

# Industry Council Plan and « Mater et Magistra » La démocratie organique et l'encyclique Mater et Magistra

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## Résumé de l'article

Un des points les plus importants de l'enseignement social de l'Église dans ce qui regarde la réforme des institutions est l'organisation d'une économie humaine. Les catholiques américains le présentaient sous le nom de *Industry Council Plan*, alors que chez nous on parlait de « corporatisme », « organisation corporative ». Et récemment, avec raison, on écarte ces appellations équivoques pour utiliser « démocratie organique ».

L'objet de ce travail est de voir a) l'évolution de la doctrine depuis *Rerum Novarum* jusqu'à *Mater et Magistra*; b) ce qui a été fait au Canada pour appliquer cette doctrine; c) ce qu'il faut faire soixante-dix ans après *Rerum Novarum*.

Le but principal de *Rerum Novarum* n'était pas la réorganisation de l'ordre social. Toutefois, dans le souci d'améliorer la condition des ouvriers dans un monde qui méprisait la dignité de l'homme, la valeur de son travail, la fonction sociale de la propriété et qui ne tenait pas compte des rapports entre la vie économique et la vie morale, Léon XIII a été amené à réfuter certaines erreurs de son temps et à établir certains principes fondamentaux pour la réalisation d'un ordre social basé sur la justice et la charité. Ces principes sont les suivants: a) les travailleurs ont le droit de s'associer; b) l'économie doit être ordonnée en vue du bien commun; c) l'État a l'obligation de ne pas rester étranger à la vie économique. À cette époque où la non-intervention de l'État était un dogme et où le syndicalisme ouvrier était soit prohibé par la loi dans bien des pays, soit considéré comme dangereux par beaucoup de gens bien-pensants, cette affirmation de principes a soulevé de l'enthousiasme parmi les classes laborieuses et de la surprise dans d'autres milieux sociaux.

Ces principes ont été repris et complétés par Pie XI dans l'encyclique *Quadragesimo Anno*, en 1931. Les conditions sociales et économiques avaient grandement changé depuis 1891. Dans son encyclique, Pie XI préconise une réorganisation de l'ordre social. Il clarifie la nature et la fonction des associations d'employeurs et des syndicats ouvriers; il condamne le libéralisme économique autant que le socialisme; il accorde un rôle positif à l'État dans les questions économiques tout en insistant sur la « fonction supplétive de l'État ». Pour Pie XI, la reconstruction de l'ordre social nécessite la présence de corps intermédiaires mis sur pied par l'initiative des intéressés et non imposés par l'État. Enfin, ces groupements doivent coopérer entre eux d'une façon institutionnelle et être investis par la loi de pouvoirs qui leur donnent un caractère semi-public. Ce dernier point rappelle les « corporations » du Moyen Âge, mais le pape dit qu'elles doivent être adaptées selon les lieux et les circonstances. C'est à partir de ces principes et de cette méthode d'organisation que les penseurs sociaux catholiques ont développé la doctrine du « corporatisme » ou des « Conseils industriels ». Le Pape Pie XII a souvent fois rappelé l'enseignement de son prédécesseur et a souligné la nécessité de donner à ces corps intermédiaires un caractère juridique. On ne peut sous-estimer l'importance de la dernière encyclique *Mater et Magistra* sur cette question. Trente ans ont passé depuis *Quadragesimo Anno*. Le système économique, même dans le monde libre, a évolué et changé. Nous sommes en face du phénomène de la socialisation. Jean XXIII voit aussi bien les dangers que les avantages d'une socialisation toujours grandissante. En optimiste, il se refuse à rejeter la socialisation. Dans le but de l'humaniser et de la faire servir au bien commun, il veut qu'elle soit démocratique. Il intègre les principes de l'organisation professionnelle dans le processus de socialisation. Préoccupé par l'aspect pratique de la question, connaissant les discussions qui s'étaient élevées autour des formulations de Pie XI et de Pie XII, il se garde de préconiser une méthode particulière et même évite d'utiliser les mots « corporatisme », « organisation corporative ». C'est la une question de détail, car les principes restent les mêmes; mais c'est un détail important puisqu'il a contribué à nuire à l'expansion de la doctrine sociale de l'Église en cette matière. Aussi, sans nostalgie pour le passé, Jean XXIII ouvre les portes à toutes les formes de coopération institutionnelle entre les intéressés aux différents niveaux de production en insistant sur une organisation de l'économie qui tienne compte du bien commun national et international. L'État doit jouer un rôle positif, mais ce rôle, il doit le remplir dans le respect des autonomies légitimes et avec la participation de tous les groupes intéressés.

Au Canada, les catholiques ont reçu avec respect l'enseignement de l'Église en cette matière. Beaucoup d'études ont été entreprises et publiées en langue française, surtout durant la période précédant la dernière guerre. Malgré leur valeur indéniable sous certains aspects, on peut dire qu'en général elles étaient caractérisées par leur manque de réalisme, l'insuffisance de connaissances économiques et la présentation de modèles impossibles à appliquer dans le contexte de notre économie. On concevait l'organisation professionnelle comme une structure englobant toute l'économie et sanctionnée par la loi. C'était une vue statique de l'économie. On voulait la coopération entre les agents de l'économie alors que ces agents n'existaient même pas. Certains travaux cependant ont fait avancer la question. Mentionnons l'ouvrage « Syndicalisme et organisation professionnelle » publié par les Semaines sociales du Canada, en 1960. Quant à la littérature de langue anglaise publiée au Canada, elle est nulle. Le seul fait que l'on soit obligé d'utiliser uniquement les publications américaines (malgré les similitudes entre l'économie canadienne et celle de nos voisins) montre déjà assez comment les Canadiens de langue anglaise pouvaient être inadéquatement renseignés.

