Social Action Series  
No. 1**

**OUR SUNDAY VISITOR LIBRARY  
HUNTINGTON, INDIANA**

*Published for*  
THE SOCIAL ACTION DEPARTMENT  
N. C. W. C.

*by*

THE PAULIST PRESS  
401 West 59th Street  
New York, N. Y.

*Nihil Obstat:*

ARTHUR J. SCANLAN, S.T.D.,  
*Censor Librorum.*

*Imprimatur:*

✠ PATRICK CARDINAL HAYES,  
*Archbishop of New York.*

*New York, March 5, 1937.*

PRINTED AND PUBLISHED IN THE U. S. A. BY  
THE PAULIST PRESS, NEW YORK, N. Y.

Deacidified

## FOREWORD

Mr. Q. and Mr. A. speak together in these pages. Mr. Q's ideas are wobbly. He shifts from timidity to boldness. He is more moved to speak freely about the failures of Catholics than the failures of the economic system—which is a tribute to the Church, but not to us.

Mr. A. seems anxious to show how the country can move gradually and peacefully into a just order. He could be more explicit. Mr. A. says that we should work out the details ourselves.

The talk is an attempt to put in a form that wavers between a catechism and a conversation the main proposals of Catholic social teaching. Pope Pius XI's Encyclical, "Reconstructing the Social Order," is the guide.

SOCIAL ACTION DEPARTMENT,  
NATIONAL CATHOLIC WELFARE CONFERENCE



# NEW GUILDS: A CONVERSATION

By REV. R. A. MCGOWAN

*Assistant Director, Department of Social Action,  
National Catholic Welfare Conference.*

## I. WHAT WE WANT

**Q.** I'd like to talk with you about how a Catholic looks at economic problems?

**A.** Let's try to see them in the light of Pope Pius XI's Encyclical, "Reconstructing the Social Order."

**Q.** Do you like the present scheme of things?

**A.** Like it! "The immense number of the propertyless wage earners and the superabundant riches of the fortunate few" prove that it fails in a first purpose of economic life—full output from our resources and a good living for everybody. Moreover, when "dead matter leaves the factories ennobled and transfigured where men are corrupted and degraded," that proves it fails in a second purpose—work that is "for the good of man's body and soul." And when the insecurity of things makes it so that "vast multitudes can only with great difficulty pay attention to their eternal salvation," we fail in the whole purpose of economic life,—making "particular economic aims" serve the final end of man and the world, "God Himself, our highest and lasting good." (A-B)

**Q.** Who run economic life this way?

**A.** In the main, the very rich, the heads of the big corporations and especially the big bankers who have an enormous power over ownership, work, wages, salaries, prices, output and distribution, and therefore over all of our life. Call it a private economic dictatorship. (32) (C)

---

NOTE—All quotations are from Pius XI's "Reconstructing the Social Order." The numbers refer to the pages of the N. C. W. C. printing. The capital letters refer to the Appendix.

**Q. They don't get the full use of resources for us, full employment and a good living?**

A. No. (C) Their rule is "hard, cruel and relentless," and they have an "unbridled ambition for domination." (33)

**Q. How did they get the wealth and power?**

A. As "a natural result of limitless free competition." (33) Competition told everybody to do just about anything he could get away with. (4, 10, 11) (C) That allowed "the survival of . . . the strongest, which often means those who fight most relentlessly, who pay least heed to the dictates of conscience." (33)

**Q. They prevent justice. What else?**

A. Fight for more power; try to control governments, and cause economic and political nationalism and imperialism, international domination by bankers and fighting between nations. (33)

**Q. Then we ought to go back to competition?**

A. No. "The proper ordering of economic affairs (*i.e.*, obtaining its purposes) cannot be left to competition." (C) Anyway, competition's "natural result" would be a concentration of wealth again. We should go, instead, back to the guilds of the cities of the Middle Ages—rather, bring up to date their principle of organization by industries for the common good. Before their corruption guilds were, in general, right.

**Q. What are guilds anyway?**

A. Organizations of all the people in a whole industry, line of trade or profession, acting under the government to a degree. For example, all the people in the textile industry. Or all doctors. That word "guild," however, is not in our English translation of Pius' Encyclical, "Reconstructing the Social Order." But the Latin uses words that mean the guild. The "social order" of the title of the Encyclical is, in fact, a new guild order which is to be "reconstructed," *i. e.*, constructed again.



**Q. You'd abolish the existing labor unions?**

A. Certainly not. But we'll take that up later.

**Q. What would the guilds do?**

A. Rule their occupation for the good of themselves, their customers and the community through fair incomes for reasonable and steady work and fair prices for honest goods. Or, as the Encyclical has it, the guild's most important work is that of "directing the activities of the group," *i. e.*, the industry or the profession, "to the common good." The common good is another way of saying social justice. They would do so with the help of government.

**Q. Could the old guilds have lasted?**

A. They would have had to bring more people in because the population grew, more worked, the market became wider. (D) Also farming should have organized.

**Q. Why didn't they meet the new facts?**

A. Greed weakened them. Then a wrong idea of freedom came in the pagan Renaissance and in the Reformation during the critical Age of Discoveries of the fifteenth and sixteenth centuries and in the rationalism of the eighteenth century during the machine revolution. They were ruined. (D) Governments gave in to the rule of greed (42) and abolished the guilds. The competitive system, or Individualism, followed, and soon became world wide. (32)

## II. THE MORALITY OF WORK AND WEALTH

**Q. But have we not the discoveries and inventions at least?**

A. They'd have come anyway. But they aren't used right—nor are raw materials, or ability to work; they don't produce all they can for a high level of human needs and get those goods to the people. (A) (25) That is a fundamental moral law. Even in 1929 they were under-used at least twenty per cent. Even the goods produced didn't get to the people who needed them; they didn't have the money; that

is why output lagged and unemployment came. Things are worse since.

