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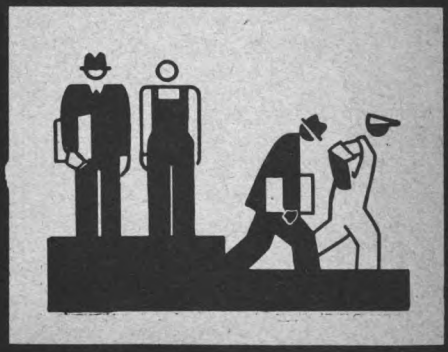
WILL NEGROES GET JOBS NOW?

BY HERBERT R. NORTHRUP



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WILL NEGROES GET JOBS NOW?

By HERBERT R. NORTHRUP

NEGROES have more at stake than any other group in the job outlook for the next few years. They made great gains during the war. For the first time many of them have known what it is to have enough food for health and a little extra money for recreation. Having tasted the good things of life, they are doubly anxious about their future.

Herbert R. Northrup, Ph.D., formerly instructor in Economics at Cornell University and Senior Hearing Officer at the Regional War Labor Board in New York, is Visiting Lecturer in Economics at New York University and author of the book, *Organized Labor and the Negro* (Harper and Brothers, 1944).

Mr. Northrup has drawn material for this pamphlet from estimates by John Davis, Chief of Research Division, FEPC; the study, *Providing For Unemployed Workers in the Transition,* which was prepared by Richard A. Lester for the Committee for Economic Development; the article, "The Impact of the War on the South and the Implications for Postwar Developments," by D. S. Lasseter; and other sources listed on page 31.

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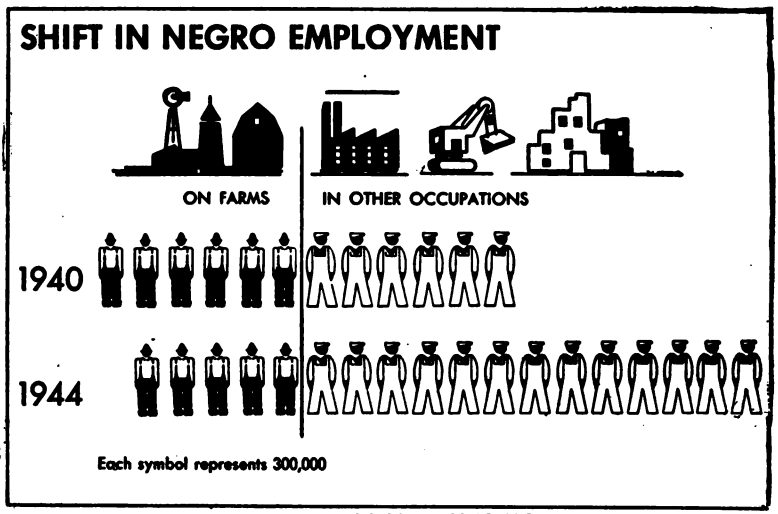
How will Negroes fare in the years to come? Will they hold their wartime gains or sink back to the conditions of poverty that prevailed before the war? The situation is far from promising. Not only have Negro



workers been concentrated in the industries that were devoted exclusively to war munitions, but as a group they had the least seniority in war plants. They will have the most difficulty in finding new employment. And they are concentrated in areas, particularly the South, and in war production centers such as Detroit where reconversion problems are the most difficult. Taking all these factors into account, it has been estimated that Negro unemployment may exceed one million.* These figures are rock bottom. They assume that a satisfactory program will be developed to care for those who are temporarily un-

*Estimates based on study by John Davis, Chief of Research Division, FEPC.

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employed during the reconversion period. If no such program is undertaken, Negro unemployment may grow progressively worse. As we shall see from the following pages, Negroes stand in grave danger of losing the bulk of their wartime employment gains.

NEGRO LABOR DURING THE WAR

DURING the war all America, including the Negroes, enjoyed the benefits of full employment. Nearly ten million more persons sought jobs than ever before. This increase was, however, more than offset by the entrance of 11,000,000 men and women into the armed services. In July, 1944, the total labor force, including those in uniform, stood at 66,600,000—more than 7,000,000 in excess of what it would have been if war had not come.

The majority of the new workers—an estimated 5,500,000—were women. But Negroes also made spectacular gains. For not only did we have 2,000,000 additional Negro workers, but the type of jobs held by Negroes changed drastically, a fact which is of great significance for the postwar period.

Of the 2,000,000 additional Negroes, almost one-half were found in various branches of the armed services. Approximately 1,000,000 took new jobs after 1940, bringing the total of Negro civilian employment to a peak of 5,500,000. This included slightly more than 2,000,000 Negro women.

