



Attachment #1

TO Mr. C. K. Holmes, Jr. DEPARTMENT General Office LOCATION Fox Plaza
FROM Don K. Johnson DEPARTMENT General Office LOCATION Fox Plaza
DATE 28 April 1971 SUBJECT AFFIRMATIVE ACTION

The past few years of economic decline have had almost disastrous effects upon our Affirmative Action proclivity. President Nixon in a recent address stated that inflation is now behind us and we can look forward to an economic upturn in the coming months.

The net effect of the economic downturn (as usual) has been most cruel to the disadvantaged. To make a long story short, our recruiting and training of the disadvantaged has reached a point of stagnation. This state of affairs is by no means restricted to our operations. Undoubtedly, the competitive Bottlers have experienced the same situation.

The Beverage Industry in the Bay Area has been fortunate in the recent past in that no major campaign has been undertaken by any of the special interest groups to draw public attention to the inequities in the ethnic composition of our pay-rolls in the Beverage Industry and the ethnic composition of the territories in which we serve. Such an event could be most embarrassing,--particularly in view of the unstable and unpredictable medley of characters on the scene today demanding instant change.

After considerable contemplation and perusal of what resources are available to us (with respect to an Affirmative Action Program), I am convinced that we have a ready-made vehicle which can, if it will, considerably diminish the probability of alleged unfair employment practices with regard to the employment of minorities in our industry. The vehicle is the Bay Area Soft Drink Bottlers Association. The momentum and the professional expertise channeled into rebuffing "Ban the OWB" and Community Pride has been laudable.

The above is merely one of the most recent events in which the B.A.S.D.B.A. is really "doing its thing." We can anticipate one, if not two more events in which we should (if not must) be prepared to resolve any questions which may arise with regard to Equal Employment Opportunity:

- 1) Our collective bargaining negotiations in August.
- 2) The present and probably increasing pressures coming from the Nixon Administration with respect to EEO compliance as the '72 election draws nearer.

With respect to Number 1 (above), we will be negotiating one of our contracts with a union which has been investigated, and is currently answering to the Equal Employment Opportunity Commission. Bay Area Bottlers could be implicated in this situation, and the circumstances which have created this situation must be corrected. Corrective steps taken should include acknowledgment by both parties to the agreement that a

mutual effort will be made to bring the composition of the Soft Drink Industry pay-rolls more in line with the ethnic composition of the market place. This agreement should be within the context of or an admendment to the forthcoming contract.

With respect to Number 2 (above), assuming that there will be an economic upturn, the Bay Area Soft Drink Bottlers Association should have a well coordinated Affirmative Action Plan. An industry-wide plan has many assets:

- A. It automatically speaks for the position of the employer with respect to Equal Opportunity, nullifying the public assumption that the employer and the union have concertedly discriminated in employment.
- B. Within the planning of an Affirmative Action Plan, specific goals can be set and reached without the perennial adversity caused by the unions. In other words, buckpassing discrimination between the union and the employer is precluded by the contractual agreement.
- C. The philosophy upon which employer associations were founded has several attributes to offer in the Equal Opportunity arena as well as in that of labor management relations; i.e., protection from selective boycotting, identification for the association as socially responsible and conscientious.
- D. A list of the assets built into this kind of approach to Equal Opportunity is restricted only by the imagination.

In conclusion, it is only to be expected that this approach may seem "unconstitutional" to a few of our unions; it is our responsibility to convey to them that though this may appear adverse, it has seeds of benefit for us all. In the event that the unions are not amenable, I am confident that we can count on the assistance of the Assistant Secretary of Labor, Arthur Fletcher, Congressman Ron Dellums and Assemblyman Willie Brown. After all, what does Equal Opportunity matter to the unions? Either way, we pay the tab.

DKJ:mpr