

tract, the name and address of the prime contractor, anticipated time of performance, name and address of each known subcontractor, whether the prime contractor and known subcontractors have previously held any Government contracts or federally assisted construction contracts subject to Executive Order 10925, 11114, or 11246, and whether the prime contractor has previously filed compliance reports required by Executive Order 10925, 11114, or 11246, or by regulations of the Equal Employment Opportunity Commission issued pursuant to Title VII of the Civil Rights Act of 1964.

(2) The Contract Compliance Officer

or appropriate Deputy shall review the available information relative to the prospective prime contractor's equal opportunity compliance status and notify the Contracting Officer or Approving Officer of any deficiencies found to exist. A copy of such report shall be forwarded to the Director.

(3) Contracting Officers or Approving Officers shall: (i) Notify the bidder, offeror, or applicant of any deficiencies found to exist by the Contract Compliance Officer or appropriate Deputy, and (ii) direct any bidder, offeror or applicant so notified to negotiate with the Contract Compliance Officer and to take such actions as the Contract Compliance Officer may require.

(4) The award of any such contract shall be conditioned upon the Contract Compliance Officer's notification to the Contracting Officer or Approving Officer that the bidder, offeror or applicant has taken action or has agreed to take action satisfactory to the Contract Compliance Officer, appropriate Deputy, or the head of the agency as provided in § 60-1.20 (b).

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THE
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A Case
Study in
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Compliance

United States
Commission on
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THE 'SYSTEM' CAN WORK

(A Case Study in Contract Compliance)

United States Commission on Civil Rights

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This publication explains the Federal law of nondiscrimination in private and public employment. It is published for the guidance of employers, employees, and others interested in equal employment opportunity.

U.S. COMMISSION ON CIVIL RIGHTS

The U.S. Commission on Civil Rights is a temporary, independent, bipartisan agency established by Congress in 1957 and directed to:

- Investigate complaints alleging that citizens are being deprived of their right to vote by reason of their race, color, religion, or national origin, or by reason of fraudulent practices;
- Study and collect information concerning legal developments constituting a denial of equal protection of the laws under the Constitution;
- Appraise Federal laws and policies with respect to equal protection of the laws;
- Serve as a national clearinghouse for information in respect to denials of equal protection of the laws; and
- Submit reports, findings, and recommendations to the President and the Congress.

Members of the Commission

Rev. Theodore M. Hesburgh, C.S.C., *Chairman*

Stephen Horn, *Vice Chairman*

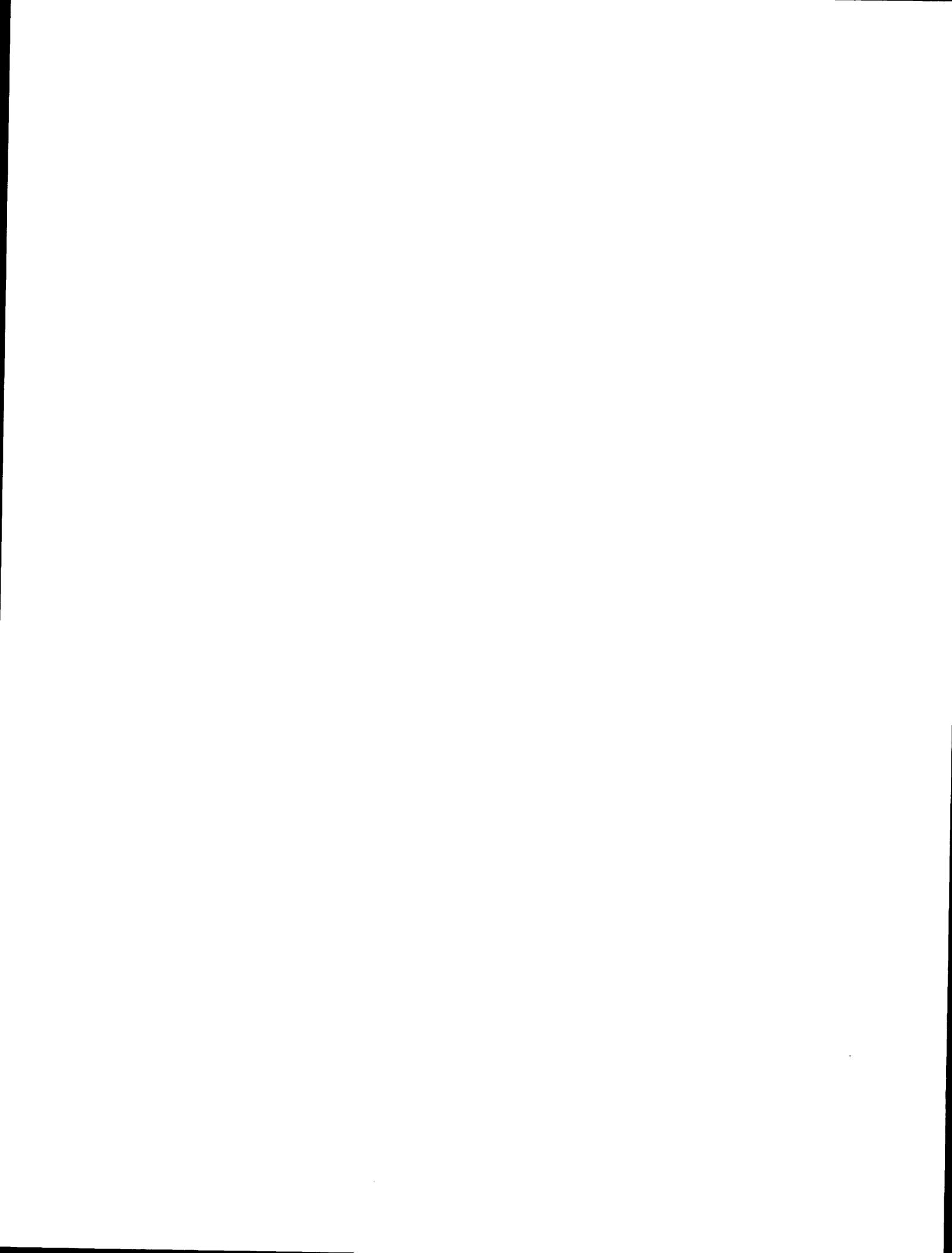
Frankie M. Freeman

Maurice B. Mitchell

Robert S. Rankin

Manuel Ruiz, Jr.

Howard A. Glickstein, *Staff Director*



PROLOGUE

Public hearings have filled an important role in the work of the United States Commission on Civil Rights since its creation by Congress in 1957. The first was in Montgomery, Alabama, in December 1958 and the subject was the denial of the vote to blacks. The 17th was in St. Louis, Missouri in January 1970 and the subject was the impact of suburbanization on economic and housing opportunities for blacks.

Location and subject matter have varied, but each hearing has had as its basis the building of a body of knowledge to be subsequently used as the framework for recommendations for legislative or executive action in the area of civil rights.

Turbulent years have passed between the Commission's first and its latest hearing. Years that saw a beginning made toward the solution of old problems, but years that also saw a growing realization that once the tall and eye-catching trees had been felled, there still remained a mass of tangled underbrush blocking the path to complete equality of opportunity. Simple dreams have been amended by complex reality, old allies have discovered divisions among themselves, goals once so clearly perceived, have in many instances, been blurred in a mist of shifting priorities.

An entirely new set of problems commanded the attention of the Commission during the two and a half days in January, 1970, than those that filled the 325-page printed record of Montgomery. The focus had shifted from easily definable issues—a segregated restaurant, a citizen denied the franchise on the basis of race—to more subtle manifestations of discrimination and segregation. In terms of complexity, Montgomery was the first grade and St. Louis a university.

The outline of the January hearing was drawn by Rev. Theodore M. Hesburgh, Chair-

man of the Commission, in his opening statement on Thursday, January 15th.

"The purpose of our return to the Midwest is to collect information on the racial implications of suburban development as they relate to housing and employment for members of minority groups.

"Most white Americans have been free to leave the crowded city for what they regard as a better life in the open spaces of the suburbs, but the poor, and primarily the black poor, have been trapped behind the invisible wall that divides city from suburb. The movement has not only been of people, but of jobs as well, and this twin tide of out-migration has tended to push us further toward the tragedy of two separate societies—one white and comfortable and the other poor and black."

The portents for the future that this division of metropolitan areas into sharply defined racial islands pose are indeed grave. If blacks are not to participate equitably in the rapidly developing economic and housing opportunities in the suburbs, their upward mobility will be seriously limited as their area of choice is confined to a declining number of employment opportunities and aging housing within the cities. Options opened to others will be closed to them, making escape from poverty and its debilitating effects more difficult than if they were free to move in a truly open society.

Estrangement between the races is certain to increase under those circumstances, thus delaying resolution of the critical problems—created by years of segregation and discrimination—that have already poisoned the atmosphere. The conscious intent of suburbanization may not be further racial isolation, but if it accomplishes this—as the St. Louis hearing demonstrates that it can—then intent is secondary to results.

St. Louis does not exist in a vacuum—it is like a number of other American cities that are growing blacker while the suburbs about them grow whiter. In the decade from 1950 to 1960, the white population of the city of St. Louis decreased by 24 percent while the black population increased by 39 percent. Over the next decade, 1960 to 1970, the black population is estimated to have increased from 29.5 percent of the total, to 43.7 percent.

In the same period, 1960-70, the total population of St. Louis County—where most of the suburbs in the St. Louis metropolitan area are located—grew from 703,532 to an estimated 1,055,100. The black population in the same period rose from 2.7 to 4.1, and most of this growth was in clearly defined black areas.

Employment opportunities have declined in the city while rising in St. Louis County. Between 1951 and 1967, the city lost 80,000 jobs. In the same period, employment in the county increased from 43,621 to 218,009, a jump of more than 170,000 new jobs.

More than 95 percent of the increase in the housing inventory in the St. Louis metropolitan area since 1960 has taken place in the suburbs. In the meantime, the housing inventory in the city has been declining.

If, as these statistics indicate, blacks are located primarily inside the city and new jobs and housing are located in the suburbs, how does interaction occur? It was this question that the Commission was probing when it began an exploration of the employment policies of the McDonnell Douglas Corporation, a giant in the aerospace industry, the Nation's fourth largest defense contractor, and the largest single employer in the St. Louis metropolitan area.

Total employment at the St. Louis County facility of McDonnell Douglas, at the time

of the hearing, was 33,007. Of this number, 2,500 or slightly more than 7½ percent were black. This is in contrast to the black percentage for the St. Louis metropolitan area which was 14 percent in 1960. Out of 1,616 supervisors, blacks constituted only 2 percent of the total, but at the lower end of the skills ladder they comprise 60 percent of the laborers.

As a Government contractor, McDonnell Douglas is subject to Executive Order 11246 that requires such contractors to have affirmative action programs for equal employment opportunity. Such programs must be reviewed by a contracting agency before a contract can be awarded.

Testimony at the hearing revealed that such a review had not been carried out by the Department of Defense before it awarded a multi-billion dollar F-15 fighter plane contract to McDonnell Douglas in December 1969. Further, the plan that was in effect at that time was totally inadequate.

Immediately after the hearing, the Commission wrote to the Department of Defense pointing out these facts and requesting prompt corrective action. Such action followed and the Department initiated procedures seeking to assure that similar situations would not occur again.

In presenting the following chronological account of how the McDonnell Douglas issue first arose and how it was resolved, this publication provides a case study of how change can be accomplished through the implementation of existing law.

The intent is not to focus attention on any one contractor, but to illustrate, through a series of real events, positive actions that can be taken to assure equality of opportunity. Community groups and individuals may find this publication useful as a stimulus for their own actions in matters involving Executive Order 11246.

This order prohibits employment discrimination by employers with Federal contractors, and their subcontractors, and by contractors and subcontractors in federally assisted construction. It also requires such contractors to take affirmative action wherever necessary to remedy the effects of past discrimination or to counteract discriminatory barriers to equal employment opportunity.

Other specific obligations include the following:

- Prior to the award of any covered contract the contractor must certify that no facilities provided for employees are subject to segregated use, whether by employer policy or by employee practice.
- Contractors, with 50 or more employees on contracts of \$50,000 or more, must develop for each of their facilities a written plan of affirmative action. The plan must include an analysis of problems and an evaluation of opportunities for the use of minority employees, as well as specific goals and timetables for correcting existing discrimination
- Contractors are required to scrutinize tests and other screening procedures, in accordance with detailed regulations issued under the Executive order, and to make all changes necessary to assure that they are nondiscriminatory.
- Contractors must post notices announcing their nondiscrimination responsibilities in places conspicuous to employees and applicants, and representatives of each labor union with which they deal.
- In all advertisements for employees, contractors must state that there will be no discrimination in selection.
- Contractors must include the standard nondiscrimination provisions in all

their covered subcontracts and—where required by regulation—file and cause each subcontractor to file annual employment information forms.

