

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS AS A VEHICLE FOR EXPLORING THE CHANGING POLITICAL ECONOMY OF THE 1970S

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Stagflation. Deindustrialization. These twin economic crises were the working man's main economic plights in the 1970s. Stagflation threatened his competitive wage while deindustrialization eroded his union's ability to maintain that wage. On top of these economic issues, the International Brotherhood of Teamsters, (IBT) specifically was battered by the leadership's connections to organized crime syndicates as well as increased concessions in contract negotiations. Corruption among the Teamster officials coupled with the government's burdensome 1978 wage guidelines and ineffective regulatory structures respectively galvanized reform-minded dissident movements inside the union and the creation of a free market oriented truckers movement outside the union. Rather than reactionary social views, these movements stemmed from the same economic desperation that illuminates why independent truck drivers pushed for deregulation of the industry and why the Teamsters' endorsed Ronald Reagan in 1980.

The IBT came to be associated with murder, bribery, embezzlement and mobsters. In fact, the Mafia helped Jimmy Hoffa secure the IBT presidency in 1957 by creating several New York City "paper locals." The creation of these paper locals ensured that a Hoffa ally would be elected to the NY area IBT Joint Council that would be sent to the Teamsters convention where his presidency was going to be voted on. Hoffa was one of the Teamsters' most infamous presidents. He was known to be an

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authoritarian leader who tolerated no opposition.<sup>1</sup> The 1978 film *F.I.S.T.* was based on Hoffa and the union under his authority. There is a scene where Johnny Kovak (based on Jimmy Hoffa) was interviewed by the Senate as part of an investigation into the union's association with the mob.<sup>2</sup> The scene highlights the power of Hoffa as well as the misconduct that took place during his presidency, such as strong arm tactics and misuse of union pension funds (which Hoffa was arrested for later). Further, the whole sub-genre of movies based on Hoffa and the mob underscores that his legacy, and in turn the Teamsters are more linked to organized crime than inspiring working-class struggle. Indeed, in part because of Hoffa, "corruption and the Teamsters [are] synonymous."<sup>3</sup>

Despite this unfortunate (but deserved) association, the union's labor goals flourished under Hoffa's leadership. In 1964, he negotiated the National Master Freight Agreement (NMFA), which bound almost every large, unionized trucking firm across the country to a standard labor contract.<sup>4</sup> This contract was a huge achievement for the IBT. It meant the union would essentially regulate the industry and eliminate nonunion employers, while taking Teamster wages out of competition. Compared to general trends in industrial wage gains, Teamsters greatly benefited from union membership.<sup>5</sup>

These undeniable economic benefits that Hoffa brought to the Teamsters led many within the rank and file to overlook his undemocratic rule. Doug Allan, member of Local 208 and Teamsters for a Democratic Union (TDU), expressed, "We saw him doing something wrong, and we didn't say nothing about it, 'cause we thought we were being treated right."<sup>6</sup> Even when Hoffa was arrested in 1964 for jury tampering and pension fraud, many Teamster members remained loyal to Hoffa.<sup>7</sup> He spent the next three years appealing his convictions. During that time, not only was he reelected as president, but Teamster members voted to give him a \$25,000 raise and increase their dues to pay the costs of his legal defense. However, not even Jimmy Hoffa could

escape the law forever. In March 1967, he finally went to prison and Frank Fitzsimmons became acting general president of the Teamsters.<sup>8</sup> It was evident from the start that Fitzsimmons was not the same charismatic and dynamic leader that Hoffa was. He was “a man of whom it was frequently said that he was qualified only to go for the coffee.”<sup>9</sup> Nevertheless, after essentially making it contingent on Nixon’s pardon of Hoffa, Fitzsimmons was the IBT president throughout the 1970s and “the Teamsters union began to go downhill fast,” as the leader of the Detroit Metro TDU chapter, Joe Urman so eloquently stated.<sup>10</sup>

While there had been early rumblings of discontent among the rank and file under Hoffa and previous Teamster rule, the union under Fitzsimmons in the 1970s saw a rise of anti-union-leadership sentiments among members, which manifested in the formation of more organized and powerful dissident movements. Hoffa’s presence was felt more among members of the union. He was available to members via telephone during union local visits, spent time at truck terminals listening to members’ complaints, and generally made members feel like he cared about them. On the other hand, Fitzsimmons was a “remote figure” who played golf with “Hollywood and Washington bigwigs” while employers ripped off his rank and file, evident through the declining strength of the NMFA throughout the ‘70s.<sup>11</sup> Even though both Hoffa and Fitzsimmons had connections to the Mafia, Hoffa’s rule was largely uncontested because he made members feel like he had their interests at heart. On the other hand, Fitzsimmons was a distant leader and the union weakened under him, galvanizing dissident movements.

