



EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
WASHINGTON, D.C. 20505

February 10, 1966

MEMORANDUM

TO: Commissioners
Executive Director
General Counsel
Chief of Technical Assistance Division
Public Affairs

FROM: Samuel C. Jackson, Commissioner *scj*

SUBJECT: Commission's Policy on Merit Employment Councils

On January 21, Roger McKenzie, Chief of the Technical Division of Technical Assistance, presented the Commission with the first in-depth presentation regarding the proposed Merit Employment Councils as part of the Technical Assistance program. We were supplied with details of the Atlanta Conference to be held on February 7. We were further advised of the extensive staff work that has been done to make the Atlanta Conference a success. By our silence, we as Commissioners have seemingly acquiesced to both the merit employment concept and the Atlanta meeting. We should not allow this misconception to continue. I, for one, will fully support the Atlanta meeting and will retain an open mind on what the Commission's follow-up action should be to that particular session. I am opposed, however, to continuing current action plans for the M.E.C.

The purpose of this memorandum is to present the disadvantages of the Commission's adopting the Merit Employment Council as one of its major projects at this time and to suggest alternative programs for Technical Assistance. The memorandum will be in three parts: I. The disadvantages; II. Alternative sponsors and timing; and III. Other programs for Technical Assistance.

I.. The Disadvantages:

a) Within the Negro community and among civil rights organizations, there is a very negative assessment of voluntary employer programs. This is largely so because of the lack of vigor shown by Plans for Progress. This suspicion should not be lightly regarded. I am aware that many of the companies and persons connected with Plans for Progress have real sincerity and an abiding belief that employment opportunities for minority group citizens should be enhanced. Since the passage of Title VII of the Civil Rights Act, Plans for Progress has developed programs relevant to the pressing problems of unemployment of minority group citizens.

Notwithstanding my appreciation of Plans for Progress or the high regard in which the program is held by many officials and citizens in Washington, we must be cognizant of the fact that this opinion is not generally shared by most minority group citizens. Indeed, much of the criticism vented against the PCEEO and its successor, OPCC, is as a result of its close relationship with Plans for Progress. I submit that as a new agency we can hardly afford to establish a program that is so similar as to be indistinguishable from the Plans for Progress approach in local communities. It is hardly an answer to say that the Merit Employment Council will be different from Plans for Progress because it is sponsored by the EEOC and "we have more willingness to develop meaningful programs than other organizations." Assuming this self-serving argument to be true, it can hardly be persuasive to minority citizens who now have no impression of EEOC as a more militant or sincere agency.

b) Such programs should be initiated by businessmen to enhance their acceptance. The success of Plans for Progress and the voluntary organizations that exist in Chicago and Milwaukee is contained in the fact that they were initiated and controlled by the constituent members themselves and not by a Federal agency. The primary

inducement for a businessman to join such an organization is the absence of governmental control. The businessman is of the opinion that he is being an exemplary citizen by volunteering to do something to alleviate a pressing national problem. This essential element is hardly present when a governmental agency which can exercise sanctions and compliance reviews on business is the initiator of the project.

c) There is a definite impropriety in a regulatory agency organizing the businesses that it has the legal responsibility to regulate. Despite our best intentions to avoid conflict between the Commission's responsibility to serve charging parties and our assumed responsibility to provide advice, assistance and stimulation to the Merit Employment Councils, many instances would arise that could raise questions about our primary interest. With increased association, requests might be made by members of the Merit Employment Councils that would be in direct conflict with our responsibility as a regulatory agency. And the failure to honor such requests would necessarily impair our position with the Merit Employment Councils. The host of agreements that grew up between Plans for Progress and the President's Committee suggests many patterns these subtle pressures might take. Again it is no sufficient answer to say that we are different from the President's Committee and that we would not yield to such pressures. I am not sure that we would not yield on some counts where the temptation is particularly great. This further underlines the incongruity of a regulatory agency's organizing the persons that it must regulate--familiarity does not always breed contempt.

Such an agency should not subject itself to the appearance of evil that might occur to the minds of reasonable people who examine our program and look towards the Commission as their main hope of enhanced employment opportunities. The Chinese have an ancient and wise expression--"He who would avoid suspicion ought not tie his shoes in a melon garden."

d) This is not a proper utilization of the Commission's resources vis-a-vis the other demands of our mission. According to the latest information, the Commission has nearly 800 cases that it has not yet been able to investigate. We have been completely unsuccessful in trying to process any case within the 30 days (or extended 60 days) allotted to us by Congress. We invariably attribute this backlog to insufficient staff and budget to handle our workload. Time is running out for us to continue to use this argument. We must determine whether or not we are properly utilizing the Commission's resources. This means the establishment of priorities that will permit us to respond to those demands for our services in a way that is most consistent with our establishment. Title VII was enacted to provide a statutory remedy to deal with the grievances of Negro and other minority citizens. Machinery already existed in the Federal Government to establish voluntary employer councils. Proof of this is the existence of Plans for Progress as established by the President's Committee. Thus, Congress did not need to pass legislation to permit such programs to be established. Title VII is largely the product of the expressed grievances of Negro citizens who demonstrated en masse, with the support of their many white allies, during the summer of 1963 and the spring of 1964. It was to meet this need that Congress enacted Title VII and established the EEOC. Nearly 4,000 aggrieved citizens have chosen to call upon the Commission to relieve their grievances. Our primary responsibility thus lies in dealing with these cases. The commitment of the Commission's limited resources should be directed towards servicing charges. This does not mean that I would limit the Commission to being merely a complaint-processing agency; rather, it is that I consider the primary role of Technical Assistance to be essentially that of providing relief for an aggrieved party and class.

Often the class significance of the individual's charge cannot be successfully resolved through a mere conciliation agreement, then the services of Technical Assistance should be made available to maximize the broader interest we have in a given case. Presently it appears that we have approximately as many permanent professional employees working on the establishment of Merit Employment Councils as we do investigating and conciliating cases. This to me constitutes an improper utilization of the Commission's limited resources and is further proof of the untimeliness of establishing Merit Employment Councils.

e) Such programs would compete with Plans for Progress and other local voluntary efforts. Plans for Progress has already announced that it plans to establish local units of voluntary employer associations interested in promoting equal employment opportunities. Recently it was publicized that 134 businessmen in Cincinnati have established a Plans for Progress unit. Local Councils already exist in Milwaukee, Chicago, Dade County, Florida, and in other cities throughout the nation. One panel of the recent annual conference of Plans for Progress was devoted to the establishment of local units. We were recently advised at a Commission meeting that Plans for Progress has expressed concern lest our Merit Employment program conflict with their planned effort. We were also told that Plans for Progress officials have refused to participate in our Atlanta Conference after expressing their concern over our entering the field. It becomes more evident, then, that the Commission should give serious consideration to the advisability of competing with Plans for Progress and other voluntary agencies.

In summary, our involvement in the Merit Employment Councils appears to be a strange anomaly indeed--we, a federal regulatory body, are competing with a federation of businessmen to establish a program parallel to one they have already begun, aimed at winning voluntary citizen participation which they best represent, which will cost

us resources that we cannot now spare, even though this program threatens to loose the confidence and goodwill of the very minority group whose interest and concerns we are primarily dedicated to further and protect.

II. Alternative Sponsors and Timing for Merit Employment Councils:

I share the concern of those who feel that increased employment opportunities must be made available for minority group citizens by encouraging employers to establish local Merit Employment Councils. The question then becomes: how best can this be accomplished, if not as proposed by the Technical Assistance Department under the sixty-cities project? I would suggest three alternatives:

- a) Urge Plans for Progress to expand immediately its programs on a local basis with some assistance from the Commission. This could include offering advice to Plans for Progress in publishing material sponsored by the Commission that would be directed toward local agencies.

- b) Use the offices of the National Urban League as the contact for the establishment of Merit Employment Councils. There is no organization in America that has had more sustained experience in working at the community level with employers. The National Urban League has one or more staff members in each of the 70 cities in which it operates. These staff members should be a ready source of advice and counsel to local Merit Employment Councils. The National Urban League has also entered into many contracts with various governmental agencies to sponsor training and educational programs designed to assist Negroes and other minority groups to gain equal employment opportunities. If the Commission were able to enter into some type of a consultant-contract relationship with the National Urban League to assist in establishing Merit Employment Councils, we would benefit by the good reputation that this organization has in many of the cities in which it operates, both with the Negro community and with businesses in each city.

c) Postpone the Commission involvement in the Merit Employment Councils until a later period of the Commission's operation. This would permit the Commission to engage in several other programs of technical assistance that would gain for us an experience to offer to businesses that would be a much better selling point for the establishment of councils than the Commission now has. After we have sustained successes in providing technical assistance to those employers that are respondents before the Commission, we would have a story to sell that should enable us to gain more support for Merit Employment Councils sponsored by the Commission.

III. Other Programs for Technical Assistance:

- a) Providing technical assistance to each respondent that has been charged before the Commission. This should be an in-depth program with periodic follow-up to assure the maximum relationship with each respondent.
- b) The implementation of Commissioner Hernandez's program relating to expanding industries and job opportunities for minority groups in training programs wherever new jobs are opened by the expanding industries. A high-priority task for the Technical Assistance staff is to identify growth industries and geographical areas in which these are now being concentrated, as well as projections for the future. Full utilization of the labor force in each area--particularly in the South--should be a goal toward which technical assistance efforts could be directed. This should be coordinated with the Department of Commerce studies of plant movement.
- c) Studying the testing programs that are in existence in most employment fields. This would consist of evaluating the tests to determine if they are job-related and if they contain any cultural bias. After we have gained expertise in evaluating these tests, we could offer services to employers and to the companies that devise tests in an effort to remove one of the greater barriers to job opportunities to minority group citizens.

d) Giving attention to industries and companies which have symbolic significance to the minority group community-- again, with emphasis on the South. This applies also to job classifications in a variety of companies and to entry into apprenticeship programs. For generations, certain jobs in certain companies have been outside the reach of Negroes because of policies designed to exclude them. An example of this is the retail-store occupations and the refusal to allow Negro employees to have contact with customers except in stores which serve other Negroes exclusively. To work as a salesclerk in a downtown store holds special significance for many Negroes; this explains, in part, the reason for the unusually large number of charges directed toward stores and banks in North Carolina. Another example of a symbolic company for Negroes is the telephone company. Any area in which exclusionary efforts have operated successfully may be considered to fall into this category.

e) Expanding plans for technical assistance to labor organizations. In time, the work of the Commission's Labor Liaison Specialist should come to include not only the development of affirmative action programs with the unions, but also cooperative projects with government agencies and voluntary organizations to recruit the minority group workers for whom and with whom the unions may use some of their new techniques for any affirmative action efforts. Special attention should be given to developing methods for reaching the racial practices of the apprenticeship programs of the craft unions.

f) Prompt follow-up is called for with regard to the multitude of published reports about cities and industries and even individual companies, dealing with plant expansion labor shortages, plans for employment of large numbers, etc. It is likely that such activity may best be handled through Regional Offices once these are established, but coordination will be necessary and should come from the Commission.

- g) Developing programs to enable employment discrimination to be attacked on a community wide basis with the cooperation of the Community Relations Service (as suggested by Commissioner Graham).
- h) Exploring novel ways in which we and the Office of Economic Opportunity can mutually facilitate and expand our effectiveness.
- i) Examining the problems of making high school counseling and vocational education relevant for the minority community, and developing programs for their improvement.
- j) Developing programs to attack employment discrimination in recruitment and referral through University and college placement centers.
- k) Undertaking a project of combating the housing reinforcement of employment bias.

Several other programs have been proposed by other Commissioners and staff personnel (including the staff of Technical Assistance) that should receive priority in the use of limited staff resources, ahead of a Merit Employment Council project. I, therefore, request that the Commission set aside one of its early meetings to discuss this matter in detail in order that we may set proper policy and define priorities for the Office of Technical Assistance.

JOINT MEETING
FEDERAL POWER COMMISSION
AND
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
WITH
REPRESENTATIVES OF THE UTILITIES INDUSTRY

Washington, D.C.

June 12, 1968

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JOINT MEETING
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Indian Treaty Room
Executive Office Building
Washington, D. C.

June 12, 1968

The meeting was called to order by Lee C. White,
Chairman, presiding.

PRESENT: Mr. Fred Abramson, Special Assistant to the Chairman,
EEOC

Mr. J. H. Abramson, Vice President, Puget Sound
Power and Light Co.

Mr. Clifford L. Alexander, Jr., Chairman, EEOC

Mr. G. L. Andrus, President, Middle South Utilities

Mr. John M. Arthur, President, Duquesne
Light Co.

Mr. T. L. Austin, Jr., President, Texas
Power & Light Co.

Mr. C. F. Avila, Chairman of the Board and
Chief Executive Officer, Boston Edison Co.

Mr. T. G. Ayers, President, Commonwealth
Edison

Mr. Carl E. Bagge, Commissioner, FPC

Mr. David L. Bardin, Deputy General Counsel,
FPC

Mr. J. H. Barnes, Vice President, Personnel,
American Electric Power Service Corporation

Mr. George Beard, Vice President and General
Manager, Pacific Power & Light Co.

Mr. R. M. Besse, Chairman of the Board,
Cleveland Electric Illuminating Co.

Mr. Donald S. Bittinger, President, Washington
Gas Light Co.

Mr. Robert R. Blackburn, Executive Vice
President, Southern California Gas Co.

Mr. C. H. Blanchar, President, Public Service
Co. of Indiana

Mr. Michael Blumenfeld, Director of Education,
EEOC

Mr. R. F. Bovier, President, Pennsylvania
Electric Co.

Mr. K. E. Bowen, President, Central Illinois
Public Service Co.

Mr. John T. Brown, President, Equitable Gas
Co.

Mr. Forrest Bugher, Assistant to the President,
International Union of Operating Engineers

Mr. J. K. Busby, President, Pennsylvania
Power & Light Co.

Mr. James M. Cain, Vice President, New Orleans
Public Service Co.

Mr. John A. Carver, Jr., Commission, F.P.C.

Mr. J. Thomas Cathcart, Executive Vice
President, Boston Gas Co.

Mr. Gordon Chase, Executive Director, EEOC

Mr. Arthur L. Clark, Personnel Vice President,
Virginia Electric & Power Co.

Mr. Herbert D. Clay, President, Iroquois Gas Corporation

Mr. Manuel F. Cohen, Chairman, Securities and Exchange Commission

Mr. L. D. Collins, Vice President - Operations, Central Power & Light Co.

Mr. E. Wayne Corrin, President, Consolidated Gas Supply Corporation and Texas Eastern Transmission Corporation

Mr. William J. Crawley, Executive Vice President, Northern Illinois Gas Co.

Mr. J. K. Davis, President, Toledo Edison Co.

Mr. R. D. Dillsaver, Cities Service Gas Co.

Mr. Edward C. Duffy, President, Long Island Lighting Co.

Mr. W. H. Dunham, President, Central Maine Power Co.

Mr. Arthur Ehrnschwender, Vice President, Cincinnati Gas & Electric

Mr. Claud Erickson, President, American Public Power Association; General Manager, Board of Water and Light in Lansing, Michigan

Mr. James H. Finch, Jr., Legal Assistant to Commissioner O'Connor, FPC

Mr. O. T. Fitzwater, Chairman of the Board and President, Indianapolis Power & Light

Mr. C. J. Fritz, Administrative Vice President and Executive Assistant, South Carolina Electric and Gas Co.

Mr. Gerald Frug, Special Assistant to the Chairman, EEOC

Mr. Bernard Gallagher, Senior Vice President, Consolidated Edison Co. of New York

Mr. A. T. Gardner, President and Chief Executive Officer, Delmarva Power & Light Company

Mr. G. P. Garver, President, Natural Gas Pipeline Co. of America

Mr. Edwin George, President, Detroit Edison Co.

Mr. Robert H. Gerdes, Chairman of the Board, Pacific Gas and Electric; President, Edison Electric Institute

Mr. Spofford Giddings, Executive Vice President, Central Maine Power Co.

Mr. Alvin Golub, Office of Research, EEOC

Mr. Floyd L. Goss, General Manager, Los Angeles Department of Water and Power

Mr. L. D. Gray, Special Assistant to the President, Louisville Gas & Electric Co.

Mr. Norman S. Halliday, National Association of Electric Companies

Mrs. Doris Hardesty, AFL-CIO

Mr. Edwin I. Hatch, President, Georgia Power Company; Southern Companies

Mr. J. P. Hayward, Chief Executive Officer and President, Atlantic City Electric Co.

Mr. James R. Hinkle, Vice President of Personnel, Carolina Power and Light Co.

Dr. Luther Holcomb, Vice Chairman, EEOC

Mr. D. F. Hughes, Senior Vice President, Potomac Electric Power Co.

Mr. Burl B. Hulsey, Jr., Texas Electric Service Co.

Mr. E. A. Hunter, Vice President, Utah Power and Light Co.

Mr. Mark Hutcheson, Senate Commerce Committee Staff

Mr. C. C. Ingram, Chairman, Oklahoma Natural Gas Company

Mr. Samuel C. Jackson, Commissioner, EEOC

Mr. B. S. Jeffrey, President, Kansas Power & Light

Mr. Carl R. Johnson, Chairman, Committee on Gas, Natl. Assn. of Regulatory Utility Commissioners

Mr. Richard C. Johnson, Assistant Executive Director, FPC

Mr. Mercer Jones, Public Affairs, EEOC

Mr. B. Z. Kastler, Jr., Vice President and General Counsel, Mountain Fuel Supply Co.

Mr. D. S. Kennedy, Chairman of the Board, Oklahoma Gas & Electric Co.

Mr. John N. Kerr, Public Service Co. of Colorado

Mr. Henry Kimmey, Superintendent of Personnel, Baltimore Gas and Electric

Mr. Sherman R. Knapp, Executive Vice President, Northeast Utilities

Miss Elizabeth J. Kuck, Commissioner, EEOC

Mr. W. G. Kuhns, President, General Public Utilities

Gen. Jess Larson, Counsel, Pacific Power & Light Co.

Mr. James R. Leva, Personnel Director, Jersey Central Power & Light Co.

Mr. D. D. Loden, Chairman of the Board, Southwestern Public Service Co.

Mr. Marcus Loftis, Assistant to the International President, International Brotherhood of Electrical Workers

Mr. J. E. Logan, Vice President, Jersey Central Power and Light.

Mr. Cecil E. Loomis, Chairman, The Columbia Gas Systems, Inc.

Mr. Charles Luce, Chairman and Chief Executive Officer, Consolidated Edison Co. of New York

Mr. W. T. Lucking, Chairman and Chief Executive Officer, Arizona Public Service Co.

Mr. Richard J. Lyman, Director of Personnel, New England Electric System

Mr. D. Bruce Mansfield, President, Ohio Edison Company

Mr. Charles B. Markham, Director, Office of Research, EEOC

Mr. William C. Marris, President, United Gas Pipeline, United Gas Corp.

Mr. John F. McGee, Vice President - Personnel, Dayton Power & Light Co.

Mr. E. Clyde McGraw, President, Transcontinental Gas Pipeline Corp.

Mr. W. B. McGuire, President, Duke Power Co.

Mr. William Meserve, Senate Commerce Committee Staff

Mr. D. H. Mitchell, Chairman, Northern Indiana Public Service Co.

Mr. Walter L. Mitchell, President, International Chemical Workers Union

Mr. K. C. Moore, Vice President for Administration, New York State Electric & Gas Co.

Mr. John W. Morton, President, Cities Service Gas Co.

Mr. Richard O. Newman, Public Service
Company of Oklahoma

Mr. William J. Nolan, Assistant General
Manager, Sacramento Municipal Utility District

Mr. Lawrence J. O'Connor, Jr., Commissioner,
FPC

Mr. Fred Oldendorf, Jr., Vice President and
Director, Southern California Edison

Mr. R. A. Olson, President, Kansas City
Power & Light Co.

Mr. James A. O'Neill, President, Niagara
Mohawk Co.

Mr. William J. Pachler, President, Utility
Workers of America

Mr. J. D. Perley, Consolidated Natural Gas
Company

Mr. R. T. Person, Chairman of the Board and
President, Public Service Company of
Colorado

Mr. Dewitt Pike, President, Rochester Gas
and Electric Co.

Mr. H. W. Pirkey, Jr., President, Southwestern
Electric Power Co.

Mr. William Pollard, AFL-CIO

Mr. Joseph H. Purdy, Vice President, Baltimore
Gas and Electric

Mr. Robb Quinby, Senior Vice President, The
Brooklyn Union Gas Co.

Mr. Alex Radin, General Manager, American
Public Power Assn.

Mr. R. W. Ramsdell, Chairman, The East Ohio
Gas Company

Mr. Richard Rapattoni, Director of Utility Operations, International Brotherhood of Electrical Workers

Mr. Timothy Y. Regan, Vice President, Boston Edison Co.

Mr. J. L. Rice, Jr., President, Allegheny Power System.

Mr. G. E. Richard, Chairman of the Board, Gulf States Utilities

Mr. R. G. Rincliffe, Chairman of the Board, Philadelphia Electric Company

Mr. Reeves Ritchie, President, Arkansas Light & Power Co.

Mr. Paul Rodgers, General Counsel, National Association of Regulatory Utility Commissioners

Mr. L. G. Roemer, President, Wisconsin Public Service Co.

Mr. Charles R. Ross, Commissioner, F. P. C.

Mr. Leon A. Rushmore, Vice President, Long Island Lighting Co.

Mr. W. K. Sanders, First Vice President, Independent Natural Gas Association of America; President, Panhandle Eastern Pipeline Co.

Mr. Francis A. Scarvie, Assistant to the Superintendent, Seattle Department of Lighting

Mr. Elmer G. Schloot, Secretary, Southwestern Public Service Co.

Mr. Robert E. Schwab, Personnel Vice President, Detroit Edison Co.

Mr. Glenn T. Seaborg, Chairman, Atomic Energy Commission

Mr. John S. Shaw, Jr., President, Southern Natural Gas Company

Mr. Omar Simonds, President, Tennessee Gas Pipeline Co.

Mr. Charles G. Simpson, General Manager,
Philadelphia Gas Works Div., United Gas
Improvement Company

Mr. Floyd J. Smith, Vice President,
Metropolitan Edison Co.

Mr. J. G. Smith, Vice President - Personnel,
Pacific Gas & Electric Co.

Mr. E. H. Snyder, President, Public Service Electric
& Gas Co.

Mr. Peter B. Spivak, Committee on Electric and
National Assn. of Regulatory Utility Commissioners

Mr. Richard A. Steele, Assistant General Manager,
Citizens Gas & Coke Utility

Mr. H. F. Steen, President, El Paso Natural Gas Co.

Mr. Ben S. Stefanski, II, Director, Depart-
ment of Public Utilities, Cleveland

Mr. Willis A. Strauss, Chairman of the Board
Northern Natural Gas Co.

Miss Billie Ann Stultz, Public Affairs, EEOC

Mr. William S. Tarver, Executive Vice Presi-
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Mr. C. A. Thurston, Coordinator of Minority
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Mr. Kyle Turner, Treasurer, Atlanta Gas
Light Co.

Mr. L. S. Turner, Jr., President and Chief
Executive, Dallas Power & Light Co.

Mr. W. O. Turner, Consultant, Louisiana Power &
Light Co.

Mrs. Gladys Uhl, Public Affairs, EEOC

Mr. C. W. Uhlinger, Vice President, The Columbia
Gas Systems, Inc.

Mr. James R. Underkofler, Wisconsin Power &
Light Co.

Mr. Harold S. Walker, Jr., Director of Public
Affairs, American Gas Assn.

Mr. Robert W. Wall, Vice President, Florida Power
and Light Co.

Dr. Phyllis Wallace, Chief of Technical Studies,
Office of Research, EEOC

Mrs. Carol Wallin, Program Planning, EEOC

Mr. W. Duke Walser, Executive Vice President,
Tennessee Gas Pipeline Co.

Mr. Frank Warren, President, National
Association of Electric Companies

Mr. William L. Webb, Director, Office of
Public Information, FPC

Mr. Lee C. White, Chairman, FPC

Mr. E. T. Willauer, Personnel Vice President,
Northern Illinois Gas Co.

Mr. Vicente T. Ximenes, Commissioner, EEOC

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OPENING REMARKS BY LEE C. WHITE,
CHAIRMAN, FEDERAL POWER COMMISSION

CHAIRMAN WHITE: Gentlemen, as you see by the agenda, I am to open the meeting.

During my two years at the Federal Power Commission, I have talked to leaders from the electric power and natural gas industries on subjects vital to the businesses you manage and the public you serve. We have debated many important questions, and we have sometimes seen things differently. But today we confront a different kind of subject, far more urgent and complex than most, yet one which should produce no disagreement in principle among us. Today we explore with the utility industries the pressing need to translate the principle of equal employment opportunity into action.

We live in an age of drastic changes, one full of hope -- but also full of danger and heavy with recent tragedy. Progress over the past decade has shown that we can do much to rid America of prejudice and poverty. But the same record shows how much more we have to do, in the nation in general and the utilities industries in particular.

Not one among us would question the seriousness of developments in our country. Nor should we confine ourselves to considering only the most cataclysmic problems, such as urban rioting and violence directed at the persons of our national leaders. To appraise the challenges of the age rationally, we

must include the broader problems: subtle discrimination in economic opportunity; indifference or apathy toward injustice; the unrest and turmoil on our college campuses; the new citizen activism, ranging from sit-ins for lower food prices and complaints against utility deposit requirements to demonstrations on the Vietnam war.

These developments together raise one overriding question: Do our institutions have the capacity to cope with the unprecedented challenges which characterize this decade? The conventional wisdoms don't seem to work any more -- a good sign that they need critical re-examination. Particularly outdated, in my opinion, is the belief that an industry is doing enough for the country by efficiently supplying steel, bread, electric power or natural gas.

Most of us hold deep-seated feelings against over-reliance on Government to cure social ills. But the answer to over-reliance on Government rests on the willingness of business to redefine its responsibilities to embrace these problems. Americans rightly look to non-federal institutions as the first resort in coping with acute employment problems of our society. That is why we are meeting here today.

By discussing your record in equal employment opportunity, I am not implying that any sector of our society has a monopoly on virtue or on injustice. I have reviewed the Federal Power Commission's record in equal employment opportunity and I

am not satisfied with what I see. To be sure, using the EEO Form 1 with which most of you are familiar, 18.1 percent of our total staff comes from minority groups. But most of these are office and clerical people. Of our 50 "officials and managers" only two are minority group members. Of our 598 professionals, only 35 come from minority groups -- about 6 percent. We are determined to do better.

Plainly, where the problem has long existed, it cannot be eliminated in a matter of weeks. With respect to my own responsibility I can say this: the issue is not whether the difficulty can be eliminated easily and without strain on the organization. It is whether, despite the strains, each organization will stand up and be counted on a crucial social question of this generation. It is whether by concrete action business will assume a leadership role in the move toward equality of opportunity in our society.

Leading American corporations have recently taken some promising first steps. Industry has begun to recognize its fair share of responsibility to provide opportunity to all citizens without regard to color or creed. I refer particularly to the National Alliance of Businessmen and to the Urban Coalition, of which many of you are members. Business stands at the vital center of the first of these, and in the vanguard of the second. Both efforts are directed to the goal of providing tangible, positive job creation programs in our central cities. But these

programs are primarily aimed at entrance level jobs. There is an equal need to scrutinize job opportunities at the middle and senior levels for which there are qualified minority candidates today. And this is, if I may interpolate, an additional problem that we at the Federal Power Commission are facing up to this very moment.

A telephone industry executive has set forth the challenge in no uncertain terms. Noting that the accomplishments of business in meeting our nation's goals certainly seem impressive, Robert D. Lilley, President of New Jersey Bell, concludes:

"But when compared to the scope and size of the problems our nation is facing, the total effort of all American business is really only a drop in the bucket. More must be done."

The electric power and natural gas industries are headed by men whose resourcefulness we witness daily. I know that your industries can stand at the forefront of these efforts. Indeed, certain companies among you have already shown tangible results. And in the discussion period today, I expect leaders of such companies will describe the techniques which produce results -- so that we may all profit by their experience. On many occasions when I have talked to industry officials, I have felt the need to express a note of apology for talking on a tone of preachment and sermonizing. And I think the reason I can do it in good conscience and good

faith is because I know full well the people to whom I am talking really for the most part, are highly receptive to it. We are talking today, and will talk further, not about some insight into human behavior and personnel actions that have been discovered by some fountain of wisdom located in Washington. But in large measure we are here to discuss some of the tactics, techniques and practices that you gentlemen -- some of you gentlemen, I wish it were more -- have already come upon and have implemented. You are working in an atmosphere that suggests a willingness to be involved and to devote your energies, and in which it appears that there's likely to be some considerable progress.

I know, for example, that there are among you, people who are playing an active role in your own community. Tom Ayers, for instance, has just been elected president of an organization in Chicago that is a sort of a leadership group on civil rights and which, according to a newspaper clipping that was sent to me, is leading the campaign for open housing legislation in Illinois. I know that when the invitations to this meeting were sent out that Earl Zwald of the Northern States Power called and said that he had prepared a little booklet of the accomplishments of Northern States in the hope that I would have a chance to look at it before the meeting. Included in it are such things as editorials from the Minneapolis newspapers

congratulating Northern States and Earl Ewald on their leadership. How good their results may be in terms of minority employment I can't say, but I know that much has been done. Consolidated Edison -- I see Chuck Luce is here, and I know from reading his reports to the stockholders that appear in the newspapers that they are spending a great deal of time and energy on this problem. I know of Northern Natural's efforts in the management of a job center program in the State of Nebraska, and its continuing efforts. Let me make it clear that we are not unaware of the fact that there are many of you who have already demonstrated the type of leadership that we hope will be contagious. We are aware of that, and we are hopeful that in the more candid discussion period here that there will be an opportunity for some of you who have already had limited successes, or even better than limited successes, to explain and indicate how they were achieved and why they came about.

In any event, I pledge my personal help, as well as the full support of our Commission and staff, for any efforts that the industries or individual companies launch in this area. Future employment reports from the industry will, I am confident, show the results of a dedicated effort on your part.

Each industry undoubtedly has unique problems in making this effort. Each industry also has special opportunities. The power and gas industries penetrate every level, and span all

segments of our society. All skill levels are represented; all kinds of jobs. I heard from one utility executive that Negroes are employed in 132 job classifications in his company. There is tremendous potential here for reaching our citizens with visible signs of progress in equal employment opportunity.

Equal employment opportunity cannot be just a passive company policy. It does not mean simply putting an end to active discrimination and giving impartial treatment to any applicant who knocks at the door. If this had been true throughout the country for the last hundred years, it might well be sound policy today. If we began now, it might be sound policy one hundred years from now. But the legacy of discrimination is too strong. We must seek from the outside and from within our own organizations qualified minority applicants for all kinds of jobs, professional as well as unskilled, middle and senior level people as well as new college graduates. We must develop training programs tailored to the needs of minorities, as well as the needs of the institution. Anything less I fear will not succeed.

I know such a change in direction may create some morale problems among present employees. But your organizations have the flexibility, and your executives the imagination, to deal with such reactions, not perfectly perhaps, but to work them out with sensitivity for the interests of all. This is not a job that can be passed on to your personnel directors, however competent and dedicated they may be. And I know that we have

present in this room a level of executive management in the utilities industry of the United States that is truly remarkable. Let me note here our appreciation and our acknowledgment of the fact that you men have dropped your busy schedules or interrupted your busy schedules to come here. This in my view is a very heartening sign, and one which I believe will give us a great deal of encouragement in the pursuit of our basic objectives.

I know that this is a matter in which all have an interest, and that in every segment of both of the major industries represented here there is an increasing awareness of what the problems are and what must be done. But, above all, I think that you must know that it is the Chief Executive Officer who sets the tone, the pattern, and the emphasis within each company. Your companies look to you for leadership. And if they don't, before long you will have new employees, or there will be new leaders. Your personal commitment will be sensed, and will have an effect no other official in your organization can achieve. It is up to you.

With that, gentlemen, I would like to turn the session over to Mr. Alexander. I have known him for a good number of years. We have both had occasion to work together as members of the White House Staff. I can commend him to you as a very sincere and a very dedicated and very forward thinking young man who has a great deal of drive and energy. I think he has done superlative work in his role thus far as Chairman of a very difficult

commission, a very important commission with a very difficult assignment. We who are members of the Federal Power Commission are very sensitive about how we talk about members of another commission. And I didn't mean to suggest that his membership was difficult, only that the problems they face are difficult. And I can say that reasonably well, since I do know some of the members and have known them since the Commission first came into being as the result of the enactment of the Civil Rights Act in 1964.

It is with considerable pleasure that I introduce Mr. Alexander. And again, our thanks to all of you who have come.

(Applause)

OPENING REMARKS BY CLIFFORD L. ALEXANDER, JR.,
CHAIRMAN, EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

CHAIRMAN ALEXANDER: Thank you very much, Lee White.

My fellow Commissioners, Commissioners of the Federal Power Commission, and the heads of the Atomic Energy Commission and the Securities and Exchange Commission. It is a pleasure to have with us the high level representation that we do have today from the utilities industry. We appreciate your being here this morning. And we feel certain that this experience will be of benefit to all of us here today.

We of the Equal Employment Opportunity Commission welcome the cooperation of the Federal Power Commission in sponsoring this meeting, and the interest of the Atomic Energy Commission and Securities and Exchange Commission in attending.

The electric power and natural gas industries have a tradition of technological progress. The processes of generating and transmitting electric energy have become more efficient. New techniques of construction and maintenance of facilities for natural gas transmission, distribution, and storage had made gas utilities better able to serve their consumers. We are here today to stimulate progress toward equal job opportunity in these industries, progress which the data you will see today show is much needed. You are the leaders of vital industries. Only your action, from the top, can assure such progress.

According to your industries' 1967 reports to the

EEOC, out of a total employment of 565,053 you employed only 22,042 Negroes, or 3.9 percent of your total workforce. Negroes held very few white collar or skilled craftsman jobs, constituting only 1.7 percent of a white collar workforce of 274,231 and only 1.4 percent of the industries' 156,480 craftsmen. Employment patterns for Spanish-Surnamed Americans were equally discouraging, as we shall see in the data to be presented today. These figures represent a modest improvement at best from what they were a year earlier -- and the relative rank of your industries that year versus others in the nation was not the one in which to take pride.

Your industries are not, though, the only ones whose employment data implies the same absence of equal opportunity for minorities. We have, for example, undertaken a program to unlock jobs for Negroes in the textile industry of North and South Carolina based on an analysis of employer reporting forms which indicated a substantial underutilization of Negro workers. Drug manufacturers have underutilized both Spanish-Surnamed Americans and Negroes, and we have given many of them technical assistance in increasing their minority group participation. We held hearings in New York City last January to confront some of the nation's largest white collar employers with evidence of gross underutilization of minorities and women in white collar jobs. We have plans to confer with leaders of other industries that exhibit a steadfast pattern of low utilization of minority

groups, their concentration in lower-level, low-paying jobs, and their exclusion from managerial and sales positions.

What do we plan to accomplish today?

First, we want to show each of you, who is undoubtedly aware of minority employment patterns in your own company, the picture for your industry as a whole and how the gas, electric, and combination utility groups contribute to that picture. We do not believe it is a picture of which you will be proud, collectively or -- with few exceptions -- individually. The exceptions to the patterns are encouraging in kind but discouraging in number.

Second, we want to describe the kind of efforts that are necessary to change this picture. One matter is clear: these hours we spend today in conference will mean very little, if they do not lead to action. Such action is possible only with the commitment of top industry management. Your presence here today, I think, implies that commitment. But commitment which is unfulfilled may be apathy if not self-deception. And that is why we hope that the programs we will discuss today will help you translate your commitment into action. The time-consuming complaint process would well become the alternative.

What is the kind of action we seek?

First, we can do no less than demand full compliance with the law. Congress passed the Civil Rights Act which made discrimination illegal four years ago. Four years ago. Yet

today some companies still believe that equal opportunity belongs to the wobbly sphere of "moral responsibility." Let us be clear: Title VII of the Civil Rights Acts is the law, and breaking it is lawlessness.

We must also urge what we call "affirmative action." "Affirmative action" is characterized by efforts to promote significant inclusion of minority manpower rather than simply to refrain from excluding it.

Very often the company that accepts "voluntary compliance" will see red flags of reverse discrimination when asked about "affirmative action." This problem will be discussed later.

Equally often the company rejects affirmative action on what it believes to be pragmatic grounds. Taking it for granted that qualified minority workers are not available, the company concludes that it will have to hire incompetents, who will ruin productivity. Let us be clear that we will not call on you for indiscriminate hiring; but we will insist upon truly non-discriminatory hiring.

Let us be clear, too, that we do not advocate that you slacken your standards of service reliability or safety to facilitate equal employment opportunity, but we will certainly call on you to recognize that these legitimate goals may become thinly veiled acts of discrimination when applied to many specific jobs. To demand that a machine operator be able to tell you why the machine works rather than simply understand how to

make it work may make you feel more comfortable. But I doubt if that ability really makes a difference in the safety or reliability with which the machine is run. And if it does not, the demand, if it has an invidious effect on minority applicants, may be downright discriminatory. Another thing we are saying is that you must make your employment decisions on business judgment, not on social judgment.