In addition, in federally assisted construction:

- Contractors are required to assure that minority persons share fairly in construction employment opportunities. This may include an obligation to assure that there is minority group representation in all trades on the job and in all phases of the work.

The agency with overall responsibility for nondiscrimination by Federal contractors is the Office of Federal Contract Compliance (OFCC) in the Department of Labor, but each Federal agency has the immediate responsibility for securing compliance on its own contracts. In some cases an agency is designated the "Compliance Agency" responsible for compliance by all Federal contractors—including those of other agencies—in a given industry or geographical area.

Federal agency compliance programs are supposed to include a determination of non-discrimination for each contractor prior to the award of any covered contract.

In addition, contractors are subject to thorough onsite compliance reviews by the responsible Federal agency. Where discrimination is found in such a review, specific written commitment for its correction—giving the dates and details of action to be taken—is required. On formally advertised supply contracts of \$1 million or more, such compliance reviews are required prior to award for the low bidder and for his first tier subcontractor (with a subcontract of \$1 million or more).

Any applicant or employee of a covered employer who feels he has been discriminated against in employment may file a complaint with

**The Office of Federal Contract Compliance
U.S. Department of Labor
Washington, D.C. 20210**

or with the contracting agency. At present, there is no one form for this purpose. Complaints should be filed either while the alleged discrimination is continuing or within 180 days after it has ended.

Within 60 days after receipt of the complaint (unless this time is extended by OFCC), the contracting agency must have investigated the complaint, sought to eliminate or

remedy by informal or other means. To those who say the "system" does not work, this report shows that it can work. In a very real sense it answers means any discrimination found, and submitted a full record of the case to OFCC.

Where complaints or compliance reviews have disclosed discrimination which the contracting agency is unable to remedy by informal means, a number of sanctions are available including the cancellation of contracts or the debarring of the contractor from future Federal contracts.

a statement made by one of the witnesses at the hearing—"I would suggest that if you people do nothing else than to get the contract turned around, that in itself would indicate that the Government is showing good faith for the best interests of St. Louis."

As the following pages show, good faith was exhibited by all parties concerned.

The Commission is indebted to the *St. Louis Post Dispatch*, the *St. Louis Globe Democrat*, and the *St. Louis Argus* for permission to reprint articles contained in this publication.

ST. LOUIS POST-DISPATCH

FRIDAY, JANUARY 16, 1970

McDonnell Hiring Policy Called Biased At Hearing

Two members of the United States Civil Rights Commission expressed concern last night after hearing witnesses criticize employment practices at the McDonnell Douglas Corp. plant here.

One member said the commission should consider taking a position on the recent award to the company of a multibillion-dollar contract for the new Air Force F-15 fighter plane.

The commission, a federal agency, submits findings and recommendations to the President and Congress. It is holding a three-day hearing here on racial aspects of suburban development in St. Louis County. Effects on job and housing opportunities for Negroes are under examination.

Testimony On Practices

Several witnesses, including a contractor relationship specialist for the Government, testified yesterday to allegedly discriminatory practices and disproportionate white employment at McDonnell.

Earlier in the day, a McDonnell spokesman testified that the company had "continuously offered employment opportunities to the qualified, without discrimination because of race, creed, color or national origin."

The Rev. Paul Smith, a min-

ister here who is a contractor relationship specialist for the Department of Defense, testified that he helped conduct a 1968 review of McDonnell policies as related to minority employment.

"We discovered that there were patterns of discrimination, especially in the area of transfer requests," the Rev. Mr. Smith said.

Calls Procedure Inadequate

He said the procedure was so inadequate that black workers had devised their own transfer forms. In a follow-up review at the plant, the Rev. Mr. Smith said, it was found the deficiencies had not been corrected to meet federal requirements.

The witness said the company had not written out specific goals for its affirmative action program and had only one hour of sensitivity training for supervisors.

The Rev. Mr. Smith said he thought a corporation that benefited from tax dollars had a commitment and a responsibility for equal employment opportunity — "and they ought to honor it."

Mrs. Frankie M. Freeman, a St. Louis Negro lawyer and member of the rights commission, said, "This is what dis-

turbs me: Over a period of years there has been an imbalance, and nobody stops them (McDonnell Douglas)."

Mr. Smith responded that a civil rights complaint was pending against the firm when the F-15 contract was awarded, and suggested this be examined.

After his testimony, another commission member, Maurice B. Mitchell, chancellor of the University of Denver, said:

"The testimony I've heard just now is shocking to me. I can't believe the commission can listen to this testimony without proceeding in some way to get involved in the particular contract."

His remarks were applauded by the audience in the hearing room at the National Personnel Records Center in Overland.

Earlier, Charles L. Windsor, corporate director of personnel services for McDonnell, responded to a question about disproportionate white employment by saying that experience factors were primary at the plant. Of the 33,007 persons now employed, 2507 are Negroes.

Asked about developing specific goals for an affirmative action program to promote and upgrade minority workers, Windsor said:

"We are working on those right now. During the last year we've had a continuous decline in employment. It's impossible to promote people when we're laying off."

Cites Negro Praise

He said that McDonnell's practices in equal opportunity hiring had been praised by the St. Louis Urban League and by Negro publications.

The commission earlier heard testimony about alleged racial discrimination at McDonnell and at the Chrysler Corp. assembly plant at Fenton from a panel of Negro workers.

The witnesses were Eugene Hamilton and Ernest Dean, Chrysler employees; Mango Ali, a McDonnell employee, and Percy Green, head of ACTION, a civil rights group, who is a former McDonnell employee.

Green said the F-15 award was "a smack in the face to the black community," and that the Government "aids white racism here in St. Louis."

He said the contract should be withdrawn.

Promotion Practices

The Chrysler and McDonnell employees said the unions at the plants and elements of management showed discrimination against Negroes. They said Negroes were usually passed over for promotion.

Rodney Ballard, personnel director at the Chrysler plant, defended the company's record on equal employment opportunity. Several witnesses cited transportation problems as a reason that more Negroes did not work in the county.

Charles W. Swartout, personnel officer for Mallinckrodt Chemical Works in St. Louis, testified that the company was moving its corporate headquarters from downtown to the county because of crime rates, hiring difficulties "and because trees, green grass and a little pond tend to give a better corporate image."

From the St. Louis Post-Dispatch
Page 1
ST. LOUIS, MO.
ARCHIVE
JAN 16 1970
WEEKLY 15,000

U.S. Commission On Civil Rights Hearing Begins Thurs. Noon

WASHINGTON, D.C. -- A public hearing on the impact of suburban development in St. Louis County on housing and economic opportunities for black persons will open Thursday, January 15, at 12 noon at the National Personnel Records Center, 9700 Page Boulevard, Howard A. Glickstein, Staff Director of the U.S. Commission on Civil Rights announced recently.

The Commission is an independent, bipartisan, factfinding agency created by Congress in 1957. Rev. Theodore M. Hesburgh, C.S.C., President of the University of Notre Dame, is Chairman.

Witnesses appearing before the Commission will include Federal, State and local officials, businessmen, real estate brokers and private citizens. In addition, staff member of the Commission will present several papers based on studies of the St. Louis area.

Specific areas to be examined at the hearing will include employment opportunities for black persons in suburbia, federally financed job training programs, Federal enforcement of equal housing opportunity, government planning for housing at the Federal and local levels, and urban renewal.

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REV. THEODORE M. HESBURGH, C.S.C., CHAIRMAN UNITED STATES
COMMISSION ON CIVIL RIGHTS
1405 EYE STREET, NORTH WEST WASHINGTON D C

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DEAR FATHER HESBURGH:

WE ARE GREATLY DISTURBED AT THE STATEMENT ABOUT MCDONNELL DOUGLAS' F-15 CONTRACT ATTRIBUTED TO COMMISSIONER MAURICE B. MITCHELL MADE AT THE ST. LOUIS HEARING OF THE COMMISSION, WHICH IS QUOTED BY THE ST. LOUIS POST-DISPATCH OF JANUARY 16, 1970 AS FOLLOWS.

" THE TESTIMONY I'VE HEARD JUST NOW IS SHOCKING TO ME. I CAN'T BELIEVE THE COMMISSION CAN LISTEN TO THIS TESTIMONY WITHOUT PROCEEDING IN SOME WAY TO GET INVOLVED IN THE PARTICULAR CONTRACT."

WE REGRET THAT ONLY HALF THE COMMISSION OF SIX WAS ABLE TO BE PRESENT AT THE HEARING.

AS FAR AS WE CAN MAKE OUT, MR. MITCHELL'S REMARK WAS BASED UPON THE FOLLOWING INFORMATION:

1. TESTIMONY OF PERCY GREEN, WHO HAS NOT WORKED AT MCDONNELL DOUGLAS CORPORATION FOR FIVE YEARS AND WHO NOW HAS PENDING A SUIT AGAINST THE COMPANY FOR REEMPLOYMENT.
2. TESTIMONY OF MONGO ALI, A MCDONNELL DOUGLAS EMPLOYEE, WHO HAS BEEN WITH THE COMPANY FOR 13 YEARS.
3. TESTIMONY OF THE REV. PAUL SMITH, A DOD CONTRACTOR RELATIONSHIP SPECIALIST, WHO SAID IN A COMPLIANCE REVIEW MADE IN JULY 1968

THAT HE HAD DISCOVERED PATTERNS OF DISCRIMINATION IN THE TRANSFER OF NEGRO EMPLOYEES.

THE VERY COMPLIANCE REVIEW MENTIONED BY THE REV. MR. SMITH, WHICH WAS BASED ON A FIVE-WEEK STUDY OF OUR COMPANY, HAD CONCLUDED THAT, DESPITE SOME MINOR SUGGESTIONS FOR IMPROVEMENT WHICH WERE ADOPTED, THE COMPANY WAS IN COMPLIANCE WITH EEOC REGULATIONS. THE CONCLUSION WAS: "IT WAS THE CONCLUSION OF THE CONTRACT COMPLIANCE TEAM THAT THE POLICIES AND PROCEDURES FOR IMPLEMENTING THE EQUAL EMPLOYMENT OPPORTUNITY CLAUSE OF YOUR DOD AND NASA CONTRACTS ARE GOOD." THE REV. MR. SMITH REVIEWED OUR REACTION TO THE AFOREMENTIONED SUGGESTIONS ON APRIL 21, 1969. WE HAVE YET TO HEAR OFFICIALLY FROM HIM AS TO WHETHER OUR IMPLEMENTATION OF THOSE SUGGESTIONS WAS SATISFACTORY. HOWEVER, WE HAVE BEEN INFORMED VERBALLY BY THE DEFENSE CONTRACT ADMINISTRATION SERVICES REGION, ST. LOUIS OFFICE, THAT OUR IMPLEMENTATION IS SATISFACTORY.

THERE WAS OTHER TESTIMONY ABOUT MCDONNELL DOUGLAS EMPLOYMENT PRACTICES THAT SHOWED THAT A LARGER PER CENT OF BLACK WORKERS (13 PERCENT) HAS BEEN UPGRADED IN THE PAST YEAR THAN WHITE WORKERS (10 PERCENT) THAT THE COMPANY, AT ITS OWN EXPENSE, HAS ENGAGED IN EXTENSIVE TRAINING PROGRAMS FOR NEGROES; AND THAT THE COMPANY WAS DEEPLY AWARE OF THE PROBLEM OF HIRING AND UPGRADEING NEGROES. IN THE FACE OF THE TESTIMONY THAT WAS GIVEN BEFORE THE COMMISSION AND THE REPORTS WHICH HAVE BEEN REGULARLY FILED WITH THE GOVERNMENT, COMMISSIONER MITCHELL'S STATEMENT ABOUT OUR RECENTLY AWARDED F-15 CONTRACTS WAS NOT CONSONANT WITH THE FAIR AND BALANCED HEARING WHICH ALL PARTIES HAD BEEN PROMISED IN YOUR OPENING STATEMENT.

AS OUR REPRESENTATIVES SOUGHT TO POINT OUT, IT IS ORDERS THAT MAKE JOBS AND ORDERS COME ONLY BECAUSE THE COMPANY DOES WORK WELL. WORK CANNOT BE DONE WELL UNLESS EMPLOYEES ARE TRAINED AND EXPERIENCED.

THIS TAKES TIME AND THE COMPANY HAS COMMITTED ITSELF TO SUCH A PROGRAM.