The 1970 wildcat strike was an early dissident movement that demonstrated a willingness of the rank and file to openly challenge Fitzsimmons for a better wage increase. While Fitzsimmons was still acting general president, his first contract negotiation without Hoffa was the renegotiation of the NMFA which was set to expire on April 1, 1970. By midnight on March 31, 1970, no agreement had been reached, but Fitzsimmons did not

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call a strike. Without a contract, thousands of Teamsters around the country walked off the job the next day, shutting down 72 trucking companies around the nation. Despite Fitzsimmons' later announcement that he had reached a tentative agreement, Chicago Teamster Local 705 remained on strike, fueling wildcat strikes throughout the country for the next two months. The wildcat strike forced Fitzsimmons to renegotiate for better pay increases and underscored the perception that Fitzsimmons was a weak leader, in both controlling the union as well as negotiations.<sup>12</sup> It also was evidence that IBT dissidents had a willingness to act with militancy to prevent leaving their economic fate in the hands of an indifferent leader.

The same dissatisfaction and anger with Fitzsimmons that galvanized the 1970 wildcat strike led to the formation of an early dissident group. While it ultimately failed to enact any widespread reform due to a lack of unified leadership or political program, it paved the way for future movements that had more momentum and organization, like TDU.<sup>13</sup> TDU was founded on June 5, 1976, with the goal of building a national organization that represented the desires of the rank and file to reform the union leadership and oust the mob.<sup>14</sup> However, while dissidents' qualms were mostly with the ineffectiveness of their union leadership, another opponent arose during the fight for the 1979 National Master Freight Agreement: the federal government.

High inflation had been raging since the mid-1960s, robbing workers of their wage gains, and Fitzsimmons appeared to be doing the bare minimum to win his rank and file these pay increases. Consequently, when President Carter's October 1978 anti-inflation program posed voluntary wage and price guidelines, TDU was less than pleased.<sup>15</sup> In an open letter to President Carter published in *Convoy Magazine*, TDU wrote, "Mr. President, we have concluded that we have already sacrificed enough...our union officials are too willing to give in to [employers' demands], and your administration is encouraging both of them... We urge you to reconsider just who you are asking

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to sacrifice.”<sup>16</sup> Carter’s new plan for economic relief appeared to be putting the burden of curbing inflation on workers. Further, it meant the government was intruding at the negotiation table typically only reserved for labor and management by presenting more downward pressure on Teamster wages. Worse, Carter viewed Fitzsimmons’ upcoming 1979 negotiation of Master Freight as an important “pacesetter” of his guidelines.<sup>17</sup>

At first, Fitzsimmons seemed to be standing strong, making appearances on three different talk shows after Carter came out with his guidelines. In each show, Fitzsimmons claimed that he would not abide by or consider Carter’s guidelines in negotiations.<sup>18</sup> When the contract talks broke down, Fitzsimmons called a strike (at the demand of TDU). After a ten-day strike, a tentative agreement was reached. It appeared that Fitzsimmons caved under government pressure to abide by Carter’s wage guidelines. As stated by Alfred Kahn, chairman of the Council on Wage and Price Stability, “I commend the parties for the responsibility they have shown in making a very important contribution to controlling inflation.”<sup>19</sup> Notably, this less was won in this deal than in the previous master freight agreement.<sup>20</sup> With the ratification of this contract, the Teamsters accepted the burden of the fight against inflation.

The gradual weakening of the Master Freight contract under Fitzsimmons’ rule not only led to decreased wages and benefits, but also contributed to the waning power of the IBT.<sup>21</sup> The government’s influence was apparent: After contract negotiations broke down, Fitzsimmons noted that “interference by the government ‘played no small part in the failure to reach an agreement.’”<sup>22</sup> And Fitzsimmons himself ultimately caved under government pressure, accepting a wage increase that fell within Carter’s guidelines. Despite the success of the 1970 wildcat strike, later dissident movements’ continued attempts to keep the strength and militancy the union once had alive were undermined by Mafia infiltration, undemocratic and passive union leadership, and an increasingly unsympathetic government to-

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wards labor. Similar frustrations with the union and government that motivated dissidents' calls for reform also led to the formation of a more persistent independent trucking coalition.