**Q. You don't think then of going back to hand work?**

A. A few Catholics talk that way. But they have no authority back of it. We might as well go back to the days before Tubal Cain discovered iron. Instead, the Encyclical says we are to use "technical achievement" to the fullest. (25) God's gifts and man's inventiveness should show God's greatness and goodness; let more people live and live better and work more effectively; and give them time for their whole nature to develop. As for the human degradation in machine labor, organize and use government to extract its evils and make the work good for people, soul and body. (A)

**Q. But what would you do exactly?**

A. Keep our inventions and improve them, and get new ones. Get the guild spirit and morality back. An organization of the whole membership of each industry, service or profession to run it right. A federation of these organizations to run the whole system right. It is a new guild system. Government also, federal and local, to help it all exist and see it acts right.

**Q. What do you mean, "act right"?**

A. Morally right and economically right. Do the morally right thing. Use the efficient ways to do it. (14, 15)

**Q. Why speak of morals in connection with economics?**

A. Because owning, working, buying, selling, lending and borrowing are things human beings do and do in relation to each other. Because we are to use physical resources and the abilities God gave us for His honor and glory and the salvation of souls, our own and all others, in an order that leads to God. (15) Even free competition, or Individualism, tried to justify itself by saying that good finally comes; but it said that good comes from present attempts of everybody to beat everybody.

**Q. Not much is left for economics and politics?**

A. Yes, there is. Material things, ability to work, organization and legislation have their own rules which decide the results that can or can't be gotten and how. (15) But at the same time, the economic and political what, how and why have to bow to "the end and object of the whole economic order assigned by God the Creator." (15)

**Q For example?**

A. When you apply the moral law you have to say: Organize the industries and professions and use government to produce all the goods and services economically possible for a universally high level of human needs and distribute them. Economic life, *i. e.*, resources and the technical knowledge, then decides the economically possible and the ways to accomplish it. The Church teaches the principles. Guild and Government apply them within the limits of the economic possibilities.

**Q. I see how religion should teach the moral law of getting full output and distributing the output equably and, to do so, the moral law of both organizing and getting government to help. (31) But can't you amplify?**

A. A generous amount of goods and services used right helps people live a right religious and moral life. (25) Exploited families have a hard time getting along morally. Look at the slums. (42) Industry turns out useful and beautiful material things and degrades human beings. Instead, work ought to help develop people, soul and body. (43) Social justice demands that we do our part to get a living wage for everybody. (26)

**Q. Then we pray "Lead us not into temptation" and yet let the present set-up go on?**

A. Yes. Its worst evil is its ruin of souls. (40) We are inclined towards avarice anyway. But everything is so insecure now that getting and keeping rich and even getting and keeping a job takes up too much of our time. We haven't time enough to lead a right human and religious life. We are grubbers. (41)

**Q. Anything more?**

A. Stock markets grow right out of the system and they wreck attempts at price justice (41) and therefore also wage justice. A limited responsibility in corporations lets the directors do about anything. (41, 42) To make profits business men often pander to every kind of passion. (42) To make money, or even keep going, a lot of business men strangle their conscience.

**III. TODAY AND TOMORROW (G, H, I)****Q. What then?**

A. The only thing is this (E) "All the institutions of public and social (*i. e.*, social-economic) life must be imbued with the spirit of (social) justice and this justice . . . must build up a juridical (*i. e.*, governmental) and social (*i. e.*, social-economic) order able to pervade all economic activity. Social charity should be, as it were, the soul, of this order." (29) The social-economic order is the full organization of the industries and professions, labor and its unions included, into guilds. The juridical order means for government to help it come into existence, function right and live.

**Q. Impose then a guild system by executive order or law?**

A. No. But government can and should help. (27) We have to grow into the guilds, but do it with government help,—grow into the full organization and the full practice of economic morality and efficient economics.

**Q. What can be done today in industry, for example?**

A. The universal family living wage for a man is a matter of justice. (23) Probably half don't get it. The right to organize belongs to both employers and employees. (11-13) They have the duty to organize. The government ought to help establish justice. (9, 24) Employers and la-

bor should each organize and decide together the amount of the living wage and pay it. Let the government help as needed; (24) and it is needed.

**Q.** Many a business can't pay a minimum living wage without going bankrupt. Whole industries can't. The country as a whole perhaps can't. Certainly they can't all pay fair wages beyond this minimum standard. You want more than merely minimum wages?

**A.** Surely; but the resources, inventions and ability are here. We are not trying to use them right. But labor can't demand an employer's ruin to get fair wages. Employers' associations and the labor unions with the help of government should get together to work the company, or an industry and the country, out of the hole. Perhaps a business or industry is mismanaged. Or there is a cutthroat industry and its prices are too low. Perhaps there is no balance between industries. Employers, labor and government should do what they can. If they fail in a particular business, close up. Or pay the workers a living wage some other way. (24)

**Q.** Does paying them a living wage come before paying dividends?

**A.** Yes. The Bishops' Program of Social Reconstruction of 1919 says so.

**Q.** Before interest even?

**A.** Yes, on the same authority.

**Q.** Stockholders and bond and mortgage holders and the banks won't allow that, and the law is on their side.

**A.** The union can part way overcome even that; if we'd all organize, we could do it all; and the laws can be changed.

**Q.** Does an employer have to give up his own living and his family's to pay a living wage?

**A.** Certainly not. He has the same right to live from his work as those he hires. Others though don't have to work for him.

