

## 10

# Hoffa's Leverage Techniques in Bargaining

One might expect that Hoffa as negotiator is unusually proficient at the art of verbal persuasion, a profound advocate of the needs and desires of his Teamster constituents. Often he is, but Hoffa puts little faith in the efficacy of argumentative logic; he has no illusion that he will be able to beguile the employers into offering more than they initially planned. Rather, collective bargaining to Hoffa is a complex game of power manipulation and quid-pro-quo relationships, in which he who has the most "friends" (sources of primary, secondary, and tertiary pressures) and knows how to use them effectively will come out on top. Hoffa prides himself on being able to make "the right telephone calls the night before," structuring the vested interests to favor his side. We have already observed the operation of this principle in organizing; we now examine Hoffa's leverage techniques in bargaining.

### COMMON CONTRACT EXPIRATION DATES

One of Hoffa's major leverage techniques is the use of common contract expiration dates, which enable him to utilize his power in a stronger situation to extend his influence where he is weaker. Since the passage of the Taft-Hartley Act and particularly since the NLRB and Landrum-Griffin attacks on the hot cargo clause,

this technique has been used increasingly to evade the secondary boycott ban.

The device is simple enough to describe. Collective agreements with employers in "controlled" sectors, where Hoffa is strong, are manipulated to terminate at the same time as contracts in "uncontrolled" sectors. Since this is no easy matter to arrange, the dates are sometimes close, rather than identical. Once Hoffa has the contract dates in line, he refuses to sign in the controlled sector until the uncontrolled sector capitulates.

In years past, Hoffa has withheld his signature from acceptable CSDC over-the-road contracts until a second set of carriers—for example, Midwestern local cartage or various groups in the South—submits to his demands. Often the same carriers are involved in both negotiations; if they fail to accede in either area, they face the possibility of a complete shutdown or, more likely, selective strikes at key terminal cities throughout their operations, wherever it will hurt them the most. In other cases, carriers in the controlled and uncontrolled sectors are joined by an interlining relationship; then, the former "induce" the latter to surrender by refusing to interchange freight. If individual members of the controlled group decline to cooperate fully, they can be struck, with the dual result that they are punished for their recalcitrance, and passage of freight to their interliners is automatically blocked. The work stoppage then masquerades as a primary dispute, rather than as part of an unlawful secondary boycott. Once a few large employers in the uncontrolled sector succumb and sign the contract Hoffa desires, he can then put additional pressures upon those remaining by his "divide and conquer" technique.

Under the 1964 national agreement, common expiration dates cover the entire IBT freight division. This accomplished, Hoffa has already started the same development for warehousemen, bakery and dairy drivers, and other groups within the Teamsters, and advocates similar coordination with other transportation unions. Recently, his thinking has progressed in two quite different directions; he has suggested that *all* contract termination dates should either be synchronized or eliminated.

Common expiration dates for contracts in all industries and occupations, Hoffa points out, would enable various national unions to help each other without fear of secondary boycott suits. Presumably, if he returned to the AFL-CIO this is one of the aggressive policies which Hoffa would favor, and the increased power thereby implied for the IBT and its general president constitutes a major reason for his desire to re-enter the federation. On the other hand, this possibility might cause certain union leaders to favor keeping Hoffa outside the federation. A uniform expiration date for all, with Hoffa in the most strategic position, might diminish autonomy among the traditionally independent members of the AFL-CIO, just as it has for Teamster locals. The consequent gain in bargaining strength might not be deemed sufficient by AFL-CIO leaders to compensate for the accompanying loss of their personal power and prestige.

Alternatively, Hoffa is toying with the idea of abolishing all termination dates; instead, he would permit the contract to be reopened by either party after 30 days' notice, a privilege which the employers are exceedingly unlikely to exercise. This proposal, if seriously pushed by Hoffa and accepted by the carriers, would be equivalent to having common expiration dates of all Teamster contracts and every other union on each day of the year. It would give Hoffa the right to create a lawful bargaining dispute at the opportune time and place, having in mind both the primary effects and the pressures exerted on secondary parties.

