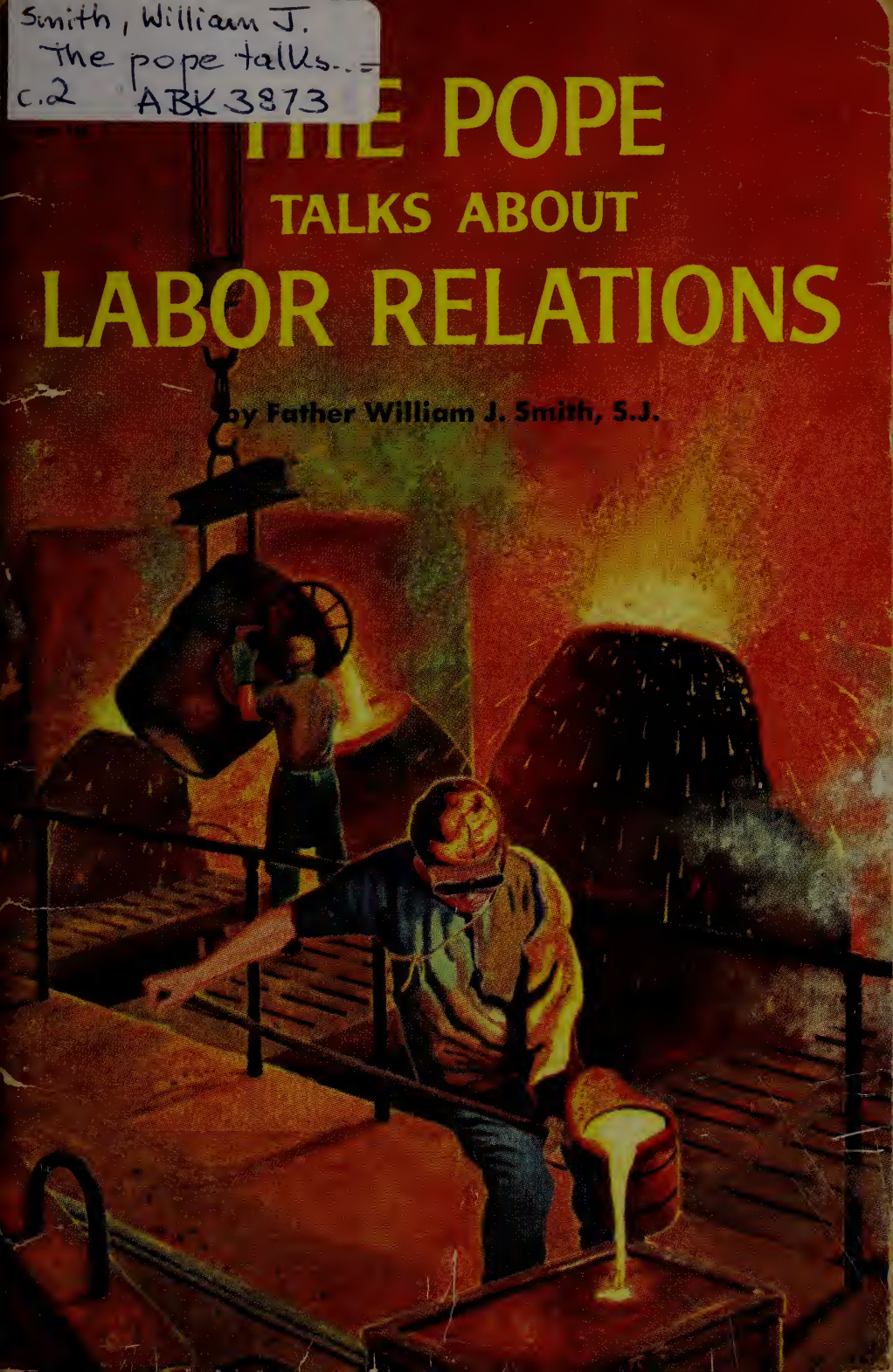


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# THE POPE TALKS ABOUT LABOR RELATIONS

by Father William J. Smith, S.J.





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**The Pope**

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# LABOR RELATIONS

BY FATHER WILLIAM J. SMITH, S. J.

Catechetical Guild Educational Society  
St. Paul, Minnesota



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# ONE

## Peter to Pius

**I**N the establishment of His Church, Jesus Christ, the founder of Christianity, commissioned one man, Peter, chosen from among His first followers, to be its sovereign head. It can easily be shown that the currently reigning sovereign pontiff of the Catholic Church, Pius XII, is the legitimate successor in direct line to Peter, the first pope of that Church.

From Peter to Pius, in succession down the years, the pontiffs have made public pronouncements on thousands of subjects in keeping with their times and the circumstances of their age, as men and movements passed across the stage of history.

These public papal statements, in their official character, have always been confined to one phase of human affairs: the relation of thoughts and actions of men to faith and morals. Neither the Church, by the very nature of its organization, nor the pope as its official spokesman, claims the right to go beyond the confines of that self-imposed restriction.

### NOT OUT OF BOUNDS

At first sight, the title of our book, *THE POPE AND LABOR RELATIONS*, might lead one to believe that here at least is one time and one topic in which papal pronouncements seem to go beyond the stated scope and jurisdiction. As we develop our theme, however, it will be clearly seen that this is not so.

## 8 *The Pope Talks About Labor Relations*

We are presenting the thoughts and the principles of a modern pope, Pius XI, on a timely subject, together with some observations of a worthy predecessor, Leo XIII, and his universally esteemed successor, Pius XII. The source of the material is from what are called encyclicals. The basic principles presented reflect papal thought from the angle of faith and morals. Citations of fact, reference to past or current events, personal observations, and comments are the responsibility of this writer.

### WHAT IS AN ENCYCLICAL?

The word encyclical is used to denote an official letter or message issued by the sovereign pontiff and addressed ordinarily to the hierarchy and the members of the Catholic Church throughout the world. The famous encyclical of Pius XI, promulgated on May 15, 1931, for instance, bears the following salutation:

“To Our venerable brethren, the patriarchs, primates, archbishops, bishops, and other ordinaries, in peace and communion with the Holy See, and likewise to all the faithful of the Catholic world: On Reconstructing Social Order and on perfecting it in conformity with the law of the Gospel, in honor of the fortieth anniversary of the encyclical of Leo XIII, ON THE CONDITION OF WORKERS.”

Both the official and the popular title given to an encyclical are taken from the first two words of the first sentence of the document in the original Latin text. The particular letter referred to above is known as QUADRAGESIMO ANNO. The customary translation of the two words is “After Forty Years.” The reference reveals the fact that this social encyclical of Pius XI was made public forty years to the day after the pub-

lication of Leo XIII's pioneer pronouncement in 1891 on the  
CONDITION OF THE WORKING PEOPLE.

#### NOT A SERMON OR SUNDAY SCHOOL LESSON

An encyclical is not the same as a catechism, either in form or in content. The ordinary catechism is a booklet in question-and-answer form. It consists of the truths we must believe as members of the Catholic Church; an explanation of the Commandments of God and the precepts of the Church; the dogmas defined by the Church; and usually supplementary prayers which are either necessary or useful in living a full Christian life.

Nor is an encyclical a series of quotations from sacred Scripture and a commentary upon them. Sacred Scripture is the revealed word of God as given to us by the inspired writers whom God in His divine providence chose at appropriate times in history.

#### THE SOCIAL ENCYCLICALS

The three encyclicals to which we will refer in this book and upon which we build our theme are often spoken of as the "social encyclicals." There are other papal encyclicals treating of practically every phase of the spiritual life, but those are not so widely known. The three to which we refer get their popular name "social" because they are directly concerned with social problems, social conditions, the nature of human society itself, and the relationships which should exist in human institutions.

In these papal messages you may find statements which explicitly or implicitly express a thought or a truth which you have read in one form or another in your catechism. Here and there they are interspersed with scriptural texts. But they



differ from the catechism and the Scriptures particularly in this: in the so-called social encyclicals, the popes analyze the condition of human society, point out errors and defects of false philosophies in regard to human life, pinpoint social abuses, and offer the proper principles for remedial action.

These profound messages of great social significance are the fruit of scholarly research, penetrating thought, and the age-old experience of the Church, coupled with a time-tested social philosophy.

They reflect the thinking of a mind blessed with wisdom, steeped in learning, strengthened by the Holy Spirit. Any man of good will, intent upon serious study and reflection, should find in them a veritable well-spring of strong logic and sound reasoning.