I refer here to the fear that the community will oppose the hiring of Negroes and Spanish-Surnamed Americans in public contact work -- in jobs ranging from meter reader to salesman. We ask that you evaluate the applicant in terms of the real requirements for the work, and not in terms of the assumed bias of some members of the public.

And when you define job requirements in real terms -- at managerial as well as blue collar levels -- you will see the hypocrisy so many companies practice in describing as "affirmative action" their search for the Puerto Rican or Negro Thomas Edison. The minority superman is as scarce as his majority counterpart. The qualified minority worker is found and hired every day by employers who translate pledges into performance with respect to equal employment opportunity. Such employers fill thousands of average jobs that daily open up by normal turnover or growth with average minority workers. These workers daily perform those jobs no better and no worse than the average "majority" workers who have traditionally been hired for them.

Realism and diligence will destroy the myth that qualified minority workers are not available. And when they have been hired, the myths of reduced productivity, sales, and safety at the plant and raised eyebrows in the community will be dispelled apace.

In most cases all that is required to execute a plan to bring the minority participation up from the grossly low levels that you will see characterize companies in your industries is to devote the same attention to recruiting and upgrading minorities as you always have "majorities." The techniques and channels of recruiting may vary, but the principle is the same -- to match people who can do a job or be trained to do it to the job that needs to be done. It is the same principle which could reverse another discouraging pattern we see in your employment statistics: the exclusion of women from white collar employment above the clerical level.

In other cases a more special effort is needed. We must be willing to reach out for the "unemployable." We must be willing to train him for the job itself and sometimes even to train him in what holding a job means and requires -- knowledge long common to the majority and long denied to residents of the ghetto and the rural slums. To reverse the effects of discrimination takes special effort; to call that effort reverse discrimination is an exercise in evasion. In the words of President Johnson:

"You do not take a person who, for years, has been hobbled

by chains and liberate him, bring him up to the starting line of a race and then say, 'you are free to compete with all the others,' and still justly believe that you have been completely fair."

Let us agree here today that as industry leaders you will take steps not just to proclaim at large that the gates of opportunity are open, but to make certain the message is heard by those whom years of experience have taught to be skeptical. Steps which will demonstrate that behind the open door there is more than just a waiting room. Let us assure you that we will help you take these steps and will observe your progress with the greatest interest and encouragement. And let us hope that the ingenuity you apply in taking them will serve as an example to the many other industries with whom we shall undertake the kind of effort we do with you today.

I thank you very much.

(Applause)

Ladies and gentlemen, next we will hear from Mr. Charles B. Markham, our Director of Research at the Equal Employment Opportunity Commission.

"EMPLOYMENT PATTERNS IN THE UTILITIES INDUSTRY,
1966-67," CHARLES B. MARKHAM, DIRECTOR OF RESEARCH,
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

MR. MARKHAM: Chairman Alexander, ladies and gentlemen.

The Equal Employment Opportunity Commission's Office of Research has prepared an analysis of the employment of minority groups and women in the nation's utilities industry, based on EEO-1 reports filed in 1966 and 1967 with the Commission, the Office of Federal Contract Compliance and Plans for Progress.

This study is confined to utilities classified as electric companies or systems; gas companies and systems, including pipeline transmission companies; and those providing electric or gas services in combination with other services. Water and sanitation services are not represented because these employers are generally exempt from the reporting requirements. For purposes of this discussion, the term "utilities industry," unless otherwise specified, refers to all electric, gas, and combination companies. More than 96 percent of total industry employment in both years is covered.

Electric companies account for 45 percent of the industry total, combination utilities 30 percent, and gas distribution and pipeline companies, 25 percent. Utilities employment is about equally divided among white and blue collar workers, with skilled craftsmen as the largest single occupational

category, followed closely by clerical workers.

Although technological advances are such that utilities are not expected to show significant increases in total employment during the next decade, the estimated 60,000 job openings occurring annually through normal turnover nevertheless make this industry a major source of employment opportunities for minority groups.

For this and other reasons discussed here today, it is important that we examine the character of the utilities industry's response to this pressing national need.

For all these reasons, also, it is discouraging to note that companies in the utilities field have not compiled the record in equal employment opportunity that their pre-eminence in other areas of community concern would lead us to expect.

In 1966 the utilities industry reported approximately 566,000 employees. Of that total, 20,720 were Negroes and 5,828 were Spanish-Surnamed Americans.

Thus, Negroes constituted only 3.7 percent of utility company employees.

This is the lowest representation of Negroes in any of 19 industrial groups reporting more than half a million employees each, as we see in this slide. Utilities are in green at the bottom. The leader in this group of 19 is medical services, with somewhere in excess of 17 percent Negro participation rate; primary metals, second; food and kindred products; and so on.

Electric utilities and gas pipeline companies utilize Negroes at even lower rates than the utilities industry as a whole.

(New Slide)

They are the two green bars at the bottom. The gas distribution companies show a better record than only four other industries, electric machinery, non-electric machinery, communications, and finance. The combination utilities exceed in Negro participation only finance, which includes insurance and real estate.

(New Slide)

Next we see how utilities compare with seven of these 19 industries where job requirements are roughly comparable in that there is a heavy demand for clerical and for skilled blue collar workers in each. The best of these is primary metals which employs proportionately about three and one-half times as many Negroes as utilities do. Transportation equipment and transportation have records more than twice as good as utilities.

This pattern is also evident when we compare utilities with other industries in terms of absolute exclusion of Negro employees. Forty-eight percent of all reporting units in utilities had no Negro employees whatever...one in every two utilities establishments could not find a single Negro worker for any job. Obviously many utilities operate in localities where there is no Negro population, but the same is true of other

employers. Almost every community in America -- outside of rural areas -- does have a hotel, a hospital, a restaurant, a bank, a retail store, a telephone or telegraph office or radio station, some branch of the building construction industry, and one or more utility companies.

(New Slide)

In this slide we see how utility companies compare with those other employers which have widely dispersed facilities throughout the nation. And here we see that utilities have the questionable distinction of being the leader in exclusion of Negro workers. One out of every two establishments reported no Negroes whatever. About 47 percent of the establishments in construction reported no Negroes. And that was followed closely by communications. And so on down to hotels and lodging places, in which case 15 percent were, as we call them, zero employers.

The 3.7 percent Negro utilization rate previously mentioned covers all industry employment regardless of the type of job. Underutilization is particularly severe in white collar occupations where Negroes participated at a rate of only 1.3 percent, predominantly in office and clerical work. According to the 1966 reports, in the nation's utility companies, there were only 110 Negro officials and managers, 0.2 percent of the total; 152 professionals, 0.4 percent of the total; and 81 sales persons, 0.6 percent of the total. The Negro market for consumer goods and services has been estimated at \$30 billion

a year. In view of the sales employment figure just quoted, utility companies assume apparently that Negro families do not buy gas or electrical appliances, or even frequent their show-rooms and demonstration centers.

We have been discussing participation or utilization rates -- that is, the Negro percentage of all employees in the industry or in a given job category. The occupational distribution among Negro employees is another means of measurement; this indicates that those Negroes who are employed are heavily concentrated in the lower-paying jobs: one in every five Negro employees is a service worker, 25 percent are laborers, 25 percent are operatives, and 15 percent are office and clerical workers. Only one Negro in 200 fills a managerial position.

Occupational distribution provides insight also into job opportunities for women in the utilities industry.

(New Slide)

As we see in the next slide, females, compared to male employees, are clearly second-class citizens in this industry. 90.4 percent of all women employees are clerical workers, 2.1 percent are professionals, and 1.1 percent are officials and managers. Thus the disparity between males and females is about 12 to 1 in the highest white collar category, and about 3 to 1 in the next highest, and about 6 to 1 in the technicians' classification. Although not shown on this slide, the occupational disadvantage is even more apparent for Negro women. Whereas

90.4 percent of all women held clerical jobs and 3.1 percent were service workers, 68 percent of Negro women held clerical jobs and 31.2 percent were in the service category.

We have seen the poor national record of utilities in the employment of Negroes compared to other large industries. We will now move to analysis of that record in specific local areas in comparison to all reported employment in these areas in 1966. A similar analysis will be made of the employment of Spanish-Surnamed Americans, who are concentrated in a few states and metropolitan areas and for whom nationwide statistics are not as meaningful.

For purposes of this analysis certain Standard Metropolitan Statistical Areas, or SMSA's, were selected by the following criteria: they have at least 100,000 total population; at least 10 percent Negro population; at least 500 reported employees in the utilities industry. A total of 39 SMSA's met these criteria, and 15 SMSA's were chosen where Spanish-Surnamed Americans constituted at least one percent of total EEO-1 employment for 1966.

In each of these SMSA's we have compared the Negro, or Spanish-Surnamed, employment reported by utility companies to the employment of these groups among all employers reporting in the area.

These are the findings with respect to Negro employment:

In each of the 39 areas, utilities employ Negroes at a significantly lower rate than employers generally. An extreme example of the general pattern is provided in one area where over 20 percent of all reported employees were Negro. In this area, only 0.7 percent of utility employees were Negro, about one-thirtieth the rate for the area as a whole. In one Southern SMSA, Negroes accounted for only 7.8 percent of utility company employees compared to the all-industry rate of more than 25 percent. In a Midwestern community, the Negro share of utility jobs was 1.4 percent compared to 15 percent of all reported jobs.

These figures reflect total employment, but the picture is not substantially different if white collar or skilled craftsmen categories are used. Utilities fall below the area-wide white collar rate in 38 of 39 cases, and below the area craftsman rate in 37 of the 39. In nine of these SMSA's -- only one of which had a Negro population below 15 percent -- there were no Negroes reported by utilities in any skilled blue collar job.

We have constructed an index by which these relationships can be graphically presented.

We have assumed as a base of 100 the Negro participation rate for all employment in an SMSA and have expressed the Negro rate in utilities employment as a proportion of that figure. An index of 100 would indicate that Negro employment

in utilities is on a par with the area employment as a whole; if Negroes constitute 10 percent of EEO-1 employment in an area, and 5 percent of utility employment, the index value for utilities would be 50.

(New Slide)

This slide indicates the distribution in 39 SMSA's. As you can see, the bar across the top is par, or 100. And utilities in every case are below that base of 100. Index values are shown along the lower side of the slide, and the 39 areas are plotted along the bottom.

As we see, the utilities in only one area scored as much as 90 on this index. At the other end of the scale, two areas showed a value of less than 10; six less than 20; and 27 less than 50. This means that in 27 of the 39 areas studied, the utilities industry had a record in Negro employment less than half as good as all reporting employers.

In Negro white collar employment, we find that in but one area do utilities employers exceed the all-industry rate; in one other area they score above 90 on the index; in four instances utilities score less than 10 -- one-tenth as good a record as all employers. In 26 of the 39 areas, the all-industry Negro participation rate is at least double the Negro rate in utilities jobs.

In craftsmen employment, utilities fare even worse in comparison to employers generally. In 32 of the 39 areas the

utilities industry scores less than 50 on the index. In 14 areas, utilities have a Negro employment rate less than one-tenth that of all industry.

The same patterns appear when employment of Spanish-Surnamed Americans is considered.

In 15 SMSA's where this group is heavily represented in the labor force, utilities employed Spanish-Surnamed Americans uniformly at rates below the area-wide average. For example, in Miami, persons of Spanish surname constituted 12.5 percent of all-industry employment, compared to 1.6 in utilities. In another area where this minority made up more than 10 percent of the workforce, utilities reported not a single Spanish-Surnamed American on their payroll.

(New Slide)

The next slide presents the data for the 15 SMSA's in the same format as was used for the 39 major centers of Negro employment. Again, the all-industry base with an index value of 100 is shown across the top, the index values for utilities are along the lower left-hand side, and the 15 areas at the bottom.

In total employment, utilities in seven areas scored no better than one-tenth as high as other employers in the hiring of Spanish-Surnamed Americans. The highest scores on the index appeared in the areas in the range between 40 and 69. In white collar employment, utilities in two areas equaled or

exceeded all-industry employment, but in eight instances rated less than 40 on the scale. In craft employment, utilities in eight of the 15 areas scored less than 10.

In one of our previous slides we indicated the variations in the 1966 Negro employment record of four segments of the industry, with gas distribution companies reporting the highest participation rate for Negroes and gas pipeline companies the lowest.

(New Slide)

The relative position of the four has not changed in 1967 as we see in the next slide: Pipelines, 2.8; electric power companies, 3.1; combination companies, 4.5; gas distribution, 5.7.

When the four groups are compared by occupational category, however, we see that the leadership of gas distribution companies may be accounted for largely by their record in blue collar employment. In each of the white collar classifications except professionals, the combination companies show a higher Negro representation than other segments of the industry. Combination companies lead in the overall employment of Spanish-Surnamed Americans, and in blue and white collar employment of this group.

Thus, it may be instructive to explore the four segments of the industry individually. In each instance we shall examine the record of the industry segment as a whole and also

that of selected companies within each.

(New Slide)

First, electric companies which, as we have seen, lag behind gas distribution and combination companies by every standard in Negro employment.

In this industry, total and Negro employment dropped in 1967, but the Negro rate increased slightly from 2.9 to 3.1 percent. Perhaps the most significant trend was the substantial increase in the total number of Negro clerical workers (about 200) in the face of a decline of some 3,400 employees in this category. But note that there are still only 33 Negro managers among 28,635, 82 professionals among 18,541, 16 salesmen among nearly 6,000, and 302 craftsmen among an industry total of more than 72,000. Since Americans of Spanish surname are not widely distributed geographically, we can only note that there was a very slight increase in the overall participation of members of this group in 1967, from 0.5 to 0.6 percent.

One electric power company serves a city where Negroes comprise 10 percent of the total population, and thus a sizeable proportion of the consuming public. Its Negro employees were 0.4 percent of all employees, and 0.4 percent of all white collar workers. It employed not a single Negro craftsman. Another company serving an area with a Mexican American population of about 10 percent employed Mexican Americans in 1966 and 1967 at a rate of about 1.6 percent.

There are 11 electric utilities which in 1966 or 1967 reported total employment of at least 5,000 each. Most operate in areas with substantial Negro populations and several are also located in centers of Spanish surnamed population. The increase in total employment among the 11 industry leaders for 1967 was 2,394 -- with a net increase of six Negro employees. The Spanish-surnamed participation rate in this group of 11 companies was 0.3 percent in 1966 and 0.3 in 1967.

(New Slide)

In our next slide we see the industry totals for gas distribution companies. Total employment declined about 2,000 in 1967; Negro employment about 200, from 5,300 to 5,100; and the overall Negro participation rate dropped from 5.9 to 5.7. There were increases in the hiring of Negroes in the managerial, professional and clerical categories. But Negro participation as craftsmen dropped sharply, from nearly 1,100 to a little over 700. Spanish surnamed participation fell from 1.1 percent to 0.9 percent.

Despite its overall leadership in Negro employment, the gas distribution segment of the industry reported only 21 Negro managers among nearly 11,000 in 1966, and 25 in 1967. The slide indicates the minute fractions of Negro employment in the other high-paying white collar categories. Even in clerical jobs, the Negro range is 3.2 to 4.0 percent.

Thirty-eight gas distribution companies account for

about two-thirds of the industry's total employment. Gross underutilization of minority groups is indicated in most of these companies. For example, a gas utility serving an area about 20 percent Negro reported that only 0.3 percent of its white collar employees in 1966 were Negro; four percent of the area's skilled craftsmen were Negro, but this company employed no Negroes in this category. Puerto Rican representation in an area with a large population of that group was 0.5 percent in another gas company, less than one-tenth the area-wide rate. In 1967 a company in a Southwestern city reported a rate of 1.2 percent for Mexican American white collar workers, all in the clerical category.

(New Slide)

In the next slide we present the totals for 45 companies engaged primarily in the transmission of natural gas, that is, "pipeline companies." Note here the almost complete absence of Negroes in the higher level white collar positions: 4 managers out of 6,550; 4 professionals out of more than 3,500; 6 technicians out of more than 2,800; 2 salesmen out of 685.

Gas pipeline companies are concentrated in the southwestern states where Mexican Americans are a significant factor in the labor force. In 1966, the 45 companies employed 784 Mexican Americans, 1.5 percent of their total. This minority's participation in white collar employment was 1 percent; in managerial jobs, 0.4 percent, and in the professional category,

0.3 percent. In blue collar, the rate was 1.8 percent and in skilled craftsmen, 1 percent. Total Mexican American employment declined in 1967.

Finally, we turn to combination utilities, which, as we noted, lead the industry in employment of Negroes in several white collar categories, and rank second in total employment.

(New Slide)

Reported employment increased by about 20,000 jobs in this sector of the industry in 1967, with Negro employees rising about 1,500. The rate of Negro increase was about double that for all employees, and there was improvement in the Negro participation in nearly every job category. There were even shifts downward in the lowest-level classifications. However, Negro representation remains very small in white collar work where this segment is the industry leader: 57 managers out of more than 18,000; 69 professionals out of more than 12,000; 134 technicians out of 12,000; 27 salesmen, less than 1 percent. And this is the industry leader.

Twenty-eight combination utility companies, many of them represented here today, provide around 90 percent of total employment in this segment of the industry. Two of these companies employed no Negroes in either 1966 or 1967. Of the remaining 26, 14 employed no Negro managers or technicians, 17 no Negro salesmen, 11 no Negro professionals, and seven no Negro craftsmen.

Individual company data offer some forceful demonstrations of Negro underrepresentation in employment by combination utilities:

A large company operating in a city over 10 percent Negro employed no Negroes in either year. For industry as a whole in that area, Negro participation was over 5 percent.

In 1966, a combination utility in an area where Negroes constituted over 12 percent of the EEO-1 workforce, employed Negroes at a rate of 3.9 percent. Only 1.5 percent of its white collar employees were Negro.

Spanish-Surnamed Americans are frequently underutilized by combination utility companies operating in areas where this minority is present in substantial numbers.

A company located in a city with a population almost 10 percent Mexican American, employed this minority at a rate of 1.5 percent. Only 1 percent of the company's white collar employees were drawn from the Mexican American community.

In another company, Puerto Ricans participated in employment at a rate of only 0.1 percent and held no skilled blue collar jobs, despite substantial representation in the local population and labor market.

There are eight combination utilities with over 5,000 employees. Together they reported over 100,000 employees in both years. Despite the fact that all operate in either major metropolitan areas or states with significant minority popula-

tions, they fell below the industry-wide rate of minority participation. In 1966, the top eight companies employed a total of 10,666 officials and managers of whom only 43 were Negro; in 1967 there were only 50 Negroes in a total of over 11,000 executives. In each year one company employed over 50 percent of all Negro managerial employees, while employing only 26 percent of all managers. Two companies employed no Negroes at this level. Negroes were also grossly underrepresented in professional, technical and sales positions with one company consistently employing over half of all Negroes in such jobs. Negroes participated in skilled blue collar employment at a rate of 2.1 percent in 1966 and 2.7 percent in 1967. Again, one company is responsible for most Negro employment, accounting, in each year, for over 60 percent of Negro craftsmen, though they employed only 20 percent of all craft employees.

From 1966 to 1967, white and blue collar Negro employment in the leading companies increased. Negroes accounted for 37 percent of the total employment increase and 31 percent of the white collar increase. There was also substantial improvement in skilled blue collar jobs. Participation by Spanish-Surnamed Americans also improved over the period, reflecting slight increases in both white collar and blue collar employment. Ten percent of the companies' total employment increase, and six percent of the white collar increase, reflected employment gains by this minority. Most of the

improvement for both minority groups, however, was attributable to the company that had the best record in 1966.

We have now examined the utility industry as a whole, and each of its four segments.

There are several possible explanations for the industry's generally low rate of minority employment. One, discussed above, might be that minority groups are heavily concentrated in low-paying, unskilled jobs, and that utilities offer fewer of these, proportionately, than most industries. EEO-1 data show, however, that utilities consistently fall below overall industry minority employment rates in all occupational categories. A related point might be that utilities, because of "promotion from within" policies, must hire "over qualified" persons for entry-level jobs, and that there are few qualified minority individuals available. Lack of qualified applicants might also account for minimal representation of minority groups among managerial, professional, technical and sales employees. Minority group individuals might appear to be "uninterested" in working for utilities, as evidenced by a small number of applicants.

Comparison of data for individual companies shows
unmistakably, however, that minority employment varies for
reasons apart from job requirements, supply, internal promotion,
lack of applicants, etc. When companies similarly situated, in
terms of location, employment structure, and other related

factors, show sharp differences in performance, it is obvious
that at least some of these differences result from the attitudes
and behavior of those who own and operate the companies.

Our last two slides demonstrate this dramatically.

(New Slide)

Here we have a Southern Standard Metropolitan Statistical Area, the same labor market. The combination company shows a Negro participation in total employment of 14 percent. The electric company shows a rate of 3.9, about one-third or one-fourth as much as the combination company. In the employment of craftsmen, the combination company has a rate of 6.5 percent, the electric company is 0.9, about one-seventh as good as the combination company.

Next, in the Northern area, the same labor market, the same levels of training and skill in the community. The gas company has a total Negro employment rate of 14.7, the combination company, 3.9. The disparity is even greater in the employment of craftsmen, 16.2 for the gas company, and 2.5 percent for the rate of Negro participation in the combination company.

Now, in a Mid-Atlantic area, the gas company has a Negro participation rate in the total employment of 24.9 percent. One in every four of its employees are Negroes. The electric company shows 14.8 percent, 10 percentage points behind. But curiously in white collar the electric company has 6.3 percent, and the gas company only 2.5.

Then, turning back to craftsmen, we find that the gas company show 17.8 percent, and the electric company 0.2, a difference of about 85 to 1.

(New Slide)

Now, the same demonstration in the variations in the hiring of Spanish-Surnamed Americans in the same area, the same labor market, where the employer community is competing for people with the same level of skill. On the West Coast, the gas company shows a total Spanish-surnamed employment rate of 6.4 percent; the electric company, 1.5. In white collar employment, 5.2 to 2.1, better than twice as good. Craftsmen, about 11 or 12 times better, 6.2 percent for the gas company, 0.7 for the electric company in the hiring of Spanish-Surnamed Americans.

In the Southwestern area, the gas company and the electric company are about even in white collar employment, but the gas company is about five times better than the electric company proportionately in the hiring of Spanish-surnamed employees, 5.9 to 1.1 in total employment, as against craftsmen, the same ratio, 4.4 percent to 0.9.

In another Southwestern area we have two electric companies, A and X. So, the job requirements are exactly the same. The labor market is identical. Company A has a Spanish-surnamed participation rate of 5 percent; Company X, 0.3 percent. They have the same low rate in white collar. X has no Spanish-surnamed craftsmen, and A has a rate of one in 200.

These and other examples suggest that there is nothing inherent in utility employment that makes it inappropriate for, or unavailable to, minority group individuals. As we have seen, some utility companies manage to find and hire significant number of Negroes, Mexican Americans, and Puerto Ricans. But others in the same area do not.

The Consolidated Edison Company, a combination utility, provides perhaps the most encouraging example of increased minority participation. It has recently released its minority employment figures. From 1966 to 1967, the company's total employment increased by almost 700. During the same period, the number of Negro employees increased by 463. Negroes thus accounted for 66 percent of the total employment gain. With an increase of 95, Puerto Ricans constituted 14 percent of the overall increase. Negro representation increased even more dramatically in white collar occupations. While the company's white collar workforce increased by only 126 over the period, there were 229 more Negro white collar workers in 1967 than in 1966. The Puerto Rican share of the general white collar employment increase was 13 percent. Although the utility's skilled blue collar employment decreased slightly from 1966 to 1967, the number of Negro craftsmen increased by 14 percent, with a gain for Spanish-surnamed craftsmen of 5 percent.

Consolidated Edison has shown that it is possible for utilities to make significant advances in minority employment,

within a very short time. We hope that the next year will see marked improvement by others.

The nation has every reason to expect the utilities industry to pursue and achieve full participation in employment by minority groups. This industry has a unique relationship to, and a special interest in the economic vitality of, each community it serves.

It is appropriate for an industry which has benefited from and contributed so much to the economic growth of the nation to exert its imagination and know-how to insure full access to job opportunities for all Americans.

(Applause)

CHAIRMAN ALEXANDER: I thank you very much, Mr. Markham, for a very fine presentation.

If we may deviate from our agenda, may I thank you all for your attention. And perhaps under our semi-private circumstances it would be best for us to have our coffee break at this time and then come back in and have a bit of dialogue in about 15 minutes. Thank you very much for your attention.

(Recess)

CHAIRMAN ALEXANDER: Ladies and gentlemen, may we resume now, please.

A few procedural announcements. First of all, at 2 o'clock, Chairman White and myself will have a press briefing at the Equal Employment Opportunity Commission, 1800 G Street,

my office, Room 1246. That briefing will not identify any of the individuals present in terms of the conversation that we have now. Also, we will not give to the press the slides that have been presented. But what will be presented is what you see in your booklets at the present time. Anyone in this room is warmly invited to join us at that time, at 2 o'clock, in Room 1246 at the Equal Employment Opportunity Commission, 1800 G Street.

May I also thank several representatives of the operating representatives of the unions that have worked for many years jointly and cooperatively in these as well as other efforts. We are pleased that they are here with us. And I know they share your concern to see to it that we do make substantial progress in the field of equal employment opportunity.

I think I'm going to try, if I may, to return to that table, so that we can keep this as informal as possible, and get away from this podium.

I am trying to get someone else to do some of our work for us here, and in a very brief discussion with Mr. Luce of Consolidated Edison -- I hate to put him on the spot in front of his colleagues here, but he did indicate some real progress in terms of identifying minority employees at a variety of levels. And he has released his statistics publicly on his employment records. None of these statistics of your companies will be released publicly by us. It is of course at any time the prerogative of

any individual company to say anything that that company pleases about these statistics, but it will not come from us. They are governed by confidentiality.

As you see, we have talked about Standard Metropolitan Areas where we do mention cities. In our report there are enough utilities in that city so that you cannot point to Company X and say, this is their report. But again, any company does have the right, as you have, to release its own statistics.

May I at this time ask Chuck Luce if he would tell us a little bit about his programs. Maybe that can get the discussion going. And any of us are open to any questions.

MR. LUCE: Thank you, Chairman Alexander, and the members of the Commission, ladies and gentlemen.

Maybe it will be of some interest to you, since it is of great interest to me, that Chairman Alexander is a former employee of Consolidated Edison Company in our summer employment program. He was a technician testing water, as I recall, at one of our generating stations.

CHAIRMAN ALEXANDER: That is right.

MR. LUCE: I might speak briefly about our efforts at Consolidated Edison to adopt a positive program for reaching out and providing employment opportunities to Negroes, Puerto Ricans, and other minority groups. We don't claim to have all the answers by any means, or even most of the reasons. But we

have had, for a variety of reasons, including principally, I suppose, the cities where we operate, quite a lot of experience in this sort of thing, which we are most willing to share with others. We have been over the past nine or ten months sending out squads of our people to other utilities to study how they do this, that, and the other thing having to do with production economy, efficiencies, and accounting procedures used in computers, and so forth. And certainly if we can reciprocate in any way by sharing with you our experiences in the field we are discussing today, we will be pleased to do it.

Our general approach has been that we have a positive duty, not merely to provide equal opportunities, but to do something about it by reaching for these people who have suffered, as Chairman Alexander has said, the negligence of the past.

I think essential to our program -- and I suspect to any program -- is a very close cooperation with the union. Our employees are nearly all represented by the Utility Workers of America. Bill Pachler, the President of the National Union, is here today, I believe. This cooperation has been the keystone on which this program has been built. And I would suspect that any utility going into this kind of a program on an aggressive basis will find the cooperation of his local unit as a sine qua non of a successful program.

We have tried to take our program out into the

communities where the Negro and Puerto Rican people live through going to high schools and talking to the kids who are graduating and talking to the undergraduates too, and providing for those kids that are having their trouble staying in school part-time jobs where they promise that as long as they keep their grades up we will continue the employment. And we have 135 of them at the present time. And we are providing jobs for the dropout kids, I think we have 85 or so of them now. But we feel that it is important not to let the impression get around that they will get a job with our company if they drop out of high school. That is why we have this program, so that they can earn money on week-ends to stay in school.

We follow this thing statistically. Mr. Gallagher, Senior Vice President of Public Relations, is here with us today. And I might say that to him really belongs the largest share of credit for the program which the Edison Company had and had before I went to New York. We have simply continued it since I have been up there. We follow statistically on a weekly basis how we are getting on in the employment of the minorities. I get a weekly report from Bernie Gallagher, and he gets one from each of the departments of the company. And these statistics report not just the employment, but how many have left, and their reasons for leaving, and so forth. So that at the top we know on a statistical basis how things are going.

I think it is most important that we attempt -- of course,

we think it is important to our program to reduce our program to some kind of a statistical basis so that we can keep score of how we are doing. We are not just talking about equal employment, we can actually measure it.

I think it is also very important that we get the whole organization involved. I mentioned union cooperation. Obviously our first and second line supervision also ~~have~~ to be in this, and particularly with the hard core unemployed, to bring them aboard to try to qualify them to do productive work. The supervision really has to take a personal interest in these fellows. And we try to assign them to the supervisors where we think there's the most understanding and the most helpfulness, because really that is where you get the results.

There is a great deal else I could say. But I think there will be others who have suggestions and ideas about this. We are going to continue our program, hopefully expanding it to include an upgrading of the basic education of the kids that we bring aboard. We are trying to get into one of these Federal programs where we really teach reading, writing, and arithmetic to the hard core unemployed who come aboard, partly for their benefit, because we don't want them to reach a ceiling because of lack of communications skills or not being able to read or do simple arithmetic, we do not want it said of our company that we are discriminating against these employees because they fail to advance. And I think there are all kinds of reasons that we

have to do the job that the public school didn't do. And that is to complete the elementary education of these people. We are getting advice from the Columbia University teachers, college people, and I am sure that in other communities there are other educational institutions where you can get the same kind of help. But we are determined, partly on company time and partly off company time, to continue the education of the hard core unemployed on a skill and general education basis.

CHAIRMAN ALEXANDER: Thank you very much, Mr. Luce.

Any questions?

MR. SPIVAK: My name is Peter Spivak. Chairman Alexander. I am Chairman of the Michigan Public Service Commission. And I am also Chairman of the Committee on Nuclear Energy for the National Association of Regulatory Utility Commissioners. I am here representing the National Association.

I think it is important that some statement be made on behalf of the state regulation here too. Each of us is associated with one or more state regulatory commissions. We are every bit as concerned as the Federal representatives who are here. And, secondly, we are concerned because we feel on a very close basis with the people who are from our individual states and individual cities.

And I just must be candid and say that we have 11 percent of our population which is underrepresented in policy A making jobs throughout our society. Our industry is delicately and

intimately associated with the homes of all of the citizens of this country. You reach in, and you provide sustenance, comfort, and the wherewithal to create the environment for most everyday living in the home.

Now, your industry is a uniquely fitted to be custodian of a long overdue fulfillment of the American dream for 11 percent of our population.

Now, I want to put it as bluntly as I can. The Negro is being shortchanged, is still being shortchanged. And you are a public service industry. But it is not enough to get a Negro man and put him by the door, or find the prettiest colored girl you can and give her a receptionist's job, and think that the job is done. That is what a lot of people have done. You have got to look at management and supervisory people, supervising white employees, not just get a fellow in charge of tire manufacturing or the repair shop supervising six other Negroes. This is not solving the problem that permeates the atmosphere which creates meetings like this. It is not good business for you not to do it. It is an ostrich attitude for you not to be planning to do it. The Negro male and female are just as qualified in every way as a white male and the white female. If your employees tell you that they find it difficult to work for a Negro supervisor, they will tell your friends usually that it is difficult to work for whatever supervisor they have, because they think they are smarter than he is anyhow. It is not a

problem that is unique to industry. If you let it be unique, you are letting it be unique only because the color of the supervisor's skin is different than yours.

This country cannot waste more than 10 percent of its greatest assets, its people. There is no industry that is more effective with the public interest than yours and which has more self-interest in seeing this problem solved.

Window-dressing won't do it. And a delayed minimal program won't solve the problem either.

I was interested in what Mr. Luce said about their re-education of people. Many companies -- we personally found this in Detroit after our unfortunate experience in July, although the NAACP and other organizations had been telling us this for years -- many companies are giving people with third and fourth grade educations high school and college level reading tests, and then when they can't pass them, are washing their hands and saying, we can't hire those people. Why should you do this? Is there no more imagination in the personnel departments of American industry than that? I don't believe it. The auto companies and other companies have said that they don't need to do that, that there are ways of solving this problem, and that it is really a part of the American way of life not to penalize the man who got a third or fourth grade education because nobody was interested in his getting any more than that. And this is also part of the public interest.

I urge you to take this very seriously, to implement programs that are going to place our minority citizens in the forefront of our industry which most intimately affects our society.

CHAIRMAN ALEXANDER: Thank you, Mr. Spivak.

I think one obviously must be concerned with the underutilization of blacks in the society. But I would also like to point out that there is a significant underutilization of Spanish-Surnamed Americans around this country. Also, in talking to Mr. Kennedy, I believe, from Oklahoma, I understood that there is an underutilization of our Indian population which also falls within our jurisdiction. Some of these problems will only relate to you according to where you sit geographically.

Now, if there are any further questions or comments as to problems, successes you may have, criticisms you may have, or what you have been doing, we would appreciate hearing from you.

Yes, sir.

MR. SNYDER: My name is Edwin Snyder, President of Public Service Electric and Gas Company, Newark, New Jersey.

The reason I want to stand up here is because I think there is a definite note of optimism at least in our part of the country, which is in metropolitan New Jersey, with the results that have been obtained just in recent months. I am not going to go back through all the history, but of course we joined the NAB in 1964, I guess it was, and there followed the NJAB in

1967. And there were numerous other efforts being made locally, such as training people in our building for stenographic and clerical jobs, taking in high school dropouts on a 50-50 basis -- I mean by that, working one week and going to school one week and so forth, to get to the high school diploma stage. And we have about 12 of those, not many, but it is a real start. And we have four others who are potential dropouts who work on a similar basis.

Now, the reason I say that there is reason for optimism is that in our company, for example, where as of the 31st of March, we had only 4.3 percent of employment of Negroes and 5.3 percent of all minority groups, we hired during 1967, 225 Negroes, which represented 12 percent of the hires in that year. For the first quarter of 1968, we hired 166, which represents 39 percent. And for the total minority group it is 43 percent. We do not have a large Spanish-American population, but we did have a group, and they are coming in in greater numbers.

And now for the period from 1966 to the end of March of this year, strangely enough our total employment went up by 366 persons, or 1.8 percent. The Negro employment went up 236 persons, the same number, or a 63 percent of all employed. And of course this takes into account retirements and separations, and all that. So it isn't really a fair criteria a bit but it is an indication that we are on the curve going up at long last. And I really believe that this is going to bear fruit in a big

way within a short length of time. We have committed with the NAB Program for 105 permanent jobs and 105 summer jobs. And we are getting them in in some quantity. Our problem in the past has been, we have been unable to attract people to come in and work for us. But, once the things takes hold, I think it is sort of self-perpetuating. And that is why I said, there is a real optimistic note.

One of the things that we did, we got a Negro who had been with us for ten years and had reached the level of lineman, first grade. He was a fine man, doing a lot of community work. And we made him one of our employment representatives. He had a hard time. Some of the people that he was trying to employ abused him somewhat. And strangely enough, a young married woman in the employment office was the one who persuaded him to stay. He is doing a fine job.

And our latest step there -- and I cite all these things only because it takes a lot of small steps to make the thing go -- we are opening a branch commercial office right in the middle of the area where the riots occurred last summer. We are leasing a building there. We have obtained a young Negro man to be the branch manager. And we have told him to select his people. We have posted the jobs, and we have got 14 applicants, both Negro and white. And he very wisely selected -- he had two lieutenants and one is going to be a Negro and one a white man. And the others are going to be just willy nilly, it is going to be

entirely mixed. And all of these people that are going there -- and we will open this in July -- are very enthusiastic about this. Because we think this shows our confidence in this community. And it will result not only in aiding the community, but it will also improve the possibilities of our increasing our Negro employment.

CHAIRMAN ALEXANDER: Thank you very much, Mr. Snyder.

I think that there are a few points that are of great significance that Mr. Snyder pointed out that we have found to be of great help in attracting minority workers. First of all, the placement offices, the convenience of the public, specifically in the minority areas is a fine testament that in fact you do mean business about providing equal service and equal employment opportunity to the entire community.

A second point is, it helps to create believability in a minority community that is rightly skeptical about having minority personnel people working for you side by side with whites, with the authority of whites to handle employment problems. It is going to be very difficult, frankly, as we found in New York from the testimony of major corporations in this country, to attract high-level corporate executives from minority groups if they walk into a company and don't see a minority secretary there or a minority personnel force. Their believability, their belief in your credibility, this substantially reduces when they do not see anyone in a hiring situation, and

their belief in their opportunity to move forward will be substantially reduced, and perhaps will cut down on your chances of getting a good qualified person.

Commissioner Jackson.

COMMISSIONER JACKSON: Mr. Chairman, I would like to make a couple of brief observations, based upon the number of cases that our Commission has analyzed involving the utilities.

