In the last article I discussed the contribution of Pius X and Pius XI to the social teaching of the Church, including the first part of Pius XI’s great encyclical Quadragesimo Anno. The next topic that Pius XI takes up is the immense one stated in the title of the encyclical, the reconstruction of the social order. This reconstruction is divided into two essential parts, “the reform of institutions and the correction of morals.” Pius treats moral reform in the third and last section of the encyclical, and now turns his attention to the reform of institutions. This is probably the most important section of Quadragesimo Anno, for in it Pius XI elaborates his teaching about “occupational groups,” sometimes known in the U.S. as “industry councils.” But first he introduces the concept of the principle of subsidiarity and begins the discussion by reminding his readers about that “highly developed social life which once flourished in a variety of prosperous and interdependent institutions,” but which has subsequently been destroyed “leaving virtually only individuals and the State . . .” (no. 78). What is the Pope talking about? In the English-speaking world we are apt to consider the individual as the foundation of the state, which was formed when a number of separate individuals joined together to form a body politic. We consider only individuals and the state to be normal or necessary parts of any society. Of course, we might admit various private and voluntary organizations, from clubs to political parties to labor unions and trade associations. But all of these are private, essentially nothing more than groups of individuals having no more status in the constitution of society than a chance gathering of friends.

The lack of any other types of organizations has been detrimental to both the state and to individual persons. For it has meant that the state, and usually the central government, has had to concern itself with much that it should not have to bother with. A few years ago, for example, a committee of the U.S. Congress actually held hearings about proper types of fasteners. Pius XI proposes a different approach to societal problems.

. . . it is a fundamental principle of social philosophy, fixed and unchangeable, that one should not withdraw from individuals and commit to the community what they can accomplish by their own enterprise and industry. So, too, it is an injustice and at the same time a grave evil and a disturbance of right order, to transfer to the larger and higher collectivity functions which can be performed and provided for by lesser and subordinate bodies. Inasmuch as every social activity should, by its very nature, prove a help to members of the body social, it should never destroy or absorb them (no. 79).

This is the principle of subsidiarity, and by it the Pontiff proposes that necessary tasks be performed at the lowest level at which they can properly be done. This is not to say that they should be done by for-profit firms or purely voluntary associations, but rather that other types of bodies be established or restored which can take on some of that work which we tend to associate with government only. For when he speaks of the “social life which once flourished,” he is referring to the guilds of the Middle Ages and thereafter, which provided a means of organizing and regulating commercial and industrial life, and which were also powerful and wealthy institutions which, if necessary, could oppose a tyrannical ruler. These guilds and other similar institutions helped to fill that void which modern society has created, where there are only “individuals and the State.”
Pius is calling for something like an updated version of these guilds, for he advocates all those who practice the same profession or who work in the same industry, to join into occupational groups, to seek both their own prosperity as well as the common good.

For as nature induces those who dwell in close proximity to unite into municipalities, so those who practice the same trade or profession, economic or otherwise, constitute as it were fellowships or bodies. These groupings, autonomous in character, are considered by many to be, if not essential to civil society, at least a natural accompaniment thereof (no. 83).

Such "fellowships or bodies" are not the same as our trade unions or trade associations. For they must bind "men together not according to the position they occupy in the labor market, but according to the diverse functions which they exercise in society." (no. 83). In other words, everyone who works in the same industry, either manager or worker, will be part of his occupational group. Unlike labor unions or employer associations, necessary as both these groups may often be, occupational groups are to express the natural functional groupings of society, not class conflict between owner and worker. Everyone, for example, who makes his living in a particular industry must draw his livelihood from that industry's prosperity. From the company president to the mailroom messenger, each is rightly concerned, in different ways it is true, with the prosperity of the industry, and hence is interested in the industry's markets, sources of supplies, potential customers, technology, in everything that contributes to the industry's health and profits. In addition, the members of the industry ought to be interested in how the industry as a whole serves the common good.

From this it is easy to conclude that in these associations the common interest of the whole "group" must predominate: and among these interests the most important is the directing of the activities of the group to the common good (no. 85).

For example, although a common association of pornographers or abortionists could well be concerned with the health of their "industry," they could not direct their activities toward the common good, since by nature pornography and abortion harm the common good. Thus it behooves each industry or profession to make sure that the products or services that it produces are truly helpful to society as a whole, not simply a means of enriching the individual producers and workers.

