

FILLING IN THE “GROCERY GAP”: SUPERMARKETS AND THE SHAPING OF
THE FOOD RETAIL LANDSCAPE IN NEWARK, NJ, 1950-1990

by

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ABSTRACT OF THE MASTER'S THESIS

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Due to the lack of fresh food outlets, Newark has been labeled a “food desert.” In recent years, *The Star-Ledger* has heralded the planned openings of several supermarkets in the city as amounting to a redress to the problem. A decade before the term food desert reached the public discourse, national attention was paid to what was then termed the “urban grocery gap,” or the general inequality of food stores in suburban versus urban areas. In government hearings, as well as in articles published in *The New York Times* and *Newsweek* during the early 1990s, supermarket executives and industry analysts emphasized the poor economic conditions in urban areas, and the structural and logistical difficulties of opening and operating profitable stores in cities like Newark. By reviewing the industry's trade literature along with grocery store market analyses since the flight of major food chains from Newark and other cities during the late-1960s, it is clear that the real estate choices of store operators, executives, and underwriters, were also influenced by race-based and cultural assumptions. Assumptions about urban communities were influenced by the coverage of the 1967 disturbances in Newark and the uprisings in other U.S. cities in the trade press as well as by major media outlets.

Supermarket executives and industry leaders categorized urban consumers as essentially different from suburban shoppers, and urban communities were labeled irresponsible and uncooperative. In order to attract chain stores back into city neighborhoods, community organizations had to prove that their residents were committed to order and stability, and financial arrangements were made that ensured supermarket chains benefitted from tax exemptions while taking minimal risks. As approaches to the problem of food deserts are being developed, it is essential to keep in mind that barriers to nutrition have social as well as economic origins.

Introduction

The initial draft of a 1995 press release by a Manhattan real estate investment firm betrayed the feelings among the business community about the city of Newark, New Jersey. An agreement to go ahead with a new shopping center anchored by a supermarket had required assuaging the hesitancy of investors toward the city. Prior to edits encouraged by an official in the Mayor of Newark's office intended to accentuate that more positive elements of the project for the city, the original press release revealed what was considered the foremost obstacle to development in Newark. Jeff Aidekman, a vice president for the firm who put together the financing, AFC Realty Capital, characterized the project as a "tough sell." "Number one," he reported, was "Newark's image."¹

In many appraisals, Newark has for the last half century represented the worst of the urban crisis faced by cities of the Northeast and the Rust Belt in the aftermath of deindustrialization. Between 1960 and 1990, Newark lost in population over a quarter of a million people, a third of its population, arresting investment and affixing the residents left behind with the city's tax burden. Rapidly, Newark was racked by chronically high rates of unemployment and poverty, particularly among the growing proportion of black residents in the city, and many continued to languish under a shortage of housing in the wake of urban renewal. In 1975, the city was named by *Harper's* magazine as "The Worst American City."² In the two decades since, the business community had remained unconvinced about betting on Newark.

¹ AFC Realty Capital, Inc. "AFC Realty Capital Breaks Ground On New Shopping Center in Newark." News release, New York, NY, 1995. LVM Group. Initial Draft (unpublished). April 20, 1995. Donald M. Grant to Pamela Goldstein. Pamela E. Goldstein Collection, Box 11.

More than the diminished economic stature of the city, “Newark’s image” had additional and loaded meanings to executives in the supermarket industry, as well as for insurance companies and real estate developers. More visceral than even the bleak economic picture of the city to real estate investors and giant food vendors were the memories of the bombed out businesses in Newark’s central ward following what many termed a race riot in the summer of 1967. With property damages reported to be in the millions of dollars, as many as 220 stores were damaged in the disturbances in July that year, including three chain supermarkets. To get investors to agree to the project, the location of the new Pathmark was pitched as qualitatively different from the predominantly African American neighborhoods of the city. The Pathmark that was set to anchor the 1995 development project was located in the Ironbound section of Newark near Ferry Street. With a large Portuguese-speaking population, the Ironbound was demographically distinct in addition to being separated spatially from the other wards of Newark. The proposal’s neighborhood- “despite Newark’s image”- could be promoted by developers as “solid,” and a “thriving community of Spanish, Italian, and Portuguese families.”³ Pitching the Ironbound as a culturally distinct area of Newark, where the city’s image of crisis did not extend, helped to secure the deal with investors and the supermarket chain. The amenities of a modern, large-scale grocery store would reach the residents of the Ferry Street neighborhood, only the second new supermarket to open in Newark in over twenty years.

² Arthur M. Louis, “The Worst American City,” *Harper’s*, January 1, 1975, 67.

³ AFC Realty Capital, Inc. "AFC Realty Capital Breaks Ground On New Shopping Center in Newark."

Over the previous two decades, many had been the calls among Newark residents to bring more food stores to the city. The number of chain supermarkets servicing Newark had been as many as thirty in 1966, but that number was down to half a decade later. In the two decades prior to the opening of the Ferry Street Pathmark, and in the two decades since, Newark has developed into a food desert, or an area with a high percentage of low income residents and a low concentration of fresh food stores.⁴ Increasingly, food deserts are understood to contribute to disparate health outcomes, with higher instances of chronic illnesses and nutritional deficiencies being linked to those who live within food deserts. There is also growing evidence that residents of food deserts, who survive without fresh food and rely on only processed food, tend to not eat fresh food even if it becomes more accessible as they get older, adding generational costs to the deprivation. When Newark supermarkets closed throughout the 1970s and 80s, and the conditions of the stores that remained deteriorated, city residents would respond by arranging transportation to suburban stores to do their grocery shopping at cleaner, better-maintained stores. The result was a higher overall food bill for residents of neighborhoods who could least afford it. Since the 1970s, many Newarkers have dealt with the contradiction of living in the midst of an America becoming ever more health-conscious and nutritionally aware, only to have to board buses to out-of-town grocery stores to buy healthy food. “They say, ‘Eat Well,’” one Newark resident put it 1987. “Where?”⁵

⁴ The U.S. Department of Agriculture describes a food desert as a region of the country featuring “large proportions of households with low incomes, inadequate access to transportation, and a limited number of food retailers providing fresh produce and healthy groceries for affordable prices.” See: Paula Dutko, Michele Ver Ploeg, and Tracey Farrigan. *Characteristics and Influential Factors of Food Deserts*, ERR-140, U.S. Department of Agriculture, Economic Research Service, August 2012.

A historical approach to the development of urban food deserts within U.S. cities suggests that how Newark became a food desert was neither predictable nor inevitable. Prior to the national supermarket boom during the 1950s, local governments had a more active role in regulating the dissemination of food within urban centers. During the ascension of the supermarket, however, the power over food distribution in cities like Newark shifted decidedly toward the private operators of large-scale food wholesalers and the chain stores they supplied. The emergence of the supermarkets that replaced smaller groceries and food vendors was widely viewed as an achievement that represented a more efficient way for residents of cities to procure their food. Recently though, histories that once framed the rise of the modern supermarket as a triumph of marketing and architectural techniques, and an unmitigated social good, are now being reconsidered by scholars. Historian Tracey Deutsch has shown that supermarkets developed in ways that reinforced normative gender roles while curbing avenues of political agency for women. Her work has analyzed the development of the supermarket model of retailing, adding invaluable insights to the history of consumption.⁶

Though the term may conjure the image of a retail setting that has remained largely unchanged since the 1950s, supermarkets have never been static entities. A study of the supermarket industry since its enshrinement as the dominant force for food distribution in the U.S. demonstrates that politics and social biases shaped important changes for the enterprise. A critical analysis also cuts down reductive understandings of the supermarket as a purely suburban phenomenon. Supermarkets were first built in

⁵ Michael Winierip, "Our Towns: An Inner City Asks For a Supermarket," *New York Times*, January 20, 1987, B1.

⁶ Tracey Deutsch, *Building a Housewife's Paradise: Gender, Politics, and American Grocery Stores in the Twentieth Century*. Chapel Hill: The University of North Carolina Press, 2010.

cities like Newark, and continued to be built there even while new shopping centers were being constructed in surrounding suburbs during the 1950s. Several major regional chains built new supermarkets in the city of Newark in the first half of the 1960s.

Investment in city operations by supermarket chains experienced a sharp drop-off by the end of the 1960s. In the years after chains opened their last new stores in Newark for decades, spokesmen of the supermarket industry indicted the conditions of inner cities that they viewed as ghettos in irreversible decline. While some representatives of chain supermarkets grappled with the role that government and law enforcement had in exacerbating the crisis conditions in urban American neighborhoods at the end of the 1960s, many others leaned heavily on perceived class and racial differences between shoppers in the suburbs and those in the inner city to explain the decline of city stores. In food retailing trade journals, supermarket executives, store managers, and industry commentators were deeply concerned that food stores, along with the city neighborhoods they serviced, were transforming permanently into areas that were hostile to their enterprise in ways that transcended the logistics of the city and the income of its residents. They also blamed the residents of the communities themselves, claiming that calls among the inner city and the black community to hire more locals to work in stores, for example, helped to incite violence directed at their retail spaces. When several inner cities in the U.S. were struck by civil discord during the mid-to-late 1960s, members of the food retail industry latched onto the apparent racial targeting of the looting and destruction done to stores in the most affected neighborhoods. In subsequent years, when many chains were halting operations in black neighborhoods, industry spokesmen cited

the hostility and uncooperativeness toward supermarkets that they felt was endemic to inner city and black communities.

The supposition that inner city residents were not sufficiently committed to order and stability in their neighborhoods and therefore could not host new supermarkets was reinforced by class and race stereotypes about how poor and black consumers shopped for their food. Numerous studies conducted by food retailers had, for decades, segmented the consumer market along lines of race and class. For food retailing elites, inner city neighborhoods that were populated by mostly African Americans represented a fundamentally different market than the suburban consumer base. These understandings were not primarily based on income level. Prior to the disinvestment of the major chains in inner cities, industry studies purported to show that black families spent less on food on average than did whites, even when the numbers were adjusted for income. Consumer analysts also claimed that African American shoppers were more likely than whites to purchase goods based on the social status attached to certain items. Stereotypes for poor and black shoppers were continually reproduced by new studies that were alleged to demonstrate broad consumption patterns and unique shopping behaviors based on race. In the 1970s, for instance, black consumers were classified as “nonshoppers” in one study for their supposed lack of education and lower willingness to shop around for the best deals. In these conjured ways, inner city residents became categorized as ill-suited for new supermarkets.

In the 1990s, the “urban grocery gap” within Newark and in many other U.S. cities garnered national attention in the press and resulted in Congressional hearings in 1992. Defending themselves during inquests and investigations, supermarket executives

emphasized the higher economic costs and greater logistical hurdles of operating stores in the city. They pointed out how chains had moved to larger stores that could sell more volume and offer higher-grossing specialty and nonfood items. This new “superstore” format simply did not fit in cities, they argued. Meanwhile, industry analysts pointed to the tumultuous state of the supermarket business during the 1980s. They argued that a series of consolidations and leveraged buyouts of supermarket chains had rendered those companies averse to operating in cities, which were seen as riskier investments with uncertain returns. Neither company executives, nor prominent retail economists, framed the problem during the 1990s discussions as having to do with race or the perception that certain city neighborhoods had become irrecoverably damaged ghettos.

Blame for the abandonment of cities like Newark by supermarkets cannot be affixed to one, or even a handful, of grocery chains. What transpired was a broad, mostly unspoken of, move by the industry to abandon the neighborhoods that were viewed simultaneously as holding the slimmest potential for profitability and representing a source of bad publicity due to criticism over hiring practices and price discrimination. In the four decades that covered 1950 to 1990, there were, to be sure, important economic and logistical factors that weighed on the decision-making of food retailing elites. Cities like Newark did present unique logistical and spatial challenges to a food-selling business that seemed driven only by maximizing volume. Operating in cities included higher instances of costly vandalism and robbery. And, the economic crisis of the 1970s led to an industry-wide contraction in terms of overall stores, affecting suburban stores as well as city units. However, the disappearance of the city supermarket was also the result of industry decisions that were undergirded with faulty class- and race-based assumptions.

The initial supermarkets were inventions that transformed food-purchasing in cities. By the 1970s, the supermarket industry collectively ceased the search for renovations and reinventions of city stores, and allocated new investment for suburban units only. Retreat replaced innovation in the inner city for the major food retailers, and once gone they would be reluctant to return. In an article that appeared in *Newsweek* in 1992, the director of a Chicago community development corporation recalled a car ride with a supermarket executive through a predominately black South Side neighborhood in Chicago. “We’ll never come here,” confessed the supermarket representative, “and we both know why.”⁷ I argue that conceptions of race and class, in addition to the broad economic factors, played a prominent role in shaping the food retail market in Newark in the second half of the twentieth century.