One of the things that we have found that in many instances unwittingly you have provisions in your collective bargaining agreements with unions that have the effect and the consequence of limiting promotional opportunities for Negroes and other minority groups. We found, for instance, that in many instances many times the size of the collective bargaining agreement itself, the scope of the unit, is limited, and does not include the job categories that traditionally Negroes have been hired in. For instance, it is very common in the public utilities contracts with some unions that the janitor jobs, and in some instance a laborer jobs, are not included in the pool. So what happens here is that these people are not able to bid on production jobs. We have found this instance to occur so often that we would certainly want to urge you to re-examine your collective bargaining agreements in those instances where the unions are willing to agree to the expansion of the collective bargaining agreement unit so as to include minority workers and give them an opportunity to bid on jobs in production. You will

find that that will enable you to in many instances promote from within much more rapidly than trying to attract people from the outside.

And, secondly, I just want to underscore this point about the auditing of the existing minority work force to see to what extent there is underemployment among those who already work there, as well as the whole area of underutilization in terms of the number who are working for you in relation to the white employees. I think it is very important that you see to what extent you have persons who are working below their skill potential and their educational attainments. Your industry, you will probably find, is not unlike most industries that we have found, and that is that you just promote those who are already working for you to jobs equal to their educational levels. You will certainly be able to improve your current hiring patterns tremendously.

I was very much impressed by what Mr. Snyder said when he indicated that they took someone from production and assigned him to a job in personnel. This is the kind of thing that we have found in other industries that have substantially improved their hiring patterns.

CHAIRMAN ALEXANDER: Thank you very much, Commissioner Jackson.

I think an offshoot of one of your points is the great importance of not just thinking in terms of hard core unemployed,

but of those you already have, and the potential market for the available trained members of minority groups that are presently in existence in the society. We found in New York City that four banks, for example, had Negro managers, five in the same general category had none. We see in the Government that the President is capable of finding five Negro members of the City Council out of nine, and a Cabinet member, and appointing four Negro judges in one day. And yet in many parts of your industry there is nothing that would be in any way comparable to this. The people are there. Some of the recent statistics on Negroes entering college are quite significant. Princeton University had a class of 700, and it will have approximately 76 Negroes. New York University will have over 1,400. New York City University had some 15,000 Negroes and Puerto Ricans today. It does require looking first within to those that you have underutilized, as many of us have had to do in Government, and promoting them to the kind of jobs that their training and background say they ought to have, and secondly, looking without as you do to the white community, not to just social contacts, but to the minority groups themselves to find out where you can locate people to hold every level of job, I think, within your industry system.

Commissioner Xinenes.

COMMISSIONER XIMENES: Mr. Chairman, I was very much interested in one item that was brought up by Mr. Luce, the idea of trying to inject some basic education into the activities that

you engage in in order to reach some of the minority groups, especially those that are in the Southwest and in the Midwest and in the east, especially New York, those groups which constitute Mexican-American and Spanish-speaking people of this nation. There is some difficulty in the school system for this particular group at this particular time. We have a dropout rate of anywhere between 30 and 80 percent among the Mexican-Americans. And this is an indictment upon our educational system. Nevertheless, these individuals still have to find jobs. And if you want to insist, aside from non-discriminatory policies, in addition to those things, I would recommend to you that if you do formulate programs that you do inject into your projects this idea that was brought up by Mr. Luce of a basic education for these groups, especially these Spanish-speaking people. It is very, very well indicated by the fact that our own Federal Power Commission Chairman couldn't pronounce my name. There is something to that, if you will follow it out. Even my Commission hasn't been able to spell it yet. And you can see what I am driving at. Go ahead and look into the educational system as far as this group is concerned, and I think it will pay off.

CHAIRMAN ALEXANDER: Thank you very much.

Are there any other comments from members of industry?

Yes, sir.

MR. AYERS: My name is Tom Ayers. I am President of Commonwealth Edison Company of Chicago.

Chicago is a very tight labor market. And this is true in many other areas of the country. I would just like to address myself to the problem of the hard core unemployed, because I think that this is a group that in our industry is easiest to pass up, because of what we say the qualifications of our jobs are. And I think there is truth in what we say. I think if you are going to have success with the hard core people, it is going to take a whole new orientation, not only in your personnel department, but with the different levels in the organization all the way down to the foreman. And we have undertaken a program where we took our superintendent of employment who had charge of all employment for the company, and he is in charge securing, and wet-nursing, if you will, the hard core unemployed that we take in. We now have a dozen such people. We only had two casualties. And we have been working on it for about a year.

But I think that it goes without saying that the hardest job is at the work level, where the habits of work are not such that the job was what we in industry are used to taking as being just fundamental.

For example, the idea of getting to work in a generating station at 7:30 five days a week is a little trying. And so if they come in at 9:30 I can assure you, or these fellows can, that the foreman doesn't welcome them with open arms, because he has a job for the men beginning at 7:30. We have worked very hard with these fellows, and we have worked out a system of having a

kind of big brother in the company who looks after them. And while our success has not been spectacular, I think it takes an inordinate amount of work all the way down the line to make this go.

To show you how bad the situation is in Chicago, I know one steel company who hired 19,000 people in order to increase their work force 250 people. In other words, the problem wasn't so much getting a job with these people, it is teaching them to stay on the job. And if you look at the work history of these people, it is pages long in many cases, where they have had many, many jobs, and can get still another. The real trick is to see if you can get them up in speed to work as productive people in your company. And we intend that everyone we will take will do a full job ultimately. We don't expect them to do a full job in 90 days.

CHAIRMAN ALEXANDER: Thank you very much, Mr. Ayers.

I think there is another important point in terms of creating the kind of stimulus that continues the interest of the minority employee. And it does relate to upgrading and high level placement.

A young man or any man or woman who comes into a company again comes in with the assumption that he or she can rise to the top. And if there are no believable, visible images of that, their skepticism about their opportunity is certainly going to be quite real, I believe.

Are there any further comments?

MR. STEFANSKI: I am Ben Stefanski. I am Director of the Department of Public Utilities and member of the Cabinet of Mayor Carl Stokes, Mayor of the City of Cleveland.

Two observations. First, you mentioned earlier this morning that the utilities do have a civic responsibility, and they have exercised this in many areas. In Cleveland we have an example of the East Ohio Gas Company, which is represented by Mr. Ramsdell this morning. He is President of the East Ohio Gas Company. Mr. Tankersley was head of the program initiated by the President when Henry Ford for seeking jobs for the unemployable. And the East Ohio Gas Company was one of the leaders in the City of Cleveland in seeking the jobs in this program. And I think this is the kind of program that the utilities should be interested in so far as equal opportunity is concerned.

Secondly, the point made by the Commissioner was very applicable to the City of Cleveland and in the utilities department, where we have many Negroes that were hired. Principally they came to the city so that they could get a job. They had many qualifications for jobs much superior to the ones that they were handling. And most of the jobs that they had were laboring jobs. In one instance, a young chap was a rabble rouser, we had many difficulties with him. And we looked at his background, and we found that he had had two or three courses in drafting. And we put him in our drafting department. And he was a changed man. From a T-shirt man he was wearing a tie and shirt every

day. And I think this is an example of what the Commissioner was talking about.

CHAIRMAN ALEXANDER: Thank you, Mr. Stefanski.

Are there further comments?

(No response)

I would like to say at this point that it is our hope to try and be of some further assistance to you in a series of follow-up visits to a substantial number of the companies represented here. We have and appreciate the full support of the Federal Power Commission in our efforts here. We will try and develop some technical expertise through Jed Johnson -- Jed, will you stand -- who is going to be running our technical assistance operation for the Commission. And we hope to visit you in the months that follow and bring to your attention the information that we have as to how other companies have been successful in recruiting, and as to the problems of upgrading, and how you can do more about it, and meet with those of us who are willing to cooperate with us in an attempt to bring to you some expertise -- again, a substantial number of companies in this room we hope will be visited. And the selection will be based primarily in an attempt to get a variety of your specific industry, a variety of sizes, locations geographically, and a variety of success or lack of same in the area of minority employment.

Yes, sir.

MR. MITCHELL: I am Walter Mitchell, President of the

International Chemical Workers Union.

This meeting was called for executives of the utilities industry, and I see that my colleagues and myself in the labor movement were invited. I am not quite sure why we were invited, because we don't employ the people that work for you. You do the employing. But the opportunities oftentimes are brought about through cooperation between the company and unions, as one of the previous speakers pointed out.

We were the first union to call on EEOC to process some charges down in Mississippi. EEOC ruled that unions could not file charges. We went to the Federal Court, and some time later we were gratified that EEOC General Counsel reversed the position of EEOC and permitted unions to file charges. Because there are many times when the individuals who are being discriminated against would be fearful of their lives. And this is particularly true in Mississippi. In order to get rid of the discriminatory practices that EEOC found, we got a settlement out of court that was approved by the Federal Court judge, and was approved by the EEOC.

Unions find themselves in a pretty awkward position sometimes, in that oftentimes charges are placed against the union and the company. And in those instances my union has joined with the people preferring the charges. We have lost more than one plant in the South as a result of supporting discrimination charges before EEOC. And this is apt to happen most

any place.

Now, the subtleties -- I am a Southerner, I am from Alabama originally -- the subtleties of a union contract can sometimes be used by the employer and by a cooperating local membership, at least, in keeping discrimination going. It is most difficult for an international union to reach down into the local union and correct those errors that are being practiced. One of the reasons, of course, is that industry insisted that unions become more democratic, as they said. And they gave union members the right to do as they chose, almost. Witness the number of contracts that have been recommended by the negotiators from the national unions, and that have been rejected by the locals.

The unions take grave risks sometimes in going forward with such charges, because they may wind up having to help pay the bill.

In another case, female discrimination, charges were filed against the company, against the local union, and against the international union. The EEOC found that the company was guilty and the union was guilty. We went into Federal Court with the women. And we asked that the charges be dismissed as to the international, and they were not. But the Federal District judge finally found that there was no discrimination.

We have taken that case on appeal to the Seventh Circuit Court of Appeals. And we have been joined by the UAW

and by one of the national business women's organizations in this fight. We have asked EEOC to join with us, because it is the first case of its kind going up. If we are found guilty -- we are paying the lawyers to do the appealing, and if we are found guilty we will have to help pay the bill. So we are in a box in that kind of situation.

But you gentlemen in industry, you who are going after the unemployable, that is a great job and a great start. And once they get into the plans and under the union contract, it is going to take an awful lot of cooperation from the union. And I assume that is why we were invited here.

It has been a pleasure to hear what has been going on in the Consolidated Edison. We urge all employers that we work with to do what you have been doing.

We are also seeking in all of our contracts a non-discrimination clause that incorporates Title VII of the Civil Rights Act with the right to arbitrate, in order to try to process discrimination charges more vigorously and more swiftly and get them handled. We do find employers opposing this and our membership opposing us oftentimes.

Thank you very much.

(Applause)

CHAIRMAN ALEXANDER: Thank you very much. We appreciate your comments and the support you have given to our Commission.

Are there any other comments?

(No response)

May we welcome back the Commissioners from the Federal Power Commission. And if any of them have any comments at this time, we would love to hear from them, or from any industry representative.

CHAIRMAN WHITE: Just by way of explanation for the hour and a half we were away from here, we spent about 25 minutes of that in transit, and the other hour and 10 minutes waiting to be told that we could come back this afternoon.

For those of you who have submitted applications to the Federal Power Commission, I have a little better feel now for your attitude.

CHAIRMAN ALEXANDER: Are there any other comments on any other statements made today, or any of your presentations?

CHAIRMAN WHITE: Mr. Chairman, I might ask whether or not it is possible that transcripts of this session, which I understand is closed, can be made available to those participants who want to secure them? I know that we at our Commission would be very anxious to read the transcript, because unfortunately the timing was such that we couldn't be here. I wonder whether that can be arranged.

CHAIRMAN ALEXANDER: That can be accomplished for the Federal Power Commission. It is free. For anyone else, due to our budget problems, I think we might have to charge for them.

If it is at all possible not to, we will get them to you that way.

Mr. Johnson.

MR. JED JOHNSON: Could I say a word? If I may, I would like to say that I think the meeting taking place today it is of real importance. We do face tremendous problems in this country, as you all know. I think it is a crisis of confidence in the American system. We have to pull together in this country. I think we can do it. And I think we must do it, or I think our country is going to be torn apart. I just want to say that the Office of Technical Assistance will stand ready to help and assist you in handling this problem in every way possible. And I believe that by working together we can overcome the problem that confronts the industry and indeed the country.

CHAIRMAN ALEXANDER: Thank you, Jed.

Chairman White just asked me if anyone has had a negative comment. And I will say that I don't think so. And I can't believe that with our heavy-handed Federal methods that we haven't either stepped on or put our hands on someone's toes. If you have been mashed a little, please let us know, because we do want to have as frank an exchange as possible about things that we may be doing wrong.

MR. RADIN: My name is Alex Radin. I am with the American Public Power Association.

It is obvious that the type of problem being discussed here will require a great deal of education around the country for a solution. And I am wondering whether your Commissions either individually or jointly perhaps could hold regional meetings such as this so that the type of information disseminated here today can be made available on a broader base in local areas.

CHAIRMAN ALEXANDER: I think we hoped to meet the problem you raised about the specific visits to the individual unit companies, a large representative sample of the people gathered here. If we had more staff and more money and more personnel -- the problem that I am sure confronts everyone in this room -- we would be glad to do this on a regional basis. If we can accomplish the same thing by a few members of our Technical Assistance staff with the support of any others in the Federal Government who may give us that kind of support, talking with you individually, we will feel that we have got a job well done.

We will not be just making visits and having meetings. But we, just as the representatives of the industry, here at the EEOC believe in numbers. You as businessmen clearly do. You judge your sales in terms of dollars and cents, and you judge your employees in terms of production. And you can regulate the standards to meet those judgments. At the EEOC our most valid standard is in numbers, improvement in a variety of categories, not just total numbers. And we do look at those EEO-1 forms.

And it may be possible to have a preliminary form to come in to see what may have been the pragmatic results of the session we have had today. This is a worthless meeting, and a waste of an awful lot of important people's valuable time if we go out of here and think that we have accomplished something by having a meeting. Believe me, we have not. The only accomplishment is when we all look at those numbers and see a vast improvement in the picture.

CHAIRMAN WHITE: Something just occurred to me when Mr. Radin spoke. And that is the fact that there are some trade associations in all of the industries and segments of these industries that can play a role with its membership in the same kind of regional meetings that Alexander Radin was speaking about. And I know that his own organization and the publication that comes out that is more or less the house organ of the American Public Power Association has in the past few months shown a deep concern for a whole host of national problems of which this is a major one. And I think to the extent that there are trade association officers or representatives here, there is another mechanism through which I think we can operate somewhat effectively in some specific types of situations. But the regional meetings strike me as a pretty good idea worth thinking about, because there are differences in the nature of the problem in various regions of the country. And the utility industry particularly, like the power utility industry, is universal, as is-

just about-the gas distribution industry. So that it may well lend itself to that as a device or a mechanism or follow up in some fashion.

CHAIRMAN ALEXANDER: I think, Mr. Radin, to be a little more forthright in what we might do -- and this is premature, because I will have to consult with my fellow Commissioners -- one of us individually might be available along with our professional staff for such a regional meeting. I don't think we can assume, along with the plant visits, which will be fairly substantial, a regular set of meetings. If these meetings are organized we stand ready, willing, hopeful and able to make some kind of contribution to them either at the Commissioner level or through the staff of both.

CHAIRMAN WHITE: If I can take the floor for one further point, I know that there have been some that have raised a question as to why the Federal Power Commission, which has got quite enough to do of its own, is involved in this particular effort. I think to most the answer will be obvious. But, for those who have any question, let me indicate quite briefly that the Equal Employment Opportunity Commission has a statutory mandate from the Civil Rights Act of 1964. And part of our responsibility is to work with sister agencies in the Federal establishment, to cooperate fully and completely with them. Here we do have some data, some statistical material that can be made available to the EEOC, and we have done so. When the

suggestion was made that we participate, we were delighted to do do, as we have in many other areas of activity. And I think it is only appropriate that the Federal Power Commission undertake to implement national policy. As many of you may know, quite some time ago the Commission adopted a rule which required the reservoirs created by Federal Power Commission licensed projects, to be available, the recreation facilities available to all without discrimination. And this, too, is such a clear implementation of a clear national policy that I didn't believe that there could be any question about it. And, indeed, none has been raised.

EEOC has got a very massive assignment. And to the extent that anyone can be of assistance either inside the Government or outside, I think we all owe an obligation to do so. I know that all the members of our Commission are in complete sympathy and accord with the objectives of the Civil Rights Act of 1964. And we were pleased at the opportunity to participate which Chairman Alexander and the other members of the EEOC made available to us.

That will be my parting word. And it is almost like the beginning word. We are very pleased at not only with the numbers that turned out, but with the quality of leadership. And may I state again that the basic point is that your organizations take their leadership and their guidance and their cue from their Chief Executives. And to the extent that you make this a matter of priority, as I believe has probably been pointed out

by others in my absence, it makes a difference. There is just
by others in my absence, it makes a difference. There is just
no way around it. It should make a difference. And this is our
hope. And this was the reason that your attendance was asked, and
why it is so welcome.

graphs, but I saw enough of it to indicate that there is consid-
erable room for improvement. And if there is any break at all,
those of us who live in the Washington area know that there is
one comfort of having a baseball team that is in tenth place,
we can only go up. And I have a sneaking hunch that the utilities
industry enjoys that dubious distinction at the moment. So that
at least there is the hope that you can make progress, and it
will be visible, quickly visible.

With that I conclude again. And I thank everybody for
being here.

CHAIRMAN ALEXANDER: Are there any further comments?

(No response)

May we add our thanks, we at the Equal Employment Oppor-
tunity Commission, for giving us this time. And we hope to see
you again.

(Whereupon, at 12:50 o'clock p.m., the meeting was
concluded.)

April 6, 1965

Mr. Warren B. Irons
Executive Director
U. S. Civil Service Commission
1900 E Street, N. W.
Washington, D. C.

Dear Mr. Irons:

One of the major provisions of the Civil Rights Act of 1964 was that for the establishment of an Equal Employment Opportunities Commission, comprising five members to be appointed by the President with the advice and consent of the Senate. The purpose of the Commission is to implement the public policy embodied in the Civil Rights Act calling for the prevention of employment practices which discriminate against individuals on the basis of race, color, religion, sex, or national origin. The Department of Labor has been given the responsibility for providing personal assistance to the Commission until such time as it becomes operational in personnel and administrative matters. It is pursuant to that responsibility, and in behalf of the Equal Employment Opportunity Commission, that the Department of Labor submits this request for Schedule B authority for two years to apply to non-clerical positions engaged in the substantive program of the Equal Employment Opportunity Commission.

The Equal Employment Opportunity Commission represents a completely new Federal agency with what is, to all intents and purposes, a completely new Federal program. The history of the Civil Rights Act speaks for itself as to the importance, complexity of issues, and sensitivity of a Federal program in this field. The responsibilities of the Commission were outlined by the Secretary of Labor in a statement supporting the Commission's budget estimates, which is quoted in part:

"Under Title VII, the Commission will have these major responsibilities:

1. It will accept charges of unlawful employment practices, investigate the charge, and when there is reason to believe the charge is true, it will endeavor to eliminate any unlawful practice through conference, conciliation, and persuasion. (Sec. 706 (a))
2. If the Commission is unable to obtain voluntary compliance, it will notify the complainant, who may, then institute a civil suit. (Sec. 706 (a))

3. The Commission may refer matters to the Attorney General with a recommendation for intervention or for the institution of civil action, and it may assist him (Sec. 705 (g) (6)). The Attorney General may seek relief for patterns or practices of resistance as well as intervene in a private suit.
4. The Commission may furnish technical assistance to those subject to the Title. (Sec. 705 (g)(3)).
5. The Commission may make technical studies and make the results available to the public. (Sec. 705 (g)(5))

In carrying out these responsibilities, the Commission may utilize several procedural and administrative devices:

1. It may cooperate with State and local fair employment practice bodies, utilize their services on a reimbursable basis, enter into written agreements with them, and code jurisdiction to them. (Sec. 709 (b))
2. It may prescribe record keeping and reporting requirements and issue exemptions. (Sec. 708 (c))
3. It may issue procedural regulations, and appropriate interpretations and opinions. (Sec. 713 (a) and (b))
4. It may cooperate with other Departments and agencies on educational and promotional activities. (Sec. 705 (i))

The program of the Equal Employment Opportunity Commission is such that, as soon as the appointment of the Commission is announced, there will be an urgent need for its immediate staffing on a "crash" basis. We believe that the nature and sensitivity of the work of the Commission will require qualifications which are not adequately covered in any existing qualification standard, and skills and characteristics which are not adequately measured by any existing examination. This means that it will not be feasible to achieve the kind of immediate staffing required under competitive procedures. We anticipate, in fact, that some time will be required to fully identify all the applicable criteria.

For example, the work of the Commission will require not only the fact of fair-mindedness on matters of race, religion, or sex discrimination, it will require the ability to communicate this fair-mindedness to parties with emotionally charged and conflicting viewpoints. While the Commission has enforcement authorities, obviously its real affectiveness will depend upon the effectiveness of its staff in informing, conciliating, and negotiating settlements.

There are, of course, many investigator positions in the Federal Service; there are many positions involving negotiated compliance and/or enforcement responsibilities. The Civil Service Commission has found that there is a high degree of particularization in these activities--to such an extent that separate series, such as Wage and Hour Investigator, Internal Revenue Agent, Labor-Management Relations Examiner, etc, have been created to reflect these differences, and the specialized knowledges and skills involved. In recognizing these differences, the Commission has recognized the need for specific qualification requirements for various kinds of work. We believe time will demonstrate that there are equally specialized requirements involved in the program of the Equal Employment Opportunity Commission, and that, given a little time for their identification, and for the development of appropriate examination criteria, they can be examined for competitively. Therefore, we feel that the flexibility of Schedule B authority is needed for a temporary period.

We would ask that this authority apply to the non-clerical positions engaged in the substantive operations of the Commission. Under tentative staffing plans, this would include:

- Executive Director, GS-18
- 4 Office Directors, 1 at GS-17, 1 at GS-16, and 2 at GS-15
- Regional Director, GS-15 (6 positions proposed)
- Compliance Officer, GS-13 (14 positions proposed)
- Assistant Regional Director, GS-13 (6 positions proposed)
- Technical Assistance Specialist, GS-13 (6 positions proposed)
- Field Investigator, GS-12 (66 positions proposed)

The Commission will have 5 positions of private secretary to Commission members. We anticipate that these will be separately proposed for Schedule C.

There has been a preliminary telephone discussion of this matter between Mr. Edward Dunton, Deputy Director, Bureau of Recruiting and Examining, and Mr. H. Alan McKean of my staff. It is our understanding that the Commission recognizes that there are special needs in connection with the organization and staffing of new programs, such as the Equal Employment Opportunity Commission, and a request of this nature, properly justified, would be considered as sympathetically as possible.

I would very much appreciate your action on this proposal at the earliest possible date. Should you need further information, my office will be happy to supply it. Should you wish it, Mr. N. Thompson Powers, Executive Assistant to the Secretary, and Mr. Les Werts, Assistant Secretary for Administration, would be pleased to discuss the Commission's needs with you.

Sincerely yours,

Edward J. McVeigh

Assistant Administrative Assistant Secretary

HAMcKean;mjb

cc: Mr. Mc Veigh Mr. Roberts Mr. McKean

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Functions

I. The Commission

The policy-making body consisting of the Chairman and four other Commissioners. Duties include:

1. Adopt regulations.
2. Approve budget and organization.
3. Advise on key staff appointments.
4. Approve annual reports and recommendations to the President and Congress.
5. Make determinations of reasonable cause as to complaints of discrimination.

A. Office of the Chairman - The Chairman is the chief executive, charged with administrative operations of the Commission. To insure coherent, orderly functioning, other than concerted, policy-making actions of the Commission are delegated to the Chairman. The Vice Chairman shall serve in the absence of the Chairman.

1. Public Affairs - media relations staff attached to the Office of the Chairman and available to the Commissioner for speeches; radio, television and newspaper relations; public releases; conference publicity, etc.

2. Congressional Liaison - a staff service, attached to the Office of the Chairman, for Congressional relations.

3. Secretary to the Commission - an administrative service, attached to the Office of the Chairman, to aid the Chairman and Commissioners in the orderly functioning of the business of the Commission.

B. The Commissioners - as individuals, and upon assignment by the Chairman, each Commissioner will function in the following jurisdictional areas:

1. Complaints -- where technical studies indicate the potential for establishing patterns or practices of discrimination affecting employers, unions or employment agencies of national importance, a Commissioner, assisted by staff, will develop information and, when warranted, file a charge.

2. Conciliation - when a determination of reasonable cause of discrimination has been made by the Commission on complaints affecting employers, unions or employment agencies of national importance, or where patterns or practices of discrimination are charged, which may be referred to the Attorney General, a Commissioner (other than one initiating the complaint) is assigned to head a conciliation team. The object of conciliation is to achieve the maximum opportunity for minority group employment, and the personal presence of a Commissioner can result in broader agreements than otherwise obtainable.

3. Affirmative Actions - the EEOC can do much to obtain voluntary compliance agreements without recourse to the complaint procedure. Interpretative presentations and technical assistance by a Commissioner, assisted by staff, leading to agreements on an industry-wide or geographical area basis, or with employment associations and unions, can form a large and highly significant part of the work of individual Commissioners. Past experience indicates that the effectiveness of the EEOC will be judged more on these affirmative acts than on how and how many complaints are processed.

4. Relationship with Staff - to carry out these assignments, Commissioners will need staff assistance. But nothing will destroy the EEOC more quickly and effectively than to surround each Commissioner with a permanent coterie. The only workable arrangement is to have staff assignments made by the Executive Director on the basis of what projects each Commissioner is assigned by the Chairman. Each Commissioner should have an office, with appropriate clerical support.

II. The Executive Director

Under policy established by the Commission, and under administrative direction of the Chairman, the Executive Director is responsible for the functional operation of the EEOC. He is the channel of contact between the Commission and the staff, transmitting policy decisions down for implementation and field experience and information up to aid the Commission in deciding policy.

III. Office of Administration

The Administrative Officer is responsible to the Executive Director for administrative management functions, including:

1. Personnel
2. Budget and fiscal
3. General administrative services

IV. Office of the General Counsel

The General Counsel is responsible to the Executive Director for legal functions, including:

1. Regulations
2. Legal opinions and interpretation
3. Jurisdiction, exceptions, hardship cases

4. State and local agreements
5. Referrals to the Attorney General
6. Proceedings to compel demands for records and compliance with court orders.

V. Office of Liaison

This is the "office of feedback" to the EEOC on current information, developments and concerns affecting employment on the part of private organizations, employer associations, national and international unions and labor bodies, employment agency associations, state and local FEP commissions, and other federal agencies. Staff liaison officers in each of these specialties will attend meetings of these various groups and maintain working relationships with the executive echelon for purposes of communication and mutual assistance in furthering the objectives of the EEOC.

A. Relationship with Federal Agencies

1. PCEEO - the Chairman of the EEOC should explore immediately with the President's Council on Equal Opportunity the question of his designation as Executive Vice Chairman of the PCEEO. Policy decision also should be made on immediately absorbing certain of the PCEEO functions (reporting, administrative management) except contractor compliance, Federal employment and Plans for Progress. Coordination with these latter three functions will be considerably expedited by the dual role of the EEOC Chairman-PCEEO Executive Vice Chairman.

2. Attorney General - working relationship on procedures for referrals of patterns and practices for prosecution.

3. Department of Labor - working relationship with Bureau of Apprenticeship Training (BAT) and Office of Manpower and Training (OMAT) for reporting on apprenticeship and training records, with Bureau of Employment Security for U. S. Employment Service liaison.

4. Bureau of Census - for obtaining additional information concerning employment statistics.

5. NLRB - working relationship in matters affecting unions.

6. President's Council on Equal Opportunity and Civil Rights Commission -- continuing relationship.

B. Relationship with State and Local Commissions

1. Cession - until such time as the capability of each state and local agency extant to carry out the provisions of Title VII (and regulations) are ascertained, and the implications and ramifications of ceding EEOC authority are better understood on a working basis, extreme caution in ceding authority should be observed. Cession deprives complainants of Title VII guarantees. Cession may be the route to vitiate the EEOC until it serves merely as a conduit for funneling federal funds into state and local FEP operations. At some future date, and on demonstrable ability according to EEOC standards, the Commission may deem it advantageous to consider a small number of cession arrangements.

2. Agreements - as experience indicates, it is likely that working arrangements will be entered into with state and local FEP agencies, including essential notifications of complaint dispositions to the EEOC and complainants. Delegated investigation and conciliation for the EEOC would not seem to be a fruitful area of such agreements since the state and local agencies are already charged with

such responsibilities, many have no authority over discrimination based on sex, and there would be an almost irresistible impulse for state and local agencies not to process cases for the first 60 (or 120) days in order to force them to come under EEOC jurisdiction (and, hence, federal funding).

Further, agreements that depend on complaint load will burden state and local agencies with budget and staffing uncertainties, since this source of income will be highly irregular and unpredictable, not amenable to prudent planning.

On the other hand, technical services (education, affirmative action, reporting, technical studies, technical assistance) can be pre-planned and properly financed on an annual or project basis. For the first year, at least, this type of technical services funding should merit the major share of state and local allocations. Such funding will probably comprise a large share of the state allocation in succeeding years because the EEOC operation will always need the additional trained "hands" available from state and local agencies if it is to reach down to every covered employer, union and employment agency without itself taking on and training an enormous staff.

3. Finance - the granting of federal funds customarily (and legally) carries with it federal conditions and standards. This funding relationship could enable the EEOC to upgrade state and local agency operations not only through the application of such conditions and standards, but also by strengthening staffing and budget areas in which state and local agencies are weak or deficient.

VI. Office of Field Services

This office serves as liaison between the regional offices and headquarters offices to assure that the needs of the field staff are met promptly. Services such as follow-up on referred cases, requests for operational guidelines, legal opinions, educational and in-service training materials, personnel services, etc., are expedited by this office.

This office also conducts periodic reviews of field handling of complaints and other actions to improve performance of field staff.

VII. Office of Technical Assistance

This is the educational and technical assistance arm of the EEOC with responsibilities for informing the public about the objectives of the EEOC and gaining a national consensus of compliance; and aiding employers, unions and employment agencies in developing policies and procedures to bring them into compliance. Conferences and publications will be developed by this office.

This function will loom large in the first year of EEOC operation. The Commissioners should be much occupied with communication of policies and procedures, as they are developed, to industry associations, labor councils, national civil rights groups, and similar coordinating bodies. Staff could carry on this function with smaller, more localized groups, and provide detailed technical assistance with individual employers, local unions and employment agencies to help with training of employees, community relations, etc.

The caveat is that inadvertent policy-making should not result from such speaking and assistance, and that neither Commissioners nor staff be authorized to make statements not consistent with established

policy adopted by the Commission. Section 713 b. provides that employers, unions, and employment agencies may act on such inadvertent statements, whether official policy or not.

VIII. Office of Statistical Analysis

A. Technical Studies - the question of whether the EEOC will be a passive, complaint-oriented operation, or an initiating, affirmative agency will depend in good measure upon the nature of technical studies contemplated and provided for. Much information is already available on the condition of EEO in this country, and more will become available through the reporting process. By collecting and analyzing this information, priorities can be set up for affirmative approaches to industries, geographic areas, unions and employment agencies and associations. This will also affect the emphasis of the educational programs, the provision of technical assistance, agreements with state agencies, etc. In other words, it will make the difference between an EEOC-initiated operation or one directed by unpredictable and uncontrollable outside forces.

B. Reporting - the EEOC has authority to require record-keeping by employers, unions and employment agencies, except that this provision is waived in the case of employers subject to reporting under Executive Orders 10925 and 11114, and in FEP states and localities. In the latter case, the EEOC may require "notations" on records kept under state and local laws.

Records can be an invaluable source of information not only to the EEOC, but also to other federal, state and local agencies, provided they become available through reporting. Much pioneer experience in reporting already has been gained by the PCEEO which can be

extremely beneficial to the EEOC. For example, a modified PCEEO Form 40 can become the basis of EEOC reporting, especially because the information so obtained will be compatible with that being received under Executive Orders 10925 and 11114. Automatic data processing of PCEEO reports can be adapted and expanded for EEOC purposes. The PCEEO already obtains some information on apprenticeship and training programs as well as racial employment statistics on government contractors, which the EEOC will find most useful. The methods and experience of the PCEEO on reporting would seem to offer an excellent basis for a reporting system to cover all employers, unions and employment agencies affected by Title VII.

No state or local FEPC requires regular reporting, except for a temporary period as a condition for settling a complaint case. However, there does not appear to be any reason why state and local FEP commissions could not collect reports for the EEOC on a reimbursable agreement basis. Also, State Apprenticeship Councils already collect apprenticeship information, which would be useful to the EEOC. In the non-FEP states, reports would come directly to the EEOC.

Reimbursable agreements with other federal agencies on report sharing could also be arranged, as already indicated above with the PCEEO. The Bureau of Apprenticeship Training (BAT) and the Office of Manpower and Training (OMAT) of the Department of Labor obtain information on applicable programs registered with them. The Bureau of the Census may also obtain additional information by appropriate questions added to ongoing surveys.

IX. Office of Compliance

This office includes the functions of compliance, conciliation, and plans and standards.

A. Plans and Standards - develops standards and procedures for receiving, investigating and closing complaints, or adjusting and conciliating them, including guides and training for staff. Recommends standards for agreements with state and local FEP commissions, and studies these operations for compliance with such standards.

B. Compliance -

1. Complaints - the initial point of contact will be receipt of a complaint addressed to the Commission. Eventually, such complaints may be directed either to Washington or the nearest regional office, but at the onset (until all the regional offices are activated) the majority of complaints probably will be addressed to Washington.

Upon receipt of a complaint, several determinations will have to be made by the receiving unit:

(1) Is the complaint properly notarized?(otherwise it must be returned to the complainant with instructions for proper filing);

(2) Is the respondent a government contractor or a federal agency?(referral to the PCEEEO);

(3) Is the respondent within the jurisdiction of the EEOC, or excepted, and does the complaint originate from an FEP state or city?

If the complaint originates from an FEP state or city, the complainant must be notified to start proceedings under state or local law, the state or local agency must be notified, and the complaint must be pended for up to 60 or 120 days (old or new law). Agreements

must be signed with state and local FEP commissions for notification to the EEOC about disposition of the complaint and notification to the complainant of his right to pursue his complaint with the EEOC within the prescribed time limit.

In a non-FEP state, or where the state or locality does not have jurisdiction (sex, unions, etc.), or where state or local remedies have been exhausted, the complaint formally comes within the jurisdiction of the EEOC. The respondent is notified, and the complaint is assigned for investigation.

If the complaint is originally received in Washington, or is a Commissioner-initiated complaint, it may be retained for processing there if the respondent falls within certain types of industries, locations, unions, etc., pre-selected for Washington handling. Similarly, if these types of complaints are received in a regional office, they will be forwarded immediately to Washington. Otherwise, Washington-received complaints will be forwarded to the appropriate regional office without further action besides the initial determinations, and regional offices will begin processing without referral to Washington.

2. Investigation - during the investigatory process, the field representative will make informal efforts at "adjustment" of the complaint, and may call in another field representative or the regional director for assistance. This is not to be considered conciliation, although it may resolve the complaint.

The field representative's investigation report (and recommendations) is then reviewed in the regional office (by the senior field

representative and/or regional director). The regional director may make a finding of "no reasonable cause," acceptable adjustment, or transmittal to the Commission for determination of reasonable cause. Before arriving at a decision, the regional director may order additional investigation or attempts at adjustment. The closing of a case by the regional director should be final, except that the pattern of his actions should be reviewed after the fact in Washington by the compliance officer to keep a check on field staff and operations. The regional director should also report periodically (weekly?) on the complaints received and dispositions (case records retained in the regional offices?).

All required reports concerning employers, unions and employment agencies located in the regional office's jurisdiction should be available to the regional office, as well as a list of government contractors and excepted respondents. Compliance with the requirement of posting notices (711 a) can be determined during the course of an investigation, and from suitable notations on the required reports.

3. Determination of Reasonable Cause - when a regional director transmits a complaint to the Commission for determination of reasonable cause, his rationale for so doing should be appended to the investigation report in memorandum form. These will be reviewed in Washington by the compliance staff, and prepared for Commission action.

The Commission should meet periodically to review complaints and make determinations. This can be done quickly because complaints will have gone through three staff reviews before reaching the Commission.

C. Conciliation - the effort to achieve maximum opportunity for minority group employment should be a Washington-based function, at least until experience indicates otherwise. After determinations of reasonable cause are made, complaints could be divided into two types: (1) individual complaints showing no pattern or practice, and not affecting a large company or union; (2) complaints which afford pattern or practice possibilities, or offer opportunities for "plans for progress" resolution. The former (1) could be assigned to staff; the latter (2) to individual Commissioners for conciliation, with staff assistance.

D. Referrals - if the EEOC is unable to effect voluntary compliance, complainant should be so notified, along with his right to bring suit.

E. Review - a review staff in Washington should be provided to monitor cases adjusted, conciliated, or court ordered to determine compliance, including the receipt of any special reports demanded as a condition for settlement. Regional office staff can make the necessary field investigations.