But while dissident movements wished to reform the corrupt union bureaucracy and resist the government's burdening, independent truck drivers came to completely reject the role of unions and government in the US political economy. Due in part to the lack of Fitzsimmons' efforts to negotiate strong NMFAs and in part to legislation that weakened the Teamsters' organizing power, the '60s and '70s saw an increase of trucking firms that depended on non-union owner-operators. At least 80% of owner operators were non-unionized and were able to undercut the prices of union firms. Along with the growth of non-union trucking firms, the number of independent truck drivers grew significantly. Self-employed truckers in the long-haul industry increased by 43 percent, while overall employment in the industry increased only 15 percent.<sup>23</sup>

These independent truckers were "responsible to no one" --- they owned their own equipment, set their own schedule, and decided their own routes.<sup>24</sup> Drawing on similar frustration the dissident movements felt towards the Teamsters bureaucracy, independent truck drivers saw the IBT as out of touch with the working man. According to a former Teamster turned independent owner-operator, "Outside of the dues money [the Teamsters] take out of your check, they [do] absolutely nothing. They [do] less than nothing... They're establishment."<sup>25</sup> An independent truck driver in F.I.S.T conveyed similar anti-union sentiments when Kovak and his organizing partner Abe Belkin tried to convince him to join the union. "Are you sure you and Abe-ey here don't just wanna collect dues?" the independent truck driver in F.I.S.T said. "You can make the dues up in the raises the union will get you," Belkin responded, to which the independent truck driver exclaimed: "Bullshit!"<sup>26</sup> To independent truck drivers, giving a part of their paycheck to a corrupt and ineffective union was seen as limiting their freedom.<sup>27</sup>

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However, these truckers did not simply reject the Teamsters on account of their dues requirement; they despised the fact that the most lucrative sectors of the market were still reserved for major trucking firms, most of which had Teamster contracts. In turn, they loathed the government's regulatory structures that allowed this, namely the Interstate Commerce Commission (ICC). In accordance with legislation passed during the New Deal, the "octopustic" ICC decreased competition in the freight trucking industry by requiring firms to obtain expensive operating authorities. These truckers were allowed to transport less lucrative loads like produce and livestock. However, if they wanted to haul general freight, they needed to lease their equipment to firms that had operating authority from the ICC. Indeed, because of these government regulations, these "independent" truckers were not so independent.

To these truckers, the government not only caused their lack of true economic independence, but also decreased their economic fortunes. An owner-operator said: "[Prices] in America are not going down. My fuel, tires, and oil went up. My take-home pay has gone down. I'd like to see the day when every owner-operator becomes organized, like the Teamsters (but NOT the Teamsters)"<sup>28</sup> Moreover, in two separate instances, in 1973-1974 and the summer of 1979, these independent truckers were able to orchestrate strikes in reaction to the OPEC embargo and energy crisis, respectively. These violent strikes that shut down major US highways and caused the layoff of tens of thousands of workers did little to relieve these truckers of the squeeze the high fuel costs, inflation, and government regulations were putting on their revenue.<sup>29</sup> A spokesman for the independent truckers criticized the Teamsters, charging that "the political alliance between President Nixon and the Teamsters 'played some role in the lethargy and delay in the administration's response to the legitimate demands of the truckers.'<sup>30</sup> Evidently, these independent truck drivers believed it was them against the Teamsters and government, meaning it would take a dismantling of New Deal

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regulatory structures if they ever wished to be on a level playing field.<sup>31</sup>

It is against this backdrop that many independent truckers embraced the sentiments of neoliberal economists and politicians. One example is Milton Friedman, who believed that the “governmental agencies are far worse than the problem they were created to solve,” and specifically denounced the ICC, saying that there was “no justification” for it “whatsoever.”<sup>32</sup> The embrace of free market ideals among top officials coupled with skyrocketing inflation made the independent truck drivers’ call for deregulation especially potent. Deregulating the trucking industry was seen as a way to decrease transportation costs and in turn reduce overall price levels and inflation. However, not everyone wanted to leave the trucking industry up to market forces. The Teamsters, including TDU, opposed deregulation, arguing it would cause truckers to be “under extreme economic pressures to disregard high speed limits and hours-of-service regulations.”<sup>33</sup> However, proponents cited the low prices of fresh fruit and vegetables due to the agricultural exemption from ICC regulation as a proof of concept.<sup>34</sup> The IBT’s opposition was ultimately futile, and the Motor Carriers Act of 1980 passed through Congress.