**Q. But where is the connection with guilds?**

A. The employers' association and the union jointly decide basic wage justice and make an industry pay it. That includes their making a business or a whole industry or a country efficient and their establishment of basic justice in prices. Here is a step to the guild organization, spirit and morality. The government helps throughout. (F)

**Q. A step only?**

A. The living wage is only the minimum. Social justice demands wages and salaries, and prices too, that will give everybody steady work and make output large. (24, 25) Organized owners and organized labor with the help of government ought to work these things out. (25) Everybody, too, in social justice should share fairly in the profits of our increasing productivity. (25) Besides, there is the matter of ownership.

**Q. What about hours?**

A. The same rules seem to apply—right hours so no one works too long and right hours so everybody can work. Find out the right number of hours yourself.

**Q. Ordinary collective bargaining is a step to the guild?**

A. Yes. "An honest discussion of differences based upon the desire of social justice . . . can and must be an approach towards the mutual coöperation of vocational groups," (35) that is, guilds.

**Q. What about clerical workers, technical men, and minor executives? Should they be in unions?**

A. Certainly. Both to help themselves and to help make industry efficient and just.

**Q. Would labor and employers have separate organizations in the guild?**

A. Yes, and meet and vote separately as needed. (28) But their aim ought to remain the same—justice and social justice, or in other words, justice to each and justice to all.

**Q. Not guilds for farmers, too?**

A. Yes. Growing probably out of farm coöperatives and farm labor unions and acting with government's help, as needed. And both protecting farmers' rights and promoting the general good through, for example, a right balance of farm prices with other prices. For another example, farm organization would strengthen farm ownership.

**Q. Guilds for professions?**

A. Yes.

**Q. What about their relations? Every industry depends on every other one.**

A. A council of all the guilds acting with the help and under the sovereignty of government to plan and direct the relationships of all the industries and professions in a unified economic life for full output and full distribution. If we had all of that then we'd have a guild system again.

#### IV. BARRIERS AND HELPS

**Q. To distribute income and balance prices so that employment and income will be steady means less interest and dividends, lower prices of some things, higher prices of others, higher wages and salaries and the squeezing out of watered stock and bonds. Do you think the owners will give in?**

A. Perhaps not. But the union in this proposal is not standing off demanding something. It is jumping in to help get it. It is not only a bargainer. It is not merely a fighting machine. It is a coöperator helping to work companies and industries and the whole country out of a hole. The union works for the common good. (26) Government helps, as needed, directing, watching, stimulating and restraining. (27, 28) Between the two positions there is a world of difference. In fact, too, we avoid, this way, the otherwise almost inevitable open fight of an increasing class struggle over wages and hours, (27) (J) and gradually brewing revolution, ending in Fascism or Communism.

**Q.** But the economic dictators want to keep their power.

**A.** Labor and government and other business have to force them.

**Q.** That certainly looks like Fascism.

**A.** Fascism turns the job over to government, which acts chiefly for political purposes; while correcting some injustices it lets the main ones go on; and it does not lead on to the better social order of guilds. (30)

**Q.** But organized labor may not try to coöperate. It may get the idea that abolishing ownership is the only thing.

**A.** That may happen. But it is not happening now in America. American organized labor wants to coöperate. If it changes, the main reason will be because employers refuse even to bargain fairly and coöperate on prices and the rest. American union labor wants to help plan and direct economic life.

**Q.** Plan and direct economic life?

**A.** Certainly. You can't do right without taking thought to it. There is another reason. An order of guild and government, working for justice and the common good, will reflect the Divine Order of the physical and spiritual worlds. (43)

**Q.** What about the fight over industrial unions organizing in one union all the employees in each industry, and craft unions organizing them by their type of work, like carpenters, or whatever industry they work in?

**A.** That is a fight merely over ways and means. It is for the workers themselves to decide what kind of organization they want, so long as justice and the general welfare are cared for. (28) Yet no matter how employees are organized, the unions in every industry should work together both to bargain and to help pull their companies and indus-



tries and the whole country out of the hole. Figure out the problem of craft versus industrial unions yourself. Figure it out by industries. Some seem to need craft unions and some industrial unions.

**Q. Will child labor end?**

A. Child labor can and should end (23) in the very first steps that government takes to help organized business and organized labor deal with each other, both through establishing the family living wage and directly forbidding child labor.

**Q. Will it end women's wage labor?**

A. No. Why should it? But it will greatly reduce it by paying good wages to men so they can marry. It will, though, end the scandal of "working mothers," first of all, by paying husbands enough to support them and, second, when it is necessary for the common good, by removing married women, who would continue working. (24) But that doesn't mean ending it for married women, in exceptional cases, nor, of course, in small shops, on farms, and the like.

**Q. Should women be in labor unions, too?**

A. Yes.

**Q. What about equal pay for women doing equal work?**

A. The Bishops' Program says yes.

**Q. What about consumers' coöperation?**

A. It is a good arrangement. But it stands in a second line. It means organizations of consumers to own and control stores and then perhaps production. Let it go as far as it can. The guild order comes first. One's work, one's vocation, is more important to start from than consuming goods. Consumers' coöperation can help cut profiteering prices and the costs of distributing goods. In the guild system and in the steps towards it, it checks the perfectly possible wrongdoing of guildsmen. The Bishops' Program of

Social Reconstruction also points out how consumers' co-operation trains people in other forms of coöperation.

**Q. What about credit unions?**

A. Ditto. Coöperative banking by industries can also help build up the guilds and when they are built can furnish them their credit without their relying on commercial banks or government.

**Q. What about our relations to other countries?**

A. The same rule stands—a guild system helped by government and growing to the whole world. The local markets made the early guilds city-wide. Because they did not grow as new conditions arose is one reason why they died. God gave the resources of the earth and the abilities of mankind for all mankind to use. Now the world is closely interdependent. The spirit, morality, and organization of the guild, and of approaches to it, and of governmental action, can be and have to be world wide. (29)

## V. OWNERSHIP (K)

**Q. That word "social justice," what is the difference between it and justice?**

A. Social justice is another word for the general welfare itself, the common good, the good of everybody, justice to the body social. (F) It is also the virtue that moves us to promote the general welfare. Justice concerns the dealings of man and man.