Where the respondent fails to comply with adjusted or conciliated complaints, the case can be picked up at that point for further processing. If the respondent does not obey a court order, the EEOC may commence proceedings to compel compliance.

X. Regional Offices

Headed by a Regional Director, responsible to the Executive Director, and staffed with field representatives. Conducts investi-

gations and attempts "adjustment" of complaints. Refers unadjusted complaints to the Commission for determination of reasonable cause. Provides technical assistance to covered employers, unions and employment agencies for compliance. Participates in educational conferences and meetings, and follows up in the region with affirmative action programs. Keeps the Executive Director informed of developments in the region affecting the Commission's work.

1. Los Angeles Region (covers California, Nevada, Arizona and Utah).

1. Portland, Ore., office (covers Oregon, Washington, Idaho, Montana and Wyoming).

2. Hawaii representative.

3. Alaska representative.

2. Chicago Region (covers Illinois, Wisconsin, Iowa, Indiana, Minnesota, Missouri, Nebraska, North Dakota and South Dakota).

3. Cleveland Region (covers Ohio, Michigan, Pennsylvania, (except Philadelphia area), Western New York, West Virginia and Kentucky).

4. New York Region (covers eastern New York, Philadelphia area and New Jersey).

1. Baltimore Office (covers Delaware, Maryland, Washington, D. C. and Virginia).

2. Boston Office (covers Rhode Island, Connecticut, Massachusetts, Vermont, New Hampshire and Maine).

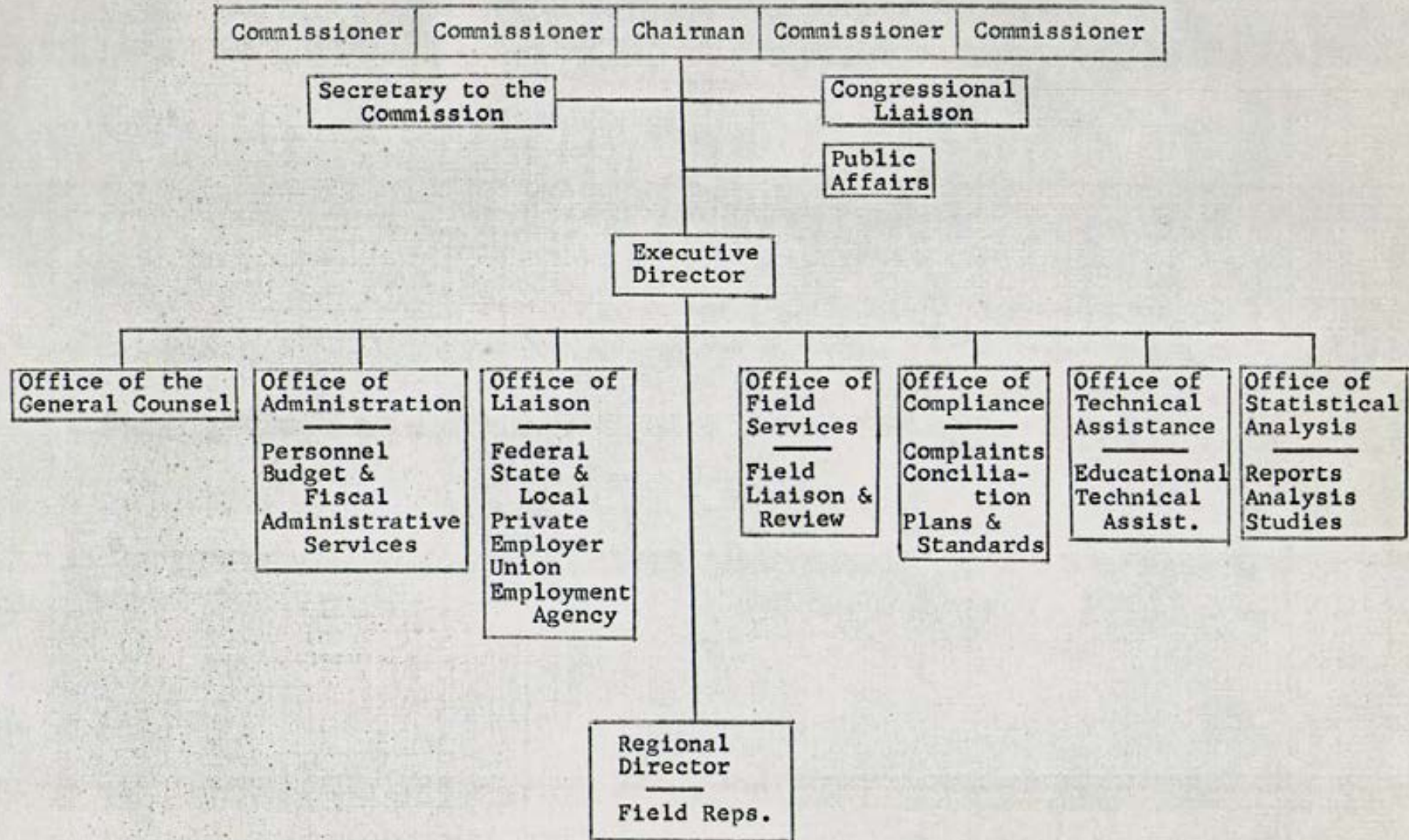
5. Dallas Region (covers Texas, New Mexico, Colorado, Kansas Arkansas, Oklahoma, Louisiana and Mississippi).

6. Atlanta Region (covers Georgia, Florida, Alabama, Tennessee, South Carolina and North Carolina).

A. Suggested Allocation of Field Staff - Each Regional Office will have a Regional Director and two Senior Field Representatives (with appropriate supporting clerical staff). Field Representatives (GS 13 & 12) would be allocated as follows:

1. Los Angeles	8	(4 + 4)
(a) Portland	2	(1 + 1)
2. Chicago	10	(5 + 5)
3. Cleveland	8	(4 + 4)
4. New York	10	(5 + 5)
(a) Baltimore	3	(1 + 2)
(b) Boston	3	(1 + 2)
5. Dallas	8	(4 + 4)
6. Atlanta	8	(4 + 4)

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION



Number of Employers Subject to Title VII of Civil Rights Act

I. In the 25 FEP States

100 - 249 employees	26,000 employers
250 - 499 "	7,600 "
500 and over "	6,500 "

II. In the 25 Other States

100 - 249 employees	12,000 employers
250 - 499 "	4,400 "
500 and over "	2,300 "
	<hr/>
	58,460 "

Social Security Administration, 1st quarter of 1964

6/2/65

Estimated Coverage of Employers and Employees Under
Title VII, Civil Rights Act^{1/2}

<u>Year</u>	<u>Employment Size Class</u>	<u>Number of Employers</u>	<u>Number of Employees</u>
1st	100 plus	58,459	33,267,924
2nd	75 - 99	29,695	2,029,662
	Cumulative	88,154	35,297,586
3rd	50 - 74	144,541	33,044,493
	Cumulative	132,695	33,342,079
4th	25 - 49	195,274	5,863,965
	Cumulative	327,969	44,206,044

^{1/} Source: Social Security Administration, Report Data, First Quarter, 1964

^{2/} Does not include household or agricultural workers. It does ^{not} include workers reported by state and local governments.

Estimated Coverage of Employers and Employees Under
Title VII, Civil Rights Act ^{1/2/}

<u>Employment Size Class</u>	<u>Number of Employers</u>	<u>Number of Employees</u>
20 - 49	234,324	7,036,758
50 - 99	74,236	5,074,155
100 - 199	32,406	5,771,345
200 - 249	5,910	1,315,657
250 - 499	11,152	4,033,020
500 - 999	4,942	3,405,838
1,000 -1,999	2,064	2,839,138
2,000-2,999	652	1,586,511
3,000-3,999	332	1,152,692
4,000-4,999	200	889,236
5,000-5,999	133	725,519
6,000-6,999	98	628,868
7,000-7,999	67	502,192
8,000-8,999	66	559,023
9,000-9,999	43	415,957
10,000 plus	314	9,442,328
	<u>367,019</u>	<u>45,378,837</u>

^{1/}Source: Social Security Administration, Report Data, First Quarter, 1964

^{2/}Does not include household or agricultural workers. It does include workers reported by state and local governments.

12,500 companies registered to PCEC

12,500,000 employees (incl. P for P)

P. J. P. 6,000,000 employees
305 companies

SUMMARY

I. Staff

1. Headquarters	180
2. Regional Offices	120
	<hr/>
	300

II. Payroll

1. Commissioners	\$ 135,500
2. Staff	2,869,140
	<hr/>

Total \$ 3,004,640

III. Grades

GS 18	1
GS 17	5
GS 16	13
GS 15	17
GS 14	37
GS 13	44
GS 12	37
GS 11	16
GS 9	10
GS 8	1
GS 7	10
GS 6	14
GS 5	25
GS 4	36
GS 3	32
GS 2	2
	<hr/>

300

COMMISSION

1	Chairman	Stat.	\$ 27,500
1	Administrative Assistant	GS 11	8,650
1	Clerical	GS 9	7,220
1	Clerical	GS 5	5,000
4	Commissioners	Stat.	108,000
4	Administrative Assistants	GS 11	34,600
4	Clerical	GS 9	28,880
1	Secretary to the Commissioner	GS 12	10,250
1	Clerical	GS 5	5,000
1	Congressional Liaison Officer	GS 16	18,935
1	Clerical	GS 6	5,505
1	Public Affairs Officer	GS 17	21,445
2	Information Specialists	GS 15	32,920
1	Clerical	GS 7	6,050
2	Clerical	GS 5	10,000

1 Executive Director	GS 18	\$ 24,500
1 Administrative Assistant	GS 11	8,650
1 Clerical	GS 8	6,630
1 Clerical	GS 4	4,480

Office of the General Counsel

1 General Counsel	GS 17	\$ 21,445
1 Assistant General Counsel	GS 15	16,460
4 Attorneys	GS 14	56,680
2 Law Clerks (Trainees)	GS 9	14,440
1 Clerical	GS 7	6,050
1 Clerical	GS 5	5,000
3 Clerical	GS 4	13,440

TYPE ERASE

Office of Administration (including PCEEO & PCEO)

1	Administrative Officer	GS 15	\$ 16,460
1	Clerical	GS 5	5,000
1	Personnel Officer	GS 14	14,170
2	Placement Officers	GS 13	24,150
2	Personnel Assistants	GS 11	17,300
1	Trainee	GS 7	6,050
1	Clerical	GS 5	5,000
3	Clerical	GS 4	13,440
1	Budget Officer	GS 14	14,170
1	Principal Budget Analyst	GS 13	12,075
1	Budget Analyst	GS 12	10,250
1	Management Analyst	GS 13	12,075
1	Trainee	GS 9	7,220
1	Clerical	GS 5	5,000
4	Clerical	GS 4	17,920
1	Chief Fiscal Services	GS 12	10,250
1	Accounts Clerk	GS 7	6,050
1	Leave Clerk	GS 5	5,000
1	Payroll Clerk	GS 7	6,050
1	Travel Clerk	GS 7	6,050
1	Librarian	GS 11	8,650
1	Clerical	GS 5	5,000
1	Chief, Administrative Services	GS 13	12,075
1	Duplicating Clerk	GS 6	5,505
2	Duplicating Clerks	GS 5	10,000
1	Purchase & Supply	GS 5	5,000
1	Supply and Service	GS 5	5,000
2	Mail & Messenger	GS 2	7,360
1	Publications Clerk	GS 4	4,480
1	Publications Clerk	GS 3	4,005
1	Stock Room Clerk	GS 3	4,005
1	Records Clerk	GS 9	7,220
1	Records Clerk	GS 7	6,050

Office of Liaison

1 Liaison Officer	GS 16	\$ 18,935
5 Liaison Specialists	GS 15	82,300
1 Clerical	GS 6	5,505
3 Clerical	GS 5	15,000

Office of Field Services

1 Chief	GS 16	\$ 18,935
1 Clerical	GS 6	5,505
3 Field Liaison Representatives	GS 14	42,510
1 Administrative Assistant	GS 11	8,650
2 Clerical	GS 4	8,960

Office of Compliance

1	Compliance Office Chief	GS 17	\$ 21,445
1	Clerical	GS 7	6,050
1	Chief, Conciliation Section	GS 16	18,935
2	Senior Conciliation Specialists	GS 15	32,920
2	Conciliation Specialists	GS 14	28,340
1	Clerical	GS 6	5,505
1	Clerical	GS 5	5,000
1	Clerical	GS 4	4,480
1	Chief, Complaints Section	GS 15	16,460
2	Senior Case Analysts	GS 14	28,340
2	Case Analysts	GS 13	24,150
1	Case Analyst	GS 11	8,650
1	Clerical	GS 5	5,000
2	Clerical	GS 4	8,960
1	Chief, Plans & Standards	GS 15	16,460
1	Senior Compliance Specialist	GS 14	14,170
2	Compliance Specialists	GS 13	24,150
2	Compliance Specialists	GS 11	17,300
1	Staff Training Specialist	GS 14	14,170
1	Training Assistant	GS 13	12,075
1	Clerical	GS 5	5,000
3	Clerical	GS 4	13,440

Office of Technical Assistance

1	Chief	GS 17	\$ 21,445
1	Clerical	GS 7	6,050
1	Chief, Educational Programs	GS 16	18,935
1	Senior Program Specialist	GS 15	16,460
1	Conference Management Specialist	GS 15	16,460
1	Publications Specialist	GS 14	14,170
2	Program Specialists	GS 14	28,340
3	Program Specialists	GS 11	25,950
1	Clerical	GS 6	5,505
2	Clerical	GS 5	10,000
2	Clerical	GS 4	8,960
1	Chief, Technical Assistance Section	GS 16	18,935
1	Clerical	GS 6	5,505
1	Senior Technical Advisor	GS 15	16,460
3	Technical Advisors	GS 14	42,510
3	Technical Advisors	GS 13	36,225
1	Clerical	GS 5	5,000
2	Clerical	GS 4	8,960

Office of Statistical Analysis

1 Chief	GS 17	\$ 21,445
1 Clerical	GS 7	6,050
1 Chief, Reports Section	GS 15	16,460
1 Clerical	GS 5	5,000
1 Reports Analyst	GS 14	14,170
2 Reports Analysts	GS 13	24,150
1 Clerical	GS 5	5,000
3 Clerical	GS 4	13,440
1 Chief, Technical Studies	GS 16	18,935
1 Clerical	GS 6	5,505
1 Assistant Chief, Plans & Methods	GS 14	14,170
2 Principal Analysts	GS 14	28,340
3 Research Analysts	GS 12	30,750
1 Trainee	GS 9	7,220
3 Clerical	GS 4	13,440

Regional Offices

6 Regional Directors	GS 16	\$ 113,610
6 Clerical	GS 6	33,030
12 Senior Field Representatives	GS 14	170,040
6 Clerical	GS 4	26,880
29 Field Representatives	GS 13	350,175
31 Field Representatives	GS 12	317,750
30 Clerical	GS 3	120,150

Employment Complaints

President's Committee:

April '61 - March '62	723
April '62 - March '63	938
	<hr/>
	1661

average 830 per year for approx. 14,000 reporting contractor units

employer units with 100 or more employees: 58,459

$$14,000:830 :: 58,459:X$$
$$X = 3465$$

State FEPC:

Calif.	881	(7/63 - 6/64)
Colo.	64	
Conn.	228	
Ind.	100	
Kan.	57	
Mass.	345	
Mich.	286	
Minn.	57	
N.J.	216	
N.Y.	609	
Ohio	240	
Ore.	17	
Pa.	239	
R.I.	34	
	<hr/>	
	3373	

Chicago 1963 - 33 complaints
Des Moines 1963 - 26 "
Baltimore 1962 - 87 "
St. Paul 1962-63 - 36 "
St. Louis - ? - 35 "
Phila 1963 - 136 "
Pittsburgh 1963 - 43 "

396 "

October 29, 1965

The President
The White House
Washington

Dear Mr. President:

You have given us an exciting and challenging assignment.

We have undertaken our task in these first weeks of organization with determination. It is our pleasure now to report to you on the first 100 days of the Equal Employment Opportunity Commission. To this end, we attach a detailed analysis of our activities.

We know you will find encouragement -- as we have -- in the fact that Americans from every corner of the United States have begun to turn to this Commission to seek relief from discrimination in the field of employment. Perhaps one of the most gratifying results of our effort is the confidence we have earned among long disadvantaged groups who see in the work of the Commission an avenue for the prompt and effective redress of old grievances.

Much remains to be accomplished, Mr. President, but the first 100 days of the Equal Employment Opportunity Commission give us clear cause to be encouraged. We believe the Commission has made a sound beginning. We are confident that our continuing and accelerated efforts will move this Nation steadily closer to the objectives a justice and human dignity in employment practices.

Sincerely,

/s/

Franklin D. Roosevelt, Jr.
Chairman

COMPLIANCE ACTIVITIES

The Equal Employment Opportunity Commission received 1383 complaints charging discrimination in employment practices during the period July 2, 1965 through October 9, 1965. (See attached Compliance Supplement.)

The Commission has determined that it has probable jurisdiction over 966 of the 1383 complaints. Almost 70 per cent (670) of the 966 complaints are from Southern states. The largest number of complaints from a single state are from Alabama (135). North Carolina represents the second largest number (131). Louisiana (76) and Mississippi (68) accounted for the next largest number of complaints. Iowa (53) and New York (43) represent the largest numbers of complaints among states outside the South.

Seventy-three per cent (706) of the 966 complaints cite race as a basis of alleged discrimination. Of this number, 680 complaints are from Negroes. Sex as a basis of discrimination is charged in 16 per cent (152) of the 966 cases. Only 1 per cent (12) of the cases cite national origin. Fewer than 1 per cent (5) cite religion.

Twenty-nine per cent (282) deal with hiring. Promotion (248), seniority (150) and wage differential (107) are the next highest categories. Eighty seven per cent (844) of the complaints are filed against employers, 20 per cent (197) against unions, and 3 per cent (31) against state employment agencies. (In some cases, both union and employer are charged.)

To enable the Commission to get under way as effectively as possible in the very early days of its existence, a four-day training course was held for investigators detailed to the Commission by Federal and state agencies.

A foundation has been laid for a vigorous enforcement program based on Commissioner-initiated complaints, using all

information available to the Federal government - in complaint files and general reports - to counteract deeply entrenched patterns of discrimination. Careful planning and consultation with other agencies has been necessary to avoid duplication of governmental efforts and undue burden on respondents.

CONCILIATION ACTIVITIES

Few cases reached the conciliation stage during the Commission's first 100 days, but they gave sharp focus to problems the Commission will surely face in future efforts to achieve "voluntary compliance."

Conciliators were reasonably successful in the first cases which raised questions of discriminatory hiring practices, segregated seniority lines and segregated facilities. Agreements were reached on elimination of segregated facilities, promotion of Negroes to previously all-white departments and elimination of a discriminatory testing program.

The points at which conciliators met most resistance in negotiations with employers involved extensive remodeling of facilities, complex problems of seniority lines long entrenched, and the possibility of back pay liability.

Though the Commission was concerned primarily with the protection of complainants' rights in these cases, it also called for the adoption of affirmative action programs generally to provide equal opportunity in the plants for all minority workers and applicants.

Conciliators were well received and negotiations proceeded equably but it became clear that stubborn seniority conflicts might ultimately have to be decided by the courts.

ADMINISTRATIVE ACTIVITIES

The Commission received and considered some 7500 applications for employment. This is a reflection of unusual

interest on the part of the public and the Civil Service in the job the Commission is undertaking. In its own personnel practice at all levels, the Commission reflects and will continue to reflect the highest standards of equal opportunity.

At the end of the first 100 days, 96 employees were on the rolls, 8 were on detail from other agencies, and 21 field representatives were on loan from other Federal agencies. The Commission owes a tremendous debt of gratitude to the many state and Federal agencies which have cooperated generously in making staff available to us.

An appropriation of \$2,750,000 was approved by Congress. This represents a reduction of \$450,000 from the amount requested. The reduction called for a substantial cutback in the field staffing plan and for the elimination of state grants. An unexpectedly high volume of complaints necessitated reprogramming of resources from Technical Assistance, Research and other areas to Compliance so that these complaints could be dealt with properly.

Estimates for Fiscal Year 1967 have been submitted to the Bureau of the Budget, designed to meet the pressing complaint load and other needs which far exceed the estimates made last year. Preliminary work has been done on a supplemental budget request for FY 1966, based on the heavy complaint load and the need to move forward with "affirmative action" programs.

LEGISLATIVE ACTIVITIES

The Chairman testified on behalf of the Commission before the House Committee on Education and Labor on proposed legislation to strengthen Title VII of the Civil Rights Act of 1964. The Commission is gratified that several key suggestions from the Commission were included in H.R. 10065 reported by the full Committee. This legislation, which the Commission hopes will pass the Congress early in the second session, would give the Commission a meaningful enforcement arm - the power to hold hearings

and issue cease-and-desist orders. This time-tested provision, which is standard in state fair employment statutes, would make our conciliation efforts and voluntary compliance programs more effective.

DISCRIMINATION BECAUSE OF SEX

Implementation of Title VII's prohibition against discrimination on account of sex has been a particularly challenging assignment for the Commission.

Such discrimination, unlike race, creed, or national origin, has generally been regarded as a frequently reasonable and occasionally necessary basis for personnel decisions and for differences in the terms and conditions of employment. Certain traditional ideas of what is or is not appropriate work for women must be drastically revised in view of the increasing importance of the woman worker in our economy and Title VII's positive mandate of equal opportunity for the sexes.

However, to translate this broad but general mandate into comprehensive and comprehensible standards for employer conduct has occupied and continues to occupy a great deal of the Commission's time and effort. Such questions as what factors in the requirements of a job are sufficient to justify recognition of sex as a "bona fide occupational qualification," what effect has Title VII on State laws regulating the working conditions of women, and what differentials based on sex are permissible in retirement or health plans, are presently being considered by the Commission and will have to be resolved with little guidance from the language of the statute or from the legislative history.

Complaints alleging discrimination on account of sex have made up about 15 per cent of the Commission's case load during the first 100 days. Significantly, comparatively few cases have involved members of one sex aspiring to jobs traditionally held by the opposite sex, despite the fears and amusement frequently expressed in the news media over such possibilities under Title VII. A majority of all sex complaints have involved questions of layoff, recall and other seniority rights.

GENERAL COUNSEL

The Commission's General Counsel has issued more than 200 legal opinions dealing with matters and inquiries about Title VII of the Civil Rights Act of 1964. (An indexed summary of the key opinions is attached.)

The Commission adopted basic rules and regulations before Title VII took effect on July 2, 1965.

REPORTING AND RESEARCH

The Commission's immediate and pressing effort has been to devise external reporting instructions and forms that will reflect meaningfully the employment patterns in industry without imposing undue burden on employers. The Commission has approved and forwarded to the Bureau of the Budget a reporting form and instructions for covered employers that we believe conform to this objective. We have met with the Advisory Committee of the Bureau and are now considering their counter-suggestions.

In the interest of uniformity of data and simplicity we are also exploring the possibility of a single report to be used jointly by Plans for Progress, Office of Federal Contract Compliance and the Commission.

The Commission has approved a reporting form for joint labor-management apprenticeship and training programs and has adopted a policy that unions which have effective control over the hiring process be required to file with the Commission annual reports of membership and referrals.

Work also has been begun on an internal reporting system based on the information obtained from complaint investigation and conciliation settlements. The objective will be to identify the principal sources of complaints and improve investigation and conciliation procedures.

FEDERAL-STATE RELATIONS

Title VII contemplated cooperative relations between the Commission and states which have enforceable Fair Employment Practice laws. During the first 100 days, these relations were established and refined; by the end of the period the Commission had established a working relationship with the state agencies which reflects the mandate of Title VII.

After reviewing the laws under which state agencies operated the Commission concluded that 28 were entitled to the deference (for 60 or 120 days) prescribed by Sec. 706 of Title VII. In these states the fair employment practices agencies were equipped with administrative enforcement powers. Deference was denied to states which had no enforcement powers or where the remedy for violation was solely a criminal proceeding.

In its cooperative relations with states the Commission undertook a unique research investigation contract with Wayne State University which has extensive experience in employment studies. The University will contract with ten state and two city Equal Employment Opportunity agencies to conduct investigations into patterns of discrimination within their jurisdiction, and to develop techniques and programs to eliminate such patterns. The Wayne State University grants have been welcomed by state agencies, many of which have been unable for budgetary or other reasons to engage in "pattern-centered" investigations.

Negotiations have been initiated with state agencies with a view to developing a memorandum of understanding concerning the exchange of information and the handling of cases of which both have jurisdiction to the end that duplication may be kept at a minimum and complaints expeditiously handled.

FEDERAL AGENCY RELATIONS

The Commission has been mindful of the need to coordinate its activities as fully and effectively as

possible with those of other Federal agencies having responsibilities in the field of equal employment opportunity. Those agencies include the Departments of Labor and Justice, the President's Committee on Equal Employment Opportunity, now the Office of Contract Compliance, the various procurement agencies and the National Labor Relations Board.

To date arrangements have been worked out to provide for the following:

- Notification to the Office of Federal Contract Compliance and through it to contracting agencies of charges filed against government contractors and the furnishing to the EEOC of information concerning such contractors' employment practices.
- Justice Department advice and assistance to EEOC investigators who may be threatened while performing their duty.
- Consultation between the Department of Labor and the EEOC generally on questions of discrimination on the basis of sex and specifically on opinions or decisions concerning matters covered by both Title VII and the Equal Pay provisions of the Fair Labor Standards Act.
- Discussion between the NLRB and the EEOC on cases before both agencies involving the same fact situation.
- Exchange of information on complaints of discrimination on the operation of State employment services between the Department of Labor and the EEOC whether those complaints are filed under Title VI or Title VII of the Civil Rights Act of 1964.

Discussions are proceeding now on the most appropriate use of positive compliance techniques, including commissioner-initiated complaints, legal action brought by the Attorney General against patterns or practices of discrimination and contracting agency compliance reviews.

Efforts are continuing to develop a comprehensive and coordinated Federal compliance program which will maximize our effectiveness and minimize inconsistencies and duplication in relations with employers, unions and others covered by Title VII.

AFFIRMATIVE ACTION

One of the most significant responsibilities given the Commission by Title VII is that of technical assistance. This section of Title VII enables the Commission to enlist and organize the good will of industry, labor and the community in programs of affirmative action designed to give minorities the opportunity to be equal.

The Commission welcomes this responsibility. Programs for such action -- designed for affirmative results -- have already been launched with leading industry and labor representatives. We believe there is a large reservoir of good will in many sectors of our society and economy as real and meaningful as the fact of stubborn discrimination against Negroes, Mexican-Americans and other minority groups in other sectors.

The AFL-CIO, including its Southern leadership, is undertaking to eliminate segregated locals and to widen opportunities for minorities in apprenticeship programs in the skilled trades. The Commission has scheduled a meeting with business leaders from 12 leading cities to develop a model cooperative plan of business leaders for Equal Employment Opportunity. The goal -- to have local business organizations in some 80 cities dedicated to providing minority workers with the opportunity to be equal. Similar efforts are planned with state and local governments for their civil service and contractors.

SPEECHES

During the period July 2, through October 10, 1965, the Equal Employment Opportunity Commission received a total of 275 requests to participate in seminars, panel discussions, and/or speaking engagements.

Of this number, the Commissioners and senior staff members have already honored 105 such invitations in all sections of the country; 89 will be honored over the next few months; 53 are pending; and 28 were declined.

The organizations addressed included Chambers of Commerce, Human Relations Commissions, bar associations, personnel and guidance associations, councils of churches, labor unions, Civil Rights organizations, women's groups, employment agencies and organizations of Spanish-speaking people.

WHITE HOUSE CONFERENCE

The White House Conference on Equal Employment Opportunity, attended by more than 600 persons from all sections of the country, August 19 and 20, gave us a prime opportunity to exchange ideas and viewpoints with key sectors of American society concerned with Title VII. We set before representatives of industry, labor, community organizations, state and Federal agencies the provisions of the law and our plans to implement them, and we received the kind of practical comment and counsel that will be invaluable in furthering the work and planning of the Commission.

The workshops were frequently marked by sharp debate, but it was gratifying to find a sweeping consensus in support of the spirit as well as the letter of the new law. Conferees repeatedly emphasized the importance of affirmative action programs as well as the vigorous handling of complaints. We have received a gratifyingly large number of letters which express appreciation for the Conference and offer valuable program suggestions to the Commission.

#####



EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
WASHINGTON, D.C. 20506

July 22, 1965

MEMORANDUM

TO: Dr. Luther Holcomb, Commissioner
VIA: Mr. N. Thompson Powers, Executive Director
SUBJECT: Employment Procedures

1. All appointments to positions at GS-14 and above are to be recommended to Commissioner Holcomb by the Executive Director, who shall attach appropriate papers prepared by the Personnel Director and approved by the Administrative Officer. It is Commissioner Holcomb's present intention to interview personally as many of these applicants as his time permits. Commissioner Holcomb will then recommend appointments in this group to the Chairman for final approval.
2. All appointments to positions at grades below GS-14 are to be recommended by the Executive Director to Commissioner Holcomb with attachments similar to those described in paragraph one above. The Chairman hereby delegates authority to Commissioner Holcomb to give final approval of all such employees without further reference to the Chairman, although it is requested that Mr. Royer be kept informed of all such appointments.

A handwritten signature in cursive script, appearing to read "Franklin D. Roosevelt, Jr.", written in dark ink.

Franklin D. Roosevelt, Jr.
Chairman

Addressee List on 2nd Page

Copies to:
Commissioner Hernandez
Commissioner Jackson
Commissioner Graham
Mr. N. Thompson Powers
Mr. John H. Royer, Jr.
Mr. Walter Davis
Mr. Charles Duncan
Mr. George Holland
Mr. Herman Edeslberg
Dr. Alfred W. Blumrosen
Mr. Robert Gale
Mr. William J. Kendrick
Mr. John Eberle
Mr. Charles Markham
Mr. King Carr
Mrs. Margaretta Bell
Mr. Richard K. Berg
Mr. Heneghan
Mrs. Valentino

Transcript of Proceedings

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

JOINT FEDERAL AGENCY MEETING

with

EXECUTIVES OF THE PHARMACEUTICAL INDUSTRY

Washington, D. C.

6 October 1967

ACE - FEDERAL REPORTERS, INC.

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NATION-WIDE COVERAGE

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Washington, D.C.

JOINT FEDERAL AGENCY MEETING
with
EXECUTIVES OF THE PHARMACEUTICAL INDUSTRY

Indian Treaty Room,
Executive Office Building,
Washington, D. C.

Friday, 6 October 1967

The meeting was convened at 2:00 p.m., James L. Goddard, M.D., Commissioner, Food and Drug Administration, presiding.

C O N T E N T S

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<u>AGENDA:</u>	<u>PAGE</u>
Statement of James L. Goddard, M.D., Commissioner, Food and Drug Administration.	3
Statement of Clifford L. Alexander, Jr., Chairman, EEOC.	8
Statement of Edward Sylvester, Director, Office of Federal Contract Compliance.	15
Statement of Dr. Phyllis Wallace, Acting Chief, Technical Studies, Department of Research, EEOC.	17
Statement of William J. Kendrick, Director, Technical Assistance, EEOC.	29
Question and Answer Period	39

P R O C E E D I N G S

1
2 DR. GODDARD: Good afternoon, gentlemen.

3 As the Commissioner of the Food and Drug Adminis-
4 tration, it is my pleasure to welcome you here this after-
5 noon. We have a dual interest in joining with the Equal
6 Employment Opportunity Commission as co-sponsor of this
7 meeting.

8 First of all, it shares with the federal agencies
9 a responsibility to support and encourage in every way
10 possible full compliance with the public laws and the
11 Executive Order calling for affirmative steps to ensure
12 equal employment opportunity.

13 Second, it bears the major federal responsibility
14 of guaranteeing the consumers, as you well know, that
15 foods, drugs, cosmetics entering the marketplace do not
16 violate the standards established by public law.

17 There is no inconsistency in these two national
18 goals. Employers can and must improve their hiring practices
19 while maintaining the high quality of American goods.
20 The President has urged that every agency of government do
21 what they can in this matter. The FDA expects to play its
22 proper role in support of both of these national mandates.

23 Before raising the subject with you, FDA reviewed
24 its own personnel practices. We found that last year,
25 15.6 percent of our 4,700 employees were from minority

1 groups. Their job stations ranged from unskilled work to
2 administrative direction of our Bureau of Medicine. In our
3 GS-12 through -18 jobs -- in which you will find our top-
4 ranking physicians, pharmacologists, microbiologists, and
5 administrative personnel -- 3.4 percent were from minority
6 groups. One step down -- among the bench chemists, pharma-
7 cists, inspectors, budget officers, and other skilled white-
8 collar personnel who fall within the GS-5 through -11
9 categories --12.9 percent were from minority groups.

10 We are proud of our record thus far. But we have
11 no illusions about the need to do better. In fact, the most
12 difficult area for us to accomplish progress in is in this
13 area of the highly skilled personnel. We do have a long way
14 to go to fulfill the commitments made by the President and
15 the Congress for expanding equal employment opportunities
16 within government. Our Agency has appointed a specific
17 individual, who reports directly to me, to see how well we
18 carry out our part of that job commitment. My immediate
19 office is also kept abreast of all efforts in recruitment
20 and career development in which equality of employment
21 shall be considered. Each Bureau and Staff Office also
22 has an individual responsible for making sure that the best
23 efforts are made in his own area of work.

24 But let me repeat that these efforts are, in my
25 opinion, just a beginning. There are still more actions we

1 can and must take before the FDA can say it is doing all it
2 can. And I intend to have the Agency do them.

3 Each company here today has more than 1,000
4 employees on its payroll. Together, you manufacture
5 more than 70 percent of the drug products marketed in this
6 country. To a great extent, you are determining the course
7 of the drug industry. Your research investment, your
8 investment in new facilities and equipment, and the
9 increasingly important position you are assuming within
10 the total health effort -- all these factors present you
11 with a unique opportunity for leadership in the employment
12 area. It is to such industries as yours that we must look
13 if this country is to provide meaningful jobs for every
14 citizen.

15 In my visits around the country, stopping by many
16 of your plants and talking with your people on the job, I
17 have been impressed with the variety of occupations which --
18 when brought together by your managements -- constitute the
19 drug industry. Pharmacists and chemists, clerks, account-
20 ants, physicists and electronics engineers, computer
21 programmers, batch-mixers, storekeepers, physicians, machine
22 operatives, printers -- the range of jobs is impressive
23 and is also indicative of opportunities for many of our
24 fellow Americans who have been passed by.

25 Now we are all aware of the importance of people

1 to fill jobs at virtually every level today. Our
2 recruiters frequently cross paths with yours. There may be
3 differences among companies and among geographical areas. But
4 as an industry, your personnel shortages run the gamut of
5 skilled and unskilled positions just as ours do. As you
6 grow, this general problem will remain the same, although
7 the specific jobs themselves may change.

8 By coming together this afternoon, to listen to
9 each other's views on minority employment, I believe we are
10 doing the realistic thing. My colleagues here from other
11 agencies have the statutory responsibility to see that
12 equal employment opportunities are available to the greatest
13 possible extent. They also represent agencies with whom you
14 do business.

15 The position of the FDA, however, is different. We
16 have no statutory responsibilities in regard to employment
17 opportunities. Nor do we purchase your products. But we
18 do have a primary interest in making sure that the flow
19 of pharmaceuticals from your production lines is constant and
20 of the highest quality. In this, I believe I share with each
21 of you an identical concern.

22 We recognize that change produces stress. New
23 staffing programs and new training methods may raise questions
24 in your mind as to your ability to safeguard the quality of
25 your product.

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FDA is prepared to share some of the stress with you. We want to be of assistance, particularly in bringing industry and government together before misunderstandings arise. Our staff is ready to discuss with your people what some of your concerns may be. We are also prepared, along with the staff of the Equal Employment Opportunity Commission, to provide technical assistance and specific materials when these are needed as well.

We know that you will have many questions after you have heard today's presentations. We welcome an open and frank exchange of ideas. Otherwise, our meeting will not bear fruit.

And we pledge to each of you that the Food and Drug Administration is ready to be your partner in proving that your industry can contribute to the Nation's fight against discrimination even as it contributes to the Nation's fight against disease.

It is now my pleasure to introduce to you the Chairman of the Equal Employment Opportunities Commission, Mr. Cliff Alexander. Mr. Alexander is already a distinguished individual for one so young.

I am happy to say he is a Harvard alumnus, as well as a Yale Law School graduate. He was appointed to his present position by President Johnson early this year and sworn in on August 4, I believe.

1 He also continues in the post of Special Advisor
2 to the President on Civil Rights, and so it is with great
3 pleasure I turn the meeting over to Mr. Clifford Alexander.

4 Thank you.

5 MR. ALEXANDER: Thank you very much, Dr. Goddard.
6 I appreciate your taking the time today to attend this
7 meeting. We have high hopes that it will be mutually
8 beneficial to all of us.

9 We at the Equal Employment Opportunities
10 Commission welcome the association with Food and Drug Admin-
11 istration, and with all government agencies, to help us
12 achieve the national goal of equal employment opportunities.