What sorts of activities will these occupational groups engage in? Some of them were suggested by Leo XIII himself, in Rerum Novarum (no. 34), when he stated that questions of wages and "the hours of labor in different trades, the sanitary precautions to be observed in factories and workshops" and like matters, should be handled by joint employer/employee boards. Pius does not himself propose any other duties for these groups here, but in addition to those recommended by Leo XIII, many commentators have suggested that they deal with questions such as prices or the market share of various firms. In the end, they are to reorient economic life so that different firms, as well as managers and workers, regard themselves as brothers working together to serve the public, not ruthless competitors or rivals, each trying to grab as large a share of the pot as possible.

Before finishing this middle section of Quadragesimo Anno, Pius XI brings up what he calls a "closely related aim." This is the orienting of economic activity according to its true principles. Here Pius is very clear and firm. He absolutely condemns the notion that free competition can be the ruling principle in the economy.

Just as the unity of human society cannot be built upon "class" conflict, so the proper ordering of economic affairs cannot be left to the free play of rugged competition. From this source, as from a polluted spring, have proceeded all the errors of the "individualistic" school. This school, forgetful or ignorant of the social and moral aspects of economic activities, regarded these as completely free and immune from any intervention by public authority, for they would have in the market place and in unregulated competition a principle of self-direction more suitable for guiding them than any created intellect which might intervene. Free competition, however, though justified and quite useful within certain limits, cannot be an adequate controlling principle in economic affairs. This has been abundantly proved by the consequences that have followed from the free rein given to these dangerous individualistic ideas. It is therefore very necessary that economic affairs be once more subjected to and governed by a true and effective guiding principle (no. 88).

In the first place, this passage makes it very clear that no Catholic can accept free competition as the arbiter of the market and of economic activity. Instead, such activity must be ruled by the principles that Pius speaks of here. What principles are they? Social justice and social charity. Earlier the pontiff had introduced the concept of social justice and had stated that "...the good of the whole community must be safeguarded. By these principles of social justice one class is forbidden to exclude the other from a share in the profits" (no. 57). Social justice, then, demands the good of the whole and of each of the parts. And here Pius XI insists that the law enforce such just distribution.
To that end all the institutions of public and social life must be imbued with the spirit of justice, and this justice must above all be truly operative. It must build up a juridical and social order able to pervade all economic activity (no. 88).

On the one hand, the laws of the nation must enforce social justice, but on the other hand, "social life," the actual institutions under which people live, must also promote and embody justice, and, moreover, "social charity should be, as it were, the soul of this order" (no. 88).

Any nation attempting to create a just social order must actually enforce social justice with the power of the state. But beyond that, a charity akin to that charity animating the Mystical Body of Christ, must permeate this order, so that we give each one his due, not simply out of fear of punishment, but that we regard our fellow contributors to the economic well-being of our nation as brothers, not foes or rivals.

Then after a discussion of the economy of Fascist Italy (nos. 91-96), which I will omit commenting upon, Pius XI begins the third and last part of Quadragesimo Anno. In this section, Pius will treat of three topics: the present state of the economy, socialism, and the reform of morals.

Pius XI does not condemn the separation of ownership and labor, which he regards as the characteristic note of capitalism. However, he is severely critical of the actual state of the capitalist economy.

In the first place, then, it is patent that in our days not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few, and that those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure (no. 105).

This power becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying so to speak, the life-blood to the entire economic body, and grasping, as it were, in their hands the very soul of the economy, so that no one dare breathe against their will (no. 106).

This accumulation of power, a characteristic note of the modern economic order, is a natural result of unrestrained free competition which permits the survival of those only who are the strongest. This often means those who fight most relentlessly, who pay least heed to the dictates of conscience (no. 107).

And he sums up, "... the whole economic life has become hard, cruel and relentless in a ghastly measure" (no. 109).

Although our economy is not in exactly the same state as it was during the Great Depression when Pius XI wrote, we should not suppose that we are untouched by the Pontiff's condemnations. Many in this country still champion free competition as the means of regulating the economy, and one need only look at the newspapers from time to time to see that the most successful are often "those who fight most relentlessly, who pay least heed to the dictates of conscience."

Next, the Pope examines the chief rival to capitalism, socialism. He notes that since the time of Leo XIII, socialism has divided into two sections, communism and more moderate socialism. He takes up the question, very much discussed in the 1930's, as to how compatible socialism, in any form, was with the Catholic faith. His judgment on this question is well known, "No one can be at the same time a sincere Catholic and a true socialist" (no. 120). But what is less well known are his reasons for that judgment. Many people imagine that the reason for the impossibility of a Catholic being a socialist has to do with the economic doctrines of socialism. But this is not really the case. As I mentioned above, Pius notes that in his day socialism had divided into two parts, and moreover, the economic proposals of some of the moderate socialists "often strikingly approach the just demands of Christian social reformers (no. 113).! What, then, is the problem with socialism? It is that socialism "conceives human society in a way utterly alien to Christian truth" (no. 117). Socialism, he explains, entirely ignorant of or unconcerned about [the] sublime end both of individuals and of society, affirms that living in community was instituted merely for the sake of advantages which it brings to mankind (no. 118).