**Q. So, social justice is in the Preamble of the Constitution then?**

A. An amendment seems necessary to get it into the Articles.

**Q. What is the idea underlying it?**

A. The basic equal worth and natural brotherhood of all of us, living in a world created for all of us. (16) And then our elevation to be brothers of Christ.

**Q. Do you want equality in property and income?**

A. Certainly not. People who give extra service are entitled to extra rewards both in income and ownership. (43)

**Q. Labor will remain a non-owner?**

A. No. It isn't essentially wrong, though, that some persons own and others do not, and work for those who do. (32) Yet concentrated ownership has to go. Labor must get enough to save and rise to ownership. (22) Otherwise social injustice still stands. (21) Until then we are not safe from revolution, either. (22) We have to go the whole way. The time, also, has come to try out honest profit sharing, management sharing and ownership sharing. (23) Here, too, the unions should represent labor to make and keep profit sharing, etc., honest.

**Q. You don't have much private ownership left.**

A. On the contrary. When private ownership is left alone, it wrecks itself. (17) Here it becomes less ingrown. It, itself, becomes less exclusive; more own. (22) Its powers become less exclusive; it serves the common good, whoever is owner. (15, 16) Moreover, the government takes over the ownership of the industries that are too important to the community for individuals to own. (35)

**Q. That last is Socialism.**

A. No. Socialism, often, and Communism, always, is public ownership of practically all the means of work. What I said was that there should be public ownership of things which can't otherwise be made to serve the general welfare. In the rest of industry, agriculture and trade, private ownership should stay. But it must be made to assure the general welfare. In fact, the very form of private ownership has to fit the general welfare. (17)

**Q. The form, even?**

A. Yes. We are standing here on shifting ground. The form of ownership has changed often. (17) In corporations and still more in holding companies, ownership now means

ownership of a perhaps salable piece of paper which usually has no control over the material thing it represents. It is a new kind of private ownership. It works against the common good. The guild and the approaches to it and the government will have to make some still newer form that will be for the good of people. (17) For example, in industry and trade, instead of capital stock, a new thing, labor stock, —a share owned by a person working, bought mainly through profit sharing, controlled by his union, paying a limited return and subject to forced sale when the owner-worker leaves his job. I'm getting this idea largely from the Code of Social Principles adopted by the International Union of Social Studies of Malines. A lot of experimenting has to be done.

**Q. Aren't you vague at times? For example, you don't name the industries that should be publicly owned.**

A. It would be just my own guess. The important thing is for guild and government to find out exactly those industries that can't be controlled for the common good and turn them over to the government. Again, administration mainly by the guild should prevail.

**Q. Does the same rule of vagueness stand for wages?**

A. The living wage is easier to decide. But to decide the wage, salary, price, interest and dividend rates which bring steady employment demands close knowledge of industry and trade. Who am I, who is anyone, to decide? It has to be worked out. Even the very form the guild takes and the steps to it have to be worked out. (28)

**Q. Then the moral law is not everything?**

A. Nearly. But the facts in hand have to be known before you can apply the moral law. The methods have to be known. The government and steps toward the guild and, in the future, the fully developed guild system and the government can learn the facts and apply the moral law to them and then work inside the physical and human possibilities.

**Q.** What about the misfits, the sick, the handicapped, the blind, and the people who throw their lives away? They can't work. Some merely won't. What about them?

**A.** For them, use charity, almsgiving, the giving beyond justice for the love of God. (18) Here is another limit on private ownership. In fact, the use of things privately owned ought to be common to care for these people.

**Q.** The Church has its great charities. But justice comes first.

**A.** Certainly. (4) But in this tragic last century or so when so little of justice has actually been possible, we have put a great deal of energy into binding the wounds of the victims of injustice, too. We'll go on doing it as long as it is necessary. But that isn't almsgiving's job. The injustice ought to be prevented.

## VI. GOVERNMENT (L)

**Q.** Some people won't organize, or, when they do, can't get what they need. Should the government act anyway?

**A.** Yes, it can act on its own and ought to sometimes. We are a long way from establishing guilds or the full first step towards them—labor unions, employers' organizations, farm coöperatives and professional associations. We have economic dictatorship now, mixed with competition. Government ought to rule both of them for the general good. (34) That means a good deal of legislation. But government ought to rely on organizations as much as it can.

**Q.** Does that allow legislation like the Social Security law?

**A.** Government must protect particular classes, and especially the poor. (9, 10) Think out yourself the protective labor and social legislation needed. Yet, in fact, the usual program of labor legislation seems straight out of the pages

of Catholic social teaching. (10) The Bishops' Program of Social Reconstruction advocated social insurance years ago. But as far as possible government should use the organizations of business and labor to frame and administer these laws.

**Q. Can the government control the total amount of money in circulation and the total credit?**

A. Certainly. That is too strong to go uncontrolled. Credit-control influences prices and production. It is a part of the new dictatorship. (33) Again work out the right plan. Work out, too, the right control over access to credit.

**Q. What about—?**

A. Anything needed, which can in no other way be met, to establish justice and promote or protect the general welfare or protect the welfare of any particular group, the government can and should do, with the warning that it cause no injustice in doing it. (9) But it should use the steps towards the guild system as much as possible. (26)

**Q. Can it abolish ownership, too?**

A. No. Ownership is a natural right. (15) Ownership, jointly regulated by guild and government, is the best way to establish justice and promote the common good. (16) Government may not abolish inheritance, either, or crush people by taxes. (17)

**Q. Won't that idea of government make government too powerful?**

A. Not if government helps build guilds. Guilds and the steps towards them will then do more and more of the planning and directing of economic life. (26) Government can then, as needed, direct, watch, stimulate and restrain them. (26) Because the guilds don't exist, government has to do more and more. (26) And because the economic dictatorship does exist, it does much that is wrong. (33) "Too much government" is another way of saying "no guild system."

