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Book Reviews

Leslie Moses

Walter E. Boles Jr.

Robert F. Smith

Charles O. Gavin

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BOOK REVIEWS

CASES ON OIL AND GAS LAW. By Howard R. Williams, Richard C. Maxwell, and Charles J. Meyers. Brooklyn, New York; The Foundation Press, Inc., 1956. Pp. xiv, 790. \$9.50.

The value of a case book on oil and gas is usually limited to students in law school or persons taking advance courses in oil and gas law. The material in this book, however, presents not only cases, but also discussions, excerpts from law review articles, and other writings pertaining to specialized oil and gas problems. The authors point out in the preface that the book is for advanced students, and that the basic principles of oil and gas law are not primarily discussed. Only special problems unique to minerals are included in the book.

There is a brief introduction to the scientific background of oil and gas law which is necessary in order for one to obtain a comprehensive idea of the various problems involved in the search for and production of oil and gas. As is stated in the preface the impact of history and custom plays an important part in the formation of jurisprudence pertaining to oil and gas. The oil industry has attained a tremendous growth and has developed into a multi-sided industry concerned with exploration, production, transportation, refining and marketing. Each of these phases have different legal problems, and it is only fair to say that the book makes no attempt to deal with all phases, but is limited to problems arising from exploration, development, and production. It quite adequately covers the nature of the interest created by a lease, conservation and reservoir development, the landowner and third parties, important clauses in the lease, express and implied covenants, the effects of ownership, conveyancing, unitization, and pooling, and some problems of taxation. The Appendix contains eleven forms in common use in the oil industry.

The book is most adequately indexed, and contains excerpts from many articles published by law reviews and mineral law institutes.

*Leslie Moses.**

*Member of the Louisiana Bar (Crown Central Petroleum Corporation, Houston, Texas).

PROFIT SHARING IN AMERICAN BUSINESS. By Edwin B. Flippo. Columbus: Bureau of Business Research, College of Commerce and Administration, The Ohio State University, 1955. Pp. xii, 183. \$3.00.

THE GUARANTEED ANNUAL WAGE. By Arnold W. Frutkin and Donald F. Farwell. Washington: Bureau of National Affairs, Inc., 1955. Pp. v, 259. \$12.50.

Because recent emphasis on so-called "guaranteed annual wage" plans has revived interest in "profit-sharing" schemes as possible counter to GAW proposals, these two publications may properly be considered in a single review.

PROFIT SHARING IN AMERICAN BUSINESS is based mainly on results of 350 questionnaires, the returns from a mailing to 848 companies (selected from a universe of unknown size) which either had, or once had had, employee profit-sharing plans. The announced purpose of the study was "that of determining the nature of methods of administering employee profit-sharing plans."

Major conclusions reached were as follows:

1. Effective profit sharing requires a comprehensive and *continuing* employee education program concerning "company affairs, policies, elementary economics [especially as to the nature of profits], and the nature of the profit-sharing arrangement."

2. "The greatest potential benefit will not be derived from a plan unless it is part of a broader employee partnership program," such a program to include "joint administration of the plan, joint labor-management shop committees which consult on operating problems, distribution of financial reports, encouragement of employee stock ownership, permitting and encouraging employee inspection of the books, and distribution of company progress information." Of these elements of an "employee partnership program," the ones least used by reporting companies were employee inspection of books, joint administration of the plan, and use of joint labor-management shop committees, the very elements considered most "advance" and effective by Author Flippo.

3. Contrary to the literature on the subject, unionization and profit-sharing plans "are not incompatible [and] if properly approached, acceptance of profit sharing by . . . labor organizations is possible, and perhaps probable."

