

*Leonard Lecht*  
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## REVIEWS

### The Teamsters and Predatory Unionism

By LEONARD A. LECHT

ROBERT LEITER'S STUDY of the Teamsters Union<sup>1</sup> presents the first full-scale history of that organization to appear in recent years. Its publication at the same time as the McClellan Committee's hearings pushes the book to the fore as a case study in the theory and practice of corrupt unionism.

As in his earlier work, *The Musicians and Petrillo*,<sup>2</sup> Leiter offers a scholarly survey of a complex subject. The author's thorough investigation of the voluminous sources in official documents, learned journals, and union publications merits recognition as contributing a valuable sourcework in labor history. And, although Leiter's primary interest is in collective bargaining rather than corrupt union behavior, he makes a serious effort to describe and assess the evidence of malpractice in the Teamsters' hierarchy.

For a reader intent on categorizing Leiter's study as part of the developing science of economics, it is readily apparent that his work supplies a strong example of the empirical case study tradition applied to a labor union. Leiter seeks to organize a mass of congressional hearings, court cases, industry surveys, wage data, and biographical materials into a natural history of the Teamsters Union. The author, it can be affirmed, has succeeded in his task of delineating the union's growth as the reaction of a labor group to the economics of the industry, the political framework of the labor movement, and the leaders' struggles for power.

It does not detract from Leiter's accomplishment to note that in this instance, as in others, the "facts", even when ably marshalled, do not speak for themselves. The revelations of corrupt practice raise the questions for which, to most of his reading public, *The Teamsters Union* will be regarded as providing an authoritative answer. Here the author's preconceptions of the role of labor in American society, or of the goals of the labor movement, considerations not present in the data he so carefully examines, lead him to underassess the bearing of the Teamster leadership's behavior as a token of stress in contemporary unionism.

Thus the repeated disclosures of bribery, extortion, and the use of union connection for private gain do not impress the author as indicating a significant departure from the business unionism which represents econo-

<sup>1</sup> Robert D. Leiter, *The Teamsters Union*, New York, Bookman Associates, 1957, 304 pp., biblio., index, \$5.

<sup>2</sup> New York, Bookman Associates, 1953.

mists' prevailing theory of the labor movement.<sup>3</sup> To Leiter, the notoriety the union has achieved is due to its size, power, and "the greater vigor it has applied in pressing its campaign."<sup>4</sup> The Teamsters' tactics resemble those utilized by other unions, and, like the post-war labor movement generally, the organization has flourished because it provides an effective medium for bettering the membership's economic status.

Corrupt behavior, Leiter explains, is a byproduct of the union's strategic power to impede the flow of commerce. The Teamsters' power can be brought to bear most effectively since the small employers with whom the union mainly deals lack the financial reserves to withstand severe economic pressures. This factor, plus the inadequacies of the law, and the mushrooming of funds, members, and functions, create an objective situation in which the frailties of human nature sporadically assert themselves in unethical practices. Moreover, the author maintains, the phenomena of corruption have been concentrated largely at the organization's local levels. While the upper echelon leadership, at least before 1957, appeared free from questionable tendencies, the autonomy vested in local unions and joint councils has constituted a zealously guarded barrier which the national leaders were unable to breach.

The writer questions Leiter's analysis. The evidence he presents demonstrates the Teamsters energetic participation in raising wages and winning fringe benefits. However, the union's history also reveals a pattern of speculation which recurs time and again at one level or another of the Teamsters' leadership. Leiter does not explain how these contrary tendencies coexist and interact in the same organization. Neither does he make it clear why the forces generating corrupt leadership in the Teamsters should be of greater intensity and duration than in other unions such as the Garment or Mine Workers with roughly similar experiences of growth and power.<sup>5</sup> Beyond this, Leiter's analysis is without reference to the impact of the dominant business culture in molding the standards of labor leaders.

A bird's eye view of the Teamsters' history makes it evident that racket-

<sup>3</sup> The existence of widespread corruption in the Teamsters leadership does not imply that such practices are uniquely, or especially, confined to unions. Labor racketeering, to quote Lloyd Reynolds, "stems from a generally low level of political and business morality". *Labor Economics and Labor Relations*, New York, Prentice-Hall, 1949, p. 150.

<sup>4</sup> *The Teamsters Union*, *op. cit.*, p. 263.