Q. It looks like too much will be done from Washington anyway.

A. If government guides and helps the economic organizations, then the government, federal or state, that acts, is the one matching the organization. In many cases, to fit the organizations, it will be the federal government. In many other cases it will be state and even city governments. Mistakes will be made. But they can be corrected as we go along.

Q. What about government doing something like this—fix minimum wages and maximum hours for the industries in which the workers are unorganized, but protect their right to organize; and in the organized industries, and in others as they get organized, take the agreements on wages and hours which they have made with employers and apply them to their whole industry?

A. That looks like the best way for government to act. It protects the worst off. It helps protect the better off. And it encourages organization and works through it. In fact, as a starter, it is the very idea.

## VII. COMMUNISM

Q. The plan of employer associations and unions and of farmers' organizations and professional associations helped by government and growing into a guild system means a lot of thinking and working by a lot of people. Why wouldn't it be better merely for the government to regulate?

A. Because government would have to regulate more all the time. (26) That would be moving into Fascism. It is like the cost of repairs and parts for a poor car. An economic régime built on denying responsibilities has to be regulated to the hilt if it is to live up to even part of its responsibilities. And then we would not succeed enough. The outcome of simple regulation becomes either the totalitarian regulation by a Fascism in partnership with employers or the effort to create Communism.

**Q. Why not Communism anyway?**

A. To get Communism means a drive, not for collective bargaining and partnership in control and distributed ownership as here, but to dispossess the owners. That means continuous small upheavals growing larger and ending in revolution. (34) Then failure also. But oppression and bloodshed throughout.

**Q. The bad means and the gamble don't justify the good end?**

A. Even the end is bad. When the government has all the economic power, governmental officials decide a person's chance to work, control his income and dictate how he will work. Give that power to the combined lawmaker, prosecuting attorney, judge and executioner and you have dictatorship. Government officials will rule out everything that doesn't please them. They will fit all culture, religion, family life, racial differences and education, to their own ideas.

**Q. But things are bad now.**

A. Change them.

**Q. The people can vote the government in or out under Communism.**

A. By a vote of 30,000,001 to 30,000,000? Yet, with the power of the officials, they will rarely be voted out. If voted out, they need not go out.

**Q. A government can force full production.**

A. A dictatorship can't do it long. In the long run the guild does better. Full production, furthermore, isn't the only aim in life; it fits into an all-round scheme. (37)

**Q. People would be completely free after working hours and have all they wanted.**

A. Would they? Would the system work? If it did, would the officials let you have what you needed if they didn't like you? Anyway complete freedom after working hours isn't good either. Ordered freedom both inside and outside



work in a community organized as a matter of human need and under an authority deriving its just powers ultimately from God is what is right. (37)

**Q. But—**

A. And Communism fights Christianity, fights the Church, because the Church keeps people from using hatred and revolution as means of "progress" and teaches the dignity, freedom and brotherhood of individuals and individual families.

**Q. We may have a fling at Communism anyway.**

A. A bloody fling. But if so, it will be because the owners of industry and trade and the new economic dictators—the wealthy, the great corporation and holding company executives and the bankers—will not give in, and American labor, then, may become desperate and try revolution. From any of which now, and in the future, may God protect us.

### VIII. CATHOLICS

**Q. But Christianity hasn't done so well. Grant that under its influence slavery ended. Grant the guilds. Grant the great civilization of the cities and towns of the Middle Ages. But individualism came and the new supremacy of the few is here. Religion has stood by a long time.**

A. At the end of the Middle Ages the Age of Faith ceased. The Renaissance and the Reformation started us wrong. Later greed ruled reason and called itself Rationalism. (42) Still later a religion of Evolution dominated people and created Individualism fully. Out of Individualism and the new Darwinian "religion," which, when they wanted to be benign, taught that justice comes through injustice, arose the new dictatorship of finance. You can't blame the failures of even its followers upon a true religion. Still less the failures of those who left it.

**Q.** A great many otherwise good Catholics are not active in getting justice. Some of them are even exploiters, aren't they?

**A.** Yes. (39) They are like their ancestors in the Faith who let the guilds grow flabby and die and started this whole mess today. They give the Church a bad name today. But I'd like to excuse Catholics. There is the tradition in non-Catholic countries of trying to be as little different as possible from others, so as to prevent persecution. There is a like practice in Catholic countries where religion, too, was persecuted, and precisely when those countries began to try to keep up with the Joneses of "business is business" in the Protestant, and, now, the pagan world. Add the neglect and positive sin of otherwise good Catholics.

**Q.** Catholics should then be in the lead in the growth of a guild system to decide and enforce social justice?

**A.** Yes. Certainly their Church urges them.

**Q.** They are a minority in the United States.

**A.** A minority twenty million strong. They are chiefly wage and salary workers. Some are executives. Others are in the professions. Others are business men. Others are farmers. If they were in their organizations and knew what is morally right, what could they not do in America?

**Q.** Know what is morally right?

**A.** Yes; learn from the Church the fundamentals of right and wrong and learn them in detail, and then go out and lead in doing the job. (14, 15)

**Q.** If I get you right, it is this: Such production and such a distribution of income and balancing of prices as will give everybody steady work and a good living; labor unions and employers' organizations working to get this full production and full distribution; farmers doing likewise; the professions also; government helping; done peacefully and by a steady and speedy growth. That ought not to be hard to teach. Why the difficulty?

A. Thanks to Protestantism and Rationalism, and thanks also, and probably still more, to the very facts of economic Individualism and the new economic dictatorship, the human nature of Catholics befogs even their Catholic faith and certainly their practice. Excuse them, please.