WE DO NOT BELIEVE THAT MR. MITCHELL SHOULD HAVE MADE THE STATEMENT ATTRIBUTED TO HIM OR THAT THE COMMISSIONERS SHOULD ACT ON IT.

MCDONNELL DOUGLAS CORP GEORGE S ROUDEBUSH VICE PRESIDENT-
GENERAL COUNSEL
NNNN(1059P EST)

UNITED STATES COMMISSION ON CIVIL RIGHTS
WASHINGTON, D.C. 20425

January 24, 1970

Honorable Melvin R. Laird
Secretary of Defense
Washington, D. C. 20301

Dear Mr. Secretary:

At a Commission hearing held in St. Louis, Missouri, on January 15-17, 1970, the Commission was shocked to learn that the multi-billion dollar F-15 fighter plane contract was awarded to the McDonnell Douglas Corporation in blatant disregard of the procedural rules and substantive standards proscribed by the Office of Federal Contract Compliance and by the Department of Defense itself to assure nondiscrimination in employment on the part of Federal contractors. Contrary to regulation; clearance by the regional contract compliance staff of the Department of Defense was not obtained prior to award of the contract. Moreover, McDonnell Douglas, at the time of award and at the present time, has failed to comply with the most basic of all requirements applicable to Federal contractors--submission of an acceptable program of affirmative action for equal employment opportunity.

Because the F-15 contract undoubtedly will give rise to substantial expansion in employment by the company, it is particularly disturbing that no adequate plan of affirmative action was required by the Department of Defense prior to award to assure that minority persons will share equally in these new job opportunities.

In hearings conducted by the Commission over the past several years, including hearings in San Francisco, California, Montgomery, Alabama, and San Antonio, Texas, we have heard testimony concerning the Federal contract compliance program. Repeatedly, we have seen evidence of the tragic failure of this program, and of resulting angry disillusionment on the part of minority persons concerning the failure of the Federal Government to make good its promises.

We are mindful of the responsibilities and burdens which fall upon the Department of Defense. At the same time, we can find no justification in this instance for disregard by the Department of procedural rules and substantive standards for the enforcement of Executive Order 11246. In a contract of this magnitude, such failure cannot be dismissed as an isolated lapse in enforcement.

One year ago, on January 20, 1969, then Chairman of this Commission John A. Hannah addressed to you a letter setting forth various findings and recommendations of the Commission regarding implementation of civil rights policy by the Department of Defense. In his letter Chairman Hannah observed:

An estimated one-third of the Nation's labor force is employed by companies that contract with the Federal Government. Companies with which the Department of Defense contracts account for about 75 percent of that one-third. Executive Order 11246, which deals with non-discrimination in employment by government contractors, places "primary responsibility" for achieving compliance on the contracting agencies. These facts suggest the critical importance of the Department in the total Federal effort to assure equal employment opportunity. We are convinced that the success of that effort will be determined largely by the adequacy of the Defense Department's contract compliance program.

Chairman Hannah went on to note that:

Through hearings and investigations, the Commission has found a number of inadequacies which severely impair the effectiveness of the Department's compliance program.

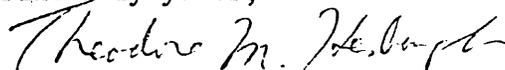
It is extremely disappointing that now, one year later, we encounter in yet another Commission hearing a critical failure in the contract compliance program of the Department of Defense.

We understand that the Department of Defense's Contract Compliance Office in St. Louis recently announced its intention to conduct a "routine type of post-award review" of McDonnell Douglas facilities in St. Louis County. We hope that you personally will assure that this review results in unequivocal enforcement by the Department of Defense of established affirmative action principles, as outlined in the attached memorandum. In addition, the Commission is most concerned that steps be taken--in terms either of tightened enforcement procedures, increased staff allotments, or both--to assure against repetition of such failure of the Department of Defense contract compliance program.

At our February 5, 1970 regular Commission meeting, we intend to discuss further the testimony we heard at the St. Louis hearing regarding McDonnell Douglas and the Department's contract compliance program. We are enclosing relevant portions of the transcript of this testimony for your information. It would be most helpful to us if we could have from you a statement of how this failure of contract compliance enforcement in connection with the McDonnell Douglas contract could have occurred, and assurances on future action such as those herein requested, for consideration at our meeting. On February 5, the Commission also will consider whether to request a meeting with you and Secretary Shultz to review this matter further.

We realize we are adding burdens to a man already heavily burdened, but we feel this matter is so vital to the welfare of our Nation that it is appropriate to call it to your personal attention.

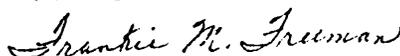
Sincerely yours,



Rev. Theodore M. Hesburgh, C.S.C.
Chairman



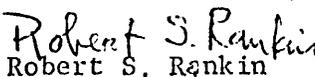
Stephen Horn
Vice Chairman



Frankie M. Freeman



Maurice B. Mitchell



Robert S. Rankin



Manuel Ruiz

Attachments

cc: Honorable George P. Shultz
Secretary of Labor

Honorable John N. Mitchell
Attorney General

Honorable William Brown
Equal Employment Opportunity Commission

JAN 29 1970

Mr. George S. Roudebush
Corporate Vice President and
General Counsel
McDonnell Douglas Corporation
St. Louis, Missouri 63166

Dear Mr. Roudebush:

We have received your telegram of January 17, 1970 regarding the Commission's recent hearing in St. Louis, Missouri.

In the course of the hearing the Commission heard testimony concerning equal employment opportunity at St. Louis County facilities of the McDonnell Douglas Corporation. Your telegram refers to a statement made by Commissioner Maurice B. Mitchell, at the conclusion of this testimony. Commissioner Mitchell remarked, "The testimony I have heard just now is shocking to me. I can't believe the Commission can listen to this testimony without proceeding in some way to get involved in the particular contract."

In your telegram you state:

We do not believe that Mr. Mitchell should have made the statement attributed to him or that the Commissioners should act on it.

You further state that Commissioner Mitchell's statement

was not consonant with the fair and balanced hearing which all parties had been promised in your opening statement.

You state that "as far as we can make out" Commissioner Mitchell's remark was based on the testimony of two McDonnell Douglas employees or former employees and a Department of Defense Contract Compliance Official, Rev. Paul Smith.

It appears from your statement that you and other company officials did not remain, following your own testimony, to hear testimony of the contract compliance officials. Had you done so, you would not have had to conjecture--erroneously--with respect to the basis of Commissioner Mitchell's comment. Mr. Claude Crowl, Chief of the Department of Defense Contract Compliance Office for the St. Louis Region, testified: (1) that the December 12, 1969 affirmative action plan submitted by your company did not contain the "specific goals and timetables" requested by the Department of Defense following its April 1969 compliance review; (2) that the Department did not review this affirmative action plan prior to the award to McDonnell Douglas of the F-15 contract in December 1969; and (3) that, contrary to the rules and regulations of the Office of Federal Contract Compliance and of the Department of Defense, equal employment opportunity clearance of McDonnell Douglas by the Department's regional Office of Contract Compliance was not obtained prior to award of the F-15 contract.

Your telegram states that McDonnell Douglas had not been informed "officially" by the Department of Defense whether correction of deficiencies noted in Department of Defense compliance reviews was satisfactory. Following its April 1969 review, the Department of Defense informed the company in writing that its affirmative action plan was not in conformance with Office of Federal Contract Compliance regulations, and requested the company to submit a satisfactory plan by November 15, 1969. Your telegram goes on to state:

[W]e have been informed verbally [sic] by the
Defense Contract Administration Services Region,
St. Louis Office, that our implementation is
satisfactory.

Inasmuch as Mr. Crowl testified that the plan has not as yet been reviewed by his office, we do not understand how such oral assurances could have been given. Moreover, Commission staff analysis of this plan discloses that it does not remotely conform with requirements of the Office of Federal Contract Compliance.

Your pointed expression of "regret" that only three Commissioners were present at this session of the hearing, by which you seem to imply that

this somehow distorted the proceedings, is equally misguided. All of the Commissioners were aware of the nature of the anticipated testimony and we all have evaluated the testimony that was presented. Indeed, our unanimous concern with what was revealed at the hearing has prompted us to take the highly unusual step of signing individually a letter to Secretary of Defense Melvin Laird, pointing out that there was shocking disregard for equal employment opportunity requirements in the F-15 contract award, and requesting immediate action by the Secretary to remedy this failure.

To this point, the Commission has focused principally on failure of contract compliance enforcement by the Department of Defense officials in connection with the F-15 contract. In addition we believe that testimony by company officials at the hearing evidenced remarkable lack of understanding and commitment to equal employment opportunity, which is symptomatic of the company's failure to carry out its obligations under Executive Order 11246.

It seemed extraordinary, for example, that the corporate official responsible for corporate affirmative action programs, who testified before the Commission on this subject, was so unresponsive to the questions put to him and was unable to give an informed account of the corporation's current affirmative action plan. The same official sought to demonstrate that "we have been leaders in trying to promote equal rights for our employees," by citing steps taken to assure that company-sponsored recreation does not occur in segregated facilities-- a basic legal obligation of all Federal contractors. It is dismaying also to hear an official of a Federal contractor with patterns of minority underutilization reject a suggestion that the company do more to sponsor low and moderate income housing in the neighborhood of the plant with the statement, "... we have our hands pretty full trying to run our plant and build airplanes".

The testimony of McDonnell Douglas Corporation officials at the hearing, now supplemented by your telegram, and the inadequate affirmative action program of the corporation make it apparent that the McDonnell Douglas Corporation does not place equal employment opportunity commitments on a par with physical aspects of performance on Federal contracts.

The Commission would be remiss in the performance of its duty if it had failed to bring this information to the attention of the appropriate Federal officials and to share it with the American people.

Sincerely yours,

R

Theodore M. Hasburgh, C.S.C.
Chairman

R

Stephen Horn
Vice Chairman

R

Frankie M. Freeman

R

Maurice B. Mitchell

R

Robert S. Rankin

R

Manuel Ruiz

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

JAN 30 1970

Reverend Theodore M. Hesburgh
Chairman, U. S. Commission on Civil Rights
Washington, D. C. 20425

Dear Father Hesburgh:

This is to acknowledge your letter of January 24, 1970, concerning the F-15 Tactical Fighter Aircraft contract, awarded to McDonnell-Douglas Corporation on December 31, 1969, and to report consequent actions taken by us.

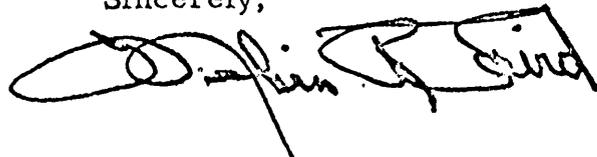
I have determined that Air Force contracting officials committed a serious error in failing to perform the required pre-award check of equal employment opportunity compliance status before awarding the F-15 contract. Our inquiry reveals no evidence that this happened because of a conscious disregard of regulations. Even so, there is no justification for management failure in an area involving one of our nation's primary domestic problems.

When it was learned that this requirement had not been fulfilled in accordance with Department of Defense policy, Contracts Compliance officials of the Defense Supply Agency assigned additional field staff to an examination of McDonnell-Douglas Corporation's compliance status. I wish to assure you that prompt and appropriate action will be taken with respect to any deficiencies in compliance status. I was advised yesterday that this review will be completed satisfactorily on or about February 7.

In addition, I am directing each of the Military Departments and Defense Agencies to assure that the compliance system precludes this kind of policy violation in the future. This will include consideration of appropriate action involving persons responsible for this failure.

Thank you for bringing this matter to my personal attention. I will follow the matter, and we will report to your Commission the results of our compliance actions.

Sincerely,

A handwritten signature in black ink, appearing to read "D. James R. Starn", written over a rectangular stamp area.

1-21-70 St. Louis
U.S. to Study
 G. Robe Dem.
McDonnell Corp.
Hiring Practices

F-15 Contract Faces Review On Race Issue

By TIMOTHY BLECK
 A Washington Correspondent of the Post-Dispatch

A routine investigation of employment practices at McDonnell Douglas Corp. will be conducted this month by the Department of Defense, which recently awarded a multi-million dollar F-15 military plane contract to that company.

Claude Crowl, chief of the Defense Department's Contract Compliance Office here, said the one-week investigation will be "routine type of post-award review."

Crowl's office will conduct the investigation which is scheduled to begin Jan. 26.

"We will be examining the firm's employment practices since a Defense Department contract was last approved in August of 1968," Crowl said. "A review was also made in April of 1969."

Crowl said the previous investigations showed McDonnell to be "in compliance" with the Federal Fair Employment Act.

Charges were made last week during hearing before the U.S. Civil Rights Commission that McDonnell was not in full compliance with federal fair employment laws.

