NEW YORK, May 20....American business, when confronted with evidence of discrimination in its ranks against members of minority groups, is visibly taking steps to rid itself of such practices, according to an analysis made public today by the AMERICAN JEWISH COMMITTEE.

Morris B. Abram, President of the COMMITTEE, reported examples of this trend to the agency's 61st Annual Meeting, now in session at the Waldorf-Astoria Hotel in New York City. The COMMITTEE has conducted studies of ethnic barriers in the selection of executives in U.S. business and industry over a period of many years.

Mr. Abram said: "We seem to be heading into a new era in this work. Up to this point the thrust has been largely to prove to American business, whether or not it has been aware of it, that discrimination has been far too common. Now we are in the heartening position of finding American business saying to us, in effect, yes, we have been wrong, and we want you to show us how we can change."

Mr. Abram, who is a member of the President's National Advisory Council on Economic Opportunity, explained first that the American Bankers Association, trade association for the nation's 15,000 commercial banks, earlier this month had renewed a pledge to promote equal employment and promotion opportunities within the banking system.

He also pointed out that, in conversations with Dr. Charles E. Walker, Executive Vice President of the American Bankers Association, he had learned that the organization was already engaged in a comprehensive program to carry out the principles implied in its pledge. Among these steps are the following:

1. Branches of B'nai B'rith Hillel Foundations on 250 college
campuses throughout the country are being urged by ABA officials to encourage Jewish students to take advantage of opportunities in banking. Each chapter of Hillel, the major organization with a cultural and religious program for Jewish college students, has received copies of a new ABA career brochure on banking.

2. Banking, official monthly publication of the ABA, is planning a series of articles on non-discrimination, including one devoted to the executive suite problem.

3. The annual convention of the ABA, to be held September 24-27, 1967, in New York City, will include a session Tuesday, September 26, on "Equal Opportunity." About 1,500 banking executives are expected to attend.

4. Placement offices of graduate schools of business, which are the main recruiting ground for executive banking personnel, are being contacted so that students can be alerted to the banking industry's current wide search for trained and talented young people without concern for ethnic background.

5. The curriculum of the Stonier Graduate School of Banking, conducted by the ABA at Rutgers University, will include the subject of discrimination and minority employment problems in its curriculum.

6. The ABA is currently preparing information for its own bank members outlining the expectations of the U.S. Government on just how banks must act to conform with Federal regulations that they refrain from discriminating against employees or applicants because of race, color, creed, or national origin. Under regulations that took effect last November 30, approximately 95 per cent of the nation's commercial banks are considered Government contractors since they handle Federal funds.

Mr. Abram pointed out that the new program of the American Bankers Association followed the release of a report by the AMERICAN JEWISH COMMITTEE on executive-suite employment practices of the nation's 50 largest commercial banks, and subsequent meetings both with individual banks throughout the country and with leaders of the American Bankers Association.

The banking studies were carried out by Lawrence Bloomgarden, Director of the AJC's Business and Discrimination Division and a longtime student of executive-suite bias, under the direction of Nathan Perlmutter, Director of Domestic Affairs for the COMMITTEE.
Mr. Abram added: "It is difficult to overemphasize the importance of this program of the nation's banking community. For the banks, controlling as they do the nation's economic lifelines, are not only one of the most powerful centers of decision-making, they are among our major style-setters for corporations.

"I want to stress that we are not concerned with the bread-and-butter matter of jobs for Jews. The real issue is two-fold. First, banks and other industries can no longer afford to pass up any executive talent so long as such talent is in painfully short supply. Second, and more important, the soundness of our whole social fabric is at stake. The heart of the matter is whether any human being -- Christian or Jew, white or black -- may rise as high in any pursuit of his choice as his ability permits.""

Mr. Abram recalled that the AJC report, issued in September 1956, pointed to an apparent pattern of discrimination against Jews in executive positions in these 50 commercial banks. The report revealed that 45 of these banks had no Jews among its senior officers, four of the remaining five banks had one each, while the fifth had four. These figures -- eight Jews out of a total of 632 senior officials -- represented 1.3 per cent. Among 3,438 middle-management officials in these banks, executives below the senior level down through the vice-presidential bracket, 32 Jews -- approximately 0.9 per cent -- were identified, the survey disclosed further.