The Expansion of the Supermarket Industry in and around Newark

That Newark would become a food desert fifty years later was inconceivable in 1950 when Newark was at the center of a regional supermarket boom. One of earliest stores in the nation to offer much of the features that would become associated with the modern supermarket opened in 1932 in the neighboring city of Elizabeth, NJ. Big Bear as it was named was a converted automotive plant that utilized 50,000 square-feet of space, a spectacularly vast sales floor for the standards of the grocery trade at the time. The store brought together perishable food like meats, produce, fresh bakery goods, and dairy products, along with an assortment of less perishable goods such as coffee, candy,

⁷ Bill Turque, Debra Rosenberg and Todd Barrett, “Where the Food Isn’t,” *Newsweek*, February 24, 1992, 36-37.

and tobacco, and nonfood items such as hardware, electrical supplies, radios, paints, and more.⁸ Stores like Big Bear drew the ire of the smaller independent grocers and the early chain stores of the period, such as Atlantic and Pacific (A&P), for their ability to sell goods at lower prices while also attracting shoppers with their assortment of nonfoods. These “super markets” were understood by some contemporary observers as city novelties that would not be sustain themselves. “The Super Market,” an editor of a food trade journal remarked in 1936, was “in the popular sense largely a city proposition.” These “warehouse stores” would only be able to operate in “congested areas.” Once the novelty of the new type of store wore off, those within the food retail industry believed that consumers would cease traveling from outside the county to shop there and the stores would have difficulty in sustaining the necessary volume of sales. Big Bear was not a transient phenomenon, however. Instead, it would help to establish the predominant business model.⁹

The success of Big Bear drew imitators, and soon many New Jersey food retailers looked to adopt its features. Many of the largest regional and national chains that would convert to the new supermarket format during the 1940s and 50s had roots in northern New Jersey or in the city of Newark itself. Situated nearby several bustling ports, Newark was selected by wholesalers for warehouses to supply the new and modern supermarkets. Several of the early food store entrepreneurs and business leaders who became executives of supermarket chains had close connections to the city of Newark. In remarks made in 2004 for the opening of an exhibit dedicated to the history of New

⁸ M.M. Zimmerman, *The Super Market: A Revolution in Distribution*, New York: McGraw-Hill Book Company, Inc., 1955.

⁹ Zimmerman, *The Super Market*, 45-47.

Jersey shopkeepers, Allen Bildner, the founder of the Kings supermarket chain, reminisced about how as a child during the 1930s and 40s he would travel into Newark with his father and visit the shops on Prince Street, Clinton Avenue, Bergen Street in the city's south ward. He recalled the names of the business owners and food vendors who called Newark home: "Jack Tabatchnick, the Herring King, Phineas Wigler, Wigler's Bakery, Pechters, Schactel's and the Dolinko Family of Best Foods." "Afterwards," he continued, "we would have a hot corned beef sandwich at Pedermans on Clinton Avenue." As Bildner described it, these city merchants would transition to supplying the nascent supermarkets that were beginning to take root. "Many of these storekeepers," he noted, "began to wholesale their specialty foods to supermarkets in the area, including Kings."¹⁰ Early independent supermarkets leased sales space to produce merchants and meat suppliers, bringing the diverse foodstuffs offered by the new supermarkets under the same roof.

Chain supermarkets were built in Newark early in the 1940s and their success was based on the many advantages that helped to usher in the dominance of the supermarket model. Grocery chains with more capital exerted volume-based price advantages over the smaller mom-and-pop stores and the local bakeries, butchers, and produce stands. These stores were financed via outside investors as well as by parent chains, the most powerful at the time was the Great Atlantic and Pacific Company (A&P). In 1941, A&P leased property in Newark for a new store to be located on South Orange Ave.¹¹ That

¹⁰ Allen Bildner, "Who's Minding the Store," opening reception, New Jersey Historical Society, exhibit of storekeepers, including Kings, September 9, 2004, The Bildner Family Kings Super Market Collection, MC 1409, Special Collections and University Archives, Rutgers University Libraries, Box 8, folder 39.

¹¹ "W.U. President Buys Jersey Home," *New York Times*, October 14, 1941, 38.

year, out-of-town investors purchased a plot of land for a supermarket to be operated by the American Stores Company, the forerunner to the Acme chain, on Chancellor Avenue in 1941.¹² In addition to access to greater financial resources, the chains operating in Newark had several other advantages over the independent food vendors by the 1950s. One was the favorable impact of government price controls. As Tracey Deutsch has demonstrated in her work, government price controls that were first implemented during the Second World War were extended for a period following the war and generally favored larger chains over independent shops.¹³ This was true for food merchants in the metropolitan New York area. Retailers exceeding \$250,000 in sales and chain stores had a lower fixed price by a cent or two per pound for meat. This was to help small grocers charge more to cover their higher costs. But, the effect was that business was steered to chains that could hold prices below what the smaller shops could afford to charge. The advantage of the chains- the ability to buy from wholesalers in larger volume and negotiate a better price- would allow them to remain profitable despite ceilings placed on the prices they could charge to their customers.¹⁴ The ability to finance advertisements and promotions was another important edge. The Shop-Rite chain, for instance, ran their first full-page advertisement in the *Newark Evening News* in 1951, at a cost of a thousand dollars paid for by each member of the co-op.¹⁵ Chains were able to build themselves into recognizable brands promoted to offer the most efficiency and the lowest prices.

¹² “New Store For Newark,” *New York Times*, October 15, 1941, 38.

¹³ Tracey Deutsch, *Building a Housewife’s Paradise: Gender, Politics, and American Grocery Stores in the Twentieth Century*. Chapel Hill: The University of North Carolina Press, 2010.

¹⁴ Jefferson G. Bell, “Smaller Butchers See Ruin as Chains Keep Prices Low,” *New York Times*, April 7, 1943, 1; “Pork Ceilings Set, Effective April; Chops 42-44C Here,” *New York Times*, March 5, 1943, 1.

¹⁵ Jeffery L. Rodengen, *A Symphony of Soloists: The Story of Wakefern and ShopRite*, Ft. Lauderdale, FL: Write Stuff Enterprises, 2010, 29.

The ability to negotiate better prices from wholesalers, and in some cases to finance the opening of their own warehouses and distribution centers, was the most significant advantage held by supermarket chains. By grouping together stores, companies partnered to share existing warehouses or gained the resources to build new warehouses of their own. With these means, they could shape the methods of distribution to suit the needs of their new and expanding stores, with perishable commodities received in reduced time. A port city, several warehouses supplying local supermarkets were located in and around Newark by the 1950s. In 1948, the young co-op called Wakefern created the VeriBest Produce Company in order to supply member stores with fresh produce from a warehouse located on Miller Street, in the Newark produce market. In 1949, Wakefern moved their warehouse and headquarters to Port Newark.¹⁶ The Wakefern co-op operated a chain of stores, most famously under the Shop-Rite name, and they expanded across northern New Jersey in this period. In 1953, three other supermarket chains agreed to combine warehouse operations at a site in nearby Irvington.¹⁷ In 1959, the Good Deal chain of independent stores purchased land in neighboring Elizabeth for a 70,000 square foot warehouse to compliment the chain's growth, which included a new store in Newark to be built within the year.

All of these advantage helped supermarkets rapidly capture a large portion of the market for food-sellers. The number of total food stores was in decline in New Jersey as in the rest of the country. Supermarkets, however, enabled growth in the overall amount of food sold in the state, which reached a total of \$730 million worth of groceries in New

¹⁶ Rodengen, *A Symphony of Soloists*, 20-22.

¹⁷ "Former Ice Houses Put To New Uses," *New York Times*, April 26, 1953, R8.

Jersey in 1952. According to one assessment, a supermarket at this time sold fourteen times the amount of the average small grocery store. Compared with the rest of the nation, the supermarket boom transpired most rapidly in New Jersey during the 1950s, and stores in the state sold the most food per store on average in the United States. In 1951, the state led all others in the amount of sales dollars sold per food store. The following year, while the nation's food stores averaged \$854,260 in sales per store annually, New Jersey stores exceeded one million, with supermarkets doing the lion's share of the business. In 1952, supermarkets combined to account for nearly two-thirds of all grocery sales in the state, while the national average for supermarket sales stood at 43.5 percent.¹⁸

In an environment in which chains were rapidly building new stores to compete with one another, determining the best location for new stores was understood to be an important ingredient for a chain's success. Executives relied on market and volume projections for evaluating locations and targeting areas for potential expansion. Allen Bildner reported to his father in 1949 that a chief concern for the Kings chain was the consequences of "poor real estate guidance," and Bildner considered hiring an outside firm, or creating a real estate department inside their company, as early as that year.¹⁹

In the early 1950's, firms with operations in New Jersey looked to sites in both the city and in the suburbs for potential stores. In May of 1950, the Safeway chain announced the opening of five new units, including one in the city of Newark. Another of these units was pegged for the housing development Levittown on Long Island. In

¹⁸ "Supermarket Booms in N.J.," *Newark Evening News*, February 22, 1953.

¹⁹ Allen Bildner, "Greatest Problems Facing Our Company at the Present Time," December 19, 1949, The Bildner Family Kings Super Market Collection.

addition to being situated in a newly constructed suburb, with over 18,000 square feet of sales space, air conditioning, elevators, and automatic doors, this store had a modern design with the amenities that would soon become the trendy preference for supermarket chains.²⁰ Another growing chain, Grand Union, announced in 1950 that it was moving its corporate offices out of Manhattan and into a major shopping center that would be anchored by a new supermarket that was being built ten miles to the north of Newark in East Paterson.²¹



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The early success of the supermarket format drew investors from outside of the food retail industry, who in turn helped to fund the expansion of several food store chains

²⁰ "Safeway Adding 5 Units," *New York Times*, May 23, 1950, 58.

²¹ "Shopping Center on Golf Club Site Features Seven-Story Office Tower," *New York Times*, September 24, 1950, R1.

²² *Grand Union, E. Paterson, New Jersey. Exterior, Night View.* May 7, 1952. Library of Congress Prints and Photographs Division, Washington, D.C.

that built new stores in Newark as well as in suburbs. The growth of supermarket companies that operated within New Jersey was fueled by capital provided by insurance companies, and supermarkets surged throughout the East Coast of the U.S. during the 1950s. One such chain was Food Fair, an outfit that was well-established in the food vending business. Food Fair embraced the new supermarket model early in the 1950s, and built new stores up and down the Atlantic seaboard. In 1951, the chain received \$3 million in financing from Mutual Benefit Life of Newark (who also owned three stores outright) and Mutual Life Insurance of New York for the construction of seventeen new supermarkets spanning from New Jersey to Florida in a dramatic expansion of the chain's operations. By this time, Food Fair operated 124 markets and boasted sales that reached \$164 million in 1950. Food Fair supermarkets were seen as a low-risk investment, and the long-term financing plan offer by the metropolitan insurance companies was believed to be the lowest rate extended to a food retailer at the time.²³

With the help of the loans from the insurance industry, in October of 1952 Food Fair opened its first store in Newark, in the heart of downtown near the intersection of Raymond Boulevard and Mulberry Street. The *Newark Evening News* noted how this was a “departure from the current trend toward suburban shopping centers.” Instead, Food Fair surmised that the store would “provide a boon to housewives who wish to round out a downtown shopping tour by purchasing food needs before setting off for home.” In what might have been regarded as a shift for the normative gender roles of the time, housewives would “be able to prevail upon the head of the house to pick up a few items on his way home from the shop or office.” The article also noted that Food Fair

²³ “Bond Purchasing Method Financing Chain of Stores,” *Newark Evening News*, May 6, 1951.

operated a supermarket near the Port of New York Authority bus terminal in Manhattan that catered to commuters as well as to New Yorkers who lived nearby. Entirely self-service, the new Newark store would feature air-conditioning and eight conveyor-belt checkouts. At a time when Food Fair had expanded to 156 units from New York down to Florida, operators of the chain believed in the profitability of opening a new store in the heart of downtown Newark. The suburban supermarket was not yet viewed as the only viable and profitable model for food chains.²⁴

In the middle of the 1950s there was still some skepticism about how much of a benefit suburban shopping centers really were to consumers. Some business leaders speculated that suburban malls had to charge more for their merchandise due to less customer traffic and volume of sales. One supermarket executive wondered, once already in their cars, would not shoppers be just as willing to drive to Newark or Manhattan for the better deals?²⁵ Even with the new shopping centers under construction, it was not clear that downtown stores would suffer drastically as a result. In 1955 the *Newark Evening News* reported that there remained a sentiment within Newark that city stores would survive, and thrive even, despite the trend toward suburbia, and that downtown businesses reported sales increases despite the suburban trend. According to the *News*, outlying shopping centers and downtown department stores could coexist. With many streets and blocks designed well before the advent of the automobile age,

²⁴ “Downtown Unit for Food Fair,” *Newark Evening News*, Oct 19, 1952; “Food Fair Stores Reports New High Marks For Sales and Profits in 28 Weeks to Nov. 8,” *New York Times*, December 2, 1952, 49.