13 Our Commission's inter-agency associations follow
14 President Johnson's call for a partnership among Federal
15 agencies as well as with state and local governments to get
16 the job done.

17 As for our Commission itself, another call by the
18 President best describes the reason we exist and the reason
19 we are here today. When I was sworn in the President said --
20 and I quote: "This Commission, like the Civil Rights Act
21 that created it, exists for one reason -- that millions of
22 Americans are still barred from full participation in the
23 American dream. We are all equal before God. We are
24 equal in the eyes of the law. If I have anything to do with
25 it in this country we are all going to be equal in seeking

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1 a job."

2 We want to talk to you today because our analysis
3 of the employer reporting forms you filed with the Commission
4 last year indicates that all Americans may well not be
5 equal in seeking a job in your industry.

6 Your industry is by no means the only one whose
7 employment data leads us to a similar conclusion. We have,
8 for example, undertaken a program to open up jobs for minority
9 group members in the textile industry of North and South
10 Carolina based on an analysis of their employer reporting
11 forms which indicated substantial under-utilization of
12 Negro workers. We have plans to sit down with other
13 industries whose employment data shows the far-too-common
14 pattern of low utilization of minority groups and their
15 concentration in lower level, low-paying jobs.

16 What do we plan to accomplish today?

17 First, we want to show each of you, who is undoubtedly
18 aware of minority employment patterns in your own company,
19 the picture for the industry as a whole. We do not
20 believe it is a picture of which you will be proud.

21 Second, we want to describe the kind of effort
22 that could help change that picture. We want to attempt to
23 avoid, in both your interest and ours, the time consuming
24 complaint process which could well be the inevitable
25 alternative to the kind of voluntary action we seek to

1 initiate today.

2 Let us make no mistake about it: it is action
3 we seek. No such action is possible without the commitment
4 of top industry management. Your presence here today, I
5 think, bespeaks that commitment. But commitment alone does
6 not create action. And that is why we hope that follow-
7 up programs we will discuss today will help you translate
8 your commitment into action.

9 What is the kind of action we seek?

10 We in the field of equal employment opportunity
11 often draw the distinction between "voluntary compliance"
12 and "affirmative action." The latter is characterized by
13 efforts to promote significant utilization of minority man-
14 power rather than simply to refrain from preventing it.

15 Very often when a company considers whether to
16 undertake affirmative action it recoils on the basis that
17 it is undemocratic...that it represents discrimination in
18 reverse. We will talk more about this later.

19 Equally often the company is hesitant because of
20 fears that it would have to reduce its standards and
21 jeopardize the product it is in business to produce. Let us
22 be clear that we will not call on you for indiscriminate
23 hiring; but we will call on you for truly non-discriminatory
24 hiring.

25 Let us be clear, too, that we do not advocate a

1 slackening in your quality control to facilitate equal
2 employment opportunity; but we will certainly call on you
3 to recognize that a legitimate concern for quality control
4 becomes a fetish when applied to the many jobs in your
5 industry not directly concerned with critical quality
6 insurance in the production process.

7 To achieve equal employment opportunity in your
8 industry will mean elimination of certain practices whose
9 effect, however unintentional, has been to exclude minority
10 groups from meaningful positions in your work force. We
11 will ask you to explore whether the scarcity of qualified
12 job applicants you may perceive is truly a scarcity, or
13 rather a reflection of your failure adequately to tap labor
14 resources which do exist.

15 We will ask you to face honestly the fear that
16 tapping these resources need result in lowered standards
17 for hiring, upgrading and, indeed, quality output. To face
18 it in light of your experience that it is far too often
19 a groundless fear,

20 Returning to an earlier distinction, is what we
21 seek your voluntary compliance with Title VII of the
22 Civil Rights Act of 1964, or is it affirmative action to
23 increase the participation of minority workers in your
24 industry? We can do no less than demand the former, because
25 the figures you will see shortly suggest so strongly that

1 compliance does not now exist. And we hope we can expect
2 no less than the latter from you as an industry. Your shining
3 record in promoting the nation's physical health ought not
4 be tarnished by a disregard for symptoms in your own industry
5 of the virtual cancer threatening the nation's economic
6 and social health.

7 And it is a cancer.

8 The minority employment statistics for the nation
9 repeat with monotonous regularity that despite many Admin-
10 istration efforts the non-white jobless rate is twice the
11 rate for whites, as it has been for the past 13 years; that
12 non-white family income is virtually half that of white
13 families, that minorities are largely confined to those
14 jobs whose number will not grow apace with our economy.
15 Surely these symptoms suggest a serious ailment in the
16 Nation's economic and social health. Surely you who are
17 concerned with physical health should recognize that special
18 thereapeutic measures are required to rehabilitate individual
19 who have been debilitated by years of affliction.

20 It is not favoritism for the physician to call on
21 the seriously ill at home rather than demand they visit his
22 office. It is not preferential treatment to help a convalescent
23 through the door instead of simply telling him it is open.

24 To reverse the effects of discrimination takes
25 special effort. To call such effort reverse discrimination

1 is an exercise in obfuscation.

2 Once again in the words of President Johnson:
3 "You do not take a person who, for years, has
4 been hobbled by chains and liberate him, bring him
5 up to the starting line of a race and then say,
6 'you are free to compete with all the others,' and
7 still justly believe that you have been completely
8 fair."

9 Let us agree here today that as industry leaders
10 will take steps not just to proclaim at large that the gates
11 of opportunity are open, but to make certain the message is
12 heard by those whom years of experience have taught to
13 be very skeptical. Steps which will demonstrate that behind
14 the open door there is more than just a waiting room. Let
15 us assure you we will help you to take these steps and will
16 observe your progress with the greatest interest and
17 encouragement. And let us hope that the ingenuity you apply
18 in taking them will serve as an example to the many other
19 industries with whom we shall undertake the kind of effort
20 we do with you today.

21 I think next it would be important for us to
22 hear from a man who has worked with the federal government
23 in the Department of Labor, who is presently in charge of
24 the Office of Federal Contract Compliance, a man who is
25 respected by anyone who has worked closely with him as I

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have, and by everyone in the field of civil rights and by
all who know him throughout the federal government, Edward
Sylvester.

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1 REMARKS BY EDWARD SYLVESTER, OFFICE OF
2 FEDERAL CONTRACT COMPLIANCE,
3 DEPARTMENT OF LABOR.

4 MR. SYLVESTER: Thank you very much.

5 Gentlemen, I think that I will take just a few
6 moments to talk about the responsibilities that we have in
7 the Department of Labor which sets a little different frame-
8 work and a little different relation than has been outlined
9 by Dr. Goddard and Mr. Alexander, both of whom I fully agree
10 with in terms of their remarks. But our responsibility
11 takes place within the framework of a special relationship,
12 a contractual relationship between the government and the
13 people that it does business with. And it requires that
14 we take whatever steps may be necessary to insure that
15 there is in fact equality of opportunity, and to stress a
16 bit the point that Mr. Alexander made, it is not a matter
17 of nondiscrimination, it is a matter of taking whatever
18 overt steps have to be taken to in fact produce a result.

19 And I think we all here in this room know that
20 enforcement of the Executive Order has not really been very
21 vigorous or effective in the drug industry as indeed it has
22 not been in others. But under the leadership of ODEC assist-
23 ed by the Food and Drug Administration, we intend to participa-
24 fully in this program and carry out our responsibilities
25 as they relate to that program.

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1 The point I would want to really try to put
2 across is what we feel affirmative action is. It is a very
3 difficult concept to try to explain. But I think in simple
4 terms it means that our expectation is that management puts
5 a fair share of its attention and resources to this manpower
6 problem as it would put to any other manpower problem. And
7 to establish the kind of feedback mechanism in its organiza-
8 tion that lets it know that in fact this portion of its
9 contract is being delivered on as it knows about other
10 portions of its contract.

11 I think that that is the main point I would want
12 to make. Just to emphasize that we accept our responsibility
13 in this, we intend to fully support the Commission and the
14 Food and Drug Administration and, of course, we are allied
15 with the Veterans Administration and we intend to participate
16 fully in the follow-up to see in fact that this program is
17 successful and I am sure that collectively we can do that.

18 Thank you.

19 MR. ALEXANDER: Thank you, Mr. Sylvester, very
20 much.

21 Next we will move on to the drug industry profile
22 which will be presented by Dr. Phyllis Wallace, who is
23 Chief of Technical Studies at the Equal Employment Opportuni-
24 ty Commission.

1 REMARKS OF PHYLLIS A. WALLACE, CHIEF,
2 TECHNICAL STUDIES, EQUAL EMPLOYMENT
3 OPPORTUNITY COMMISSION.

4 DR. WALLACE: I think we will have to have the
5 lights dimmed for the slides.

6 The Office of Research and Reports of the Equal
7 Employment Opportunity Commission has completed a study of
8 employment opportunities for minority group workers in the
9 drug industry. The examination draws heavily on a 1966
10 employment survey based on Equal Employment Opportunity
11 Reports -- EEO-1.

12 The Equal Employment Opportunity Commission, the
13 Office of Federal Contract Compliance of the Department of
14 Labor, and Plans for Progress jointly developed the EEO-1,
15 also known as Standard Form 100. Filing is required of all
16 private employers with 100 or more employees and of holders
17 of federal government contracts of \$50,000 or more with 50
18 or more employees. Each employer covered is required to
19 submit annually, data on total employment, occupation, sex,
20 and ethnic origin -- Negro, Oriental, American Indian and
21 Spanish surname.

22 Minority manpower patterns were reviewed in the
23 context of the demand for pharmaceutical products and pro-
24 jections of labor requirements for this industry. Key
25 elements of this context were: first a recent history of

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1 rapid growth in output and favorable prospects for long
2 term demand. High levels of economic activity in the
3 industry past and present can be associated with extensive
4 new product introductions, improved health standards and
5 expanded health programs. In addition, the industry has
6 benefited from several restrictions on importation of drugs,
7 especially the American Selling Price method of tariff
8 assessment. Future industry growth will be stimulated by
9 rising personal income and population growth, particularly
10 of persons age 55 and over.

11 The second element of the context was the pre-
12 dominantly white collar -- approximately 60 percent of
13 employees -- character of the industry with future employmen
14 increases to be concentrated in white collar jobs. The
15 white collar category spans a broad occupational grouping of
16 officials and managers, professionals, technicians, sales
17 workers, and office and clerical workers.

18 Participation rates were calculated for both
19 Negroes and Americans of Spanish surname employed in the
20 drug industry, with the major analysis restricted to the
21 former. Negroes are the largest minority group and are
22 heavily concentrated in areas where the drug industry is
23 located.

24 The principal finding of the 1966 employment survey
25 is that there are few Negroes working for drug companies.

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1 Negroes constitute 5.3 percent of the 133,735 persons employ
2 in the 398 establishments which filed EEO-1 reports on 1966
3 employment. Similarly there are few Americans of Spanish
4 surname, only 2.1 percent of total employees, working in the
5 drug industry.

6 Chart 1 shows these employment ratios for Negroes
7 and Americans of Spanish surname in the drug industry. In
8 the nine standard metropolitan statistical areas which
9 account for 62 percent of the 1966 drug industry employment
10 reported on EEO-1, Negroes again represented 5.3 percent of
11 total employees. The nine areas are: New York, Chicago,
12 Newark, Philadelphia, Indianapolis, Los Angeles, Detroit,
13 St. Louis, and Cincinnati.

14 It may be noted that Negroes accounted for approx
15 mately 12.3 percent of the total population in 1960 in these
16 nine metropolitan statistical areas. A corresponding
17 estimate for 1966 would be substantially higher. We know,
18 for example, that there has been growth in the Negro popula-
19 tion in these areas since 1960 and that the 1960 Census
20 itself undercounted the Negro population.

21 In order to delineate more precisely occupational
22 patterns by racial groups, we selected a sample of 204
23 establishments representing 30 major drug companies. Each
24 company had more than a thousand employees, and the total
25 sample represented 75 percent of the employment of the drug

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1 industry in the EEO-1 survey and 78.3 percent of total white
2 collar employment among reporting companies. The white and
3 blue collar ratios were approximately the same as for the
4 total industry, 60 percent and 40 percent, respectively. You
5 gentlemen here today are representatives of those 30 key
6 companies in the industry.

7 Chart 2 shows Negroes as a percent of total
8 employees in the 30 major companies in the sample. The Negro
9 participation rate ranges from 0.6 percent to 25.4 percent.
10 The overall percent for the sample is 4.4 percent. This
11 can be compared with 5.3 percent for the total industry.
12 The median percent for the sample is even lower with half
13 of the 30 companies falling below a 3.9 percent Negro
14 participation rate.

15 Although the sample of 30 companies accounted for
16 75 percent of the employment in the total universe of report-
17 ing establishments, it included only 61.5 percent of the
18 Negroes employed in the drug industry.

19 White collar employment: The representation of
20 Negroes in white collar jobs which constitute the bulk of
21 drug industry employment is particularly low. Negroes hold
22 only 1.8 percent of white collar jobs reported by the 398
23 establishments under EEO-1 for 1966. In the special sample
24 of 204 establishments, the under-representation of Negroes
25 is even more marked. Negroes hold just 1.5 percent or 911

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of the white collar positions. The Negro white collar utilization rate for the 30 major companies shown in Chart 2 ranges from 0.4 percent to 5.2 percent with 15 of the companies ranked below 1.4 percent.

Negro penetration of white collar positions is low among all job types comprising the category. Chart 3 shows these relationships. Negro officials, managers and professionals account for 1.1 percent of their category. In office and clerical positions, Negroes comprise only 2.1 percent of the 15,893 positions. Unlike the professional and technicians category, these jobs do not require advanced education and specialized training.

The smallest representation of Negroes in the white collar work force was in sales positions -- 91 persons or 0.6 percent of all salesmen in these companies. It is interesting to note that there are not even enough Negro salesmen to cover the 9,000 Negro doctors and dentists in the U.S., if Negro salesmen were restricted to such coverage.

Under-utilization of Negroes in sales jobs contributes importantly to the pattern of low Negro penetration in white collar jobs as a whole, since sales jobs are an important and growing segment of total white collar employment in the industry -- 26 percent of all white collar employment in 1966, up from 19 percent in 1960. Negro technicians hold only 4 percent of these jobs. You

1 will also note that Chart 3 is scaled to show the relative
2 sizes of white collar categories with officials, managers
3 and professionals accounting for 35.3 percent of total;
4 office and clerical workers 28.4 percent; sales workers 26.3
5 percent and technicians 10 percent.

6 Blue collar employment:

7 Even in the blue collar area, there appears to be
8 a substantial under-utilization of Negroes. Chart 4 shows
9 the representation of Negroes within blue collar positions.
10 Negroes constitute 10.0 percent of blue collar employees
11 reported in the total EEO-1 survey as compared to the 8.6
12 percent of all blue collar workers in the special sample.
13 At least half of the Negro blue collar workers are concentra
14 in the unskilled occupational categories -- laborer and
15 service workers -- this, despite the fact that the largest
16 concentration of blue collar jobs in the industry is at the
17 semi-skilled level -- operative and kindred workers. Negroe
18 held only 7.1 percent of the 19,114 operative jobs in 1966.

19 Many of the operative jobs are essentially the
20 tending and operating of machinery and equipment. According
21 to the 1965 edition of the Dictionary of Occupational Titles
22 published by the U. S. Department of Labor, such jobs require
23 little or no previous experience and indifferent scholastic
24 records, with success important only in machine shop courses

25 Craftsmen and foremen were the next largest group

1 of blue collar workers accounting for about one-fourth of
2 all blue collar jobs. These jobs require more training and
3 on-the-job experience. For some positions, apprenticeship
4 programs represent the best entry route. Negroes hold only
5 3.8 percent of the 9,996 craftsmen jobs. Chart 4 is scaled
6 to show the relative sizes of blue collar categories with
7 operatives representing 47.4 percent of the total; craftsmen
8 and foremen 24.8 percent; laborers 17.7 percent and service
9 workers 10 percent.

10 Thus, we find that past employment practices in
11 the drug industry have led to a concentration of Negroes in
12 blue collar jobs. The chances were four in five that Negro
13 employees in the drug industry would hold blue collar
14 positions as compared with the two in five for total employe
15 In an industry which is becoming more white collar, operatio
16 of these past trends will tend to penalize Negro employees
17 disproportionately.

18 Compounding the problem of low overall representa
19 tion in both blue and white collar jobs is a pattern of the
20 absence of Negroes from the generally higher-paid positions
21 within each category.

22 Chart 5 shows that the average blue collar worker
23 has a one in four chance of being a foreman, craftsman, or
24 kindred worker; the Negro blue collar worker has but one
25 chance in ten.

1 Those Negroes in white collar positions within the
2 30 major drug companies studied are distributed significantly
3 more heavily among office, clerical, and technician positions
4 than would be expected on the overall incidence of these
5 positions within the white collar category.

6 Looking at Chart 5 again we note that while on the
7 average a white collar employee has about one chance in four
8 of being a sales worker, a Negro white collar employee has
9 but one chance in ten. One in seven white collar employees
10 is an official or manager; for Negro white collar employees
11 only one in 33 is so employed.

12 Questions for further analysis:

13 Our analysis of employment patterns in the drug
14 industry raises several questions for further investigation.
15 These relate to (1) differential participation rates for
16 large and small companies and (2) the geographic location
17 of plants. Apparently some of the smaller drug companies --
18 250 up to 1,000 employees -- utilize Negroes at a higher rate
19 than some of the larger firms. One company of about 500
20 employees had a Negro white collar utilization rate of 18
21 percent. Another firm with slightly more than 300 employees
22 reported that one-fourth of its white collar employees were
23 Negroes. Any number of factors may be responsible for the
24 differential minority group employment distributions between
25 larger and smaller companies.

1 Geographic location:

2 As we have noted before, the drug industry employ
3 ment is concentrated in large metropolitan areas with
4 sizeable Negro populations. For example, the ranking SMSA's
5 in terms of total drug employment had, according to the 1960
6 Census, an average Negro population ratio of 12.3 percent,
7 ranging from 15.5 percent for Philadelphia to 7.6 percent
8 for Los Angeles.

9 These data refer to the Standard Metropolitan
10 Statistical Area, which is defined as an integrated economic
11 and social unit with at least one central city of 50,000
12 inhabitants and adjacent counties that are found to be
13 metropolitan in character. Minority group populations are
14 usually concentrated in the core city of the SMSA's, and
15 many of the job opportunities are in industrial complexes
16 located on the periphery of the area.

17 The under-representation of Negroes in work
18 places that are distant from core city areas can be attributed
19 to prohibitive transportation costs, restrictive housing, and
20 the lack of knowledge about jobs in these outlying areas. We
21 do not know to what extent drug companies have located on
22 the perimeters of SMSA's. We need to explore more fully
23 whether the barriers to upward mobility of minority group
24 workers are defined by minimum opportunities for on-the-job
25 training, educational deficiencies, or some other combination

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1 of factors.

2 Education:

3 The 1967 Manpower Report of the President noted
4 that many Negro workers, especially the younger ones, have
5 more education than they need for the jobs they can get.
6 Almost 35 percent of the nonwhite men in the labor force had
7 4 years of high school or more in 1965 and 7 percent had
8 completed college, but only 17 percent were in white collar
9 positions. Among nonwhite women workers, the proportion
10 with 4 years or more of high school education was 44 percent
11 and 9 percent were college graduates. Yet only 26 percent
12 were in white collar positions.

13 In comparison, the figures for white workers
14 show significantly larger proportions in white collar
15 occupations. Influences other than low educational attain-
16 ment seem to be important in bringing about the inferior
17 occupational structures of Negroes. Even if one allows for
18 the lower quality educational attainment of minority groups,
19 one cannot fully explain the low representation of Negroes
20 in managerial, sales, and craft jobs.

21 In the nine metropolitan areas where the drug
22 industry employment is heaviest, from 24 percent up to 38
23 percent of Negroes had completed four years or more of high
24 school in 1960. Since 1960 there has been a significant
25 increase in the educational attainment of young nonwhite

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1 workers.

2 Impact of Manpower Requirements:

3 Minority manpower problems must be examined withi
4 the context of manpower needs for the industry and the
5 general economy. With extensive R and D outlays, the occu-
6 pational and skill structure of the labor force in the drug
7 industry should be affected. The employment trend may be a
8 significant shift away from production workers to nonproduct
9 workers -- especially sales and technical. R and D expendi-
10 tures by the ethical drug industry were approximately
11 2 billion dollars during the past decade. Even if there are
12 not spectacular gains from R and D in the future, manpower
13 requirements will expand, reflecting the strong secular
14 growth in drugs.

15 What are the implications for minority manpower?

16 Projections of employment requirements based on net growth
17 in an industry provide only some of the employment opportuni-
18 ties. The need to replace workers who die, retire, or leave
19 the work force accounts for many job opportunities. The
20 long-run outlook for manpower needs in the drug industry is
21 promising.

22 In the short run, on-the-job training and upgradi
23 of minority workers already employed need to be emphasized.
24 We need to know more about progression from semiskilled to
25 skilled levels. Are there inequities in the system? What

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1 are the prerequisites for advancement? How are they made
2 known?

3 More aggressive recruitment can be conducted for
4 jobs in the expanding white collar categories. For example,
5 at the technicians' level there will be job opportunities that
6 will require less than a four year college degree. A 1965
7 survey of the Pharmaceutical Manufacturers Association on R
8 and D manpower -- scientific and technicians and supporting
9 staff -- revealed that 41 percent of the 16,390 workers in
10 this category had less than a bachelor's degree. The
11 technicians and supporting staff accounted for about 46 per-
12 cent of the R and D manpower.

13 The pharmaceutical industry plans to expand its
14 R and D manpower by 2,500 persons between 1965 and 1968.
15 One thousand of the projected additions will be technicians
16 and supporting staff, and no college degree will be required
17 for at least 90 percent of these new additions.

18 Access to jobs in the rapidly growing white
19 collar occupations is critical to both the welfare of
20 minority group workers and the nation. It is hoped that with
21 continued expansion in the drug industry, more minority group
22 manpower will be absorbed into its labor force.

23 MR. ALEXANDER: Thank you very much, Dr. Wallace.

24 At this time we will take a break and I think there
25 is some coffee right outside the door.

1 MR. ALEXANDER: Ladies and gentlemen, at this time
 2 we will move on to possible technical assistance approaches
 3 and to give us a presentation on this will be Mr. William
 4 Kendrick, who is the Director of Technical Assistance, Equal
 5 Employment Opportunity Commission.

6 REMARKS OF WILLIAM J. KENDRICK, DIRECTOR,
 7 OFFICE OF TECHNICAL ASSISTANCE, EQUAL
 8 EMPLOYMENT OPPORTUNITY COMMISSION.

9 MR. KENDRICK: Thank you, Mr. Chairman.

10 I am told the Vice President might arrive at any
 11 minute and I understand I am to abdicate the throne in case
 12 he does, so I may be interrupted.

13 Gentlemen, you have now heard described, and we all
 14 have reviewed the statistics on minority employment in your
 15 industry. The written materials given you state some of the
 16 Commission's conclusions in this regard. Even a look into
 17 your future has been made and projections indicate continued
 18 growth at an accelerated rate.

19 It is your future that interests us here today
 20 because on your continued growth depends the prospects for
 21 increased job opportunities. And one key factor in your
 22 growth will continue to be available manpower resources.
 23 And that is what we are talking here about today. We are
 24 talking about manpower already developed in our nation that
 25 is underutilized and we are concerned about manpower available

1 in our land which is not yet developed.

2 As was mentioned by our Chairman, I am Director of
3 the Commission's Technical Assistance Office. This office,
4 along with the other agencies represented here, will be in-
5 volved in a followup program with many of the firms in your
6 industry; a followup effort aimed at working with management
7 to identify those areas where action can be taken to promote
8 and insure job opportunities for minorities. A followup
9 program which will enable us to talk with representatives
10 of your firms about problems and solutions in the manpower
11 area.

12 As you know, by statute, EEOC is primarily charged
13 to investigate individual allegations of job discrimination
14 and that responsibility is met by our Compliance Division.
15 However, the Commission realizes that other routes to equal
16 job opportunity for minorities must be traveled. Other
17 resources must be found and utilized. And one of those
18 resources is the goodwill that we know exists in many areas
19 of the private sector.

20 The Commission is well aware that employers, unions,
21 employment agencies, and other factors outside the government
22 possess the greatest potential for creating and effecting
23 the actions needed to eliminate the inequities suffered by
24 minorities in the job market place. But the Commission ex-
25 presses its concern today along with FDA, VA, and Labor that

1 in many instances a commitment to this end has not been made
2 and too often where it has been made by top management, it
3 has not been communicated to lower echelon supervisors in a
4 manner to make implementation match the commitment.

5 We are convinced that the shortest road to success
6 could be a partnership between government and private enter-
7 prise, partnerships, not adversary proceedings. But it is
8 still not clear whether together we will choose the shortest
9 road.

10 Now, for the remainder of my time today, let me
11 mention those items which we want to discuss with your design-
12 nated representatives during our followup visits to your
13 companies:

14 (1) The establishment and communication of a clear
15 concise equal employment policy in each of your facilities;

16 (2) Development of relations with minorities
17 living in areas near many of your plants;

18 (3) Examination of pre-employment practices --
19 e.g., recruitment, advertising, testing, and hiring; and

20 (4) Training, upgrading, and sex.

21 We want to help identify those employment practices
22 which are exclusionary and which tend to perpetuate inequities
23 against minorities. Let me briefly discuss our experiences
24 on some of these points, and sex will be last -- and it won't
25 be personal.

1 First, policy and communication. Here we have four
2 that without written, positive action by top management, in
3 the form of specific instructions followed by a continuing
4 performance review to insure compliance with the stated goal
5 of equal job opportunity, discriminatory patterns, unwitting
6 or otherwise, will prevail.

7 It has been our experience that the most significant
8 difference between firms that have made strides in Equal
9 Employment Opportunity as opposed to those who only make
10 motions, is the posture of top management and the attention
11 it gives this matter. For example, one major, national
12 employer, in addition to drafting and communicating a strong,
13 clear policy also instituted a reporting procedure by which
14 all division, branch and office managers report to corporate
15 headquarters monthly, responding to specific questions regard
16 implementation of the company policy. Equally as important,
17 this firm made it known to every manager that their annual
18 efficiency reports would be determined in part on the imagina
19 tion exercised and accomplishments realized in creating
20 greater job opportunities for minorities.

21 Item No. 2, community and human relations. This is
22 a relatively new term in the corporate jargon and if properly
23 understood and implemented it can produce results for employe
24 in terms of an expanded, more qualified local work force. In
25 addition, effective relations with minority communities can

1 help create the best possible atmosphere in which a plant ca
2 operate. Misunderstandings and sometimes strife can be pre-
3 vented. The Equal Employment Commission can assist you in
4 this area.

5 Consider a recent experience with a Tennessee
6 facility of a national appliance manufacturer. This new
7 plant with planned employment totaling close to eight thousa
8 persons had already hired a quarter of that number. The
9 company was being hit by charges of job discrimination from
10 the sizable Negro community in the employment area. Plant
11 management couldn't understand the basis of the charges and
12 EEOC was asked to assist in developing communication with th
13 community.

14 We found that the allegations reaching minority
15 leaders came from already hired Negroes. Honest misunder-
16 standings had developed mainly as a result of practices and
17 policies which had not been satisfactorily explained to the
18 minority employees. The result was a poor company image
19 among the local minority population.

20 In addition to identifying these bottlenecks, EEOC
21 also served as the catalyst in bringing minority leaders and
22 management together. It is our understanding that relations
23 are good today and we know that job opportunities for minor-
24 ities have increased dramatically at that facility.

25 Positive community relations can take many forms

1 and we want to share the ideas and methods of other employer
2 with your responsible officials.

3 Item No. 3, Recruiting. Here is another area where
4 firms have allowed the Commission to be of help. These re-
5 quests have touched both blue collar and white collar re-
6 cruiting efforts. In some instances, we have even identified
7 minorities qualified in specialties required by the employer.
8 In other instances, we have shown local management that the
9 supposed leaders in many communities are too often leaders
10 only in the mind of the white employer. In another instance
11 we advised a large food processing firm that the five Negro
12 colleges being contacted for potential employees did not even
13 offer courses in the specialties being sought.

14 Item No. 4, Testing. The Equal Employment Oppor-
15 tunity Commission has a special interest in the subject of
16 testing, not because we do not recognize the value of tests
17 in the selection process, but because we believe that this
18 entire subject needs wholesale review, which review will
19 benefit employers as well as potential employees. We are
20 convinced that in some cases tests tend to limit the nation's
21 work force in terms of total capability. Have your tests been
22 validated? Do your tests place persons in positions for which
23 they over-qualify while excluding others who could qualify in
24 terms of performance? We want to share with your representa-
25 tives the experiences of firms, some similar to yours, that

1 have taken a close, hard look at this matter of tests, and
2 have eliminated some and altered others for the sole purpose
3 of expanding their source of supply of qualified and qualifi-
4 able workers.

5 One of the firms represented here today has, in a
6 related division, eliminated paper and pencil tests used to
7 determine the promotability of production workers -- another
8 of your sister companies is empirically validating tests on
9 both minority and majority candidates separately to determine
10 if there is any differential predictive power of tests among
11 various ethnic groups -- and many companies are abandoning
12 policies whereby tests in themselves serve to eliminate
13 candidates who fail. Tests are becoming just a tool and are
14 being de-emphasized as weapons.

15 Item No. 5, Training. Training is another area
16 where the Commission has been helpful to employers. Both in
17 terms of designing programs as well as assisting employers
18 in securing federal funding, until very recently employers
19 were looking for qualified employees but today more and more
20 firms are realizing that the qualified market is fast being
21 drained. Now we find companies selecting persons who appear
22 qualifiable and training them for the work to be done.

23 Training programs financed by employers, of course,
24 are nothing new. Private employers are spending more than
25 ten billion dollars a year on education and training for

1 employees. The main need now is not to ask industry to spend
2 new billions on training, rather industry needs to redistri-
3 bute what is currently spent so as to include employees
4 below the skilled level.

5 Since we find Negroes concentrated in the lower
6 blue collar categories in the drug industry, we will want
7 to share with you or your representatives the activities and
8 experiences of many firms across the country who have under-
9 taken basic education training as well as programs in higher
10 education, all aimed at upgrading present employees thereby
11 helping to alleviate the more critical shortages in skilled
12 manpower.

13 Olin Mathieson, Corn Products, Eastman Kodak,
14 several steel companies, major railroads, leading aircraft
15 manufacturers, and many others have initiated in-house educa-
16 tional training and we want to share our knowledge with you
17 regarding their experiences and successes.

18 And there are other equal employment opportunity
19 matters which have and may continue to trouble your manage-
20 ment. For example, seniority, lines of progression, job
21 classifications, union problems, facilities, public relations
22 state and local laws, and last but not least, sex.

23 Sex: I think this deserves special mention, not
24 just because it has represented a significant part of the
25 Commission's compliance activity, but because the problems

1 of sex discrimination are new and employers in many cases
2 don't know what needs to be done either in terms of compliance
3 or affirmative action. And with whom can an employer or
4 manager better discuss these problems than with representa-
5 tives of the Equal Employment Opportunity Commission. Again,
6 the Commission has worked along with many employers in
7 identifying and solving problems relating to sex which could
8 have resulted in violations of federal and state laws.

9 Now what of our planned followup program? And let
10 me make clear that the value of this effort depends on the
11 willingness of the firms represented here to join with repre-
12 sentatives of FDA, EEOC, and the VA in identifying potential
13 problem areas and discussing possible solutions.

14 True, the compliance activity made mandatory by
15 statute and Executive Order will not cease but together
16 we can, to a great degree, preclude situations of job
17 discrimination which may result in complaints and the
18 institution of compliance machinery.

19 Beginning in two weeks, our representatives will
20 visit drug firms in five selected areas. These meetings
21 will be the first step of our followup. Companies scheduled
22 for visits will, of course, be notified in time so that a
23 mutually convenient meeting can be arranged.

24 After several visits we plan to assess our approach
25 in order to insure that our efforts are of the greatest

1 possible value to the drug companies.

2 Then we will move ahead by making contact with the
3 remainder of the firms represented here.

4 We hope that our experiences will then be sum-
5 marized in writing for mailing to the many smaller firms
6 in the industry. You can be sure that during this effort,
7 confidentiality will be maintained.

8 Now if you have any questions on any item mentioned
9 in my remarks, please bring them out during the question and
10 answer period to follow.

end

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MR. ALEXANDER: Thank you, Mr. Kendrick.

I think at this time we do have a number of people who would be happy to try to answer any questions you might have concerning any part of the presentations so far.

MR. MUNNS: Mr. Alexander, I think I can assure you, speaking for our industry, all of the companies, certainly those represented by PMA, are in agreement with you on the principles that you have given to us today.

I was a little worried about the statistics as a means of identifying or pointing out the problem per se. Speaking for my own company, we have been quite active, and I think we are doing a good job. We are certainly trying. And looking at my statistics for 1962 to 1967, they are not impressive.

I can say they are a little better than the statistics you have shown. But there are so many problems, there are so many different things to cope with, that statistically we are not happy with the growth we have had. And we don't really believe we have done a good job.

And I don't think this is true in this industry any more than in any other industry. But we try. And I think everyone in this room has tried to cope with this situation. But it has got to be slow unless you folks have something to show us how results can be really speeded up.

We have a program that we expect to inaugurate,

1 which is for training the unemployed in a depressed area.
2 These are people that can't even read and write. But we
3 are going to bring them in as an experiment to give them
4 elementary education and on-the-job training. We immediately
5 had a response from the minority groups in our company that
6 they had many friends and relatives who were standing in
7 line for a job and why on earth did we go out and get less
8 qualified people to try to train them.

9 I don't say this is right, it is not an excuse,
10 but you immediately run into a current reaction which you
11 have never thought of. And these things are difficult. And
12 we hope the Commission will give us guidelines and help
13 and perhaps a better approach than we are using.

14 MR. ALEXANDER: I think there are several parts
15 of that that relate to concerns that many of you may have.
16 I think the first point that was made concerning statistics --
17 statistics are a very useful tool, we find, to make
18 discussions more relevant than they have been.

19 It enables us to give you a picture of what, in
20 fact, we are doing -- the same kind of tool we use in the
21 federal government to find out what, in fact, we are not
22 doing.

23 They are not used to say you have to reach such
24 and such a percentage. But I think for a company who has
25 utilization of a minority population, let's say of one half

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of one percent, in a city that has a population of 18 percent, obviously something is out of whack. Obviously there is not some contact with the minority groups. Obviously there is some tie-up in the personnel machinery that doesn't give the minority community insurance that it will get fair treatment.

This is why we attempt to use statistics, to give an overall picture, obviously under confidentiality, when we talk face-to-face about the company, no other company or group is there. That is the basic purpose and need we have for the use of statistics. We have a machine that gives us those statistics on every industry. We call it the outrage machine, because you look at the statistics and you do get outraged about the lack of participation of minority group members in all levels of jobs, and particularly high level jobs in almost every industry in America.

Let me give you another statistic. This is one I used often before I came to this Commission. In the automotive industry, Negroes certainly buy many cars. And not a great education is required to own a dealership. Up until about a month or so ago there were 33,000 automobile dealerships and one of those was owned and run by a Negro in our country.

Now, the big three have one each. That is out of 33,000 in this country. Well, that figure doesn't say that

1 there should be, because there are 11 percent Negroes in
2 this country, 3,000-some-odd that are owned. But It does
3 say that three does not really give the Negro equal oppor-
4 tunity.

5 I think the presumption could be that there was
6 something wrong between the automobile companies and the
7 minority population. There was some lack of communication,
8 stated in the necest way, or there was some discrimination to
9 state it as it probably was, in permitting Negroes to get
10 automobile dealerships.

11 These statistics help us to get a picture of what
12 has been done. It also helps us to identify those companies
13 that have had some success in finding qualified minority
14 people and take that experience through Mr. Kendrick's
15 office and have it available for other companies who have
16 shown a willingness, but who do not have the tools, and
17 take those tools that have been used by comparable companies
18 in the industry successfully.

19 This is another advantage. It is not going to be --
20 to use the expression -- it can't happen overnight -- it
21 isn't going to happen overnight, but it can't be a few
22 generations either.

23 The process we have undertaken and started in
24 this government, in this country, must accelerate for all
25 of our benefits. This is why I think this particular kind

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1 of meeting and others like it that will follow with other
2 industries are of particular relevance. They would have
3 been relevant in 1940 and they should have been done then.
4 But they are particularly relevant today for government and
5 for business reasons.

6 The gross national product of this country
7 suffers some \$31 million each year as a result of this
8 problem, because of the failure to utilize the minority
9 workers or because minority workers are not utilized to the
10 fullest extent.

11 From a business sense that is a good rationale
12 for using them. I think the fact you are here, the fact
13 you have worked with government, the fact that you have
14 shown an interest in what we are trying to do, I think this
15 indicates a commitment from you, but we want to help trans-
16 late with you how that commitment can be translated into
17 the action that ends up getting minority people jobs.

18 Just one final point: It is most important to
19 realize that when a group of people or an individual have
20 run against stone walls, statements by us individually or
21 as companies or as industries do not penetrate. They do
22 not penetrate the first time, second time, or sometimes
23 the hundredth time.