A spokesman for McDonnell said Tuesday night it was his understanding that such routine investigations are conducted periodically by the Defense Department into the hiring practices of those firms holding defense contracts.

"I don't know why they are holding a review," the spokesman said. "Maybe it is because of the charges that were made at the recent hearing. Maybe they just decided it was time to conduct another one."

The spokesman said McDonnell has been "in compliance with the equal employment laws every time a review has been held in the past."

WASHINGTON, Jan. 30—The Pentagon announced today that it might have to reconsider the award of the 7-billion-dollar, F-15 Air Force fighter contract to McDonnell-Douglas Corp of St. Louis because of questions raised about minority hiring practices at the firm.

Secretary of the Air Force Robert C. Seamans Jr. and Roger T. Kelley, assistant secretary of defense, flew to St. Louis today to meet with company officers.

In a statement issued by the Department of Defense, Seamans said that there was deep concern over an apparent failure to ensure equal opportunity standards in pre-award contract procedures.

"The terms of the contract require such compliance, but unfortunately the required pre-award contract audit had not been accomplished in accordance with established procedures. Corrective action is being taken," Seamans said.

Representative Critical.

Representative William L. Clay (Dem.), St. Louis, had been critical of the low percentage of Negroes employed at McDonnell-Douglas and at recent hearings of the United States Civil Rights Commission in St. Louis County similar questions had been raised.

Pentagon spokesmen said the Air Force apparently had been negligent in not requiring the pre-contract award compliance figures.

(In St. Louis, a spokesman for McDonnell Douglas said that the announcement was unexpected. Executives of the firm were studying the development and refused to comment.

The Pentagon said that Seamans and Kelley, who flew to St. Louis separately, "ascertain the full facts of the case and will be briefed by company officers on actions taken and contemplated to assure full and strict compliance." The announcement said, "If these meetings do not provide the assurance of prompt compliance, then it will be necessary to reassess the contract award."

Attended Conference

Seamans flew to St. Louis from Ramey Air Force Base, Puerto Rico, where he had been attending the semiannual Air Force commanders conference.

The award of the contract for production of the tactical fighter aircraft was announced Dec.

24. It is one of the biggest military aircraft projects in recent years and will involve expenditures of more than 7 billion dollars for more than 500 planes, the Pentagon reported.

In a letter to James S. Mc-

Donnell in September, Clay cited Department of Labor statistics showing that McDonnell Douglas employed 3100 Negroes in a total work force of 41,000. Copies of the letter were sent to Secretary of Defense Melvin

R. Laird. Clay said that Negroes made up less than 2 per cent of the professional and technical workers at McDonnell Douglas and only 6 per cent of the clerical and office workers.

From Intelligence, Inc.
 WASHINGTON, D. C. 20001

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ST. LOUIS, MO.
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ST. LOUIS, MO.
 POST-DISPATCH
 E - 345,675
 S - 581,591

McDonnell Hiring Studied

Equal racial opportunities at the McDonnell Douglas Corp. plant in St. Louis County were being examined today by a team of federal officials.

A 7-billion-dollar contract for development and production of the F-15 jet aircraft could be canceled if McDonnell is not in compliance with federal guidelines.

The inquiry was opened yesterday after the Civil Rights Commission reported that McDonnell's equal employment program was "totally inadequate." The program had not been reviewed before the

awarding last month of the F-15 contract because of what federal officials called a grievous error.

Secretary of the Air Force Robert C. Seamans Jr. interrupted a meeting of Air Force commanders in Puerto Rico yesterday to fly to St. Louis to investigate the error and to determine whether McDonnell

was in compliance with federal guidelines on equal employment practices.

"Somebody made a mistake and I'm going to jolly well find out who," Seamans said when he arrived yesterday.

Seamans explained that all contract awards must be preceded by an examination of the firm's present and future employment programs. This was not done in the case of the F-15 contract.

"I'm not threatening them with the loss of the contract," Seamans said. "But if they haven't complied and if behind that — and more important — we haven't got an adequate equal opportunity program, we will cancel the contract."

James S. McDonnell, chairman of the corporation, said he welcomed the Air Force investi-

gation.

McDonnell said the federal Office of Contract Compliance in St. Louis reviewed the firm's policies last April and found the corporation "to be in compliance in all of the 14 areas specified, including selection and placement practices, transfer and promotion practices and training programs."

An updated affirmative action program was submitted to the compliance office Dec. 18, five days before the F-15 contract was awarded, McDonnell said.

The plan was sharply criticized by two members of the rights commission, which conducted hearings here earlier this month.

Howard Glickstein, staff director of the commission, told the Post-Dispatch in Washington yesterday, "The commission's staff has reviewed the program and found it totally inadequate."

"It is a pious statement of good intention without saying anything concrete in it."

'Panel Shocked'

Stephen Horn, the commission's vice chairman, said that the commission was "shocked by the attitude of McDonnell officials." Equal employment was not considered a high priority by the firm, he said.

"The law is to get equal employment opportunity into your system of priorities," Horn said.

The plan submitted by McDonnell last month was reviewed by the local contract compliance office. At the commission hearings, Claude E. Crowl, chief of the office, said the review had not been completed before award of the contract, but that he thought the plan would be adequate.

All phases of McDonnell's practices were discussed by corporate executives and Pentagon officials in a five-hour meeting yesterday. When the meeting ended, Seamans gave reporters a letter he was sending to Sanford N. McDonnell, president of McDonnell Aircraft Co., the McDonnell Douglas subsidiary that would build the F-15.

Agreement Imperative

"It is imperative that McDonnell Aircraft Co. and the Department of Defense reach early agreement on a fully acceptable affirmative action program," the letter said. "Failure to achieve this result promptly will require that we initiate action to terminate the F-15 contract."

"Representatives of the Department of Defense, including representatives of the Defense Contract Administration Services, will remain in your plant and work with your people in developing the data, initiatives and specific numerical goals necessary to produce a fully acceptable affirmative action program."

"This letter is not intended to reflect my judgment—favorable or unfavorable—on the equal employment program at McDonnell. I am encouraged by your commitment that McDonnell will provide effective leadership in meeting the objectives of this program," Seamans said.

U.S. Pressing F-15 Contractor On Job Policy

Wash. Post

JAN 3 1 1970 By William Chapman
Washington Post Staff Writer

A multibillion-dollar contract awarded to the McDonnell-Douglas Aircraft Corp. may be reconsidered because of a question involving the company's minority-group hiring policies, the Pentagon announced yesterday.

The issue prompted Air Force Secretary Robert C. Seamans Jr. to fly immediately to meet with company officials in St. Louis, interrupting his visit to Ramey Air Force Base in Puerto Rico.

He flew out of St. Louis again five hours later, but left behind a number of civilian and military officials who had accompanied him.

The company, with headquarters outside St. Louis, received a contract last month to build the F-15 jet fighter. The contract ultimately could run as much as \$7.7 billion.

In a statement released at the Pentagon, Seamans expressed concern that pre-award contract procedures were not followed to insure

full compliance with equal opportunity standards.

Seamans said, "The terms of the contract require such compliance, but unfortunately, the required pre-award contract audit had not been accomplished in accordance with established procedures. Corrective action is being taken."

The question is whether the big defense contractor meets fair employment standards in the hiring, promotion, and placement of personnel on a nondiscriminatory basis.

There have been complaints—underscored recently by the U.S. Civil Rights Commission—from civil rights groups that the company was not in compliance with federal fair employment standards.

Seamans said that if his meetings with company officials "do not provide full assurance of prompt compliance," it would be necessary to "reassess" the contract award. The contract conceivably could be withdrawn and put up for rebidding.

In St. Louis yesterday, the company insisted that it followed a strict policy of nondiscrimination and that it had been found in compliance last April during an investigation by the Office of Federal Contract Compliance.

Pressure to investigate the contract award was brought by Sen. Edward M. Kennedy (D-Mass.) and by the Rev. Theodore M. Hesburgh, chairman of the U.S. Civil Rights Commission, both of whom demanded explanations from Secretary of Defense Melvin R. Laird.

An official of the Defense Department's contract compliance office, Claude Crowl, tes-

timony before the Civil Rights Commission, has depicted its plant's location as one of the major reasons so few blacks are employed there. It is located near Lambert Field, more than seven miles from the city where most of the metropolitan area's black population resides.

Kennedy wrote Laird on Jan. 21 to complain that the F-15 contract award had been made despite the absence of a pre-award check by the Air Force. Kennedy, who heads a Senate Judiciary subcommittee that has looked into compliance procedures, has not received a reply, an aide said.

Rep. William Clay (D-Mo.), whose district includes parts of St. Louis's north side, wrote Laird yesterday demanding that the contract be canceled unless full compliance with the federal civil rights order is achieved.

Policies Attacked

It also wrote that the company, charging that the concern's policies did not "remotely" conform with the rules. Referring to testimony before it by a company official, the commission said:

"It is dismayed also to hear an official of a Federal contractor with patterns of minority underutilization reject a suggestion that the company do more to sponsor low and moderate income housing in the neighborhood of the plant with the statement: '... We have our hands full trying to run our plant and build airplanes.'"

The contract for the F-15, a 1,700-mile-an-hour craft on which the Air Force will depend for air superiority starting in the mid-nineteen-seventies, was awarded Dec. 23. Pentagon sources said at the time that production might ultimately total 600 planes at a cost of \$6-billion.

Laird Orders Close Checks On Job Bias by Contractors

By the Associated Press

Secretary of Defense Melvin R. Laird has issued a memorandum ordering his top subordinates to tighten compliance with nondiscrimination requirements in defense contracting.

Laird's memo was disclosed yesterday amid obvious Pentagon embarrassment over a Civil Rights Commission complaint that the McDonnell Douglas Corp. had been awarded a multibillion-dollar airplane contract without any check being made to determine whether the firm is meeting federal equal-opportunity requirements.

Moral, Legal Provisions

Laird sent Secretary of the Air Force Robert Seamans Jr. to St.

Louis Friday to meet with McDonnell Douglas officials.

At the same time, Laird told the service secretaries and key assistant secretaries of defense: "I am shocked by the apparent situation in which we find ourselves vis a vis compliance with moral and legal equal-opportunity provisions and procedures on defense contracts."

Ordering "immediate and vigorous corrective action," Laird demanded a thorough review of the entire equal-opportunity compliance situation, including the procedures by which the Pentagon monitors contractors to insure they are not discriminating against Negroes or other minority groups.

He asked for a restudy of safeguards designed to insure against oversights and administrative error.

The defense secretary asked for a preliminary report by Wednesday.

Letter to Hesburgh

At the same time, the Pentagon made public a letter Laird sent Friday to the Rev. Theodore M. Hesburgh, chairman of the Civil Rights Commission. In this the Pentagon chief accused Air Force contracting officials

of committing "a serious error in failing to perform the required preaward check of equal employment opportunity compliance" before awarding the F15 contract to McDonnell Douglas on Dec. 31.

Laird told Hesburgh his inquiry turned up no evidence that this happened "because of a conscious disregard of regulations."

But Laird acknowledged "there is no justification for management failure in an area involving one of our nation's primary domestic problems."

He indicated he will consider "appropriate action involving persons responsible for this failure."

Protest Letter

Hesburgh had written to Laird about the contract. His letter, signed by five other members of the Civil Rights Commission, said:

"Because the F15 contract undoubtedly will give rise to substantial expansion in employment by the company, it is particularly disturbing that no adequate plan of affirmative action was required by the Department of Defense prior to award to assure that minority persons will share equally in these new job opportunities."

NEGROES AN ISSUE IN F-15 CONTRACT

JAN 3 1 1970

Air Force Prods Company
to Comply on Hiring

N. Y. Times

By RICHARD WITKIN

The Secretary of the Air Force, Robert C. Seamans Jr., went to St. Louis yesterday to seek assurance from the McDonnell-Douglas Corporation, the recent winner of a \$1.1-billion plane contract, that it would comply with Federal nondiscriminatory employment policies.

The trip was apparently spurred by complaints of the United States Commission on Civil Rights that there had been "shocking disregard for equal employment opportunity requirements" in awarding the contract for the plane, the twin-jet F-15 fighter.

The Air Force said it would have to "reassess" the contract if the company did not give Mr. Seamans "full assurances of prompt compliance."

The commission wrote the Secretary of Defense Melvin R. Laird a week ago asking for immediate action to remedy the Air Force's failure to perform the required pre-contract review of hiring policies.

Rules and regulations for non-discriminatory hiring practices on Federal contracts are set by the Labor Department's Office of Federal Contract Compliance.

Basically, they provide that a company's compliance with proper standards must be reviewed before any contract is awarded. If the review officer finds any deficiencies, the contract cannot be awarded until remedial action has been taken or agreed to.