The common expiration date device is more than just a clever means of avoiding secondary boycott restrictions, the function stressed by Hoffa in speeches before union leaders and membership. As far back as 1942, five years before the passage of Taft-Hartley, he was maneuvering common contract terminations for local cartage throughout the state of Michigan, an early step in the direction of area-wide negotiations. In those days Hoffa had no legal rationale for imposing common expiration dates; he viewed them then, as he does now, as an indispensable step in his long-range plan to concentrate bargaining authority in his own hands.

## TERTIARY PRESSURES—HOFFA'S USE OF THE SHIPPER

Hoffa has moved one step beyond the secondary boycott, bringing tertiary pressures into play as well. Here he puts pressure on a third party to push a second party to get a first party to do what he wants. For example, the line of coercion can run from an organized carrier (third party) to an unorganized carrier (first party) via a shipper (second party).

Carriers in highly organized terminal cities may be induced by the Teamsters to refuse to handle a shipper's goods even though this action would violate ICC policy. More subtly, they can cause "inadvertent" errors or delays in the handling of his cargo, unless he cooperates. To avoid this, the shipper helpfully pressures truckers in unorganized cities to sign up with the Teamsters by threatening to cease doing business with them otherwise. This device is particularly useful where the offending carrier does not interchange freight directly with operators who are under Hoffa's control.

Hoffa's *organizing* campaigns abound with illustrations of this indirect technique. For example, Galveston, a boycotted Texas truck line, lost more volume after the overt secondary boycott than they did while it was going on, allegedly because Teamsters resorted to the "undercover" intimidation of shippers. Similarly, a storage company refused to turn over commodities to the Coffey Transfer Company of Nebraska for delivery, stating that he (the shipper) had already been blacklisted by John Bridge for doing so earlier, and as a result several large carriers had refrained from hauling his goods. Another small unorganized Nebraska trucker claimed that letters had been sent to shippers as far away as New York and Indiana, warning them not to consign their cargoes to his firm.<sup>1</sup> When several manufacturers in North Carolina persisted in hiring a nonunion carrier, ambulatory picketing ensued, during which Teamster employees of other truck lines were urged not to pick up from or deliver to the erring shippers.<sup>2</sup>

Comparable pressures have been used in localized *bargaining* disputes, such as that in New York in 1962. The shipper urges

his carriers to settle quickly, on the union's terms. If a work stoppage should occur, he warns, he will become a private trucker himself, permanently switch his business to the railroads, or transfer to other operators who have broken ranks with the employers and submitted to the union's demands.<sup>3</sup>

Hoffa's use of third parties has increased in recent years as his range of contacts has expanded and as simple secondary boycotts were legally constrained. Tertiary pressures are complicated and difficult to trace. Since shippers cannot be called before the ICC for violating their obligations to the public, as can common carriers, the pressure from shipper to "uncontrolled" carrier is unregulated and falls within the protected right of a businessman to refuse to deal with whomever he pleases. The link from "controlled" carrier to shipper is of course subject to the ICC nondiscrimination rule. Much, however, can be accomplished by undefined hints not easily proved in court. And the shipper has an easy way out, at virtually no cost to himself; he need only comply with Hoffa's request to boycott and switch his business to a more acceptable line.

DIVIDE AND CONQUER—HOFFA'S USE OF THE  
TRANSCONTINENTAL CARRIER

Closely related to Hoffa's use of the leverage principle is his "divide and conquer" strategy, a technique which has been extremely effective because of the great diversity within trucking. The truck freight industry consists of common carriers who transport goods for the general public, contract carriers who have continuing contracts with a limited number of shippers, and private carriers, or firms which are engaged primarily in non-trucking operations but haul their own goods in their own vehicles. Other distinctions may be made between local cartage and highway operations and between carriers in congested metropolitan regions and those in sparsely populated states.