4. Administrative demands of the two basic types of plans ("Deferred" and "Current") should be considered before a choice is made. For example, (a) the Deferred Distribution type calls for an approved trust, investment of trust funds, and maintenance of individual employee accounts therein, one result generally being a longer eligibility period for employee participation and a smaller percentage coverage of total work force than under the Current Distribution plan (with a consequent danger of refusal of union acceptance and cooperation because of inadequate coverage); (b) a limit of 15 per cent of total employee compensation otherwise paid is set by the Bureau of Internal Revenue on an employer's contribution under the Deferred type, but there is "no restriction governing Current Distribution plans other than that the amount contributed must be 'reasonable.'"

5. Contrary to widely-held opinion, "a non-profit period is not necessarily disastrous either to the effectiveness or the continuance of a profit-sharing plan [though] a nonprofit period of any length is the perennial 'bugaboo' of profit sharing, as is demonstrated in the literature . . ." The "great majority" of companies with nonprofit periods of from one to two years said no undesirable effects on employees were noted, and a fourth of them reported that the lack of profits spurred employees to increased effort in an attempt to reestablish profitable operations. To "reduce the untoward effects of nonprofit periods," firms are advised to (a) stress, on a sustained basis, profit education to condition employees to the possibility of profitless years; (b) adopt the Deferred Distribution type plan (though the Current Distribution plan is more likely "to stimulate greater cooperation and better performance during periods of no profits"); (c) keep the average individual profit share in excess of 15 per cent of the average annual wage whenever possible; (d) keep profit share and regular wage distinctly separate in employees' eyes; (e) adopt the "joint administration" and "opening the company books" techniques referred to above.

Proof to support some of these conclusions appears to be somewhat less than conclusive (especially as to No. 3 and No. 5). Nevertheless, the study appears to be one of the best in a field in which more research presently is needed. The author asserts that profit-sharing plans "require a foundation of sound philosophy of human relations and a sustained educational program to inform employees of company affairs, policies, elementary economics . . ." So also does any effective program of "personnel management," and so it would follow that development of such a "sound philosophy of human relations" would benefit a firm even if the profit-sharing plans which tardily caused such a philosophy to be embraced fell by the wayside and died.

BNA's *THE GUARANTEED ANNUAL WAGE*, though it includes no material on the General Motors, Ford, Continental Can, American Can, the glass industry plans, Allis-Chalmers, and other "SUB" plans which have been adopted, nevertheless provides in convenient form a great deal of valuable "background" information on a subject whose importance is increasing day by day (whatever may be the truth about profit-sharing plans or such plans' promise as a successful counter to "GAW").

This "ring-bound" publication deals mainly with (1) "Traditional and Current GAW Plans," (2) "Union Positions on GAW," and (3) "Employer Positions on Wage Guarantees."

Union arguments for GAW are grouped into eight areas for discussion purposes: (1) It will help prevent depressions and (2) will cut down unemployment; (3) cost of unemployment should be born by the employer; (4) unemployment compensation is not adequate; (5) GAW will "regulate the advent of automation" and (6) will "help regulate industry migration;" (7) it will "improve employee morale and productivity;" and (8) its cost will be "reasonable."

These management arguments, which some employers (since this publication appeared) have found only about 50% effective, are considered: GAW would not help consumer purchasing power nor significantly stabilize the economy; it would hinder industry growth, would discriminate against noncovered workers, and would affect worker mobility adversely; employers do not cause unemployment; ability to pay for GAW varies widely from industry to

industry; employers would receive nothing in return for GAW; job shops and parts manufacturers could not operate under it—nor could firms subject to cyclical declines; GAW would open the way for “‘codetermination;’” it would hinder hiring of new employees, would reduce employment levels, would benefit low-seniority employees most, would not reduce (might even increase) absenteeism; incentive to work during unemployment would be reduced by payment of high benefits; GAW cost estimates are meaningless and “artificial limitations on liability would be unrealistic;” the basic purpose of the unemployment compensation program would be contravened and adversely affected by private supplementation of unemployment benefits, and “integration of GAW and UC is not analogous to the pension-social security tie-in.”

A useful bibliography is listed at pages 154-8.