<sup>5</sup> This is not to deny that the Teamsters' position of strength in negotiating with small employers has facilitated the development of corrupt practices. However, taken alone, it does not explain them. For example, if the union's strategic position is the significant independent variable, and corrupt leadership the dependent variable, it is difficult to understand why British or Scandinavian drivers unions with similar strategic powers are free of racketeering tendencies.

ceering and dubious alliances with employers supply an important ingredient in the union's development. Chicago, to cite an instance, was the first major Teamster stronghold. By 1900 both labor leaders and employers were cognizant of the potentialities of the union as the enforcement arm for a cartel-like trade association. An agreement entered into by the coal team drivers local and the team owners association represented a pioneer venture. In return for limiting employment to union members, the drivers bound themselves to work only for owners belonging to the association. With outsiders thus barred, increases in coal cartage rates and in wages soon followed. Strikes were avoided by judicious bribes offered labor leaders by the team owners. The professional labor relations "fixer" settling for a sum strikes which he himself had fomented makes an early appearance in Chicago. John R. Commons, the labor historian, observes that it was not until after 1903<sup>6</sup> that the Chicago teamster industry could be studied "as an economic rather than a criminal phenomenon."<sup>7</sup>

These practices continued after the union's initial growing pains had disappeared. With Prohibition, the corruption stemming from the lapses of union officers was supplemented by the infiltration of the underworld into the labor movement. The power of the Capone gang in Chicago or of Lepke and Gurrah in New York was in part founded on control of strategic Teamster locals.<sup>8</sup> Investigations of organized crime in New York in the Nineteen Thirties were followed by the conviction of Teamster officials for extortion and violation of the anti-trust laws.<sup>9</sup> In Oregon, a few years later, local leaders were found guilty of similar offenses. Episodes such as those involving the New York and Philadelphia produce markets, the Signal Corps depot near Scranton, Pennsylvania or construction projects in Kansas City are too numerous and complicated to warrant detailed examination in a brief paper.

More recently, the Teamsters' past president, Mr. Beck; the current president, Mr. Hoffa; and three vice presidents, Mr. Brennan, Mr. Brewster, and Mr. Mohn, have been undergoing prosecution for offenses committed in connection with their handling of union affairs.<sup>9</sup> And, since the publication of Leiter's work, the AFL-CIO Executive Council has expelled

<sup>6</sup> A reform movement in 1903 led to the amalgamation of two warring union groups into the present International Brotherhood of Teamsters.

<sup>7</sup> John R. Commons, "Types of American Labor Organization—The Teamsters of Chicago," *Quarterly Journal of Economics*, May, 1905, p. 407.

<sup>8</sup> The international union, it should be noted, bitterly opposed the gangster invasions—especially in Chicago.

<sup>9</sup> The indictment of Vice President Mohn probably warrants a separate category since his offense was contempt of Congress for encouraging union officials not to testify before the McClellan Committee.

the union from its ranks. These facts add up to more than an occasional instance of local gangster control or the lapse of a business agent. They point to a going concern in which power is routinely disposed of in a manner contradicting its professed objectives as a membership-oriented organization.

The ethical standards of the Teamsters' leadership do not figure as a critical variable in Leiter's assessment because his investigation is unencumbered by any theory of unionism as a social movement. Noting that the Teamsters' goals are economic rather than political, he identifies the organization with business unionism. In posing this identity, Leiter jumbles together "business unionism" and "predatory unionism" without attempting to explore the gap which separates the two. Yet the distinction between these two types of labor movements was clearly drawn by Professor Robert F. Hoxie writing some forty years ago.<sup>10</sup> Professor Hoxie's typology serves to provide the criteria which set apart the Teamsters as the most prominent example of predatory unionism in the contemporary American scene.

Business unionism, as conceived by Hoxie, is the organizational response of the skilled American wage earners to an economic order which they regard as "inevitable, if not as just."<sup>11</sup> Since these employees do not fundamentally question existing economic relationships, they measure their prospects with reference to their status as members of a craft rather than as members of a class or a dispossessed group. Correspondingly, the unions they support seek to improve conditions within a particular trade. Imbued with the native pragmatism and conservative viewpoint of the membership, business unions set as their goal the limited advances which can be wrested in a narrow time span through the exercise of the organization's bargaining power.

Predatory unionism is labor organization without social content. Typically, it presents a case of split organizational personality. The predatory union resembles or outdoes business unionism in the externals of political conservatism<sup>12</sup> and in the narrow delimitation of its function. But, more essentially, predatory unions lack the restraints imposed by a code of principles reflecting the union's self-image as the movement of an employee group. In the absence of a common outlook defining the union's character

<sup>10</sup> Robert F. Hoxie, *Trade Unionism in the United States*, New York, D. Appleton, 1917.