²⁵ Alfred R. Zipser, Jr., “Retailers Cautioned On Costs in Centers,” *New York Times*, March 27, 1955, F1; George Cable Wright, “Packard, Supermarket Pioneer, Resembles Giant General Store,” *New York Times*, December 4, 1955, F19.

Newark merchants encouraged the city to expand and improve public transportation to bring shoppers within a walking distance of these retailers' stores.²⁶

Despite the changing store formats, chains had not abandoned city operations. Supermarkets altered their city stores to conform to new business models. In 1958, Aaron Perlmutter, an executive of a company operating several Shop-Rite stores, secured a variance from the city of Newark to enlarge a store in the Weequahic section of Newark and to add a parking lot.²⁷ In recommending the approval of the variance, the Board of Adjustment demonstrated that the city government were amenable to working with supermarket chains to keep city stores competitive. "The construction of a supermarket with sufficient off-street parking spaces," explained the board, "conforms to the standards of a modern-type supermarket."²⁸

While operators navigated the logistics of the city to remain profitable, new shopping centers continued to spring up in towns of ever-increasing distance from downtown Newark. And, the rate of new construction for stores beyond the city's limits increased dramatically. In December 1950, Food Fair received a permit to build a store just south of the city's boundaries in Elizabeth along a road leading into Newark.²⁹ Two months later, they announced the leasing of a 23,000 square foot unit, sizable for the time, in nearby Roselle.³⁰ A year later, Food Fair announced it would be opening a store

²⁶ "It's Good in The City, Too," *Newark Evening News*, January 9, 1955.

²⁷ Municipal Council of the City of Newark, NJ. *Resolution Recommending Approval of Application for Zoning Variance on Premise 327-329 Lyons Avenue (rear)*. Newark, NJ: City Clerk, October 1, 1958.

²⁸ "327-329 Lyons Avenue." N.J. Muller, Secretary to the Board to Harry S. Reichenstein, City Clerk. September 10, 1958. Newark, NJ: Board of Adjustment, 1958.

²⁹ "To Build Store in Elizabeth," *New York Times*, December 24, 1950, 112.

in the Newark suburb of Irvington early in 1953.³¹ Three years later, a store would open in another Newark suburb, South Orange, that featured many of the amenities and advantages that store operators would seek by opening operations outside the city. This was a time when store operators began to recognize the profitability of selling higher grossing non-food items alongside groceries and foodstuffs in their stores. The 27,000 square foot store in South Orange had a parking lot equipped to hold up to 140 cars with enough retail space to have departments that would include men's and women's clothing, houseware, and toys.³² In 1955, Food Fair announced plans for new stores in three northern New Jersey shopping centers, including a 31,000 square foot store in West Caldwell.³³ They also moved into a shopping center in North Arlington that same year.³⁴ The next year, A&P announced a store to be built at the site of a new shopping development in Milburn.³⁵ Also in 1956, two major shopping centers were under construction in Paramus, NJ, about twenty miles north of Newark. "Land that once bore neat rows of celery and potato crops- or tangled woodland," as the *New York Times* described the transformation of the formerly rural landscape in Bergen County, "is now a beehive of construction activity."³⁶

³⁰ "Leases Supermarket," *New York Times*, February 8, 1951, 45.

³¹ "Food Fair Will Open Springfield Ave. Store," *Newark Evening News*, Sept 25, 1952.

³² "Food Fair to Open In South Orange," *Newark Evening News*, August 28, 1956.

³³ "Shopping Centers Rising in Jersey," *New York Times*, August 14, 1955, R2.

³⁴ "Jersey Site Taken for Retail Center," *New York Times*, November 27, 1955, 378.

³⁵ "Store Development Due in Short Hills," *New York Times*, July 16, 1956, 33; Shop Area Tract Bought in Jersey," *New York Times*, August 11, 1956, 25.

³⁶ Carl Spielvogel, "Ample Trade for Both Expected by Two Big Jersey Store Centers," *New York Times*, July 29, 1956, F1.

Nothing about the new emphasis on nonfoods, or the industry's ever-increasing desire to enhance volume through size, meant definitively that stores were not worthwhile or profitable in the city. While economists would later argue that financial forces from outside of the food-selling business during the 1980s led to the tendency of chains to avoid the city, during the 1950s outsiders were financing chain expansion and stores were being built in both cities and the suburbs. Store operators also pursued and obtained approval for store alterations and improvements that could allow supermarkets to better conform to the modern city. The city was not dead to supermarket chains entering the 1960s. The Good Deal chain opened a new store on Springfield Avenue in Newark's central ward in 1961.

“The Most Competitive Business in the Country”

By the time a new Shop-Rite supermarket opened in Newark in 1964, its parent company, as well as the entire supermarket industry in northern New Jersey, were in the midst of a massive reorganization. Expansion and new store construction amounted to a suburban supermarket boom during the 1960s. Competition drove innovation and a multiplicity of new store formats entered the scene.

The stores that had arguably the most success in the first half of the decade were supplied by the Wakefern co-op under the Shop-Rite name. One of the co-op's members, Supermarkets Operating Company (SOC), showed consistently good returns over this time and growth followed. The company held twelve stores in 1961 with plans to open another eight new units by 1962.³⁷ They went on to report a net sales increase of forty

³⁷ “Food Chain's Profits Rise,” *Newark Evening News*, May 18, 1962.

percent and an increase in earnings of seventy percent a year later. In 1964, Prudential Insurance agreed to loan the company \$5 million to assist in the continued expansion of the chain, including the new Newark store, as well as a new store in Clark, NJ.³⁸ Units under the Shop-Rite umbrella merged continuously throughout the 1960s. In 1966, SOC joined with another large operator of Shop-Rite stores, General Super Markets Inc. of Passaic, NJ, to bring sixty-two stores together under the same ownership group. In 1968, the 22-store Shop-Rite member, Foodorama Supermarkets owned by Joseph J. Saker, acquired the Beller Shop-Rite group and its five stores for \$3 million in total value. That same year, Supermarkets General Corporation (SGC) broke away from the Wakefern cooperative, established their own brand of stores called Pathmark, and went public on the New York Stock Exchange. After opening a new 250,000 square foot distribution center in Woodbridge, NJ, SGC increased their sales by twelve percent in 1969. Continuing to expand over the next year, Pathmark increased their total selling space by nearly thirteen percent in 1970.³⁹

Most of this expansion during the 1960s took place in the suburbs. SGC's move to expand sales space and volume mirrored the national trend of accelerated building rates for supermarkets during the period. *Progressive Grocer* reported that by 1966, supermarkets accounted for seventy-two percent of the retail grocery business despite only representing twelve percent of total food stores in the United States.⁴⁰ Despite rising

³⁸ "Food Chain's Profits Rise," *Newark Evening News*, May 15, 1964.

³⁹ "Supermarkets Stock to Join Big Board List," *Newark Evening News*, December 12, 1968; "Supermarket Firm Gains," *Newark Evening News*, January 23, 1969; Don Dust, "Pathmark Pushes Expansion," *Newark Evening News*, February 21, 1971.

⁴⁰ "Shoppers Tell Likes, Woes," *Newark Evening News*, February 8, 1966. *Progressive Grocer* is a monthly magazine that include the advertisements of manufacturers of food and supermarket supplies targeted at supermarket owners and managers. The articles and editorials contained in the journal represent

construction costs and mortgage rates (and the fact that supermarkets were relatively cash-poor compared to other industries), supermarket construction represented ten percent of all commercial construction in 1969 and a total of 2,450 new units were built nationally. Additional investments went to store remodels and extensions. A&P, the longtime leader in the grocery business yet struggling to compete with stores that had adopted the bigger store format, responded to their challengers by introducing new store formats. To keep up with their competitors, they planned to build 125 new stores in 1970, increasing their average store size from 11,000 square feet of sales space in 1967-68, to 13,000 in 1969, with the new units to be built at an estimated size of 15,000 to 18,000 square feet.⁴¹

The new concept stores built by supermarket chains emphasized size but were also conceptually distinct from older stores. Termed “discount stores,” the trend among prominent grocery chains were stores that featured store-wide price discounting, more store-brand products, and separate displays for discounted specials. The idea behind the discount stores was to increase sales volume by selling more goods at a lower profit margin. With these stores, chains bypassed the practice developed during the 1950s of discounting select items through promotions, games, and trading stamps. Instead, they lowered prices across the board to attract shoppers and increase volume. “Warehouse stores” were built on a similar concept of limiting services and overhead while emphasizing volume price deals. They were characteristically less decorated than traditional stores. Because of the emphasis on volume, large stores were most targeted

the prevailing debates and discourses taking place in, and interpreted by the leaders of, the retail food industry.

⁴¹ “Supermarket Building Steady,” *Newark Evening News*, [Unclear] 1970.

for conversion. Branding their discount stores “WEOs” or “Where Economy Originates” (originally “Warehouse Economy Outlets”), A&P had converted two hundred total units into discount stores midway through 1970. By May of that year, more than fifty A&Ps had been converted to the format in northern New Jersey, though none of these stores were located in Newark or in Essex County. Repurposing, even in the suburbs, was not expected to yield immediate gains for a chain and was considered a long-term investment. Because converting stores required new investments for larger refrigerators and freezers for each unit, several chains admitted that it took more than a year for a company to see a profit after converting to the discount format.⁴²

The introduction of discount stores contributed to what industry insiders labeled a price war by the end of the 1960s. In addition, over-storing was a noted problem for the supermarket industry post-boom, and in some areas too many stores had been built in close proximity and they ate away at each other’s potential profits. “It’s the most competitive business in the country,” remarked a spokesperson for Acme in 1970. In 1972, hyper-competition and expansion was understood to be part of the reason for the diminished earnings of some supermarket companies that year. Milton Perlmutter of SCG stated that the lower profitability of his chain was due in part to discounting and reported his belief that the “reduced rate of growth in supermarket sales” was the result of “aggressive pricing policies adopted by other supermarket chains.” Contributing to the squeeze faced by supermarkets was inflation in food prices. In the spring of 1972, wholesale beef prices rose nine percent. Supermarkets did not immediately raise prices

⁴² Gunter David , “Discount Supermarkets Increasing, Sparking Lower Prices by Chains,” *Newark Evening News*, May 11, 1972.

due to the potential for a consumer backlash and pressure from President Nixon's administration. Some chains adhered to the administration's request to "hold the line" on meat prices and reported selling beef at a loss.⁴³ A spokesman for Shop-Rite explained that while "no one likes to sell at a loss," the fierce competition among stores would "separate the men from the boys." Meanwhile, the ultimate winner from the supermarket price wars would be the customers. "The consumer in the New York-New Jersey area," the spokesman concluded, was "in the best bargaining position that he has been in, in a very long time."⁴⁴

The aggressive pricing, the immense competition, and the innovative new stores were said to be uniformly a boom to New Jersey consumers. This would not prove true for many Newark residents in subsequent decades, however, as volume had become king. The multiplicity of new store formats during the 1960s demonstrates that, as opposed to relying on a static model, the supermarket industry was dynamic in the midst of intense competition, and developed new formats for stores that could meet changing market conditions. To supermarket operators at this time, maximizing volume meant building stores with larger sales floors that were attractive to suburban shoppers and could be easily reached in their cars. Chains were developing new formats, but not the kind that adapted to the conditions of the city in the 1960s. Increasingly, they did not view Newark and similar cities as suited for the evolving supermarket model. Whereas a decade prior retailers chose to adapt to city conditions and renovate their units, operators now retreated from city.

⁴³ "Beef Prices Spiral, Threaten Consumer," *Newark Evening News*, May 27, 1972.

⁴⁴ Gunter David, "Discount Supermarkets Increasing, Sparking Lower Prices by Chains," *Newark Evening News*, May 11, 1972.

By the end of the 1960s, chain supermarkets would invest lightly in the store improvements and operations in the city, closing stores, and underservicing those remained in urban areas. Economic considerations, however, were only part of the reason. Social factors and racialized assumptions led food retailers to view the inner city consumer market as fundamentally different from those in suburban areas. While chains were deploying more resources to stores in the suburbs, the conditions of the stores that remained in the city would deteriorate, and the quality of the goods and produce they provided suffered. In neighborhoods where stores closed not to reopen, residents had to travel outside of their neighborhoods to procure groceries and fresh food.

