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Book Reviews

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BOOK REVIEWS

THE CHALLENGE OF INDUSTRIAL RELATIONS. By Sumner H. Slichter. Cornell University Press, Ithaca, New York. 1947. Pp vi, 196.

This short book by an economist is not a law book, but because it is a treatment of an important current problem by so distinguished a scholar in economics and labor relations, it deserves the consideration of lawyers, whether they practice labor law or not. The author, Sumner H. Slichter, is a Lamont University Professor at Harvard and was formerly Professor of Economics at Cornell. The material contained within the six chapters of the book was presented in six lectures at Cornell in November, 1946. The entire book has a thought-provoking and classroom approach in that the author ably defines and opens issues, but at the same time in the main avoids reaching any definite conclusions.

In the Preface Mr. Slichter rather forcibly points out that unions are now seats of great power with their policies playing an important role in determining the prosperity of the Nation, and thus are in a position to make a major contribution toward building a greater America. With this thought in mind, after directing the readers' attention to the fact that the literature of industrial relations generally still treats unions as underdogs and completely ignores the great power and strength they now possess, the author states the purpose of his book, "to lay the foundation for a more realistic approach to the study of trade unions."

The approach in the main is both realistic and impartial, although insofar as realism is concerned, at times Mr. Slichter seems to overlook the all-important human element.

Perhaps the most interesting chapter of the book is the first, entitled "The Labor Movement—Its Rise and Its Present Status." What Mr. Slichter has done in this chapter is to give us a historical survey of the labor movement from the "grass roots" stage during the early and middle parts of the last century through the period

of government encouragement of labor unions and down to the present stage of government intervention in industrial relations. What is said here has been said before, but generally in a more verbose, statistically redundant manner. Especially interesting from a practical point of view is the author's analysis of the principal characteristics of the present day trade union movement and the role these characteristics play in the relations between employers and employees. For example, the rivalry between unions, not only between the A. F. of L. and the C.I.O., but also among the unions within each federation, has in Mr. Slichter's opinion played an important role in determining union policies and ultimately union relations with employers.

Each of the remaining five chapters of the book is in effect a dissection of one of the principal groups of problems created by the unprecedented rise of unions. The author expressly declines to discuss what he considers to be the sixth such principal group of problems, "The effect of unions upon the political life of the community." The "revolution in the problems of management" produced by the establishment of a union in business is ably discussed at length in the second chapter. In treating this problem, and throughout the book, Mr. Slichter regards employers in dealing with unions as the bargaining representatives of consumers, unions bargaining for employees being considered as representatives of producers. Although throughout the book it is reiterated that the rise of collective bargaining has generally improved the balance between the interests of consumers and the interests of employees, the author freely admits that unions by this means have imposed conditions which have given relatively little benefit to employees but which have imposed considerable impediments upon production. In addition to suggesting certain actions to be taken by management and labor in order to make collective bargaining produce a more satisfactory balance, the author suggests certain governmental actions which he believes will tend to produce a better balance. Certain of these suggestions, as well as rec-

ommendations made elsewhere in the book, are now the law of the land, either by virtue of the Taft-Hartley Act or court decision. For example, Mr. Slichter suggested that the "integrity of management" be protected by prohibiting a union composed of the rank and file employees from requiring membership on the part of "supervisory employees."

It is believed that the third chapter which deals with the economic consequences of wage policies of unions will not be of great interest to the lawyer or non-economist layman. This chapter deals entirely with economic theories, and unless the reader is well tutored in economics he will find little of interest in this discussion. On the other hand, chapter four entitled, "The Government of Trade Unions" is not only non-technical, but informative and practical as well. After discussing the need for "democracy" in unions, the author generally discusses certain non-democratic practices of unions such as onerous admission requirements and apprenticeships, plenary power of presidents of certain unions, and other often publicized practices. Although Mr. Slichter never says as much, it is apparent that he is of the opinion that on the whole the government of the C.I.O. unions is superior to the government of the A. F. of L. unions.

One of the basic underlying theorems of the author is that the public has definite and direct interest in every dispute between employee and employer, and in the beginning pages of the fifth chapter Mr. Slichter concludes that employers and employees producing an essential commodity or service are asking too much of the public if they cannot settle their differences without a strike. This theory that employers and unions have an obligation to the community to adopt the best negotiating methods and to make every reasonable effort to reach an agreement permeates this chapter, as well as the final chapter which is entitled, "Trade Unions and the Public Interest." In this connection, especially interesting are the author's thoughts concerning strikes or lock-outs in certain essential industries and services. It is his thought

that two principal policies are possible, to give the government special emergency powers for dealing with such strikes or lock-outs, or to give employees in such industries a special status with special privileges but which imposes on them the obligation to refrain from striking. In a period of national emergency this problem is of ever-increasing importance.

As is apparent, this book is definitely not an addition to the lawyer's working library, but it is a scholarly consideration of a problem of the first magnitude by an authority in the field, and thus is a work worthy of the attention of any member of the bar.

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MANAGEMENT FUNCTIONS UNDER COLLECTIVE BARGAINING.