#### RIGHT REASON — PLUS

For the Catholic reader, desirous of being truly Catholic in all things, however, a papal encyclical has much more meaning than merely an analysis of the nature of man and things, deduced from natural reason. The papal message carries a sanction that may not be disregarded.

Most Rev. John J. Wright, Bishop of Worcester, Massachusetts, writing in *The Voice of St. Jude*, reminds the Faithful of their obligation in this way:

“While radio broadcasts and public addresses by the Pope cannot be put in the same class as his encyclical letters, still they are usually comparable to them in that they are utterances of the supreme teacher and pastor of Christendom, using his teaching office to teach and guide the Christian flock in matters of faith and morals. Accordingly, the truly faithful will accord the Holy Father on such occasions that internal and external compliance which, according to Cath-

olic teaching, is due the teaching authority of the Church in its ordinary exercise.

“The assent which we give to this authority in its ordinary exercise is known technically as ‘religious assent’. It is a true internal assent. Its motive is not the authority of God speaking, nor is it precisely the infallibility of the Church’s teaching authority, but rather the official position of the Supreme Teacher.”

The inference is clear. The Faithful are bound to give “religious assent” to radio broadcasts and public addresses of His Holiness. The binding force of a formal encyclical is even greater.

His Excellency concludes on a strong note. “The fact,” he insists, “that occasionally some Catholics may quibble about or even contradict what the Holy Father has to say in his apostolic efforts to provide the world with moral leadership is sad, even scandalous, but it signifies nothing about the binding force of such public pronouncements by the Pope.”

#### BY WHAT AUTHORITY?

An objection might be raised at this point: By what right and authority does the pope, the spiritual head of a spiritual institution, speak about such subjects at all? Again, that no one may have any doubt as to the papal position, we will quote his own words from the text of the social encyclical, *QUADRAGESIMO ANNO*.

Pius XI states that the principle must be laid down at the outset here, namely, that

“There resides in Us the right and duty to pronounce with supreme authority upon social and economic matters.

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Certainly the Church was not given the commission to guide men to only a fleeting and perishable happiness but to that which is eternal. Indeed, the Church holds that it is unlawful for her to mix without cause in these temporal concerns; however, she can in no wise renounce the duty God entrusted to her to interpose her authority, not of course in matters of technique for which she is neither suitably equipped nor endowed by office, but in all things that are connected with the moral law. For as to these, the deposit of truth that God committed to Us and the grave duty of disseminating and interpreting the whole moral law, and of urging it in season and out of season, bring under and subject to Our supreme jurisdiction not only social order but economic activities themselves."

Any man of normal intelligence and average good will should be able to recognize immediately that economic activity and industrial relations do involve questions of justice and injustice. Wherever you have a question of justice and injustice you have a moral issue. It is on that basis alone (and from that aspect alone) that the pope claims both the right and the duty to speak out clearly and forcibly, particularly to the members of his own flock, on the vital issues which pertain to economic order and industrial society.

### WHO—IF NOT THE POPE?

With solid right and stern logic we might reverse the previous query and ask who in this whole wide world has the right to speak out on faith and morals if not the Vicar of Christ in the Vatican? Must the Church ask some successor of Stalin, some pompous politician or atheistic scientist to decide when, where, and on which subjects the pope may speak? By what right and authority, does the critic raise a voice of



objection? Which human being or human institution may claim the right to determine the jurisdiction of Christ's Vicar on questions of faith and morals?

No one within the Church, certainly, would even dream of challenging the papal prerogative. The sovereign pontiff speaks in his official capacity as head of the Church in accordance with a divine constitution personally established by the divine Founder. So it was with Peter, and so it is with our present pope, and so it will be until the end of time.

Outside the Church no one can be found who has a legitimate right to discount or dispute the unique primacy and supremacy of the papal position. There is nothing in the personality of any individual, in science, wealth, political or military power, competitive or comparable religion, or in human society itself, which possesses the proper credentials to dislodge the successor of Peter as the Lord's anointed spokesman on issues of faith and morals.

It matters not what the field or area of human activity; so long as it is *human* action, the morality or immorality of that act comes within the legitimate jurisdiction of papal observation, moral judgment, and pronouncement.

#### THE NEED FOR MORAL GUIDANCE

That there is need for an authentic spokesman in a world writhing in the agony of its own social and spiritual confusions is too evident for comment. If no such power and personality were in existence, every reasonable man should see clearly the necessity of establishing, if possible, just such a voice.

God, in His infinite power and wisdom, did foresee and ordain an official spokesman to proclaim truth in His Name. To date, man, the highest and noblest of God's creatures on

earth, has not yet caught a sufficient glimpse of that divine wisdom to desire ardently to share universally in it, nor does the modern generation seem able to divert its attention long enough from its miseries or its pleasures to feel the warmth of it.

Indeed, there is need for an authentic voice, re-echoing in clearest tones the unchanging and unchallengeable truths which God Himself first promulgated in the hearts of human beings when He created them to His own image and likeness. There is need for such a voice today, as there has been in every age. From the saintly lips of Leo XIII, when the cruel and crushing new industrial era had reached a peak, the world did hear the sound of that voice in the year 1891. Pius XI, recalling "the wonderful teaching which has made the encyclical illustrious forever" gives us the reason for the vigor of Leo's original protest. He writes:

(10.) "The supreme pastor in this letter, grieving that so large a portion of mankind should 'live undeservedly in miserable and wretched conditions,' took it upon himself with great courage to defend 'the cause of the workers whom the present age has handed over, each alone and defenseless, to the inhumanity of employers and the unbridled greed of competitors.'"

#### WHAT AN ENCYCLICAL IS NOT

The social suggestions and the moral directives contained in a papal message are not and can never be either a theoretical outline or practical plan to be superimposed as an economic strait jacket upon the industrial activities of a nation. There is a proper relationship between economic science and the moral law. There is also an area of sharp distinction between the two.

Pius XI clearly recognized a dependence of the one upon the other—namely, the relationship between economics and moral science; and at the same time he drew the proper line of distinction between the two. Lest anyone misunderstand his intent and meaning it may be well for us to quote his words directly:

\* (42) “Even though economics and moral science employs each its own principles in its own sphere, it is, nevertheless, an error to say that the economic and moral orders are so distinct from and alien to each other that the former depends in no way on the latter. Certainly, the laws of economics, as they are termed . . . determine the limits of what productive human effort cannot, and of what it can, attain in the economic field and by what means. Yet it is reason itself that clearly shows, on the basis of the individual and social nature of things and of men, the purpose which God ordained for all economic life.”

#### MORAL LAW—THE GUIDING STAR

“But it is only the moral law,” the pope continues, “which . . . commands us to seek directly in each kind of activity those purposes which God, the Author of nature, established for that kind of action, and, in orderly relationship, to subordinate such immediate purposes to our supreme and last end.

“If we faithfully observe this law, then it will follow that the particular purposes, both individual and social, that are sought in the economic field will fall in their proper place in the universal order of purposes.”

\* All papal quotations used in this booklet are from the Outline Press editions of the Social Encyclicals, published by Dr. Francis J. Brown, DePaul University, Chicago, Ill.



ECONOMICS PLAYS ITS OWN PART

In this brief excerpt, the pope is telling us that the "laws of economics" can estimate the possible areas of production, what can or cannot be produced by human effort in the economic field, and by what technological means such production can be attained. In the truly scientific aspects of that study and its applications the Church does not and will not intrude.

The pope goes on to remind us, however, that economic life is not some form of human activity outside the range of complete human living. Economics cannot tell us what is the supreme and last end of a human being; it cannot determine for us the whole end and nature of society or specify for us how the social, civic, political, and spiritual activities of men fit into God's divine plan. In that field, economics, in its turn, has no right to intrude.

ROCK-BOTTOM REASONING

We must find out first of all what a man is, what he is meant to be, and why he is on the earth at all—and then see where each of the particular activities engaged in by human beings fits into the over-all plan of order originally designed by the Creator.

We can come to a knowledge of those facts by a study of the nature of man and of things. In the course of our study we discover, for instance, whether man was made for the machine or the machine for man. As we learn the correct answers to such problems, we see where each particular type of human activity according to its purpose falls into its proper place in the jigsaw puzzle of life. As we develop our theme in this book, the cut and mold of the pieces of the puzzle will be recognized more clearly.