The Urban Crisis for the Supermarket Industry and the Creation of “Newark’s Image”

While supermarkets were flourishing in New Jersey suburbs by the late 1960s, store executives saw a crisis in urban neighborhoods. Increasingly, supermarket operators were being put on the defensive regarding their stores’ practices in the city. During this period, supermarket chains came under scrutiny for allegations that they were price-gouging poor, city residents. In the face of such criticism, in a 1967 letter to the editor published in the *Newark Evening News*, Food Fair president Samuel Aidekman, defended his stores’ operations in Newark. The supermarket executive insisted that, “even though the economics may be different” in certain neighborhoods, his stores were delivering equal service in the city. “Our continuing policy is to give the best value in every community,” Aidekman explained, along with “the best variety and quality.” There was no difference to be found in either the price or quality of meat, according to

Aidekman, in the suburbs of Milburn and Maplewood and the city of Newark. He went on to defend his stores' policy of taking the photo of people who cash checks in the store. According to Aidekman, this was a practice that went on not just in Newark, but in all of his stores in "industrial areas," where people utilize the service without making purchases in the store, and was meant to protect his company from losses so that it could continue to provide lower prices to customers.⁴⁵

Charges that chain supermarkets were deliberately charging more for the same products sold in their suburban stores, and otherwise treating consumers in poor neighborhoods differently, were persistent throughout the late 1960s. Initially published in 1963, sociologist David Caplovitz's book, *The Poor Pay More*, helped to inspire a conversation during in the middle of the decade regarding the previously unconsidered costs placed on poor people. The second half of the decade was also a moment in which a broad consumer movement was gaining momentum nationally.

In Newark, the factors that inspired the consumer movement of the mid-to-late 1960s, such as unfair and discriminatory pricing practices and higher food costs, were subsumed by the mounting racial tensions brought on by unequal political representation for the now majority of black Newarkers. Additionally, the disproportionate effect on black communities of urban renewal and blight removal policies enacted by the city and state contributed to a housing shortage. In July 1967, the alleged beating and killing of a black taxicab driver sparked a five-day episode known to some as a riot and to others an uprising. The targeting of white businesses that week can be looked at as both opportunistic on the part of looters and the result of mounting anger toward the

⁴⁵ Samuel Aidekman, letter to the editor, "Prices Uniform," *Newark Evening News*, August 23, 1967.

discriminatory political and business practices that presented obstacles to new black businesses and restricted employment for black Newarkers. Twenty-six people were killed over those five days and property damages were reported in the millions of dollars. Within the business community and in many public circles, the riots would come to define Newark for more than a generation.⁴⁶ The '67 disturbances would have a great deal of consequences for the food retailing industry. Due to the many factors leading up to that summer, and the subsequent outbreak of violence, the supermarket industry would struggle to form an understanding of their role in the urban environment.

Even before July 1967, many within the food retailing industry viewed the inner city as increasingly beset by violent crime. During the 1960s, chains found that theft was a chronic problem in their suburban stores as well as those in the city. Suburban stores in New Jersey were notoriously not immune to shoplifting and theft throughout the 1960s. By 1963, stores like Good Deal had taken stronger measures to curb theft not just in cities but in their suburban units as well. They hired security officials with law enforcement backgrounds to police their stores against pilfering. Store officials admitted that while more thefts occur in poorer neighborhoods, the value of goods taken is higher in wealthier areas.⁴⁷ “Although most people don’t realize it, there is an unbelievable shoplifting problem in the suburbs,” stated an assistant manager of a local supermarket. “The rate of incidents may not be high, but out here they take more expensive items- meat deluxe dairy products and lots of non-food items that aren’t available in the city stores,”

⁴⁶ Historian Clement A. Price has explored the meanings behind July '67 in Newark and contested the one-dimensional understandings of those events that reduce those five days into simply “the riots.” See, for example, Clement Price, “New Jersey and the Near Collapse of Civic Culture: Reflections on the Summer of 1967,” 2007.

⁴⁷ “Honest Buyers Assessed For Shoplifter Depredations,” *Newark Evening News*, April 7, 1963.

an Essex County Shop-Rite surveillance department revealed in 1970. One suburban store manager indicated that the amount taken had at times equaled his store's profits.⁴⁸ However, the types of crimes committed at stores in Newark and other urban neighborhoods were qualitatively different. Just months before the violence of July 1967, a string of armed robberies took place in Newark, amounting to \$10,000 in stolen cash from two Foodtown stores and an A&P.⁴⁹

Food store operators and managers increasingly decried the lack of protection they received from municipal authorities. Even before the 1967 riots, stores in urban neighborhoods in the New York and the New Jersey area "had been subject to periodic attacks, to hold-ups, shootings, [and] vandalism." Store executives, *Modern Grocer* reported, believed that the situation in the city was becoming increasingly untenable.⁵⁰ They pointed out that courts were not being tough enough on vandals and criminals. They also believed that the police were ignoring these neighborhoods for several reasons: the lack of support they received from the judiciary, charges of excessive force or brutality stemming from arrests, or more simply from outright purposeful neglect.⁵¹

In addition to the perceived lack of support from local government and law enforcement, food retailers in the inner city were struggling under restrictive financial circumstances. Exacerbated by the breakout of violence in these communities, an

⁴⁸ Linda Artlip, "Supermarket Mangers Speak Up," *Newark Evening News*, May 31, 1970.

⁴⁹ "3 Indicted in Robbery," *Newark Evening News*, June 29, 1967.

⁵⁰ *Modern Grocer* was a weekly trade newspaper published for the New York-metropolitan region. In 1967 it boasted a circulation of "18,136 consisting of chains, supermarket store managers, buyers, cooperatives and independent retail service and self-service food stores, jobbers, distributors, and brokers."

⁵¹ "Riots, Looting This Week May Be Last Straw For Chains In Poor Areas," *Modern Grocer*, July 28, 1967.

insurance crisis is how many within the food retailing community characterized the situation for inner cities in the late 1960s. According to a Foodtown executive with stores in the city, “companies won’t insure in Newark anymore” adding that owners had already received notices of policy cancellations. “To get insurance now,” he surmised, “the rates [would] be astronomical.”⁵² Both the governor of New Jersey and the mayor of Detroit were critical of what was seen as racially discriminatory “redlining” of inner city communities by insurers, who were depriving communities of financial resources.⁵³

Meanwhile, representatives of the supermarket industry could not agree on the role their stores should play in an inner city environment they viewed as increasingly hostile. In its coverage of the Newark disturbances, *Modern Grocer* noted that A&P, Foodtown, and Acme had begun hiring more black employees prior to the riots at an increasing rate.⁵⁴ However, the trade publication also expressed the industry’s consternation regarding the role of chains stores in improving employment opportunities in urban communities like Newark. The paper reported that it was “not uncommon” for black “extremists” to vandalize and fire bomb stores when demands to hire more black workers went unmet. The editor of *Progressive Grocer* likewise expressed the belief held by many within the retail food industry that “improvement of community relations” in the form of “better job opportunities for Negroes, fair hiring policies, [and] adequate training” were not a “total answer to preventing disorders” like those in Newark and Detroit. A Detroit supermarket owner shared a more conservative sentiment, believing

⁵² Leonard E. Daykin, “Aftermath of the Riots,” *Progressive Grocer*, September 1967, 166.

⁵³ “Tell Senate Insurers Draw ‘Red Line’ Barring Stores in Slum Areas,” *Modern Grocer*, October 20, 1967.

⁵⁴ “A&P, Foodtown, Delis Victims in Newark Riots,” *Modern Grocer*, July 21, 1967.

that the rioters were in the “category of people who want something for nothing and who won’t work” and that “there [were] no slums, just slums living in an area.”⁵⁵

To the operators of chain stores with greater means than the local merchants, the disturbances of ’67 represented the symptoms of a broken city that would remain perpetually antagonistic to white businesses and the supermarket enterprise. The traits that would define the ghetto to many in the industry were reflected in, and produced by, the coverage of the prominent urban uprisings in the middle of the 1960s, and in particular the disturbances in Newark in July of 1967.

Anger and resentment toward white businesses was emphasized in the media coverage and in the reporting in the trade press. Under headlines like “Leisurely Looters Defend Acts As Way to Deal With ‘Whitey’” and “Negroes Defend Newark Looting,” news articles in the *New York Times* and the *Washington Post* portrayed the people in the streets of Newark as opportunistic, using the unrest to casually lift merchandise from neighborhood shops and supermarkets. The *Times* called the scene “an almost carnival atmosphere” as “Negro housewives calmly invaded shops and supermarkets.” One woman was quoted, purportedly as she was removing bread from a supermarket shelf: “The brother’s got to take everything he gets.”⁵⁶ Reports also indicated that black-owned businesses were designated with “Soul Brother” or “Black Power” signs in their windows to avoid being targeted. In a *Washington Post* article, a black woman guarding a store with a baseball bat testified that white stores had been “robbing these people for years,” and that, “Negro businessmen can hardly beg, borrow or steal their way to renting a place

⁵⁵ Daykin, “Aftermath of the Riots,” *Progressive Grocer*, September 1967, 168.

⁵⁶ “Race Relations: The Ghetto Explodes in Another City,” *New York Times*, July 16, 1967, 131.

on the street.”⁵⁷ Trade journals for the food retailing industry echoed many of the most extreme elements of the reporting of the major newspapers. Articles in *Modern Grocer* and *Progressive Grocer* emphasized the destruction done to food stores and the apparent racially-targeted nature of the damage and the looting. The coverage emphasized that white businesses were hit while black businesses were spared from the worst. The trade press was especially alarmist in its tone regarding the situation for food stores in the neighborhoods affected most by the violence. The features on the riots in the trade press took special note of the apparent discriminate actions taken against white businesses versus black-owned shops. Alongside descriptions of fire-bombed stores in a *Progressive Grocer* article on the violent episodes in Detroit and Newark in the summer of 1967 were several images of Detroit that showed the aftermath of the violent destruction, including the inside of a grocery store turned upside-down during looting with a caption that mentioned that the “Negro-owned store across the street was left intact.”⁵⁸

Images like these helped to define urban residents, in the minds of the supermarket industry, as being hostile to their enterprise. Representatives of the exclusively white supermarket industry did not acknowledge the unequal access to funding that black entrepreneurs faced, nor why there were so few black-owned food vendors in neighborhoods that were predominantly black. Instead, black residents were seen as unwilling to cooperate with white businesses. When black neighborhoods, for

⁵⁷ “Newark Restores Calm; Toll at 18,” *The Washington Post*, July 16, 1967, A1; Thomas A. Johnson, “Leisurely Looters Defend Acts As Way to Deal With ‘Whitey’,” *New York Times*, July 15, 1967, 1.

⁵⁸ Daykin, “Aftermath of the Riots,” *Progressive Grocer*, September, 1967, 161.

example, made demands on store owners to change hiring practices to employ more local residents, industry representatives viewed such actions as unnecessary and harmful to business. Nor was racial inequality viewed as an underlining cause of the riots.

Comparing the upheaval in 1967 to the riots in Watts two years prior, associate editor for *Progressive Grocer*, Leonard Daykin, remarked that one “potent similarity” was “the apparently small role that racism or civil rights played.” He quotes an unnamed Newark businessman who believed that, while the incident “may have been sparked by a racial incident,” that shortly thereafter “the sheer violence became an end in itself.”⁵⁹

The outbreak of the riots was seen as the “last straw” for chain stores operating in poor, urban neighborhoods. An article in the trade newspaper, *Modern Grocer*, published two weeks after the civil outbreak in Newark declared, “Chain organizations in New York City, [and] in cities like Newark and Jersey City, ultimately plan to reduce or eliminate entirely stores in these riot-torn areas.” According to one supermarket executive quoted in the article, the riots in Newark, as well as those in Detroit and areas of New York City, were “no surprise” to operators in those neighborhoods. “On a smaller, less publicized scale,” the executive remarked, “we have been getting this kind of treatment for years.” “The police [and] the courts can’t help us,” he continued. Chain stores had “given up on lawlessness,” and, the executive explained, “we plan to pull out” and “either sell or close down stores completely.” The article explained that the chains planned to leave service in these neighborhoods to those stores that “in the past, usually dominated in poorer neighborhoods,” such as the smaller mom-and-pops and the

⁵⁹ Ibid., 168.

specialty deli, produce, and meat stores. The article stated that while chains would not declare it publically, the policy shift had been “in the works” for a while.⁶⁰

The trade publication did not point out the obvious hole in the chain stores’ rationale. The conditions that were seen as hurting chain stores were affecting the smaller stores to an even greater degree. During the five-day outbreak, the trade publications pointed out that chain supermarkets suffered comparably less damage than did Newark’s contingent of small and independent stores. According to *Progressive Grocer*, three A&P units had been damaged during the violence, but the chain had been complimented by city officials for continuing service with limited interruption. While the major chains dealt with stolen merchandise, looting, and broken windows, no supermarket was put out of business as an immediate result of the riots in Newark. Small and medium-sized independent stores, on the other hand, were hit the hardest with several described as “totally destroyed.”⁶¹

In addition, both *Modern Grocer* and *Progressive Grocer* noted that the insurance crunch following the summer disturbances disproportionately affected smaller stores, some of which held insufficient insurance prior to the looting, while others had carried none at all. In an editorial in *Modern Grocer* the following summer, for instance, among the “ghetto area food merchants” it was the small businessman who found himself “caught in the grip of an intolerable situation for which he bears little responsibility.” The editorial called for federal action to guarantee insurance for food stores in urban areas. It was also very critical of other policy decisions that had cut off resources to poor

⁶⁰ “Riots, Looting This Week May Be Last Straw For Chains In Poor Areas,” *Modern Grocer*, July 28, 1967.