Les syndicats ouvriers, si l'on excepte la Confédération des Syndicats Nationaux, n'ont pas attaché beaucoup d'importance à cette doctrine. Toutefois, sans le savoir, ils ont été amenés à appliquer la doctrine sociale de l'Église en consacrant leurs efforts à créer et à consolider des instruments qui pourraient être utilisés plus tard dans l'organisation de l'économie. Les employeurs, non plus, n'ont pas accordé beaucoup d'attention à la doctrine de l'Église. Plusieurs sont tellement imbus d'esprit individualiste qu'ils ne comprennent ni la nécessité ni les avantages à se grouper dans leurs associations. Il y a très peu de groupements d'employeurs qui négocient des conventions collectives. On peut même dire que les employeurs qui ont une certaine connaissance de la doctrine sociale de l'Église sont beaucoup plus enclins à ne retenir que les passages qui ont trait au droit de propriété, à la liberté d'entreprise et à l'initiative privée. Nos gouvernements, enfin, sont loin d'avoir favorisé l'organisation de la coopération entre les groupes intermédiaires au niveau de l'industrie et de l'économie nationale. On est resté au niveau de l'établissement et, encore, le droit d'association protégé par la loi depuis 1944 pour certaines catégories de travailleurs est complètement ignoré pour d'autres. Pendant la dernière guerre, cependant, le gouvernement fédéral a mis sur pied des organismes tripartites où étaient représentés les patrons, les syndicats et l'État. Comme la conviction n'était pas profonde, aussitôt la guerre terminée, la plupart de ces organismes ont disparu. Il en reste cependant quelques-uns, tant sur le plan national que sur le plan provincial.

La difficulté à appliquer la doctrine sociale de l'Église en ce qui concerne l'organisation de l'économie tient à une situation objective assez compliquée. Nous avons au Canada onze gouvernements qui ont juridiction en cette matière et ils ont encore beaucoup à apprendre pour coopérer entre eux. La majorité de nos syndicats ouvriers ne possèdent pas leur bureau-chef au Canada, mais aux États-Unis. Beaucoup de compagnies — et les plus importantes — sont seulement des filiales d'entreprises étrangères. Enfin, l'économie canadienne dépend pour une large part de celle des États-Unis. Toutefois, il n'y a aucun doute que nous sommes engagés dans un mouvement irréversible vers une socialisation, qui entraîne une certaine planification. Nous pouvons accepter cette socialisation en restant aveugle et passif ou en être conscient et jouer un rôle actif. Nous n'avons pas de choix quant au mouvement lui-même. Tout ce que nous pouvons faire, c'est de fixer les objectifs, de choisir les moyens et de déterminer les agents d'exécution. Est-ce que cette socialisation sera effectuée d'une façon totalitaire ou bien sera-t-elle le résultat d'une coopération entre les intéressés à qui seront laissées les responsabilités qu'ils pourront assumer à différents niveaux? En somme, aurons-nous une démocratie économique ou un dictateur totalitaire? L'idéologie qui dicte ces choix est d'importance capitale. La doctrine sociale de l'Église se présente à tous les hommes de bonne volonté qui croient encore à la dignité de la personne humaine et à la liberté. Il faut la faire connaître et la faire appliquer. C'est un travail de collaboration. D ne suffit pas seulement de connaître les principes, mais il faut aussi tenir compte de la réalité socio-économique telle qu'elle se présente dans notre milieu. On doit favoriser l'expansion des groupes intermédiaires: syndicalisme ouvrier, associations d'employeurs, groupements de cadres, groupements de professionnels.

# Industry Council Plan and \*Mater et Magistra\*

Gérard Dion

*The author examines the evolution of the Catholic Social Doctrine on the Industry Council Plan. This paper, while general in outlook and scope, must be read in light of the fact that it was first presented as a communication at the Catholic Social Life Conference, Halifax, October 1961.*

It is our purpose in this paper to discuss about one aspect of the reform of institutions which has a great importance in the social teachings of the Church, the Functional Organization of the Economy, or what has been called by American Catholics « The Industry Council Plan ».

Our subject gives us one of the best illustrations of the manner in which this social teaching is made up and gradually is developed. It shows how the historical context has an influence on formulating the doctrine and how legitimate theological tendencies may evolve starting from fundamental principles which do not change. It also gives us an instructive lesson on the importance of distinguishing between principles, doctrine and policies, and how we must be careful not to identify our personal positions with the « Doctrine of the Church ». Finally, it stimulates all Christians to exert themselves to think and to do research inside a body of doctrine, the fecundity of which is not exhausted by a concrete solution applied in a particular place.

I shall divide this paper into three parts. The first will be devoted to the evolution of the doctrine from *Rerum Novarum* to *Mater et Magistra*. The second part will deal with what we have done here in Canada with that doctrine. An the last will consider what we should do seventy years after *Rerum Novarum*.

## Evolution of the Doctrine

RERUM NOVARUM

The main purpose of *Rerum*

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*Novarum* was not the reorganization of the social order, as it will be latter for *Quadragesimo Anno*. Nevertheless, in order to ameliorate the conditions of the workers in a world which was disregarding the dignity of man, the value of his work, the social function of property, the nature of the economy and the relationships between economic and moral life, Leo XIII had been brought to refute some errors of the time and to establish some principles which will be fundamental for an order based on justice. These principles will be reaffirmed and developed by Pius XI.

They are the following:

- the right of association;
- the development of the economy with a view to the common good;
- the obligation of the State not to keep aloof from the economic world.

At that time, when the prevailing doctrine was non-intervention of the State in economic matters and when, in many countries, trade unions were either forbidden by law or considered dangerous even by well-thinking people, the affirmation of those principles by such an authority aroused enthusiasm and admiration among the workers as well as an understandable opposition in some other social groups.

The principles were there, but among the Catholic schools of social thinking, they were received according to the tendencies of each one. Some Catholic groups who had had an influence in the preparation of the encyclical were supporting the return to the guild system of the Middle Ages and were not seeing the necessity of trade unions, as we know them today. Studies made recently on the preparation of the text of *Rerum Novarum* demonstrate that, at the last moment, Leo XIII, under the influence of Manning and Gibbons, refused to be a party to such a line of thinking and, although paying a tribute to the guild system, approved the creation of associations formed with workers alone for the defense and the promotion of their own interests.