From Farm to War Plant

The most spectacular shift in Negro employment was from farm to war plant. In 1940, approximately one-half of all Negroes worked on farms; in 1944, less than

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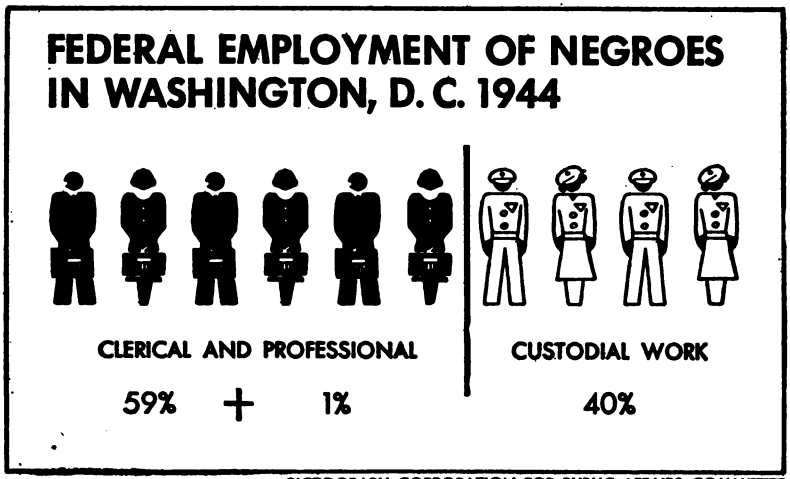
one-third were so employed. In round figures, about 300,000 Negroes left agricultural pursuits for the factory. Nearly all these farm migrants came from the South.



Negro employment in war plants rose steadily, especially after early 1943, when the manpower shortage began to become acute. By January 1, 1945, approximately 700,000 Negroes—roughly 7 per cent of the total—were employed in the manufacture of such vital war products as ammunition, ships, aircraft, communication equipment, and basic metals.

Inside industry the position of Negro workers also improved substantially. Between 1940 and 1944 the number of Negroes employed as skilled craftsmen and foremen doubled, as did the number engaged as "operatives" (those performing the basic semiskilled factory operations). The total in both groups rose from 500,000 to 1,000,000.

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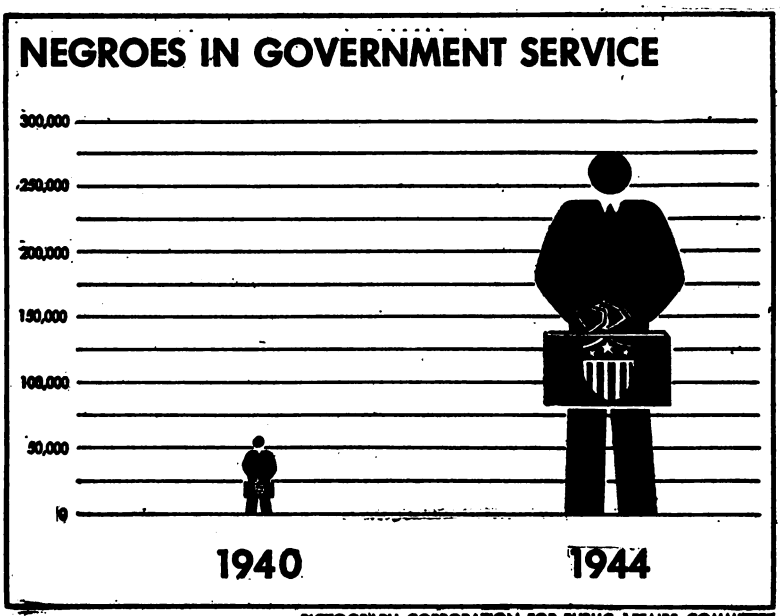
Gains for Negro Women

Negro women shared in these gains. The total number of Negro women employed in factories increased by one-third. In 1940 fewer than 3,000 Negro women were employed in industries which later engaged in the manufacture of basic articles of war. Four years later fifty times as many held jobs in these industries.

In Government Service

Special mention should also be made of government service. At the beginning of the defense program fewer than 60,000 Negroes were employed in government agencies. The number had increased to 275,000 by April,



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1944. This was nearly 12 per cent of all federal workers. Moreover, within the government service Negroes held all kinds of jobs, including many positions of responsibility, instead of being confined to menial jobs as they had generally been before the war. About 59 per cent of the Negro federal workers in Washington were clerical, 40 per cent custodial, and 1 per cent subprofessional or professional. The gains in the clerical field were particularly impressive.

Still Far from Equality

As noteworthy as the advances of Negroes were, they should not be exaggerated. *The basic reason why Negroes gained so much is that they had so far to go.* And it should be stressed that even at the height of the war program, they never had as good a chance at jobs as whites.

Consider these figures! In 1940, one Negro man in every five was employed as an unskilled laborer. Despite their great occupational advancement, this ratio still held true in 1944. The number of Negro men working as proprietors, managers, and officials increased 50 per cent in this four-year period. Yet in April, 1944, less than 75,000 Negroes were found in these upper brackets. After four years of war, over 98 per cent of the clerical and sales force in the country were still white, while 95 per cent of the professional, proprietary, and managerial group also remained white.

The situation was similar for Negro women. Despite their advances, seven out of every ten employed Negro women were in service occupations in April, 1944. True, the number of Negro women working as proprietors, managers, or officials tripled; those working as saleswomen almost doubled; and those engaged as clerical workers rose to a number five times as great in 1944 as

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in 1940. But the actual numbers were so small that it made little difference in the picture as a whole.