<sup>11</sup> *Ibid.*, p. 45.

<sup>12</sup> The leadership of the International Longshoremen's Union, who for many years imitated the superpatriotism of professional nationalists, supply another example of this same correlation.

as the vehicle of its members, policy proceeds on two independent and frequently conflicting levels. On the one hand, the union must pursue a variety of tactics designed to extract sufficient concessions from employers to keep the rank-and-file passive and to attract new members. On the other, the leadership effectively administers the organization as its private preserve.

Hoxie, in describing predatory unionism in 1917, sums up the characteristics which have won the Teamsters notoriety in 1958. He writes

Generally . . . it is boss ridden and corrupt. . . . Frequently it enters . . . into a double-sided monopoly intended to eliminate both capitalistic and labor competition, and to squeeze the consuming public. . . . Its methods are a mixture of open bargaining coupled with secret bribery and violence.<sup>13</sup>

Among the Teamster leaders, the rudiments of a theory of the union's place in society can be discerned in the conception of unionism as a business. To quote Dave Beck in 1953: "I run this place just like the Standard Oil Company or the Northern Pacific Railway. We sell labor. We use businesslike methods and business people have confidence in us."<sup>14</sup>

Beck's businesslike methods include the labor equivalents for regulation business trappings such as sales conventions and market research. They also include an active participation in the pricing, entry, and production policies of the employers the union deals with. Much of Beck's rise to prominence grew out of his success in cooperating with trade associations to raise prices and eliminate "cut-throat" competition and competitors. In several instances, of which the Seattle cleaning, dyeing, and laundry industries provide a good example, the labor leadership was instrumental in promoting the establishment of trade organizations.

The Teamsters' objective in these alliances was to gain union recognition from industry both as the employees' representative and as a stabilizing force in the business community which could make restrictive agreements effective by its control of delivery service. In deploring the oversupply of gasoline stations in Seattle, Beck brings out the core of his policy. He states: "We are going to close some of them. . . . I advise promoters against starting new stations. If that doesn't work, the Teamsters Union will simply refuse to serve them."<sup>15</sup>

Beck's ventures as a market stabilizer may pass muster as unorthodox strategy for improving the membership's income by increasing the pros-

<sup>13</sup> Hoxie, pp. 50-51.

<sup>14</sup> Daniel Bell, "Labor's New Men of Power," *Fortune Magazine*, June, 1953, p. 153.

<sup>15</sup> Richard L. Neuberger, "Labor's Overlords—Bridges and Beck," *American Magazine*, March, 1938, p. 168. Quoted in *The Teamsters Union*, *op. cit.*, p. 49.

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perity of their employers. Yet, control of product markets figures repeatedly as an objective of the union leaders in contexts which are unrelated to the well being of the rank-and-file. It assumes particular importance at the extra-legal fringes of the union. The racketeering associated with the Teamsters in New York and Philadelphia in the Nineteen Thirties and Forties, for example, centered on schemes, temporarily successful, to take over the distribution of wholesale produce and live poultry in the two cities. James R. Hoffa, early in the Forties, achieved mid-western regional notice by failing to contest an indictment charging him with using his control of local unions to promote a monopoly in the Detroit wastepaper industry. In more recent years, the power of the union has been utilized to enforce a cigarette merchandising conspiracy in New York, to organize owners of gambling machines in the Northwest, and to drive out independent jukebox operators in midwestern cities.

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The Teamster leaders, in this area of activity, have kept the forms of a labor organization while transforming its content. Their major preoccupations, to all intents and purposes, are those of a trade association or a cartel. Problems of wages and working conditions become reduced to secondary concerns by union officials, often recent arrivals from the margins of business, who test success or failure by their power to grant or deny distribution outlets, or to regulate profit markups and conditions of sale. The normal activities of unions—negotiations with employers, strikes, picketing—shed their customary meaning as labor protective devices to take on a new significance as organizing techniques in projects for engrossing lucrative opportunities for illicit gain.