24 When there has been a long history of discrimination
25 many people often feel, why go through it again. I think

1 we should place ourselves in the position of the minority
2 person. At the dinner table at night he remembers the
3 experiences his parents went through as to discrimination,
4 the lack of opportunity et cetera.

5 MR. BLADES: I am assuming that management is
6 wholly devoted to this principle and has a stated policy
7 and mechanism to operate it and still progress is not being
8 made as effectively as you hoped to have it made.

9 I would be hopeful the Agency, when they do
10 come to visit us, will have some hardcore practical suggestion
11 of who we contact this reservoir of people. In other words,
12 in our area we have contacted various community groups
13 whatever they are, but still we don't seem to have covered
14 this.

15 The Personnel Department comes back to me saying
16 they have exhausted all of the avenues they can. Hopefully,
17 the experience of your Agency will help us in that respect.
18 Can anyone speak to that kind of problem?

19 MR. ALEXANDER: I think we are very interested in
20 numbers, we appreciate that, and we hope to come up with
21 practical solutions.

22 MR. KENDRICK: I don't think the Commission
23 should be at your door unless, number one, they can give
24 you some help. And I don't know what steps you have taken,
25 but I think if the Commission does get to your plant or to

1 your company. I think they will have something to offer.

2 And it won't necessarily be just a case of
3 sitting down and telling you what to do, but actually
4 helping you do it, if that is your wish.

5 Let me say this -- I think I speak for the
6 Chairman -- we are not looking to waste anybody's time,
7 including the Commission's.

8 MR. MUNNS: I have heard the expression hardcore
9 unemployment. Do you have any idea of what the statistics
10 might be throughout the country?

11 MR. ALEXANDER: I couldn't give you a good statis-
12 tic on it. There is a great deal of discussion that relates
13 to an alleged failure to identify even what the hardcore
14 unemployed is.

15 MR. SYLVESTER: I don't think anybody knows. As
16 a matter of fact, after a series of studies conducted by the
17 Labor Department in 20 ghetto areas around the country, with
18 a block by block, house by house survey to determine just
19 what the situation was, they found and came up with what
20 they called subemployment. And the national average,
21 assuming that these studies do apply nationally, run about
22 one-third, or 33 percent.

23 Now, this subemployment includes people who have
24 ceased looking for work and are no longer in the market, so
25 to speak, people who are employed but not making enough to

1 live on, people who are employed part time, but want to be
2 further employed, the undercount -- that was the census count
3 that Dr. Wallace spoke about.

4 So the fact is that when you talk about this
5 business of unemployment among minorities being twice the
6 unemployment among whites, that is a broad brush. It tells
7 you almost nothing about the real problem of hardcore
8 unemployed in the urban centers.

9 So indications are that it is somewhere in the
10 neighborhood of one-third when you consider the factors I
11 just talked about. I don't know if Dr. Wallace wants to
12 supplement that or not. The unemployment rate, the subemploy-
13 ment rate is 33 percent.

14 MR. KENDRICK: I think if the fellow is looking
15 for general figures, figures that I have seen outside of the
16 Labor Department indicate that there are approximately
17 750,000 non-whites unemployed in the United States.

18 I think the total unemployment in terms of bodies,
19 you could add to that figure about 3.2 million.

20 One other interesting fact that relates to the
21 question, it is also estimated that on a continuing basis in
22 the country there are three million jobs which go unfilled.
23 That is a figure from the U.S. Chamber of Commerce. So,
24 really, if you look at the two figures, they almost match.
25 We know the qualifications of the bodies looking for a job

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1 don't necessarily match the jobs available. But it is
2 interesting that there are three million jobs in this
3 country which go unfilled on a continuing basis, while
4 approximately three million, three and a half million people
5 go unemployed.

6 So we are not talking just about a problem of
7 employing the presently unemployed, but we are talking about
8 increasing the ability of the present employees so we can
9 fit the others possibly in at the bottom.

10 MR. RICHARDSON: In your experience are there
11 certain community efforts that are particularly helpful to
12 contribute to and support? For example, in New York City
13 we have consulted with the Urban League program about
14 secretarial training there. We played a part in starting
15 with Spencer Stewart a management resources corporation. But
16 are there other things like this in the community that you
17 see, for example, in the New York area, as being most
18 helpful to this effort?

19 MR. ALEXANDER: I think there definitely are.
20 There are programs of course within the federal government,
21 and that would be Job Corps, which has a great deal of
22 criticism but also a great deal of success, we find.

23 People who have been trained by the Job Corps,
24 in fact, stay on those jobs. We can at any time make available
25 to you those federal programs. There are other private

1 or private and public efforts, such as OIC which was initiated
2 in Philadelphia, which is projected to be in some 65 cities,
3 Reverend Sullivan's program started first with a boycott of
4 business in Philadelphia and then when they came to him and
5 said, show me some qualified bodies, he didn't see that he
6 had them, so he started a training program and taught them
7 how to look on an interview, mathematics, English, a great
8 many things.

9 He found that in four to eight months he had men
10 and women trained and ready to enter into responsible
11 positions, over 93 percent, at least in Philadelphia,
12 actually ended up with real jobs and kept the jobs. That
13 is another kind of program. I think Mr. Kendrick probably
14 knows of many others.

15 Dr. Wallace.

16 DR. WALLACE: I would like to suggest that the
17 project transition, which is a project of the Defense Depart-
18 ment that young men in the last six months of their
19 military service will be trained for civilian jobs. This was
20 a new project started by Defense Department in March, 1967.

21 Of course you have young men who have been in
22 the military service who worked in hospitals, who may
23 have some skills as technicians and these young men who
24 are returning and looking for jobs would be available for
25 some kinds of jobs in your companies. It is called Project

1 Transition started by the Defense Department in March 1967.

2 MR. KENDRICK: One other comment on that question.

3 You mentioned New York City and you mentioned two programs.

4 In one borough in New York City there are more than 60

5 federally-assisted job training projects, just to give you

6 an idea of the scope of job training projects in one borough

7 in one city.

8 MR. GRAHAM: Through what agencies are these?

9 MR. KENDRICK: Many OEO, some Department of Labor.

10 It may be very helpful for your people back at your companies

11 to have the very thick volume -- it is about that thick --

12 of all federally-assisted job training projects throughout

13 the United States.

14 MR. SYLVESTER: There is no reason a company can't

15 come directly to the Department of Labor and get funds for

16 job training. We have been trying to encourage that for

17 years, with not much success.

18 There is no reason an employer can't come to the

19 Department and make application and receive funds for training

20 programs. You don't have to depend on existing programs.

21 MR. SEARLE: Mr. Alexander, what is the unemploy-

22 ment problem in the college educated minority group, those

23 who have advanced that far, compared with the unemployment

24 rate of the white groups with college level education?

25 MR. ALEXANDER: I don't know. I don't have the

1 figure. Maybe someone here does. Do you have a figure?

2 DR. WALLACE: I was going to say the problem is
3 not unemployment, but underemployment, not fully utilizing
4 skills. I think at the present time for most non-white or
5 minority people who do finish college, in a very tight labor
6 market there is competition for their services.

7 But I think that the experience has been that once
8 young Negroes are in jobs, they do not advance rapidly,
9 so that five years later they are still in the lower level
10 echelons in perhaps white collar jobs.

11 So it is a matter of underemployment really
12 rather than unemployment for the college educated. Now, you
13 do have a problem of young Negroes who have had maybe only
14 two years of college, and these people do not have comparable
15 jobs, or jobs that are comparable to their educational
16 attainments.

17 A large number of these people are in blue collar
18 jobs and they should be in white collar categories, who
19 have had one or two years of college.

20 MR. SEARLE: Talking about college level jobs, these
21 with a science degree, the competition for talents in this
22 area has been such that we haven't been able to, individually,
23 hold anybody for five years, because they have been pirated
24 away from us in less time than that.

25 DR. WALLACE: This is quite true. I think in any

1 job where you have the demand for it pretty high at the
2 present time you just have few people generally and even a
3 few Negroes who are available.

4 MR. MARKHAM: The last time we had occasion to
5 look at that figure which was some months ago, we found that
6 even among college trained non-whites, that the unemployment
7 rate was almost double that for whites. Small though it was,
8 the rate among college trained people was very low, but
9 among non-white college trained people it was still almost
10 double that of whites.

11 MR. KENDRICK: Some statistics recently given to us
12 by the Office of Education will indicate what Dr. Wallace
13 means by underemployment. The average Negro with a year on
14 a masters degree, presently employed, earns the equivalent
15 of a white with one year of college. A Negro working with
16 a high school diploma averages as much in our society as a
17 white with an 8th grade education. A Negro truck driver
18 earns approximately 60 percent as much as a white truck
19 driver in a comparable capacity. We could go on and on
20 and cite statistics.

21 I only cite them to back up Dr. Wallace's comments
22 that it is not unemployment but underemployment we are
23 talking about.

24 MR. LEDDER: Do you have figures on unemployment
25 by counties. For example, we are about 40 miles north of

1 Chicago. When I started -- I was born in Chicago -- when
2 I started I travelled two and a half hours to get to work
3 from the south side of Chicago. But we can't attract people
4 of any race on this basis. I mean we can't use Chicago as
5 an area, even the greater Chicago area.

6 Do you have figures broken down that we can
7 compare with our area we draw from.

8 MR. ALEXANDER: I think they are broken down by
9 census to show that. I think whether you are 40 miles away
10 or not, this relates to another problem, that industry
11 can see that minority workers have an opportunity to come
12 out to where your plant is. I am sure all of the people
13 you are employing there did not live 40 miles from Chicago.

14 And if you have a high minority population that
15 could fit the jobs, and you move into a new area, it is
16 often quite possible you have good possibilities for using
17 the minority population.

18 I think the major statistics place special emphasis
19 on a city or group of cities and it is broken down that way.

20 MR. LEDDER: How are Puerto Ricans classified? We
21 have a plant in Puerto Rico. Is that Americans of Spanish
22 origin?

23 MR. ALEXANDER: Yes.

24 MR. SYLVESTER: Let me, if I can perhaps, turn
25 some of this discussion to something that I have found quite

1 interesting. In Dr. Wallace's exposition of the employment
 2 patterns, one of the companies that stood out markedly
 3 there were the 25 percent employment rate of minorities.
 4 And being curious, I asked Dr. Wallace if she perchance had
 5 the data on that company and she does.

6 I don't name it, because I don't want to necessarily
 7 put anybody on the spot. But I think it might be helpful
 8 and certainly interesting to me if the company, assuming
 9 they are represented here, and they are in attendance,
 10 would have something to say about what their experience has
 11 been with this kind of employment and how they got it.

12 I know it is quite different from the norm, about
 13 5 or 6 percent, which she pointed out.

14 MR. KENDRICK: Will the real drug company please
 15 stand up.

16 (Laughter)

17 MR. MUNNS: I think Mr. Kendrick made some mention
 18 of community human relations. I am not quite sure of the
 19 point. Could you elaborate on that?

20 MR. KENDRICK: What I mentioned was community and
 21 human relations and what I mean by it, and what firms mean
 22 by it, I think, who have started in this area, is simply
 23 an effort, a positive effort, aimed at relating to the
 24 people who right in your own community possibly have existed
 25 in another world.

1 And it is an attempt to bridge that gap. It is
2 a credibility gap, an economic gap, it is a physical
3 gap, it is a total gap. That is what I mean by human or
4 community relations. Community relations, of course, can
5 mean many things. But human relations in this sense is
6 what I have just suggested it to be, in my mind.

7 I don't know if that is as broad an answer as you
8 wanted.

9 MR. MUNNS: Yes. Could I just add a point here?
10 Possibly on the Commission, outside of the Commission, as
11 I am the person who talks to more of the employers, including
12 presidents of companies, I think one of the first things
13 that employers need to do is simply recognize the fact that
14 these two societies have existed within one country. And
15 it has been my experience that when you talk to a gentleman
16 like yourself, you are talking to people who have accomplished
17 this, no doubt many years ago.

18 But the fact is the people who make this thing go,
19 this thing called equal employment opportunity, aren't
20 necessarily the people at the very top of the company.
21 They are the people who could make it go, if they would only
22 move the people, many thousands within their companies or in
23 your case the many hundreds, who are really in the key
24 positions, the people who are the managers, personnel director
25 of your eight, nine, or ten or twelve facilities, the foremen,

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1 supervisors.

2 I think in our day and age, I think we are all
3 realistic enough to know that this takes somebody at your
4 level simply telling them that this is the way the company
5 is going to be run. People are going to be treated as
6 equals, they are going to be employed as equals, paid as
7 equals. And anybody turning away from that policy as any
8 other policy of the company will be handled accordingly.

9 And I think if the man, the middleman, is told by
10 the top man who has made this commitment that this is the
11 way it is going to be, I think you will see people falling
12 in line.

13 MR. DUNCAN: I would like to ask Mr. Sylvester
14 a question. What I really want is an answer I have never
15 been able to find myself.

16 Our company enlisted in this program at a fairly
17 early stage and hasn't done a particularly good job. We
18 have done, our people tell me, about as well as we can.
19 Our problem is that as far as our area is concerned, our
20 percentage of non-white employment is about the same as the
21 community.

22 The trouble always is, of course, as you see these
23 figures, most of them are concentrated in the unskilled blue
24 collar jobs. So when I point this out to our industrial
25 relations man and say, why can't we do a better job,

1 particularly in the skilled trades, this is the kind of
2 answer I get -- and I am sure it is pretty typical in many
3 companies where your employment is fairly stable -- look,
4 we have apprentice training programs and certainly we can
5 train these people for beginning jobs in some of the skilled
6 trades. The difficulty is that under our union contract
7 we are obligated to post a job for bidding and we are obli-
8 gated also to take the man with the most seniority who is
9 qualified to do the job.

10 And now the difficult is that, in our particular
11 case, to be specific, they said to me, look, we don't have
12 very many openings in the skilled trades, and honestly, it
13 is now up to the point, but only recently, that we have been
14 able to promote a man who was hired after 1955.

15 In other words, we have people, wualified people,
16 you see, with that long employment. What is the answer? What
17 can you do about that particular problem?

18 MR. SYLVESTER: I am not sure I can tell you what
19 to do about that problem. But I can tell you what our
20 policy is and what our approach has been on the whole question
21 of the relation between the Office of Federal Contract
22 Compliance and government contractors and their relations
23 with unions.

24 Our firm, unqualified, and unbending policy is
25 this: if any agreement between the employer and his employees

1 does not permit equal opportunity to in fact happen, then
2 that employer has got to choose between doing business with
3 the government or handling that matter with his union. We
4 do not accept the parameters of the collective bargaining
5 agreement as establishing where equal opportunity is or is
6 not.

7 Realistically, it then means in many cases an
8 employer has to, in fact, take on the union to change that
9 agreement. We also take the position that the seniority
10 provisions don't allow equal opportunity to happen, and those
11 provisions have got to be changed.

12 I think we all know that many of these agreements,
13 many seniority arrangements, and other personnel practices,
14 were established and set at a time when discrimination was,
15 in fact, an accepted practice on both sides. This is no
16 longer the case.

17 If the institution's seniority system continues
18 that discrimination, we say it has to be changed. As you
19 eliminate discrimination --

20 MR. DUNCAN: Our problem is there is no discrimination
21 it is just that we have had an influx and there is a dis-
22 proportion. We have so little opportunity, you see, because
23 our older employees -- and I see no easy way of expediting
24 that process.

25 MR. SYLVESTER: But there can be discrimination,

1 because the employees, as they are structured and held by
2 that system were discriminatorily placed. They were dis-
3 criminarily placed. Now the institution says, you can't
4 move. So that is discrimination. So we say you have to
5 change that institution to eliminate the discrimination.

6 I don't suggest this is easy. This is the toughest
7 problem employers have. But our position is pretty well
8 established on it.

9 MR. MUNNS: Is the Commission doing anything
10 about pressure on the unions on this?

11 MR. SYLVESTER: Well, the fact is that its only
12 effective device that exists now that is direct is Title VII,
13 which is operated by the Commission, whereby unions can
14 be sued for discriminatory practices. But that doesn't
15 quite get to the problem -- perhaps in time, under the
16 Executive Order -- we are not, of course, bound by the
17 parameters of Title VII: It is a strong support, and we
18 support it, but our requirements can be a little different.
19 So we look upon it as a matter of a contractual obligation

20 And if there is some impediment on that contract,
21 it has to be removed. We take the same attitude about this
22 as we do about any other contractual obligation. We use
23 the good offices of the Labor Department to the extent we
24 can to try to influence and assist in working out these
25 kinds of problems.

1 We certainly would encourage it be worked out within
2 the framework of collective bargaining, but if in fact that
3 can't work, we are not prepared to accept anything less than
4 equal opportunities.

5 And, of course, we have made recommendations to
6 the Attorney General to sue labor unions and they have, in
7 fact, been sued.

8 Just behind you is Mr. Joseph Wiley, on my staff,
9 who is the person who will be following, participating in
10 the follow-up activities. I don't know if he wants to add
11 anything to what I have said.

12 MR. CLARK: Let me make sure I understand this.
13 If there is a standard seniority provision in a union contract
14 that effectively operates, because of conditions which you
15 mentioned, you create this discrimination, is it the position
16 of the Labor Department that that contract is maybe invalid
17 or is against public policy?

18 MR. SYLVESTER: No, our position is if that
19 seniority system effectively discriminates, then the dis-
20 crimination has to be eliminated, by whatever means.

21 MR. CLARK: Has the NLRB ever charged a union with
22 an illegal practice?

23 MR. SYLVESTER: I am not aware they have.

24 MR. CLARK: I am not either.

25 MR. SYLVESTER: I don't say it is outside the

1 realm of possibility.

2 MR. MARKHAM: I might mention that we now have a
3 union reporting form which is going to be filed on November
4 30, we hope. We have some seniority questions on there. It
5 is a very difficult concept to frame in a report of this kind,
6 but we hope to be able to identify in this way those unions
7 which have taken some kind of action in this area and those
8 which have not.

9 And I think the employers who have been filing on
10 EEO 1 for two years will be interested to know we now have
11 EEO 3 for local unions that are covered by the law.

12 MR. SYLVESTER: Let me add on this seniority
13 question that both the Department of Labor and the Commission
14 have had success in dealing with these questions. This is
15 not something we have been unsuccessful with. We have had
16 success in dealing with these seniority questions.

17 MR. ALEXANDER: I think before we come to a close,
18 before we hear from Dr. Goddard again, I would like to express
19 our thanks to you for coming today and permitting us to
20 give you the picture as we see it of equal employment
21 opportunities in this country and in your industry specifically.

22 Also I want to publicly thank Dr. Goddard for his
23 leadership efforts. He is doing it in his own area, and then
24 talking to others about it, which is the best way to do it.

25 But, again, our thanks to you, Dr. Goddard.

1 DR. GODDARD: Thank you, Mr. Alexander.

2 My remarks will indeed be brief. We are attempting
3 to, within Food and Drug Administration, as well as the
4 entire federal establishment, exhibit leadership.

5 We recognize the problems you are confronted with,
6 because we share many of these same problems. It is my
7 hope that you will call upon us for whatever assistance we
8 may provide as well as upon the technical staff of the
9 Equal Employment Opportunities Commission.

10 I know that Mr. Alexander and his staff stand
11 prepared to not only assist the firms represented here today,
12 but all other firms who could not be here.

13 And, as I understand it, follow-up visits will be
14 made to all of you. So, again, we thank you for having
15 participated, and if it weren't for my staff, I couldn't
16 have worked out this program, and I am very thankful to
17 them, to Ted Cron, and the various people who have worked
18 on the program, and we look forward to working with you
19 on other aspects of this problem.

20 MR. ALEXANDER: Thank you. Thank you all.

21 (Whereupon, at 4:00 p.m., the meeting was adjourned.)
22
23
24
25

PROJECT OUTLINE

FY 1968

OFFICE OF STATE AND COMMUNITY AFFAIRS
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

ELIMINATION OF DISCRIMINATION BY
AFFIRMATIVE GOVERNMENT ACTION

- AFFIRMATIVE ENFORCEMENT PROGRAMS
- AFFIRMATIVE GOVERNMENT ACTION
TO OBTAIN VOLUNTARY COMPLIANCE

JULY 1968

CONFIDENTIAL: NOT
FOR PUBLICATION

INTRODUCTION

These are not survey projects. They are action projects. They are designed to provide State and local agencies charged with elimination of discrimination in employment with the tools and the techniques for identifying discriminatory patterns and practices in the hiring and recruitment of minorities and to provide tools and techniques for eliminating that discrimination. The projects do not concentrate on "job development" of the strictly "employment agency" type. They do not focus simply on obtaining a "job" for a previously excluded minority group individual. Instead, they focus on obtaining jobs by identifying and eliminating the discriminatory system which previously excluded that minority individual and others similarly situated.

Discrimination against minority groups is one of the major causes of the persistent unemployment rate among Negroes and other minority groups. That rate is usually double the unemployment rate of white persons in the labor market. The objective of this project is to increase the proportion of the minority group individuals participating in the labor force as well as the numbers of minorities

actually hired and to do so by eliminating the discriminatory practices and patterns which have excluded them.

Since hiring and recruitment are usually done directly by each establishment on a local level, the focus of this project is on the individual establishment rather than on employers or on an industry-wide basis.

The project is designed to obtain a maximum return for the investment of limited governmental effort; the return will be measured in the form of new hiring of numbers of minority employees, including, but not limited to Negroes and Spanish Surnamed Americans. The focus is on new hires and recruitment and generally will not encompass problems of promotion. Furthermore, the focus will be on the employer in industrial situations who has the actual power to hire and will not include those industries where the employer shares control of the recruitment and hiring with a labor organization.

CHAPTER 1

SUMMARY OF OPERATION

1. Although the basic thrust of all the projects funded in FY 1968 is the same -- identification and elimination of discriminatory employment systems which exclude minority group members from full participation in the economy -- the operation of the project obviously must be adapted for each local jurisdiction in terms of the legal powers of the agency administering the project.

2. Agency with initiatory powers: most of the agencies administering these projects are state and local Fair Employment Practice Agencies having statutory power to initiate charges alleging discrimination in employment; to investigate those charges; to make findings of discrimination; to negotiate conciliation agreements designed to eliminate the discrimination uncovered; and to conduct public hearings and other appropriate enforcement proceedings where adequate conciliation fails. The major focus of this document would be on the project procedure to be followed by such agencies. Where appropriate, alternate procedures will be suggested for agencies not having initiatory power. The two most common alternate types of projects in operation will be the following:
 - contract compliance projects in which contact with employer establishments is initiated as part of a program to see if suppliers or potential suppliers of goods or services to the city or state government conduct hiring and recruitment on a non-discriminatory basis.

 - voluntary compliance projects in which agencies help employers identify discriminatory practices; help them develop voluntary procedures to eliminate the discriminatory practices; and refer for appropriate enforcement action information on those situations where the discrimination is not eliminated voluntarily.

3. Outline of procedures: This paragraph summarizes the procedures to be followed in a jurisdiction which has the power to initiate charges and investigate them. Each stage is further explained in the documents which follow and will be discussed in detail at a series of training sessions. Except for the process of identification of employer establishments and the creation of an inventory of recruitment sources in the community (item A and E) it is suggested that the actual operation of the project not be commenced until after the conduct of the regional training session.
 - A. Selection of Firms: The state or local agency, utilizing EEO-1 data supplied by EEOC pursuant to a data-sharing agreement, other information available to them, and (where appropriate) lists of government suppliers will prepare a "working list" of 100 establishments.
 - B. Target List: From the working list a smaller target list of 50 establishments will be selected. A form supplied by EEOC will be filled out ranking these 50 establishments in order of importance and indicating the first group of 25 establishments upon which the agency will focus the initial action stages.
 - C. Transmittal to EEOC: This working list will be submitted to EEOC through the Regional Office for double checking and to eliminate the possibility of duplication and overlapping of effort.
 - D. While the working list is pending at EEOC (estimated processing time one week), the state or local agency will prepare a specific detailed backup sheet on each of the 25 target firms. This backup sheet will be on a form to be supplied by EEOC. It need contain only sufficient minimal information to justify the initiation of a Commission charge under the state or local statute. It need not contain complainant type information or the results of

the investigation. It is the data triggering the investigation. (The backup sheet does not need to be prepared by those agencies conducting a "voluntary compliance" project.)

- E. While the target list is pending with EEOC the agency will also prepare a detailed list of recruitment sources of minority group members in each of the Standard Metropolitan Statistical Areas (SMSA's) to be covered by the project.
- F. Upon return of the list from EEOC the agency will initiate a charge under its statute against each of the target firms. This initiated charge with a covering letter and an interrogatory constituting the first stage of the investigation will be mailed to each firm. (In the case of the "voluntary compliance" project this stage will be accomplished by the mailing of a letter indicating a desire to work with the company in question to help it improve its hiring of minority group individuals, suggesting a meeting to discuss this, and asking the company to fill out a "questionnaire" as a preliminary to that meeting.)
- G. After the interrogatory is returned it will be analyzed in detail and then a field investigation to obtain follow-up information will be scheduled.
- H. Upon return from the field visit a report will be prepared and a draft recommendation for finding of "cause" or "no cause" under state statute will be prepared for appropriate consideration. (In the case of "voluntary compliance" projects this will not be a formal finding of "cause" but rather an "analysis of compliance review and findings.")
- I. If a finding of "no cause" is made the matter will be closed under state proceedings and the file forwarded to EEOC for consideration. EEOC has the option of:

--returning it and suggesting additional procedures,

--proceeding under EEOC's own procedures,
or

--leaving the matter closed.

- J. If a finding of discrimination is made a draft conciliation agreement (suggested forms to be supplied by EEOC) will be prepared and a meeting scheduled with the employer to discuss it. (In the "voluntary compliance" projects this will be a draft "Affirmative Action Agreement" or "Voluntary Compliance Agreement" or "Technical Assistance Agreement" depending upon local practice.)
- K. Where a conciliation agreement is not successfully negotiated the state or local agency will then be able to proceed through appropriate enforcement under its statute. (In "voluntary compliance" jurisdictions the matter would have to be referred back to EEOC for consideration of possible enforcement under Title VII.)

CHAPTER 2

SELECTION OF ESTABLISHMENTS

This section discusses the selection of the target employer establishments whose employment practices are to be analyzed in this project. It provides both general guidelines for the selection of target companies and specific instructions for compiling the list of selected (and alternate) companies to be presented to EEOC for review. It contains the following four sections:

1. General discussion.
2. Preparation of a working list of 100 establishments.
3. Selection of 50 target firms and preparation of a list analyzing them which will be transmitted to EEOC.
4. Preparation of a backup sheet for each of the target firms (in "initiation" jurisdictions).

GUIDELINES FOR STATE AND LOCAL FEP
AGENCIES IN SELECTING EMPLOYER TARGETS

1. Guidelines: General Discussion: Federal, state and local resources specifically allocated for the elimination of discrimination in employment are very limited. Therefore, where only a limited number of firms can be selected for examination that selection must carefully be done to maximize the utilization of those resources. There is no formula yet available by which industry or individual employer establishments can be scientifically measured in order to identify those which will yield the maximum return on the investment of limited resources in an "affirmative enforcement" or "voluntary compliance" program. Even if there were such a formula, it might not be applicable in all situations where a state or local commission is the recipient of an EEOC grant. This section outlines some of the factors which recipient agencies will want to consider in designing activities to be carried out with EEOC assistance. The factors suggested here will in most cases involve items which can be statistically verified so that a state or local agency may be able to identify targets based upon more than a general feeling "we ought to look at the widget industry because they don't hire many minority group members." The best targets are those which meet some or all of the following tests in addition to bare statistical evidence of under-utilization of minorities per se:
 - A. Size: The employer is relatively large in total number of employees.
 - B. Minority Under-utilization: Statistics show a substantial deviation from the area or industry percentage of minority group employment in the hiring of Negroes, Spanish Surnamed Americans or other minorities.
 - C. Growth: The industry involved is a growth industry with likelihood of increasing job opportunities over the next decade. (A list of growth industries is attached as Appendix A.)

- D. Turnover: The industry has a relatively high turnover rate. (A list of turnover rates by manufacturing industry is attached as Appendix B.) This will assure the selection of firms which will have the opportunity to actually hire individuals in the immediate future.
- E. Outside Pressures: The industry or employer establishment is subject to external pressures related to its hiring practices (e.g., employers subject to governmental regulations or contract compliance programs, those concerned with their public image, or those producing consumer goods).
- F. Transportation: The establishments chosen are located where minority groups have reasonable access to the place of employment; selection of a large suburban facility where minorities don't reside and to which public transportation is prohibitively expensive or not available may yield less results than the examination of firms close to centers of minority population. However, such suburban firms should not be ruled out completely because often they provide meaningful transportation opportunities for majority group workers, and an investigation may yield information indicating that such transportation opportunities are discriminatorily denied potential minority group individuals.
- G. Minority Population: Where a decision must be made between areas of a state or city, priority obviously should be given to those where minority population is concentrated or (in the case of companies where the exclusion of minority group individuals is in the lower skilled categories) priority should be given to those areas where minority unemployment and sub-employment rates are highest.
- H. White Collar: The industry or employer has a relatively higher proportion of its work force in white collar and skilled crafts; because these positions are less likely, in the long run, to be wiped out by technological change.

- I. Higher Wages: Where possible the industry has a relatively high wage structure or fringe benefits.
- J. Management Control: Management control over hiring is not limited by a collective bargaining agreement requiring them to share such control with a collective bargaining organization.
- K. Dominant Industry: The industry or company is dominant in the area and the improvement in its equal job opportunity would set a pattern for the community.
- L. Expansion: If possible companies may be selected which are planning a substantial expansion of their plant or office facilities.
- M. No Other Programs: The company is not subject to prior intensified EEOC or local agency attention through recent programs.
- N. Few Complaints: Industry has generated few complaints in the normal operation of state or local FEP law. (However, a company previously subjected to a state or local conciliation agreement may be chosen for a follow-through program if it otherwise qualified under these guidelines. Similarly, a company previously investigated on a charge alleging discrimination against a specific individual where the investigation was unable to expand into overall patterns of recruitment and hiring may be included on the list if it otherwise qualified under these guidelines.)

PREPARATION OF A WORKING LIST

1. Each state or local government agency participating in these projects which has signed a data sharing agreement with EEOC will be provided with a computer printout of the "RAFF format" listing employer establishments classified by industry in the metropolitan area or state covered by the project. Each agency will also be provided with oral and written instructions in the use of this "RAFF format"* and a form on which they are to record certain information about target companies and alternative companies not chosen. This form is attached as Appendix C* (the "RAFF format" is named for Morton Raff, a statistician who originally designed it. Like all other data made available under data sharing agreements, it is strictly confidential and the penalty for publicizing any information from it outside the official confines of a state or local government agency is severe.)

* NOTE: See Appendix (white pages)

2. The first step in the firm selection process is to make an initial list which will probably include at least twice the number of establishments the agency actually intends to cover. These should be selected mainly from the RAFF printouts but in the case of a jurisdiction conducting a "contract compliance" program establishments may also be made from lists of government suppliers providing those suppliers meet the other tests outlined below. For purposes of this discussion we will assume that each agency will have 100 establishments in its preliminary list, because most of the projects will finally cover 50 establishments. This initial list should be selected from firms which:

- Are among the largest firms in the jurisdiction.
- Are in an expanding industry or one with a high turnover rate so that the industry has significant future potential.

- Have a substantial number of white collar workers because this is the sector of the labor market which is expanding most rapidly.
- Are low utilizers of Negroes, Spanish Surnamed Americans or other minority groups. Particularly appropriate targets would be firms located in an SMSA having more than 10% Negro or Spanish Surnamed population, where the establishment employs 3% or fewer Negroes or Spanish Surnamed Americans.

(Note: In this initial selection you may want to pick the 100 establishments with the lowest percentage of minority employees--Negro, Spanish Surnamed Americans, Indians and Orientals depending upon your geographic area--either in terms of total employment, white collar employment, or craftsmen employment. Agencies dealing with Indians and/or Orientals will only be able to determine the total numbers of those minority groups in the establishment as the RAFF format does not list any percentages of total for those groups nor does it give any data for Oriental or Indian white collar and craftsmen employment separately.

A more complicated method of selection would be to construct an "Index" for each of the number of establishments in your jurisdiction using as a base of 100 the percentage of minority population or work force in your local area. You would then divide the actual minority percentage in a particular establishment's work force by this minority percentage in the area. The resulting Index figure will enable you to evaluate and compare the respective establishments in terms of their deviation from the community employment record and to select the 100 with the poorest records. For example, assume that the Negro participation rate in a local area's work force is 12%; that employer A employs Negroes at a rate of 12% but that

B employs Negroes at only 6% and C at only 3%. A's Index number will be 100 ($12 \div 12$) B's will be 50 ($6 \div 12$) and C's will be 25 ($3 \div 12$). Your preliminary list would then show C as the one having the poorest record in the area.

Geographic areas having a large representation of Spanish Surnamed Americans, Indians or Orientals in their minority group work force will have to calculate a separate "Index" figure for each minority group. Some establishments which are high utilizers of one minority group may be low utilizers of another group. Therefore, in such geographic areas the initial list of 100 should be selected to make sure that there is a reasonable representation of firms underutilizing the other minority groups and not just concentrating upon underutilizers of Negroes.)

SELECTION OF 50 TARGETS

Once the agency has chosen, by whatever method, a preliminary list it should then proceed to select 50 target firms using the employment data for those units on the list and the guidelines set forth in the earlier part of this document. You will be provided with a form titled "Selection of Establishments Under FY 1968 EEOC Grants." You are to fill out one set of these forms for the 25 prime targets which you select and for the 15-25 alternates. Both forms will be filled out so that EEOC will have a chance to examine the firms which you rejected. If your project calls for dealing with 100 firms then you will fill out an "agency choices" list for 50 firms and an "alternate list" for 25 firms.

The following numbered paragraphs contain instructions for filling out this form. The numbers correspond to the columns on the form:

1. Enter the establishment's name, address and all code numbers exactly as they appear on the RAFF print out. (See instruction book for meaning of code numbers.)
2. Raff Top Line Column 2
3. " " " " 3
4. " " " " 4
5. " " " " 5
6. " " " " 6
7. " Middle " " 2
8. " " " " 3
9. " " " " 4

10.	"	"	"	"	5
11.	"	"	"	"	6
12.	"	Bottom	"	"	2
13.	"	"	"	"	3
14.	"	"	"	"	4
15.	"	"	"	"	5
16.	"	"	"	"	6

- 17.&18. New hire and quit rates. The material supplied in Appendix B gives the annual 1967 average of new hires and quits for the industry in which the establishment is engaged. If information is given for the industry in which the establishment is located give the rate. (Industry codes are listed in the instruction manual for use of the RAFF format and are shown as the fourth series of numbers above the establishment name in column one of the RAFF printout.)
19. If the establishment is an industry listed in Appendix A as constituting a growth industry, enter a check mark in column 19. If not enter a zero.
20. If the establishment has a contract to supply goods or services to the state or local government involved enter a check in column 20.
21. If the establishment is in an industry known locally to be concerned with its public image or is subject to pressures from private organizations (e.g., it produces consumer goods) enter a check in column 21. If not, enter a zero.

22. If there is easy access by minority groups to the job site through public transportation at reasonable cost enter a check in column 22. If no such transportation is available enter a zero.
23. If the establishment is known to be planning within the next year a substantial expansion of its work force enter an estimate of the number of new jobs involved in column 23. If not available enter a check mark. If no expansion leave blank.
24. If there were other criteria or considerations which led to the inclusion of the establishment on the list place a check mark in column 24 and attach a separate legal size sheet of paper explaining the reason in a paragraph numbered to match the number opposite the establishment name at the extreme left hand side of the form. If no additional comments are attached leave column 24 blank.
25. Leave columns 25-31 blank for EEOC use in evaluating your choices.

STANDARD INDUSTRIAL CLASSIFICATIONS OF "GROWTH" INDUSTRIES -
(POSITIONS 81-82 OF MASTER FILE)

<u>SIC</u> <u>CODES</u>	<u>DESCRIPTION</u>
25	Furniture/Fixtures
26	Paper/ Allied Products
28-29	Chemicals/ Allied Products
30	Rubber/ Plastic Products
34	Fabricated Metal Products
35	Machinery (Non-Electrical)
36	Electronic Equipment/Supplies
38	Instruments/ Related Products
50	Wholesale Trade
53	Retail Trade
60-62,67	Finance
63-64	Insurance
65-66	Real Estate
72	Personal Services
73	Business Services
75-76	Repair Services
78-79	Motion Pictures, Amusement/Recreation Svs.
80	Medical Services
81	Legal Services
82	Educational Services
70,84,86,88,89	Miscellaneous/Other Services

APPENDIX B

LABOR TURNOVERDescription

Labor turnover actions are divided into two broad groups: accessions or additions to employment, and separations or terminations of employment. These two broad groups are further divided; accessions into new hires and other accessions, and separations into quits, discharges, layoffs, and other separations. Labor turnover is expressed in the BLS series as a monthly rate per 100 employees. Separate rates are computed for each of the component items.