# TWO

## Why Pope Leo XIII Wrote His Original Letter in 1891

THE Industrial Revolution was on. A new power, a monster called "Money—Capital," had seized control of human life. Pius XI would characterize the degrading effects of it at a later date with the biting observation: "Dead matter leaves the factories ennobled, while men are corrupted and decay."

In every country, wherever the new-found magic of the machine was introduced, and in many industries in which it had not yet been employed, the human worker was looked upon as of less value than a piece of steel or iron or wood. The dignity of man was desecrated, his nature was degraded, and his destiny seemingly was unknown. This age of man's inhumanity to man would remain unsurpassed until communism, its offspring, would arise to outdo the parent in cruelty and malice. In the meantime, the effect of the evil spread to every nation.

As early as 1848, in Germany, the strident voices of Marx and Engels were proclaiming their declaration of war on human society in the COMMUNIST MANIFESTO as a protest

against the new industrial tyranny. At the same time, from the pulpit of the Cathedral of Mainz, the thundering tones of Bishop Von Ketteler gave loud rebuttal from the viewpoint of Catholic social teaching.

It was England's unhappy fate to lead the way in the new art of exploitation. Frustrated men, frail women, and stunted children toiled and sweated in unsanitary shops from sunrise to sundown. When each long day's work was done, they returned to unhealthy slums to snatch a scanty meal and stretch their aching bones upon some makeshift bed.

On the continent in France, any plea for social sanity fell on ears which had been dulled and deafened by the din of an anti-religious French Revolution.

The United States was not slow in catching the spirit of the surging industrialism. Thousands of miles of railroad were laid in the blood and sweat of natives and immigrants alike. Shrewd men built their industrial empires, gouging government and public by tricky manipulations, while paying the toiling masses starvation wages.

Barebacked workers steamed and sweated fourteen or sixteen hours a day in the steel plants, and in mines and mills strong men and worn children with drawn faces toiled side by side from dawn to setting sun.

It is difficult indeed for our modern American worker with his sedan, television set, and two or three radios around the house to picture even in imagination the harrowing experiences of the laborer of those days. To add to this irony it was common belief, shared even by many of the helpless poor, that wealth was a sign of divine favoritism. The heresy was a comforting thought to the conscience of the tycoon but was little consolation to the oppressed multitude.

The miseries of the poor and oppressed workers clamored



to heaven for justice and for a champion to plead the cause of charity in the court of world opinion. God had provided such a spokesman, fully equipped and uniquely stationed, to assume the role.

With the calm assurance that comes from the guidance of the Holy Spirit and the cool courage of one who wears the robes of martyred predecessors, Leo XIII blazoned to the world the meaning of real religion and the unexpendable place it must have in the lives of men. He analyzed with keen acumen the evils and the errors of his day and pointed out with uncanny accuracy the even greater hardships and suffering that would fall upon the human race in the future as a consequence.

He outlined with telling strokes the rights and duties of employers and employees, the legitimate powers of governments (and their limitations), and the shortcomings of socialism, even as he indicated clearly the pattern of sound social philosophy to be followed.

The world of his day, non-Catholic and Catholic alike, was ill-prepared to understand and appreciate his words of wisdom. In spite of that, the impact of his message was a mighty one. Pius XI would later call the letter a Catholic *Magna Charta*. The fullness of the seed, however, fell on barren ground for many a year.

Perhaps the lack of a complete response to Leo's great message might be called a happy failing. For the very negligence of the Catholic world toward his encyclical created the necessity for a more comprehensive, clear-cut, and commanding letter from his worthy successor. Forty years later, in 1931, the ever-growing need for a fuller and more current commentary called forth from the Vatican the masterly pronouncement of Pius XI, known everywhere as *QUADRAGESIMO ANNO*.

# THREE

## Basic Social Defects

**T**HE Industrial Revolution gave an irresistible impetus to the anti-social error of individualism. It inflicted a death blow upon the co-operative spirit in industrial society. Taking quick and unscrupulous advantage of the helplessness of the workers, owners of wealth got a "running start" in the race for power and privilege in the new era. Economic strength and industrial might supplanted the concepts of justice, co-operation, and the common good in economic life.

Karl Marx did not invent class conflict. It was the offspring of injustice and exploitation spawned in every city, town, and hamlet as the spirit of individualism spread the virus of a codeless capitalism throughout the world. The very concept of "society," of harmonious human relations under law, which had been a sustaining wall of human solidarity, was discredited and denied.

Unbridled pursuit of profits became the dominating principle of economic activity. Unfettered freedom found itself as the supreme and segregated "virtue" of modern life. But it was a freedom that could be enjoyed for the most part only

by the rich, the powerful, and the unscrupulous. The very state itself became a pawn on the chessboard of competition as the tycoons mapped out their areas of conquest for their respective industrial empires.

#### CAUSE AND EFFECT

By the year 1931 some small social progress had been made. The power of counter-social pressures had been at work, chipping away scales from the Gibraltar of greed. But even at that late date Pius XI in his encyclical *QUADRAGESIMO ANNO* could not join the applause that the rugged individualists were still sending up in praise of liberalistic, disordered enterprise.

He wrote:

(109) "The ultimate consequences of the individualistic spirit in economic life are those which you yourselves, Venerable Brethren and Beloved Children, see and deplore: Free competition has destroyed itself; economic dictatorship has supplanted the free market; unbridled ambition for power has likewise succeeded greed for gain; all economic life has become tragically hard, inexorable, and cruel.

"To these are to be added the grave evils that have resulted from an intermingling and shameful confusion of the functions and duties of public authority with those of the economic sphere—such as (one of the worst) the virtual degradation of the majesty of the state, which although it ought to sit on high like a queen and supreme arbitress, free from all partiality and intent upon the one common good and justice, is become a slave, surrendered and delivered to the passions and greed of men.

"And as to international relations, two different streams

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have issued from the one fountainhead: On the one hand, economic nationalism or even economic imperialism; on the other, a not less deadly and accursed internationalism of finance or international imperialism whose country is where profit is."

### "CREEPING CAPITALISM" AND KARL MARX

By coincidence the ENCYCLOPAEDIA BRITANNICA, in its article on capitalism practically paraphrases another pertinent statement of Pius XI. In the BRITANNICA article we read:

"As it has enlarged and altered the white societies out of recognition, capitalism reaches into the depths of the newer continents and is stirring anew the ancient Asiatic peoples; while in a single half century it has penetrated the dark continent from end to end and transformed all African conditions. . . . *It is the strongest pervading influence in the daily affairs of all civilized peoples.*"

The papal view is expressed as follows:

(103.) "With the diffusion of modern industry throughout the whole world, the capitalist economic regime has spread to such a degree, particularly since the publication of Leo XIII's encyclical, that it has invaded and pervaded the economic and social life of even those outside its orbit and is unquestionably impressing on it its advantages, disadvantages, and vices and, in a sense, *is giving it its own shape and form.*"

At first sight these two statements seem to have no further significance than an unusual similarity of thought and expression. It was Karl Marx, however, who, in advocating his extreme doctrine for the overthrow of the whole capitalistic



system, made the claim and the prediction that it is the *economic system which shapes and forms* the social, civic, and domestic lives of the citizens of the nation.

#### DIGRESSION ON A QUIBBLE

Objection is taken at times to the use of the term "capitalism" as an apt expression for the non-communist, non-socialist economic system popularly referred to under that title.

The argument advanced for discontinuing the use of the term "capitalism" is that it was adopted as a slogan of contempt by Karl Marx and his communist followers. With the tremendous changes that have taken place in capitalistic systems since that day, the term has come to mean little more than "what the communists are against." Some, apprehensive of communism, look upon it simply as a "scare-word." It is also contended that the popes have been reluctant to employ the expression. Nonetheless, Messner and other outstanding authorities still employ it.

Ten years ago a publicity contest was conducted with the hope of re-naming American capitalism. The effort, evidently, bore little fruit. We use the term in this book as an "everyday" word that the average reader understands.

In the present instance, we are concerned with some of the *social effects* of the capitalist regime; calling the thing by another name would not lessen its impact upon human society. Continuing this line of thought we add a few more pertinent observations.

Peter Drucker in his thought-provoking *THE NEW SOCIETY* advances the thesis that mass-production capitalism is already destroying the traditional concept and form of family life and that evidences of the evil extend even to China, famous for its ancestor worship and close-knit family structure. In our own

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country, the double pay envelope of the working husband and wife brings that danger to our own doorstep.