The passage of the Motor Carriers Act of 1980 marked a greater neoliberal shift that took place in the trucking industry. It was seen as decreasing the barrier to entry in the trucking industry, enabling any man to become an entrepreneur and achieve economic stability on his own terms, rather than from the government or Teamsters. It put the burden on the individual truck driver “of satisfying both producers and consumers by driving down the cost of the transportation that connected them.”<sup>35</sup> With this legislation, truckers achieved their goal of freedom from government regulations and callous unions. It was easier for new truckers to enter the industry, certain restrictions on carriers were eliminated, and greater price competition was encouraged. Whatever that freedom was worth however, truckers lost in the ensuing cutthroat competition in the industry that



dramatically drove prices down.

The consequences of the Motor Carriers Act went beyond simply decreasing prices. It undermined the union's control of the industry. The Teamsters hemorrhaged members, seeing a 46 percent decline in membership from 1976 to 1985.<sup>36</sup> And while the Teamsters did not support deregulation, there were other indications of a conservative shift within the union, namely the union's endorsement of Ronald Reagan in the 1980 presidential election. Despite his neoliberal economic policies, Reagan was able to appeal to the Teamsters as former president of his own union, the Screen Actors Guild, and by condemning Carter's mishandling of stagflation and deregulation. Reagan proclaimed that deregulation should be "phased over a long period with consultation with the affected parties as each step is taken" and that the "crippled economy rob[bed] them daily."<sup>37</sup>In response to the IBT board's decision to support Reagan, Fitzsimmons urged its members, "to support this decision in the best interests of organized labor."<sup>38</sup> This worked, as there was "considerable rank-and-file support" for Reagan, according to IBT vice president.<sup>39</sup>

In the context of an ineffectual government and union to alleviate truckers' economic woes, the independent truck drivers' push for deregulation coupled with rank and file support of the Teamsters' endorsement of Reagan underscored that they were not exemplars of Nixon's "Silent Majority" or embodiments of hard had rebellion ethos. Rather than reacting against contemporary social issues, like busing and anti-Vietnam student protests, and merely accepting Reagan's economic conservatism to maintain law and order, these men were responding to the failure of the federal state and Teamsters to protect their job security and incomes in the 1970s. Indeed, it was "pocketbook politics" that led these men to directly demand or support a president who sought to overthrow the economic system they had once depended on.<sup>40</sup> And while Teamster dissidents were responding to the same economic anxieties as independent truck drivers and

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the IBT rank and file more generally, they still fought hard to preserve this economic system. Nevertheless, with policy makers' attitudes shifting towards growth oriented economic policies, priority was given to consumers and businesses, leaving little room for workers' interests.

If stagflation and deindustrialization characterized the economic crisis for the working man in the 1970s, then corrupt and passive union leadership along with overburdening and ineffective government intervention characterized the response of the major institutions that were supposed to help the working man. Indeed, stagflation ate up any of the minimal wage increases that IBT president Fitzsimmons won while deindustrialization undermined the effectiveness of an already waning Teamsters from mob involvement. Moreover, the economic despair from the failure of the government and Teamsters to protect their incomes caused truckers to organize dissident movements within the union, specifically the 1970 wildcat strike and Teamsters for a Democratic Union and an independent truck drivers' coalition outside the union. While dissidents saw reform as a solution to these issues, independent truck drivers rejected existing governmental and union structures, ultimately demanding deregulation of the trucking industry. The independent truckers' course of action ultimately triumphed with the passage of the Motor Carriers Act of 1980. Although not supportive of deregulation, the Teamsters endorsed Ronald Reagan for president in 1980. Indeed, all truckers saw declining economic fortunes under the new free market policies that were the antithesis of the economic system that had benefited them since the New Deal. Among them many truckers and unionists saw Reagan as their only possible chance for relief from their current economic anxieties. Reagan would quickly prove these truckers otherwise with his regressive tax cuts, break-up of the PATCO strike, and trade of social spending for defense spending.

