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# PRESENT-DAY IMPORTANCE OF STUDYING THE ENTERPRISE

GÉRARD DION

Two years ago the Industrial Relations Bulletin undertook a series of articles on the « Reform of Structure in the Enterprise ». Later, these articles were assembled to form a booklet which was published under the same title.

In certain circles it has been asked why we stressed this aspect of the social doctrine of the Church instead of taking up a subject such as corporative organization. However, it seems to us that we had at the outset quite clearly shown that, in the work of social re-establishment, besides the reform of customs which we always consider as indispensable before, during, and after, to all work of social rehabilitation, the reform of institutions is placed on the level of the enterprise, the industry and the nation. That was a very clear indication that in the reforms of structure we did not expect a panacea for all the wrongs of our industrial civilization.

With the *Quadragesimo Anno*<sup>1</sup>, *Divini Redemptoris*<sup>2</sup> and the recent directives of Pius XII to Catholic employers in the whole world<sup>3</sup> and the call made to the Catholic workers of Belgium, we desire also, « at once the elaboration of a statute of public right of the economic life, of all social life in general, according to the professional organization ».<sup>4</sup>

But, with all the tradition of the social doctrine of the Church, we do not believe it possible to establish such a reform on the level of the profession without the preexistence of a powerful, disciplined, well-directed employer and employee syndicalism which would group members conscious of their dignity as men, conscious of their rights and of their duties.

As long as syndicalism is not definitely accepted as a normal institution to deal with relations between employers and workers and its framework is not solid, there is danger of having on both sides persons who exercise a function of representation without being representative. There will have been created a legal structure which, deprived of its constituent elements, would favour the rise of small dictatorships and would, in fact, not contribute to attain a part of its essential

objective, nor give the workers a fair part of the responsibility in establishing and developing the national economy.

Isn't that one of the reproaches that is made with reason against the professional organization such as was built in fascist Italy, in France under the Pétain Regime, and in Portugal? A pyramid is not built by commencing with the top.

To talk of the organization of vocational groups now in this province is, without doubt, a good thing because that is an objective towards which we must tend. Moreover, knowledge of the end or aim is indispensable to all serious action. So we would not reproach anyone whatever for advocating a reform which is called for. However, to speak only of the end, neglecting the practical means of attaining it, is to take refuge in abstract considerations which disturb no-one and leave each person free afterwards to continue thinking and acting as before. The important thing therefore is to point out practical measures.

It remains no less true that if we take the trouble to analyse seriously all the implications of a true professional organization with the consequences which it leads to on the level of the nation, as on the level of the enterprise, we realize that these are different aspects of the same problem. Far from being incompatible with the professional organization, a reform of structure in the enterprise is probably the shortest and surest road to lead us there. Because can we conceive of the possibility of actual cooperation on the professional level without cooperation on the enterprise level.

But since, from the didactic point of view, it is impossible to take in all subjects at the same time, we must of necessity limit ourselves to dealing with one question at a time. We have chosen to study the enterprise and this is why.

The profession, which we are wrong to confuse with a trade — without wishing to return to the Middle Ages — does not directly group men: it is reached only through the enterprise.

It is properly the enterprise which is the important unit of the profession, the place where actually are embodied each day the problems of employers and workers alike.

(1) Prus XI, *Quadragesimo Anno*, Nos. 90, 91.

(2) Prus XI, *Divini Redemptoris*, Nos. 32, 53, 54.

(3) Prus XII, Directives to Catholic Employers in the « Bulletin des relations industrielles », May 1949, p. 82.

(4) Prus XII, Address to Belgian Workers, Sept. 11, 1949.

It is in the enterprise that the employers note with misgiving the gradual weakening of the professional conscience and meet with considerable difficulty in obtaining the output necessary to economical production.

It is in the enterprise, and often because of the structure of the enterprise, that the process of depersonalization of the workers is effected and that these latter feel defrauded of the possibility of development and of living the life of a well-rounded human being.

It is in the enterprise that the opposition between labour and capital manifests itself.

It is in the enterprise that it is easier to make each person understand his duties and his responsibilities.

It is in the enterprise that employers and workers can from now on form the habit of mutual understanding and co-operation, feel that there is between them a community of activities and interest and finally establish that, far from being irreconcilable antagonists, they are co-operators in a common work.

The enterprise, in a word, is the cross-roads where employer and worker meet, there to help themselves in serving the community in general, or there to cut their own throats in leading the national society to ruin.

Now it happens that in the Province of Quebec we are in a particularly advantageous situation to benefit from the experiences of others without needing to descend into the same pit abyss. Certain facts compel recognition.

Our industrialization is but recent and the economic regime which prevails has not yet had the time to produce all the disastrous effects which its spirit and its structure have induced inevitably in other parts of the world.

There does not exist, properly speaking, a proletarian class — unless in the imagination of certain demagogues and superficial intelligences. Neither have we an employer class. The greater number of enterprises have at their head men who have risen thanks to their own talent and initiative and who have only just come from the ranks of the workers. Employers of the third and fourth generation are almost unknown.

The dehumanizing of labour, outside of large enterprises, even though it is being rapidly accentuated from day to day, has not yet attained

a desperate degree. There happily remain a great number of enterprises which are designed to the stature of man and in which labour relations are still marked with a degree of intimacy.