⁶¹ Daykin, “Aftermath of the Riots,” *Progressive Grocer*, September, 1967, 160.

neighborhoods. “Many very important programs such as increased aid to low-income housing” had been “trimmed to the bone” the paper argued. The small businessman, it continued, with “much less voting power” could “hardly expect better treatment” from the government. In this way, the editors of *Modern Grocer* connected the plight of urban food retailers with the worsening overall conditions in many U.S. cities during the late-1960s. “The difficult problems which face the under-financed, over-worked operator in a poor neighborhood,” the editors argued, grew “from the same seeds as do the other ills that beset our cities.” “Find a cure for these ills,” the editorial concluded, “and the small store-man will be saved along with everyone else who lives in poverty.”⁶²

Despite the violent episodes and the damages suffered by stores in Newark, many small businesses along major retail thoroughfares were determined to remain in business and not leave the city. Two years after the violent episodes of July 1967, the *Newark Evening News* conducted a survey of store owners in the area most affected by the riots. The *News* reported that many owners of stores on Springfield Avenue, ground-zero for many of the most destructive acts committed by vandals as well as the police, were inclined to continue their businesses and try to stay in the mostly black community despite obstacles. Although an estimated twelve percent of white merchants had left the predominantly poor, black neighborhoods surrounding Bergen Street, and, Springfield, South Orange, and Clinton Avenues, those that remained were optimistic that Newark was undergoing a change for the better. Those that resumed their businesses following the riots reported an increase in sales volume in the two years since. Springfield Avenue,

⁶² “A Time for Action,” *Modern Grocer*, July 12, 1968.

in particular, rebounded as a retail center that attracted shoppers from nearby neighborhoods, according to the *News*.

Some white merchants questioned the extent to which there was animus and mistrust among black consumers and white merchants. One longtime shop owner believed that, in the neighborhood in which he operated in Newark, harmony had existed prior to the summer of '67 and that as far as he was concerned, "that harmony still exists." "I am happy," Joseph Killner told the *News*, "and have very few problems with black people." The retailer concluded that there was "good and bad in everybody." Horace Brown, a black merchant whose store was on Bergen Street, concurred with the sentiment. To Brown, "a thief has no color line." Brown did note that black merchants faced greater challenges, believing that it was more of a struggle, and took longer, to establish a successful business when compared to whites. But even for white merchants, obtaining adequate insurance following the riots seemed to be an obstacle to continuing with business-as-usual. Merchants experienced difficulties replenishing inventories and repairing or renovating their stores without being insured. One merchant told the *News* that he was unable to garner insurance for almost two years following the disturbances, but remained steadfast in his commitment to remain in the neighborhood, declaring "I'll not move my business from the area." Others, including former president of the Springfield Avenue Merchants Association, Morris Spielberg, disputed that insurance had become unreasonable and unobtainable. "I believe some merchants are being misled in this direction," Spielberg told the newspaper. He pointed to state and federal legislation that provided insurance assistance for small businesses.⁶³

⁶³ Chester Coleman, "Keep Ghetto Stores," *Newark Evening News*, August 14, 1969.

Owner of Randy's Food Market on the corner of Clinton Avenue and Bergen Street, Abe Levine, reported no problems with insurance and added that he liked working with the people in the community. Levine, whose store had been open for fifteen years, stated, "When I leave, it'll be because I am just tired of working." Making their stores more a part of the community and remaining involved in community affairs, instead of creating barriers between themselves and the communities in which they operated, was the goal expressed by these Newark merchants. "We'll stay," said Spielberg, "and we'll give the youth of the area something to do besides throwing bricks." That a sizable portion of merchants choose to stay in the Newark neighborhoods affected by the riots demonstrates that merchants still believed in the profitability of the area. Coverage in the *Newark Evening News* countered some of the reporting in the trade press that painted the neighborhoods of Newark as unfriendly and dangerous to successful commerce. Two years after the disturbances wracked the central ward of Newark, local merchants saw a rebounding city and an environment that could support retail businesses. As one Springfield Avenue merchant put it, "I am in business to make a profit and I am here to stay."⁶⁴

Conversely, the coverage of the trade press indicates that supermarket operators did not view the upheaval of 1967 as a one-time event- "not a culmination but a beginning"- and a harbinger of the future for the affected neighborhoods.⁶⁵ Entering the 1970s, the situation in the inner city remained a bleak picture for this group. An editorial in *Modern Grocer* just prior to the start of the summer of 1970 warned of the inevitable

⁶⁴ Coleman, "Keep Ghetto Stores."

⁶⁵ "Debate on Ghettos Still Unresolved," *Progressive Grocer*, February 1968.

“flare-ups” that were bound to occur in the summertime heat in the “so-called problems areas” of the urban areas surrounding New York City, including Newark. Local authorities, the paper argued, were either “powerless or unwilling to act” to protect sales spaces in the ghetto. The editorial called into question the entire enterprise of operating food stores in urban areas without sufficient protection from local law enforcement and the local government. “To our way of thinking,” the article continued, food merchants- “independents and chains alike”- deserved “either a hero’s medal or a strait-jacket [sic]” for continuing to operate in ghetto neighborhoods.⁶⁶

At the same time as the trade press was critical of lack of municipal support, they complained that the federal government was bringing about undue criticism of supermarkets’ operations in the inner city. While supermarket executives like Samuel Aidekmen publically defended their operations against charges that supermarkets were exploiting the poor, the allegations persisted and Congress launched investigations. A 1968 report conducted by the House Consumer Affairs Subcommittee chaired by Benjamin Rosenthal of New York condemned the pricing practices of chain supermarkets in poor neighborhoods. The report combined investigations of prices charged by supermarkets in Washington, D.C., St. Louis, and Harlem, and concluded that there was evidence that chains sold certain items at higher prices in city units versus the suburbs. The report was also damning of the quality of food and the sanitation and cleanliness of the inner city stores. The supermarket industry fought the release of the report and criticized the findings. They also asserted that the report would result in more tension between the chains and city residents and would lead to more violence. A spokesman for

⁶⁶ “Summer of Violence,” *Modern Grocer*, June 19, 1970, 4.

the National Association of Food Chains conveyed the feelings of store operators when stating that the report was lacking hard evidence and that it contained “inflammatory material that may well spark riots around the country.”⁶⁷ The feeling throughout the industry was that, by publically impugning their pricing policies, the federal government was exacerbating the tensions between urban food stores and local residents. In this way, the federal government was stoking flames that could result in more riots.

At the same time as supermarket operators felt they were at risk in inner city neighborhoods, consumer advocates and other “do-gooders” were finding allies in the halls of government and launching attacks at the supermarket industry. In the face of what *Progressive Grocer* termed a “two-way squeeze,” retreat by food retailers from urban areas seemed to be the best option.⁶⁸ Given the “daily threat” of violence, the “outrageously expensive” insurance rates, the inconsistent protection supplied by the police, and the criticism of discriminatory pricing, residents of poor neighborhoods would soon find no more food stores. The “Summer of Violence” editorial in *Modern Grocer* warned in 1970: “You know what’s going to happen? One of these days, in New York and cities like New York, the customers and the government officials are going to wake up and find that all the food stores in the ghettos have closed.” The paper predicted that, “the people will have to go blocks, maybe even miles to shop,” and the local residents would “have only themselves to blame.”⁶⁹

⁶⁷ Daniel Rapoport, “Report Critical of Supermarkets In Ghettos Lodged in House Unit,” *The Washington Post*, Jul 31, 1968, A21.

⁶⁸ “Debate on Ghettos Still Unresolved,” *Progressive Grocer* 47, February 1968, 9.

⁶⁹ “Summer of Violence,” *Modern Grocer*, June 19, 1970, 4.

The Growing Grocery Gap and the Struggle for Alternatives

The ominous predictions of *Modern Grocer* in 1970 would prove prescient. In the subsequent decades, in Newark as in many other U.S. cities, supermarket chains would cease building new stores in city neighborhoods leaving Newarkers to seek alternatives to the large chain supermarkets. Some chains continued to operate in urban areas, but it became clear that these units were not operating under the same standards as the better-maintained stores of the suburbs. Without sufficient investment in store maintenance, standards of cleanliness and sanitation inside of inner city stores deteriorated. The goods may have nominally cost the same as in suburban stores of the same chain, but city patrons increasingly saw unbecoming merchandise and unsanitary conditions on store shelves. Fewer stores in the city meant less competition in the retail market. It also meant longer distances for residents to travel in order to procure food for themselves and their families. Instead of the smaller mom-and-pop stores and specialty fruit, meat, or bakery shops that might have offered fresh food options for residents, the void left by chain supermarkets was more likely to be filled by retail outfits like convenience stores, that sold low-cost non-perishables, and later by fast food chains that offered cheaper, ready-to-eat food.

Residents of Newark did not choose convenience stores and fast food outlets over supermarkets. The shaping of the retail food landscape and food options in Newark during this time was, to an outsized degree, affected by the decisions of well-established food merchants and supermarket chain operators. Newark residents were shut out of established food supply chains, and they had been unable to build their own infrastructures of food distribution due to decades of racial discrimination against black

businesses. Newarkers, as well as and other residents of urban areas, wanted clean stores that offered the prices and goods that could be found at suburban stores, and urban communities worked to establish alternatives to the major supermarket chains. These efforts would prove that many of the assumptions held by the food retailing industry about inner city consumers' predilections and shopping behaviors were off-base. In seeking more control over the food options in their communities, these efforts underscore that city residents had the same basic preferences as shoppers in the suburbs, and wanted the amenities offered by local supermarkets. As supermarkets stopped innovating for the city, members of the community worked to create alternatives that could deliver what supermarkets did. Consumer co-ops and community-financed grocery stores, however, were not able to take full advantage of the high-volume, wholesale pricing that the chains capitalized on. Attempting to replicate the amenities of the supermarket outside of the well-established channels governed by supermarkets chains and their large suppliers and wholesalers proved difficult to sustain and ultimately fell short of extending services to all the neighborhoods that were increasingly falling into the growing urban grocery gap.

By 1968, the year the House Consumer Affairs Committee compiled their report detailing inequities in food retailing in certain cities versus suburban areas, the disparities in supermarket service were an important subject to many residents in the city of Newark. That year, the Newark chapter of the NAACP conducted its own report to determine how prices in the supermarkets in Newark compared with stores of the same chain located in surrounding suburbs. The food price survey was the first attempt in Newark to document potential discrimination in store prices. According to the creators, the need for the report grew out of the rising complaints and "wide-spread belief that price gouging is very

prevalent in Newark." The report explained that "deprivation and hunger are sociologically traceable to the higher rates of anti-social behavior recorded in the center cities." If stores were found to discriminate via food prices, the organization would consider the findings "grounds for immediate action." The study looked at five prominent supermarket chains with stores in the city, and selected suburban stores from each chain for comparison. The comparisons took place at Acme, A&P, Food Fair, Good Deal, and United Foodtown, all with stores in Newark and in adjacent suburbs. The city stores used for the report were located in or near the central ward, and were selected "with the hope that those [stores] in the heart of the ghetto would consequently display the worst abuses in terms of pricing and qualitative offering."⁷⁰

The report, however, found no evidence of deliberate or prejudicial pricing. Their conclusion after conducting their price comparison was that there had been "no significant difference between the cost of food offered for sale by supermarkets in the suburbs and in Newark."⁷¹ If the poor paid more, the study concluded, it was because there were less stores overall in the city, and the smaller, independent shops in poor areas had higher expenses and thus higher costs. Further, the report noted that residents in poor neighborhoods often lacked the ability to leave the city center to shop at markets outside of their neighborhood and that low-income residents also lacked sufficient income to take advantage of store specials or to buy bulk and economy-sized items. Echoing a class-based sentiment that could have easily been asserted by elites in the food retailing industry, the NAACP study also curiously concluded that poor residents spent more on

⁷⁰ *A Consumer Study of Supermarket Chains by the Newark N.A.A.C.P.* Report. Newark, NJ: Newark N.A.A.C.P., 1968, 3.