The primary difference between types of separations is whether action is initiated by the employee or employer, i.e., whether it is voluntary on the employee's part or involuntary. Voluntary actions--quits--are initiated by the employee for an almost unlimited variety of reasons, financial, personal, or social, (e.g., lack of housing and transportation, poor community facilities, etc.). Involuntary actions either may be initiated by the employer or be beyond the control of both employer and employee; these actions may arise from economic causes such as business conditions, physiological reasons such as aging, or performance reasons such as incompetence.

Concepts

Separations are terminations of employment of persons who have quit or been taken off the rolls for reasons such as layoff, discharge, retirement, death, military service expected to last more than 30 consecutive calendar days, physical disability, etc. Since January 1959, transfers of employees to other establishments of the same company also have been classified as separations.

Quits are terminations of employment initiated by employees for any reason except retirement, transfer to another establishment of the same firm, or service in the Armed Forces. Included as quits are persons who failed to report after being hired (if previously counted as accessions), and unauthorized absences which, on the last day of the month, have lasted more than 7 consecutive calendar days.

Layoffs are suspensions from pay status (lasting or expected to last more than 7 consecutive calendar days), initiated by the employer without prejudice to the worker, for reasons such as lack of orders, model changeover, termination of seasonal or temporary employment, inventory - taking, introduction of labor saving devices, plant breakdown, or shortage of materials.

Discharges are terminations of employment initiated by the employer for such reasons as incompetence, violation of rules, dishonesty, laziness, absenteeism, insubordination, failure to pass probationary period, etc.

Other separations include terminations of employment for military duty lasting or expected to last more than 30 days, retirement, death, permanent disability, failure to meet the physical standards required, and transfers of employees to another establishment of the company.

Accessions are all permanent and temporary additions to the employment roll, whether of new or rehired employees. Transfers from another establishment of the same company also are counted as accessions (beginning with January 1959).

New hires are permanent and temporary additions to the employment roll of persons who have never before been employed by the establishment, and former employees rehired although not specifically recalled by the employer. This category excludes transfers from other establishments of the same company and employees returning from military service or unpaid leaves of absence.

Other accessions include all additions to the employment roll other than new hires.

B.—Labor Turnover

TABLE B-1. Labor turnover rates, by major industry group¹

[Per 100 employees]

Major industry group	1968				1967								Annual average		
	Mar. ¹	Feb.	Jan.	Dec.	Nov.	Oct.	Sept.	Aug.	July	June	May	Apr.	Mar.	1967	1966
	Accessions: Total														
Manufacturing	3.8	3.8	4.2	2.8	3.7	4.7	5.3	5.4	4.6	5.9	4.6	3.9	3.9	4.4	5.0
<i>Seasonally adjusted</i>	4.0	4.5	4.5	4.4	4.5	4.7	4.5	4.5	4.9	4.6	4.6	4.7	4.1		
Durable goods	3.7	3.6	4.0	2.7	3.5	4.4	4.7	4.8	4.1	5.5	4.3	3.7	3.7	4.1	4.8
Ordnance and accessories	2.9	3.0	3.3	1.8	3.5	4.0	4.1	4.3	3.5	5.0	3.1	2.8	2.7	3.6	3.8
Lumber and wood products	5.8	5.2	5.9	3.6	4.9	6.5	7.7	6.5	6.0	9.2	8.3	7.0	6.5	6.5	6.7
Furniture and fixtures	5.0	5.0	5.7	3.4	4.8	6.5	7.1	7.7	6.7	6.4	5.3	4.5	4.9	5.8	6.6
Stone, clay, and glass products	4.5	4.9	5.7	2.6	3.4	4.2	4.7	5.1	4.7	6.9	5.4	5.0	4.7	4.5	4.5
Primary metal industries	3.0	3.1	3.6	2.5	2.9	3.3	3.2	3.3	2.9	4.6	3.2	2.8	2.7	3.1	3.7
Fabricated metal products	4.4	4.2	4.8	3.2	4.5	5.1	5.5	5.7	5.0	6.1	5.1	4.5	4.4	4.9	5.3
Machinery, except electrical	2.6	2.8	3.2	2.1	2.6	3.2	3.2	3.0	2.9	4.3	3.0	2.7	2.9	3.1	3.9
Electrical equipment and supplies	3.1	3.0	3.4	2.3	3.2	4.2	4.3	4.5	3.8	4.7	3.3	2.9	3.0	3.6	4.7
Transportation equipment	4.1	4.0	4.2	2.9	3.8	4.6	5.4	5.7	4.1	5.5	4.9	3.7	3.9	4.3	5.3
Instruments and related products	2.5	2.7	2.9	1.8	2.5	3.3	3.4	3.5	3.0	4.9	2.9	2.9	3.0	3.1	2.8
Miscellaneous manufacturing industries	5.4	5.6	6.1	2.8	4.6	6.3	7.7	7.4	6.3	7.2	6.3	6.0	5.8	6.0	6.9
Nondurable goods	4.1	4.0	4.5	3.0	3.9	5.2	6.0	6.2	5.5	6.5	5.1	4.3	4.2	4.9	5.2
Food and kindred products	4.8	4.5	4.8	3.9	4.9	7.3	9.5	9.7	7.7	9.5	7.0	5.6	5.1	6.6	6.9
Tobacco manufacturing	2.1	3.6	5.2	7.6	7.0	7.2	7.4	15.0	9.6	5.9	5.4	2.9	2.8	6.5	6.4
Textile mill products	4.9	4.7	5.1	3.2	4.4	5.4	5.6	6.0	5.3	5.7	5.4	4.8	4.7	4.9	5.1
Apparel and other textile products	4.8	5.4	6.2	3.2	4.6	5.6	6.2	6.8	6.8	6.2	5.9	5.1	5.0	5.6	6.1
Paper and allied products	3.2	3.0	3.6	2.4	3.0	3.9	4.3	4.1	3.6	6.1	3.9	3.3	3.3	3.7	4.0
Printing and publishing	3.2	3.1	3.2	2.4	3.0	3.7	4.3	3.7	3.4	5.1	3.6	3.1	3.5	3.6	3.8
Chemicals and allied products	2.6	2.5	2.4	1.7	1.9	2.6	2.9	2.4	2.6	4.5	2.8	2.5	2.7	2.6	2.9
Petroleum and coal products	1.6	1.8	2.0	1.2	1.4	2.3	3.1	2.8	2.3	4.6	2.7	2.6	2.6	2.6	2.1
Rubber and plastics products, nec	4.3	4.1	4.9	3.1	4.1	5.3	6.6	6.1	5.7	7.1	5.3	4.3	4.3	5.0	5.5
Leather and leather products	5.3	5.5	7.2	4.3	5.7	6.4	6.5	6.2	7.7	6.4	5.7	5.0	4.8	5.9	6.3
Nonmanufacturing:															
Metal mining	2.4	2.8	3.6	2.4	2.5	2.7	3.0	2.9	2.8	6.5	4.0	4.7	3.4	3.5	3.5
Coal mining	2.0	1.8	2.1	1.2	1.4	1.5	1.6	2.1	1.7	1.7	1.6	1.8	1.4	1.6	1.7
	Accessions: New hires														
Manufacturing	2.8	2.7	2.9	2.0	2.7	3.7	4.1	4.0	3.3	4.5	3.3	2.8	2.8	3.2	3.8
<i>Seasonally adjusted</i>	3.7	3.4	3.4	3.4	3.3	3.5	3.7	3.7	3.0	3.7	3.7	3.1	3.7		
Durable goods	2.6	2.6	2.8	1.9	2.6	3.4	3.7	3.5	2.9	4.1	3.0	2.6	2.7	3.0	3.8
Ordnance and accessories	2.4	2.5	2.7	2.4	2.9	3.5	3.4	3.5	2.9	4.3	2.6	2.3	2.2	3.0	3.2
Lumber and wood products	4.5	4.1	4.5	2.9	4.3	5.8	6.6	5.7	5.3	7.8	6.5	5.5	4.8	5.3	5.7
Furniture and fixtures	4.4	4.2	4.8	2.9	4.2	5.6	6.2	6.3	6.1	5.3	4.3	3.8	4.2	4.7	5.9
Stone, clay, and glass products	3.1	2.9	2.6	1.9	2.7	3.4	3.8	4.0	3.6	5.4	4.0	3.3	2.9	3.3	3.5
Primary metal industries	2.1	2.2	2.3	1.5	1.8	2.1	2.3	2.3	1.7	3.1	1.9	1.5	1.7	2.0	2.7
Fabricated metal products	3.4	3.2	3.7	2.3	3.3	4.1	4.5	4.5	3.4	4.9	3.8	3.3	3.4	3.7	4.3
Machinery, except electrical	2.1	2.1	2.3	1.5	2.0	2.4	2.5	2.3	2.1	3.4	2.4	2.2	2.4	2.4	3.3
Electrical equipment and supplies	2.1	2.1	2.3	1.6	2.3	3.2	3.2	3.0	2.4	3.3	2.1	2.0	2.2	2.5	3.8
Transportation equipment	2.3	2.2	2.4	1.8	2.6	3.2	3.6	3.6	2.7	3.7	2.7	2.3	2.3	2.7	3.4
Industries and related products	2.2	2.2	2.3	1.5	2.1	2.8	2.8	3.0	2.6	4.2	2.4	2.4	2.6	2.7	3.4
Miscellaneous manufacturing industries	3.8	3.8	4.1	2.1	3.8	5.6	6.7	6.2	4.2	5.6	4.7	4.1	4.0	4.6	5.5
Nondurable goods	3.0	2.9	3.2	2.1	2.9	4.0	4.7	4.7	3.9	5.1	3.7	3.2	3.1	3.6	4.0
Food and kindred products	3.1	2.8	3.2	2.5	3.5	5.5	7.3	7.4	5.9	7.4	5.1	4.0	3.4	4.9	5.0
Tobacco manufacturing	1.7	2.5	3.1	4.0	3.9	5.1	4.4	11.1	5.1	3.8	2.8	1.9	1.7	4.1	2.7
Textile mill products	3.9	3.6	3.9	2.3	3.5	4.3	4.5	4.7	3.7	4.6	4.2	3.7	3.5	3.8	4.1
Apparel and other textile products	3.6	3.5	3.7	1.9	3.0	4.0	4.5	4.6	3.9	4.2	3.6	3.3	3.5	3.7	4.2
Paper and allied products	2.6	2.5	2.9	1.8	2.5	3.4	3.5	3.6	3.0	5.1	3.3	2.8	2.8	3.1	3.5
Printing and publishing	2.5	2.5	2.5	1.8	2.4	3.2	3.6	3.1	2.8	4.2	2.9	2.7	2.8	2.9	3.2
Chemicals and allied products	2.2	2.0	1.9	1.3	1.5	2.2	2.4	1.9	2.1	3.7	2.7	2.1	2.1	2.1	2.4
Petroleum and coal products	1.3	1.5	1.7	1.0	1.2	2.0	2.6	2.6	2.1	3.9	2.4	2.0	1.5	2.0	1.7
Rubber and plastics products, nec	3.4	3.2	3.8	2.2	3.4	4.5	4.8	5.0	4.0	6.0	4.0	3.3	3.3	4.0	4.6
Leather and leather products	4.0	4.0	5.1	3.3	4.4	5.0	4.8	4.7	4.6	4.9	3.9	3.1	3.2	4.2	4.8
Nonmanufacturing:															
Metal mining	1.9	2.0	2.1	1.6	1.7	2.0	2.2	2.1	2.1	5.1	2.7	2.4	2.3	2.4	2.5
Coal mining	1.2	1.0	1.1	.6	1.0	.8	1.0	1.3	1.1	1.2	1.1	1.1	.9	1.1	1.1

See footnotes at end of table.

TABLE B-1. Labor turnover rates, by major industry group¹—Continued

[Per 100 employees]

Major industry group	1966			1967										Annual average	
	Mar. ¹	Feb.	Jan.	Dec.	Nov.	Oct.	Sept.	Aug.	July	June	May	Apr.	Mar.	1967	1966
Separations: Total															
Manufacturing	4.0	3.9	4.4	3.9	4.0	4.7	6.2	5.3	4.8	4.3	4.2	4.3	4.6	4.6	4.6
Seasonally adjusted	4.5	4.7	4.5	4.1	4.5	4.5	4.7	4.5	4.4	4.8	4.6	4.7	4.8	4.6	4.6
Durable goods	3.7	3.7	4.1	3.8	3.6	4.2	5.7	4.9	4.7	4.1	3.9	4.1	4.4	4.3	4.4
Ordinance and accessories	3.1	3.0	3.4	2.4	2.3	3.1	4.5	3.6	2.8	2.9	2.8	3.3	3.0	3.0	2.5
Lumber and wood products	6.7	6.2	6.3	6.0	5.9	6.7	9.4	8.2	5.9	5.9	6.5	6.4	6.8	6.6	7.1
Furniture and fixtures	5.3	5.2	5.6	4.1	5.0	5.5	7.6	7.0	5.8	5.6	5.8	5.8	6.4	5.8	6.3
Stone, clay, and glass products	3.8	4.0	5.1	4.4	4.2	4.4	6.3	5.5	4.3	4.6	4.2	4.2	4.5	4.7	4.6
Primary metal industries	2.9	2.8	3.0	2.5	2.6	3.5	5.0	3.9	3.1	3.2	3.1	3.3	3.6	3.4	3.2
Fabricated metal products	4.4	4.0	4.7	3.7	4.2	5.2	6.7	5.8	5.2	5.3	4.5	4.8	5.0	5.0	5.1
Machinery, except electrical	2.9	2.8	3.0	2.3	2.7	3.2	4.5	3.8	3.4	3.5	3.1	3.3	3.5	3.3	3.4
Electrical equipment and supplies	3.6	3.6	3.9	3.2	3.2	3.8	5.0	4.3	3.3	3.4	3.7	4.3	4.8	4.0	3.8
Transportation equipment	3.5	3.6	4.6	3.3	3.7	4.3	5.6	5.1	8.1	4.3	3.8	4.1	4.3	4.7	4.9
Instruments and related products	2.8	2.8	2.8	2.2	2.5	3.5	4.5	3.7	2.7	3.0	2.9	2.9	3.0	3.0	3.1
Miscellaneous manufacturing industries	4.8	4.8	5.6	10.2	7.1	6.7	7.8	6.4	6.0	5.3	5.4	5.1	5.4	6.3	6.9
Non-durable goods	4.4	4.1	4.7	4.4	4.6	5.3	7.0	5.8	5.0	4.5	4.5	4.6	4.7	4.9	5.0
Food and kindred products	5.8	5.4	6.4	6.7	7.3	8.6	10.4	7.6	6.1	5.4	5.6	5.6	5.5	6.7	6.8
Tobacco manufactures	7.5	6.3	9.5	7.0	9.1	5.9	4.6	7.7	3.8	3.6	4.2	4.8	7.7	6.1	6.0
Textile mill products	4.8	4.5	4.6	3.8	4.4	4.9	6.2	6.2	5.4	4.8	4.8	5.0	5.2	5.0	5.1
Apparel and other textile products	5.3	4.7	5.9	5.5	5.2	5.7	6.8	6.5	7.4	5.9	6.8	6.2	6.4	6.0	6.1
Paper and allied products	3.5	3.1	3.4	3.0	3.2	3.8	6.3	4.8	3.5	3.5	3.5	3.6	3.5	3.8	3.8
Printing and publishing	1.9	3.1	3.5	3.0	3.0	3.5	5.1	4.2	3.2	3.6	3.3	3.1	3.3	3.5	3.4
Chemicals and allied products	2.2	2.1	2.3	1.9	2.0	2.4	4.3	3.1	2.2	2.7	2.5	2.3	2.4	2.5	2.5
Petroleum and coal products	1.6	1.7	2.0	2.2	1.9	2.5	4.4	2.7	1.8	1.8	1.9	1.8	1.7	2.2	2.1
Rubber and plastics products, nec.	4.3	4.2	4.6	4.0	4.2	4.9	6.8	6.2	5.3	5.0	5.0	4.9	5.1	5.1	5.0
Leather and leather products	5.6	5.2	6.1	5.5	5.1	5.4	7.7	6.9	8.1	5.0	5.7	6.1	6.2	6.1	6.4
Manufacturing:															
Metal mining	3.5	2.7	3.7	3.6	3.9	3.8	6.8	3.9	3.1	3.1	3.5	4.0	3.5	3.8	3.5
Coal mining	1.7	1.7	1.5	1.4	1.5	1.5	2.1	2.1	1.9	1.6	1.9	2.2	2.1	1.8	1.8
Separations: Quits															
Manufacturing	2.0	1.9	2.0	1.5	1.9	2.4	4.0	3.2	2.1	2.3	2.2	2.2	2.1	2.3	2.6
Seasonally adjusted	2.5	2.6	2.4	2.4	2.4	2.5	2.5	2.5	2.7	2.4	2.2	2.3	2.4		
Durable goods	1.9	1.7	1.8	1.4	1.7	2.2	3.6	2.9	1.8	2.1	2.0	2.0	2.0	2.1	2.4
Ordinance and accessories	1.7	1.3	1.5	1.0	1.2	1.7	2.8	2.2	1.5	1.5	1.4	1.6	1.5	1.6	1.5
Lumber and wood products	3.4	2.9	3.7	2.6	3.3	4.4	7.0	5.4	3.8	4.1	4.5	4.1	3.7	4.1	4.5
Furniture and fixtures	3.6	3.3	3.3	2.4	3.0	3.7	5.4	5.6	3.4	3.3	3.5	3.7	3.8	3.7	4.3
Stone, clay, and glass products	2.0	1.9	1.9	1.5	1.9	2.4	4.2	3.5	2.2	2.4	2.2	2.0	1.9	2.3	2.4
Primary metal industries	1.4	1.2	1.2	.9	1.2	1.4	2.8	2.1	1.2	1.4	1.3	1.3	1.3	1.4	1.7
Fabricated metal products	2.4	2.1	2.2	1.6	2.1	2.6	4.2	3.6	2.2	2.4	2.4	2.4	2.4	2.5	2.8
Machinery, except electrical	1.6	1.3	1.4	1.0	1.3	1.6	2.8	2.2	1.5	1.7	1.7	1.7	1.7	1.7	1.9
Electrical equipment and supplies	1.8	1.6	1.7	1.4	1.6	2.1	3.3	2.5	1.5	1.8	1.8	1.9	1.9	2.0	2.3
Transportation equipment	1.4	1.3	1.4	1.0	1.4	1.6	2.9	2.3	1.5	1.7	1.6	1.5	1.6	1.7	1.9
Instruments and related products	1.6	1.5	1.5	1.2	1.4	2.3	3.2	2.4	1.5	1.8	1.6	1.6	1.7	1.8	2.0
Miscellaneous manufacturing industries	2.5	2.4	2.5	2.1	2.6	3.6	5.6	4.3	2.8	3.0	3.0	2.9	2.8	3.2	3.6
Non-durable goods	2.2	2.1	2.2	1.8	2.2	2.8	4.6	3.7	2.5	2.6	2.5	2.4	2.4	2.7	2.8
Food and kindred products	2.2	2.2	2.3	2.1	2.7	3.7	6.4	4.5	3.0	2.9	2.8	2.5	2.5	3.2	3.2
Tobacco manufactures	1.5	2.1	2.8	2.4	1.8	2.8	3.7	3.1	1.6	1.7	1.7	1.6	1.7	2.1	1.9
Textile mill products	3.4	3.0	2.9	2.2	2.8	3.4	4.6	4.6	3.2	3.3	3.4	3.4	3.3	3.3	3.5
Apparel and other textile products	2.5	2.4	2.7	1.9	2.4	3.0	4.1	3.9	2.0	2.8	3.0	2.8	2.8	2.9	3.3
Paper and allied products	2.0	1.7	1.8	1.5	1.7	2.3	4.7	3.2	1.9	2.2	2.1	2.1	2.1	2.3	2.4
Printing and publishing	1.8	1.7	1.9	1.5	1.7	2.1	3.6	2.8	1.9	2.2	2.0	1.9	2.0	2.1	2.2
Chemicals and allied products	1.2	1.0	1.1	.9	.9	1.2	2.9	1.9	1.1	1.3	1.3	1.2	1.2	1.3	1.4
Petroleum and coal products	.8	.7	.7	.7	.8	1.0	2.6	1.5	.8	.9	.9	.7	.7	1.0	.9
Rubber and plastics products, nec.	2.4	2.3	2.4	1.8	2.3	2.8	4.6	4.1	2.6	3.1	2.9	2.7	2.7	2.9	3.1
Leather and leather products	3.4	3.3	3.6	2.8	3.2	3.8	5.3	4.8	3.0	3.3	3.4	3.3	3.2	3.6	4.1
Manufacturing:															
Metal mining	2.0	1.5	1.6	1.1	1.3	1.7	5.5	2.8	1.7	2.0	2.0	1.9	1.9	2.1	2.0
Coal mining	.7	.6	.6	.4	.6	.6	.9	1.0	.5	.5	.6	.6	.7	.7	.7

See footnotes at end of table.

TABLE B-1. Labor turnover rates, by major industry group¹—Continued

[Per 100 employees]

Major industry group	1968			1967										Annual average	
	Mar. †	Feb.	Jan.	Dec.	Nov.	Oct.	Sept.	Aug.	July	June	May	Apr.	Mar.	1967	1966
	Separations: Layoffs														
Manufacturing:	1.1	1.2	1.5	1.6	1.3	1.3	1.2	1.1	1.0	1.1	1.1	1.3	1.5	1.4	1.2
<i>Seasonally adjusted</i>	1.3	1.4	1.4	1.1	1.8	1.8	1.8	1.1	1.6	1.4	1.4	1.4	1.7		
Durable goods:	1.0	1.2	1.4	1.4	1.0	1.1	1.1	1.0	2.0	1.1	1.0	1.2	1.5	1.3	1.1
Ordnance and accessories	.7	.9	.8	.8	.6	.7	.7	.6	.6	.4	.6	.9	.8	.6	.4
Lumber and wood products	2.4	2.4	2.0	2.5	1.6	1.2	1.1	1.8	1.2	.8	.9	1.4	2.1	1.5	1.6
Furniture and fixtures	.6	.9	1.2	.9	.9	.6	.9	.8	1.5	1.2	1.2	1.1	1.4	1.1	.8
Stone, clay, and glass products	1.0	1.3	2.3	2.0	1.5	1.1	1.0	.9	1.3	1.2	1.2	1.3	1.7	1.5	1.3
Primary metal industries	.5	.7	.8	.8	.6	1.2	1.2	.9	1.0	.9	.9	1.2	1.3	1.0	.6
Fabricated metal products	.9	1.0	1.5	1.2	1.1	1.5	1.4	1.0	2.1	1.8	1.0	1.4	1.6	1.5	1.2
Machinery, except electrical	.6	.6	.7	.6	.6	.8	.8	.8	1.1	.9	.6	.7	.8	.8	.5
Electrical equipment and supplies	.9	1.0	1.1	1.0	.7	.7	.7	.8	1.0	.7	1.1	1.4	1.9	1.0	.5
Transportation equipment	1.4	1.5	2.3	1.5	1.4	1.6	1.8	1.8	2.8	1.7	1.4	1.8	1.9	2.2	2.1
Instruments and related products	.5	.6	.6	.4	.4	.5	.6	.6	.7	.4	.6	.7	.5	.5	.4
Miscellaneous manufacturing industries	1.5	1.2	2.2	2.3	3.2	1.7	1.0	1.0	2.2	1.3	1.3	1.3	1.5	2.1	2.1
Nondurable goods:	1.4	1.2	1.6	2.0	1.7	1.7	1.5	1.2	1.8	1.2	1.3	1.4	1.5	1.5	1.4
Food and kindred products	2.8	2.4	3.2	3.8	3.8	4.1	3.0	2.3	2.4	1.7	2.0	2.3	2.3	2.7	2.8
Tobacco manufactures	5.5	3.5	3.8	3.9	6.4	2.2	.5	3.6	1.5	1.1	2.0	2.5	3.2	3.3	3.5
Textile mill products	.5	.6	.8	.9	.8	.6	.7	.6	1.5	.6	.6	.7	.9	.8	.7
Apparel and other textile products	2.1	1.6	2.4	3.0	2.1	2.0	1.9	1.6	3.5	2.3	2.1	2.6	2.8	2.3	2.1
Paper and allied products	.7	.6	.7	.8	.6	.5	.7	.6	.7	.4	.5	.7	.6	.6	.5
Printing and publishing	.5	.8	.9	1.0	.7	.8	.8	.7	.8	.7	.7	.6	.6	.7	.7
Chemicals and allied products	.4	.4	.5	.5	.6	.5	.7	.4	.6	.8	.7	.5	.6	.6	.6
Petroleum and coal products	.2	.4	.5	1.1	.7	.8	1.0	.6	.3	.3	.3	.5	.4	.6	.6
Rubber and plastics products, nec.	.9	.9	1.0	1.3	.8	.8	.9	.9	1.5	.8	1.0	1.1	1.3	1.1	.9
Leather and leather products	1.2	.9	1.4	2.0	1.0	.8	1.3	1/2	3.6	.7	1.5	1.9	2.0	1.6	1.4
Nonmanufacturing:															
Metal mining	.9	.4	1.1	1.6	1.7	1.3	.5	.3	.7	.5	.7	1.0	.6	.9	.7
Coal mining	.6	.6	.4	.6	.5	.3	.6	.5	.6	.7	.8	1.2	.9	.5	.6

¹ For comparability of data with those published in issues prior to October 1967, see footnote 1, table A-9.

Month-to-month changes in total employment in manufacturing and nonmanufacturing industries as indicated by labor turnover rates are not comparable with the changes shown by the Bureau's employment series for the following reasons: (1) the labor turnover series measures changes

during the calendar month, while the employment series measures changes from midmonth to midmonth and (2) the turnover series excludes personnel changes caused by strikes, but the employment series reflects the influence of such stoppages.

† Preliminary.

CHAPTER 3

EEOC APPROVAL OF SELECTIONS

This section outlines the procedure for obtaining EEOC approval of the tentative target establishment selection and the program to be followed by the agency while waiting for the approval from EEOC, including the preparation of additional backup material in those jurisdictions will be initiating Commission Charges.

1. As indicated above the list of tentative proposed target establishments will be listed with appropriate information on the form "Selection of Establishments Under FY 1966 EEOC Grants." Three copies of this form will be prepared for the agency's selections and three copies for the alternates.

These copies will be handled as follows:

- One will be retained by the agency.
 - A second will be transmitted to the EEOC Regional Office with jurisdiction over the geographic area in question.
 - The third will be transmitted air mail, special delivery to the Office of State and Community Affairs, EEOC, 1800 G Street, N.W., Washington, D. C. 20506.
2. EEOC will examine the proposed tentative selections. Generally the recommendations of the state and local agency will be accepted. However, they will be screened for two things:
 - To make sure targets have been selected with a maximum possible payoff in terms of man-hours expended.
 - To make sure that the targets are not presently the focus of some other on-going federal program, and thus avoid needless duplication.

3. EEOC will endeavor to return the list to you approved, or with alternate suggestions as soon as possible. At the time it is returned you will receive the latest available EEO-1 forms for each of the establishments on the selected list. Those agencies already having the individual forms, pursuant to a data sharing agreement, should have made a set of file copies for utilization in this project and should have transmitted with their selection form, a list of those firms for which it does not have 1966 and 1967 EEO-1 forms. We will assume that agencies with previous data sharing agreements providing for full sets of EEO-1 forms have the complete set of EEO-1 forms for the establishments selected unless they inform us to the contrary.
4. While the list of selected and alternate establishments is pending approval by EEOC the agency has several other things which they should be doing:
 - A. Setting up a filing system for keeping separate detailed records on each individual case processed.
 - B. Making sure that all the forms, form letters, log books, and other administrative arrangements necessary to the conduct of the project have been prepared and printed.
 - C. Setting up a procedure for the processing of the proposed charges and the obtaining of their Commission or Commissioner approval on those charges when the approved list is returned from EEOC.
 - D. Beginning the preparation of a backup sheet (discussed in more detail in Chapter 4 below) on the tentatively recommended list of firms

for utilization in supporting the recommendation of a Commission Charge. This backup sheet cannot be completed without the actual EEO-1 forms for the establishments in question, so those agencies without a set of complete EEO-1 forms will have to begin the preparation of a backup sheet during this time period but wait to complete them until the approved list and the actual EEO-1 forms are returned from Washington.

- E. Preparing a detailed survey on recruitment sources of minority group individuals in the major metropolitan areas covered by the project. (Discussed in more detail in Chapter 5 below.)

CHAPTER 4

PREPARATION OF BACK UP MATERIAL

The jurisdictions which are conducting contract compliance programs or which are engaged in programs designed to further voluntary compliance on the part of employer establishments will not need to prepare the back-up materials discussed in this section, although they may find it useful to do so in order to have additional information on the establishments in question in the files.

The back-up material outlined in this section is designed for two purposes:

- to make sure that the initial selections discussed earlier have not inadvertently included an establishment as to which it would be inappropriate to proceed. For example, a discussion with the State Employment Service may reveal that an establishment whose employment patterns look bad on the surface has, in fact, recently begun an effort to engage in a massive non-discriminatory recruitment campaign to improve its minority group hiring situation which would make it extremely inappropriate to proceed against such establishment with an enforcement proceeding.
 - to provide the minimal additional back-up and supporting material felt necessary by a state or local agency under its statute to support the issuance of a Commission charge.
1. The back-up material which is to be assembled for each target establishment on the "charge back-up information sheet" is designed to eliminate establishments earlier selected rather than provide the major justification for selection. It is in essence a double checking to make sure it is appropriate to proceed. It is anticipated that many of these checks can be performed by agency personnel operating in the office or utilizing the telephone. A few of the checks may involve a field visit

to the local office of the State Employment Service or to the offices of community groups specializing in the recruitment of minority group individuals and having knowledge of the employment practices and patterns of local employer establishments. It should be possible to conduct such an operation in one week or less. It is not necessary in the conduct of this operation to obtain complainant type information.

2. The types of internal checks necessary to make sure it is appropriate to proceed will include the following:
 - A. Comparing the establishment's record of minority group (Negro, Spanish Surnamed Americans and other) employment against other employers in the same SIC and SMSA. If it is significantly higher than the other employers, it may be inappropriate to proceed.
 - B. Compare the establishment's record of minority employment against the industry (same SIC) average performance in the same SMSA to see if it is living up to the industry-wide standard of minority hiring.
 - C. Compare the establishment with other establishments of the same employer in the same jurisdiction. If the employer has several establishments with a very good record of minority group hiring and recruitment it may be inappropriate to proceed against the particular establishment at this time.
 - D. Make sure that all checks include the record of hiring and recruitment of minorities other than Negroes. In some situations if the establishment of a high utilization rate of another minority group it may be inappropriate to proceed. However, if it has a high utilization rate for Negroes but a low utilization rate for Spanish Surnamed Americans it will still be appropriate to proceed and to focus the investigation primarily on hiring and recruitment procedures as they relate to Spanish Surnamed Americans, if the area has a large Spanish Surnamed American population.

- E. It is inappropriate to proceed with an employer as to whom unions have a major role in hiring. This project is not intended to deal with the problems existing in such hiring and recruitment situations.
- F. Compare the establishment's 1966 hiring profile with the 1967 (and if available, the 1968). It is inappropriate to proceed as to establishments indicating great improvement. However, if great improvement exists in respect to Negroes but not in respect to Spanish Surnamed Americans in jurisdictions having a heavy SSA population, it may be appropriate to proceed.
- G. Check the reputation of the establishment among other staff members in your agency and obtain any information indicated about their practices as may have been made available either through previous charges, conciliation agreements which are thought to have been violated, informal complaints which have been received but never investigated, or indications of patterns of discrimination which have not been dealt with in the investigation of individual complaints.
- H. Ask any official of the State Employment Service informally if, based upon their work with the firm in question, there is any reason not to proceed with respect to each establishment -- such as recently reduced work forces, plant movement, recently accelerated minority group hiring programs, or some other special situation which will not show in the general statistics.
- I. Ask Civil Rights groups and other organizations with responsibilities for improving minority group hiring and recruitment if they know of any reasons not to proceed.

NOTE: In making these checks the following should be remembered:

- these public and private agency checks should be conducted quickly and informally, possibly by telephone supported by written memorandum prepared by you after the telephone calls. No more than a week should be allocated for this.
 - the purpose of these checks is NOT to decide whether you should proceed, but to help determine whether there is a reason not to do so. DO NOT EXPECT TO FIND COMPLAINANT TYPE INFORMATION IN THESE CHECKS. IT IS NOT NECESSARY. (HOWEVER, IF COMPLAINANT TYPE INFORMATION IS DISCOVERED IT SHOULD BE INCLUDED IN THE BACK-UP SHEET.)
3. Once all of the appropriate checks have been made a net judgment is called for on the final 25 establishments as to which the initial proceedings will be commenced. Once these establishments are identified, prepare in quadruplicate the "charge back-up information sheet" covering each establishment, and a covering list, giving the name, address, industry, total employment and total minority employment for each establishment.
- A. The summary sheet for each establishment should go to:
- immediate supervision
 - project file
 - to a case file for each establishment
 - to the Office of State and Community Affairs, EEOC, Washington, D. C. 20506.
- B. The covering list identifying the characteristics of all establishments should go to:
- immediate supervision
 - project file
 - State and Community Affairs, EEOC, Washington, D. C. 20506.

The actual preparation of the Back-up sheet can be begun as soon as the recommended selection is sent to EEOC and can be completed when the approved list is returned with the EEO-1 forms.

CHAPTER 5

COMMUNITY RESOURCES SURVEY

1. While awaiting the return of the approved list from EEOC, another activity which should be commenced is the preparation of the survey of community resources, which can supply minority group individuals -- Negroes or Spanish Surnamed Americans or others. To the extent that this survey cannot be complete during this time it can be finished after the initial interrogatory (see section below) has been mailed to the group of target establishments and while waiting for its return.

This survey of community resources is designed primarily to provide the employer with a list so that he may affirmatively recruit minority individuals in order to satisfy the statutorily imposed duty of fair recruitment.

Information on these sources of community supply can be obtained through visits to local community groups, by examining directories of local community resources, by discussion with local poverty programs, or through other means available to the agency. The types of groups which should be included on any such list will include:

A. State or local governments:

- (1) State Employment Service
- (2) Work-release programs
- (3) Half-way houses
- (4) Parole and probation authorities
- (5) Juvenile authorities
- (6) CAP agencies

- B. U. S. Department of Labor funded M.D.T.A. and O.J.T. contractors:
- (1) O.I.C.'s
 - (2) Boards of Trade (Chamber of Commerce) and private employers doing basic educational, skills and pre-vocational training
 - (3) Specially constructed and/or operated ghetto plants
- C. Local central labor council, apprenticeship information center, trade unions council, allied trades council, etc.
- D. Basic educational skills and pre-vocational training programs operated by Welfare Departments and/or social service agencies:
- (1) Red Feather and/or Community Chest agencies
 - (2) Settlement Houses
 - (3) Domestic relations and family counseling agencies
- E. Civil rights and political action organizations
- (1) Urban League
 - (2) NAACP
 - (3) CORE
 - (4) ADA
 - (5) American Jewish Committee
 - (6) American Jewish Congress
 - (7) Anti-Defamation League
 - (8) National Conference of Christians and Jews
 - (9) Interdenominational Clerical and Lay Committees
 - (10) ESCRU
 - (11) ICBO
 - (12) NAIRO
 - (13) ACT

- F. Schools (including freedom and church schools)
- G. Community Action Agencies (including community unions and corporations, block clubs, local anti-poverty organizations, etc.)
- H. Communications media directing themselves to the minority group community (radio, television, newspapers, magazines).

2. The contact with these agencies can be accomplished by telephone, by personal visit or by a series of group meetings to which representatives of a number of them are invited. The purpose of the initial contact with them should be to inform them of the nature of your program, to let them know that you will be dealing with a number of local employers and that you will be attempting to persuade those local employers to significantly increase their minority group recruitment efforts. You should indicate to the listed organizations and agencies that you will be suggesting to the employers that they expand their recruitment efforts to include a contact with the groups mentioned and that an increased demand will be placed upon those groups to produce the individuals. You shall indicate that there will be a much more comprehensive follow-up effort, both on the activities of their organizations, and on the efforts of the employer than has previously been the case. You should indicate to them that a considerable burden to the success of the program will be placed upon the employer but that their role is a vital one and they should immediately prepare themselves to deal with the request. You should educate them in general terms on the type of recruitment arrangement to which you will be asking the employers to agree. You should inform them of the estimated time delay before the first of the agreements will actually be signed.

You should obtain from these groups the following information during your contact. Perhaps you should prepare a form on which the information can be listed from each organization:

- A. The name and address to which the request for minority group referrals should be made by the participating employers.
- B. The types of jobs for which they can make referrals, the type of information they need, the amount of advance notice they need and any other information which will be useful to an employer in maximizing his use of their resources.
- C. If a contact is being made with a group prior to the actual initiation of the first company contacts, appropriate information should be obtained from them to include on the "Charge Backup Information Sheet" in the "Enforcement Project".

ENFORCEMENT PROJECT PROCEDURE

The paragraphs which follow outline in detail the procedure to be followed in a jurisdiction utilizing the enforcement sections of its statute to conduct an investigation of employer establishments in order to determine whether underutilization is the result of discriminatory hiring and recruitment practices. Changes in these procedures for jurisdictions conducting voluntary compliance projects will either be mentioned in passing or discussed during training sessions.