*Rerum Novarum* vindicates the right of the State to intervene, not so much for the organization of the economy as to prohibit immoral practices in the field of labour relations and to protect women and children. After pointing out this right and duty, Leo XIII immediately

underlines that this power ought to be used « within certain limits ». « The law », he said, « ought not undertake more, nor go further than the remedy of evils or the removal of danger requires ». As we see it, it was already the principle of the subsidiary function which Leo XIII was applying, a principle which will be more explicitly expressed by Pius XI in *Quadragesimo Anno*.

#### QUADRAGESIMO ANNO

In 1931, the conditions had greatly changed. It was no more a capitalism based on small or medium units of production. A great concentration of power had taken place. Economic problems were more and more taking on a political and social aspect. The world was experiencing the greatest economic crisis ever known. Socialism was not merely a doctrine put forward by individuals or groups. It was now a regime established in the Soviet Union and a real menace for the world, fomenting class struggle among the workers.

On the other side, Italy was enjoying peace and progress under a political regime organized along the lines of a corporatist theory; the Vatican question had just been settled and the evils of fascism were not yet apparent to all. Such an historical context had to exert an influence on what will be found in *Quadragesimo Anno*, which Pius XI wrote to commemorate the anniversary of *Rerum Novarum*. The purpose of the Pope was not a simple commemoration of the Workers' Magna Carta. He wanted, as he said, « to defend the illustrious master's doctrine on the social and economic question against certain doubts and to develop it more fully on some points ». One of the points developed by Pius XI in this document, which he himself entitled, « On the Reconstruction of Social Order », was precisely the Functional Organization of the Economy.

It is useless to repeat what is well known and to multiply the quotations which could be applied to the question we are concerned with. The nature and functions of workers' and employers' associations were clarified, their right to exist defended, their limited role defined. Laissez-faire doctrine was condemned to the same extent as that of socialism. A positive role was accorded the State in economic matters while the principle of subsidiarity was stressed and largely explained. Reconstruction of the social order necessitates the setting-up of intermediate bodies having their own economic and occupational goals; these bodies



should be created by the people concerned, not imposed by the State at its own discretion. Finally, these intermediate bodies should cooperate together in an institutional manner and be vested, by law, with the character of semi-public organizations. This last point recalled the mediaeval guilds, but the Pope said they were to be adapted to different places and circumstances.

It is from these principles and that method of organization that Catholic social thinkers developed what is variously known as « the Industry Council Plan », « Vocational Order », « Functional Economy », and in French, le « corporatisme », « l'organisation professionnelle » and more recently « la démocratie organique ». It is not without significance that we cannot find a more appropriate name to designate what we mean under these different labels. Personally, I prefer « Organic Democracy » to any other.

Pope Pius XII did not add anything to the teaching of his predecessor in this matter. He recalled it many times and, being fond of law, he emphasized the necessity of giving to those bodies a juridical character like that of the mediaeval corporations.

#### MATER ET MAGISTRA

We cannot underestimate the importance of the most recent encyclical on the question of the Industry Council Plan. In *Mater et Magistra*, we find the same fundamental principles that Pius XI and Pius XII had set forth. But we are in 1961. Thirty years have passed since *Quadragesimo Anno*. The economic system, even in the free world, has evolved and changed. We face the phenomenon of socialization which is always increasing. The Pope sees the dangers as well as the advantages of socialization. Being an optimist, he refuses to reject it; and in order to make it work in a suitable manner for the common good, to render it more human and more democratic, he integrates the principles of professional organization in the process of socialization. John XXIII is mostly preoccupied with the practical aspect of the problem. He is a pastor and not a jurist. He knows all the discussions raised by the formulas of Pius XI and Pius XII and the misunderstandings caused by these discussions. So he keeps from any formulizing and, even, goes so far as to avoid using the words « corporation », « corporative organization ».

One of the most authoritative commentators on the encyclical, Father Jean Villain, writing in the latest issue of *la Revue de l'Action Populaire*, noted this fact, and said (and I translate from the French):

« John XXIII departs from his predecessors on only one point: he doesn't wish, it seems, that this organization should be corporative. But the point is secondary; one should not confuse the means with the end. The objective to be attained is an economy designed to work for the common good; Pius XI thought, in his time, that the best means was a corporative organization of the professions. In the light of more recent developments, John XXIII thinks that this stage has passed and that henceforth this « human » economy should be organized on different bases. Thus the fundamental preoccupation of the three pontiffs is the same; the only differences are the practical means imposed by different political and economic circumstances ». <sup>1</sup>

We remember that Pius XI had said in *Divini Redemptoris*:

« If we consider the whole structure of economic life, as We have already pointed out in Our encyclical *Quadragesimo Anno*, the reign of mutual collaboration between justice and charity in social economic relations can only be achieved by a body of professional and inter-professional organizations, build on solidly Christian foundations, working together to effect, under forms adapted to different places and circumstances, what has been called the Corporation ». <sup>2</sup>

It is only a detail, but an important one, especially in our country where discussions around « corporatism » were surely prejudicial to the development of this aspect of the social teaching of the Church. Without an form of apriorism or nostalgia for the past, Pope John opens the door to all kinds of institutional co-operation among those interested at the different levels of production, strongly insisting on any organization of the economy which takes into account the national and international common good. The State has a positive role to play, but this role must be accomplished with respect for legitimate autonomies and with the participation of all interested groups.

Here is a statement by John XXIII that should suffice to remove the doubts of those who are still afraid of a planned economy. After having said that « public authorities also must play an active role in

(1) « L'encyclique Mater et Magistra: son apport doctrinal », dans *L'Action populaire*, septembre-octobre 1961, p. 903.

