

CITIES

# Summer's backlash: more job programs

**In wake of riots, business takes a second look at the Negro job problem. Companies are accelerating current programs, initiating new ones, and revising hiring policies**

**'When the riots occurred, we re-examined what we were doing to see if we were doing enough — and we're still looking for new ways to help'**

Radio Corp. of America  
Executive

**'Businessmen who didn't recognize it before are aware that the Negro's troubles cannot be ignored and expected to melt away'**

James B. Ammon  
Vice-president,  
Baxter Laboratories, Inc.

**'The thinking of businessmen regarding hiring practices has taken a new twist... They're going into the ghettos to hire Negroes'**

Pittsburgh manufacturer

**'We will do everything in our power to liberalize screening and testing methods'**

Raymond T. Perring  
Chairman,  
Detroit Bank & Trust Co.

**'We would think twice about putting up a store in a Negro neighborhood'**

Florida grocery chain  
Executive

**'Riots are going to occur until there's visible evidence of improvement... but you can't get any solutions in a riotous atmosphere'**

Reed O. Hunt  
Chairman,  
Crown Zellerbach Corp.

**'We've been breaking our backs for several years to get jobs for Negroes. Now with all the demonstrations, business might just decide to rest on its oars'**

Milwaukee executive

**What did business learn from the riots that erupted in over 70 American cities last summer?**

When Business Week reporters talked to top executives last week they found:

- There's little sign of a corporate backlash on civil rights programs.

- The riots have spurred a broad cross-section of companies, particularly large national concerns, to accelerate programs or to initiate new ones.

- Other companies are taking a second look at their own policies and those of local and federal agencies. Their concern allays the fears of some observers after the riots that business would pull back from civil rights efforts out of disillusionment or fear of financial risk.

James B. Ammon, vice-president and treasurer of Baxter Laboratories, Inc., says: "I think the riots have made businessmen realize that the Negro's problems will be more of a factor in our society and businesses in the future, not less of a one... If we don't develop programs today, we just won't have as many options five years from now."

William F.X. Flynn, who heads the National Assn. of Manufacturers' STEP (Solutions To Employment Problems) program, concurs. Flynn and his staff collect and circulate case histories of corporate and community action programs to interested companies. "After the situation this summer... we found companies impatient to move faster."

And a California industrialist minces no words: "Perhaps riots help more at some stages in the evolution of this thing than they hurt. How the devil do you get 200-million people to wake up?"

**New trend.** Such words obviously would disconcert many businessmen who feel they were facing up to the problem long before the riots. But the fact that business has stepped up its efforts in the wake of the sum-

mer's violence appears undeniable.

The Urban Coalition is just one sign. The new national advisory group includes such top business names as Chase Manhattan's David Rockefeller, Andrew Heiskell of Time, Inc., Litton Industries' Roy Ash, and General Electric's Gerald L. Phillippe. The group is not only preparing task force reports on urban problems, but has backed such legislative programs as the Clark-Javits proposal to create 1-million jobs for ghetto residents. It is also helping to blueprint some 50 local urban coalitions.

At least three such groups have already been set up—the New Detroit Committee headed by Joseph L. Hudson, Jr., of J. L. Hudson Co. the New York Coalition led by Christian Herter, Jr., vice-president of Mobil Oil, and a statewide coalition in Minnesota.

The Detroit group (whose members include Ford Motor's Henry Ford II, General Motors' James M. Roche, and Chrysler's Lynn Townsend) hasn't wasted any time. Meeting with Michigan Governor George Romney last week, it called for passage of a statewide open housing law—unquestionably the most powerful support such legislation has ever had in the state.

Such groups, of course, are merely advisory in nature, and the big question is whether in the long run they will generate more than sound and fury. For the present, it's clear that business thinking has taken a significant new turn. As one observer comments: "Industry is no longer content to play follow the leader on urban problems. It is moving ahead itself, drawing on its own resources."