Contrary to what happened in Europe, our Industrial Revolution occurred when education had already penetrated the mass of the people and attained the labouring classes. The democratic spirit, far from being only a futile subject of conversation, has so penetrated the customs that workers naturally desire to carry it into their economic life.

Moreover, the workers, whatever is said by certain persons who appreciate neither the value of ideas nor the signification of words, are not yet imbued with socialist or communist ideas and do not consider at all the placing of the enterprise in the orbit of public law. They are not ready either to exchange their situation for posts as civil servants in a so-called equalitarian State, even if they had the control of it. On the contrary, being of an agricultural culture and tradition, they have nothing more at heart than to direct their own lives, to be masters of their own destiny and to put something of themselves into their work.<sup>5</sup>

It is all this that modern enterprise happily has not yet succeeded in killing and which must be preserved, developed and channeled before it is too late.

It is urgent then, while there is still time, to reflect on this situation, to appreciate its advantages as well as its perils, finally, to seize the opportunity which is offered to stop on the road which leads inevitably to disaster and direct ourselves towards a humanizing of this unit of economic life which is the enterprise.

To reflect is not to throw ourselves into immediate action but to prepare for future action with wisdom and prudence.

We will therefore continue the study of the enterprise in the *Industrial Relations Bulletin*. Many will be called upon to contribute on their own responsibility. We will go deeply into the idea of the enterprise as an economic unit, a community of labour. We will analyse the concept of labour relations within the enterprise and we will tackle such thorny subjects as the rights of management and authority in labour relations. We will also consider the role of the union in the

(5) Gérard DION, *Esquisse psychologique II: L'ouvrier*, "Bulletin des relations industrielles", June, 1946.

enterprise as also the collective agreement — charter of labour relations in the enterprise.

This will be, we hope, the humble contribution of the Industrial Relations Bulletin to the

production of an economic and social order in which all who labour in enterprise — employers, executives, workers — will be able to enjoy the fruit of their labour in an atmosphere of peace, justice and charity.

## LAISSEZ-FAIRE CAPITALISM AND SOCIAL PROGRESS

GEORGES-HENRI LÉVESQUE, O.P.

For a long time we have observed the existence of a conflict between economic realism and social progress. The doctrine of « laissez-faire » liberalism is probably the only one to deny this incompatibility so evident in examining the repeated economic crises which the world has known. Certain people have attempted to explain this opposition as due only to the moral deficiency of the individual. Others have seen its origin in the material conditions of production or again in the abuses of capitalism.

It seems, however, that these explanations are not satisfactory and that we should have recourse to some more fundamental cause. A careful analyse induces us, more and more, to think that the conflict between economic conditions and the general welfare exists above all because the natural aim of economic activity does not coincide with the real objectives of « laissez-faire » capitalism. Actually, the harm does not arise so much from the fact that individuals are opposed to the general prosperity but from the fact that men, even well-intentioned men, become incapable of bringing it about in any permanent fashion within the bounds of this system. Such is the statement of fact to which one is inevitably led, it seems to me, after having studied the conflict between economic reality and social progress on the North-American continent. (...)

The nature, the characteristics and the consequences of « laissez-faire » capitalism are too well known to necessitate describing them in detail. However, it might serve a useful purpose to revert to certain fundamental implications which we are too often content to state without concerning ourselves with their real scope.

There exist literally multitudes of definitions of « laissez-faire » capitalism. The fact that many are incomplete or made false by subjective interpretations adds still more to the general confusion.

First of all we can say that « laissez-faire » capitalism is a system, that is to say, the institutionalizing of a doctrine in the order of facts. Precisely because it is so and because, in reality,

an economic structure cannot exist without a political form, « laissez-faire » capitalism is effectively a politico-economic system. Born of liberalism, it represents an endeavour to apply this doctrine at the same time on the economic and political levels.

Under its economic aspect it presents two essential characteristics — it is based on the private ownership of production and consumption goods, and profit, defined as a special and residual order of revenue, constitutes its « raison d'être » and its principal objective. On the political level, it insists on the principle of the non-intervention of the State. More exactly, it assigns as sole role to the State that of seeing that the rules of the game are observed and the functioning of the mechanism in the economic field is assured.

At this stage of our analyse, it is already possible to discover the source of the conflict which opposes economic reality and social progress in a « liberal » capitalism. On the one hand, the natural end of economic activity is the full and universal satisfaction of human needs or *Common Prosperity*; by contrast, the chief objective of Capitalism is *Profit*. This essential divergence renders the « laissez-faire » capitalist system fundamentally incapable of assuring by itself social progress in a permanent manner.

Nay more, even when having recourse to the most rigorous control measures, it is practically impossible to direct it to the human purposes that it should be reputedly serving because its proper objectives do not allow of it.

These facts become still more evident when we consider the concrete characteristics of « liberal » capitalism. These are not only incompatible with social progress but they are in flagrant contradiction with the properties assigned to this capitalism by the « laissez-faire » doctrine from which it sprang and on which was based that doctrine's justification.

*Extracts from the address presented to the Semaines Sociales de France at Lille on July 19, 1949.*