(2) Pius XI, *Divini Redemptoris*, no 54.

promoting increased productivity with a view to social progress and the welfare of all citizens », and having recalled the principle of subsidiarity, the Pope continues:

« It is obvious that recent advances in scientific knowledge and productive technology provide public authorities with far greater capacities than in the past for reducing inequalities among the various sectors of production, among the various areas within the same nation and among the various peoples of the world... Consequently, those in authority responsible for the common good are more and more required to undertake a variety of economic activities, at once more vast and more organized. It is also essential for this purpose that they devise suitable structure programs, means and methods ». <sup>3</sup>

To « devise suitable structure, programs, means and methods » it is the exact description of planning. But at the same time the Pope establishes the limitations to such planning and stresses the importance of co-operation between intermediate bodies. In the section of his document dealing with the problem of socialization, after having explained the origin and the scope of this trend and evaluated the benefits and advantages flowing from it, he says:

### *Intermediate Groups and Socialization*

« Ought it to be concluded, then, that socialization, growing in extent and depth, necessarily reduces men to automatons? This is a question which must be answered in the negative.

« For socialization is not to be considered as a product of natural forces working in a deterministic way. It is, on the contrary, as We have observed, a creation of men who are free agents intended by nature to work in a responsible manner. This is so even though they are obliged to recognize and, as it were, obey the laws of economic development and social progress. Nor can they entirely escape from all the pressures of their environment.

« Hence, We consider that socialization can and ought to be brought about in such a way as to maximize its advantages and eliminate or minimize its negative consequences.

(3) JOHN XXIII, *Mater et Magistra*.

« For this desirable purpose, then, it is necessary that public officials should adopt a sound view of the common good. Such a view should embrace all those social conditions which permit men to pursue more readily the integral development of their personalities.

« Moreover, We consider it necessary that the intermediate groups and numerous social enterprises through which socialization tends to express itself should enjoy an effective autonomy. They should, in addition, pursue their own special interests in true harmony without damage to the common good. It is no less necessary that such groups manifest the nature and aspect of a true community. They will do this only if their individual members are always treated as persons and encouraged to take an active part in the community's affairs.

« As the interlocking organizations of modern society develop, right order will be realized more and more through a renewed balance between a demand for autonomous and active collaboration on the part of all, individuals and groups, and timely co-ordination and encouragement of private enterprise by government.

« So long as socialization is kept within these limits of the moral order, it will not of its nature seriously restrict individuals or overburden them. Instead, it offers hope of promoting in them the expression and development of their personal characteristics. It results, too, in an organic reconstruction of society, which Our predecessor Pius XI, in *Quadragesimo Anno*, put forward and defended as the indispensable prerequisites for satisfying abundantly the demands of social justice ».<sup>4</sup>

### *Workers' Participation at All Levels*

« Modern times have seen a widespread increase in worker associations organized with juridical status in many countries and across national lines. They no longer unite workers for the sake of conflict, but rather for joint effort — principally in the field of collective bargaining. But We cannot fail to emphasize how imperative or at least highly opportune it is that the workers should be able freely to make their voices heard, and listened to, beyond the confines of their individual productive units and at every level of society.

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(4) JOHN XXIII, *Mater et Magistra*.

The reason is that individual productive units, regardless of how extensive, efficient or significant they may be, form a vital part of the national economic and social complex and are in turn influenced greatly by it.

But it is not the decisions made within each individual productive unit which have the greatest bearing on this complex. Instead it is those made by public authorities, or by institutions that function on a world-wide or national scale in regard to some economic sector or category of production. Hence it is appropriate and necessary that, besides the holders of capital or their representatives, the workers also, or those who represent their rights, demands and aspirations, should have some place in such authorities or institutions ». <sup>5</sup>

Here is the evolution of the doctrine so far. Given three factors — Pope John XXIII's clarifications, the integration of the principles of functional economy in the general process of socialization, and the rejection of the corporative system — I think that many misunderstandings will cease, and that it will no longer be possible to confuse the social order advocated in the teachings of the Church with any kind of past economy or recent fascisms.

### **What has Been Done in Canada toward the Establishment of Industry Councils?**

It is not easy to give a simple answer to this question. If we open our eyes and consider the socio-economic world, the least we can say is that many things remain to be done. Also, the institutions which exist, the practices which are established, may sometimes be in line with the idea of the Industry Council Plan while those who are taking part in them do not appreciate what they are doing and where they are going. It is also dangerous to be prejudiced and unfair to people who have really done their best. Nevertheless, here is my own judgment on this matter.

Those Catholics who were aware of the Industry Council Plan idea accepted it as they accepted the rest of the social doctrine of the Church, that is, with admiration and respect. And, as nobody could immediately profit from it, either to defend a privilege or to condemn an adversary (because it was a positive project), it was easy to pay lip-

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(5) JOHN XXIII, *Mater et Magistra*.

service to it without becoming compromised. I may go further and say that, among Catholics, the more remote they were from practical action, the more favourable they were to the plan.

I do not think anyone having to preach or to expound the social principles of the Church missed any opportunity to mention this part of the papal doctrine.

#### PUBLICATIONS ON INDUSTRY COUNCIL PLAN

More was done. Many, many studies on the subject were undertaken. We can find, here in Canada, a very abundant literature, in French and in English, especially that written during the thirties. Although there was something valuable in the studies published in French, we may say that, in general, they were characterized by their lack of realism, insufficiency of economic knowledge, and the presentation of models which were impossible to apply in the context of our economy.

Starting from the necessity of reconstructing the social order, of avoiding class struggle and of establishing social justice, they conceived professional organization as a structure embodying the whole economy and sanctioned by law. It was a static conception of the economy. They wanted co-operation while the agents of co-operation did not yet exist. We had to wait for the studies made by « La Commission Sacerdotale d'Etudes Sociales » and for the papers presented at the last Social Week, in 1960,<sup>6</sup> to find something which was a real contribution. I know it is easier to see all this today than it was at the time. As for the English literature on the subject, the fact that it came mostly from the United States, even though there are many similarities between the economy of the U.S. and that of Canada, is enough to show how inadequate it was.

In spite of the value to be attached to promoting principles of unquestionable validity, the difficulty of translating them into practice did not make them readily acceptable to the people who were in a position to institute the Industrial Council Plan. I am talking of the employers, the union leaders and the government.

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(6) *Syndicalisme et organisation professionnelle*, 37e semaine sociale du Canada, 1960, 1 Vol., 242 pages, Editions Bellarmin, 8100, Blvd St-Laurent, Montréal 11.