Statistics Gathered

According to a spokesman for the Civil Rights Commission, that agency gathered statistics "indicating that the bulk of black workers at McDonnell-Douglas were concentrated in semi-skilled and unskilled jobs."

Of 4,898 officials and managers at the company, the spokesman said, only 41 are black. There are 57 blacks among 6,709 employees classified as professionals and 53 among 2,106 classified as technicians.

Of 10,834 classed as skilled craftsmen, 953 are black, and of 1,054 classed as semi-skilled operatives, 344 are black. None of the 132 general foremen is black, only one out of 352 foremen is black, and 30 out of 1,101 assistant foremen are black.

The Air Force, plainly embarrassed, said Mr. Seamans was interrupting a semiannual commanders' conference in Puerto Rico to fly to St. Louis to take up the matter with company officials.

The Secretary "expressed deep concern" about the fact that pre-award procedures were not followed, "in violation of Department of Defense policies," the Air Force said.

McDonnell Accord Is Expected Soon

By FRANK LEEMING JR.
Of the Post-Dispatch Staff

Disputed employment policies at McDonnell Douglas Corp. are expected to be resolved by the middle of this week, the Post-Dispatch learned yesterday.

Informed sources close to a federal inquiry on the policies said there was little chance that the 7.7-billion-dollar contract for production of the F-15 jet fighter would be jeopardized by the investigation.

The surprise probe of McDonnell's employment practices was a reaction to charges submitted last week to Secretary of Defense Melvin R. Laird by members of the United States Civil Rights Commission.

In a letter to Laird, the commission said there was a shocking disregard for equal employment opportunity requirements in the awarding of the F-15 contract. It requested immediate action by the Secretary.

More important, it was learned, was the Pentagon's belief that Senator Edward M. (Ted) Kennedy (Dem.), Massachusetts, was about to make public a similar letter he had sent to Laird on Jan. 21.

The F-15 project is the first major military contract to be awarded by the Nixon Administration. Washington officials are acutely aware of the embarrassment caused by controversy surrounding the F-111 (TFX)

and C-5A aircraft contract awards.

When it was felt that Kennedy was about to cite the Nixon Administration's failure to receive equal employment opportunity assurances from McDonnell prior to the awarding of the F-15 contract, the Pentagon moved promptly to launch its own inquiry.

Howard Glickstein, staff director of the rights commission, told the Post-Dispatch that the commission was "certainly not anxious for McDonnell to lose the contract, but we are anxious for them to issue a plan" that would comply with the executive order requiring firms with federal contracts not to discriminate against employees.

The subject of the controversy is the "affirmative action program" that should have been reviewed by federal officials before the contract was awarded.

Another key question is why the contract did not contain documentation that McDonnell had been certified as in compliance with federal equal employment regulations.

The affirmative action program is a plan outlining how a federal contractor's labor force is recruited, trained and promoted. It includes a goal toward achieving an acceptable ratio of minority group workers within the total work force.

The current crisis facing McDonnell can be traced back to July and August 1968 when the Government conducted an in-depth review of the corporation's employment practices. When the inquiry was completed, McDonnell was certified as in compliance with Government guidelines.

The compliance was reviewed again last April and each of 14 areas were checked by the St. Louis office of the Labor Department's office of contract compliance, which is headed here by Claude E. Crowl.

In approving the firm's compliance status, however, the office notified McDonnell through the Defense Department that its affirmative action plan did not conform with federal regulations. McDonnell was given until Nov. 15 to develop a positive plan. The firm, later given an extension on the deadline, submitted its proposals on Dec. 18.

McDonnell has seen the number of black employees drop to about 2700 of 33,000 employees. This is about 8.1 per cent of the work force. When McDonnell had a payroll of 44,000 persons in June 1967, it had 4600 black



Secretary Melvin R. Laird
Checked with White House.

employees, or 11 per cent of the total.

The firm faces a problem of being situated away from the homes of most black persons who live in the St. Louis area. The low total of black employees now also is traceable to layoffs that were made in the last year. Because blacks, who were hired in an intensive recruiting program, generally had less seniority, they were the first to be laid off.

About 14 per cent of the combined population of St. Louis and St. Louis County is black.

When McDonnell's victory in receiving the F15 contract was announced on Dec. 23, its affirmative action program had not been approved by the local compliance office. It is not known whether this is why the contract did not show that McDonnell had complied with federal employment policies.

However, Crowl, who runs the local office with one assistant, testified at a rights commission hearing here last

month that he felt the program would be adequate.

Glickstein, the commission's staff director, said that was not enough. Even if McDonnell's plan had been approved, "it wouldn't have been good enough," he said.

"Totally Inadequate" "The commission's staff has reviewed the program and found it totally inadequate," Glickstein told the Post-Dispatch. "It is a pious statement of good intention without anything concrete in it."

When the commission held its hearings here, several black militants and civil rights leaders testified that McDonnell practices discriminatory employment policies.



Sen. Edward M. Kennedy
Sent letter to Laird.

"The testimony is shocking," declared Maurice B. Mitchell, chancellor of the University of Denver and a commission member, as the hearings ended.

"I can't believe the commission can listen to it without proceeding in some way to get involved in the particular contract," he said.

Stephen Horn, vice chairman of the commission, told the Post-Dispatch that involvement was initiated as soon as

the hearings concluded. The testimony was reviewed and a letter to Laird outlining the irregularities of the F-15 contract was drafted.

In an unprecedented action, each of the six commission members signed the letter and it was mailed Jan. 24.

Glickstein said that the inclusion of a statement of employment compliance in Government contracts was "a step that is frequently overlooked," particularly when the contract is awarded to a firm that deals extensively with the Government.

"It's always sort of an afterthought and it's never really been given a high priority," Glickstein said. "But with a contract of this size, we should think it would merit a little more attention than usual."

The attention came. A McDonnell executive, slumped wearily in a chair in his office after news of the federal inquiry had been announced, mused over the impact of the investigation.

"You toss a pebble into the pond and you make a few ripples," he said. "But the F-15 is more than a pebble. Every little thing about it makes big waves. This whole mess is nothing more than a technicality, but look at what's happened."

Panel's Authority

The commission's letter to Laird requesting a federal investigation represented the extent of the group's authority. The commission is not an enforcement agency and has no power to provide specific remedies in individual cases. It can refer complaints of denials of rights to the appropriate federal agency for corrective action.

The letter worked its way through several layers of the Defense Department and landed on Laird's desk Thursday afternoon shortly after Secretary of the Air Force Robert C. Seamans Jr. had left for Puerto Rico to attend an Air Force commander's conference.

The Air Force is the branch of the military that is buying the F-15.

The letter, combined with reports that Kennedy would raise the compliance issue the next day, caused a flurry of excitement. There were recollections of past contract controversies, including the move last year by Deputy Defense Secretary David R. Packard.

Packard, it was recalled, had approved a \$9,400,000 order for blankets from three South Carolina textile mills. Civil rights compliance officials in the Government had complained because the firms had not signed compliance agreements. The issue had been brought to light by Kennedy.

Call to White House

Laird checked late Thursday with the White House and was told to take whatever action was necessary to prevent trouble on the F-15 contract. Friday mornings, Seamans was told to fly immediately to St. Louis to join other Defense Department officials who were on their way to review McDonnell's employment policies.

A press conference was called in Washington and the Air Force announced that it might "reassess" the F-15 contract award.

The announcement caught McDonnell executives by surprise. Hasty meetings were called and James S. McDonnell was given a thorough briefing on the situation.

Several company officers met at 1 p.m. Friday with Roger T. Kelley, assistant secretary of defense for manpower, who had arrived earlier.

At 2 p.m., McDonnell slipped out of the firm's new administration building and drove to the corporation's airport ramp on the north side of Lambert-St. Louis Field. He had been buoyed by news that a Pentagon spokesman had modified the Air Force's position and was now stating that the firm was in no danger of losing the F-15 contract.

Unusual Visit

Shortly before 2:30, Seamans's huge KC-135 jet tanker transport landed on McDonnell property. His visit was highly unusual, but McDonnell officials were in no position to question the move.

"I was a little puzzled as to why Secretary Seamans would fly out there from Puerto Rico when lower level staff people could have taken care of the matter," a high level Defense Department official said in Washington.

When told about Kennedy's letter, the official said: "Well, that could explain why the Secretary rushed out there. I don't think he would unless there was some powerful stimulus. There are some red faces around here."

Seamans appeared to be irritated when he clambered down the transport's ladder and discussed the matter with reporters.

He acknowledged that regulations were not followed and that it seemed to be the government's fault.

To Seek Reason

"I don't know who in the Air Force, the Defense Department or in the contractor's firm made the error," Seamans said. "We're going to find out and I goddamned well want to see the person personally and see why he didn't comply with it."

Seamans said he learned that the compliance provision was not in the contract when he returned recently from a trip to Southeast Asia. He said he ordered an inquiry at that time.

The Secretary met until 8:30 p.m. with McDonnell, Donald Douglas Jr., the corporation's vice president, and Sanford N. McDonnell, president of McDonnell Aircraft Co., the subsidiary that would build the F-15.

As Seamans left to board his plane, he distributed copies of a letter he had written to Sanford McDonnell stating that it was imperative that an early agreement on "a fully acceptable affirmative action program" be reached.

"Failure to achieve this result promptly will require that we initiate action to terminate the F-15 contract," the letter said.

Remain In Plant

Seamans said that Defense Department representatives would "remain in your plant and work with your people in developing the data, initiatives and specific numerical goals necessary to produce a fully acceptable" program.

The meeting continued until midnight and resumed at 7 a.m. yesterday. Kelley returned to Washington yesterday afternoon and meetings were to resume again tomorrow.

If a solution is worked out, it is not immediately clear what will happen. It is assumed that the Air Force will give McDonnell a clean bill of health and work will move ahead on the first stage of the contract. Reaction to the investigation has come from many sources.

Lou M. Brock, president of Machinists Union, District 837, which represents McDonnell employees in St. Louis, described the review as "an outrage to the entire community."

"Our people can build the best aircraft and spacecraft in the world and that's why we got the F-15 contract," Brock declared. "It had nothing to do with the racial numbers game." United States Representative James W. Symington (Dem.) of St. Louis County said he was confident that the delay was temporary.

"What the Defense Department is doing is running through a drill that it intended to do and is obligated to do," Symington said. "I think what they'll find is that the company is trying very hard to make equal employment opportunities available."

ST. LOUIS, MO.
GLOBE-DEMOCRAT

MORNING - 306,586
WEEKEND - 342,001

FEB 1 1970

McDonnell's Hiring Policy Under Study

Press Intelligence, Inc.
WASHINGTON, D. C. 20001
Front Page Editor
Page Page Page

ST. LOUIS, MO.
GLOBE-DEMOCRAT

MORNING - 306,586
WEEKEND - 342,001

Air Force Secretary Robert C. Seamans Jr. was meeting with McDonnell Douglas Co. officials Friday to determine company compliance with equal opportunity hiring standards. Seamans cut short a visit to the Air Force Commander's Conference at Ramey Air Force Base, Puerto Rico, to fly to St. Louis and join Defense Department Assistant Secretary for Manpower Roger T. Kelley for review of company hiring policies.

if the meeting with the company does not provide "full assurance of prompt compliance."

THE AIR FORCE disclosed that, before the F-15 contract was awarded, Air Force officials failed, as required by law, to conduct an audit of McDonnell to make sure the company was fully complying with equal opportunity hiring standards.

Seamans expressed deep concern that the pre-award contract procedures were not followed.

"The terms of the contract require such compliance but unfortunately the required pre-award contract audit had not been accomplished in accordance with established procedures," Seamans said. "Corrective action is being taken."

The Pentagon said Seamans and Kelley would meet with McDonnell officials to get the

full facts in the case and be briefed on actions taken and contemplated by the company to assure full and strict compliance.

The Defense Department had ordered a "routine" investigation of McDonnell hiring practices last week.

The announcement followed charges made during a hearing before the U.S. Civil Rights Commission that McDonnell was not in full compliance with federal fair employment laws.

THE COMPANY vigorously protested the apparent quick acceptance of charges against the company by Commissioner Maurice B. Mitchell.

McDonnell hiring practices also have been under attack by civil rights activist Percy Green who has filed suit in U.S. District Court here charging that he was dismissed from McDonnell in 1964 because of his race and his civil rights activities.

Company officials testified at the trial that Green had been a disrupting influence at the plant.

U.S. Rep. James Symington (Dem.), 2nd District, said it was up to the Defense Department to make the audit as required by law.

"I think they'll find a clean slate," he said. "Mr. McDonnell is helping with a program that trains about 100 kids a year."