In government service, moreover, Negroes made their greatest gains in the navy shipyards, army munitions depots, arsenals, and air fields. This is precisely the part of the federal service that is cut the most drastically in peacetime.

Adding it up: The end of hostilities found Negro workers in a substantially improved economic position over their prewar status in both the quantity and the quality of jobs held. But it also found Negroes at the bottom of the economic pyramid, still concentrated in the lowest paying jobs, still far from having reached their goal of economic equality, and in imminent danger of having many of their wartime gains wiped out.

JOBS FOR ALL AFTER RECONVERSION?

ONCE reconversion has been completed, what are the prospects for full employment? To Negroes, this is a vital question. They know that we shall have to have jobs for everyone if they are to have an opportunity to recover from their losses during reconversion. Or, to state it a little differently, they know that if race prejudice is to be kept down and if discrimination is to be curbed successfully, jobs must be provided for all men and women who are able and willing to work. Depression and mass unemployment contain the germs of fascism, with its poisonous race hatreds.

According to the best estimates, full employment will involve at least 56,000,000 jobs. The total labor force will be more than 61,000,000, but 2,500,000 will probably still be in the armed forces and at least 3,000,000 will always be unemployed because of unfitness for work or

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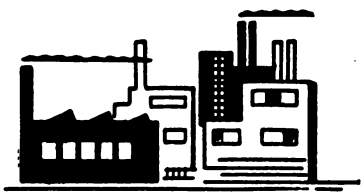
seasonal layoffs, or because they are in the process of changing jobs.

12,000,000 New Jobs!

To employ 56,000,000 persons, private industry must provide jobs for 12,000,000 more workers than it did in the relatively prosperous year of 1940. Those who feel that this can be accomplished point to the tremendous backlog of demand for residential houses, automobiles, refrigerators, radios, and other important job-creating goods. They point also to the backlog of maintenance and equipment repairs, to the huge areas in Europe that must be rebuilt, and to the possibilities of new industries rising to the fore as the automobile industry did during the 20's.



If all these bright prospects come true, perhaps private industry can do the job. Yet as a result of technological progress industry can produce more goods with fewer workers than before the war. And many economists believe that some government spending will be necessary in order to make sure that consumers have enough money to buy all that we can produce.

THE OUTLOOK FOR NEGROES IN PARTICULAR INDUSTRIES

THE outlook for Negro labor differs considerably from industry to industry. In some, the prospects for continued employment of Negroes is quite good; in others, the situation is less heartening.

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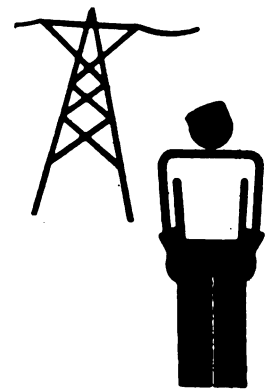
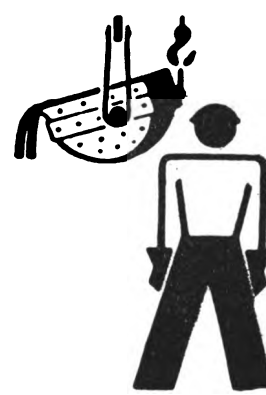
Electrical and Communication Equipment

Outstanding among those in which the prospects are good is the electrical, radio, and communication equipment manufacturing industry. Before the war few Negroes were found in plants making these articles, but during the war this pattern was completely reversed and thousands of Negroes have been employed. Negro employment has been encouraged by such large companies as Western Electric, and by the policies of the United Electrical, Radio and Machine Workers, C.I.O. As most of the employees in this industry are women, and as the industry is an expanding one, there is a comparatively small problem of layoffs because of returning veterans or reconversion cutbacks. Consequently, Negro employees in this field are likely to hold a large portion of their wartime gains.



Iron and Steel

The iron and steel industry provides us with an example of an industry in which the proportion of Negroes has not altered greatly since the war. Negroes have been an important factor in the labor force of the industry since World War I, and today they comprise nearly 10 per cent of all iron and steel workers. Although Negroes have always been concentrated in the



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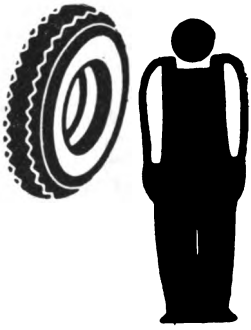
common labor jobs, there have always been a number of Negroes in the top-paying steel production jobs. The war brought an increased number of promotions for Negroes to these top jobs. Partially responsible for this improvement is the United Steelworkers, C.I.O., an organization in which Negroes have played a prominent role. After the war, the demand for steel products for building construction and for durable consumer goods, such as automobiles and refrigerators, is likely to be heavy. Consequently, Negro steel workers should be in a favorable position during reconversion and afterwards.

Rubber

The situation in the rubber industry also failed to change much during the war. But it is quite different from the iron and steel industry. Although at one time Akron employed a high proportion of Negroes, there were not many Negro rubber workers at the outset of the war. The employment of Negroes has increased considerably since then, but remains largely confined to menial work, such as sweepers, or to the more undesirable production jobs. The number of Negroes upgraded to better jobs has been small. And most of these have little seniority and are likely to be displaced by returning veterans. Thus, the postwar gains will be unimportant.