Pius XI, in the paragraph previously quoted,\* points out the undue influence that traditional capitalism has had upon the true nature and function of civic authority.

From the words uttered by Leo XIII more than sixty years ago right down to the present day, the Church has found it difficult to get a hearing for her message even from her own children whose souls, it seems at times, are absorbed in the daily grind of mass-production, pursuing the siren song of profits, and being enveloped in an environment of materialistic gain and progress.

### FRIGHTENING CONCLUSION ?

The gradual disruption of true family life, the distortion of the correct concept of government, the nervous tensions arising from high-quota mass production, the over-all absorption in the materialistic aspects of life—these and other such features of capitalistic society give us reason to pause, and to ask: "Is capitalism proving Karl Marx a prophet? Is our economic system the servant or the master of the people?"

All that glitters in this capitalistic age is not gold. It is not the gold, at least, of true living, of sanctity and sanity, of sound social order, of the simple delight of walking with God.

Indeed there is need in every age for the voice of the Vatican to be heard. Thank God it still rings out amidst the organized chaos and the social confusion that men euphemistically call "Modern Life."





# FOUR

## The Basic Moral Defect—Greed

**I**N this small book it is not possible to go into too much detail. We merely indicate by apt quotes from the papal encyclicals that there is more to our capitalistic system than meets the eye. In summing up his diagnosis of capitalism, communism, and socialism, Pius XI pointedly remarked,

(128) "Having surveyed the present economic system, we have found it laboring under the gravest of evils. We have also summoned communism and socialism again to judgment and have found all their forms, even the most modified, to wander far from the precepts of the Gospel."

He then goes on to lay the axe to the root of the evils.

(129) "'Wherefore,' to use the words of Our predecessor, 'if human society is to be healed, only a return to Christian life and institutions will heal it.'

(132) "The root and font of [this] defection in economic and social life from the Christian law and of the consequent apostasy of great numbers of workers from the Catholic faith are the disordered passions of the soul, the sad result of original sin which has so destroyed the won-

derful harmony of man's faculties that, easily led astray by his evil desires, he is strongly incited to prefer the passing goods of this world to the lasting goods of heaven.

"Hence arises that unquenchable thirst for riches and temporal goods, which has at all times impelled men to break God's law and trample upon the rights of their neighbors, but which, on account of the present system of economic life, is laying far more numerous snares for human frailty.

"Since the instability of economic life, and especially of its structure, exacts of those engaged in it the most intense and unceasing effort, some have become so hardened to the stings of conscience as to hold that they are allowed, in any manner whatsoever, to increase their profits and use means, fair or foul, to protect their hard-won wealth against sudden changes of fortune."

The pope was neither unaware of nor unconcerned about the fact that the "acquisitive spirit of capitalism," as Tawney\* characterized it, had seeped down and infiltrated the minds of the millions. He did not hesitate, however, to lay the blame for the original seduction of the working classes where it belongs.

(135) "With the rulers of economic life abandoning the right road," he states frankly, "it was easy for the rank-and-file workers everywhere to rush headlong also into the same chasm; and all the more so because very many managements treated their workers as mere tools, with no concern at all for their souls, without indeed even the least thought of spiritual things."

\* R. H. Tawney: *Religion and the Rise of Capitalism*

THE REMEDY

Pius XI immediately indicates the twofold nature of the reconstruction which human society must undergo—namely, a return to the moral law and the reformation of social institutions and relationships.

(136) “No genuine cure can be furnished for this lamentable ruin of souls, which, so long as it continues, will frustrate all efforts to regenerate society,” he asserts, “unless men return openly and sincerely to the teaching of the Gospel, to the precepts of Him who alone has the words of everlasting life, words which will never pass away, even if heaven and earth will pass away.

“All experts in social problems are seeking eagerly a structure so fashioned in accordance with the norms of reason that it can lead economic life back to sound and right order. But this order, which We Ourselves ardently long for and with all Our efforts promote, will be wholly defective and incomplete unless all the activities of men harmoniously unite to imitate and attain, insofar as it lies within human strength, the marvelous unity of the divine plan.”



# FIVE

## Partial Interim Progress

To some extent at least, in recent decades, we in the United States have made progress in our efforts to correct the abuses of the past, to reinforce the foundations of the social structure of the present, and to look with open eyes at the prospects and the projects which must be considered for the future. Government, management, workers, and the public have all shared in one way or another in our common striving for a better social order and a more humane way of life. What has been accomplished cannot be labeled with the humanly impossible title of "perfect." Human weaknesses and social shortsightedness may still be in evidence, but it cannot be denied that a great deal of good will, honest effort, and sincere motive have gone into the remaking and the remolding of a less harsh and a more harmonious American industrial society. A quick review of what has been attempted and/or accomplished both by public authority and private group organization may be of interest. The idea suggested by Pius XI, toward which we must still strive, may then be better appreciated and better understood.



## SOCIAL LEGISLATION

In making any reference to social legislation, the commentator seems ever to run the risk of an accusation of partisan politics. So confused, as a matter of fact, are the minds of many, even of devout and ardent Catholics, in regard to the role that the government may play in the economic life of a nation that there are still some among us who look upon any piece of legislation that deals with social betterment on a large and wide scale as "socialistic."

To avoid such criticism as far as possible, we will single out no specific federal or state laws which have been enacted in the United States in the past two or three decades. But rather will we point to what is popularly called the Bishop's Program of 1919.

In that year, following World War I, an official committee of the hierarchy of the United States formulated a program of social objectives. It contained eleven points, concrete and concise, the content of which evidently had its source in the encyclical of Leo XIII. The bishops set forth as necessary and salutary planks of reform in our social and industrial life the following proposals:

1. Minimum-wage legislation.
2. Insurance against unemployment, sickness, disability, and old age.
3. A sixteen year minimum-age limit for working children.
4. The legal enforcement of the right of labor to organize.

5. Continuation of the National War Labor Board, for these and other purposes affecting the relations of employers and employees.
6. A national employment service.
7. Public housing for working classes.
8. No general reduction of wartime wages and a long-distance program of increasing them, not only for the benefit of labor, but also in order to bring about that general prosperity which cannot be maintained without a wide distribution of purchasing power among the masses.
9. Prevention of excessive profits and incomes through a regulation of rates which allows the owners of public utilities only a fair return on their actual investment, and through progressive taxes on inheritance and income and excess profits.
10. Participation of labor in management and a wider distribution of ownership through co-operative enterprises and worker ownership in the stock of corporations.
11. Effective control of monopolies, even by the method of government competition if that should prove necessary.

The simple yet startling fact concerning these eleven proposals is this: Prescinding from proposal 10, every one of them, in whole or in part, has since been enacted into permanent legislation or employed as a temporary measure by the Congress and by many separate state legislatures.

The bishops were not heretical in 1919 when they identified



the fulfillment of the social needs of the people with Catholic social thought by advocating specific and concrete proposals—and urged that the aims be attained through legislation. Nor did they depart from the mind of the Vicar of Christ when in 1940 a similar committee published and promulgated one of the most forceful interpretations of Pius XI's encyclical *QUADRAGESIMO ANNO* which still stands as a treasure in the American literature of Catholic social teaching.\*

#### GROWTH OF TRADE UNIONISM

A second feature of our social progress since the publication of *QUADRAGESIMO ANNO* has been the marked growth in number, power, and prestige of the workers' organizations known as the trade-unions. The American working people have Leo XIII to thank for that much more than they realize.

It was a tense moment in history when Leo XIII disdained the displeasure of the powerfully wealthy and disregarded the stubborn resistance of the rulers of many nations to proclaim that the right to free assembly and association in pursuit of legitimate aims is inherent in human nature.

Many governments were afraid of uprisings by the common people if the legal restrictions and restraints that had been laid upon them were to be modified.

Employers, entrenched behind the bulwark of their economic citadels, trembled at the thought of organized revolt against the bonds of tyranny which they had placed upon the people.

In spite of all that, the dauntless pope proclaimed to the world that even the lowliest of the working people had a right, by nature and by divine decree, to organize and unite in associations to protect their human interests.

\* *The Church and Social Order*, S. L. Greenslade, Macmillan Co.

Pius XI did not retreat one step from the position previously taken by Leo XIII. He was well aware that in certain instances communists and socialists and individuals of evil intent had gained control of workers' organizations. In spite of the inability or unwillingness of some workers in some places to gain and maintain democratic control of their own organizations, Pius XI never hesitated to champion the principle of true trade-unionism.