1. Mail notification and Interrogatory: Each selected establishment will be mailed, by certified or registered mail depending upon local requirement, a package containing the following items:
 - A covering letter (sample enclosed).
 - The formal document initiating the investigation under state or local statute. (At EEOC this is called a Commissioner's Charge. In the local agencies it may be called a Commission Charge, an Initiated Charge, or something else.)
 - The interrogatory (which is the first stage in the actual investigation and which will be discussed separately below).
 - A covering letter explaining the investigation and requesting the return of the interrogatory within 30 days.
2. A log book should be created with a separate page for each case. Information on the date the charge is mailed should be entered in the log book. (EEOC will attempt to provide a sample format for such a log book. Pending its return the agency should create its own utilizing a three-ring loose-leaf binder.)

3. While awaiting the return of the interrogatory the agency should finish developing the full information on sources of supply of minority group employees if this has not already been done. (See section above.)
4. The interrogatory is to be returned within 30 days. Some of them will obviously begin to return sooner and a number of questions concerning them will arise and be posed by telephone. As the interrogatories are returned the fact of return should be noted in the log book and in the file for each case. The returned interrogatory should get an initial quick examination which should not take more than 10 minutes to make sure that it is generally complete. In situations where the interrogatory is returned incomplete or with almost no information and it is early in the 30 day period, consideration should be given to a follow-up letter mailing it back.
5. On the 31st day a list should be prepared from the log book of firms which have not returned the interrogatory and a follow-up letter with copies of all of the original material should be sent to them.
6. Analysis of the Interrogatory: The interrogatory is designed to constitute the first stage of the investigation. As noted above it is mailed out after the charge is initiated and is not part of the pre-initiation work. The initial analysis should be to determine whether sufficient data has been supplied to enable you to proceed with the investigation by having an on-site visit or whether it should be sent back for additional investigation. It should be remembered that the interrogatory is a means to an end and not an end in itself. Its purpose is to facilitate the investigation but not to substitute for it. If it is at all possible to proceed to the next stage--that of a field investigation--you should do so. The analysis of the interrogatory should be designed to determine:
 - A. Whether the recruitment system utilized by the employer is one which has the effect of

recruiting mainly whites and which has the effect of excluding Negroes, Spanish Surnamed Americans or other minority groups.

- B. What are the sources of recruitment which have referred largely or exclusively whites? Why is this the case with respect to each one?
- C. Whether the employer utilized sources of minority recruitment or avoided such sources.
- D. Whether the employer otherwise discriminated in his recruitment by such things as:
 - Discriminatory transportation arrangements.
- E. Whether the qualifications for each job listed in the interrogatory are reasonably relevant to the particular job. Most state or local jurisdictions receiving grants will want to enlist the assistance of a qualified personnel analyst to assist in this examination. Further information on the utilization of such an analyst will be distributed later in the project. It is suggested that the analyst not be asked whether the qualification is discriminatory, but only whether it is or appears to be related to the work in question. A detailed memo on allegedly objective initial job qualifications which have the effect of excluding or otherwise adversely affecting employment applicants because of their race, color, religion, sex, or national origin will be provided at a later date.
- F. Other materials to assist in the analysis will be provided later.

THE ON-SITE INVESTIGATION

After the interrogatory has been received and analyzed the contact person indicated on it should be telephoned and an appointment made for a field investigation. This investigation should be scheduled for the first thing in the morning; and--while it probably will occupy a full day--it should not take more than a full day, except in unusual circumstances or very large firms. The investigation is limited to initial hiring and recruitment except in unusual circumstances or obvious violations in other areas. The investigator should not be distracted into other aspects of company procedures. The company should be informed of this limited scope of the investigation.

The investigation should cover the following:

1. Asking any questions which the interrogatory raised.
2. Seeking information on recent minority group applicants who were rejected and comparing their qualifications, on a spot check basis, with recent hires of the majority group. (Later some of the rejected minority group applicants can be telephoned in order to check out the accuracy of the reason given for their rejection by the employer.)
3. Ask the employer representatives whether they were aware "that your recruitment practices were producing a substantially segregated labor force."
NOTE THEIR ANSWER IN DETAIL.
4. Ask if tests or hiring standards did or might be responsible for screening out a higher proportion of minorities. NOTE ANSWER IN DETAIL.
5. Ask if the tests or hiring standards have been validated. If so, request submission of information, and note the detailed answer.

6. Ask what steps have been taken, if any, to improve minority hiring, and with what results. Request specific information which you can verify.
7. Ask for other comments from employer to explain his substantially segregated work force.
8. Before leaving the employer indicate that you will not submit a final report or prepare your final analysis until he has a chance to send you any additional written information he should like you to consider. Leave a signed notice which specifically gives him 10 days to submit the additional information.
9. Immediately upon return write up a detailed report and analysis of the interview.

ANALYSIS AND FINDING

After waiting 10 days to provide the employer with an opportunity to submit additional information for your consideration, write up the final report and recommendation on "reasonable cause". Before most of the projects reach this stage sample reports of the decisions will be provided.

In the "enforcement" jurisdictions this finding will take the form of a recommendation of "cause" or "no cause". In the "voluntary compliance" jurisdictions it will take the form of a "analysis of practices" which will be submitted to the employer for his consideration.

In the contract compliance jurisdictions this will take the form of a decision and a recommendation for follow-up action under normal contract compliance procedures.

In the contract compliance and enforcement jurisdictions where the agency does not have staff authority to approve findings of cause or findings of discrimination this recommended decision will be forwarded to the appropriate official for consideration.

Once the finding of cause is approved the standard form agreement should be filled in and modified to fit the circumstances of the appropriate case. Additional paragraphs based upon material uncovered in the investigation or required by local agency practice should be added. Then the finding will be mailed to the establishment in question, together with a proposed conciliation agreement or "Affirmative Action" agreement, and a covering letter notifying him of the finding of cause. This covering letter will set a date for a conference to conciliate the matter after the proposal has been reviewed.

Additional information to facilitate the conduct of the conciliation conference will be prepared and submitted later during the projects. However, it should be stated as a matter of general practice that the conciliator should be prepared to yield on minor details which are designed to make the agreement more practical and workable, but he should insist upon the essential points, such as the maintenance of an affirmative action file designed to overcome previous discriminatory recruitment practices.

City or State Agency Letterhead

XYZ Company
1234 Fifth Avenue
Somewhere, U.S.A. 01234

Dear Sir:

A charge has been filed pursuant to Section ___ of the (insert name and citations of state statute) alleging that there is reasonable cause (insert proper statutory language "probable cause", "substantial evidence" etc.) to believe that the above-named respondent has engaged in unlawful employment practices under that statute. A copy of this charge is enclosed. The function of this charge is to initiate an investigation. It is not a finding of violation. Upon the filing of such a charge it is the statutory duty of the (insert name of agency) to conduct a full and impartial investigation for the purposes of determining whether the facts and circumstances afford reasonable grounds for the Commission to believe that the pattern, and practice, constitute discrimination on the basis of race, color, or national origin (insert "sex" if covered by statute).

Pursuant to this statutory obligation an investigator of the (insert name of agency) will call upon you in the near future. The investigation will be conducted by (insert name).

It is the intention of this agency to conduct its investigation with a minimal possible interference with the normal operations of an establishment consistent with adequately discharging the statutory duties imposed upon it. To this end, we are enclosing, in addition to the charge, a series of questions. These questions concern those matters which our investigators will cover during the investigation. We believe it will expedite and facilitate that investigation and save you time if you prepare answers to these questions and submit them in advance to (insert name of investigator).

Would you, therefore, please return the answers to these questions within 30 days of the receipt of this letter and advise us of the name, address, and phone number of the company official who will discuss this matter with us. (insert name of investigator) may be reached at (insert address and phone number of investigator). Please phone him directly if you have any questions.

Sincerely,

Joe Smith
Executive Director
or
Chairman

Enclosure (1) Charge
(2) Questionnaire

City or State Agency Letterhead

Commission Charge

In the Matter of:

XYZ Company
1234 Fifth Avenue
Somewhere, U.S.A. 01234
(add charge Number)

I (or "we") have reason to believe that the above named employer is subject to the jurisdiction of the (insert name of agency) and has engaged in unlawful employment practices regarding the recruiting and hiring of employees which have resulted in the virtual exclusion of minority group persons from employment because of their race, color and national origins, in violation of (insert name and citation of local statute).

The facts upon which this charge (or "complaint" depending upon the proper statutory language) is based are that the above named respondent is operating in a labor market which contains a substantial minority group population but employs relatively few minority group members; that similarly situated employers have substantially higher proportions of minority group employees; and, there is reason to believe that these facts exist because respondent does not recruit and hire qualified minority persons because of their race, color, and national origin while recruiting and employing equally or less qualified white persons.

An investigation of said practices shall be undertaken pursuant to section (insert section of state or local statute which requires the agency to investigate all charges) of (insert name of statute). This investigation shall examine and look into the specific facts and circumstances concerning the recruiting and hiring practices of the respondent. On the basis of the investigation into these facts and circumstances, the (insert name of agency) will determine whether there is reasonable cause (insert alternate language, if appropriate) to believe the above charge to be true.

Signed and sealed in accord with
state law

State Agency Letterhead

Date

Name and Address of Company

Dear Sir:

The (insert name of agency) offers advice to employers, unions, and employment agencies on policies and practices that can be undertaken to assure voluntary compliance with those statutory provisions prohibiting employment discrimination.

Our analysis of your current employment suggests possible difficulty you may be having in relating to the minority group community and recruiting minority group candidates for employment consideration.

We would like to meet with appropriate company officials to share some ideas on expanding equal employment opportunity. In this connection, a representative of this agency will contact you soon.

Enclosed are a number of questions, the answers to which will assist our representative in making his visit with you as constructive as possible in the least amount of time and inconvenience to you. We would appreciate your sending your answers to (insert name of project person). If you have any questions or if we can help you in any way, please call him at (insert phone number).

Thank you for your interest and cooperation.

Name & Title
(Director or Chairman of Agency
should sign)

Enclosure

QUESTIONS CONCERNING RECRUITMENT AND HIRING PRACTICES
 (Answer all questions for the particular branch or
 establishment. Use additional sheets if necessary.)

Please return completed form within 30 days to:

In the Matter of:

1. Name, title, telephone number of company official at the establishment who is responsible for recruitment and hiring and who will provide information concerning this matter.

2. Name, title and telephone number of senior managing official at the establishment if he is not the person named in the answer to question 1.

3. Describe briefly the basic business activity at the establishment. (e.g., identify the product produced or the service performed.)

4. History of employment (From EEO-1 Reports of Establishment)

	1966	1967	1968	Present	Hired Last 12 months
Total Employees					
Total Negro					
Total SSA					
Total Other Minority Individuals					

5. HIRING FROM OUTSIDE IS DONE FOR THESE JOBS:

The information sought here deals with all jobs normally filled by hiring from outside the establishment, rather than by promotion from within the establishment. For each such job please give information requested below:

Title of Job	Description of Job (attach extra sheets if necessary)	EMPLOYEES NOW IN JOB			TOTAL HIRED IN LAST 12 MONTHS		
		Grand Total	Negro	Span.Surn. (includes Cuban and Puerto R.)	Grand Total	Negro	Span.Surn. (includes Cuban and Puerto R.)

6. QUALIFICATIONS FOR JOBS:

State all existing qualifications for employment in each job referred to in question 5. If these qualifications are in whole or in part in writing, attach a copy. State whether any written tests are given as part of qualifications for hiring. If they are, attach a copy of the test and indicate the job or jobs for which it is used. (List jobs in same order as in question 5.) Under qualifications, list any general criteria you apply in screening applicants, such as owning a car or speaking English, or maximum distance residence can be from job.

Title of Job	Qualifications	Is Test Given	Name of Test

7. INFORMATION ON EMPLOYEES HIRED:

Provide the name, address, telephone number, date of hire and job for which hired, for every employee hired into a job within the period beginning 90-days prior to the date on the letter sending you this form, and continuing until the date of the preparation of the answer. Indicate which employees are (a) Negro, (b) Spanish surname (e.g. Puerto Rican, Cuban). This may be estimated by visual inspection.

Name	Address	Phone Number	Job Title	Date of		Check if	
				Application	Hired	Negro	SSA

8. J APPLICANTS OF MINORITY STATUS:

Provide the name, address and phone number of each Negro and Spanish surname (e.g. Puerto Rican, Cuban) person who has applied for employment with you within the last 90-days prior to the date on the letter transmitting this form, if known, and indicate whether the individual was hired, has his application still pending, or was rejected. If he was rejected, state the reason.

Name	Address	Phone Number	Hired As... (Job Title)	Pending (check)	If Rejected, State Reason	Check if	
						Negro	SSA

9. The following questions relate to your recruitment practices. The charge below lists a number of traditional sources for recruiting employees to fill vacancies. Please look it over; add any other sources you utilize and then indicate for each source, the approximate percentage of employees recruited in that particular fashion. If you have records which give precise percentages insert them -- if not, then make rough estimates such as 10%, 25%, 50%, 75%, 90%, etc. If your sources of applicants appear to be different for minority groups then you should indicate why in the space below the chart.

	Whites	Negroes	Spanish Surname	All Others
Walk-ins (no prior knowledge of plant)				
Word of mouth referral from present employee				
Referred by private employment agency				
Referred by state employment service				
Specific recruitment by management such as college recruitment trip, etc.				
Newspaper ads				
Referral from organization specializing in minorities				
Other (specify)				
Other (specify)				
Other (specify)				

Comments:

10. Describe the procedure used at your establishment in processing applicants for employment. Describe who interviews and processes applications; what is done with applicants when there are no vacancies; how and in what order and by whom tests are administered. Indicate, where applicable, any company representatives who have authority to hire and do, in fact, hire on the spot. If this procedure, or any part of it, has been reduced to writing as part of a company manual or otherwise, attach a copy.

11. List the name and location of all newspapers and other publications used by you to advertise job vacancies. Use the following code to indicate with each the frequency of advertisements: D=Daily; W=Weekly; M=Monthly; I=Infrequently.

12. [redacted], address and phone number of each employment agency, public and private, regularly utilized in recruitment. State (1) the approximate number of applicants referred by each such agency during the last year; (2) the approximate number of these applicants who were hired; (3) the approximate number of these applicants who were Negro or Spanish surname (e.g., Puerto Rican or Cuban); and (4) the approximate number of such Negro or Spanish surname applicants who were hired.

Name of Agency	Address	Phone	In Last Year, Number of Applicants		Number of Negroes		Number Spanish Surname	
			Referred	Hired	Referred	Hired	Referred	Hired

13. Name, address and phone number of each Negro and Spanish surname (e.g., Puerto Rican, Cuban) applicant referred by any of the agencies listed in question 11 during the last 90-days prior to the date on the letter sending you this form.

14. [redacted], address, phone number of each school regularly [redacted] in recruitment. State (1) the approximate number of applicants referred by each school during the last year; (2) the approximate number of these applicants who were hired; (3) the approximate number of these applicants who were Negro or Spanish surname (e.g., Puerto Rican or Cuban); and (4) the approximate number of such Negro and Spanish surname applicants who were hired;

Name of School	Address	Phone	In Last Year, Number of Applicants		Number of Negro		Number of Spanish Surname	
			Referred	Hired	Referred	Hired	Referred	Hired

15. Name of each Negro and Spanish surname (e.g., Puerto Rico, Cuban) applicant referred by any of the above-named schools during the last 90-days prior to the date on the letter sending you this form.

16. Name, address, phone number of each organization which has as an object the improvement of employment opportunities for minority group members regularly utilized in recruitment. State (1) the approximate number of applicants referred by each organization during the last year; (2) the approximate number of these applicants who were hired; (3) the approximate number of these applicants who were Negro or Spanish surname (e.g., Puerto Rican or Cuban); and (4) the approximate number of such Negro and Spanish surname applicants who were hired.

Name of Organization	Address	Phone	In Last Year, Number of Applicants		Number of Negro		Number Spanish Surname	
			Referred	Hired	Referred	Hired	Referred	Hired

17. Name of each Negro and Spanish surname (e.g., Puerto Rican, Cuban) applicant referred by any of the above-named organizations during the last 90-days prior to the date on the letter sending you this form.

18. Name, address and phone number of president or business representative of each labor organization which represents your employees. Please attach copies of existing collective bargaining agreements. Indicate which of the entry level jobs described in question 5 are in the bargaining unit represented by each union.

Name of Local
Address
Telephone Number
President or
Business Agent

Local Has Jurisdiction Over the
Following Listed Entry Level Jobs

19. If any labor organization participates in any way in the recruitment and/or hiring practices, please describe the participation.

20. Please comment on an additional sheet and provide any additional information you deem appropriate concerning your problems of recruitment and employment of minority group persons.

EXPLANATION OF PROPOSED AGREEMENT

The attached proposed agreement is intended to assist employers in taking affirmative action to provide Equal Employment Opportunity under Title VII of the Civil Rights Act of 1964 and (insert state or local statute if appropriate). The provisions deal with recruitment, hiring procedures, and qualifications for employment. Because of the detailed nature of the proposed agreement, it appeared useful to provide this general explanation.

- I. General Principles: In this section, the purposes of the agreement are made clear, along with the statement that the signing of the agreement does not constitute any admission by the employer of any violation of Title VII or state law.
- II. Recruitment Practices: This section establishes a continuous relationship between the establishment and various sources from which minority group applicants for employment may come. These sources include the State Employment Service, and various private organizations which have as an object, the expansion of employment opportunities for minorities. In this relationship, the employer will notify the listed organizations in advance of expected vacancies, will also notify them of other vacancies as they develop. When the listed organization refers an applicant, records will be kept of the disposition of the application by both the employer and the sending agency.
- III. Hiring Practices: The employer agrees to the prompt and fair processing of applications of minority group members. Where no vacancy exists, but the applicant may be qualified, the employer will place the application in an Affirmative Action File, and when vacancies develop, will give every consideration to hiring applicants from this file, prior to seeking applicants from other sources.
- IV. Review of Qualifications: After a review of qualifications, certain requirements previously maintained by the employer

may be changed. This section provides for the listing of such changes as are agreed to.

V. Reporting: This section deals with quarterly reports of compliance with the above provisions of the agreement. Reporting forms are included.

VI. Other Provisions: This section deals with the effect of the agreement, provides for reexamination of the agreement, and for procedures for enforcement of the agreement.

Appendices contain various forms relating to the carrying out of the agreement.

IN THE MATTER OF:

[Insert name of Agency]
hereinafter referred to as the "Commission"

and

Name, Address:

AGREEMENT

SIC:

SMSA:

Employer Identification Number:

I. General Principles:

- A. Whereas the above establishment is located in an area of substantial minority group population, but employs few minority group persons; and whereas the employer wishes to employ more minority group persons than he has been employing under his existing recruitment and hiring practices; and whereas the Commission and the employer desire that the recruitment and hiring practices of the above establishment comply with Title VII of the Civil Rights Act of 1964, and [insert name and citation of applicable State statute] the employer hereby agrees with the Commission to establish a specific program of affirmative action set forth below to assure that the recruitment and hiring practices of the employer afford equal employment opportunity for minority group members in compliance with Title VII of the Civil Rights Act of 1964 and [insert name and citation of applicable State statute].
- B. All recruitment, hiring, promotions, practices and all other terms, conditions and privileges of employment shall be maintained and conducted in a manner which does not discriminate on the basis of race, color, sex, religion or national origin in

violation of Title VII of the Civil Rights Act of 1964, and [insert name and citation of applicable State statute].

- C. The signing of this agreement is not an admission by the employer of any violation of said title and statute. It does reflect his desire to take the affirmative action agreed upon below to assure that employment opportunities are made available to minority group individuals. A statement of company policy to this effect is attached as Appendix 1 and will be distributed to all employees with their next pay check and posted on company bulletin boards.
- D. The specific affirmative actions which are set forth in this agreement are appropriate to the objective of providing equal opportunities in recruitment and hiring.
- E. The [insert name of Agency] hereby certifies that the execution and implementation of this Agreement are proper under the [insert name and citation of applicable State statute].

II. Recruiting:

A. Establishing Continuing Relationships

In order to recruit minority group applicants for employment, the employer agrees to establish continuing relationships as defined below with the local office of the [insert name of State Employment Service] and the organizations listed in Appendix 3A, page 16, all of which have, as an object the improvement of employment opportunities for minority group persons.

B. Notification of Expected Vacancies in coming quarter

Within 30 days of the date of this agreement, the employer shall estimate the number of vacancies he expects during the coming three-month period in

each job which he will not be required to fill by promotion from within under a valid individual or collective contract. He will notify the local office of the [insert name of State Employment Service], and each organization listed in Appendix 3A, page 16, of the title of each such job, the expected number of vacancies, the qualifications required and the starting pay, on a form to be provided by the Commission, which is attached hereto as Appendix 2. A similar estimate and notification shall be made in each succeeding three-month period until this agreement is revised in accordance with the provisions of Section V, (C).

C. Notification of unexpected vacancies

Whenever a vacancy occurs in any job which (1) was not included in the quarterly estimate described in paragraph B, and (2) is not required to be filled by promotion from within under valid individual or collective contract, the employer will notify the appropriate local office of the [insert name of State Employment Service], and each listed organization. If practical, the notice will be by mail on a form to be provided by the Commission which is attached hereto as Appendix 3. Otherwise the notice will be by phone, and the employer will keep a record of each such notification.

D. Forms to be Given Applicants

Each listed organization will be supplied by the Commission with forms in triplicate, as described in Appendix 4. Upon making a decision to refer an applicant to the employer, the organization will fill out said form, which will contain the name, address, phone number, job for which referred and qualifications of the applicant, and give two copies to the applicant with instructions that he deliver both to the employer when he applies. The copy retained by the organization will be placed

in a file under the name of the employer, which will be available as a basis for Commission review of the operation of this agreement.

The [insert name of State Employment Service] will use its own standard forms in carrying out this agreement.

E. Processing of Forms

1. When the applicant delivers copies of the form to the employer, the employer shall process the application in accordance with the provisions of Part III of this agreement, and will distribute written instructions on that procedure to appropriate company personnel. He shall note in a summary manner on the form, the disposition of the application: (i.e., hired, pending, rejected, and if rejected, the reason). The employer shall retain one copy and shall mail the other back to the sending organization, which shall place same in its file.
2. The employer will follow the procedures of the [insert name of State Employment Service] with respect to notification concerning the disposition of applicants referred by the service. The regulations of the service with respect to such reporting are hereby incorporated into this agreement as if fully set forth herein.

F. Private Employment Services

With respect to private employment agencies presently used, or which may be used by the employer, the employer agrees to send a letter to each such agency, requesting each said agency to send him minority group applicants, and advising each said agency that if it does not do so, he might have to terminate his relations with it because he could not lawfully

utilize a referral agency which he knew would refer only white employees. The form of the letter is contained in Appendix 5. The employer agrees to keep a record of the race, color, and national origin of applicants sent from each such agency and of the disposition of each such application: and to report same as provided, on a form attached hereto as Appendix 6.

G. Advertising

The employer agrees:

1. To identify itself as an equal opportunity employer in all advertising:
2. To advertise in the minority group media described in Appendix 8 in proportion to its other advertising efforts and to report each 90 days on its general advertising and its minority media advertising activities in the preceding 90 days and
3. To review its advertising practices during the next 90 days to determine if it is adequately meeting the requirement of fair dissemination of information to the minority community, to submit a report of its advertising practices if any, along with each 90-day report, and to make such reasonable changes and additions to its advertising practices as the Commission suggests in light of the afore-said review and report.

III. Hiring Process

A. Prompt processing of Applications

All minority group persons contacting the employer will be specifically requested to file an application for employment regardless of whether vacancies exist. Applications for employment made by members of minority groups, either pursuant to the arrangements in Section II, or by other means, will be promptly reviewed by the employer. All applications will

either be accepted, rejected, or held pending a vacancy or further evidence of qualifications. An applicant will not be rejected because the position applied for has been filled. All such applications will be reviewed to determine if some position other than that applied for is available, either presently or prospectively for the applicant. If it is or may be, he shall be so advised. If the applicant is not hired at once, the application will be placed in an Affirmative Action File for consideration for such position. Applicants will be notified in writing of the employer's decision within five working days of the making of the application.

1. Applicants who are hired will be treated with respect to all terms, conditions and privileges of employment without discrimination on the grounds of race, color or national origin.
2. If the applicant is rejected the employer will:
 - (a) Advise him in writing of the reason;
 - (b) Send a copy of that rejection notice and information on the reason for rejection to any listed organization which referred said applicant;
 - (c) Retain a copy of the rejection notice as required by the regulations of the Equal Employment Opportunity Commission (29CFR 1502.14); and
 - (d) Submit a copy of the rejection notice to the Commission in its quarterly report.
3. If the application is held pending a vacancy, or for other cause not involving the disqualification of the applicant it shall be processed in the manner described below in Paragraph B.

B. Affirmative Action File:

1. Applicants of members of minority groups which are not accepted or rejected shall be placed in a separate file, to be known as an Affirmative Action

file. This file shall consist of all minority group applicants who are qualified for any position with the employer, and those applicants whose qualifications have not yet been established.

2. As job vacancies occur for which no minority group applicant is then presently available, the employer will first consult the Affirmative Action File to determine if qualified applicants are available from the minority group members listed therein.
 3. Before consulting other sources for applicants, the employer will give every consideration to the hiring of applicants from this file.
 4. If, after further review at the time a vacancy is available, the employer concludes that the applicant is not qualified, and cannot become qualified, he should remove his name from the file and notify him and the appropriate organization and agencies in accordance with paragraph (A) (2) above. If the applicant is still considered qualified, the employer shall note on the file the date of each review and the reason for rejection. If the employer is of the view that certain steps taken by the applicant could qualify him for employment, he shall so inform the applicant and the referring or sending institution, in writing, maintaining a copy in his file.
 5. The operation of the file shall be reported as provided in Section V infra.
 6. The maintenance and use of the affirmative action file does not require exclusion from consideration of other applicants, nor does it imply a quota system for the hiring of any racial or ethnic group.
- C. All interviewers at colleges will be instructed:
1. To interview all minority group persons who may be potential applicants; and
 2. To give an application form to each such person and request him (her) to complete it and submit it;

3. To place the application in the Affirmative Action file if the person is not hired.

IV. Qualifications for Employment

- A. In recognition of the fact that requirements which appear to be fair on their face may:
 1. Not be related to the job or jobs for which they are applied, and
 2. May have the effect of denying access to employment opportunities to minority group members in greater proportion than the majority,

a careful review of the requirements for each job of the employer which is usually filled by hiring from outside the establishment, has been undertaken on the basis of information supply to the Commission by the employer. On the basis of this review, it is agreed that certain entry level qualifications heretofore required by the employer shall be suspended and that no other requirements shall be imposed without prior consultation with an approval by the Commission. There is attached hereto and made a part hereof, a list identified as Appendix 7, of the entry level qualifications which have been modified after the above review. It is understood by both parties hereto that the employer will carefully review the operation of the revised qualification system and may, pursuant to Paragraph VI(B), request a reconsideration of these revisions at any reasonable time.

- B. The employer agrees that, during the first 90 days following the signing of this agreement, he will review all requirements for all jobs at all levels which:
 1. Are not required to be filled by promotion from within under a valid collective or individual contract; and
 2. Were not included in the detailed information previously submitted to the Commission. The purpose of this review will be to determine whether the quali-

fications are validly related to the performance on the job within the meaning of the Guidelines on Testing issued by the Federal Equal Employment Opportunity Commission on August 24, 1966. Following this review, the employer will remove or modify any of such requirements as do not meet the Guidelines. As part of its first quarterly report to the Commission, the employer will submit the data on which the above review was based, including:

- ___(a) Job descriptions;
 - ___(b) Qualifications;
 - ___(c) Analysis of relations between qualifications and elements of the job. The Commission will review this analysis and make reasonable recommendations to the employer with respect to changes in these requirements which he will, after consultation, implement.
- C. Guidelines: The employer agrees to comply in all respects with the Guidelines on Employment Testing Procedures issued by the Federal Equal Employment Opportunity Commission on August 24, 1966, which are incorporated herein and made part hereof.
- D. Additional Training Periods and Programs: It is recognized that the revision of entry level requirements accomplished under Paragraph A, above, may require the introduction or expansion of training programs by the employer. The Commission hereby undertakes to provide the employer with continuing technical assistance to facilitate the introduction and financing of such programs as may be necessary or appropriate; and any such other programs as the employer may be willing to undertake to provide for upgrading training for his employee. In his quarterly reports, the employer will identify any new or proposed training programs.

V. Reporting

Ninety days from the date of this agreement, and each 90-days thereafter for a total of two year, the employer shall send to the Commission a written report which shall include the following information:

- A. Copies of all correspondence with the [insert name of state employment service] and the organizations listed in Appendix 3A, page 16, and of correspondence from such organizations to the employer.
- B. A report on the operation of the recruitment and hiring program outlined in Sections II and III of this agreement which shall be submitted on a form to be supplied by the Commission, such as the one shown as Appendix 9.
- C. A statistical summary as provided in Appendix 8.
- D. Copies of all correspondence with minority group applicants required under Section III of the agreement.
- E. Copies of company statements circulated as in Section I (C).
- F. Copies of notices to employment services as required in Section III (F).
- G. Report on advertising practices as required in Section II (G).

VI. Other Provisions

- A. The execution and implementation of this agreement shall have no effect upon the handling or disposition of individual complaints of employment discrimination filed with the Federal Equal Employment Opportunity Commission or the [insert name of state agency] nor before any other tribunal, federal, state, local or private, except that the employer may, in the course of any proceedings, refer to the same, and to his performance thereunder, to the extent that it is relevant to such proceedings.
- B. Review of Effectiveness of Procedures: The Commission may review the course of the relationships established under this agreement at reasonable times, and shall do so promptly at the request of the employer or any organization participating in the relationships defined herein. This review will have as its objective, the determination of whether these procedures are achieving the results of improving employment opportunity for

minorities, and if the procedures require modification or abandonment, the Commission will so advise the employer. To the extent that weaknesses in the supply side of the labor market impede the operation of these procedures, the Commission will endeavor to:

1. Identify these weaknesses.
2. Communicate them to the institutions which influence them; and
3. Use its good offices to seek improvement.

The review will also take into account the changing conditions of the labor market, and the changes, if any, in the organizations which have, as an object, the supplying of minority applicants for employment. The Commission may, after this review, and after consultation with the employer, recommend changes in the organizations to which the above relationship as are reasonable and necessary in light of the experience of the employer, the organizations and the Commission under this agreement. The employer agrees to make such changes. Two years from the date of this agreement, the employer and the Commission shall review the experience obtained thereunder to determine whether the agreement should be continued, modified or terminated.

The Commission is considering the establishment of a plan of processing applications for employment inside the urban areas. The employer agrees to cooperation in such an endeavor, if undertaken, at least to the extent of placing a person with authority to hire in the office one day per week.

- C. Review of Compliance: The Commission may review compliance with the provisions of this agreement at reasonable times. It is expected that the first stages

of review will consist of an examination of the reports which will be filed under the agreement. The parties shall first attempt to resolve any disputes concerning the interpretation or application of this agreement informally by means of conference, conciliation and persuasion. In the event this is unsuccessful, the Commission shall, after a hearing if requested by the employer, issue written determination as to whether there is a violation of the agreement and, if so, what precise steps are necessary to correct said violations of the agreement. Thereafter, the employer shall have ten days in which to comply with the direction to correct violations and to so notify the Commission. If, at the conclusion of this period, the violations have not been corrected, the Commission may take appropriate action, including the institution of judicial proceedings, to secure compliance with this agreement.

Date:

I Recommend the Approval of this Agreement

Name, Title

For the Employer (Title)

For the [Commission]

APPENDIX 1STATEMENT OF COMPANY POLICY AND
NOTICE TO COMPANY EMPLOYEES

The Company has just entered into an agreement with the _____
(insert name of state agency) which emphasizes our fundamental policy of providing equal opportunity in all areas of employment practice, and assuring that there shall be no discrimination against any person on the grounds of race, color, religion, sex or national origin.

This policy extends to recruiting and hiring, to working conditions, training programs, promotions, use of company facilities and all other terms, conditions and privileges of employment. The importance of fulfilling this policy cannot be overemphasized. Any violation of the letter or spirit of this policy by any employee of this company shall result in disciplinary action including, where appropriate, discharge. Specific instructions for affirmative action to implement this policy will be issued.

In cooperation with the Commission, we are actively seeking to employ more Negroes, Spanish Surname Americans and other minority group members. I urge you to refer minority group persons to us for employment, and to encourage your friends and associates to do the same.

Date

Name, Title

APPENDIX 3

TO: (Name of Agency or Organization)

FROM: (Name of Company)

We have need to fill the following vacancies which are beyond those estimated in our last quarterly estimate:

<u>Job Title</u>	<u>Number of Vacancies</u>	<u>Qualifications</u>	<u>Starting Pay</u>
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APPENDIX 3-ALIST OF REFERRAL SOURCES

The organizations as to which a continuing relationship is to be established by the Employer pursuant to Paragraph II of this agreement are:

<u>Name</u>	<u>Address</u>	<u>Phone</u>	<u>Contact Person</u>	<u>Comment</u>
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 State Employment
Service--(list all ap-
propriate local offices)

APPENDIX 4 - Referral Card

(Note: This may be a three layer printed form, with the top card having a postage-paid return to the Commission.)

Instructions: Copy 1 and 2 given to applicant to be handed to employer. Employer to mail copy 1 back to organization, retain copy 2. Copy 3 to be retained by organization.

TO: (Name of Employer)

FROM: (Name of Agency or Organization)

Under a program of cooperation with the _____
 (insert name of state agency) _____ we hereby refer
 the following for consideration for employment.

<u>Name</u>	<u>Job</u>	<u>Qualifications</u>	<u>Remarks</u>
<u>Address</u>	<u>Applied For</u>		
<u>Telephone</u>			

APPENDIX 5NOTICE TO PRIVATE EMPLOYMENT AGENCIES

TO: Name of Agency or Organization

FROM: Name of Employer

In cooperation with the (insert name of state agency)
we are taking affirmative action to recruit qualified minority applicants
for employment. Please refer such persons for our consideration. You are
advised that in the event you do not refer such persons for our considera-
tion, it may be necessary for us to terminate our relations with your
organization because we may not lawfully utilize a referral agency which
we know refers no minority group persons. A record of the race, color,
national origin of applicants sent by you will be maintained by us. Your
cooperation in this effort will be greatly appreciated.

APPENDIX 6
REPORT OF REFERRALS

TO: _____ Commission

FROM: Name, Address of Employer

RE: Referrals by Employment Agencies for Quarter Ending _____.

Name, address and phone number of each private employment agency regularly utilized in recruitment. State (1) the number of applicants referred by each such agency during the last 90 days; (2) the number of these applicants who were hired; (3) the number of these applicants who were Negro or Spanish surname (e.g. Puerto Rican or Cuban) and (4) the number of such Negro or Spanish surname applicants who were hired.

Name of Organization or Agency	Address	Phone	In Last Quarter, Number of Applicants		Number of Negro Applicants		Number of Spanish Surname Applicants	
			Referred	Hired	Referred	Hired	Referred	Hired

APPENDIX 7JOB QUALIFICATIONS MODIFIED

The qualifications for certain jobs at the above establishment, described by the employer in a written submission to the Commission, have been reviewed by the Commission and the employer. As a result of this review, it is agreed that certain requirements for certain jobs are changed as follows:

<u>Job Title</u>	<u>Qualification Removed</u>	<u>Substitute Quali- fication, if any</u>
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APPENDIX 8

AFFIRMATIVE ACTION FILE REPORT

TO: Name, address of Agency

FROM: Name, address of Employer

PART I:

	Total	Non-Minority	Negro	SSA
Number of applicants during period				
Number of those hired				
Number rejected				
Number of applications transferred to Affirmative Action file				
Number of individuals terminated during first 90-days of employment				

PART II: (Do a Separate Calculation for Negro and Spanish Surname)

1. Number of applicants in file at beginning of period _____
2. Number of applicants added during the period _____
3. Cumulative total (#1 + #2) _____
4. Number hired from file during period* _____
5. Number removed for other reasons _____
6. Total hired or removed from file during period (#4 + #5) _____
7. Total in file at end of period (#3 minus #6) _____

*See attached list of reasons

APPENDIX 9

TO: (Commission, office and address)

FROM: (Name and address of employer and establishment)

RE: Report on operation of Sections II and III of Agreement with _____ for Quarter ending _____.

APPLICANTS FOR EMPLOYMENT HIRING PERIOD (Name, address and phone of all minority group applicants. (1)	Minority Group: N=Negro SSA=Spanish Surname O=Other (2)	Date Applied (3)	How Referred or Applied i.e.; Source (4)	FOR THOSE HIRED (5)			If re- jected, date (6)	If held, check (7)	THIS INFORMATION TO BE SUPPLIED CONCERNING MINORITY GROUP APPLICANTS				If Separated Within 90 Days of Hiring - Explain Circumstances (12)
				Start. Date	Job	Start. Rate			If rejected, state reason (8)	OPERATION OF AFFIRMATIVE ACTION FILE		Date Removed fr File & Reason (11)	
										Date Placed in File (9)	Date Hired From File (10)		