In synthetic rubber plants, Negro employment is higher and there will be few returning veterans, since the industry is a new one. No one knows, however, how long or to what extent the synthetic rubber industry will remain in operation after reconversion.

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The Building Trades

Most authorities are confident that the building and construction industry is headed for a boom similar to that which occurred after the last war. Whether Negroes will share in this prosperity is, however, debatable. Besides being employed as unskilled building laborers, Negroes have a long tradition, dating back in the South to slavery days, of being used as skilled building craftsmen. Before the war, 50 per cent of all skilled Negroes were building mechanics. Nevertheless, the Negro's position in the industry is by no means secure. As a result of the discriminatory policies of some of the building craft unions, Negroes have been steadily losing out as skilled building craftsmen for the last forty years. They might have been driven entirely from the industry in many localities if, in 1936, the federal government had not required that Negroes be given their fair share of jobs on all federally financed construction. This policy must be continued on all public-works projects if Negroes are to share in the expected building boom.



Transportation

In no industry is the future of Negroes less promising than in railway transportation. The number of Negro trainmen and locomotive firemen has already been reduced by the anti-Negro policies of the Railroad Brotherhoods. Negro Pullman porters and dining-car waiters are likely

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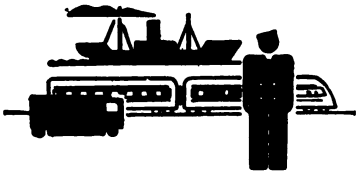
to suffer as a result of declining railroad passenger traffic. And Negro laborers in the railway shops and the maintenance-of-way departments will continue to be displaced by improved machines.

The situation in other forms of transportation varies. The airlines have never employed Negroes except as porters. Whether they will give the Negro Army Air Force men, who have performed so well in combat, an opportunity to use their newly acquired skill remains to be seen. In automobile trucking, Negroes have made some gains which may be held, but they have not broken into the better paying over-the-road and delivery trucking jobs. Prior to the war, one-third of all longshoremen and dock laborers were Negroes. Undoubtedly, a major share of this tough, hard work will continue to be performed by colored labor. Assisted by the National Maritime Union, C.I.O., the proportion of Negro seamen has increased substantially. These gains may be held if the United States, as now seems likely, maintains a large postwar merchant fleet.



Shipbuilding

We come now to the three industries—shipbuilding, aircraft, and automobiles—which manufactured some of the most vital war materials. They necessarily have the most critical reconversion problems.

In March, 1940, only 150,000 workers, 7 per cent of them Negroes, were employed in shipyards. Four years later, shipyard employment reached 1,700,000 workers. One out of every ten among these were Negroes. Even with the necessity of rebuilding our merchant fleet and

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maintaining a large Navy, it is difficult to imagine a postwar shipyard labor force in excess of 500,000. Whether Negro employment will decline more than proportionately depends on a number of factors. For example, the chances for high Negro employment are much better if the shipyards in the East remain open and those in the West close, than if the reverse happens. For in the East, the Marine and Shipbuilders' Union, C.I.O., and employers such as the Sun Shipbuilding Company, Chester, Pennsylvania, and the Newport News Shipbuilding Company, Newport News, Virginia, have led the way in using Negro labor. On the West Coast, however, the dominant labor union is the Boilermakers and Shipbuilders, A. F. of L., which confines Negroes to "Jim Crow" auxiliaries and opposes their employment. As a result, Negroes were the last hired in the Pacific yards, and the first laid off.

Even assuming that Negro shipyard employees are being released without discrimination, more than 100,000 will be included among the 1,000,000 shipbuilding employees who will be laid off. Reconversion of this industry thus creates a major unemployment problem by itself. Yet the airplane industry faces an even severer situation.

Aircraft

In March, 1940, only 100,000 employees were engaged in the aircraft industry. Since the industry had what the magazine *Fortune* termed "an almost universal prejudice aganist Negroes," it is not surprising that less than 250 of these workers were Negroes. In March, 1944, more than 2,000,000 workers, including 125,000 Negroes, were working in aircraft factories. But the future of Negro aircraft workers is not promising. Aircraft employment will decline to less than 40 per cent of its wartime figure.

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In addition, the industry must make provision for 200,000 of its former employees who joined the armed services. As the last hired group, Negroes will be the first to go. Few are likely to remain.

Automobiles

The converted automobile industry faces a problem similar to that of shipbuilding and aircraft. Prior to the war, automobile plants employed 600,000 workers; during the war these same plants, exclusive of new establishments such as the Ford Willow Run Bomber plant, had 1,000,000 employees. Before the war, Negro automobile employment numbered about 25,000. Then it tripled. Moreover, thousands of Negroes were upgraded to the better paying jobs from which they had been excluded prior to the war.

Postwar automobile employment has been estimated at a maximum of 750,000. Although Negro auto workers will probably be in a substantially better position than they were in 1940, they face the prospect of considerable unemployment and downgrading from their wartime peak.

