

Our Changing Economy

Discrimination Raises Labor Cost

By Philip Stoddard Brown

WHAT HAPPENS to unemployment when business is good? "Does it dry up like a raisin in the sun?" In the experience of Washington, the answer is "No." Instead it continues to "fester like a sore and then run." Largely because of unemployment, about 25,000 persons (13,000 of them children) were being helped by the District Department of Welfare, when I last inquired. Groups of unemployed young men (with nothing to do and no spending money) can be seen any day, in mid-afternoon, loitering on street corners in many sections of Washington.



Over 25,000 persons were unemployed in February, despite the fact that Washington is said by the Labor Department to have "job opportunities for local workers slightly in excess of job seekers."

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Some part of that total consists of persons unemployed because of seasonal slack and the customary ebb and flow of jobs. But government employment is 7000 or so higher than a year ago and the turnover is low. Construction activity has been extraordinarily high. Trade has benefited by an early Easter, the meeting of Congress and the record inflow of people from out of town. Manufacturing in Washington consists largely of food processing, printing and other stable activities performed in large part for the Government.

By and large, it's a tight labor market, with a very low turnover. Local employers, with the help of employment agencies, are recruiting in other cities.

Fields Closed to Negroes

Much of current unemployment—perhaps half—is attributable to the harsh discrimination of many Washington employers against Negroes, older people and those physically handicapped. The financial community is virtually closed to Negroes, except at the custodial and messenger levels. Two large department stores and many specialty stores insist upon "all white" sales and office staffs. Similarly, employment in insurance, real estate and many other fields is virtually closed to Negroes.

Because most unions in the building trades refuse to apprentice Negroes, hundreds of qualified boys graduated annually from local vocational schools—many remarkably well trained—have no opportunity to become plumbers, machinists, plasterers, tile-setters, roofers or stone masons.

Racial discrimination has become increasingly expensive in terms of labor costs. A store needs a highly competent sales clerk. The United States Employment Service could easily supply a Negro woman with high aptitude scores—perhaps one now working in a drug store or restaurant at the minimum wage—but the order is for a white girl. Since the better qualified white girls usually have good jobs, the agency can supply only what is left.

Banks and building and loan associations forego hiring Negroes with superior high school, or even college, training to take on and train (often at considerable expense) whites who, in some cases, have mediocre school records and no great aptitude for the jobs they are hired to perform.

When talented Negroes can't get jobs even as waitresses, sales clerks, bookkeepers, bank tellers or carpenters—and can find jobs only as cleaning women, stock attendants, elevator operators, porters and common laborers—this crowds the lower rungs. Also, when those who have studied and done well in home economics, accounting, carpentry, printing or the liberal arts can't move up the ladder, this undermines the efforts of parents, teachers and guidance counselors who are continually saying: "The way to get ahead is to study and train yourself."

Police, Welfare Costs

Discrimination in employment is a luxury—costly also in terms of relief and crime prevention. The savings in public expenditures that could be achieved by opening up jobs to resident Negroes, rather than hiring outsiders, surely would be enough in a few years' time to finance swimming pools, tennis courts, a public theater, concert hall, university and a lot of other improvements that are held to be "luxuries" beyond the public means. One who doesn't believe the savings would be this great has only to study the budget recently submitted by District officials and ask what is behind the need for such huge welfare and police expenditures.

Whatever makes for higher labor costs and higher taxes ought to be a matter of concern for the business community—a "natural" for the Board of Trade. But no committee of the Board has ever considered an educational program to bring about equal job opportunities for Negroes, so far as I can discover. The "outside" suggestion that this subject be put on the agenda of the Annual Outlook Conference was rejected . . . No Negro businessman has ever been invited to become a member of the Board of Trade.

Even though no large business or civic group in Washington has undertaken an educational program in this field, or even gone on record as favoring equal job opportunities, a lot of effective work has been done by the Urban League—on a very modest budget—by the United States Employment Service and by a small group of businessmen who have constituted themselves as a Committee for Job Opportunities. This last group meets once a month to talk over any ideas that come to mind. Members devote such time and energy as they can spare from their jobs to talk with fellow businessmen wherever they encounter them—trying to persuade them to hire on the basis of merit and skill.

A Start Is Made

A few companies have made great progress in integrating their organizations. Some others, such as D. C. Transit, the Chesapeake & Potomac Telephone Co. and a few department stores, have made a modest start in recent years. In no case has there been any significant problem from within or without, after a firm decision by top management to go ahead.

Secretary of Labor James P. Mitchell tells that when he employed the first Negro sales people at Macy's, after World War II, he hired an outside firm to check on customer reaction. One-third of those interviewed as they emerged from the store said they hadn't really noticed that the sales clerk who had waited on them was Negro. This same reaction has been typical in Washington. Fears of employers turn out to be imaginary.

But still, timidity is the rule among businessmen, even though, as the president of a big chain of department stores recently told a gathering of local merchants: "You take far greater risks in other things you do, with far less prospect of gain."

To have to justify a policy of equal job opportunities on the basis of profits is discouraging but, except for this argument, progress in lessening discrimination would be even slower. American business isn't so democratic as we like to think