**Other action.** This heightened concern is reflected not only in the insurance industry's announced intention to put \$1-billion into slum renewal, but in a spate of local programs surfacing since last summer:

- In Pittsburgh, some 19 corpora-

tions have contributed \$1.4-million to set up Allegheny Housing Rehabilitation Corp., which will buy and renovate old houses in ghetto areas and sell them back to ghetto residents. With a goal of \$3-million, the organization hopes to renovate more than 1,000 housing units a year.

▪ A major corporation is now completing plans to construct a manufacturing facility within the ghetto area of a Midwestern city.

▪ In Tampa, the city and General Telephone of Florida have set up a Community Relations Council headed by Negro businessman James A. Hammond. Dozens of graduates of the council's training courses have found jobs.

▪ In Baltimore, over 1,000 ghetto residents were hired in a crash employment program that was initiated last August by companies in the area.

▪ In Cleveland, five banks and six companies put up \$400,000 for a revolving fund for slum rehabilitation projects. Negro candidate for mayor, Carl B. Stokes, comments: "Frankly, I don't know what the motivation is, fear or genuine social concern, or both. But the important thing is that business is becoming more involved."

The list is endless. In cities across the nation—St. Louis, San Francisco, Camden, Wilmington, Denver—new programs are being mapped out, old efforts intensified. In Detroit for example, between 7,000 and 10,000 ghetto residents have been hired by the auto companies since the riots. "The jobs were there before," says an observer, "but communications with the community were poor." In upstate New York, Rochester Jobs, Inc., an agency that started functioning just last July, has already found over 400 entry-level jobs for slum dwellers.

All of this apparently reflects considerable soul-searching at the highest corporate levels. Understandably, most companies are reluctant to discuss such matters. "We've learned not to talk about any progress we've made," says one man. "No one wants to admit they haven't been doing all they can." But Ford Motor Co.'s creation of a top-level department of urban affairs is indicative of the new mood.

**Hiring reforms.** One area in which corporate thinking is shifting is in hiring practices. Comments the employee relations director of a major Pittsburgh company: "In the past, corporations pushed the idea of hiring 'qualified' Negroes—protesting that giving preference to a Negro simply because of his race was reverse prejudice. But since the riots, many corporations have been hiring people who couldn't begin to compete with whites for jobs."

This doesn't mean that companies are throwing away their yardsticks of productivity and profits. What's happening rather is that many are recognizing that old rules and practices may be screening out potentially competent people. As Reed O. Hunt, board chairman of Crown Zellerbach Corp., puts it: "Most ghetto kids have jail records, but you have to ask what for? You have to ask if he can do a good job?"

**Long-term goals.** Other companies are reviewing their contributions programs. Says a Chicago executive: "We used to take the shotgun approach and give \$1,000 to every group with a good story. Now we're thinking in terms of five-year commitments in specific areas."

As companies become involved in urban problems, many report a heightened sense of purpose. U. S. Gypsum Co., for example, rehabilitated six slum buildings in New York's Harlem this summer. It is now working on 150 apartments in Chicago and 64 units in Cleveland, and it has options on 450 more units in Chicago. "We're going along," says an executive, "not with the expectation of a great profit, but to demonstrate that private industry does have a role and responsibility. We are beginning to feel a deep-seated involvement that can't be measured in return to stockholders."

**Other side.** Not everyone shares this feeling, of course. Many companies voice a sense of outrage at the riots. "You can't run a society with riots," says one executive, "and you can't be intimidated by lawlessness." In Milwaukee, currently plagued by civil rights demonstrations for open housing and the scene of two nights of rioting last July, a backlash among some segments of the business community is evident.

"We've been breaking our backs to get jobs for Negroes," says a businessman, "Now with all the demonstrations, business might just decide to rest on its oars."

A number of companies report no appreciable change in their policies since the riots. "We've always tried to hire qualified Negroes," is the typical comment. One industry observer, in fact, reports that some executives are coming to regard riots "as seasonal hazards, much like hurricanes and tornadoes."

But others are anything but complacent. Says Crown Zellerbach's Hunt: "You can't ask the Negro people to be quiet. . . . Riots are going to occur until there's visible sign of improvement." **End**