

CHAPTER VII

CORPORATE ORGANIZATION

“The time of the Capitalist system, the time of the economic system based upon Liberal and Capitalist principles, is past. The time of Marxian and materialistic government is over. Party domination is no more.”

(Vienna, September 11, 1933.)

“We intend to take as the foundation of our constitutional life the corporative principle, or organization according to vocational groups, as proclaimed in the Encyclical *Quadragesimo Anno*. It is our ambition to be the first country to give a practical response in political life to the appeal of this noble Encyclical.”

(Vienna, September 9, 1933.)

THESE SENTENCES MARK THE END OF A PHASE IN AUSTRIAN history. How false was the conception of liberty by which Liberalism had promised to lead mankind to new heights, had become manifest in an unprecedented crisis involving State, economic life, society and civilization. In the name of that liberty the natural and essential foundations of all human society had been shaken. As economic interests became more and more the decisive factor, unrestricted competition caused men to become the prey of blind economic forces, social order lost its coherence, and all those antagonisms came to the fore which have stamped liberalized Capitalism as the social evil of the time. These antagonisms were chiefly due to the fact that the majority of the workers were totally dependent upon the labour market and were thus deprived of an assured living wage and of their social dignity and standing. The disruption of the social fabric became complete when Socialism continued the work of Liberalism, and by propagating the doctrine of class warfare

widened the antagonisms already existing to chasms which it seemed impossible to bridge. When to economic and class warfare there were added party strife and the Kulturkampf, then the final remnant of binding forces in the community also began to disappear.

Hence the first task in the reconstruction of Austria was to fight those forces which had always torn the people asunder: the Liberal idea of freedom and the Marxian idea of class warfare. The natural links in the social life of the community must be restored and the natural foundations of the social structure laid once more. Now it was precisely in this important matter of social reconstruction that Austria was found to be fortunate. She was richly endowed with associations of the ancient guild type, which had remained flourishing until the last generation; and in Austria more than anywhere else men had clung to the corporative idea as the best antidote to the disruptive influences of Liberalism and Socialism.

It was not without reason, therefore, that Austria felt herself called upon to be the first country in the world to put into practice the ideas of *Quadragesimo Anno*. Dr. Seipel, with a burning fever already upon him, had spent his last remaining strength in preparing the way by lectures delivered in Vienna and the provinces. Dr. Dollfuss, having already applied these Catholic principles of social reconstruction so far as it was possible in the realm of agriculture, now proceeded to organize the national community on the basis of vocational groups or "estates." On the day of the promulgation of the new Constitution Chancellor Dollfuss paid a tribute to the memory of his great predecessor:

Let us think today of our great Dr. Seipel...and let us think how he devoted the last years of his life to teaching us the ideal of corporative organization, of corporative reconstruction. Therefore those who in the spirit of the new Constitution help to make corporative life a real thing in Austria are executing the last will and testament of Dr. Seipel, that great Austrian, and moreover are maintaining the inheritance delivered to us by six centuries of German civilization. (Vienna, May 1, 1934.)

That the reconstruction of the Austrian nation was to be on a corporative basis, Dr. Dollfuss declared immediately after the

automatic dissolution of the National Diet. There was no hope, he said, of ensuring a sound public administration by a merely superficial reform of the Constitution. The only lines upon which the reconstruction of the social order could be undertaken by a Catholic Government were those of the great Papal Encyclical recently issued:

It is now our task to find a new form of representative government: we will discharge this duty conscientiously.... We will see that the German-Christian spirit is once more incorporated in our Constitution. It is therefore a question of finding a suitable form of government so that our Constitution will embody the conception of the corporative organization which for centuries was the foundation of our political life, and is required by the Holy Father in the Encyclical *Quadragesimo Anno*. I think that we Catholics in Austria may be proud if, during this Holy Year, during this year of the great "Catholic Day," we succeed in reducing to practice the prescriptions of the Holy Father for the reconstitution of the social order. (Vienna, April 2, 1933.)

From the beginning the aim to be achieved is the elimination of class warfare and the laying of new foundations for the social structure of the nation:

Our object in the sphere of constitutional reform is to revive vocational and corporative consciousness in the sense of the Encyclical *Quadragesimo Anno*, which has taught us new ways for the reconstruction of society. We want to do away with class warfare. We want to accustom our people again to the idea of vocational solidarity, vocational rights and duties. The idea that master and man, the so-called employer and employee, are in opposition to each other must disappear. They must learn that they belong to each other, that they must collaborate harmoniously in human society for their mutual good and for the good of the community as a whole. (Vienna, May 29, 1933.)