## LABOUR-UNIONS AND INDUSTRY COUNCIL PLAN

Our labour unions, if we except the CNTU, have not accorded much importance to the doctrine. Like American unions, their philosophy is that of « voluntarism » and « gradualism ». For a long time they did not want the State being mixed in industrial relations problems. They feared a domination they wanted to avoid. As for the reforms they were seeking, they preferred getting them gradually through their own action. This brought superficial observers to conclude that those unions had no doctrine. This conclusion was not entirely correct. Trade unions were not entirely pragmatic, but realistic in a country where the most urgent thing to do was to organize and create union solidarity among workers devoid of class spirit.

Hence, without knowing it, and, naturally, without expressing it, labour unions were led to the application of Christian social doctrine when they spent their efforts creating and consolidating the instruments which could be used later in the organization of the economy. The establishment of labour unions — labour unions rejecting anarchy and ready to co-operate with employers and the State — has not been an easy task. History is there to prove it. Freedom of association has been protected by law in our country only since 1944, and that was due, to the war conditions.

It is easy, then, to understand why labour unions did not pay much attention to projects which, in their mind, could curtail their freedom of action. They felt they already had enough difficulties with the opposition of the employers and the lack of understanding from public opinion. They were even more suspicious when they met, among the advocates of the Industry Council Plan, some people who never missed an opportunity to criticize and undermine their action.

## EMPLOYERS AND INDUSTRY COUNCIL PLAN

The employers did not pay much attention to the Industry Council Plan. And it is quite understandable. Many of them are so imbued with the spirit of individualism that they do not even feel the advantages and the necessity of organizing among themselves. They join trade associations when they cannot do otherwise and only for business purposes. Few indeed are the employers' associations that negotiate with trade unions. And it is very natural that those who hold economic



power are not ready to share it of their own free will. Moreover, those who had some acquaintance with the social teachings of the Church were more inclined to notice the passages concerning the right of property, the freedom of enterprise and the freedom of initiative.

#### THE GOVERNMENT AND INDUSTRY COUNCIL PLAN

Now what about the attitude of the governments? Governments follow public opinion and it is not a secret that those who hold economic power were, in the past, those who had the greatest influence. It is significant that our laws protecting freedom of association for the workers dates only from 1944. And there are still many groups of salaried workers for whom this right of association is not recognized. During the last war, for reason' of emergency, the Federal Government was led to encourage and create many Employers-Unions-Government Boards. But the conviction was not deep and such a trend did not last long. When the war was over, most of them disappeared. Nevertheless, in the Federal Government as well as in the Provincial ones there are few, very few, Committees or Commissions organized on a Tripartite basis. I must also say that in the Province of Quebec, for example, the Collective Agreement Act, the Superior Council of Labour and the recent Council for Economic Orientation are somewhat along the lines of the social teaching of the Church regarding the organization of the economy.

#### OBJECTIVE DIFFICULTIES

To these reasons for which the Industry Council doctrine did not expand very much, we must add others which are objective and bring a lot of complications when we think of such an economic reform. (1) We have in Canada eleven autonomous governments which have jurisdiction over the matters involved in the Industry Council Plan. And as far as we know they still have much to do in order to learn how to co-operate among themselves. (2) The majority of our labour unions have their head offices not in Canada, but in the United States. (3) Many companies, and the most important, are only subsidiaries of foreign companies. (4) And, finally, what about the general dependence of the Canadian economy on that of our southern neighbor? It is pretty difficult to initiate in Canada what has not yet been started in the United States.

In his book, *Social Principles and Economic Life*, published two years ago, Father John C. Cronin said:

« The industry-council program has been widely publicized in American Catholic circles, but its impact upon economic thinking in the United States is uncertain. Some American economists have reached similar conclusions by independent means. Others have examined the proposals and offered their criticisms. Still others have been understandably confused by the lack of unanimity in Catholic interpretation and application of papal proposals ».<sup>7</sup>

I feel that the same judgement could be applied in Canada. The task ahead is no easy one. But now there are better opportunities than ever in the past.

There is no doubt that we are engaged in an irreversible process of socialization, carrying a kind of planning. We may accept it, remaining blind and passive, or be conscious and active. We have no choice on the trend itself, but we have in our power the possibility of fixing the objectives, of selecting the means and determining the agents of execution.

Will this socialization be realized in a totalitarian way, or be the result of co-operation between those interested to whom will be left the responsibilities they can assume at different levels? Briefly, shall we have an economic democracy or a totalitarian dictatorship? The ideology which dictates these choices is of capital importance. To tell all who are prepared to listen, the Church is offering a doctrine acceptable to any man of good will who really believes in human dignity and freedom. If we are convinced of that, it is our duty to make every effort to have it known and shared.

The establishment of an order along the lines of this doctrine will be necessarily a co-operative endeavour. The Catholics alone cannot do much, and even if they were able to impose it, it would be bad, because there is no such thing as the Party of God, the Party of the Church. We live in a democracy and any reform should be agreed upon by the whole community. But it will not be bad if the Catholics start co-operating among themselves.

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(7) JOHN C. CRONIN, *Social Principles and Economic Life*, The Bruce Publishing Co., Milwaukee, 1959, p. 134.

## What should be Done

Faced with the problem of organizing the economy and spreading the Industry Council Plan, if we want to be effective and not to waste our time in empty phrases, we must have, more than in the past, a realistic and a pedagogic approach.

### A REALISTIC APPROACH

We already know the principles quite well. They are few and they are easy to understand. They have been repeated and repeated by the Popes and by the Bishops of this country. There were, naturally, differences of account according to the personality of the leaders and to the exigencies of the situation, but they are there: Economic order will not come naturally only by free competition, free enterprise and free initiative, although a certain degree of freedom must always be safeguarded. Intermediate bodies are natural and necessary if we want to avoid state totalitarianism. Institutional co-operation at all levels must be organized between the agents of the economy. Intermediate bodies must co-operate among themselves and with the government in order to help it play its positive role in the economy for the common good, national and international.