In his encyclical *ATHEISTIC COMMUNISM*, promulgated March 19, 1937, he included a noteworthy comment and exhortation which not only reiterated the right of working people to form and to join labor unions but also sharply criticized some Catholic employers. The words of the Holy Father are:

(95) "Therefore, We turn again in a special way to you, Christian employers and industrialists, whose problem is often so difficult for the reason that you are saddled with the heavy heritage of an unjust economic regime whose ruinous influences have been felt through many generations.

"We bid you be mindful of your responsibility. It is unfortunately true that the manner of acting in certain Catholic circles has done much to shake the faith of the working classes in the religion of Jesus Christ. These groups have refused to understand that Christian charity demands the recognition of certain rights due to the working man, which the Church has explicitly acknowledged.

"What is to be thought of the action of those Catholic employers who in one place have succeeded in preventing the reading of our encyclical *ON RECONSTRUCTING THE SOCIAL ORDER* in their local churches? Or of those Catholic

industrialists who even to this day have shown themselves hostile to a labor movement that We Ourselves recommend? Is it not deplorable that the right of private property defended by the Church should so often have been abused to defraud the workingman of his wages and his social rights?"

Pius XII, now gloriously reigning as Christ's Vicar, staunchly defying the demands of age and illness which his years impose upon him, has re-echoed time and again the sentiments and convictions of his predecessors. In many important messages he has broadened the base of the social point of view of the Vatican, presenting pertinent observations and comments on practically every major social issue of the day.

He has emphasized the critical analyses of Pius XI in regard to the abuses of modern capitalism and the diabolical evil of communism. Recently on two solemn occasions he has uttered dire warnings to the world of the dangers that accompany what he has called "the technical concept of society." His Holiness is rightfully apprehensive lest human values, as God created them and implanted them in the hearts of men—those values which reflect the real dignity of man—be swallowed up and absorbed in the mad rush for mechanical achievement and scientific progress upon which modern capitalism is built.

On a number of occasions the sovereign pontiff has approved and blessed the efforts of the working people through their labor organizations to reach the rightful status and position in industrial society and in national life to which they are entitled. Still recognizing the concentration of power vested in corporate enterprises, His Holiness aptly designates modern labor unions by the significant title "Organizations of Self-Defense."



It is common knowledge that American labor unions, in general, are far from the Christian workers' organizations advocated by Pope Leo XIII and encouraged by his successors. So, too, does our whole secular modern society fall short of the ideal of human living envisioned in the encyclicals. There is a touch of the Pharisee in some of labor's critics when they put forth their double standard of morality—namely, their demand for "perfection" in the unions, and tolerance of shortcomings for all other groups.

It cannot be denied that the right of organization and the right to self-defense are abused by union officials in many instances. The abuse of a right, however, according to papal teaching, can never destroy the right itself.

So it is with the right to property, to free speech, to worship. So, too, is it with the right to organize. We must constantly be on guard to correct abuses; any attempt to annihilate a true human right, however, will but lead to even greater abuses of some different type.

#### FOUR SOCIAL TOOLS AVAILABLE TO WORKINGMEN

In the present stage of our social development and of our capitalistic system, the working people in the United States are in possession of four means or agencies which they can employ to protect the rights which are theirs as human beings. The first two of these are economic in nature—namely, collective bargaining and the contract. The third is relatively new, although it reflects the simple exercise of civic right—that of organized political action. The fourth provision for protection is an extraordinary means but is nonetheless, under certain circumstances, a necessary and justifiable human activity. It is the economic weapon of the strike.



None of these media of expression and active participation in social action should be rightfully designated as anything more than normal and necessary functions of a social group in a democracy. We will consider each of the four points in turn, in the light of Catholic social principles.



# SIX

## Right to Organize

**D**OU will not find the words "collective bargaining" in the encyclicals. Neither will you find the terms A.F.L., C.I.O., National Association of Manufacturers, or Chamber of Commerce. They are all in there, however, in one way or another.

The social encyclicals do present a defense of the principles of free and voluntary associations and the right of citizens to form such associations for legitimate purposes. You will also find a plea for a *national social policy* to be established and sustained by public authority.

Labor organizations, business corporations, and employers' associations partake of the nature of free private unions exemplifying the natural right and, insofar as they are touched by legislation, the legal right, which the popes claim belong to all citizens. Pius XI, referring specifically to labor unions, put it this way:

(32) "With respect to the founding of these societies, the encyclical ON THE CONDITION OF WORKERS most fittingly declared that workers' associations ought to be so con-

stituted and so governed as to furnish the most suitable and most convenient means to attain the object proposed, which consists in this, that the individual members of the association secure, so far as is possible, an increase in the goods of *body*, of *soul*, and of *property*. Yet it is clear that moral and religious perfection ought to be regarded as their principal goal, and that their social organization as such ought above all to be directed completely by this goal."

For "when the regulations of associations are founded upon religion, the way is easy toward establishing the mutual relations of the members, so that peaceful living together and prosperity will result."

#### PRACTICAL APPLICATION

(34) "These counsels and instructions of Leo XIII were put into effect," Pius XI goes on to say, "differently in different places according to varied local conditions. . . . Some devoted themselves to the defense of the rights and legitimate interests of their members in the labor market; others took over the work of providing mutual economic aid; finally, still others gave all their attention to the fulfillment of religious and moral duties and other obligations of like nature.

(35) "Where either the laws of a country, or certain special economic institutions, or that deplorable dissension of minds and hearts so widespread in contemporary society, have prevented Catholics from founding purely Catholic labor unions . . . . under these conditions, Catholics seem almost forced to join secular labor unions."

## THE BISHOP DECIDES

"These units, however, should always profess justice and equity and give Catholic members full freedom to care for their own conscience and to obey the laws of the Church. It is clearly the office of bishops, when they know that these associations are, on account of circumstances, necessary and are not dangerous to religion, to approve of Catholic workers' joining them, keeping before their eyes, however, the principles and precautions laid down by Our predecessor, Pius X of holy memory.\*

"Among these precautions the first and chief is this: Side by side with these unions there should always be associations zealously engaged in imbuing and forming their members in the teaching of religion and morality so that they in turn may be able to permeate the unions with that good spirit which should direct them in all their activity. As a result, the religious associations will bear good fruit even beyond the circle of their own membership."

It is clear from what Pius XI tells us here that it is the office of the bishops of the country to approve or disapprove of Catholic workers' joining the modern type of American labor union. That the American hierarchy has given such a tacit consent in general and, in some cases, a positive and enthusiastic support and encouragement to the A. F. L. and C.I.O. cannot be questioned. Even when the C.I.O. was a battleground of communism and anti-communism, no episcopal voice was raised condemning the organization itself.

\* Pius X, Encyclical, *Singulari Quadam*, Sept. 24, 1912.



#### SAME OBLIGATION FOR EMPLOYERS

What is seldom, if ever, pointed out is the parallel thought that the paragraphs quoted above are just as pertinent to and just as binding upon employers' associations as they are upon any labor union. Catholic employers have the same obligation to strive to have their organizations, whatever form or type they be, conform to the principle of "moral and religious perfection [as] their principal goal," to strive manfully that their organizations "profess justice and equity, and give Catholic members full freedom to care for their own conscience and obey the laws of the Church."

There is equal necessity to set up other associations "side by side with these associations zealously engaged in imbuing and forming their members in the teaching of religion and morality so that they in turn may be able to permeate [them] with that good spirit which should direct them in all their activity."

The exhortation and the mandate so to act are equally binding on both employer and worker and for the same reason—as a protection to faith and morals against the environment of secularism in which they are compelled to carry on their economic activities in modern life.

#### COLLECTIVE BARGAINING

Of these economic activities one of greatest importance, common to the two parties, is that of collective bargaining. This feature of American industrial life, and the laws which surround it, evolved logically from the very development of our economic system.

Men unite and establish a business enterprise, whether incorporated or not, for the legitimate purpose of gaining a

living and supporting their families by trade or commerce. They make their organization as strong as possible in every way. When such a concern expands to a sizable extent, it becomes a normal necessity for the employees to band together in a similar way, to form a labor union and to negotiate a contract not merely as individuals but also collectively through representatives of their own choosing. When the bargaining is carried on in this way it is called collective bargaining rather than individual bargaining. The meaning of the term is as simple as that; the process, however, runs the gamut of all the varied relationships which exist between employer and employee.