*Walter E. Boles, Jr.**

THE STUDY OF INTERNATIONAL RELATIONS. By Quincy Wright.
New York: Appleton-Century-Crofts, 1955. Pp. xii, 642. \$6.75.

In his latest contribution to the study of international relations, Professor Wright has undertaken a herculean task. This study, which grew out of a course taught by him at the University of Chicago, seeks to integrate and synthesize the various sub-fields of international relations into an independent unified discipline. One fact which emerges clearly is that there is much confusion and disagreement among scholars and practitioners of international relations with respect to unifying principles of the discipline, the most fruitful methods of approach, relevant sub-fields, and even the title that should be bestowed upon it. Consequently, by seeking to clarify and systematize the morass of assumptions and conceptions providing the bases of approaches to the subject, Professor Wright has made a significant contribution to the development of international relations as a truly independent discipline.

The scope of the study is demonstrated by the titles of the five major parts: “The Meaning of International Relations”; “The

*Attorney; Professor of Economics, College of Arts and Sciences; Professor of Industrial Relations, School of Business Administration, Southern Methodist University.

Objectives of the Study of International Relations"; "Practical Analyses of International Relations"; "Theoretical Analyses of International Relations"; "Toward a Unified Discipline of International Relations." Within these divisions, the author explores the meaning of international relations, traces the history of the emergence of the subject toward discipline status, and indicates the main categories into which studies of international relations have fallen. He analyzes and synthesizes the sub-disciplines which form the parts of the whole. And, in a final section, he postulates an analytical field model or "picture of the world," which, from the author's point of view, constitutes the most fruitful frame of reference for a construction of the discipline of international relations.

Professor Wright's analytical skill and breadth of intellect are fully demonstrated in Parts III and IV. Sixteen disciplines, selected because of their relevance to the central subject, are analyzed and criticized in terms of their definitions, assumptions, and capacity for permitting prediction and control of international relations. This analysis leads the author to conclude that "international relations may be influenced by anything that concerns man" and "anything that concerns the world." Consequently, an effort to synthesize the studies important for international relations "appears to approach the ambitious task of synthesizing all the disciplines — humanistic, social, and natural." Because of the nature of the discipline, the author prefers the methods of sociology and social psychology as the only ones broad enough to provide a continuing criticism and correction of the other sub-disciplines in the field.

Professor Wright's unique contribution is presented in an analytical field concept designed to provide the frame for the development of the discipline. The field is preferred over conceptions of the world as plan, equilibrium, organization, or community because this concept is "more susceptible of objective description and logical analysis and is applicable to all situations." Entities, forces, and processes have been the special domain of conceptions of the world as plan, equilibrium, and organization respectively, but the "application of psychology, sociology, communications, and geography to international relations has made

possible analyzing relations between states by locating them in a multidimensional field defined by geographical and analytical co-ordinates." The concept of the world as field combines relations with entities, forces, and processes.

The field model presented is a highly complex system of co-ordinates which purport to measure political, psychological, sociological, ethical or other continuum influencing choices, decisions, and actions important for international relations. Systems of action, such as states or international organization, are to be located on the field according to the condition of political, psychological, and other factors relative to other systems of action. Thus tendencies of and distances between these systems can be charted and the future developments can be predicted. By knowledge of these factors, statesmen may control the development of international relations. Economics, politics, and the other sub-disciplines are important, but psychology, which has as its object the basic unit of action, and geography, which locates man in time and space, will form the core of the discipline of international relations from which the other sub-disciplines will radiate.

The author's conclusions are hypothetical and tentative, and he urges moderation and balance. It is too early to test the author's generalizations with the kind of research that he postulates. However, Professor Wright provides his own criteria for a discipline which may be used to make tentative evaluations. He suggests that a discipline's generalizations (a) should not be contradicted by any observations, (b) should be logically consistent with one another, (c) should be as parsimonious in assumptions as is compatible with comprehensive treatment of the subject, (d) should be so presented as not to discourage belief in, and observance of, the best values, and (e) should be so arranged as to stimulate its own self-correction and continuous improvement. Only research along the lines postulated by the author will suffice to test criteria (a) and (e). However, the breadth of a discipline which subsumes "all the disciplines" will make the achievement of the tests of parsimoniousness and logic extremely difficult if not impossible. There is danger that the discipline will become largely descriptive — a fault which has characterized much of the work in the social sciences.