THE SOUTH IN WAR AND RECONVERSION

WHAT of the South? In 1940, no less than 70 per cent of all Negroes dwelt in the eleven states of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia. But 300,000 of these Negroes left the South for the war production centers of the North and West. Although few of these migrant Negroes will return to the South, that area remains the center of Negro population.

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What has happened to the southern economy and what will happen after reconversion are, therefore, of utmost importance to Negroes.

Wartime Gains

We are indebted to Mr. D. B. Lasseter, of the Atlanta, Georgia, Regional Office of the War Manpower Commission, for an excellent summary of what war orders meant to the South.* He points out that wage payments in the region more than doubled between 1940 and 1943. Average weekly wages increased from $18.60 to $30.73. Although long hours and overtime pay account for some of these gains, the bulk was due to the establishment of new war industries in the South. Contrary to popular belief, the South was not neglected in the placing of war contracts. More than $7,000,000,000 in prime contracts had been let by the end of 1943 in the six states of Alabama, Florida, Georgia, Mississippi, South Carolina, and Tennessee alone! But the future is far from reassuring. As Mr. Lasseter comments:

> At first glance, these factors appear as bright prospects, but there is ample cause for anxiety lest this war-inspired prosperity prove only temporary. For while industrial activity and facilities have increased tremendously, there will be great difficulty in maintaining these gains after the war. When the shooting is over the plants responsible for the current boom will shut down entirely, or production will be sharply curtailed. And a glance at the record shows there is a heavy concentration of this type of industry and activity. The South is packed with Army camps, and shipbuilding, airplane, and munitions plants further account for much of our industrial development. None of these offers a rosy future as a peacetime investment.

*See page 31 for complete reference.

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Soon the army camps, cantonments, supply depots, and the like, which now dot the South, will be abandoned. Thousands of workers will be released from shipyards and airplane and munition plants. Many such plants will close down entirely. Boom towns, such as Pascagoula, Mississippi, where the people working in one shipyard outnumbered the prewar population, will quickly lose their inflated population. The South faces a grave readjustment. Having had its first taste of prosperity resulting from increased industrial activity, it is slated to lose the source of this prosperity.

Negroes Handicapped

Where does the Negro fit in this picture? Despite the shortage of labor in southern war industries, Negro labor has not been made use of to the fullest extent. It is true that the situation improved after the summer of 1943. Many southern shipyards and airplane plants which employed no Negroes whatsoever prior to that date, later employed many. But Negroes continued to be restricted to common labor. Eventually most of the gains made by Negroes will probably be lost.

If during the reconversion period any such unemployment occurs in the South as occurred during the Great Depression of the 30's, the Negro in the South may pay a fearful price. During the dark days of the depression, Negroes lost not only many jobs for which they traditionally competed with whites, but also many others that had always "belonged" to them, particularly in the service trades, such as bellhopping or street cleaning. This may happen again unless adequate safeguards are devised to protect the Negro war workers and veterans who choose to remain in the South during and after the reconversion period.

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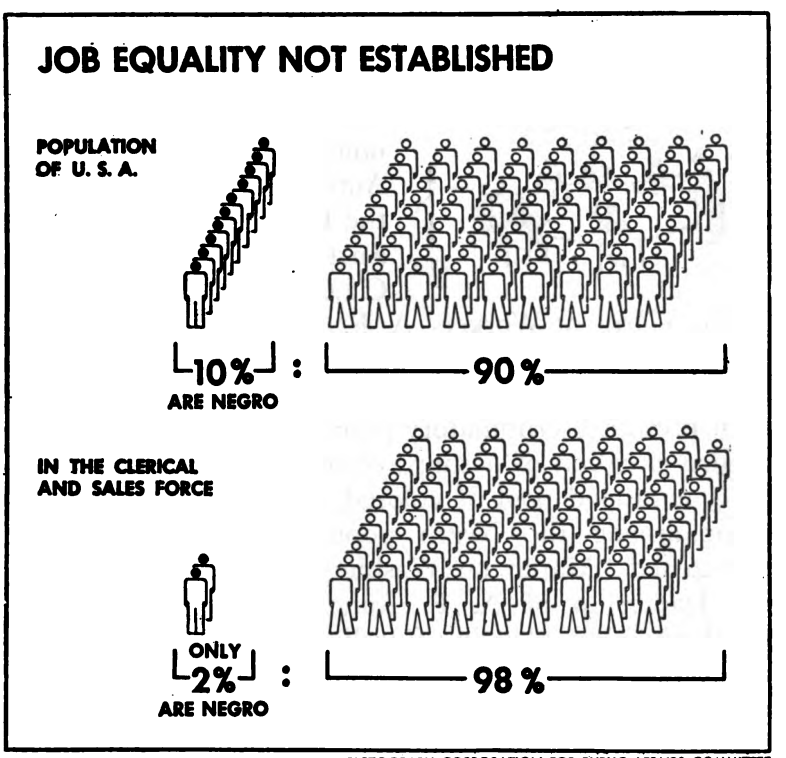
FAIR EMPLOYMENT PRACTICES

IF prosperous industries and regions can make up for depressed ones, so that private industry can provide full employment, the economic position of Negroes will, of course, be greatly improved. But although full employment is essential, our experience during the war shows conclusively that discrimination does not entirely disappear just because there is a labor shortage. Consequently,



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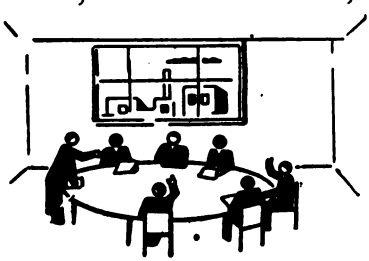
if Negroes are to receive a square deal in employment opportunities in the future, we shall need to continue and strengthen the measures for fair employment practice that were set up during the war.