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### Endnotes

- 1 “Paper locals” were locals that did not have any rank and file members. Dan La Botz, *Rank and File Rebellion: Teamsters for a Democratic Union* (New York: Verso, 1990), 11, 137; James B. Jacobs, *Mobsters, Unions, and Feds: The Mafia and the American Labor Movement* (New York: New York University Press, 2006), 11, 29.
- 2 F.I.S.T., directed by Norman Jewison (Chateau Productions and Huron Productions, 1978).
- 3 Jacobs, *Mobsters, Unions, and Feds*, 42.
- 4 Shane Hamilton, *Trucking Country: The Road to America’s Wal-Mart Economy*, (Princeton: Princeton University Press, 2008), 208; La Botz, *Rank and File Rebellion*, 208.
- 5 Hamilton, *Trucking Country*, 134.
- 6 La Botz, *Rank and File Rebellion*, 71.
- 7 Hamilton, *Trucking Country*, 208; Jacobs, *Mobsters, Unions, and Feds*, 123.
- 8 “Teamsters Reelect Hoffa President,” *New York Times*, July 8, 1966.
- 9 La Botz, *Rank and File Rebellion*, 138
- 10 La Botz, *Rank and File Rebellion*, 146.
- 11 Lester Velie, *Desperate Bargain: Why Jimmy Hoffa Had to Die* (New York: Reader’s Digest Press, 1977), 220.
- 12 La Botz, *Rank and File Rebellion*, 30-37.
- 13 La Botz, *Rank and File Rebellion*, 40.
- 14 La Botz, *Rank and File Rebellion*, xii, 69.
- 15 Fitz on McNeil Lehrer
- 16 La Botz, *Rank and File Rebellion*, 169.
- 17 Fitz on McNeil Lehrer
- 18 Fitz on Good Morning America
- 19 Philip Shabecoff, “White House Endorses Teamsters’ Pact as a Gain in Anti-Inflation Effort,” *New York Times*, April 12, 1979.
- 20 Shabecoff, “White House Endorses Teamsters’ Pact as a Gain in Anti-Inflation Effort.”
- 21 La Botz, *Rank and File Rebellion*, 166.
- 22 La Botz, *Rank and File Rebellion*, 174; Philip Shabecoff, “A ‘Selective’ Strike is Called By Teamsters as Talks Fail,” *New York Times*, April 1, 1979; Philip Shabecoff, “Trucking Leaders Call for

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- Lockout of 300,000 in Strike by Teamsters,” New York Times, April 2, 1979.
- 23 La Botz, Rank and File Rebellion, 51-52; Hamilton, Trucking Country, 209-212.
- 24 “Fitzsimmons Assails Bid to Cut Truck Regulations,” New York Times, June 27, 1979.
- 25 Hamilton, Trucking Country, 212.
- 26 F.I.S.T., directed by Norman Jewison.
- 27 Shane Hamilton, “The Populist Appeal of Deregulation: Independent Truckers and the Politics of Free Enterprise, 1935-1980,” *Enterprise & Society*, MARCH 2009, Vol. 10, No. 1 (March 2009): 138; Hamilton, Trucking Country, 189.
- 28 Hamilton, Trucking Country, 216.
- 29 Hamilton, Trucking Country, 216-219; 223-224.
- 30 Selig S. Harrison, “Trucker Shutdown Focuses Attention on Union Struggle,” New York Times, Feb. 10, 1974; Fitzsimmons Assails Bid to Cut Truck Regulations.”
- 31 Hamilton, Trucking Country, 218
- 32 Hamilton, Trucking Country, 214.
- 33 “Fitzsimmons Assails Bid to Cut Truck Regulations.”
- 34 “Fitzsimmons Assails Bid to Cut Truck Regulations”; Hamilton, Trucking Country, 226.
- 35 Hamilton, Trucking Country, 229-231.
- 36 Hamilton, Trucking Country, 229-231.
- 37 Teamsters News Service, Reagan, Ronald: 1980 Campaign Files, 1965-80 Collection.
- 38 Hamilton, Trucking Country, 230.
- 39 Richard Bergholz, “Reagan Wins Teamsters’ Endorsement, Union Assails Carter on Economy, Stance on Trucking Deregulation,” New York Times, Oct. 9, 1980.
- 40 Hamilton, Trucking Country, 224-231.