Symington noted that skilled workmen were needed in most McDonnell jobs.

"American boys, black and white, will be flying these planes to win," he said. "If they were made by computers and they were the best, we'd want them."

"I'm hopeful this will be resolved quickly," Symington said.

six members of the U.S. Civil Rights Commission wrote Defense Secretary Melvin R. Laird they were disturbed that the F-15 contract was awarded without prior approval of "an adequate plan of affirmative action."

The letter, written after public hearings held by the commission in St. Louis on Jan. 15-17, said:

"Because the F-15 contract undoubtedly will give rise to substantial expansion in employment by the company, it is particularly disturbing that no adequate plan of affirmative ac-

tion" was required by the Department of Defense prior to award to assure that minority persons will share equally in those new job opportunities."

The procedure was "in blatant disregard of the rule and substantive standards prescribed by the Office of Federal Contract Compliance and by the Department of Defense itself to insure non-discrimination in employment on the part of federal contractors," the letter continued.

LAIRD SENT Air Force Secretary Robert Seamans Jr. to St. Louis Friday to meet with company officials. Seamans said that although a plan to

meet equal employment standards is required, the statement was "not intended to reflect any judgment—favorable or unfavorable" on McDonnell's program.

In addition, Laird wrote to Notre Dame's Rev. Theodore M. Hesburgh, commission chairman, criticizing Air Force officials for a "serious error" in failing to perform the required pre-award check but Laird said his inquiry turned up no evidence "of a conscious disregard of regulations."

A new memorandum ordering top defense officials to tighten up compliance requirements in defense contracting was issued Saturday. Laird ordered "immediate and vigorous corre-

ctive action." McDonnell was certified as being in compliance after a federal review in July and August, 1968.

THE COMPLIANCE status was again approved in April, but McDonnell was told to revise its affirmative action plan by Nov. 15. The deadline was later extended to Dec. 18.

The plan was filed with the Labor Department Office of Contract Compliance. However, the F-15 contract was awarded on Dec. 23, without the plan being approved.

Claude E. Crowl, director of the St. Louis Office of Contract Compliance, testified during the hearings that he felt the plan would be adequate.

TEA-POT TEMPEST

Any defense contractor should provide a fair percentage of jobs to Negroes and other disadvantaged, whenever it is consonant with an excellent product. McDonnell Douglas Corp. has a long history of such employment practice.

The small furor that has arisen over the company's personnel procedures must not be allowed to cloud McDonnell's fine record of civil rights consideration in job-hiring and promotions.

After the \$7.7 billion contract for the powerful new F-15 plane was awarded McDonnell Douglas, six members of the United States Civil Rights Commission wrote Defense Secretary Melvin Laird that the contract was granted without required approval of "an adequate plan of affirmative action."

This is true. McDonnell was certified as being in compliance after a federal review in July-August, 1968, and again last April. Another compliance program was filed with the Federal Office of Contract Compliance as demanded by Dec. 18. The contract was awarded McDonnell Douglas Dec. 23 before the latest plan was approved.

Perhaps the Compliance Office didn't have time for study and approval. But there seems no doubt the McDonnell plan will be sanctioned. Undoubtedly the company will meet all rational requirements.

As far back as 20 years ago, the McDonnell company solicited Negro workers from the ghetto and other areas. Since 1956 when production was expanded for the Banshee plane, the company in conjunction with the Urban League, sought out black community applicants who desired training and skills for jobs.

James S. McDonnell signed a joint statement on a Plan for Progress, instigated in 1962 by President Kennedy, and the McDonnell organization led in getting up a group called the Vocational Guidance Clinic. This promoted voca-

tional help to encourage successful careers by black workers.

During the mid-1960s, during McDonnell's buildup for production of the F-4 Phantom, the company trained more than 6000 Negroes for aircraft manufacturing jobs. Trainees were paid to learn a skill. They were also educated toward promotions.

Jim McDonnell is regional chairman of NAB, dedicated to training dropouts and finding them jobs.

Recently a number of Negro workers at McDonnell were dismissed from jobs—not because the company wished to let them go, but it was necessary to reduce the work force when production was cut, Gemini B and Manned Orbiting Laboratory contracts were canceled and the concern lost out on three bids for new work.

The layoffs had to be administered under union seniority rules. Many of the newest workers were Negroes and McDonnell was forced by union rules to discharge them, at least until production is expanded.

Another problem was because inner-core city employees found it difficult or impossible to get to the McDonnell plant.

It seems significant that little or no issue on the civil rights score was raised until Percy Green, a leader of ACTION and a compulsive troublemaker, brought suit to force the company to rehire him.

The Defense Department has stated the \$7.7 billion contract, so vital to the whole metropolitan area, "is not regarded as being in jeopardy." The whole situation seems to have been blown up in a tea-pot tempest.

McDonnell Douglas was chosen because it was judged the outstanding company to handle this contract, as it is. It will accede to "affirmative action" for non-discrimination in employment, as it always has. The issue should quickly be resolved.

U. S. Officials 'Hopeful' On McDonnell Solution

(Special To The Globe-Democrat)

WASHINGTON—Defense Department officials Sunday said they are "hopeful" any questions about McDonnell Douglas Corp. personnel practices will be resolved by the end of the week.

A department spokesman emphasized that the \$7.7 billion F-15 contract with the company "is not regarded as being in jeopardy."

He added however, that McDonnell Douglas will be required to submit a written report on its plan for "affirmative action" to promote non-discrimination in employment practices, particularly training and promotion.

THE ISSUE arose after the

Press Intelligence, Inc.
WASHINGTON, D. C. 20001
Front Page Editor
Page Page Page

ST. LOUIS, MO.
GLOBE-DEMOCRAT

MORNING - 306,586
WEEKEND - 342,001

FEB 1 1970



NEWS RELEASE

OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

PLEASE NOTE DATE

Oxford 7-3189 (Copies)
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NO. 113-70

FOR CORRESPONDENTS: February 10, 1970

The Department of Defense today announced Federal Government approval of a McDonnell-Douglas Corporation Affirmative Action Program that meets established equal opportunity standards. Agreement on the program was reached in negotiations at St. Louis. Consequently, the Department of Defense has now certified the company as in compliance with the equal opportunity requirements of Presidential Executive Order No. 11246 and with Order No. 4 of the Federal Contract Compliance Office of the Department of Labor.

Order No. 4 was signed by Secretary of Labor George P. Schultz on January 30, to provide new equal opportunity guidance for Defense* contractors, and today's agreement is the first to be developed under the new order.

The Affirmative Action Program, which results from a cooperative effort by the Department of Defense, the Department of Labor, and company representatives, is tailored specifically for the McDonnell-Douglas facilities in St. Louis, where the Air Force F-15 fighter will be produced.

Deputy Secretary of Defense David Packard said today: "I welcome the prompt action taken to address this situation, and I want to reemphasize that the Department of Defense will continue to insist on attainment of equal opportunity standards set forth in our Human Goals doctrine signed last year, particularly that portion which says the Department will 'hold those who do business with the Department to full compliance with the policy of equal employment opportunities.'"

The Affirmative Action Program approved today pledges McDonnell-Douglas to vigorous new action to insure equal opportunity in recruitment, hiring, training, transfer, and upgrading of all personnel. Selection, placement, promotion, transfer and testing processes will be revised and continually measured and evaluated for equal opportunity results. The company will offer expanded, in-plant educational and training opportunities including development of new learning processes and will require all supervisory and management personnel to attend regular meetings at which the progress under the Affirmative Action Program will be discussed. Special counselors will be provided to assist individual employees in self-development programs.

MORE

* Order No. 4 applies to all government contractors.

As part of the Affirmative Action Program, McDonnell-Douglas has established targets for hiring or upgrading minority-group persons under certain job categories, including technical, professional, supervisory and management positions.

The company also will continue to expand its training activities to prepare unskilled persons for gainful work in the aerospace industry, including programs of training in basic production skills, both through on-the-job instruction and in simulated work environments. In addition, the company has pledged renewed efforts to stimulate and support adult education in the surrounding community.

This commitment also includes efforts to increase the availability of non-discriminatory, open housing for McDonnell-Douglas personnel.

The Department of Defense will periodically re-evaluate the results of the Affirmative Action Program. As Secretary of Defense Melvin R. Laird said in his memorandum of January 30, "The main concern of the Department ... is compliance with the moral intent of equal opportunity. We must, however, concern ourselves also with the administrative and procedural mechanism to assure legal compliance."

END

Front Page	Editor Page	Other Page
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ST. LOUIS, MO.
POST-DISPATCH

E - 345,675
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McDonnell Hiring Pact Expected

Agreement on an affirmative action hiring program at McDonnell Douglas Corp. is expected to be announced late today by Department of Defense officials.

The announcement would clear the way for implementation of the 7.7-billion-dollar contract for production of the F-15 jet fighter. An investigation of McDonnell's hiring policies was started Jan. 30 after it was learned that an affirmative action program had not been approved before the F-15 contract was awarded.

Intensive negotiations between federal officials and McDonnell executives have been held in the last two weeks.

The Civil Rights Commission had denounced McDonnell's employment practices as totally inadequate. It was noted that only 8.1 per cent of the corporation's St. Louis work force is black, while 14 per cent of the population in St. Louis and St. Louis County is black.

The settlement is expected to specify that McDonnell reach a 10 per cent level of black employment over a specified period of time.

The action program is expected to cover also recruiting, training and promotion practices.

McDonnell has contended that its policies have conformed with federal guidelines for many years.

The current inquiry is more an effort to prevent future embarrassment to the Federal Government than a denunciation of McDonnell's policies, it has been reported.

The contract is the first major military project to be awarded by the Administration President Richard M. Nixon.

Front Page	Editor Page	Other Page

ST. LOUIS, MO.
POST-DISPATCH

E - 345,675
S - 531,591

A Managerial Challenge

The agreement on fair employment practices worked out between McDonnell Douglas Corp. and the Defense Department suggests how far the modern corporation must sometimes go beyond its immediate economic purpose. McDonnell is, indeed, becoming involved in what might be called social action.

To justify a 7.7 billion dollar contract for producing the F-15 jet fighter, the company had to produce an "affirmative action employment plan." Its original plan was for some reason not approved by the Pentagon before granting of the F-15 contract and was found inadequate by the Civil Rights Commission.

By contrast, the new plan is said to be far-reaching, though details have not been announced. It offers targets for hiring and upgrading minority group employees among its thousands of workers. It proposes revised testing procedures and in-plant educational opportunities, with special counselors for individual employees. It suggests adult education work in communities surrounding the McDonnell plant. And it even subscribes to efforts to provide nondiscriminatory housing.

All this should in a space of time help interracial comity in this area and efficiency in the plant, apart from the straight economic benefit of the F-15 contract. But how different all these efforts toward upgrading employees, adult education and solution of housing problems are from making airplanes. To accept social responsibility, the modern corporation has to use its skill not only to make things but to help people, and it has to hire specialists in human as well as production problems.

This is a new era for the corporation as for the nation. Corporations such as McDonnell have a unique opportunity to lead in applying concentrated technical skill to the issues troubling the nation.

The F-15 And Fair Employment

McDonnell Douglas Corp. has made earnest efforts in the past to achieve fair employment policies. Intervention by the U.S. Civil Rights Commission in the F-15 contract should enable the company to do better in the future, and it should alert defense industry generally to the need for constant effort.

The Civil Rights Commission found that the Defense Department did not approve a McDonnell fair employment program before awarding the contract, as required by law, and that the program offered by McDonnell was "totally inadequate" in any case.

The Government has five requirements for equal employment programs submitted by federal contractors. One is for a staff adequate to recruit and train minority personnel; McDonnell was found not to have proposed any additional staff. Another is for identification of job openings and classifications and past practice, and the company program was said to have lacked these reports and tabulations.

A third requirement is for specific goals and timetables for hiring minority employes, with percentage targets where possible; here the commission considered the McDonnell plan only a statement of good intentions. A fourth requirement, for spelling out "affirmative ac-

tion," was not met with any commitment to new remedial or job training programs.

As for the fifth item—reports on progress—the company proposed reports on the distribution of minority personnel but not detailed data on referrals, placements, promotions and similar actions demonstrating whether non-discriminatory policy was being followed.

Behind the commission's concern for these details were broader considerations. McDonnell is the largest employer in Missouri as well as one of the largest defense contractors anywhere. Yet its proportion of black employes fell from 11 per cent in 1967 to 8.1 per cent more recently, as Negroes became victims of the seniority doctrine of "last hired, first fired." The commission also found evidences of discrimination in promotions.