The task which is to be fulfilled by the establishment of the corporative State cannot be achieved by resuscitating any of the old forms of government. The Chancellor especially emphasizes the fact that the corporative organization cannot be a system of political domination, as it was to some extent in the Middle Ages when the peasantry, for example, were not accorded full rights

as an “estate.” All groups must possess complete rights and full recognition. The guild system of later times lost its vitality and became unequal to its new tasks:

In the corporative organization of those days the peasant class did not receive due consideration, indeed it was neglected. Trade and industry had become stagnated in their guilds and led only a formal existence. And the reason was precisely that the privileges of single classes were too much emphasized. So the time came when the defenceless individual became the prey of the power of others, and when finally money entered into power the poorer and weaker section of the community was oppressed. (Vienna, September 11, 1933.)

In a few clear, simple sentences the Chancellor explains in what the essence of the corporative organization consists:

Anyone who speaks of “estate” or corporation, and thinks that it means an employers’ organization, a new political Front, misuses the word corporation. A corporation is not only an organization of the employers, rather it is an organization of all those who owe their existence to one particular trade or profession. Evidently the corporative idea recognizes the authority of the master in the trade or craft, for it is he who ultimately bears the economic risk. But the conception also requires that the apprentice and the craftsman should be recognized as colleagues and as men, that ultimately they should also be partners in the business. Apprentice and craftsman should have an interest in the thriving condition of the business.... For a man his place of work should be his home once more. For this it is before all things necessary that the employer should feel it his duty so to conduct himself as a man that his fellow-workers will feel themselves to be men in their relations with him. (Salzburg, May 8, 1931.)

The Constitution itself had merely to establish the necessary conditions for the corporative structure. With regard to these conditions the Chancellor laid down the following principles: (1) Scope is to be allowed as far as possible for free development, though the leadership in the work of construction must be reserved to the State. (2) The corporations must be built up beginning from below, in order to ensure a real autonomy. (3) But

above all there must be a complete change of outlook in individuals, because only thus can the corporative organization become a real organization of the community:

Evidently, we intend to use in this work of reconstruction the economic organisms already in existence. The Constitution itself will leave wide scope for the development, grouping and organization of the various vocational associations, and the legislation will establish the legal norms according to which they are to be formed. (Vienna, April 6, 1934.)

The formation and re-formation of the estates is not stereotyped by the Constitution. Wide scope is left for free development and for the building up of the various corporations. But if they are to fulfil their purpose they must be more than a mere legal framework; they must be vital organisms. Admittedly, if this is to be so there are many who will need a complete change of outlook and behaviour; many are still under the influence of Liberal or Socialist ideas, and have not yet found the way to the new State. (Vienna, May 1, 1934.)

I have repeatedly declared that there can be no real and conclusive reformation of the Constitution unless we understand the change in such a way that the whole people becomes, as it were, saturated with the new spirit which is to animate the new Constitution. It is of fundamental importance that men, associated in the first place by their common trade or vocation, should realize that they have obligations towards one another, and that over and above this all economic groups must cooperate in all things in the interests of the community. (Vienna, April 6, 1934.)

The corporative organization must give rise to a renewed sense of responsibility in the whole of public life, since in the natural course of things the lead will be taken in each group, whether on the side of employers or employees, by those who are pre-eminent in their trade or calling and therefore possess the confidence of their fellows:

From the various trades and callings will be chosen those who are to assist in the public administration. That man will prove to be the best administrator in public life who is most conscientious.

tious in the discharge of his own business duties or office. Each must in the first place enjoy the confidence of his fellow-workers, who are in a position to form the best judgement of him. From the various vocational groups the corporations will be formed, and these will act in the federal and provincial administration. (Klosterneuburg, March 25, 1934.)

The corporative system will restore to the estates the autonomy and the rights of self-determination of which they had been deprived during the period of centralization due to the influence of Liberalism and Socialism:

The estates were for centuries the basis of the social structure in this country, and hardly anywhere in the world has this been the case so much as in the countries dominated by a German legal tradition. These vocational groups, which in spite of the Liberal errors of the age have remained deeply rooted in the nation, are now to receive a greater measure of autonomy and self-determination. They are to be reinstated in the position from which they have been ousted in the Liberal and Socialist state. (Vienna, May 1, 1934.)

The estate is to safeguard the livelihood and the interests of its members:

An estate means the association of all the men who gain their livelihood in a certain calling. The corporative idea means the building up of a great family. (Salzburg, May 8, 1933.)