Setting Up the FEPC

Wartime measures for fair employment practice grew out of a crisis which developed early in 1941. At that time, it first became apparent that the defense program would result in a shortage of white labor and that Negro labor would have to be utilized more fully than ever before. Some employers, for example, International Harvester, Western Electric, and Briggs Manufacturing, took early steps to train and employ large numbers of Negroes. Likewise, certain unions, such as the United Automobile Workers, C.I.O., the United Electrical, Radio and Machine Workers, C.I.O., and the International Ladies Garment Workers, A. F. of L., pushed their campaigns to obtain more and better jobs for Negroes. Many other employers and unions, however, refused to alter their prewar discriminatory practices. This resulted in the absurd situation of a shortage of workers, yet an available, untapped pool of colored labor. Mounting resentment among the Negro population, climaxed by a threatened "March on Washington" by Negroes under the leadership of A. P. Randolph, president of the Brotherhood of Sleeping Car Porters, plus growing concern among government officials about the lags in the defense program caused by the failure to use Negroes, resulted in the intervention of President Roosevelt. In



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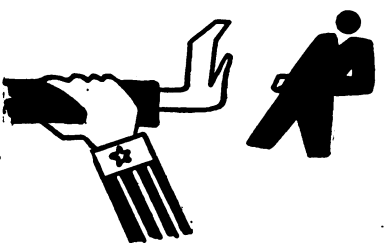
June, 1941, he issued Executive Order 8802, which "reaffirmed" the national policy of nondiscrimination because of race, color, creed, or national origin, and which created the Fair Employment Practice Committee to administer the Order.

The authority of the FEPC was not based on statute but was derived from the vast war powers of the President. Nevertheless, in many localities with the help of the U. S. Employment Service, considerable success was achieved in obtaining compliance with the Executive Order. Thousands of Negroes received employment or moved up to better jobs after the FEPC intervened.



Difficulties Faced by the FEPC

In many cases, however, the FEPC was unable to secure the fulfillment of its orders. This was particularly true in the South. And it was especially true when unions as well as employers were involved, as in the southern railway cases, where discrimination by the Railroad Brotherhoods was the main complaint. In such cases, compliance could apparently only be obtained if the President had the Army or another federal agency take over the affected properties and put the FEPC Order into effect. Such drastic action occurred only in the Philadelphia Transportation Company matter, and then not until former leaders in an independent union instigated a strike in an attempt to prevent eight Negroes from being upgraded to motormen's jobs.

Since the FEPC did not have enough authority during wartime to carry out all its functions, a postwar agency

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charged with similar duties obviously must have stronger powers if it is to succeed in curbing discrimination in employment. This could be accomplished by either of two methods: (1) amending the National Labor Relations (Wagner) Act and the various state "Little Wagner" acts to provide that discrimination by either employers or unions because of race, color, creed, or national origin is an unfair labor practice forbidden by law; or (2) creating permanent national and state Fair Employment Practice Commissions to administer Fair Racial Practice Acts, and providing these commissions with powers similar to those possessed by the National Labor Relations Board so that they can petition the courts to enforce their directives.

Antidiscrimination in the Wagner Act

The first method has many advantages. The problem of discrimination in employment, whether committed by employers or by unions, is essentially a problem of labor relations. The National Labor Relations Board is fully equipped and thoroughly experienced in handling such problems, and the Wagner Act is more easily enforced than vague antidiscrimination laws. In such industries as railway transportation, in which the NLRB has no jurisdiction, authority could readily be granted to it over discriminatory practices by further amendment to the Wagner Act. Efficient curbing of discrimination could thus be effected at little expense and without adding to the administrative complexity of the government.

It is probable, however, that such antidiscrimination laws as are enacted to govern employment relations will be administered by newly created agencies. Bills to create permanent Fair Employment Practice Commissions were introduced in 1945 not only in Congress but in several

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state legislatures, including Ohio, California, New Jersey, and Massachusetts. In New York State, a law was enacted after several years' study. It prohibits discrimination in employment by employers or unions because of race, color, religious creed, or national origin, and established a five-man Fair Employment Practice Commission to administer the act. The commission may apply to the courts for enforcement of its orders, and its orders are subject to court review. The New York act is well written and provides the basis for an important experiment in the feasibility of ending discrimination in employment by legislative action. Undoubtedly, the future of anti-discrimination legislation of this character will depend to a considerable extent on the experiences of New York State's new Fair Employment Practice Commission.