But when we have enumerated those principles, we cannot say we know enough. Principles are not to be contemplated; they exist to be applied. And to apply the principles, we must have a knowledge of the concrete facts and of the techniques. We cannot expect to find this knowledge in the encyclicals or the studies of moralists. We have to secure the help of positive sciences: economics, sociology, politics, industrial relations, and so on.

So, we speak in the clouds, when we speak of the governments, if we forget that in Canada there are eleven governments having jurisdiction in economic matters and specific powers in industrial relations. We must know that, in general, business enterprises are subject to provincial governments in problems of industrial relations and to the federal government in questions of trade and commerce.

We also speak in the clouds when we regard in the same way a big corporation and a small privately owned enterprise, when we keep thinking in terms of capital and labour, and class conflicts where these are merely conflicts of interests.

If we want to apply the principles we must also know the mechanisms and the functioning of our economy. Sharing in decision-making requires, at least, the possibility of identifying where the decisions are made and by whom. That cannot be found in the principles, but by a serious study of the facts. It is not easy, but it has to be done.

Hence, to promote a reorganization of the economy along the principles of the social teachings of the Church, team-work by people from different disciplines is necessary in order to know exactly our economic reality.

#### A PEDAGOGIC APPROACH

It seems evident that if we want the application of our doctrine, we must reach those who can do something, because they are in the field of action and bear responsibilities in their groups.

In explaining the principles of our doctrine, we must use a language that can be understood. We also must be able to show how these principles bring something practical. Moreover, it is useful to recall that everything cannot be realized immediately. Then, we must approve and encourage all initiatives which are taken and are of value. And the prerequisite for an organized democracy is the existence of what the Pope calls «intermediary bodies», labour unions, trade associations, consumers groups, co-operatives, etc.

#### EXPANSION OF INTERMEDIARY GROUPS

We already have in our country a lot of associations in the field of labour relations. However, we must admit that there still remain many sectors to cover, others to consolidate and develop and, finally, still others to adapt so as to meet the requirements of professional life, as they present themselves with their individual techniques.

#### *Trade unions*

Trade unions are probably the best organized groups. In all cases, they are quite representative and are considered as such. Nevertheless, trade unions can and must improve. Even though almost every industry is covered by them, we must not forget that the number of union

workers has not yet reached a third of all who could be organized. This percentage compares well with that of most other countries, but we must say that we regret the fact that — almost everywhere — many workers are still outside unions, or are lukewarm members.

Unlike the blue collar workers, the white collar group, as a whole, has not yet accepted trade unionism. Yet the group is very large, and will grow steadily larger with the movement of occupational trends in all industrialized countries. In Europe, the white collar workers do not refuse to become members of a union which belongs to the same central organization as the blue collar unions (in spite of all that we hear about the reign of the class spirit in these countries); but here in America — in the United States as well as in Canada — it seems that the methods of approach used by the trade unions have been inadequate to overcome the attitude of superiority felt by the white collar workers towards trade unions. However the white collar workers should be organized, and a way to fill this gap must be found.

What is there to say about the unionization of foremen and supervisors? The law does not protect even their right of association. Moreover, the law reflects the almost general opposition that such unionization encounters from among their own ranks and from high administration in industry. In some rare cases, when foremen have wished to organize, it is from the trade unions that they have received help. But we must admit that we have not yet found any adapted methods. Only experience and time will bring the adequate institutions up to date and will determine the kind of collaboration that should be established with the trade unions, after checking what has been done in other countries, and what is particular to our own.

The presence of an increasing and permanent number of salaried people among liberal professions organized under a particular law presents problems which will not be solved by ignoring them. These groups, which have disciplinary rights over their members were conceived and have been organized exclusively to protect the condition of the independant professional workers. They are not equipped to face this new situation. Some, however, have tried to solve the problem. For instance, the nurses have organized specialized unions, besides their own corporation, to negotiate labour contracts. But there still remain the barristers, the accountants and — especially — the engineers. Almost nothing has been done to solve this problem. We are still too attached to obsolete conceptions, full of prejudices, to be able to tackle

it in a realistic spirit. However, the responsible persons will be obliged to face it some day.

### *Employers' Association*

If we speak of associations among the employers in industry, commerce and the services, it is chaos, confusion, useless duplications — in other words, the greatest disorder we can imagine. No leading idea, only patching, to answer immediate and limited needs. Experience has shown that because of a predominant individualistic spirit, because of the acceptance of the competition dogma, and because of their privileged situation, it is only when the enterprises are forced to organize that they do so.

A strong patronal movement, possessed of some clear ideas, could help these groups evolve towards some forms of organization and collaboration that would take into account the requirements of a rational economy. Even then, we suspect it would be insufficient. Maybe a disaster would help, but we cannot wish it. Anyway, in face of the irreversible trend of an ever-greater influence of government in economy, if the enterprises do not wish to renounce all initiative and intend to play their part in the elaboration of economic policies, they will be obliged to throw out this ancient individualism and organize themselves in some acceptable way.

This leads us to the problem of guidance or orientation of those groups. Much could be said, for here we should analyse the concept of man, the role of the economy, and the social relations.

### *A Philosophy is needed*

When we consider, one by one, the different groups that exist and when we try to discover what ideology, what doctrine inspires their orientation, we notice in most cases an alarming blank which explains their lack of foresight and their behaviour.

No doubt, they are not indifferent to the system of values which prevails in our civilization. They do not throw away the fundamental principles of Christianity but they remain indifferent to them. As for social Christianity, this means almost nothing. They are opposed to communism and to all kinds of totalitarianism because these are prejudicial to their own interest.

Over all, they are imbued with personal and collective individualism which prevents the development of a sense of solidarity beyond the frontiers of a narrow mind. This explains why when faced with the phenomenon of the socialization of contemporary life (which we must not confuse with socialism) they remain unable to form any type of organization which could safeguard the dignity of the human being, take into account the organic character of the society, the subsidiary function of the government and at the same time the necessity of some kind of economic planification.