All the members of the estate enjoy equal rights in matters which concern them all and a voice in settling them:

The corporative structure does not mean an organization of employers, but the representation and cooperation of all those who gain their livelihood in the same calling. The peasantry of Lower Austria will be the first, probably, soon to assume a really corporative form which will include every employee and every domestic servant. Thus a clear answer will be given to those various groups of workers who are wondering whether they are going to receive any consideration in the new order of things, whether they will come into their own again. Every worker, whatever be his calling, his trade or his profession, must believe

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that in the new form of government, which will have nothing in common with demagogical parliamentarism, all workers within their respective vocational groups are called, and must be called, to cooperate and to have a voice in the administration. (Vienna, February 2, 1934.)

Corporative organization must above all restore man's dignity in the economic structure of the nation:

If we regard men's relation to one another from a purely materialistic point of view, then there can be no quarrel with the statement that life is conditioned and determined by the relation between employer and employed, by the opposition of classes. Men must be brought closer to one another by human contacts and by mutual consideration, so as to make life more worth living for them.... Unless we realize that the whole economic structure is intended to serve the interests of men and that men are closer to each other than they are to things, we shall never make our people a happier one. We want to serve the cause of peace in human society, and I am one of those who believe that the association of men according to their calling, the common task, the common workshop, does more to unite men together than any external or formal bond.... Unless we are able to bring masters, men and apprentices closer to each other as men, unless we are able to convince them that as men they are economically and socially bound up with one another, and that each must have consideration for the others, unless we can make workers feel once more at home in the place where they work, then the formal and legal provisions of the Constitution will remain only on the surface and we shall have rendered no service whatever to mankind or to our nation. (Vienna, October 13, 1931.)

But the dignity of men also requires that all those who work together should recognize that they are members of one community. The fact that the corporative organization emphasizes the rights and duties involved in vocational cooperation removes the source of class warfare:

In his own trade or calling a man will not be a mere cipher; he will be considered and treated as a man. The corporative conception gives rights and duties to the master as well as to

the servant.... We must realize that work welds men together. In the peasant's cottage, where after working together during the day farmer and servants sit down together in the evening at a common table, take their soup from a common bowl, you have true vocational solidarity, the corporative conception. And the relation between them is still further ennobled, if after the day's work is done they kneel down to say the rosary together. We must arouse again in us this feeling of solidarity. Only thus shall we banish from our people the Marxian idea of a necessary antagonism between the worker and the employer. (Vienna, September 11, 1933.)

But this community of life and interest should extend beyond the sphere of the daily task, and result in restoring to the worker his proper standing in society:

I hope that the time will soon come when workers and employers will organize social life on vocational lines. We want provision to be made in each trade or calling for libraries, common games, sports, vocal societies and especially for common recreations in industrial districts. What they call in Italy *Dopolavoro* should become an institution in this country. Then we shall take pleasure in our work and we shall realise that it is harmony, and not the stirring up of dissension among men, that makes everybody happy and contented. We shall not only be concerned with material rights and claims; we intend to create a state of things in which the worker will have a higher dignity. (Vienna Neustadt, June 3, 1934.)

Harmonious fellowship among men is thus the aim of the new corporative organization. That fellowship is to be restored after generations of Liberalism and Socialism have endeavoured to destroy it by means of class warfare. And it is to be restored precisely at that point where the disruption of the social body had begun, namely in the workshop, in the business office, in the work by which men earn their livelihood, and by which they render common service to the community. The idea of fellowship is to become living and conscious in the ordinary work of every day; in the daily task men are to learn to realize once more their indissoluble solidarity and the common destiny that unites them.

Moreover as a member of his own estate he becomes conscious also of his solidarity with the nation as a whole, because as the subject of rights and duties he is an active member of the commonwealth, but also because it is through membership of his own estate that he ensures that he shall receive the economic and cultural benefits which are due to him in justice and equity. For these are only secured through the cooperation of all the members of the national community.

In a Papal Encyclical which points out the path which the present century must follow, a world socially moribund is taught the Catholic doctrine concerning "the social order, its reconstruction and perfection conformably to the precepts of the Gospel." Central in this Encyclical is the idea of corporative organization. In spite of Liberalism and Socialism, Catholic Austria has never lost this idea, and by means of it she has profoundly influenced Catholic sociological thought throughout the world. Having gained the freedom necessary for the Christian re-constitution of its government, Austria now proceeds to base her new Constitution on the principles laid down in this Encyclical concerning the corporative State. It has thus become Austria's mission to lead the way for the whole world in re-constituting society according to the principles of *Quadragesimo Anno*, and to show the Catholics of every country by what she is doing that the Church is still, in this twentieth century, with perennial youth and undiminished power, fulfilling her office as Teacher of all nations.