Emphasis on numbers and revenues have focussed the leadership's attention on the accumulation of vested proprietary claims to members as the key to the Teamsters' development. Beck, at times, has described the jurisdictional scope of the union as embracing everything and everybody on wheels. When the inclusion of inside brewery workers, along with retail clerks, office employees, and breadwrappers outstripped the limits of his definition, Beck evolved an expanded jurisdictional concept including the range of occupations more or less directly concerned with distribution. To compound confusion, the union, from its pioneer days, has welcomed employers and self-employed drivers within its ranks.<sup>16</sup>

Not surprisingly, the frequency, magnitude, and aggressiveness of the Teamsters' jurisdictional conflicts have exceeded those of any other Ameri-

<sup>16</sup> Where Teamster locals have functioned as trade associations, employers have often joined the union en masse, and frequently they have paid the dues both for themselves and their employees.

can union. They have so dominated the Teamsters' agenda as to lead one student of the West Coast Teamsters to the conclusion that the most sweeping uses of the organization's economic power have occurred, not in connection with employers, but against other unions.<sup>17</sup>

It is no accident that a union administered as a business should so closely resemble Hoxie's predatory unionism. Historically, the labor movement and business enterprise represent conflicting modes of adaptation to the market economy. The dominant role of business has grown out of its success in expanding the productive potential of a society organized to meet needs for goods and services through the mechanisms of the market. Individualism, mobility, risk-taking, and calculations of cost and gain provide the elements of rationality integrating business and the market system.

Trade unionism, by contrast, has everywhere flourished as the employees' reaction against the forces which a market economy stresses, and as an attempt to realize the values which business and the market ignore. Security, solidarity, livelihood, and status, the rationale of unionism, have no place in the calculations of a market system. The efforts of unions to incorporate these values into the economy as elements to be taken account of in decision-making introduce changes circumscribing the operations by which firms achieve the most efficient or the most profitable allocation of resources. A union regarded as a business, therefore, is an organization influenced by standards which are alien, when not hostile, to unionism's underlying theme.

As the agency for overcoming the employees' disadvantaged position in a market economy, trade unions are endowed by law and opinion with a special status. Statutes such as the Clayton and Wagner Acts, and court decisions as in *U.S. v. Hutcheson*<sup>18</sup> spell out society's decision that collective action by labor to improve the conditions of livelihood is of a different order of significance from collective action by firms to increase prices and profits. The net effect is that trade unions, like public utilities, are expressly exempted in their major function from the competitive norms which, in principle, are held to be generally applicable.<sup>19</sup>

The logic of business applied to unionism leads to an easy transfer of the power created by labor's collective action from a social to a private

<sup>17</sup> John B. Gillingham, *The Teamsters Union on the West Coast*, Institute of Industrial Relations, University of California, 1956.

<sup>18</sup> 312 U.S. 219 (1941).

<sup>19</sup> The conclusion sometimes drawn from this exemption that unions in general are restrictive associations does not, of course, follow. It assumes that unions alone exert market power while employers behave competitively in hiring.



purpose. The overriding objective of business is private rather than public: *i.e.*, to enrich the owners or to enhance the income and prestige of the managers through acts of purchase and sale. A union adopting the business credo turns its leaders into managers who traffic in the sale of labor.

In the instances where this parallelism is valid, it should occasion little surprise if the captains of the mushrooming free-wheeling labor organizations act out the logic of their situation and follow in the footsteps of their corporate equivalents, the turn-of-the-century "robber baron" captains of industry and finance. To the Goulds, Insulls, and Vanderbilts, it became apparent early in their careers that great wealth and power were more readily attainable by concentrating on the control of markets or the manipulation of securities than in superintending the productive operations of the concerns they ruled. As business managers in an untrammelled field, union leaders add further evidence of the influence of pecuniary institutions on human behavior when they enter into profitable arrangements with employers or when they conduct transactions for personal gain at the expense of the organizations they head.

As an additional consideration, a tradition of conflict sets off labor-management relations as a special kind of economic relationship. Acts of physical destruction, the calling out of troops, or the psychological warfare campaigns involved in use of spies and provocateurs furnish the commonplace episodes of labor history. In spite of the weight of physical force, legal precedent, and agencies of persuasion directed against them, the need and wish of employees for effective bargaining institutions have won labor organizations a partial tolerance for their own coercions as constituting a countervailing power exerted for social ends.<sup>20</sup> But, divorced from the welfare objectives which legitimize the use of economic force in strikes, picketing, or boycotts, these same practices offer a body of already available and usually lawful techniques of coercion to individuals who seek to utilize them for private purposes. It is for this reason that unions which regard themselves as akin to business frequently also provide a haven for the racketeer.