⁷¹ *Ibid.*, 10.

food because they “lack[ed] the training necessary to obtain the maximum utility from food products both in terms of nutrition and personal satisfaction.”⁷²

Significantly, however, the study did call attention to the disparity between the conditions of the stores located in the center city and those in the suburbs. The “qualitative difference in merchandise and service” was apparent to those who conducted the survey and was the most critical aspect of the report. The “cleanliness standards, quality of merchandise, efficiency of help, quantity of merchandise and attractiveness of displays” were rated as lower in the Newark stores. In addition, the stores in the city had more items either unmarked or improperly labeled on their shelves, had product on the floor, and lacked sufficient shopping carts and baskets.⁷³

Although this particular Newark study did not find evidence of deliberate price discrimination among the chain stores still operating in Newark in 1968, the costs of food shopping rose for Newark residents after the late 1960s due to the lower concentration of stores and the greater distances customers would have to travel due to fewer stores. The charges of higher food costs faced by inner city residents stemmed in large part from the fact that stores that could exercise high-volume prices were becoming much more scarce in urban settings. Fewer stores meant less competition, and the stores that did continue to operate in the city faced less competitive pressure to cut prices or maintain high standards of cleanliness.

1968 was also the year that the lack of supermarkets in urban areas received attention from the federal executive branch. President Lyndon Johnson’s special assistant

⁷² Ibid., 5-6.

⁷³ Ibid., 9-10.

for consumer affairs, Betty Furness, appealed to patriotism in remarks on the state of American inner cities made in May 1968 to the Super Market Institute Convention in Cleveland. Because they sold the most basic elements for life, food merchants had a unique ability to improve living conditions for the poor, according to Furness. The supermarket was a “natural place” for the poor to shop and to receive fair value for their money. When supermarkets leave the inner city, she argued, the poor had fewer places to turn and food prices rose accordingly. Furness conceded to the members of the supermarket trade association that staying in the inner city would involve “doing business the hard way” and “serving customers you don’t need in a way you may not want to.” And while the payoffs may not be easy for the industry to see, “it’s our country and if we don’t do something about holding it together nobody else will.” Much as the Newark NAACP asserted that the poor were less-educated food consumers, Furness specifically recommended that supermarkets staff inner city stores with “home economists” to offer information on economical shopping and food preparation. She urged wholesalers to consider opening smaller “superette” food markets to service ghetto communities. The scaled-down supers, she suggested, held for wholesalers the potential to “help preserve the inner city market for you” and additionally could “create new markets where markets don’t exist now.”⁷⁴

In essence, Furness was pleading with the elites in the food retailing industry to resume a business practice they had ceased- to use their capital and their resources to innovate and create new food stores that could fit in the urban environment, as they had at the beginning of the supermarket boom. In appealing to wholesalers, Furness also

⁷⁴ “Wholesale Grocers Urged to Probe Ghetto Service,” *Modern Grocer*, May 10, 1968, 16.

acknowledged that closing the growing gap between food stores in the suburbs and in the city required urban outfits that enjoyed leveraged buying power. While the members of the Super Market Institute did not head Furness's appeals in the aftermath of her speech, consumers in inner cities around the U.S. organized to leverage their buying power in attempts to make food more accessible in their neighborhoods and to bring food costs more in line with those in the suburbs. In one instance, Newark consumers formed a collective to buy food directly from a wholesaler to keep prices low for Newark city residents. The effort was documented in the short film, "With No One to Help Us." Produced by Project Head Start, the film highlights the mutual suspicions of store operators and low-income residents. When paying with credit, welfare recipients accused vendors of overcharging them when they returned to the store to pay. The premise of the organizers of the buying-club was to curtail the practice of credit-buying that potentially led to abusive and coercive practices by merchants. Its participants, primarily mothers, would have the ability to purchase non-perishable food and cleaning supplies at the volume prices that the co-op was able to negotiate directly with a wholesaler.

The film chronicles the basic difficulties of starting a consumer co-op among low-income residents. Start-up money and the ability to fund the operation was a particularly steep hurdle, especially at the end of the month. In order to attract the attention of more established community organizations, participation needed to be relatively sizeable and consistent. In addition, some wholesalers shied away from doing business with community organizations. In another significant limitation, the club was restricted to purchasing only canned foods and other non-perishables. Storing perishables for purchase would put them within the purview of the health department and require special

licensing and inspections. But, more simply, they lacked a refrigerator or storage cooler to keep items from spoiling, and they could not purchase items that could be easily damaged in transport. That meant no milk, eggs, and fresh meat, nor fresh fruits and vegetables.⁷⁵

Larger cooperative efforts were organized in several inner city neighborhoods in an attempt to provide local residents with access to food at volume pricing. Another important goal of community leaders was to bring employment opportunities to young residents and the unemployed. Securing financing was the primary obstacle for these efforts. Residents in Harlem, for instance, finalized plans in 1967 to open a cooperative supermarket, utilizing ten thousand square feet on the first floor of a housing project, aimed at garnering discounted prices for participants. The store was to be owned cooperatively by six thousand Harlem residents, each of whom paid five dollars for a share in the store. The co-op also aimed to train and employ up to eighty employees from the community. Organizer of the project, Cora T. Walker, cited the failure of local political leaders and middle class residents to support the project, and stated that the method of fundraising was a last resort. The operating group, the Interracial Council for Business Opportunity, stated explicitly that aim of the program was “to overcome what many consider to be one of the largest single obstacles to Negro business enterprise—insufficient capital.” The project was only able to get underway after several banks agreed to extend loans with the co-op sharing the risk equally in the agreement.⁷⁶

⁷⁵ *With No One to Help Us*, directed by Eugene Marnier and Carole Marnier. Produced by William C. Jersey. Washington, D.C.: Project Head Start, a Community Action Program, Office of Economic Opportunity, 1967.

⁷⁶ “Harlem Co-op For Groceries,” *Newark Evening News*, December 21, 1967.

A year earlier, another initiative began seeking to bring more grocery stores to inner city neighborhoods. The Jet Food Chain aimed to establish black-owned supermarkets, operating franchises that would service predominantly black neighborhoods in several U.S. cities. Organized in October 1966, the organization's stated goal was to "bring top quality food to central city areas at competitive prices" while providing employment and management opportunities for blacks in the inner city.⁷⁷ The venture was hopeful of a "new beginning" and looked to community ownership to instill dignity to the disadvantaged who were "trapped in central city." The group aimed to bring food to the community at the prices reflected in suburban supermarkets. "The Negro consumer," according to the president of the chain Herman T. Smith, "cannot be expected to support supermarkets that do not match the national chains in convenience and pricing." He imagined that residents would have an opportunity to manage and operate these stores and in the process becoming integrated into "America's free enterprise system."⁷⁸ Three stores were planned for the city of Baltimore in 1966, with future locations planned in Chicago, Mobile, Winston-Salem, Durham, Philadelphia, and St. Louis. By opening food retailing outfits, the planners were hoping to keep money and profits within the black community while also being a catalyst for new investment in these cities.⁷⁹

The Jet Food Chain did not reach Newark, however there were several notable efforts to establish black-owned food outlets that could utilize the economies-of-scale

⁷⁷ "Jet Food Chain Sets 12th Store," *The Washington Post*, Sep 13, 1967, E8; "Black Pastors Group to Open Jet Food Market," *The Washington Post*, May, 8 1969, K11.

⁷⁸ "Negro Group Plans Supermarket Chain," *Newark Evening News*, February 8, 1967.

⁷⁹ "National Negro-Owned Food Chain Is Planned By Firm in Baltimore," *Wall Street Journal*, February 7, 1967, 13.

model of the modern supermarket. In 1968, a plan to convert a closed Foodtown into a black-owned cooperative supermarket was unveiled by a group of Newark businessmen. The proposal for the “Yours and Mine Supermarket” on Jelliff Avenue represented the largest black-owned food store in the city, and one of the largest black-owned businesses overall. The property, a total of 48,000 square feet, supplied space for 150 cars along with smaller retail units adjacent to the supermarket. It was conceived that the store would be profitable due to the potential market of up to 150,000 residents. “There are no major food stores within many blocks of the Yours and Mine site,” noted the *Newark Evening News* in 1968. Organizers were hopeful that the store could reach sales of up to \$3.5 million a year while employing up to 80 people. More than a food store, President of the organizing corporation, Leonard L. Lee, saw the venture as an opportunity to provide black residents with upward mobility. “Any kid who works in my store could become president of it, and his daddy could become a stockholder.” “I also wanted some type of business,” said Lee. “Then people will have pride in themselves.”

To finance the rent on the property, as well as the initial inventory and equipment needed to open the store, the investors offered \$50,000 in stocks. Lee explained that the group was reluctant to request an additional loan from the Small Business Administration to make up for a financing shortfall, one that amounted to over \$150,000 in the fall of 1968. Instead, his desire was to give people in the community a chance to build a business without outside help or taking on a burdensome debt. “I want the black community to say they had as opportunity to put this together,” Lee continued, “to put our dollars together and make something more than a corner store.” The proposal was financed in part by a loan from the Small Business Administration to lease the

property, and additional support was offered from the Greater Newark Urban Coalition. Technical assistance and guidance was offered from Pathmark's parent company, Supermarkets General Corporation, and included doing market research and suggesting an initial budget.⁸⁰

Like the proposal for the Yours and Mine store, another community development corporation announced a plan in 1969 to open a cooperatively-owned supermarket in Newark. The Newark Area Development Corporation, affiliated with the United Community Corporation, planned to establish a cooperative supermarket on Boyden Street. Like the Jelliff Avenue project, the venture was guided by a desire to be an entirely black enterprise. Corporation president and community organizer Clarence Hutchings stated his desire that the community be involved with all aspects of the store's development, and that he wanted the store to be "a profile of the community in action to help itself." The corporation sold shares at \$25. After enough funding was raised from the stocks, the group then intended to apply for a loan from the SBA to make up the start-up difference and to build the store. Like the Yours and Mine project, organizers hoped that the store would provide poor city residents with the opportunity to run the store, thereby providing career opportunities. The proposed store would also be especially important to senior residents of the nearby housing project. "This is a real grass roots effort," Hutchings said. "You might even characterize it as an attempt to make bricks without cement, but we're confident that we can succeed and that our shareholders will receive good cash dividends on their investment."⁸¹

⁸⁰ "Negro Supermarket Plans are Unveiled," *Newark Evening News*, November 26, 1968; "Co-Op Supermarket Plans Announced," *Newark Evening News*, November 26, 1968.

⁸¹ "Negro Group Plans Store," *Newark Evening News*, March 12, 1969.

Attempts within Newark in the late 1960s to replicate the advantages in price and amenities offered by major chain supermarkets were hard to implement and sustain. The opening of another black-owned food store made headlines in the *Newark Evening News* in 1969. This was a smaller grocery store on Maple Avenue in the Weequahic neighborhood. The 5,000 square-foot store called Quality IGA Supermarket was to be operated under the IGA franchise and was the result of efforts by another Newark community development corporation.⁸² Given its relatively small stature, however, the Maple Avenue store would struggle to offer the variety or the prices of the much larger suburban supermarkets. In truth, the major shortcoming of the efforts to start black-owned supermarkets in Newark in the late 60s was that these units were not fully integrated into the system of supply with the prominent food wholesalers who supplied the major supermarket chains.

All of these Newark and local efforts hinged on extensive community activism and efforts to obtain financing. While some stores were opened successfully, they would not sustain themselves to serve many of the neighborhoods of Newark. Small food outlets on and near major streets like Springfield Avenue and community organizations tried to make up the difference and fill in the gaps in service experienced in those neighborhoods. Notwithstanding the hard work and capital from local organizers, Newark residents were still underserved when compared to the amenities and benefits the modern food system was delivering for nearby suburbs. Supermarkets supplied access to fresh, healthy food, at the low prices enable by economies of scale, but they were disappearing in Newark. In 1966 there were 30 chain supermarkets. Over the next ten

⁸² Sam A. Gronner, "5 Blacks Open Market," *Newark Evening News*, August 13, 1969.

years, that number shrank to 15 with Foodtown, a twenty-four store cooperative operated by Mayfair Super Markets Inc., representing seven of those 15 stores. And, the stores that did remain in Newark during the 1970s were sharply criticized by residents.