All this can and must be corrected, as the commission insists and as McDonnell Douglas is now trying to do. It will not be an easy job, bringing minority group recruits into a highly technical aerospace production. It will require leadership not only from company and Defense officials but from union leaders as well. Yet the kind of competence that can produce an F-15 should be able to assure fair employment practices. We expect it will.

U.S. Clears McDonnell-Douglas of Bias Charges

N. Y. Times FEB 11 1970

WASHINGTON, Feb. 10 (AP)—The Pentagon decided today that the McDonnell-Douglas Corporation was complying with the Government's job opportunity requirements. The finding removed the threat of a loss of a multibillion-dollar contract held by the company.

The Defense Department said that Pentagon and company officials had reached an agreement on goals and quotas for the hiring of Negroes, after several days of negotiations in St. Louis, where the company is situated.

McDonnell-Douglas recently was awarded a major defense contract to build the Air Force's new F-15 fighter. But it was discovered later that the company had not undergone a required audit of its hiring program to make sure that equal opportunity provisions of Federal law had been met.

The United States Civil Rights Commission heard charges recently that McDonnell-Douglas discriminated

Ruling on Equal Opportunity for Employes Removes a Threat to F-15 Contract

against Negroes in hiring and promotion policies.

Pentagon officials, including secretary of the Air Force Robert Seamans Jr., went to St. Louis last week amid expressions of concern that McDonnell-Douglas would lose the F-15 contract unless the company came up with an acceptable hiring and promotion program.

Pledge Is Detailed

In a statement released by the Pentagon, the Deputy Secretary of Defense, David Packard, certified that McDonnell-Douglas had met the equal opportunity requirements.

The plan "pledges McDonnell-Douglas to vigorous new action to insure equal opportunity in recruitment, hiring, training, transfer and upgrading of all personnel," the Pentagon said.

Without giving any figures, the Pentagon said that the com-

pany had established targets for hiring and promoting Negro employes in certain job categories, including technical, professional, supervisory and management positions.

Training programs at McDonnell-Douglas also will be expanded to teach minority-group persons basic production skills, the Pentagon said.

Awards Preceded Rights Unit

The agreement also permits McDonnell-Douglas to seek open housing for minority group members working in the St. Louis area.

Some outstanding defense contracts, including the F-4 Phantom production award held by McDonnell-Douglas, were signed before creation of the Federal Civil Rights Commission.

The Pentagon did not say, but it appeared that McDonnell-Douglas may have been the focus of official concern to set an example for other defense contractors.

The F-15 contract, one of the biggest by the Pentagon in years, is expected to involve about \$7-billion in aircraft purchases in the 1970's.

Pentagon Approves McDonnell Job Plan

By EDWARD W. O'BRIEN
Chief of The Globe-Democrat
Washington Bureau

WASHINGTON. — The Pentagon gave approval Tuesday to an "affirmative action program" submitted by McDonnell Douglas Corp. of St. Louis for

McDonnell Satisfied . . . 5A

hiring, training and promoting Negroes, thus removing the threat of a possible loss of a multibillion dollar aircraft contract held by the company.

In a statement released by the Pentagon, Deputy Secretary of Defense David Packard certified McDonnell Douglas as meeting the equal opportunity requirements.

The plan "pledges McDonnell Douglas to vigorous new action to insure equal opportunity in recruitment, hiring, training and upgrading of all personnel," the statement said.

Packard said he welcomed "the prompt action" taken by the company and government representatives to resolve the

recently raised questions about equal-opportunity employment practices.

McDONNELL DOUGLAS recently was awarded a major defense contract to build the Air Force's new F15 fighter plane. The contract is one of the biggest by the Pentagon in years and is expected to involve about \$7 billion in purchases during the 1970s.

After the contract was announced, it was discovered that McDonnell Douglas had not undergone a required audit of its hiring program to make sure that the equal opportunity provisions of federal law were met.

The plan as announced by the Pentagon Tuesday was worked out in a week of negotiations in St. Louis and "is tailored specifically for the McDonnell Douglas plant there.

According to the Pentagon, the plan includes establishment by the company "targets for hiring or upgrading minority-group persons under certain job

categories, including technical, professional, supervisory and management positions."

A PENTAGON press spokesman said he does not know the exact figures in the "targets" nor could he say whether the "targets" are in fact quotas.

According to the Pentagon announcement, the company's "commitment" also includes "efforts to increase the availability of non-discriminatory, open housing for McDonnell personnel."

At recent hearings of the U.S. Civil Rights Commission, there were complaints that Negroes are largely excluded from new industrial jobs in St. Louis County because of the lack of suburban open housing.

"The company will offer expanded in-plant educational and training opportunities, including development of new learning processes and will require all supervisory and management personnel to attend regular meetings at which progress under the affirmative action will be discussed," the Pentagon said.

"SPECIAL COUNSELORS will be provided to assist individual employees in special development programs . . .

"The company also will continue to expand its training activities to prepare unskilled persons for gainful work in the aerospace industry, including programs of training and basic production skills, both through on-the-job instruction and in simulated work environments.

"In addition, the company has pledged renewed efforts to stimulate and support adult education in the surrounding community."

Some parts of the program, the Pentagon said, are to carry out an order issued by Labor Secretary George P. Shultz on Jan. 30, one month after the F-15 contract was awarded to McDonnell.

The order was intended to provide "equal opportunity guidance" for all defense con-

tractors. McDonnell's plan is the first to be developed under the order.

THE PENTAGON said it will "periodically re-evaluate" results under the McDonnell program.

Packard added that his department will "continue to insist" on attainment of equal opportunity goals as set forth last year.

The Defense Department said it is seeking not only "the moral intent of equal opportunity" but also adequate administrative machinery to produce full compliance.

Shultz' order has been criticized by Sen. Sam. J. Ervin Jr. (Dem.), North Carolina, as imposing "strict racial quotas" on all federal contractors.

Shortly before the order was formally issued, the senator said it will make the controversial Philadelphia Plan for minority hiring on government construction projects "look like small potatoes."

Ervin charged that the order had been drafted quietly on Nov. 20 but then was withdrawn when he heard about it in mid-January.

THE ORDER as interpreted by the senator requires companies to hire and promote Negroes in a ratio "based upon racial population."

According to Ervin, the Shultz order does not in itself set precise racial quotas as the Philadelphia Plan does, but instead requires federal contractors to "set even more severe standards themselves."

A copy of the order as reprinted in the Congressional record by Ervin requires contractors to establish "goals and objectives by division, department, location and job classification."

Rep. William L. Clay (Dem.), St. Louis, said he was told by the Defense Department Tuesday that McDonnell will have to hire 4,100 Negro employees in the next two years in St. Louis, in addition to the 2,000 now on company payrolls.

From Intelligence, Inc.
WASHINGTON, D. C. 20001

Front Page	Edit Page	Other Page
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ST. LOUIS, MO.
GLOBE DEMOCRAT

MORNING - 50¢, 53¢
WEEKEND - 5¢, 90¢

FEB 11 1970

From Intelligence, Inc.
WASHINGTON, D. C. 20001

Front Page	Edit Page	Other Page
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ST. LOUIS, MO.
POST-DISPATCH

E - 345,675
S - 531,591

FEB 11 1970

McDonnell Job Plan Approved By Pentagon

By TIMOTHY BLECK

A Washington Correspondent
Of the Post-Dispatch

WASHINGTON, Feb. 11—An affirmative action employment plan developed by the McDonnell Douglas Corp. was approved yesterday by the Department of Defense. The approval clears the way for implementation of the 7-7 billion-dollar contract for production of the F-15 fighter.

Pentagon officials gave details of the new agreement, but said that McDonnell promised to take "vigorous new action to assure equal opportunity in recruitment, hiring, training, transfer and upgrading of all personnel" at the company's plant in St. Louis County.

Development of the new employment program followed

warnings by Air Force officials that the F-15 contract might be canceled if McDonnell did not comply with federal guidelines.

Provisions in the agreement were worked out in a series of long meetings in St. Louis between representatives of McDonnell and the Departments of Defense and Labor. A Pentagon spokesman said the agreement was the first to be approved under stiffer orders established Jan. 30 by the Department of Labor's Federal Contract Compliance Office.

The Pentagon announcement yesterday did not indicate who was to blame in the failure to have an affirmative action program approved prior to the award of the F-15 contract to McDonnell last December.

It was apparent that the

agreement worked out between the Defense Department and McDonnell is far-reaching and broad in content. It covers virtually every facet of personnel relations at the plant, which has 33,000 employees.

Included in the agreement are provisions calling on McDonnell to extend its education and training programs to surrounding communities in the form of adult education. The firm also will make "efforts to increase the availability of nondiscriminatory, open housing" for its employees.

"Selection, placement, promotion, transfer and testing processes will be revised and continually measured and evaluated for equal opportunity results," the Pentagon announced. "The company will offer expanded, in-plant educational and training opportunities, including development of new learning methods and will require all supervisory and management personnel to attend regular meetings at which the progress under the plan will be discussed.

"Special counselors will be provided to assist individual employees in self-improvement programs.

"As part of the plan, McDonnell has established targets for hiring or upgrading minority group persons under certain job categories, including technical, professional, supervisory and management positions," it was said.

McDonnell now employs 2700 black workers, or 8.1 per cent of its total St. Louis work force. Layoffs in recent months have reduced the total from 4800 employees, or 11 per cent of the total employment.

The United States Civil Rights Commission, which is investigating the Air Force investigation of the F-15 contract award, has complained that McDonnell's policies toward hiring blacks were inadequate.

A spokesman for the commission said here yesterday that the Defense Department had not consulted the commission's staff in working out the McDonnell agreement.

The new employment plan would have to be studied before the commission would issue a comment, the spokesman said.

The official announcement of the agreement said that McDonnell "also will continue to

expand its training activities to prepare unskilled persons for gainful work in the aerospace industry, including programs of training in basic production skills."

This additional training would be given "both through on-the-job instruction and in simulated work environments," it was said.

The provisions in the agreement will be reviewed periodically, it was said. Deputy Secretary of Defense David R. Packard said he welcomed the prompt results of the inquiry into McDonnell's hiring policies, which started Jan. 30.

"I want to re-emphasize that the Department of Defense will continue to insist on attainment

of equal opportunity standards set forth in our human goals doctrine signed last year," Packard said.

James S. McDonnell, chairman of the aerospace firm, had a notice posted to all personnel in St. Louis which said:

"We have for many years been leaders in offering equal employment opportunity for all. However, our past achievements have bred some complacency and it is our duty to rededicate McDonnell, Douglas Corp. to a new, determined and sustained effort."

Responsibility of the new affirmative action program is being given to David S. Lewis, corporation president. A director of equal opportunity programs also will be appointed as well as a manager for each program throughout the plant, the company said.

McDonnell To Keep Hiring Plan

Secret

By a Washington Correspondent
Of the Post-Dispatch

WASHINGTON, Feb. 13 — The McDonnell Douglas Corporation's new plan for hiring and promoting Negroes is a good one, but details of it will not be disclosed at the company's request, a Pentagon official said yesterday.

Stuart Broad, the Department of Defense's chief negotiator in drafting of the plan, said the Department of Labor, which will oversee implementation of the plan, considered it the best it had seen.

Broad, director for equal employment opportunity in the office of Assistant Secretary of Defense for Manpower, discussed aspects of the plan with reporters at the Pentagon yesterday. He said he considered the secrecy justified.

The plan was approved by the Department of Defense Tuesday. It commits McDonnell Douglas to goals and timetables for placing Negroes in each of the 1626 job classifications at the firm's St. Louis County plant.

Broad said that numerical details would not be disclosed because they involved "proprietary information that might be classified as trade secrets."

Recruiting, Bargaining

Recruiting problems in the aerospace industry and collective bargaining considerations were involved in the withholding of details, he said.

"The contractor must make commitments beyond what he can make in public . . . there are a lot of elements to the program that the employer felt he could not make public at this time," Broad said.

Broad declined a request to explain the reasoning any further. He said that the Government was apprised of the goals and they would not be revised. They will be disclosed after the plan is fully implemented, he said. He said that federal officials would audit progress monthly.

The affirmative action plan was drafted after the Pentagon announced Jan. 30 that it was reassessing the award to McDonnell Douglas of the 7.7-billion dollar contract for production of the F-15 Air Force fighter, because no satisfactory affirmative action program had been approved before the contract was awarded.

Broad would not say whether the company had specified that it would reach a 10 per cent level of black employment as had been rumored.

He said that 8.3 per cent of the corporation's current work force was black.

Not Specific Enough

"There was no determination that 8.3 per cent is inadequate. The problem was that McDonnell's earlier affirmative action plan was not sufficiently specific in terms of federal regulations," Broad said.