By Ludwig Teller. New York: Baker, Voorhis & Co., Inc., 1947. 468 pp.

Very little in the field of labor relations law is left untouched in this book, and labor economics is by no means slighted. Mr. Ludwig Teller, author of the well-known treatise, *Labor Disputes and Collective Bargaining* (1940), has drawn from his large fund of knowledge and experience and has suggested the beginnings of an integrated labor policy. The lack of such policy, at either the state or national level, is decried, and the establishment of a single agency, a labor court, is mentioned as a means to achieving a consistent and healthy labor policy. Mr. Teller does not pretend to answer all current labor problems, but his analyses and comparisons are well-sprinkled with value judgments and recommendations.

The book is divided into two parts, the first of which is entitled, "The Impact of Collective Bargaining Upon Business Ownership and Operation." The author believes that proper "allocation of functions to management and organized labor in a collective bargaining relationship" is a vital necessity to a society based on free

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enterprise. Decisions of the National War Labor Board and of arbitrators are studied to determine what matters should be left exclusively for management to control. Among the matters discussed are methods of plant operation, subcontracting of work, selection of supervisory force, plant discipline, overtime work, incentive wage plans, job content and evaluation, and determination of employee competence. The author concludes that there is no rule which marks off precisely matters exclusively for management to decide. Where the interests of employees and their unions are effected in a substantial sense, management's "prerogatives" (a term avoided by Mr. Teller) cannot be maintained. The duty to bargain collectively, stated in and developed under the Wagner Act, has gone far to reduce the area of management's exclusive "prerogatives."

There is left to management, at any rate, the power to initiate action. This power is important and should not be impaired. The suggestion is made that the proper question to decide in many cases where an arbitrator is called in is the good faith, not the wisdom, of the action taken. Management must have a fair degree of freedom to act promptly if it is to be efficient and to fulfill its function in our society.

Also discussed in Part One are union representation on corporate boards of directors, the guaranteed annual wage and full employment. Union representation on boards of directors is discounted as a means for curing industrial unrest. Mr. Teller believes that union and management functions should develop separately. The guaranteed annual wage is examined, and certain long-run economic disadvantages are noted. Sharply distinguished from the guaranteed annual wage is the lately heralded idea of full employment. The idea is treated with sympathy, but the difficulties ahead are not minimized.

Part Two is entitled "Management Functions and Labor Policy," and here the author deals with major issues of the day. Collective bargaining by supervisory employees, industry-wide collective bar-

gaining, and compulsory arbitration are discussed in detail. So also are the proper scope of union purposes in conducting economic warfare and the question of union responsibility.

The author's observations on collective bargaining by supervisory employees are interesting, since they are opposed, in part at least, to the policy which has been enacted in the Taft-Hartley Bill. Mr. Teller states, that the tendency in industry has been to relieve foremen of much of their former discretion and to reduce differences between them and the rank and file of employees. Hence they should be protected in the right to bargain collectively. How high in the ranks of supervisory employees this right should go is a question which is posed but not answered.

Disapproval is indicated with respect to jurisdictional disputes and labor warfare to suppress use of inventions and technological improvements. Jurisdictional disputes are regarded as an especially irritating instance of union irresponsibility. The closed shop is disapproved, while the union shop is given qualified approval. The former grants too much union control over employment and is a hardship on persons not already in the union. The latter allows management to select non-union persons and yet affords security to the union by compelling membership within a specified time after hiring. The comment is made that "union security" contracts are less necessary now that unions are protected by federal and state labor relations acts.

Compulsory arbitration is weighed and found wanting. The author argues that it causes employers and unions to rely on government settlement rather than to come to agreement by collective bargaining. (One wonders whether compulsory arbitration would not cause employers and unions to be more anxious to reach an agreement of their own making.) The corollary of determination of wages, hours and conditions of employment is the fixing of fair profits, subsidy, and complete government control of industry. Mr. Teller believes that experience here and abroad proves that compulsory arbitration does not prevent industrial strife.

Voluntary agreement between the parties is vastly to be preferred, and every encouragement should be given to collective bargaining. To this end the author suggests the establishment of a new federal mediation agency, something which has eventuated under the new Taft-Hartley Act. Fact-finding commissions and cooling-off periods are considered and the conclusion reached that they are of doubtful value.

The last chapter is devoted to union and management responsibility. The role of unions as principals and agents is carefully examined, and argument is made that collective contracts are bilateral instruments, not just unilateral restrictions on management functions. Management is admonished to rid itself of lingering ideas that labor is a commodity and that "the worker is the beneficiary of an employer's largesse."

Studies are needed to appraise labor relations as a whole, as well as to select and treat smaller segments of the subject. Mr. Teller's work is an attempt to give a broad picture. Perhaps some disappointment may be felt in that the contents—in terms of solutions—do not come up to the full expectations aroused by the title. But, as the author points out, there are no quick and absolute answers to labor problems. Instead there are individual solutions to particular problems in particular industries. Mr. Teller carries the reader no little way in defining the many problems and in developing the factors and considerations bearing upon them.

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