And in the next section he makes it clear that it is material advantages to which he and the socialists are referring. But are not we ourselves apt to think that "living in community was instituted merely for the sake of advantages which it brings to mankind?" But if this
were so, then the end of society would be simply more and more material goods. This, however, is contrary to papal teaching, expressed, for example, by Leo XIII in *Rerum Novarum*, that “since it is the end of Society to make men better, the chief good that Society can be possessed of is virtue” (no. 27). This teaching of Pope Leo conflicts not only with the ideas of socialists, but with much of the rhetoric that is used in our own society to justify our own economic or political system. How often, for example, is not capitalism praised and justified because it creates great material wealth? Do we therefore fall under the same condemnation as socialism does?

Next Pope Pius turns to the question of moral reform, without which the “social edifice will be built, not upon a rock, but upon shifting sand” (no. 127). Here the Pontiff denounces “that unquenchable thirst for riches and temporal possessions,” which has always afflicted man, but points out that “the economic world today lays more snares than ever for human frailty.” Among others he lists, “Easy returns, which an open market offers to any one,” and the “divided responsibility and limited liability” of corporations which “have given occasion to abominable abuses” (no. 132). “A stern insistence on the moral law, enforced with vigor by civil authority, could have dispelled or perhaps averted these enormous evils” (no. 133). One can see by this that this holy Pontiff does not separate completely the moral reform of individuals from state action on behalf of justice. But he continues and points out that the reconstruction of the social order called for by this encyclical, with the institution of occupational groups, cannot succeed without a redirecting of man’s desires.

All those versed in social matters demand a rationalization of economic life which will restore a sound and true order. But this order, which We Ourselves desire and make every effort to promote, will necessarily be quite faulty and imperfect, unless all man’s activities harmoniously unite to imitate and, as far as humanly possible, attain the marvelous unity of the divine plan. This is the perfect order which the Church preaches, with intense earnestness, and which right reason demands: which places God as the first and supreme end of all created activity, and regards all created goods as mere instruments under God, to be used only in so far as they help toward the attainment for our supreme end (no. 136).

And a little later he again reminds us that charity, while no substitute for justice, is its necessary accompaniment. “Charity cannot take the place of justice unfairly withheld, but, even though a state of things be pictured in which every man receives at last all that is his due, a wide field will nevertheless remain open for charity” (no. 137).

Pius XI is calling for nothing less than a remaking of society, the “reconstruction of the social order.” He knows it will be a difficult undertaking.

And in truth, the world has nowadays sore need of valiant soldiers of Christ, who strain every sinew to preserve the human family from the dire havoc which would befall it were the teachings of the Gospel to be flouted, and a social order permitted to prevail, which spurns no less the laws of nature than those of God. (no. 144)

This encyclical presents an entire doctrine for social reconstruction, and a picture of a world remade on Christian principles. Lest we think it is only a pretty picture, but one unattainable in this world, we should remember that Pius himself censured those who thought *Rerum Novarum* was “a utopian ideal, desirable rather than attainable in practice” (no. 14). Though now the difficulties of establishing a just society are many times greater than in 1931, still we must make whatever strides toward it that we can. We can never simply nod our heads and pass on to other things, thinking that this is not an important area of Christian morality. Still worse is the response of any who would argue and quibble at the Pontiff’s words, while still supposing themselves good Catholics.

Let, then, all men of good will stand united. Let all those who, under the pastors of the Church, wish to fight this good and peaceful fight of Christ, as far as talents, powers and station allow, strive to play their part in the Christian renewal of human society ... (no. 147).

Even if we achieve little in this “good and peaceful fight,” we will be making our offering of the world to the Heart of Jesus Christ more perfect, and more pleasing to the Redeemer of both men and nations.

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**End Note**

1. As an example, Pius instances and approves the contention of these moderate socialists that “certain forms of property must be reserved to the State, since they carry with them an opportunity of domination too great to be left to private individuals without injury to the community at large” (no. 114). He goes on to say, “Just demands and desires of this kind contain nothing opposed to Christian truth...” (no. 115).