All one has to do to realize the need for such a medium for contract-making is to look at some of the giant corporations in the United States and the army of workers employed by them. Fifty-eight of these economic giants in such industries as steel, automobiles, oil, communications, and so forth, have corporate assets of one billion dollars or more. All one need do to realize the value, to the worker, of collective bargaining is to imagine the economic strength which one isolated employee would have in dealing with any one of these corporations.

#### NATIONAL POLICY

Collective bargaining is not only the most stabilizing influence in our whole Big-Business-Big-Union economy but fortunately, and gratifyingly, it is also the national policy of the United States, and so established by Congress. Efforts have been made to reverse this policy, or at least channel it more in the direction of individual bargaining, and in some sections of our country, particularly in the South, these efforts

have been successful. This tendency is not a socially healthy one, and it should be checked. As we shall see a little later, the trend to collective bargaining is in the direction of a sounder social order as envisioned by Pius XI in QUADRAGESIMO ANNO.

Many problems often attributed to collective bargaining are actually results of the clash of conflicting philosophies—individualism and social industrial relations—rather than any inherent evil or weakness in the principle of collective bargaining. They will be ironed out more quickly and smoothly as the primary principle of the right of workers to organize is universally accepted and as the error of individualism recedes from our national consciousness.

#### INDUSTRY-WIDE BARGAINING

Specific difficulties in regard to what is called industry-wide bargaining in contrast to local bargaining will become less acute when the simple fact is recognized that collective bargaining must follow the pattern of the industry and of the economic structure of a nation. If the corporation is spread out from Boston to Baton Rouge, or from New York to San Francisco, it stands to reason that the employees of such an industry, if they are to have full and adequate protection of their rights, must seek a contract which will afford them proper protection according to the circumstances. Modifications of that contract to fit some local circumstance can be and are made.

#### PAPAL INTEREST

The popes, in keeping with the principles of justice, charity, and the correct social viewpoint of organization which they teach, are concerned about collective bargaining. The

specific application of the papal principles, however, must always be made in accord with social conditions, particular circumstances, and the stage of social development within a nation. In the present status of industrial relations in our American capitalistic system, the principle of collective bargaining is the national policy; and without doubt adequate justification for it can be found in the social encyclicals of the popes.





# SEVEN

## The Contract and Political Action

**F**OR the purpose of exercising proper influence in the establishment of *national social-economic policies*, there is no doubt in our mind that the American worker, both as a citizen and as a member of society, is entitled to engage in concerted, organized political action. To guarantee a just contract he has every right, natural and legal, to make use of the economic instrument of collective bargaining. We will consider each of these subjects briefly. First, a few comments on:

### THE CONTRACT

One of the first and most fundamental objectives put forth in the social encyclicals by the sovereign pontiffs is that of minimizing and, if possible, abolishing both the reality and the spirit of class conflict. No feature of modern capitalistic industrial relations holds greater hope of accomplishing that purpose than does the collective bargaining contract. This is true for a number of reasons.

First, it places the agreement arrived at on the plane of strict justice—commonly called commutative justice. That is the primary meaning of a contract. It binds both sides solemnly to honor, in conscience, the terms of their agreement. In principle, this also could be true of a contract between a giant corporation and the individual worker. The collective bargaining contract, however, moves away from the spirit and weaknesses of individualism, creates in the mind of the employee the realization of the need he has of unity and solidarity with his fellow employees, and tends to equalize the power and position of the respective bargaining parties.

The result is a maturing stability in the relationship between the corporation and its employees. A mutual effort to arrive at proper classification of various types of workers is fostered. Standards on essential issues such as seniority, wages, security, grievance procedures, welfare benefits, and similar items in industrial life are established.

Secondly, the contract freezes conditions of employment so that both employer and union can play their proper roles with greater accuracy, competence, and efficiency. The longer the duration of the contract—with stipulation for an interim re-opening on contingent issues—the nearer we come to the attaining of that element of order which all the encyclicals consider of primary importance, namely, the development of permanent and harmonious social order.

#### CLASS CONFLICT

The basic cause of real conflict in the capitalistic system, according to Pius XI—and as interpreted by the classic scholar Nell-Breuning—lies in the fact that the modern economic order by its structure, if not by nature, must look upon the

worker as a commodity. This papal observation has nothing to do with the attitude or disposition of any individual employer. It is simply stated as a fact of present-day economic life.

The defect, and it is a deep and stubborn one, can be remedied only when a philosophy of social values will take precedence over the philosophy which makes profits the primary goal of enterprise. One need not be clairvoyant to see that such a transformation is not going to take place in the immediate future. So long as the capitalistic system remains what it is, this feature of the system will remain and will continue to be the basic cause of conflict.

We live in the down-to-earth existence of a stubborn present, and the prospect for early solution of the conflict is dim. There is and will continue to be a conflict of interest between the employer class and the working class in economic life.

The simple stating of this fact proves the one who expresses it neither guilty of causing the conflict nor of condoning the condition. As Nell-Breuning remarks, "to buy [labor] cheap and to sell [the product] dear adds up to conflict." The owner endeavors to keep his costs at a minimum. The worker endeavors to have his wages raised to the maximum needed for the support of a family. In reality, the two items and elements are in conflict not because God created human beings that way but because our current economic system elevates the non-human element, capital, to an undue position of dominance; as a result labor is reduced to the status of a *commodity*. Class conflict follows as a natural consequence.\*

The first obligation and responsibility of both parties and of all concerned, including government and the public, is to

\* J. Messner: *Social Ethics*



reconstruct the form and functioning of the economic order so that the primary defect itself will be remedied. For the purpose of bringing about the desired changes, Pius XI suggests a pattern of principles, popularly called the industry council system, which we will outline briefly a little later on.

In the meantime—in spite of this basic difficulty and under the compulsion of tolerating what cannot be changed immediately—it is still a primary social obligation of both management and workers to develop as far as possible the programs and policies which will reduce to a minimum the spirit of conflict and induce and encourage more efficient relations. No more practical and efficient instrument in the furthering of this objective has been devised to date than that of the collective bargaining contract.

This phase of management-labor conflict must be looked at from a twofold viewpoint: first, *before* the contract is signed and, secondly, *after* the agreement has been reached. The primary fact to be recognized is that American industrial society, American enterprise, is a system of free interchange of thought and action. If we are to have a free society this elementary feature can neither be denied nor ignored. On each side of the bargaining table sit free, responsible human beings. There is a conflict of interests, and there will be a clash of opinions and convictions. There is nothing intrinsically evil, immoral, or illegal in that situation. It is as natural as the surf that beats against the resisting shore.

The real crux of the conflict is not that reasonable men may sit around a table and differ, even vehemently, in the presentation of opposing facts and the respective evaluation of them. So long as each side is seeking truth in honesty and candor, the end product can be an adequate, if not always a satisfactory, compromise and solution of differences. It is



when dishonesty, uncontrolled emotions, prejudice, or passion clog the atmosphere that injustice and injury may result.

Before a contract is signed it is the right—yes, the duty—of the respective parties to engage in verbal battle, based on presentation of argument and sound reason, to protect the rights and the interests of those whom they represent.

However, once the parties put their signatures to an agreement that document should be as sacred and binding as though the signatories had written their names in their own blood. It is both sin and crime to violate it.

It is a solemn and a serious obligation of each party to that agreement to accept it as a mutual pledge of honor, to cooperate in the proper and harmonious execution of its terms. Whatever spirit of conflict may have been engendered in the negotiations and prior discussions, animosity should fade with the firm grip of a virile handshake.

There is nothing more necessary in American life than the carrying out of the industrial contract in the terms of teamwork. When this basic concept is recognized and respected we will hear less talk of class conflict. The faithful observance of the contract is the first line of defense in our domestic economic order.

#### POLITICAL ACTION

There is nothing in either the Constitution of the United States of America or in the social encyclicals of the Catholic Church which would deny to working people the right to engage in legitimate civic activities of every kind. There is no such thing as an "economic" man. The idea that a working man is merely a working man, and nothing else, went out of vogue with the hoop skirt and the high-wheeled bicycle. Every citizen of this nation, regardless of race, creed, or

color, whether he be a property owner or not, educated or ignorant, is a citizen of equal rank with any other.

It is the unquestionable right of workers to nominate for office, and to work for the election of, candidates who understand the problems of the working people and, in the interest of the common good, make use of their legitimate influence to advance the cause of social justice.

