

## Our Changing Economy

# Their Hiring Policy Damages Bankers

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AS I listened, some months ago, to a local banker inveigh against "government encroachment and plead for, "the right" to run his affairs as he thinks best, I found myself doubting that this man had ever paused to reflect how much his freedom stemmed from the denial of freedom to others. During the applause that followed his plea for "freedom and free enterprise", I saw again the sensitive faces of some boys and girls I had met with a few nights before. I heard again their serious queries about job opportunities.

My duty had been to tell this group of boys and girls that, even though they had every conceivable aptitude and educational qualification, they could not expect to find a single job in any bank, savings and loan association, insurance company, real estate firm, mortgage business, title company or brokerage house in Washington that is run by white people. The reason: They are Negroes.



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### Recruiting Difficulties

There are openings of all kinds for whites. None for Negroes, except at the lowest level. Several large banks have standing orders with local employment agencies for experienced tellers and trainees. Many firms have difficulty recruiting enough typists, machine operators and accountants; also difficulty retaining those they now employ.

This all-white policy of the Washington financial community is costly because it means passing up talented Negroes and spending a lot of money training some unpromising white people.

Now that the successful integration of office workers in government agencies, many commercial firms, and professional organizations has long since dispelled all fears of customer and personnel problems, why does the financial community still resist?

Why do they want to antagonize a large segment of the community in which they do business? Do they not realize that half of the residents of the District are Negro and over three-quarters of the school children?

### Aiding Bitter Leaders

Do they not realize that the local Negro community now has good leadership and that, by thwarting present leaders and creating more bitterness among young people, they pave the way for leaders with hatred in their hearts? Doesn't the financial community realize that it can be hurt—badly hurt—by its continuing refusal to hire on the basis of merit and aptitude?

How can one explain such irrational conduct? Well, "it's terrible to be suspicious, especially when one's suspicions are true". But look at the record.

In the 1930s, the financial community opposed Federal relief to unemployed persons, enactment of unemployment and old-age insurance, conservation programs, regulation of utilities, securities legislation and banking reforms. "What American banking needs" said the President of the American Banking Association in January, 1933, "is the abolishment of special laws placing it under public regulation and supervision, rather than more statutes for its restriction and control". The Association led the fight against Federal guarantee of bank deposits, alleging the idea behind this to be "unsound, unscientific, unjust and dangerous".

### Consumer Credit Resisted

In the war years when manpower was scarce, banks resisted the hiring of women tellers, but finally had to give in. They even got forced into staying open a few hours longer to accommodate working people. Later, they were forced into the consumer credit business—loaning money to people to buy autos and television sets—something that the head of one bank told me, not many years ago, was "immoral".

What does this record prove? It proves, I think, the need for public pressure and government intervention when businesses aren't capable of acting in their long-run interests — by operating efficiently, accepting social changes and anticipating public resentment.

The record makes it difficult to refute a remark that Lord Keynes once made about the "sound" financial men not being one who foresees danger and avoids it but one who makes mistakes in the conventional and orthodox way.

There is no greater infringement of economic freedom than the blanket denial of equal job opportunities to a large group of citizens.