To return to the Teamsters Union, the problem it poses for the social sciences centers on the proposition that unions are employee movements and not forms of business. The corruption Leiter depicts exists in a vacuum because it is unrelated to the conduct of the Teamsters as an agency for the sale of labor. Stripped of the role which accords the labor movement its

<sup>20</sup> Critics of unionism often confuse the aggressive use of their coercive powers by unions with labor racketeering. Because of this confusion legislation such as the Hobbs Antiracketeering Act or the various "right-to-work" laws usually have little bearing on the corrupt practices they allegedly remedy.

symbols, goals, and values, the monopoly power and coercive potential inherent in collective economic action convert labor organization into predatory unionism. The highly publicized and disturbing practices of the Teamsters' leadership are mainly significant as symptoms of the moral decay accompanying the continuing effort to accommodate unionism to the stereotypes of a market-dominated society.

Long Island University

*also insists on the market place*  
The Rising Challenge to Minority Advance

AS LONG AS THE BORDERS of the United States were open and expanding, we received the oppressed, gave them haven and shared with them the fruits of our freedom. The frontiers of Canada and South America also helped absorb them. But with the curtailment of immigration, the battle-front has veered to the internal areas of the nations themselves.

Rural poverty and industrial expansion are directing an ever-growing flow of population toward the city centers. In the United States the new workers are no longer mainly immigrants but in-migrants. They are citizens from the South and Puerto Rico as well as Mexican aliens trekking across the Rio Grande. These three migrant groups differ from the Europeans in that many of them are more identifiable by color. The prejudice which had formerly manifested itself against aliens and religious groups is now showing itself mainly against citizens and against people who are different in color or background.

The new minorities who moved into old neighborhoods have precipitated a mass exodus by the older urban residents. The increasing emphasis upon social conformity in American life has reinforced a new pattern of suburbanization dedicated to exclusion of these people. The minority movements have affected churches and religious institutions and altered their composition.

While previous migrants were better able to move up in the social and economic milieu, more recent newcomers have found themselves stratified in social condition because of their higher visibility; many continue confined to meniality and depression. Absence of housing has impeded their free access to areas of opportunity and confined them to overcrowded conditions and slums, thereby stultifying their spiritual and emotional life and holding them to a more lasting desuetude.

Absence of education at the source of the migration or language difficulties have accentuated their concentration in overcrowded sections and distorted their family institutions. Economic recession has borne down most heavily on them. Elsewhere too, the minorities are competing for

jobs, are squatting in the city centers and challenging the old mores and established ways of the more settled groups.

For 160 years the United States has remained the great testing ground for assimilation, freedom and faith. Today there is cleavage. For the first time since the civil war the southern states have concerted their efforts to defy the law of the land and have in fact enacted state legislation to undermine the national morality on equality of opportunity. Simultaneously, a new North has emerged which, having shed the roots of indifference acquired in the days of Reconstruction, has taken on those of postwar idealism.

Today twelve states with populations of more than 90 million persons have enacted and reinforced laws to protect these minorities in their economic opportunities and have set up state agencies to assure them these protections. These states symbolize not only the new example of tolerance but the practical means for dealing with prejudice. These states are emerging as the symbol not only for America but for the world.

While, therefore, we cannot close our eyes to the painfully difficult crisis in the South, we must also see that victory over Southern recalcitrance—as well as the survival of law over force—depend upon the continuance of that morality unimpaired in the North.

We are too prone however to feel insensible to the dangers. The cleavage has affected the security of our moral position. For one thing, within the Northern areas themselves, there is a growing group of citizens who feel themselves challenged by the minority movements into their neighborhoods. Legislators from suburban areas and from cities in which the minorities are not politically vocal are not only sympathetic with the Southern position, but are even yielding to the Southern Congressional bloc when it offers them support for their local projects in return for their support of Southern segregationism.

The larger cities which have been carrying the fight have in turn been unable to expand their boundaries as they did fifty years ago and are facing a vast increase in the proportions of their minority populations and a flight to the suburbs of their more prosperous elements. While this has brought a greater political emphasis on equality in the cities, it has not offset the anti-racial elements at the state or congressional levels. The looming challenge in America is whether the rising tension in the suburbs and smaller cities will bring an alliance between Northern opportunism and Southern standpatism and thereby submerge the great ethical structure that has been building up in the industrial North since the war. [From an address before the National Conference of Catholic Charities.]

CHARLES ABRAMS

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