In spite of the number of Catholics we find in this country, and of the real influence of the Church in our society, outside the trade unions (the Catholic unions above all and the others to a lesser degree), and very very few employers' groups, the principles of the social doctrine of the Church have not really entered the world of business and labour relations. Each time the trade unions have recommended some tripartite form of collaboration to solve some permanent problems of a given industry (we think specially of the case in shipyards and the textile industry) they meet a cool reception from the companies and inertia from the public administration.

### *Research and Education*

How can we create in the public mind and within the existing associations a favourable climate to the diffusion of the principles of the social doctrine of the Church and how can we establish some concrete means to put them in effect, taking into account the situation with which we are faced in Canada today and the needs of its economy?

It is absolutely necessary to develop research in this field. As long as we are satisfied to repeat abstract principles without knowing what effects they can have on the reality, no solution can be found. Knowledge, an objective knowledge, is always necessary, in order to know what to do and how to do it. Our faculties of Social Sciences and our departments of Industrial Relations are young. They have not sufficient personnel and resources. We are however astonished at what they have accomplished to date, considering the means at their disposal. They do not receive the support necessary to work on large research projects in such a matter. And would they be allowed to publicize their suggested solutions which would undoubtedly disturb the existing or-



der? Will we be obliged to wait for Foundations like Carnegie, Rockefeller and Ford to take this initiative and so it for us?

It so happens that only trade unions and co-operatives have educational services for their members. They have learned this necessity because they had the chance of meeting some open-minded leaders. But what collaboration do they receive? Such services should be in the hands of all groups. And even this is not sufficient.

We feel the time has come to think about the creation of some para-professional groups along with the professional groups in order to aid the penetration of a Christian conception of the life and to diffuse the social doctrine of the Church. On the employer's side, a movement like the Christian Union of Business Executives\* should receive a wide support.

### **La démocratie organique et l'Encyclique MATER ET MAGISTRA**

Un des points les plus importants de l'enseignement social de l'Eglise dans ce qui regarde la réforme des institutions est l'organisation d'une économie humaine. Les catholiques américains le présentaient sous le nom de *Industry Council Plan*, alors que chez nous on parlait de « corporatisme », « organisation corporative ». Et récemment, avec raison, on écarte ces appellations équivoques pour utiliser « démocratie organique ».

L'objet de ce travail est de voir a) l'évolution de la doctrine depuis *Rerum Novarum* jusqu'à *Mater et Magistra*; b) ce qui a été fait au Canada pour appliquer cette doctrine; c) ce qu'il faut faire soixante-dix ans après *Rerum Novarum*.

Le but principal de *Rerum Novarum* n'était pas la réorganisation de l'ordre social. Toutefois, dans le souci d'améliorer la condition des ouvriers dans un monde qui méprisait la dignité de l'homme, la valeur de son travail, la fonction sociale de la propriété et qui ne tenait pas compte des rapports entre la vie économique et la vie morale, Léon XIII a été amené à réfuter certaines erreurs de son temps et à établir certains principes fondamentaux pour la réalisation d'un ordre social basé sur la justice et la charité. Ces principes sont les suivants: a) les travailleurs ont le droit de s'associer; b) l'économie doit être ordonnée en vue du bien commun; c) l'Etat a l'obligation de ne pas rester étranger à la vie économique. A cette époque où la non-intervention de l'Etat était un dogme et où le syndicalisme ouvrier était soit prohibé par la loi dans bien des pays, soit

\* A book has been recently published on this Movement by Father Joseph B. Gremillon: *The Catholic Movement of Employers and Managers*. Gregorian University Press, 4 Piazza della Pilotta, Rome, 1961. 217 pp.

considéré comme dangereux par beaucoup de gens bien-pensants, cette affirmation de principes a soulevé de l'enthousiasme parmi les classes laborieuses et de la surprise dans d'autres milieux sociaux.

Ces principes ont été repris et complétés par Pie XI dans l'encyclique *Quadragesimo Anno*, en 1931. Les conditions sociales et économiques avaient grandement changé depuis 1891. Dans son encyclique, Pie XI préconise une réorganisation de l'ordre social. Il clarifie la nature et la fonction des associations d'employeurs et des syndicats ouvriers; il condamne le libéralisme économique autant que le socialisme; il accorde un rôle positif à l'Etat dans les questions économiques tout en insistant sur la « fonction supplétive de l'Etat ». Pour Pie XI, la reconstruction de l'ordre social nécessite la présence de corps intermédiaires mis sur pied par l'initiative des intéressés et non imposés par l'Etat. Enfin, ces groupements doivent coopérer entre eux d'une façon institutionnelle et être investis par la loi de pouvoirs qui leur donnent un caractère semi-public. Ce dernier point rappelle les « corporations » du Moyen Age, mais le pape dit qu'elles doivent être adaptées selon les lieux et les circonstances. C'est à partir de ces principes et de cette méthode d'organisation que les penseurs sociaux catholiques ont développé la doctrine du « corporatisme » ou des « Conseils industriels ». Le Pape Pie XII a souventes fois rappelé l'enseignement de son prédécesseur et a souligné la nécessité de donner à ces corps intermédiaires un caractère juridique.

On ne peut sous-estimer l'importance de la dernière encyclique *Mater et Magistra* sur cette question. Trente ans ont passé depuis *Quadragesimo Anno*. Le système économique, même dans le monde libre, a évolué et changé. Nous sommes en face du phénomène de la socialisation. Jean XXIII voit aussi bien les dangers que les avantages d'une socialisation toujours grandissante. En optimiste, il se refuse à rejeter la socialisation. Dans le but de l'humaniser et de la faire servir au bien commun, il veut qu'elle soit démocratique. *Il intègre les principes de l'organisation professionnelle dans le processus de socialisation.* Préoccupé par l'aspect pratique de la question, connaissant les discussions qui s'étaient élevées autour des formulations de Pie XI et de Pie XII, il se garde de préconiser une méthode particulière et même évite d'utiliser les mots « corporatisme », « organisation corporative ». C'est là une question de détail, car les principes restent les mêmes; mais c'est un détail important puisqu'il a contribué à nuire à l'expansion de la doctrine sociale de l'Eglise en cette matière. Aussi, sans apriorisme, sans nostalgie pour le passé, Jean XXIII ouvre les portes à toutes les formes de coopération institutionnelle entre les intéressés aux différents niveaux de production en insistant sur une organisation de l'économie qui tienne compte du bien commun national et international. L'Etat doit jouer un rôle positif, mais ce rôle, il doit le remplir dans le respect des autonomies légitimes et avec la participation de tous les groupes intéressés.