**Q. I'll not excuse Catholics. They have their Church. Their fathers destroyed slavery in Europe and made the guilds. Why shouldn't they remake America now? They are twenty millions and, as you say, strong.**

A. There isn't any finally satisfactory reason why they shouldn't. Grant difficulties. Grant slowness. Still they, and right thinking people with them, can jointly do it. Social charity is necessary throughout. That is a highly spiritual thing directed towards whole groups and the whole people and the whole world. The tragic history of Catholics and of all of us handicaps our having this social charity now. Yet we can rise above our history.

## IX. CATHOLIC ACTION

**Q. You say social charity is necessary. What is it?**

A. The bond uniting sons of Adam and sons of God. The further bond, making the failures of Catholics the worse, of a common Redemption by Christ, God, Who took our physical body, lived a short lifetime, was murdered on a cross, died for everybody and established His Church and Sacraments. (29, 44) We are His Mystical Body if we want to be. The very system of guild and government establishing justice, based though it is on the moral law of nature, (15, 27) forms an analogy to Christ's Mystical Body. (29) We are brothers in blood. We can be brothers in Christ's blood. Social charity is the very soul of the order of guild and government. (29)

**Q. You are over my head.**

A. Also over mine and over everybody's in its full development. But the elements are plain. This is a lever to move the earth.

**Q. What then would you chiefly recommend?**

A. Know the moral teaching; get the supernatural help to know it better and to live it; join the economic organization that fits your work and position; influence government; learn the industry and profession you follow; do your best.

**Q. Knowing the teaching means being taught.**

A. From the pulpit. From Catholic newspapers and magazines. From reading. From Retreats. From the lay organization acting under the guidance of the Church.

**Q. Lay organization?**

A. Yes, organizations of laymen and laywomen, working with and under the teaching and ruling Church. They have been dignified with the name Catholic Action. They don't write collective agreements or direct economic life. They don't go into politics. But under the teaching Church, they teach people their rights and duties and move them to go into economic organizations and government and do the job. (31, 46)

**Q. Under the Church?**

A. Yes, because morality is involved. And that is why a specially prepared priest should be set aside by the Bishop to help lay organizations learn the truth (46) and get business men to be apostles to business, labor to labor, (46) farmers to farmers, and professional men to the professions.

**Q. You throw a lot of responsibility on laymen and laywomen for establishing a socially just economic system and for delivering America and the world from Fascist or Communist totalitarianism. You may be disappointed, may you not?**

A. Yes—to both statements. But they have always had the responsibility; it is part of their life. Sometimes they live up to it. Sometimes they fail. Mankind's very fate is in their hands now. (45-47) The fate of the Church, too, even though, however weakened, it will go on to the end of the world. We are living during a crisis. A lot of Catholics are not doing right.

### Q. What hope have you?

A. A great deal, but it may all be wrecked. The hopeful thing is the combination of an intense religion among many and black tragedy. (45) Those people in the face of that tragedy are bound to act. May they not act too late.

## APPENDIX

### *Selected Quotations from Pius XI's "Reconstructing the Social Order."*

#### A. THE PURPOSES OF ECONOMIC LIFE

*Full output and distribution*—"Then only will the economic and social organism . . . obtain 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." (25)

*Work*—"Bodily labor was decreed by Providence for the good of man's body and soul." (42)

*Road to Heaven*—"If (the moral law of economic life) be faithfully obeyed . . . particular economic aims will be intimately linked with the universal teleological order" and "the final end of all, God Himself, our highest and lasting good." (15)

#### B. THE FAILURE

*Distribution*—"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 men." (21)

*Work*—"Dead matter leaves the factory ennobled and transformed where men are corrupted and degraded."

*The Road to Heaven*—"Vast multitudes of men can only with great difficulty pay attention to that one thing necessary, their eternal salvation." (40)

#### C. THE REASONS FOR FAILING

1. *The Old Individualism*—"The proper ordering of economic affairs cannot be left to free competition," which, "ignorant or forgetful of the social and moral aspect of economic matters teaches that these possess in competition and open markets a principle of self-direction better able to control them than any created intellect." (28, 29)

2. *The New Domination*—"Still less can this function be exercised by the economic supremacy" (29) in which "not alone is wealth accu-

mulated but immense power and despotic economic domination is concentrated in the hands of a few . . . , frequently not the owners but only the trustees and directors of invested funds" and in those who "govern credit and determine its allotment." (32)

#### D. THE GUILDS AND WHY THEY FELL

"At one period there existed a social order which, though by no means perfect in every respect, corresponded nevertheless in a certain measure to right reason according to the needs and conditions of the times." (31)

"That this order has long since perished is not due to the fact that it was incapable of development and adaptation to changing needs and circumstances, but rather to the wrongdoing of men. Men were hardened in excessive self-love and refused to extend that order, as was their duty, to the increasing numbers of the people; or else, deceived by the attractions of false liberty and other errors, they grew impatient of every restraint and endeavored to throw off all authority." (31)

#### E. A NEW ECONOMIC AND GOVERNMENTAL ORDER TO REALIZE THE PURPOSES OF ECONOMIC LIFE

"All the institutions of public and social (*i. e.*, social-economic) life must be imbued with the spirit of (social) justice and this justice . . . must build up a juridical (*i. e.*, governmental) and social (*i. e.*, social-economic) order able to pervade all economic activity. Social charity should be, as it were, the soul, of this order." (29)

#### F. SOCIAL JUSTICE

"The common good, *i. e.*, the standard of social justice." (34)

#### G. GROWTH TO THE SOCIAL ORDER

"An honest discussion of differences based upon the desire of social justice . . . can be and must be an approach towards the mutual co-operation of vocational groups" (*i. e.*, the social order of organized industries and professions or guilds). (35)