Other Suggestions to Combat Discrimination

If the federal and state governments intend to enforce a code of fair employment practice on private industry and unions, they should adhere rigidly to a similar practice in their own operations. Continued provision can be made for the employment of Negroes on public-works projects similar to the provisions contained in federally financed housing contracts which were let between 1936 and the present date. Adequate safeguards can be provided to insure that Negroes are treated without discrimination by all the federal and state agencies that dispense social services. In the past, such equal treatment has not often been adhered to, especially in the South. In public employment there should be no discrimination. The example set by governmental agencies in such matters is of great importance in influencing the conduct of others.

Groups outside the government can also be of real assistance in the fight against discrimination. Local and

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state organizations can sponsor educational programs designed to encourage good feeling between races and to expose race-hate propaganda. Other unions and industries can follow the example of the United Automobile Workers, C.I.O., which has established a fair employment practice committee of its own to police discrimination within its jurisdiction.

On the other hand, it would seem best to avoid some of the so-called "remedies" suggested by certain unions and Negro organizations. Most prominent among these are the plans to establish separate seniority lists for Negroes, or to "credit" Negroes with several years' seniority as a means of making up for past discriminatory treatment. Such plans appear to ignore the fact that seniority does not create jobs. Super-seniority will not help the great bulk of Negroes who have been displaced by reconversion. For plants do not operate under the same conditions during peacetime as they do during war. Jobs will have changed, thus by-passing the safeguards of seniority. And the aid it might render to a few Negroes would probably be more than outweighed by the ill-feeling it might engender among white workers with greater seniority, who would be displaced by Negroes with less actual seniority but greater "seniority credit."

Providing for the Transition

Equally important in providing for fair employment practice is the necessity of insuring that jobs are available. Without full employment, Negroes as well as whites will be out of work. As we have indicated earlier, the postwar employment problem has two general phases: (1) the period of reconversion; and (2) the period after the process of reconversion to peacetime production has been completed.

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In a research study entitled *Providing for Unemployed in the Transition,** which was prepared for the Committee for Economic Development, Professor Richard A. Lester has set forth a comprehensive plan to prevent reconversion unemployment from descending into depression unemployment.

UNEMPLOYMENT COMPENSATION

Dr. Lester notes, first of all, that neither workers' savings nor unemployment compensation benefits in many states are large enough to tide over workers who will be let out of war jobs and who will be seeking new employment. Since unemployment compensation is the best means of meeting reconversion unemployment, he suggests that present state plans should be vastly improved and equalized. Improvement will mean extending the coverage to such groups as merchant seamen, employees of small firms, and public employees, increasing the benefits from the present average of $13.84 a week to a minimum of at least $20 a week (which is in line with soldier demobilization pay), and providing for the continuation of payments for no less a period than twenty-six weeks. Equalization means the elimination of the present wide variations in state plans. There seems to be no logical reason why unemployed workers with exactly the same wage credits and in exactly the same circumstances should receive maximum benefits of $220 in New York, but only $100 in New Jersey; of $310 in Louisiana, but only $210 in Mississippi. Equalization could be accomplished most readily by bringing the unemployment compensation system under the federal government. The same results might be achieved, however, by establishing a "guaranty fund," from which the federal Treasury would offer grants to exhausted state funds. This would

*See page 31 for complete reference.

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make it possible for all of the state compensation systems to meet uniform standards well above present levels.

OTHER MEASURES

Unemployment compensation alone, however, cannot fill the employment gap during the reconversion period. Dr. Lester would, therefore, supplement it by unemployment relief, forward-looking personnel policies (including provisions for severance pay), education and training, and a limited public-works program.

RELIEF

He suggests that relief be designed as a direct supplement to unemployment compensation benefits. Many workers will not have the necessary requirements or will not have built up enough "credits" to receive adequate unemployment compensation. Such relief could be principally work-relief with the costs split between the federal and state governments. Local administration of work-relief would enable the most useful projects to receive priority and would prevent the program from disintegrating into "boondoggling." Care would be taken so as to prevent relief projects from keeping workers in war boom areas which have been deflated by the end of war production. Instead, all possible encouragement would be given to employees in overcrowded communities to depart for areas with substantial peacetime industry.

SEVERANCE PAY

Dr. Lester suggests that private industry can do much to assist in the transition period. Some collective bargaining agreements now call for dismissal compensation or severance pay. These benefits might provide for at least two weeks' pay upon termination. Many employers might also find it feasible to pay traveling expenses to employees

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who wish to leave war boom areas, and that practice should be encouraged. Employers would also do well to keep their employees well informed as to the possibilities of layoffs and rehirings. And every effort could be made to concentrate maintenance and repair work during the reconversion period so that layoffs would affect the fewest possible workers. Finally, employers and the unions might well avoid shortening the work week below forty hours. If there is too much dependence put upon the shorter work week, the net result will only be a general decline in purchasing power and, consequently, an increase in unemployment and a general sharing of poverty.

TRAINING AND EDUCATION

Dr. Lester notes that Selective Service examinations have revealed an appalling lack of education, both general and vocational, among the population. The USES could be used to advise and to train returning soldiers and unemployed war workers for peacetime jobs. The cost of this educational program might best be shared by federal, state, and local governments. Such a program could do much to prevent a decline in worker and soldier morale during the reconversion period. The importance of morale in maintaining the will to work and faith in our democratic form of government cannot be overemphasized. Whatever is spent on these educational projects will have been spent wisely and well.