Some of these trucking services are partial substitutes for each other, but frequently their collective bargaining needs are quite different. Because of the disparity of interests and attitudes on

the employers' side of the table, Hoffa is able to play one off against the other. For example, carriers on short hauls may want to keep the drivers' daily guarantee low, while those on long runs are more concerned about the basic mileage and hourly rates. Private carriers, for whom Teamster wages are only a small fraction of total costs, are particularly anxious to avoid a strike which would shut down their entire business. The numerous labor relations associations into which these employers are organized are likewise antagonistic and competitive toward each other. Thus, on several occasions, Hoffa has been able to reach his desired goal with one group of carriers, and has then proceeded to impose these terms on the others.

In order to maintain Hoffa's good will in the crucial Midwest, the transcontinental carriers have often proved particularly cooperative and effective for driving an opening wedge in difficult bargaining disputes whose outcome will affect only a minor part of their operations. When entering a new area, such as southern New England or the West in 1961, Hoffa has sometimes found himself confronted with a hostile and seemingly united group of employers, intent upon opposing his program for uniformity with the CSDC. To counteract this resistance on one occasion, a transcontinental line threatened to withdraw from the state-wide truckers' association, thereby cutting off its large contribution of per capita dues, unless the other members capitulated to Hoffa's demands. In another case, much to the dismay of the local association, transcontinental carriers were "persuaded" to negotiate as "independents" and to settle on Hoffa's terms. Such behavior places extreme pressure on truckers whose activities are concentrated in the region under question and are therefore initially inclined to take a firmer stand. If the latter refuse to accept the same conditions, Hoffa warns, they will be struck and their accounts assumed by the "independents" who have signed the contract and thus will continue to operate. Anticipating a long strike, in which their drivers might be working for their competitors and some shipping customers permanently lost, the resentful local truckers are almost invariably afraid to resist.

Recently, awakened to their common interests by the move-

ment toward national negotiations, many employers have been trying to coordinate their approach to the union. The American Trucking Associations, which disdained collective bargaining twenty-five years ago, is currently displaying greater concern. Hoffa complains about Ben Miller, the ATA's Industrial Relations Director, "lurking in the shadows at every major negotiation session, giving refresher courses to management and helping to direct their bargaining strategy." The transcontinental carriers may not settle so readily in a national agreement as they did in a smaller area where their operations were relatively limited. Employer cohesion is likely to increase as Hoffa's old-time management friends die or retire. The carriers might, for example, declare that "a strike against one is a strike against all" (as the New York City newspaper publishers did in 1962-1963)—thereby precipitating government intervention, which Hoffa is anxious to avoid. Thus, by inducing employer unity, the industry-wide agreement may eventually diminish Hoffa's divide-and-conquer power in bargaining.

#### LEVERAGE AGAINST RECALCITRANT LOCALS

Under Tobin, Teamster chiefs jealously guarded their local autonomy and resented any encroachment by the International or intermediate bodies. And the negotiation process, often the most interesting part of the job and the most rewarding in terms of popularity and prestige among the membership, was not easily surrendered. Hoffa's power over the "controlled" group of employers has helped him overcome this problem, too.

If a particular local refuses to go along with his uniform area pact and tries to hold out for higher compensation, Hoffa conveys his displeasure to friendly employers operating out of his home territory. He urges the carriers to stand firm against the local's "excessive" demands, and to route their trucks around the city in question, breaking freight at another point if a strike should occur. He dramatically accuses the Taft-Hartley and Landrum-Griffin Acts of making it unlawful for Teamsters in a different bargaining unit to honor the rebels' picket lines—a typical Hoffa

exaggeration of the actual legal constraints. He assures management representatives that the local is being pressured to capitulate, and informally warns the employers of retaliation elsewhere if they fail to cooperate with his scheme.

Union opposition in the New York--New Jersey and San Francisco--Oakland areas has been successfully countermanded by this device (Chap. 13). Such behavior of course antagonizes local officials and rank and filers who suspect what is happening. To those who cry "sweetheart," "sellout," or simply "why?" Hoffa retorts that he cannot permit the selfishness of the few to interfere with the welfare of the many. He argues that his system of centralized negotiations and uniform contract demands will in the long run bring maximum wages and employment. In any event, this tactic of suppressing dissident locals by leverage power derived from his strength with employers rarely needs to be activated. Usually the whispered threat has been enough to convince the officials of the hopelessness of their lonely stand.