Similarly, Mr. Abram reported that the top managements of New York City's mutual savings banks, which were revealed by the AJC's New York Chapter in October 1965 as engaging in "de facto discrimination" against Jews, had increased the number of their Jewish executive trustees by more than one-third.

Here, too, Mr. Abram reported, changes came about during more than a year's activity in which officials of the AJC's New York Chapter, at the invitation of the Savings Banks Association of New York State, met regularly with representatives both of individual mutual savings banks and of the Association, discussing steps to implement changes in personnel practices. Among such steps has been the issuance of an illustrated booklet soliciting job applicants from a variety of ethnic and religious backgrounds, the first such booklet in the history of New York State's mutual savings banks.
In addition to the industry-wide action of the two banking groups, Mr. Abram revealed some preliminary results of a year-long study, sponsored by the AMERICAN JEWISH COMMITTEE, on the hiring and upgrading practices of three individual large manufacturing concerns in the Cleveland-Akron area.

The study, financed by the Endowment Fund of the Jewish Community Federation of Cleveland, the Cleveland Foundation, and the Greater Cleveland Associated Foundation, seeks to determine where and how the decision to hire or upgrade an executive is influenced by such "non-ability" considerations as his social background or religion. Particular attention is centered on conditions that might lead to the exclusion of Jews from the executive suites of major companies.

During the year, dozens of top executives in each company were interviewed by a research team from the University of Michigan's Survey Research Center. Early findings already reported by Dr. Robert L. Kahn and Dr. Robert Quinn, directors of the study, Mr. Abram said, have emphasized the impact of "third-party" opinions on executive personnel decisions.

The executives most likely to reject a Jewish candidate, for example, are those who state that the hiring of upgrading of Jews could cause discomfort to such "third parties" as customers, distributors, or others with whom they would be dealing. However, the insistence on such supposed prejudices of others often turned out to be a cover for the executives' own bias.

A major problem identified in this Cleveland study, according to Mr. Abram, is that of communicating personnel policy. All three companies in the study had signed the Government's Equal Opportunity pledge, and those executives who were most aware that their company had initiated an Equal Opportunity Employment program were found least likely to be influenced in their personnel decisions by characteristics such as religion, race, age, and marital status.

Few of the managers interviewed, however, gave a full and accurate description of the range of activities being undertaken by their companies to implement equal-opportunity policies. Lack of information about such policies was especially notable among executives geographically remote from corporate headquarters.

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The current research is an extension of an earlier study by Michigan's Survey Research Center of personnel practices in one of the nation's largest corporations, financed under a grant from the Maurice and Laura Falk Foundation of Pittsburgh and reported by the AMERICAN JEWISH COMMITTEE in 1964. This new study is designed to identify more precisely those combinations of executive attitudes, third-party pressures, and organizational practices that may interfere with ability-oriented corporate personnel practices.

The team from Michigan has already held preliminary "feedback" sessions with senior officers of the companies studied, Mr. Abram added. All three top managements are now seeking to use the data to increase further the emphasis on ability in hiring and promotions.

The text of the American Bankers Association statement, as Mr. Abram reported it, follows:

"It has been a long-standing policy of The American Bankers Association to encourage its member banks to provide equal employment and promotional opportunities to qualified individuals without regard to race, creed, color, national origin, or sex. To further this objective, the association has been enlisting the support of banks and bankers to implement this policy at the local level.

"The recent inclusion of banks as Government contractors under Executive Order #11246 gives added significance to these efforts. The association concurs in the objective of the Executive Order, including the requirement for affirmative action. It will continue its activities to encourage banks to make every effort to comply with the spirit as well as the letter of the law.

"To achieve proper, efficient and economical use of the manpower resources of our country, it is imperative that all employers support this concept actively and without reservation. Progress will contribute substantially to the well-being of our country."

Founded in 1906, the AMERICAN JEWISH COMMITTEE is the pioneer human relations agency in this country. It combats bigotry, protects the civil and religious rights of Jews here and abroad, and advances the cause of human rights for all men.