The problem of values is perhaps the most difficult one of all. Professor Wright recognizes the necessity for values as guides to action and the responsibility of the social scientist to consider the consequences of his discoveries. Values are recognized as highly relevant data for the statesman with respect to the value content of the choice he actually makes. Since the content of the "best values" will be determined by the individual conscience (or caprice) of the students of the discipline, the field study appears to have no direct bearing upon the observance of this criteria. The author admits that "the observance of this requirement is less a function of the discipline itself, than of the time, place, method, and manner of its communication."

Because it is believed by some that international politics as a discipline possesses sufficient breadth and scope to encompass the sub-fields of international relations, Professor Wright's analysis and criticism of this field is of particular interest. The author puts aside the charges of "immorality" leveled at students of "power politics," and demonstrates that "concepts of equilibrium" (upon which international politics is based) have been "no more vulnerable to moral protest" than those disciplines which have claimed a monopoly on morality. However, the author rejects international politics as the unifying discipline of international relations. His major criticism is that the assumptions of international politics have been too narrowly defined for long-range prediction and control. In particular, the assumptions that "sovereign, territorial states with conflicting policies exist in contact with one another," and "the only reliable means available to maintain [the independent existence of states] is self-help supported by military power and alliances" are too narrowly defined to take into account the possibility of changes "of major groups from sovereign territorial states to members of universal federation . . . and of changes in political methods to be expected as military technology changes." Recent writings in international politics have done much to broaden these assumptions and the conceptions of the discipline. Consequently, Professor Wright's criticisms leave this reviewer unconvinced that the study of international politics cannot provide the unifying base for the discipline of international relations.

Despite these objections, Professor Wright has written a highly significant book, and one which should command the attention of every student of international relations. It should go a long way toward clarifying the confusion which has existed with respect to the content of international relations. There are still many gaps to be filled in, hypotheses to be verified, and inconsistencies to be resolved. However, these inadequacies should only offer a challenge to students in a field which technological progress and changing world conditions has moved to the center of the stage among disciplines.

*Robert F. Smith**

THE TRUTH ABOUT DIVORCE. By Morris Ploscowe. New York: Hawthorn Books, Inc., 1955. Pp. 316. \$4.95.

Here is an interesting book for laymen and lawyers on the subject of divorce and collateral problems. The author is a graduate of the Harvard Law School and has specialized in the fields of family law and criminal law. He has served on crime commissions for the State of New York and for the American Bar Association. He has been a City Magistrate for New York City and is now adjunct professor at the New York University Law School.

The book discusses particular case histories and court decisions to demonstrate the inconsistencies in the present legalistic approach to problems which are essentially sociological and psychological in nature. The author also discusses the inadequate approach to the problems of migratory divorces, child custody, and the high annulment rates in those states which apply the divorce laws strictly.

His conclusions with respect to reforms in the law set out the following basic objectives:

1. The abandonment of the traditional litigious punishment for guilt, reward for innocence, approach of our present law.
2. The substitution therefor of a diagnostic-therapeutic technique which will lay bare the underlying causes of family

*Assistant Professor of Government, Southern Methodist University.

conflict and which can take basic measures toward their correction and elimination.

3. The requirement that a judicial separation shall precede every divorce.
4. The provision that continued separation for a period fixed by law shall justify a court in granting a divorce.
5. The organization in each community of a unified family court adequately equipped to deal with all problems of the family including divorce.

The book presents an excellent discussion of a current social problem on which more thought must be given if we are to prevent a complete breakdown of the family unit as the basis of our social system.

*Charles O. Galvin**

*Professor of Law, Southern Methodist University School of Law.