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File under
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The task of reorganizing economic institutions to reflect Christian principles as we understand them in the American G I Forum is a monumental one. Nevertheless, it is Mexican-American challenge. The answers cannot be theoretical, they must lead to practical solutions, whether it is in Starr County, Bexar County or where have you. Basically the dignity of man must be recognized, understood, and accepted by society by this mighty State of Texas before the vast changes called for can come about. Too often lip service is given to that phrase, dignity of man. You and I understand perfectly well that all we are talking about stems from the simple fact that we believe man was created in the image and likeness of God. That is a tremendous thought, and one which must be ever before our minds if we are to approach the solution of the de-humanization of man, of man's inhumanity to man, caused by the lack of justice and charity in the affairs of men.

MORAL ASPECTS OF PROFIT SHARING

Let us turn now to another area. In the light of Judeo-Christian social teaching, what can be said for profit sharing? An employer paying his workers fair wages has fully discharged his obligation in justice to them. The workers give up any right they might have to the profits, in return for a fair wage. Such workers cannot demand a share in the profits as a strict right or resort to economic force to support a demand for a share in profits.

Pope Pius XI supported the justice of a wage contract, as against a partnership contract, but he did commend profit sharing, as well as labor's sharing in management and ownership, to a limited degree. He deemed modification advisable, suggested workers could submit proposals but employers were under no moral obligation to grant or consider them. He held the owner must always retain control of economic decisions.

Another social action expert considered that in distributive justice, workers in a competitive business had no right to added compensation, out of rare surplus profits. In monopolistic businesses he thought the workers would have the right

to share in surplus profits, distributed in proportion to salaries, which presumably reflect the contribution of each employee to the success of the enterprise. This would not infringe on the rights of stockholders, who contribute nothing to the productive process. As long as stockholders receive prevailing interest each year and reserve is set aside to protect them against loss, they receive what is fair and necessary to induce them to invest their money.

Rev. Raymond Miller, CSSR, commenting on Quadragesimo Anno considered small businesses, employers of less than 100 people, entitled to whatever profits they can make. In the case of the industrial giants, when the stockholders have been justly served by a fair return on their investment, who then owns undistributed profits? Morally and legally, the stockholders; however, they must use and distribute this money in a way that will best serve the common good.

To summarize: in commutative justice, the worker has no claim on surplus profit; in social justice, he may be entitled to a share of such money for the common good. Though the capitalist owns the profits and has the leading voice in distributing them, it may be advisable under some circumstances to share profits, management and ownership in a limited degree.

UNIONISM AND THE ABUSE OF UNION POWER

Dr. Garcia
Archbishop Lucey, your leaders in the American GI Forum have repeatedly proclaimed the right of even the lowliest working people to organize and unite, in associations to protect their human interests. His Holiness, Leo XIII way back there when, recognized that lone workers would have no stature in dealing with the giant industrial corporations which had sprung up and which now abound. He therefore advocated these workers' associations, he called them organizations of self defense.

At the time the social encyclicals were written, the working class had absolutely no stature in the social and economic picture. The marked growth in the number, power and prestige of trade unions has played a most important part in the social and economic progress of the working class in our country. The only thing

that I fear is that the bad press which labor unions generally have been receiving lately, because of the abuse of power on the part of some labor leaders, may have an adverse effect on the labor movement generally. I contend that although some of the labor leaders have most certainly been guilty of corrupt practices and have used the union shop to add to their own personal power and profit, the majority of the union heads are honest and interested in discharging their responsibilities in an upright manner. And we should not forget the tremendous gains by labor through its policy of collective bargaining.

The ABUSE of a right does not destroy the right itself. It is for men and women of upright principle, both in and out of the unions, but most particularly within them, to be constantly on guard against corruption, and to combat by vigorous protest against every deviation from just and proper practice. The rank and file of union membership should insist on a voice in the operation of the union. They should be aware of the terms of the contract under which the Union operates and the manner in which the union funds are used.

GOVERNMENT

We will now turn to another area of current national problems, those concerned with government itself and its relation to business and industry.

Government has an ever-widening influence on all phases of our manner of living. There are so many facets of governmental influence on our lives that it would be hard to know where to begin. However, since we are concerned only with business and industry, we will consider government's influence on our pocketbooks, singularly and collectively. It is right and proper that the citizens of a country should support the government. In return, they have the right to expect prudent expenditure of the common fund and the utmost vigilance to avoid extravagance, waste and corruption.

The dollar has decreased in value over 50% since 1940 and this obviously has an adverse affect on both personal and corporate purchasing power. Particularly does it work a hardship on people with fixed incomes. For instance, retired people with fixed incomes. For instance, retired people whose savings do not now have

the same value, must look to government for added monetary assistance. It's a vicious circle.

The decrease in value of the dollar is laid at labor's door by capital because of unreasonable demands for more money, for which less work is done. It is laid at capital's door by labor, which accuses management of too high earnings. (This currently is not true - profits are less than at any time in the past 10 years - a countless number of corporations reduced their stock dividends this year because of lower earnings.) And particularly some claim, the devalued dollar can be laid at government's door, because of its profligate spending.

Our government has had the name "spendthrift" leveled at it frequently and from many directions. Our taxes are higher than ever before; almost one-third of our wages go as taxes. Of course this makes it harder for us to put anything away for the proverbial rainy day, or for our old age. Nonetheless, the government expenditures far exceed the revenues. And so we have "deficit" spending, running into billions of dollars. To finance this deficit spending, the government borrows, increasing the Federal debt.

High Taxes to Continue

Recently Congress twice raised the ceiling on the Federal debt. Another increase is indicated next year if Federal spending continues at the present rate. There is even talk of increased taxes, to try to narrow the difference between income received and expenditures. So our country can look ahead to high taxation for many years to come. Even if government balances its budget this very year and continues to operate without deficit from now on, it will take generations to pay back the amassed debt.

The Hoover Commission under the direction of Ex-President Herbert Hoover studied government expenditures twelve years ago. It recommended numerous means of cutting down government costs, savings amounting to Five Billion annually.

Mexican-American Influence Needed

It would be presumptuous for me to try to evaluate the necessary and unnecessary in government spending. But it certainly can be said with conviction that government is in dire need of upright men and women such as you find in the American GI Forum imbued with Christian principles. They can exercise their citizenship by making government their chosen field of work. They can at least, be thoroughout informed as to what government is doing and know Christian criteria concerning various government functions. They will make their influence felt. This can be accomplished not only by exercising their own vote in every instance, but also by trying to influence those in their immediate area toward sound practice in line with Judeo-Christian principles. They can write their representatives in Congress to commend or condemn their stand regarding legislation which affects us all.

Government means you and me...We ARE government...and if enough of us raise our voices in praise or protest, as is called for, we will have far-reaching effects in correcting the evils in the sphere of government and in bringing it about that America is truly a "nation under God."

Address Given By:
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National Chairman
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To

make copies
for National Officers

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