

## AN ALLOCUTION TO BUSINESS MEN

**I**T is with equal solicitude, with equal interest, that We receive in audience both workers and industrialists as they come to Us in turn and, with a confidence which touches Us deeply, explain to Us their respective difficulties. In bidding you welcome with all Our heart, very dear sons, We also gladly seize the opportunity that you offer to Us to express Our paternal goodwill and to praise your zeal in bringing Christian social teaching into the world of economics.

We have referred to the difficulties of those who take part in industrial production. Erroneous and baneful in its consequences is the misconception, unfortunately very widespread, which sees in them an irreducible opposition of divergent interests. The opposition is only apparent. In the economic domain there is common activity and interest between the employers and the workers. Not to perceive this reciprocal bond, to attempt to break it, cannot but be the result of blind and unreasonable despotism. Employers and workers are not irreconcilable antagonists. They are collaborators in a common task. They eat, so to speak, at the same table, since they live, in the last resort, from the net global profit of the national economy.

Each one draws his pay, and from this point of view their mutual relationship should not put either of them at the service of the other. To draw one's pay is a tribute to one's personal dignity in one form or another, the proprietor and the worker each making his own production contribute to the yield of the national economy.

In the accounts of private industry the wage total may appear as a charge upon the employer. But in the national economy there is only one sort of charge, which consists in the natural goods that are utilised for the national production, and which must consequently be replaced continuously. It follows that both sides are interested in seeing the expenses of national production proportional to the output. But since the interest is common, why is it not possible to give it a common expression? Why should it not be legitimate to give the workers a just part of the responsibility in the constitution and development of the national economy? Today, above all, the lack of capital and the difficulty of international exchanges are paralysing the free play of costs of national production. The recent attempts at socialisation have only put this painful reality in clearer light. It is a fact that neither has the ill-will of the one created it, nor will the goodwill of the other succeed in eliminating it. But why then, while there is still time,

should we not examine things in full consciousness of the common responsibility, in such a way as to assure the one against unfounded mistrust and the other against illusions which will soon become a social peril?

Our memorable predecessor Pius XI suggested the concrete and opportune formula of this common interest and responsibility in the work of national economy when, in his Encyclical *Quadragesimo Anno*, he recommended 'professional organisation' in the various branches of industry. Nothing, in his eyes, seemed better suited to triumph over economic liberalism than the establishment for the social economy of a public juridical constitution based precisely on the common responsibility of all those who take part in production. This point of the Encyclical was the subject of a controversy. On the one hand, some saw in it a concession to the modern political currents and on the other hand some saw a return to the Middle Ages. It would have been incomparably wiser to cast aside the old inconsistent prejudices and to start with good faith and with good heart on the road to the realisation of the thing itself and of its multiple practical applications. But at present this part of the Encyclical seems almost to supply us, unfortunately, with an example of an opportunity lost because not taken in time. Now, however, belated attempts are being made to elaborate other forms of public juridical organisations of the social economy, and at the moment State ownership and the nationalisation of enterprises are favoured.

There is no doubt that the Church, within certain just limits, admits nationalisation and judges 'that one may legitimately give to the State certain categories of property, those which represent a power that could not be abandoned into the hands of private individuals without imperilling the common interest'. (*Quadragesimo Anno*.) But to make nationalisation a normal rule for the public organisation of economy would be to reverse the order of things. The mission of public rights is in effect to serve private rights, not to absorb them. Economy—no more so than any other branch of human activity—is not by nature an institution of the State. It is, on the contrary, the living product of the free initiative of individuals and of their freely formed associations. It would not be true to affirm that every private enterprise is formed in such a way that the relationship among the participants is determined by the rules of distributive justice in such a manner that all, without distinction, owners or not of the means of production, would have a right to share in the property or at least in the benefits of the enterprise. Such a conception is founded on the hypothesis that each

enterprise belongs to the sphere of public right. It is an untrue hypothesis. Whether the business is organised in the form of a company or an association with all the workers as co-proprietors, or whether it is the private property of one individual who signs a labour contract with all his workers, in one way or another it relates to the private juridical order of economic life.

All that We have just said applies to the juridical aspect of business as such. But an enterprise can involve still another category of personal relations among those taking part, including relations of a common responsibility, which must also be borne in mind. The owner of the means of production—no matter who he is, private owner, association of workers or a company—must always, within the limits of the public right of economy, remain master of his economic decisions. It goes without saying that his income is higher than that of his collaborators. But it now follows that the material prosperity of the people, which is the goal of the social economy, requires him more than others to contribute by his savings to the increase of the national capital. Since one must not, on the other hand, lose sight of the fact that it is supremely advantageous for a healthy social economy to obtain this increase of capital from as many sources as possible, it is also very desirable, consequently, that the workers shall be able themselves to take part in the building up of the national capital with the fruit of their savings.

A number of men, industrialists like you, both Catholics and non-Catholics, have on many occasions expressly declared that the social doctrine of the Church, and it alone, is in a position to supply the essential elements for a solution of the social question. Assuredly the application of this doctrine cannot be the work of a day. Its realisation demands of all participants a clear-sighted and far-sighted wisdom with a strong dose of good sense and good will. It demands of them, above all, a radical reaction against the temptation of each seeking his own advantage at the expense of the other participants, no matter what are the nature and form of their participation, and to the detriment of the common good. It demands, finally, a disinterestedness such as only authentic Christian virtue, sustained by the aid and grace of God, can inspire. It is in order to draw this grace on your organisation, on its internal development and on its outward expansion, particularly in the countries which, although Catholic, need to open up more widely to the social thought of the Church, that We cordially grant to you and to your association, under the powerful patronage of the Mother of Divine Love, Our Apostolic Benediction.

7 May 1949.

POPE PIUS XII.