

Services Administration. The company employs 5,394 employees, of whom 472 are Negro. About three-fourths of the Negro employees are in unskilled positions. In 1966, of more than 1,300 craftsmen three were Negro; now, two years later, the number of Negro craftsmen has risen to four. From 1967 to 1968 the proportion of the company's male employees who are Negro actually declined.

Another large GSA contractor in the hearing area whose officials testified that they believe their company is in compliance with Federal equal employment requirements, is Allied Paper Company, which has a paper mill located in Jackson, Alabama. The personnel manager testified that there are 47 Negroes out of a total of about 445 employees, and that none of the Negroes are clerical or supervisory personnel.

The performance of Alabama Power Company is well known to the General Services Administration. A letter memorandum of May 1967, transmitting to Washington field compliance surveys of Alabama Power Company, observed that the findings reflect patterns of restricted minority group employment and suggested that it might be desirable to institute administrative action against the company. Despite these reports, Mr. Ernest Strong, the company official responsible for equal employment opportunity testified that after the review GSA did not transmit a written report, specifying remedial measures. He said that during the course of the compliance reviews the GSA investigator made "nominal suggestions that were adhered to;" and, Mr. Strong testified, the company has been given a "clean bill of health."

Inadequacy of Enforcement

A number of factors account for the failure of government contractors to abide by their obligations to provide equal employment opportunity.

It is fair to assume that a most important factor is that government contractors have had no reason to take seriously the threat of sanctions for noncompliance. Though contracting agencies, acting with the approval of the Director of the Office of Federal Contract Compliance, are authorized by Executive Order 11246 to terminate or to suspend performance on contracts for noncompliance, this power has never been used. The agencies, with the approval of the Director of OFCC, also are empowered to initiate proceedings to debar contractors from future government contracts; the first notices of intent to debar ever issued under the Executive Order were sent by OFCC to five companies on May 23, 1968.

Testimony also made clear that contractors in many instances are not clearly and specifically told what they must do in order to achieve compliance.

Both the failure to impose sanctions, and the failure to tell contractors clearly and specifically what they must do, may be largely attributable to the tendency of government contracting agencies to see compliance as, at best, incidental to the primary mission of the agency. As Mr. Leonard Biermann, Senior Compliance Officer of OFCC, told the Commission, "95 percent of the contracting agencies' staff and attention and desires are aimed at awarding contracts . . . [it is necessary] to overcome this built-in resistance that we find in every contracting agency."

Another reason for the apparent lack of forceful implementation of the Executive Order in the cases discussed above is the failure to commit sufficient personnel to contract compliance enforcement.

At present, most Federal agencies have a separate program and staff devoted to enforcing equal employment opportunity requirements contained in the agency's contracts. The Commission's recent Alabama hearing concentrated on the contract compliance operations of two Federal agencies, the Department of Defense and the General Services Administration.

The inquiry into the Department of Defense contract compliance operation focused on the Southeast Region, and on the Region's Birmingham, Alabama, sub-office.¹⁴ With a staff of eleven professionals, the Southeast Region is responsible for monitoring the compliance of more than 5800 known contractor facilities.¹⁵

The only adequate basis for determining whether a given facility is or is not discriminating is to make a compliance inspection of the facility. In the two

¹⁴ The Southeast Region is comprised of the States of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee, and Puerto Rico. The Birmingham, Alabama sub-office has responsibility for Alabama, Mississippi, Western Florida and Western Tennessee.

¹⁵ There are in addition many subcontractor facilities, estimated to number in the thousands, for which Defense Department contract compliance officials in the Southeast Region are responsible, but the identities of which are not reported to it.