The fact that trade unions engage in political action in a concerted and unified way gives to those who may support an individualistic philosophy no right to deny such political action to the worker. Organized management has engaged in such activity from time immemorial.

As stated previously, an essential element of good social order is that of a public, national, social, and economic policy which will have as its primary aim the protection and promotion of the common good. There is no provision in the nature of society, or of constitutional government, nor is there any prohibition put forth by the Church which would deny to working people a full and rightful representation in the formation and execution of such a national policy. In a democratic form of government, such as we see for America, the surest and the most efficient means of obtaining proper representation for the working people is along the paths of political action. What form of political action is the most prudent one for them to adopt must be left to the trade unionists' own decision. We merely wish to state that the principle itself can be justified, and to predict that civic and social benefits may be anticipated if proper use is made of such action.



# EIGHT

## The Strike

**T**HE sight of mature men and women, bearing placards, parading before some plant or office building, is not a pleasant one. There is something primitive about it—something that does not measure up to the true dignity of man. Human beings should not be compelled to undergo experiences of this kind just as they should not be subjected to enduring poverty.

Unpleasant and disturbing to all concerned as it may be, the sight of a picket line nevertheless proclaims boldly to the world that the American worker is free; unshackled; not subject to the whims of any dictator, political or economic. Essentially, when the proper moral conditions are fulfilled, the strike is a publicized protest against injustice.

The first thought to enter the mind of an observer, unfamiliar with the intricacies of collective bargaining negotiations and modern industrial relations, might be, "Why doesn't the government compel these people to come to an agreement? Why not insist upon compulsory arbitration?" There are many reasons which prompt management, unions,

the government itself, and the real experts on the subject to disavow compulsory arbitration as the ordinary means of settling labor disputes. We will indicate four such sound reasons.

(1) Except in times of great emergency or crisis, it is futile to expect the government to perform the function of writing a labor contract. If it were to usurp that role it would soon spell the end of a free economic system. Even our limited experience with compulsory arbitration in wartime has clearly indicated the dangers inherent in such an approach to the problem. Deprive the citizens of freedom in economic activity, and in due time the curtailment of other essential freedoms would inevitably follow.

(2) Compulsory arbitration can never get to the root of the dispute—namely, the grievance that brought on the disagreement in the first instance. There can be no harmonious and mutual acceptance of a superimposed solution so long as the grievance itself still rankles in the minds and hearts of those affected.

(3) It is a psychologically established fact that whenever either or both parties to a contract negotiation feel that it is to their advantage to await a compulsory decision, the whole process of collective bargaining tends to bog down.

(4) Since the abolition of slavery, it is contrary to our traditional concept of freedom to compel even one single worker to surrender himself, against his will, to work for the private profit of any other co-equal citizen.

The time may come when we feel that the only possible last resort to maintain order and security of the nation rests



in compulsory arbitration. It is the common opinion of most experts in the field that, if and when we might adopt such a policy with the hope of avoiding the evils attached to the strike, we shall be but substituting one evil for another—the second more harmful than the first.

#### CONCESSION TO REALITY

Pius XI presented a remedy for this type of social disorder, as well as for many other tangent evils and abuses, based on the principles of sound reason and the very nature of man and society. In the next section of this book we will discuss some phases of the papal suggestion. At present we must accept conditions as they actually exist; and we must seek temporary remedies and reliefs in the light of Catholic social teaching insofar as it can be applied to modern circumstances.

The Church does not and will not condemn the strike as an economic weapon under existing capitalistic conditions. She does not advocate or encourage the practice of work stoppages; she has laid down some stringent conditions in regard to the moral implications involved. If and when the ethical conditions are fulfilled, however, the moral theologians not only justify the right of workers to engage in strike action, but might even envision certain circumstances in which it would be the moral and social obligation of employees so to act.

#### MORAL ASPECTS OF THE STRIKE

The conditions for a justified strike are five in number: (1) The issue must revolve around justice or at least be a question of equity; (2) the strike action must be the last resort, after all other means for an amicable settlement have been exhausted; (3) the means used to attain the end de-

sired must be moral and licit; (4) the good that is hoped for must at least equal the evil that may be anticipated; (5) there must be a solid hope of success before the risk of harm involved may be undertaken.

Whether on all occasions, when strikes occur, these five conditions are fulfilled, does not come within the scope of our present writing. If the strike is to be justified from the moral angle, however, these ethical standards must be seriously weighed. They place a strict obligation upon the conscience of those who are responsible for the strike. A strike-leader who deliberately disregards these ethical standards is guilty of the damage consequent upon his decision to call a strike. Only a complete and comprehensive study of all the facts and circumstances leading up to a strike can determine the guilt of either union or management.

“Something new must be added” if we are ever to see the day when the strike will disappear from the American industrial picture. Many experienced people, as the American bishops noted in one of their annual messages, are of the conviction that Pius XI actually offered that “something extra” when he presented for world-wide consideration what is today known as the industry council system. The concept is too comprehensive for a detailed account of it in a short space. Even a sketchy outline, however, can give sufficient indication of the approach and content of the papal proposal to recognize the soundness of the principles offered and the validity of the argument advanced. We will attempt now to give a brief explanation of what the thought-provoking ideal embraces.\*

\* *Spotlight on Social Order* (See: page 63)

# NINE

## An Industry Council Economy

THE key thought in the papal proposal for an industry council or guild system of industrial relations is the substitution of mutual co-operation for the "class-against-class" spirit which has traditionally characterized the modern capitalistic economy. It is readily conceded that this aim cannot be even partially attained unless the philosophic concept of the common good is respected as a norm of human action. The ideal presented presupposes that the virtues of justice and charity are still within the scope and normal aims of human living.

It is a futile ambition to expect human aspirations to be fulfilled, human values to be properly acknowledged, and human goals to be reached merely by setting up a gigantic network of intricate scientific mechanism for material production. If the human aspects of life must be made subordinate to the material and mechanistic, the hope of reconstructing human society along truly human lines becomes dimmer. The technical processes of production will continue to submerge the human equations involved.



## THE POPE IS NOT A TECHNICAL ADVISOR

It is neither the role nor the responsibility of the Vicar of Christ to advise or instruct the leaders of modern capitalism in the art of industrial engineering. The sovereign pontiff has but one part to play in economic life. His role is that of the universal teacher who points out to human beings the proper principles of human living as God Himself, the Creator of all life, has made manifest these secrets of life itself.

As stated previously, it is possible, in a short space, to give but the sketchiest outline of the papal proposal in regard to an industry council economy. In brief, the concept contains or implies the following truths and considerations:

(1) Human society is made up of human personalities, each one an image and likeness of God, designed and destined by the Creator to live in one brotherhood of man under the Fatherhood of God.

(2) The total goods of earth were created not as goals of greed for individuals, but as means to sustain human families.

(3) Men were created to live in peace and harmony, not in fratricidal war—be it military, political, or economic. Men cannot achieve or even attempt to fulfill that divine aim unless they recognize the fact that there is a common good which cannot be sacrificed to satisfy the selfishness of the individual.

(4) In every nation, the government itself is the agency primarily entrusted with the responsibility for promoting and protecting the common good. It is neither the right nor the duty of government, however, to usurp functions which can be efficiently and adequately performed by individuals and by social groups. The citizens must be granted the fullest possible freedom to develop the social, economic, cultural, and spiritual characteristics of the nation.

(5) A basic responsibility of government is to set national



social goals, to remove obstacles, to encourage private initiative, and to protect the exercise of natural and legal rights by both individual citizens and socially organized groups.

(6) The citizens, on their part, in order to enjoy the full measure of freedom and to avoid infringement by public authority, must think and live and act in accord with the principles of a sound philosophy from which they derive the knowledge necessary to such living in the first place.

A chief cause of modern confusion has been the distortion of certain functions by both government and private enterprise. Pius XI complains bitterly of both. The resultant disorder is due principally to an ignorance of, and consequently the improper exercise of, social responsibilities.

The disregard of their social obligations by citizens in the past has brought on an excess of governmental interference in the present. With the hope of restoring human society to some semblance of social sanity, the Vicars of Christ have issued their papal warnings. The messages for the most part point out the proper principles which must be followed if social order is to be restored. Among the major points are the following:

(1) The citizens of every nation have not only the right but the duty to organize social groups for the necessary and legitimate purpose of establishing a truly organic and organized human society. These rights and duties are neither given by government nor can they be abolished by government. They are inherent in the human nature which God created.

(2) The norm which must be followed to maintain social order in domestic society (the family), God Himself set down by instituting the very form of marriage.