PUBLIC WORKS

Finally, federal, state, and municipal programs of public works could be set up in an effort to maintain purchasing power and thus prevent a decline in the demand for consumer goods. Such programs should be designed to employ large numbers of unskilled workers, not primarily skilled mechanics. They should stress such projects as

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highway building, reforestation and conservation projects, and other such construction. Building construction, which requires a high percentage of skilled labor and which requires a long period before peak employment is reached, should probably be avoided until after the reconversion period. Public-works projects during the reconversion period should be flexible so that they can be adjusted easily to meet the needs of the moment. In order to provide maximum employment, planning should already be under way by states and municipalities so that the projects may begin as soon as possible. As in the case of work-relief, care must be taken so that public-works programs do not encourage workers to remain in deflated war boom areas when no longer needed.

Dr. Lester believes that the timing of this entire program is of the utmost importance. Since many state legislatures which meet in 1945 do not convene again until two years later, he believes that Congress must exercise its responsibility and give the go-ahead signal for postwar planning. He recommends that the money—estimated at $700,000,000 a year for two years, the equivalent of what we spent in five days of war—be appropriated at once so that states and municipalities will be encouraged to go forward with their own plans for the transition. The cost seems small when compared to the costs, in money and intangible values, of unemployment and depression.

GOVERNMENT'S ROLE IN FULL EMPLOYMENT

IF the problems of the reconversion are adequately dealt with, private industry should be able to provide the 56,000,000 jobs which full employment will require. Many economists believe that private enterprise should be given the opportunity to do the job. But that does not mean

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that the government should necessarily be idle. It could concern itself with developing natural resources, perhaps along the lines of the Tennessee Valley Authority, and with providing housing, public works, and other social services.

Low-Cost Housing Projects

A government program of social services is needed to supplement the efforts of private industry. It should concentrate on the construction of low-cost housing projects —a field in which private enterprise has never had substantial success—along the lines of the program developed by the prewar U. S. Housing Authority; and on sustaining consumer buying power by strengthening the Social Security Act. The results of this program would greatly reduce the fears and uncertainties of our working population and would substantially improve their well-being. Since Negroes are concentrated in the lowest income groups, and among those who are not now within the scope of the present Social Security Act—agricultural labor and domestic service—they would benefit a great deal by these improved social services.

Other Public-Works Projects

If private enterprise proves unequal to the task of providing full employment, then the federal government will undoubtedly be forced to take up the slack with a program of public works. Such programs should be planned now so that if additional government construction is needed, worthwhile projects can be begun without delay.

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SUMMARY

1. We shall probably have a minimum of 6,000,000 unemployed during the reconversion period, of whom 1,000,000 will probably be Negroes. Negroes have been hit especially hard because their employment during wartime was concentrated in war industries that are bearing the brunt of the unemployment; because Negroes, as a group, were the last hired, had the least seniority, and therefore were the first laid off; because they are concentrated in the areas, especially the South, as well as in the industries, that suffered the most by the curtailment of war production; and because they may be expected to suffer from discrimination in seeking new jobs.





2. Negro workers made substantial gains during the war both in the quantity and quality of jobs held. Nowhere, however, have they reached their goal of economic equality, and their gains may be all but wiped out during the reconversion period.

3. No one knows whether private industry will succeed in providing full employment after reconversion has been completed.

4. Negro postwar employment prospects in the typical industries surveyed vary considerably. In the South, where a majority of the nation's Negroes still dwell, their economic prospects are not at all bright.

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5. In all governmental activities, a nondiscrimination policy should be adhered to as an example to private groups.

6. Our wartime experience indicates that even under full employment Negroes may suffer from discrimination. The experience of the Fair Employment Practice Committee has developed a movement to outlaw racial discrimination in employment. A number of bills are before Congress and various state legislatures providing for the establishment of permanent commissions with authority to prevent such discrimination. In 1945, New York became the first state to adopt such a law. Its experience will be valuable in determining the effectiveness of this kind of attack on discrimination.



7. The job problem has two phases: (1) tiding over the unemployed during reconversion, and (2) caring for the permanently unemployed. A plan suggested by Dr. Lester, which appears to be practical, stresses improved unemployment compensation as the main bulwark to care for the transition unemployed. Once reconversion has been completed, private industry will be given an opportunity to provide full employment. The federal government can make use of this period to develop natural resources, such as regional TVA's, and to provide improved social services. This period can also be used to plan public works and other measures which will be necessary if private industry cannot provide jobs for all.

8. One other thing is needed—the moral will to do the job. One reads pompous editorials in prominent newspapers declaring that full employment is merely "the

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wishful thinking of a dreamy-eyed, star-gazing idealist." "Experts" visit centers of war production and solemnly report that race riots are "inevitable." Such statements are without foundation. Of course, full employment will not be easy to obtain. Of course, race relations in some areas are in a critical state. Of course, we are facing problems in this country of the greatest magnitude. But none of these problems is so great that it cannot be solved in the American tradition by prompt action and a little common sense.

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