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### Book Reviews

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## BOOK REVIEWS

**Effective Labor Arbitration.** By Thomas Kennedy. Philadelphia: The University of Pennsylvania Press. 1948. Pp. 286. \$3.50.

The hosiery industry, especially the full-fashioned branch, is one of the most highly competitive industries in America. Little capital is required to enter, hence many "family shops"; the low cost of shipping hosiery in relation to its value broadens the market for each plant, thereby intensifying competition; there is no strong leadership by a few large producers; the high percentage of labor cost (36.5%) to total costs makes wages a very important factor. The results, especially in the twenties and 'thirties, were fluctuating prices of the product, unstable profits, a heavy mortality rate of firms in the industry, and irregularity of employment and earnings of the workers.

In 1929, in the Philadelphia area, the thirty-eight members of the Full-Fashioned Hosiery Manufacturers of America, Incorporated and the American Federation of Hosiery Workers came together to consider how to survive. Competition, both among themselves and from the rapidly growing, southern non-union segment of the industry drove them into a sort of defensive alliance. The upshot of their negotiations was an agreement including union security (the closed shop), uniform wage rates in all of the member plants, and arbitration. To administer arbitration, the Impartial Chairmanship was created. Six men served in this position between 1929 and 1945, one of whom served ten of the sixteen years and attained national prominence in the labor field (Dr. George W. Taylor). Another wrote the volume under review, telling the story of how the Impartial Chairmanship has worked.

During the sixteen years covered by the study, 1,566 problems were presented to the Impartial Chairmen. Of these, 70 per cent resulted in decisions, the other 30 per cent being dealt with in other ways—some by being returned to the parties for further negotiation, some by being held to be beyond the jurisdiction of the Impartial Chairman and some by being settled voluntarily by the parties after filing but before decision by the Chairman. A tabulation of the decisions shows 45 per cent favored the employers' requests, the same percentage favored the union's request and 10 per cent could not be said to favor either side. During the years in which the plan had been operating, the decisions have developed a type of common law, defining the basic rights of management and union in these plants.

The Impartial Chairman has no power to: (a) change the terms of

the existing agreement; (b) change the general level of wage rates; or (c) decide the terms of new agreements. His functions are to interpret and apply the provisions of the existing contract and to determine individual wage rates in line with the general level of rates.

The author makes a careful analysis of the procedures followed, the techniques used and the principles developed by the Impartial Chairmen. He holds that the Impartial Chairmanship plan has made three definitely constructive contributions: (1) It has practically eliminated strikes and lockouts in the mills and the union involved; (2) it has improved the morale of the employees and won their willingness to cooperate with management in the introduction of new equipment and techniques; (3) it has decreased costs and bettered the competitive position of the members of the Association.

The fact that the plan has not stabilized prices, profits, and wages in the entire industry, nor stopped the movement of the industry toward the South, should not be charged against the Impartial Chairmanship idea. Within its own field it has been successful. It cannot be a cure-all.

Four criticisms of the plan and its working are offered by the author: (1) The tendency of the parties to use the Impartial Chairman as a substitute for thorough negotiation; (2) a decline through the years in the mediation function of the Chairman; (3) delays in holding hearings and rendering decisions; and (4) inadequate education of workers and local union and management representatives in the fundamental principles and values of the Impartial Chairmanship.

On the whole, the book is a well balanced, clearly written account of a constructive move toward industrial peace in one segment of an important industry. The fact that somewhat similar plans have been in operation for a number of years among certain firms and unions in the clothing and automobile industries testifies to the soundness of the idea. We may expect to hear more about it in the future.

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