(3) Though leaving the form of government to be freely

chosen by the citizens, the Creator divinely decreed the concept of authority as an essential note of social order in civic society.

The end product designed and desired for both domestic and civic society is perfection of each individual member in the exercise of his rights and obligations. Everything that God created in the universe was intended as a temporary means whereby each human being might the more easily and the more efficaciously arrive at his final goal which is eternal life with God Himself.

#### INDUSTRIAL SOCIETY

By nature, the Creator left to the initiative of men the correct and harmonious development of economic life. Progress is not to be made, however, by indulgence in human selfishness. On the other hand, progress will not come from government edicts which regiment citizens into a human supply line to provide goods and services for the nation.

The unique feature of papal thought in regard to economic life is based on the concept that industrial society is a vital and integral part of all human society. The production of goods should fall into some sort of natural categories. Those engaged in any particular industry should consider themselves as members of a specific form of society. Such segments of society have been called "vocational groups." We in America translate the term into "industry councils." A primary function of every individual in each industry should be to advance the common good by participation in that specific industry.

#### INDUSTRIAL DEMOCRACY

Of utmost importance in this concept advanced in the papal encyclicals is the fact that these vocational groups or industry

councils have a right to a quasi-autonomy. They have a right to be self-governing, self-disciplining segments of society, dependent upon government and public authority only insofar as they must conform to a sound, legally-adopted national policy, instituted to protect and advance the common good.

There is nothing in American industrial life which actually corresponds to this concept. There are what have been called "approximations"—a general trend toward a more co-operative spirit between management and unions, the establishment of some bi-partite councils in a few specific industries, the setting up of commissions by a few international unions to decide jurisdictional disputes, the appointment of permanent arbitrators in a number of union-management contracts, etc. Instances such as these indicate tendencies toward the industry council philosophy.

For an authentic industry council system as envisioned in papal thought, however, it would be necessary to have each major industry, at least, become part of a national network of industries functioning in accord with the social principles proposed.

From the economic angle, the system would be a *free enterprise system*. Prices, for instance, would be determined by free competition, operating in accord with sound economic and social principles. Factors of a purely economic nature would be determined by the economists.

Prevention of economic activity from impairing social values, and direction of these activities toward the common good, would be the responsibility of the industry council, made up of management and worker representatives, guided by a national social policy.

The council itself would have the status of a public institution juridically established by statute.



These four essential elements stand out:

(a) Complete and independent organization of both workers and employers in the industry, but joined in a higher form of unity in the council.

(b) The mutual objective of the common good as the immediate aim of the bi-lateral assemblies.

(c) An intra-industry *authority*, democratically established, to set up standards (for instance, of fair competition) and to enforce the self-imposed regulations.

(d) A quasi-autonomy, yet subject to the restrictions of the public interest as spelled out in the national social policy of public authority.

The underlying assumption in this daring proposal is that the parties in industrial life must either learn to live harmoniously under a self-imposed discipline, or forfeit the right to a freedom which can deteriorate into a spirit and tolerance of anarchy. There must be order in economic life as in domestic and civic life. There can be no order if the concepts of organization, subsidiarity, authority, and the common good are scoffed at and spurned.

Authority in economic activities, for instance, will be exercised by an exclusive and dangerous dependence upon political power, or the concept will be voluntarily accepted as an inherent element of industrial society itself.

In its simplest form the problem of order in industrial life can be reduced to those two alternatives. The one tends to fascism of some kind, the other to the protection of social freedom through the recognition of the quasi-autonomous nature of industrial society and the responsibilities that go with it.



The greater the spirit and reality of self-government accepted by the various segments of society, the less is the need for either emergency or permanent over-all restrictive legislation. The principle is simple enough. Too many, however, are still affected by the myopia of individualism.

#### NEED OF A HIGHER UNITY

No real rights, natural or legal, are denied to the participants in this philosophy of industrial society. The right of organization is not only condoned but encouraged. Both management and workers should be organized into appropriate units, but the process of organizing should not stop merely at that point. A necessary and higher form of unity should be established for the very purpose of neutralizing the spirit of conflict which the separately organized units tend to create. It is the social responsibility of both groups, the pope contends, not merely to seek their own particular good, but to join in common endeavor, co-operative enterprise, and mutual good will in the pursuit of a higher good, common to industry and to the nation as a whole.

#### RECOGNITION OF REALITY

This ideal holds but faint hope if a relentless pursuit of profits, with all human values made subordinate to that aim, must be looked upon as the inevitable be-all and end-all of life.

It cannot be attained if each industrialist and each labor leader is to be the sole and exclusive judge of the common good, with nothing more than some patchwork of supplementary legislation to correct abuses that have become intolerable.

Little hope for an achievement of the goal of real social order, of a truly human and progressive harmony in industrial relations, can be entertained if the fallacy of "a workman is a commodity" is retained in the capitalistic system. The weaknesses, ignorance, and malice of erring mortals, however, can never be honestly advanced as a proof against the soundness or the value of the papal propositions.



## “Re-action” vs. Action

“I CAN write encyclicals,” said Pope Pius XII to Canon Cardijn, “I can speak over the radio, I can write about social doctrine, but I cannot go into the factories, into the shops, into the offices, into the mines . . . nor can bishops do this, nor priests, for these places are closed to them. Therefore the Church needs thousands and thousands of militant lay missionaries . . . who are representative of the Church in their working environment.” \*

We need but pick up our daily paper to note at a glance the condition of present-day society. Every edition is an indirect confirmation of the validity of the papal lament. The voice of the Vatican falls upon deaf ears, indeed. It was so in the days of Leo XIII, in the days of Pius XI—and so it is today.

Pius XI was not unaware of the apathy, skepticism, and even cynicism which were to greet the papal proposals in his day and after. But he ceded no ground to pessimism. Anticipating unfavorable reactions from the worldly-minded, he reproved the doubting Thomases even before their criticisms could be expressed.

Commenting upon the pioneer effort of his predecessor of

\* *Liguorian*, April, 1954

holy memory, Leo XIII, (which was less specific and less daring than his own suggestions) Pius XI, in a few preliminary remarks to the main themes of his encyclical, declared with characteristic bluntness:

(14) "... there were some who were not a little disturbed; and so it happened that the teaching of Leo XIII, so noble and so utterly new to worldly ears, was held suspect by some, even among Catholics, and to certain ones it even gave offense. . . . The slow of heart disdained to study this new social philosophy, and the timid feared to scale so lofty a height. There were some also who stood, indeed, in awe at its splendor but regarded it as a kind of imaginary ideal of perfection more desirable than attainable."

Undeterred by the reluctance, resistance, and resentment previously encountered—even on the part of some prominent Catholics—the intrepid pontiff did not hesitate to amplify his disagreement with those who could summon up not one thought or word of appreciation for the masterly message of his predecessor.

In a spirit of holy indignation, in what may well be looked upon as a stinging rebuke from the papal pen, he wrote:

(39) "On the basis of the long period of experience, it cannot be rash to say that Leo's encyclical has proved itself the *MAGNA CHARTA* upon which all Christian activity in the social field ought to be based, as on a foundation. And those who would seem to hold in little esteem this papal encyclical and its commemoration either blaspheme what they know not, or understand nothing of what they are only superficially acquainted with, or if they do understand, convict themselves formally of injustice and ingratitude."



In these forthright statements from the pen of Pius XI, we can find no word of comfort or commendation for those who would apathetically rest content with "things as they are." Of a certainty there is no indication that Catholic social action consists merely in a vehement denunciation of communism. The sovereign pontiffs expect us to know and to put into practice, according to our competence, the thoughts, principles, and ideals which they have enunciated and declared as the true and necessary Catholic social doctrine.

It was more than sixty years ago that the fiery message of Leo XIII first burst upon a turbulent world. Twenty-five years have passed since Pius XI caught up the torch and re-echoed and expanded the warnings and the words of wisdom of his illustrious predecessor.

The world has seen many changes in the passing of those years. The souls and hearts of men, however, are still much in need of the strength, the light, and the inspiration that stems from Vatican Hill. Many still have eyes that see not and ears that hear not. The Catholic faithful in America can ill afford to be numbered among them.



NOTE: For a more complete and comprehensive study of papal teaching on industrial society and the industry council system, read *Spotlight on Social Order*, a full-length book, recently edited by Father Smith. Christopher Press, Rochester, N.Y., 241 pages, \$3.





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