
Willam G. McGee

National Labor Relations Board

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James Wilson later said in the Convention, "How different!" Although the Articles were a failure, so also were all efforts to strengthen them. The Constitution, in creating a national government supreme in law and fact to the states, thus represented a retrogressive, hence a reactionary, development. And, I might add, a good thing, too.

**William P. Murphy**
*Professor of Law*
*University of Mississippi*


As an attorney engaged for the most part in labor law matters, your reviewer does not undertake frequently to read, much less to review, a study of labor relations within an economic framework. I found completely familiar ground in but one of the thirty chapters. Although the portions of the book involving economic theory slowed the reading pace, the time, nevertheless, was gainfully spent. It was refreshing to review labor relations from an economic point of view, and other readers who are not economists should likewise profit.

Professor Chamberlain describes his book as having "originated as a series of lectures designed for an introductory course in labor... The first thirteen chapters examine the organization of labor and business and the collective bargaining relationship between them. The rest of the book explores the impact of unionism on the economy. The objective is not only to acquaint the student with specific issues and problems but to permit an over-all assessment of the economic significance of unions in the United States."

It is undoubtedly the primary purpose of the author to survey, in one volume and in text-book form, the labor field in its socio-political and economic perspective and to bring the subject up to date, while at the same time to provoke in the student or other readers a desire to make further inquiry into the many controversial subjects covered in this volume.

Inasmuch as any particular facet of labor relations, be it collective bargaining, automation, union power, or any other, often is itself subject matter of many volumes the book may appear to be a prodigious undertaking.

After some 600 instructive and well-organized pages Professor Chamberlain distills the volume and cites six major developments: the growth of unions and their accumulation of power; the imposition of responsibilities on unions; the increase in size of the bargaining unit; the power of the largest bargaining units to initiate trends which will be followed by smaller units; the widening of the subject matter of collective bargaining; the development of the grievance procedure.

The headiest essence of the author's distillation is in his conclusions as to how these trends have influenced the national economy. Professor Chamberlain lists twelve findings on the effect of unions on: labor mobility; productivity; the redistribution of income from non-workers to workers; inflation; the decline of the occupational wage differential between skilled and unskilled workers; the reduction of hours of work; the spread of private pension plans; SUB and GAW; the increase of wages of organized as compared with unorganized workers; the general wage level, through pressure to increase the statutory minimum wage; the net loss to the economy due to strikes; the question of social acceptance or non-acceptance of union-fostered monopolistic practices.

It is expected that not only the avid partisans but also the conscientiously objective observers will differ with the author's conclusions, many of which are contrary to popular beliefs in this controversial field. All of us have a stake, large or small, in the outcome of the progress of labor-management relations and our outlook oftentimes depends upon when and where we place our bets.

To become a better bettor it is suggested that the book be read. For between the preface and the summary it will be found that the author's findings are not reached by a partisan approach. Rather, in a scholarly manner the author presents the opposing arguments on a given subject, and by assessment, appraisal, and analysis of pertinent statistical studies and other available evidence, a scholarly attempt is made to ascertain wherein lies the truth. If it is disconcerting to learn that the answers sometimes are not conclusive it is not because of a misinterpretation or misapplication of the evidence but because of the difficulty of controlling the variables in a social science study as dynamic as labor relations.

For example, assuming without conceding that statistics show that organized labor does not have much, if any, influence on the distribution of income among the factors of production, I cannot quite agree with Professor Chamberlain that unions have not had much long run influence on the distribution of income within the labor factor.

Within the past 20 years the incomes of the low and semi-skilled plant production workers appear to have increased in greater proportion than that of other labor groups. Coupled with that is the fact that, during the past 20 years, the greatest relative increase in union organization has taken place within the low and semi-skilled production workers. The largely unorganized

1. A recent study based on Department of Commerce statistics give the following estimates of the change, percentagewise, of the distribution of the national income from 1945 through 1958:

<table>
<thead>
<tr>
<th>Income Group</th>
<th>1945</th>
<th>1958</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>65.0</td>
<td>71.0</td>
<td>+6.0</td>
</tr>
<tr>
<td>Corporate profits before taxes</td>
<td>12.5</td>
<td>10.1</td>
<td>−2.4</td>
</tr>
<tr>
<td>Unincorporated business and professional groups</td>
<td>13.0</td>
<td>8.6</td>
<td>−4.4</td>
</tr>
<tr>
<td>Farmers</td>
<td>3.2</td>
<td>4.0</td>
<td>+0.8</td>
</tr>
<tr>
<td>Rents</td>
<td>3.4</td>
<td>3.4</td>
<td>.0</td>
</tr>
</tbody>
</table>
groups such as office clericals, bank employees, technicians, sales personnel, professional and public employees such as firefighters, police and teachers, appear to have had the lowest proportionate increase in wages during the last 20 years.

Professor Chamberlain concludes that the major factor causing the increased income of the lower skilled groups has been the continued high level of employment of these groups—which is another way of stating that the classic economic law of supply and demand has been functioning. However, during the past year there has been a significantly high level of unemployment among low and semi-skilled plant production workers and, as yet, there appears to have been no corresponding lowering or weakening of the wage structure within this group.

It seems that it could be argued validly that organized pressure for increased wages in the plant or production situation, to a considerable extent, can be passed on to the consumer in the form of higher prices, and, whereas there is a related lack of consistent organized pressure for higher wages in the other groups, even when it does at times appear, e.g., from teachers, police, firefighters and other public employees, there is a greater public resistance to increased taxes than to increased commodity prices. Moreover, it also may be significant that among many of the unorganized groups there is no right to strike. Thus, it appears that the law of supply and demand may be a lesser element than union organization in the redistribution of income within the labor factor. Further statistical and other studies seem to be needed before conclusive findings may be made.

As I indicated in the introduction to this review there is one part of the book that is familiar ground to me. That part is Chapter 10, "The Role of the National Labor Relations Board."

At least one challenging feature of labor law is that it not only does not stand still, it changes very rapidly. Since the author compiled his materials, and even since the book has gone to press, changes have occurred which affect Chapter 10 and which bear comment:

With reference to pages 179 and 180—an intervenor with any showing of interest in a representative proceeding can gain a place on the ballot, but an intervenor must have at least a 10% interest showing "to block" a consent election agreement, that is, to force the representation question into a formal proceeding notwithstanding that the original parties desire to waive the formality per Section 9(c)(4) of the Act;

With reference to page 181—contract bar rules recently have undergone numerous changes. Now, for example, no collective bargaining agreement will be a bar to a representation proceeding for longer than two years, no matter how long the term of the contract;²

With reference to page 187—a “captive audience” speech within the 24 hour period preceding a representation election is not *per se* a violation of Section 8(a)(1), but it is grounds for setting the election aside and ordering a new election; 3

With reference to page 196—in the *Sand Door* and related cases on “hot cargo clauses” the Supreme Court handed down a decision on June 16, 1958. 4 The Court held that a hot cargo clause in a collective bargaining agreement may not be used by a union as a defense to a charge of a violation of Section 8(b)(4)(A) or (B) of the LMRA. The Court, however, did not base its ruling on the effect of the legal duty of common carriers to provide service for all shippers.

With reference to page 201—on October 2, 1958, the NLRB revised its jurisdictional standards drastically downward to overtake, within its foreseeable fiscal and administrative capacity, much of the so-called “no-man’s land” alluded to by the Supreme Court in *Guss v. Utah Board*. 5

And so it goes. Other changes might occur that could affect Chapter 10 before this review reaches readers.

*Labor* is not written for light entertainment. It is an excellent text for students of economics who have at least an elementary background in the social sciences. The book also deserves a wide audience among teachers, labor and management representatives, lawyers, and others whose work brings them in contact with the controversial areas in labor economics, labor law, and human relations.

This book, especially Chapters 4 through 12, would give some labor and management participants in contract negotiations valuable insights and a fuller understanding of their respective adversaries. Better yet, it might provide these participants with a clearer understanding of themselves.

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The sale and leaseback of real and personal property and the problems incident to the leasing of machinery and equipment prove to be ample subject material for an interesting and worthwhile “Consultant Report on Current Business Problems.”


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