He said there was no federal formula for employing minority groups. "It must be worked out with each contractor as we come to them," he said.

He said that numerical targets were accepted for each of the job classifications at the plant and that the availability of black workers in certain categories was considered.

"Availability is an aerospace industry problem," he said, in reference to certain job categories such as computer programmers and systems analysts.

Broad praised one element of the McDonnell Douglas plan—a \$1,000,000 learning program in which black workers will be

trained in aerospace industry skills.

No Commitment

He said the Defense Department had made no commitment to include the cost of the training program in its contracts to the company. He said that useful surplus government equipment, such as learning machines, probably would be supplied to McDonnell at no cost.

McDonnell plans to hire a firm to operate the training program, he said. The contract with the training firm would require payment commensurate with results.

He said the number of McDonnell employees would decline this year and next and would recover to the present level in 1972 when F-15 production is under way. The company is not expected to go above the present manpower level in producing the F-15, he said.

He said that no white employees would be dismissed to implement the plan.

The United States Civil Rights Commission that criticized employment practices at McDonnell Douglas has not seen the plan, Broad said. The commission does not have enforcement powers.

Clay Praises McDonnell For Plan To Hire Blacks

By TIMOTHY BLECK

A Washington Correspondent
of the Post-Dispatch

WASHINGTON, Feb. 27 — Representative William L. Clay (Dem.), St. Louis, a frequent critic of McDonnell Douglas Corp. employment policies, yesterday praised the firm's new program to hire and promote Negroes.

In a letter to David S. Lewis, president of McDonnell Douglas, Clay said that the program "clearly attests to the fact that McDonnell Douglas intends to strike new ground in the name of equal employment opportunity."

The program was prepared by McDonnell Douglas and approved by the Department of Defense earlier this month. It was drafted after the Government had said that it might reconsider the award of the 7.7-billion-dollar contract to manufacture the Air Force's F-15 jet fighter because the company lacked an approved equal employment program.

Clay said that the new program "given the same energy and attentiveness as evidenced in its design, can assure mem-

bers of the minority race a fair representation at all levels of employment and policy-making at McDonnell Douglas. I am satisfied that the project goals are not devised as mere aspirations — but as objectives which will be pursued with dispatch in accordance with a predetermined timetable established in the program."

Clay had written to the firm late last year accusing it of discriminatory hiring and promotion policies.

The United States Commission on Civil Rights, which also criticized the company's employment practices, still has the new plan under study.

The Government has followed McDonnell Douglas's request that numerical details of the plan be kept confidential, though some copies of it have been distributed in Congressional and other offices, including the Department of Labor, the Civil Rights Commission and the Department of Defense.

Pentagon Mum On Negro Hiring For McDonnell

By Associated Press

WASHINGTON — The Pentagon asserted Thursday that the number of Negroes hired by a defense contractor to meet federal employment standards cannot be disclosed because it represents a "trade secret."

Stuart C. Broad, a defense manpower official, said the Pentagon has taken this position in connection with an equal employment opportunity agreement reached with McDonnell-Douglas Corp.

THE ST. LOUIS firm was threatened two weeks ago with possible loss of a multi-billion dollar contract to build a new Air Force fighter after the Civil Rights Commission received complaints that the company was hiring too few Negroes.

Broad said the number of Negroes to be hired by McDonnell-Douglas will, under the new job plan, increase the present 8.3 per cent Negro proportion of the company's 33,000 employees.

But he refused to disclose the higher number or percentage which the company is being given one year to achieve.

Broad said such information is considered "proprietary" and the withholding of it is necessary to the success of McDonnell-Douglas's new hiring program.

BROAD referred to certain problems the company would encounter if this type information was released but he declined to say what these problems were.

In reply to questions he said the problems did not involve union opposition or the possibility that defense contractors might have to pirate Negro executives to increase minority group representation in their work forces.

The Pentagon, Broad said, is "strongly convinced" that McDonnell-Douglas as well as other defense contractors seeking to comply with equal opportunity requirements would be unable to "commit himself to the extent we require" if hiring plans are released publicly.

Public Safety, Inc.
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Title	Rate	Other
Page	Page	Page

ST. LOUIS, MO.
POST-DISPATCH

E - 345,675
S - 531,591

FEB 27 1970

ST. LOUIS, MO.
POST-DISPATCH

E - 345,675
S - 531,591

MAR 13 1970

Hiring Proposals At McDonnell

Administrative changes at McDonnell Douglas Corp. in line with a policy of hiring more Negroes have been outlined by the company.

McDonnell Douglas announced an "affirmative action program" in February after criticism of hiring practices by the United States Civil Rights Commission. The criticism followed the awarding of a 7.7-billion-dollar contract for production of the F-15 jet fighter plane.

The commission presented questions to the Pentagon in Washington after hearings in St. Louis.

General terms of the new plan were announced in Washington, but details were withheld pending publication of a booklet summarizing the program. The booklet was made public today.

About 8 per cent of the plant's staff of about 33,000 employes were reported to be Negro when the study was made.

James S. McDonnell, chairman of the board of the corporation, told the employes in a general memorandum Feb. 10 that responsibility for the new program had been assigned to David S. Lewis, president and chief operating officer.

"A corporate director of equal opportunity programs will be appointed, reporting to the corporate vice president-personnel," McDonnell said. "We are counting on all management and supervisory personnel to supply enlightened and inspiring leadership in support of this policy."

The company introduced its booklet by saying: "The McDonnell Douglas Affirmative Action Program is a new and detailed plan to help the company make more effective its determination to offer equal opportunity for all."

It promised equal employment opportunity in all policies affecting recruiting, hiring, transfers, promotions, compensation, training, layoff and recall practices, and other benefits.

"These will be administered," the company said, "without regard to race, creed, color, national origin, sex or age, except where sex or age is a valid occupational qualification."

Company officers have declined to specify the number or percentages of Negroes to be employed or promoted within the huge work force, but McDonnell made it clear that he proposed to clear the way for advancement.

Training programs are to be expanded in the job of clerk-typist, in basic production skills, courses in adult education, training for the job of assistant foreman and for administrative trainees.

The booklet said further: "Another approach of the upgrading program is to have 80 per cent of those lower-skilled category employes who do not now have the equivalent of a high school education achieve that level within five years."

The company committed itself to a five-year program of upgrading employes from the lowest labor grades, such as service workers and laborers, the objective being "to train a substantial number of such persons each year so that they may qualify for placement in higher job categories requiring more skill."

The company's program was approved by the Department of Defense last month.

By a Washington Correspondent of the Post-Dispatch

WASHINGTON, April 4 — McDonnell Douglas Corp. has told the Federal Government it will hire about 570 Negroes and promote about 175 others by March 1, 1971.

The goals are part of the corporation's plan to provide Negroes with job opportunities. The plan was approved in February by the Department of Defense. It was required before the Pentagon would give final approval of the 7.7-billion-dollar Air Force F-15 fighter plane contract.

McDonnell Douglas has refused to release statistics for the plan. The Post-Dispatch has obtained some details from other sources.

Earlier Figures

At the time of the plan's adoption this year, McDonnell Douglas employed 2759 minority group members — almost all of them Negroes — at its St. Louis County plant. They constituted 8.3 per cent of McDonnell's 33,172 total work force.

If McDonnell's work force remained stable and the additional Negroes were hired, minority group members would constitute about 10 per cent of the entire work force.

However, McDonnell officers have said, the firm will be in a declining employment period through 1974, despite the F-15 contract.

Minority group members make up 14.3 per cent of the St. Louis area population.

The peak for minority employment at McDonnell was in June 1967, when the firm was at one of its highest employment periods. There were then 4814 Negroes — 11 per cent — at McDonnell in a work force of 43,989.

Union Rules

McDonnell officers attribute the decline in Negro employment to union seniority rules that are part of the corpora-

tion's collective bargaining agreements. Negro personnel, they say, fell victim to the "last hired, first fired" pattern that is the result of such a system.

The same union rules prevent a more extensive Negro hiring plan, company officers told the Government, because most of the over-all reduction in the near future at McDonnell Douglas will be borne by union-represented personnel. Such layoffs are accompanied by call-back rights.

Thus, most of the increase in Negro employment will be concentrated nonunion positions. For example, in the corporation's manufacturing division, there will be about 135 nonunion openings through normal attrition before March 1, 1971. Of these, 96, or 71 per cent, are to be available to Negroes.

The corporation has pledged in its equal opportunity plan to review all union clauses to make certain that no provisions discriminate against Negroes.

The plan says: "If any contractual provisions now or at any time in the future fail to ensure equal opportunity for all personnel covered by these contracts, the company will start to negotiate at once with the unions concerned to reach agreement that such contractual provisions be eliminated. . . ."

A \$922,000 training program being undertaken by the firm is intended to accelerate the promotion of Negro personnel.

The company has said that another obstacle in the implementation of a more extensive equal opportunity plan is the scarcity of Negroes trained in technical skills required at the plant.

One of the criticisms made by civil rights groups and government agencies is that there are few Negroes in upper-level job categories at McDonnell Douglas.

The company hopes to hire 35 Negro engineers before next

March, but it described in its plan the difficulties of attaining such a goal.

It said only 300 Negro engineering students were graduated in the nation last year. The availability of new black engineering graduates to McDonnell Douglas was said to be further limited because many of these graduates were drafted, went to graduate school, were foreign nationals who returned home or were trained in engineering skills that were not applicable to the manufacture of airplanes.

Three hundred companies were said to be in competition for the 20 engineering graduates at all-black Tuskegee Institute last year.

For its highly skilled astronautics division, where technical employes generally are college graduates with three or more years of experience, the corporation has resolved to undertake a national search for black technicians. They would fill 18 per cent of the total openings expected. About 30 blacks are to be hired for or promoted to the division.

McDonnell's corporate offices now are manned almost exclusively by white senior executives with long service in the McDonnell and Douglas aircraft firms, which were merged to form McDonnell Douglas. The company has resolved to aggressively seek minority employes as an example for the operational branches of the corporation.

Specific numerical goals have been established for each division of the corporation. In the marketing division, for example, only four openings are expected but two will be for Negroes.

The corporation has about 175 blacks among its more than 3500 professional and technical employes. It has 467 blacks among 6390 office and clerical workers. The percentage of black employes is highest in the

basic labor force — 1742 of a total of 12,328.

The corporation's plan has been praised by the Department of Defense and by Representative William L. Clay (Dem.), St. Louis. Clay had been critical of McDonnell's black employment figures.

The United States Commission on Civil Rights, which played a prominent role in requiring adoption of such a plan, has not decided whether to issue a public statement on it.

McDonnell Job Force Plan

EPILOGUE

The foregoing material speaks for itself, with no further comment needed on its basic message—that change can be accomplished through the vigorous enforcement of existing law.

The United States Commission on Civil Rights has issued several other publications that deal with the subject of equal employment opportunity and limited copies are available through the Office of Information and Publications, U.S. Commission on Civil Rights, Washington, D.C. 20425. Additional copies may be ordered through the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

These publications are:

Employment Testing: Guide Signs, Not Stop Signs. Examines job testing procedures as measurements for nondiscriminatory hiring; evaluates their possible dangers; suggests possibilities

for alternate techniques; and reports on successful efforts by industry to reform the test. Prepared for the Commission by Myron Kandel, editor of the *New York Law Journal*. 1968. 30 pp. \$0.20. CHP No. 10

Who Will Listen? A brochure containing information on where and how to file complaints involving alleged violations of civil rights. 1968. 16 pp. \$0.20. Spanish version “¿Quien Le Oira?” is available at Commission. CHP No 14.

Jobs and Civil Rights (With Supplement). A research paper prepared for the Commission under the direction of Richard R. Nathan, then research assistant at the Brookings Institution. Examines the implementation of policies of the Federal Government to provide equal opportunity in private employment for members of minority groups. Supplement contains official correspondence, staff memorandum, and staff testimony before an ad hoc committee of the House of Representatives. 1969. 324 pp. \$2.50

Supplement—44 pp. \$0.70. CHP No. 16.

Equal Employment Opportunity Under Federal Law. A current version of the Commission's Clearinghouse Publication No. 5 which presents an up-to-date guide on Federal Law prohibiting discrimination on the basis of race, color, religion, or national origin in public and private employment. Gives detailed information on procedures for filing complaints of alleged discrimination. 1969. 39 pp. \$0.25. CHP No. 17

For ALL the People . . . By ALL The People. A qualitative and quantitative survey of minority group employment in State and local government indicating a national responsibility for making a government for all the people a government by all the people. Based on material gathered by Commission staff in seven representative metropolitan areas throughout the country. Includes recommendations for corrective action. 1969. 291 pp. \$1.50. Catalog. No. CR 1.2: P39

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