#### H. THE SOCIAL-ECONOMIC ORDER

"Nature induces those who practice the same trade or profession, economic or otherwise, (to) combine into vocational groups (*i. e.*, guilds)." (27)

*The Function*—"In these associations (guilds) the common interest (the things common to) of the whole (vocational) group must predominate; and among these the most important is the directing of the activities of the group (industry or profession) to the common good (of society)"—*i. e.*, to social justice. (28)

*Employers' Associations and Labor Unions*—"Regarding cases in which interests of employers and employees call for special care and

protection against opposing interests, separate deliberation will take place in their respective assemblies and separate votes will be taken as the matter may require." (28)

*Government*—"The aim of social legislation (*i. e.*, social-governmental policy) must, therefore, be the reestablishment of vocational groups" (27) (*i. e.*, whole industries and professions organized); the government's function thereafter is that of "directing, watching, stimulating and restraining as circumstances suggest or necessity demands." (26)

## I. STEPS TO A SOCIAL ORDER OF GUILD AND GOVERNMENT

*Employers' Associations and Labor Unions.* (11-13)

*Coöperation to Attain Living Wages*—"If in the present state of society this (*i. e.*, the family living wage) is not always feasible, social justice demands that reforms be introduced." (24)

"Let employers and employed join in their plans and efforts to overcome all difficulties and obstacles and let them be aided . . . by the wise measures of public authority." (24)

*Coöperation for Wages and Prices that Will Provide Steady Work*—"Social justice demands that by union of effort and good will such a scale of wages be set up if possible as to offer to the greatest number opportunities of employment and of securing for themselves suitable means of livelihood." (25) "Intimately connected with this is a reasonable relationship between prices." (25)

*Sharing in Wealth*—"By these principles of social justice one class is forbidden to exclude the other from a share in the profits." (20)

## J. CURE OF THE CLASS STRUGGLE

"There cannot be question of any perfect cure except well-ordered members (*i. e.*, whole organized groups) of the social body come into being anew, vocational groups, namely (*i. e.*, the industries and professions organized)." (27)

## K. OWNERSHIP

*Twofold Character*—"Men must take into account in this matter (ownership) not only their own advantage but also the common good." (17)

*Regulation of the Use*—"Provided that the natural and divine law be observed, the public authority, in view of the common good, may specify more accurately (*i. e.*, beyond the demands of the natural and divine law) what is licit and what is illicit for owners in the use of their possessions." (17)

*The Form of Ownership*—"The defining of private possession has been left by God to man's own industry and to the laws of individual peoples. History proves that . . . ownership . . . is not absolutely rigid." (17)

*Distributed Ownership*—"It is conducive to the common good (*i. e.*, social justice) that wage earners of all kinds (*i. e.*, all employees) be enabled . . . to attain to . . . a certain modest fortune." (25) Otherwise "let nobody persuade himself that . . . human society can be effectively defended against the forces of revolution." (22)

*Public Ownership*—"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." (35)

#### L. GOVERNMENT

*Principle*—"The laws and institutions, the general character and administration of the commonwealth, should be such as of themselves to realize public well-being and private prosperity.' . . . A just freedom of action should be left to individual citizens and families; but this principle is only valid as long as the common good is secure and no injustice is entailed. The duty of rulers is to protect the community and its various elements; and in protecting the rights of individuals they must have special regard for the infirm and needy." (9)

*Social Legislation*—"There has arisen a new branch of jurisprudence . . . whose aim is the energetic defense of those sacred rights of the workingman which proceed from his dignity as a man and as a Christian. These laws concern the soul, the health, the strength, the housing, workshops, wages, dangerous employments, in a word, all that concerns the wage earners, with particular regard to women and children. Even though these regulations do not agree always and in every detail with the recommendations of Pope Leo, it is none the less certain that much which they contain is strongly suggestive of *Rerum Novarum*." (10)

*Regulation of Competition and the New Dictatorship*—"Free competition and still more economic domination must be kept within just and definite limits, and . . . be brought under the effective control of the public authority, in matters appertaining to this latter's competence." (34)

*Social-Economic Rulership*—"This rulership belongs not to the individual owners but to the State." (35)

*Cause of "Too-much-government"*—"On account of the evil of Individualism, . . . the State now encumbered with all the burdens once borne by associations rendered extinct by it, was (has been) submerged and overwhelmed by an infinity of affairs and duties." (26)

*Devolving of Power to the Guilds*—"The more faithfully this principle is followed, . . . the more excellent will be both the authority and the efficiency of the social organization as a whole and the happier and more prosperous the condition of the State." (26)



## SELECTED READINGS

*General References* on the Encyclical "Reconstructing the Social Order":

- "Christian Social Manifesto," Joseph Husslein. Bruce & Co., Milwaukee. \$2.50.  
"Reorganization of Social Economy," von Nell-Breuning-Dempsey. Bruce & Co., Milwaukee. \$2.50.  
"A Better Economic Order," John A. Ryan. Harper, New York. \$2.50.  
"Little Labor Library" (15 pamphlets), National Catholic Welfare Conference, Social Action Department, Washington, D. C. \$1.00.

*Special References:*

I. *What We Want*

- "Democratic Industry," Joseph Husslein, S.J. Kenedy, New York. \$1.50.  
"Rugged Individualism," John S. Cronin, S.S. (*Social Action Series.*) Paulist Press, New York. 5c.  
"Toward Social Justice" (Part I), R. A. McGowan. National Catholic Welfare Conference, Washington. 15c.

II. *The Morality of Work and Wealth*

- "Reorganization of Social Economy," Chapter II.  
"Political Economy," Charles S. Devas. Longmans, Green & Co., New York. \$3.50.  
"Ethics and Economics," John A. Ryan. *The Commonwealth*, October 6, 1933.