Discount Shoppers and “Nonshoppers”: The Effects of Race and Class Market Segmentation

The Newark Office of Consumer Action conducted a survey in 1973 that reinforced the findings of the 1968 NAACP report. The disparity in prices between city stores and those outside of the city was not as large as the gap in the conditions of the stores. The group reported that the conditions at city supermarkets were severely lacking and in need of “desperate improvement.” Debra Brown, of the Office of Consumer Action noted that there had been some improvement in store conditions when the *New York Times* reported on the situation in 1976. However, the disparity between store conditions in the city versus those in the suburbs was nonetheless striking. Spotting mold and mildew on the shelves, Brown was explicit about the contrast. “You wouldn’t find this where I shop in Hillside,” said Brown, who at another city supermarket found dead insects on a package of noodles. In addition to the “filthy” situation inside one Newark supermarket, there was trash and other debris flying around outside of the store, a sign that not enough was being invested in store upkeep.⁸³ Poor store maintenance was the result of lack of investment in store staff and store facilities at city supermarkets. In the midst of fierce competition during the decade of the 1970s, chains invested in improvements in the efficiency that largely benefitted only suburban stores. Chains that

⁸³ Rudy Johnson, “Spot Check of Supermarkets in Newark Shows Flaws Amid Reviving Business,” *New York Times*, August 10, 1976, 63.

had that most resources were not inclined to make what they viewed as risky investments in Newark stores. Instead, the major supermarket chains poured resources into improving profitability via more sophisticated distribution systems, while turning their attention away from what they view as unstable conditions in the city. By 1970, the operating company for the Acme chain, for example, had begun using airplanes to transport fresh produce from Hawaii and California to markets where certain fruits or vegetable were out-of-season.⁸⁴

The investments supermarket chains made to improve distribution efficiencies and product diversity were targeted to suburban supermarkets and not to inner city consumers. By 1970, suburban consumers and inner city shoppers were treated as being fundamentally separate consumer markets, with different preferences and expectations for stores and customers. The industry displayed a circular logic by classifying inner city shoppers less willing to shop at numerous stores to capitalize on price advantages while at the same moment stores were becoming harder for city residents to get to due to closures. Ignoring the grass-roots energy and efforts by residents to replicate the amenities of supermarkets, industry analysts saw residents of the inner city as a unique consumer base that did not fit the mold of the ideal supermarket shopper.

An understanding that inner city consumers behaved differently from suburban shoppers in their food-buying habits contributed to the disinvestment by chains in urban environments. That inner city shoppers were essentially different from consumers hailing from the suburbs became accepted logic within the supermarket industry, a reasoning that

⁸⁴ Walter Sopronik, "Shopping Carts Are Must Item on Supermarkets' List," *Newark Evening News*, March 7, 1970.

was easy to embrace given the bad public relations emanating from their inner city operations. To those major food retailers who publically expressed frustration that their loyalty to certain neighborhoods had been violated during instances of urban unrest and by charges of price-gouging, a segmented consumer market provided a business reason to divest from city operations. By 1970, the industry focused their resources on attracting so-called “discount shoppers” with newer, more-heavily discounted stores based in the suburbs. According to one industry study, the tendencies of this category of consumer mirrored those of the suburban middle class shopper. For instance, the study claimed that thirty percent of “discount shoppers” traveled more than three miles to shop, apparently revealing that more affluent consumers were more discerning of price differences among stores and would therefore spend more time and energy to get better deals.⁸⁵ Inner city residents, on the other hand, were not the type of shoppers that would travel out of their own neighborhoods to take advantage of low prices, as they more often lacked cars and relied on public transportation. According to the circular logic of food retailing elites, inner city residents could not travel far distances to do food shopping, and therefore were not discount shoppers that would take advantage of low prices. The discount store innovation within the food retailing industry was seen as incompatible with the types of consumers found in Newark neighborhoods.

These and other assumptions among food retailing elites had a racial character. Theories regarding how black consumers shopped for food in a manner distinct from white shoppers were developed during marketing studies conducted after World War II. As industrialization and migration seemed to change the composition of markets around

⁸⁵ Sylvia Porter, “Are You a Discount Shopper?” *Newark Evening News*, September 6, 1970.

the country, marketers looking to apply metric analyses to promote efficiency saw the need to separate the buying practices of black consumers from those of whites. “In our market activities,” wrote Edgar A. Steele in a 1947 article in the *Journal of Marketing*, “we need to set the Negro market off by itself for purposes of study and development.” Steele explained that by studying black consumers separately, marketers would “not only help the Negro tenth of our population, but we shall greatly expand and improve our national market as a whole.”⁸⁶ Fifteen years later, a study called “Some Negro-White Differences in Consumption,” published in the *American Journal of Economics and Sociology* in 1962, summarized the findings of several comparisons of white and black food shopping habits and determined that, even when adjusted for income level, blacks spent less on food per household than did whites.⁸⁷ “Are there any special characteristics which distinguish the Negro from any other lower-income, lower-educated, and geographically concentrated group?” asked the authors of “The Marketing Dilemma of Negroes,” published in the *Journal of Marketing* in 1965. To the authors, three representatives from Harvard University’s Graduate School of Business Administration, the answer was “yes,” and they noted that, “while income and education are the most important factors, they are not the only ones.”⁸⁸ They concluded that the predilections of black consumers were shaped, and distinguishable from whites, due to the degree to which material items were purchased for their symbolic import and cultural meaning.

⁸⁶ Edgar A. Steele, “Some Aspects of the Negro Market,” *Journal of Marketing* 11, no. 4 (April 1947), 399-401.

⁸⁷ Marcus Alexis, “Some Negro-White Differences in Consumption,” *American Journal of Economics & Sociology* 21, no. 1 (January 1962), 11-28.

⁸⁸ Raymond A. Bauer, Scott M. Cunningham, and Lawrence H. Wortzel, “The Marketing Dilemma of Negroes,” *Journal of Marketing* 29, no. 3 (July 1965): 1-8.

The main assumption of the article was that black shoppers overspent on items to attain social standing.

Differences in consumption patterns based on race continued to be recreated by industry analysts without sufficient consideration for how perceived distinctions might be explained without using a racial paradigm. Instead, the consumer preferences of black shoppers were regarded as timeless qualities that were independent of regional and environment context. Residents of inner city neighborhoods across the country were ascribed the assumed consumption patterns regarded as unique to low-income and black food shoppers. Among the “Characteristics of Inner City Families” in Donald Sexton’s book-length study published in 1973 titled *Groceries in the Ghetto*, were race-based assumptions that held that blacks were more likely to be “nonshoppers,” or consumers thought to purchase fewer brands at a fewer number of stores. The author was supportive of another commonly held belief among industry analysts, quoting from the President’s Committee on Consumer Interests that ruled that “there is already substantial evidence that most poor people do not possess the necessary knowledge, skill, and time to get full value for their dollars.” In other words, low-income, black shoppers were not smart or aware enough to take advantage of the deals offered by supermarkets. Sexton’s explanations for the findings of market studies also reproduced racial stereotypes used to explain fundamental problems within inner city black neighborhoods and the crisis of U.S. cities. While admitting that there appeared to be little empirical evidence “that price and quality perceptions of black (or low-income) and white (or high-income) shoppers do, in fact, differ,” Sexton mused that there may be a cultural reason for the disparate findings. Sexton pointed to an article in the *Detroit Free Press* that read in part that black

families' "financial and dietary problems" were exacerbated by "the common practice of sending children down to the store for an evening to fetch a bag of stuff for dinner." The article held that this was not due to laziness, but because many inner city mothers "are supporting children without a father, and after a day of hard work they are in no mood to cope with the store." To Sexton, "the extent [that] black families send children to the grocery store more than do white families," was a reasonable factor to explain how "the average shopping ability of the black family... may be less than that of the white family."⁸⁹ Inner city shoppers were thought to be not sufficiently selective, savvy, or educated to take advantage to the deals that supermarkets offered.

Not only did low-income, black consumers not fit the industry's conception of discount shoppers, their alleged unique preferences were confounding to supermarket chains and were the real source of the growing lack of stores in urban areas according to food retailing elites. R.W. Mueller, editor of *Progressive Grocer*, noted in 1968 that, thanks to industry studies conducted by chain stores and his journal, the "special nature, needs and preferences of Negro families" were well known among food retailers. Further, black communities held tremendous potential for food stores. Mueller noted that the population of blacks in the U.S. exceeded the population of Canada, and that incomes for black workers had been on the rise proportionally. Mueller, therefore, saw black neighborhoods as a "potentially profitable market" that should entice store operators and lead to earnings. However, the editor was puzzled as to why there have not been more well-publicized success stories about units operating profitably in the "negro market." He characterized store operators in black neighborhoods as confused and frustrated. For

⁸⁹ Donald E. Sexton, *Groceries in the Ghetto*, Lexington, Massachusetts: D.C. Heath and Company, 1973, 51-52.

the *Progressive Grocer* editor, food retailing was one of the most diligent and resourceful industries in the nation, and store operators at the time were eager to help solve “one of the more pressing economic problems in our society,” the problem of food distribution in inner city neighborhoods. Mueller, nonetheless, expressed confusion at why the retail food industry had not “yet learned how to operate successfully in Negro areas.”

To Mueller, the reasons for the lack of food stores in black communities were not due to structural obstacles. Noting how black communities tended to be located around within metropolitan areas, he believed they should be able to be reached by newly constructed stores that stocked the products favored by neighborhood residents. For the editor of *Progressive Grocer*, the real barrier was the frayed relationship between the black community and supermarket owners and managers. Mueller claimed that store operators became targets for national and local politicians who made “capital out of their cries [of] ‘the poor pay more.’” Citing hearings conducted by Rep. Rosenthal’s committee on hunger and malnutrition, Mueller described chains as being caught in a “two-way squeeze.” Supermarkets had to contend with accusations that they were charging more in stores in the inner city while at the same time prominent figures, such as Sargent Shriver and Kenneth Clark, were pointing the finger at supermarkets and the business community in general to do their part to help clean up cities.⁹⁰

Black leaders had also contributed to the animosity directed at food stores according to Mueller. He accused the so-called “Negro pulpit” of instigating irrational boycotts aimed at well-intentioned store operators, resulting in disillusionment among supermarket industry leaders. Mueller accused black leaders of making “illegal

⁹⁰ “Debate on Ghettos Still Unresolved,” *Progressive Grocer*, February 1968, 9.

demands” that included the hiring unqualified people to staff stores, telling stores which banks they could do business with, and carrying products “in which the militant group has an interest.” Unfortunately, the editor remarked, several stores, feared being labeled racist and had given into some of these demands. Furthermore, according to Mueller, black leaders had confused the food retail industry by making demands that were counter to what store leaders knew to be the actual shopping needs and characteristics of black consumers. Leaders of the black community criticized retailers for advertising separately to black customers. “Yet,” according to Mueller, at least one “closely controlled experiment” involving “direct mail specifically aimed at the Negro market” showed “spectacular results.” And, stores that feature products that possessed “known special appeal for the Negro community” reported “unusually high sales, consumer satisfaction and appreciation.” While community leaders demanded that stores in their neighborhoods be as “attractive” as the stores in other areas, Mueller questioned why they also warned “against making it look like one is trying to woo with special décor.” Retailers, who were trying to lend assistance while operating a successful business, were therefore rightfully confounded. Acknowledging that there was no simple solution to the problem of servicing black neighborhoods with supermarkets that could provide access to the variety of food products offered in other neighborhoods at the same prices, Mueller concluded that the task could be accomplished quicker if black shoppers, and their leaders, “displayed a greater sense of responsibility and cooperation than has been seen thus far.”⁹¹

⁹¹ R.W. Mueller, “Retailers Feel Frustrated in Negro Communities” *Progressive Grocer*, February 1968, 6.

For industry leaders like R.W. Mueller, as well as for retail market analysts like Donald Sexton, the supposed characteristics of inner city black consumers slipped into timeless qualities that were independent of geography or changes in socio-economic conditions. While the data was explained in terms of social and economic factors, what is most questionable is the continuing need to analyze and explain black or inner city food consumption patterns as being different in the first place. The relative concentration of grocery stores in inner city neighborhood versus the suburbs would easily explain some basic differences in patterns without resorting to essentialist race and class categorizations. Furthermore, these studies, as presented by Sexton and others, take on a timeless quality. Supposed demonstrable differences in the actions of black shoppers measured decades prior informed more recent studies and understandings without contextualizing important differences in place and time. Sexton, for example, presented a survey conducted in 1960 for findings that were to be applicable for the 1970s.