Au Canada, les catholiques ont reçu avec respect l'enseignement de l'Eglise en cette matière. Beaucoup d'études ont été entreprises et publiées en langue française, surtout durant la période précédant la dernière guerre. Malgré leur valeur indéniable sous certains aspects, on peut dire qu'en général elles étaient caractérisées par leur manque de réalisme, l'insuffisance de connaissances économiques et la présentation de modèles impossibles à appliquer dans le contexte de notre économie. On concevait l'organisation professionnelle comme une structure

englobant toute l'économie et sanctionnée par la loi. C'était une vue statique de l'économie. On voulait la coopération entre les agents de l'économie alors que ces agents n'existaient même pas. Certains travaux cependant ont fait avancer la question. Mentionnons l'ouvrage « Syndicalisme et organisation professionnelle » publié par les Semaines sociales du Canada, en 1960. Quant à la littérature de langue anglaise publiée au Canada, elle est nulle. Le seul fait que l'on soit obligé d'utiliser uniquement les publications américaines (malgré les similitudes entre l'économie canadienne et celle de nos voisins) montre déjà assez comment les Canadiens de langue anglaise pouvaient être inadéquatement renseignés.

Les syndicats ouvriers, si l'on excepte la Confédération des Syndicats Nationaux, n'ont pas attaché beaucoup d'importance à cette doctrine. Toutefois, sans le savoir, ils ont été amenés à appliquer la doctrine sociale de l'Eglise en consacrant leurs efforts à créer et à consolider des instruments qui pourront être utilisés plus tard dans l'organisation de l'économie. Les employeurs, non plus, n'ont pas accordé beaucoup d'attention à la doctrine de l'Eglise. Plusieurs sont tellement imbus d'esprit individualiste qu'ils ne comprennent ni la nécessité ni les avantages à se grouper dans leurs associations. Il y a très peu de groupements d'employeurs qui négocient des conventions collectives. On peut même dire que les employeurs qui ont une certaine connaissance de la doctrine sociale de l'Eglise sont beaucoup plus enclins à ne retenir que les passages qui ont trait au droit de propriété, à la liberté d'entreprise et à l'initiative privée. Nos gouvernements, enfin, sont loin d'avoir favorisé l'organisation de la coopération entre les groupes intermédiaires au niveau de l'industrie et de l'économie nationale. On est resté au niveau de l'établissement et, encore, le droit d'association protégé par la loi depuis 1944 pour certaines catégories de travailleurs est complètement ignoré pour d'autres. Pendant la dernière guerre, cependant, le gouvernement fédéral a mis sur pied des organismes tripartites où étaient représentés les patrons, les syndicats et l'Etat. Comme la conviction n'était pas profonde, aussitôt la guerre terminée, la plupart de ces organismes ont disparu. Il en reste cependant quelques uns, tant sur le plan national que sur le plan provincial.

La difficulté à appliquer la doctrine sociale de l'Eglise en ce qui concerne l'organisation de l'économie tient à une situation objective assez compliquée. Nous avons au Canada onze gouvernements qui ont juridiction en cette matière et ils ont encore beaucoup à apprendre pour coopérer entre eux. La majorité de nos syndicats ouvriers ne possèdent pas leur bureau-chef au Canada, mais aux Etats-Unis. Beaucoup de compagnies — et les plus importantes — sont seulement des filiales d'entreprises étrangères. Enfin, l'économie canadienne dépend pour une large part de celle des Etats-Unis.

Toutefois, il n'y a aucun doute que nous sommes engagés dans un mouvement irréversible vers une socialisation, qui entraîne une certaine planification. Nous pouvons accepter cette socialisation en restant aveugle et passif ou en être conscient et jouer un rôle actif. Nous n'avons pas de choix quant au mouvement lui-même. Tout ce que nous pouvons faire, c'est de fixer les objectifs, de choisir les moyens et de déterminer les agents d'exécution. Est-ce que cette socialisation sera effectuée d'une façon totalitaire ou bien sera-t-elle le résultat d'une coopération entre les intéressés à qui seront laissées les responsabilités qu'ils pourront assumer à différents niveaux? En somme, aurons-nous une démocratie économique ou une

dictature totalitaire? L'idéologie qui dicte ces choix est d'importance capitale. La doctrine sociale de l'Eglise se présente à tous les hommes de bonne volonté qui croient encore à la dignité de la personne humaine et à la liberté. Il faut la faire connaître et la faire appliquer. C'est un travail de collaboration. Il ne suffit pas seulement de connaître les principes, mais il faut aussi tenir compte de la réalité socio-économique telle qu'elle se présente dans notre milieu. On doit favoriser l'expansion des groupes intermédiaires: syndicalisme ouvriers, associations d'employeurs, groupements de cadres, groupements de professionnels.

*Attention must be paid to the fact that, following upon ever wider application of processes of automation, the means of production, particularly in certain sectors of industry and personal service, are subject to rapid and far-reaching changes. This in turn can have immediate negative repercussion upon workmen, especially in what affects the stability of their employment.*

*It is therefore an exigency of social justice that such application be made in such a way that the immediate negative results of automation should not be borne exclusively by the workers or by certain groups of workers. Rather should such negative results weigh equally, or even more heavily, upon the investors of capital and, when opportune, even upon all the members of the political community, since all, in the final analysis, benefit by such changes of automation. This can the more surely be obtained when the workers, through their unions and organizations, are present and have a voice in the implementation of processes of automation.*

John XXIII

(Message to the Catholic Conference on Social Life. Halifax 1961.)