III. *Today and Tomorrow*

- "Organized Social Justice," National Catholic Welfare Conference, Washington. 10c.  
"Wages and Hours of American Labor," Francis J. Haas. (*Social Action Series.*) Paulist Press. 5c.  
"The American Labor Movement," Francis J. Haas. (*Social Action Series.*) Paulist Press. 5c.  
"Bishops' Program of Social Reconstruction," National Catholic Welfare Conference, Washington. 10c.

IV. *Barriers and Helps*

- "Avoiding Fascism and Communism," Wilfrid Parsons, S.J. (*Social Action Series.*) Paulist Press. 5c.  
"Consumers' Cooperatives," Edgar Schmiedeler, O.S.B. (*Social Action Series.*) Paulist Press. 5c.  
"Credit Unions," Frank O'Hara. (*Social Action Series.*) Paulist Press. 5c.

"Women in Industry," Linna E. Bresette. (*Social Action Series.*) Paulist Press. 5c.

"International Economic Life," Ryan - Moon - McGowan. Catholic Association for International Peace, Paulist Press. 10c.

#### V. *Ownership*

"Modern Corporation and Private Property," Berle and Means. Macmillan, New York. \$3.75.

"National Wealth and Income," Federal Trade Commission. 1926.

"Reorganization of Social Economy," Chapter VI.

"Toward Social Justice" (Part II), National Catholic Welfare Conference, Washington. 15c.

"A Code of Social Principles," National Catholic Welfare Conference, Washington. 25c.

#### VI. *Government*

"Government in Business." Macmillan, New York. \$2.00.

"What Laws Must We Have?," Elizabeth Morrissy. (*Social Action Series.*) Paulist Press. 5c.

"Toward Social Justice," Chapter VIII.

#### VII. *Communism*

"Bolshevism: Theory and Practice," Waldemar Gurian. Sheed & Ward, New York. \$2.50.

"The Economic History of Soviet Russia," Calvin B. Hoover. Macmillan, New York. \$3.00.

"A Cure for Communism," National Catholic Welfare Conference, Washington. 5c.

#### VIII. *Catholics*

"Religion and the Rise of Capitalism," R. H. Tawney. Harcourt, Brace & Co., New York. \$3.50.

"Catholicism, Protestantism, Capitalism," A. Fanfani. Sheed & Ward, New York. \$2.00.

#### IX. *Catholic Action*

"Reorganization of Social Economy," Chapters XVII and XVIII.

"Toward Social Justice," Chapter XIV.

"Economic Life and Catholic Action." (*Social Action Series.*) Paulist Press. 5c.

# SUGGESTIONS FOR STUDY CLUBS OR COMMITTEES ON INDUSTRIAL QUESTIONS

1. The study club is not a group to listen to lectures. It is for joint discussion. It is small—ten or twelve to twenty or so—so as to permit general discussion.
2. There is a discussion leader.
3. The group may consist of persons of various occupations and interests or of special groups, such as organization leaders, employers, professional persons, clerical workers, manual workers, etc. A number of small study groups established within each organization is desirable.
4. Meetings are once a week or once every two weeks or once a month.
5. Every member should have at least the text and the outline.
6. The discussion, as a rule, follows the outline point by point. The section of the text to be discussed should be read before the meeting by each member.
7. Use questions at the end of the meeting to recapitulate.
8. Reports or papers called for by any outline should be brief.
9. The purposes are:
  - (a) So its members will know the teaching of the Church on economic life.
  - (b) So they can speak at Catholic meetings.
  - (c) So they can be leaders in the activity of Catholic organizations.
  - (d) So they can apply the teachings in their work and civic life.
  - (e) So they can guide the economic organization to which they belong.
  - (f) So that they will be better Catholics.
10. If the group is an offshoot or a part of another organization they should report their conclusions to the parent organization, because one of the chief purposes of the club or committee is to pass on their information, point of view and enthusiasm to the Catholics of their community and to make the club's work definitely a part of the parent organization's work.

*For further information and assistance, write:*

**National Catholic Welfare Conference,  
Social Action Department**

**1312 Massachusetts Avenue NW., Washington, D. C.**

# SOCIAL ACTION SERIES

All Pamphlets Contain N. C. W. C. Study  
Club Outlines

- No. 1—**New Guilds: A Conversation**  
By Rev. R. A. McGowan
- No. 2—**Rugged Individualism**  
By Rev. John F. Cronin, S.S., Ph.D.
- No. 3—**The Wages and Hours of American Labor**  
By Rev. Francis J. Haas, Ph.D., LL.D.
- No. 4—**What Laws Must We Have?**  
By Elizabeth Morrissy, Ph.D.
- No. 5—**Consumers' Cooperatives**  
By Rev. Edgar Schmiedeler, O.S.B., Ph.D.
- No. 6—**The American Labor Movement**  
By Rev. Francis J. Haas, Ph.D., LL.D.

## *Other Titles in Preparation*

THE MEDIAEVAL GUILD—THE RISE OF CAPITALISM—ECONOMIC  
 DICTATORSHIP—STEPS TOWARD THE GUILD TODAY  
 —GOVERNMENT IN ECONOMIC LIFE—THE CONSTITUTION—  
 CREDIT UNIONS AND COOPERATIVE BANKING—AVOIDING  
 FASCISM AND COMMUNISM—PRICES—MONEY AND CREDIT  
 —WOMEN IN INDUSTRY—NEGRO LABOR—AMERICAN FARM  
 LABOR—THE OFFICE WORKER—TAXES—MACHINES AND  
 MEN—ECONOMIC LIFE AND CATHOLIC ACTION

5 cents each, \$3.50 the 100, \$30.00 the 1,000

*(Carriage Extra)*

**THE PAULIST PRESS**

401 West 59th Street

New York, N. Y.