Rather than emphasizing the broad economic and logistical obstacles for operating successful supermarket in the city (as representatives of the industry would the 1980s), Mueller saw a racial and social divide, and, a separate market that white-owned chain stores were unable to bridge. The editor of *Progressive Grocer* stated that urban neighborhoods could be ideal markets, and he emphasized that an industry as resourceful as the retail food industry should be able to find a successful model for city stores. However, Mueller believed that the black community as a whole was to blame for exacerbating tensions with the supermarket industry. To avoid more store closings, inner city neighborhoods needed to display more cooperation and responsibility.

Mueller's conclusion that the solution to the dearth of food vendors in cities required "responsibility and cooperation" from the black community was echoed by representatives of chain supermarkets when they were called upon to return to city neighborhoods. An obvious stigma had been created around inner cities, one that held that these neighborhoods were populated by a unique variety of consumers and residents who were uncooperative, irresponsible, and not committed to order and stability in their communities. The industry did not seem to recall that many store operators themselves had long been critical of a perceived lack of policing and lack support for city neighborhoods provided by local, state, and federal government. Instead, supermarket chains and other business leaders indicted the residents of poor neighborhoods ahead of other possible factors. In order to attract businesses back to the inner city, members of the community would need to convince executives that they could cooperate with supermarkets and would take responsibility for the upkeep of cleanliness and stability in their neighborhoods.

Bringing Supermarkets Back to the City: The Joint-Venture Model

Regarding the characteristics of black consumers as incompatible with their stores and the inner city as perpetually hostile, supermarket chains would not reenter certain U.S. cities until they were able to secure additional financial incentives coupled with assurances that communities were committed to cooperation and responsibility. In joint ventures with community development corporations, supermarket chains were attracted back to inner city neighborhoods at a time when the lack of supermarkets in those neighborhoods was gaining both local and national attention. From the mid-1970s

to the mid-80s, the Newark Municipal Council passed several motions and penned letters to the region's leading supermarket chains asking them to reassess their responsibility to Newark communities in the face of store closings in the city. The situation had become more than a matter of convenience; in Newark, the dearth of food stores was linked to poor health outcomes and the diminished effectiveness of assistance programs for poor residents. In the meantime, after a decade of diminished relations with city neighborhoods, supermarket executives appeared out-of-touch and uninformed about what the food retailing landscape was like in urban areas. In public they expressed confidence that the market for food-selling was functioning well, and that small stores were filling in the service gap to low-income communities in cities. Ultimately, only a grassroots effort spearheaded by a community development corporation would result in a new store. In Newark, that process would take a decade before the result was a new chain supermarket.

Community leaders in Newark, like other urban areas, would have to convince chain stores that their neighborhoods would be partners in good faith with the supermarket industry to counter the stereotypes regarding inner city blacks that were hardened as a result of the urban uprisings in the 60s. In the joint-venture model, urban community organizations convinced store operators that they were committed to stability and responsibility by sharing the financial risk with banks and chains. An early instance of the joint-venture relationship took place in late in the 1970s in the Shaw neighborhood of Washington, D.C. Giant Food, a prominent regional supermarket chain, proposed to open a new store on the site of the former O Street Market in 1977. The initiative was the product of a partnership between a citizens group, a private development corporation, and

Giant Food.⁹² The residents of the Shaw neighborhood were in the majority black and low-income. The retail spaces in the community, including the former occupants of the O Street Market, had been scarred by violence of D.C.'s riots in 1968 and many abandoned buildings and businesses lined the neighborhood. When the new Giant Supermarket opened in 1979, at 9th and O Street NW, it was the first major chain to open in D.C. in ten years. Officials for Giant Food stated publically that the success of the partnership, in which the chain owned only one-third of the store, would be contingent upon not only the chain's ability to manage and operate the store effectively, but also the cooperation and responsibility taken by community members neighborhood. "The only way this project will succeed," Giant Food president Israel Cohen stated, "is if both Giant and the Shaw community share mutually in the responsibility required." This included a "mutual commitment to cleanliness, orderliness, and fairness." "I promised you Giant will do its part."⁹³

With the urban landscape now largely out-of-sight for supermarket executives, the industry still maintained that smaller stores would fill in the gaps left behind by the superstores that were being built by chains in shopping centers far removed from inner city neighborhoods. But replicating the O Street Market development, or simply bringing a new store to Newark, faced numerous obstacles during the 1970s and 1980s. Chains were closing rather than opening stores in many U.S. cities. The supermarket industry, and food retailers as a whole, were in the midst of a massive contraction in terms the overall number of stores beginning in the middle of the 1970s. The *New York Times*

⁹² LaBarbara Bowman, "Giant Plans Inner-City Supermarket," *The Washington Post*, March 8, 1977, A1.

⁹³ LaBarbara Bowman, "Giant Inner-City Step: A Supermarket," *The Washington Post*, October 11, 1979, C1.

reported in 1980 that the number of individual chain stores had declined by more than six thousand units since 1973, while independent stores declined by almost 40,000. This was seen as a function of new approaches taken by the industry. As the *Times* noted, chain sought to expand dramatically the number and variety of items they carried in order to draw customers from a wider geographic area. The chains were also diversifying their stores. None of the new formats, however, seemed ideal for city units. “Super center” stores typically featured pharmacies, and other nonfood items such as appliances and housewares, whereas the discount stores that debuted in the late 1960s had offered less assortment but at prices that were more heavily discounted. Somehow, the market for food-selling would correct potential inefficiencies for urban areas. “It will be like a grid,” stated Robert Wunderle, vice president of public affairs for Pathmark, “with super-stores in the corners.” “Between the corners there’ll be a lot of gaps the smaller stores will fill in,” the supermarket spokesman concluded. The belief that the market would naturally correct the inefficiencies in urban service proved a fantasy to Newark and other U.S. cities.⁹⁴

For Newark residents many gaps in service remained unfilled and there was an acute need for new food stores in the city. In 1978, the Newark Municipal Council adopted a motion expressing “deep concern” over the number of chain supermarkets that had closed within Newark during the previous decade. That year, Food Fair closed 89 stores in the metropolitan New York and Connecticut area, stores that a company spokesman called “the biggest profit drain in the supermarket division,” while the

⁹⁴ Ralph Blumenthal, “Supermarkets’ Super Woes: High Costs and Slim Profits,” *New York Times*, May 4, 1980, F1.

company filed Chapter XI that same year.⁹⁵ The anticipated closing of a Food Fair on South Orange Avenue prompted the council to adopt a motion describing the move as leaving “more than 5,000 persons in that immediate area without adequate and economical food shopping facilities.” The motion went on to call for “suitable replacement stores in certain neighborhoods” and encouraged Foodtown and other stores to “seriously review their responsibilities to the citizens of Newark and provide the necessary and required number of stores in all areas of our city.”⁹⁶ Seeking a reply, the Municipal Council sent copies of the motion to Foodtown, Pathmark, and A&P. In their reply, Pathmark’s sought to reassure the council that the company was committed to the city. “Since 1975,” the letter read, “Pathmark has invested more than \$350,000 in the renovation and remodeling of our Newark stores.” The letter also noted that the company had opened a pharmacy in their store on Lyons Avenue. The letter concluded that Pathmark would “continue to try to provide services to Newark residents that will contribute to their well being [sic].”⁹⁷ Compared to the other prominent chains operating stores in and around the Newark area from the 1970s through the 1990s, SGC and Pathmark, were the most involved in city operations. At the same time, \$350,000 of investment over a three-year period and a new pharmacy were well short of replicating the benefits of opening new stores. It would not be until a community development

⁹⁵ Barbara Ettore, “Supermarkets Are Perishable,” *New York Times*. November 12, 1978, F1

⁹⁶ Frank D’Ascensio, City Clerk to A & P Stores, Mayfair Supermarkets - Foodtown Stores, and Pathmark Supermarkets. May 18, 1978. Newark, NJ: Office of the City Clerk, 1978.

⁹⁷ Leonard Lieberman, Chairman, Pathmark Division to The Newark Municipal Council. May 30, 1978. Woodbridge, NJ: Supermarkets General Corporation, 1978. Replies from representatives from Foodtown or A&P were not found at the archives for the Office of the City Clerk.

corporation began to actively lobby the company during the 1980s that Pathmark would conceive of opening a new store in Newark.

Meanwhile, as city stores closed and the industry transformed, the dearth of food stores in the heart of Newark diminished the effectiveness of assistance programs for more than two decades. By the 1980s, the lack of supermarkets in Newark was often acknowledged as contributing to the overall problem of hunger in the city. Hunger in New Jersey, and hunger in Newark in particular, was investigated by a state commission in 1985. Participants consistently pointed out that hunger was a function of an inadequate distribution system and that the lack of supermarkets in the city had far-reaching consequences. May Elinson, an OB/GYN nutritionist with the UMDNJ, testified during hearings that many residents receiving assistance in the form of food stamps or WIC checks lacked the transportation necessary to get to stores and therefore could not realize the full benefits of these welfare programs.⁹⁸ More than fifteen years of diminished access to fresh foods also contributed to the lack of familiarity among younger Newark residents with use and preparation of fruits and vegetables. According to Marleny Franco, representing Rutgers Urban Gardening Program, participants in the program commented that before the university-sponsored gardens initiative had not seen many of the greens that were cultivated because such items were not available in the city of Newark. Franco added later that young residents are not very familiar with fresh fruits and vegetables and only know of food that comes out of a can.⁹⁹ The city council continued to be interested in the lack of supermarkets in their city but could offer little

⁹⁸ *Public Hearing before New Jersey Commission on Hunger Subcommittee on Public Comment on Programs to Combat Hunger*, 18 (1985) (testimony of May Elinson).

⁹⁹ *Ibid.*, 2 (1985) (testimony of Marleny Franco)

more than requests to corporations to help alleviate the situation. In 1985, the city urged the Marriott Corporation to reconsider the sale of land in the Vailsburg section of Newark, and the site of a former Food Fair store, located near the Bradley Court housing project. According to the council, the residents of the housing project and the surrounding neighborhood had “an acute need for a new market and other stores to meet their daily needs.” The city hoped that Marriott would work with the Newark Economic Development Corporation “to find someone who can use the property to serve the needs of the people living near it.”¹⁰⁰ Marriott, however, sold the property to a church group ending hopes for a new store and denying the city a potential source of tax revenue.¹⁰¹

The Newark Municipal Council was unable on their own to have the chains comply and expand their operations in the city. However, in the 1980s, community activists worked to secure the return of a supermarket to the center of Newark. The project was the work of the New Community Corporation (NCC), which was founded in the wake of the turmoil of July '67 and the “Walk for Understanding” in 1968 following the assassination of Dr. Martin Luther King. From the outset the primary concern of the NCC founders was the deficient state of housing in many Newark neighborhoods. The nonprofit, however, expanded the scope of their operations throughout the 1970s and 1980s to address a broad spectrum of social service issues affecting Newark residents. “We put together a corporation consisting of residents of the city and from the suburbs,” recalled Msgr. William Linder, a founder and leading figure for New Community, “not

¹⁰⁰ Frank D'Ascensio, City Clerk to J. Willard Marriott, Jr., President, The Marriott Corporation. August 26, 1985. Newark, NJ: Office of the City Clerk, 1985.

¹⁰¹ R.E. Mattocks, Vice President, Development to Frank D'Ascensio. November 13, 1985. Washington, D.C.: Marriott Corporation, International Headquarters, 1985.

just to get involved in housing but also to work on anything that was to produce a full community.”¹⁰² In the minds of New Community organizers, access to food one of many interrelated factors for a healthy community.¹⁰³ And, the central ward of Newark was one community that desperately needed a new food store.

“After the riots came, the decline came,” explained Georgia Ransome, a member of New Community. After the summer of 1967, Newark residents had “lost a lot of available services in the community.” Growing up in the central ward, Roberta Singletary’s family had enjoyed access to four supermarkets in close proximity. “They all left for other areas, out to suburbia.”¹⁰⁴ It had been twenty years since the riots yet basic resources were still out of reach to many Newarkers. Like many residents, Ransome, did not own a car and took a bus to a Foodtown in Irvington to do her food shopping. And prior to the opening of the Pathmark, New Community organized buses that would take residents from their homes to a Pathmark in Belleville. In 1985, volunteers like Madge Wilson collected twelve thousand signatures in an effort to bring a new supermarket to her Newark community that could “properly provide for the shopping needs of our families.” “Why,” Vice President of New Community Joe Cheneyfield asked in 1987, “are my people forced to get on the bus to shop?”¹⁰⁵

¹⁰² Alfonso A. Narvaez, “Housing Group Rebuilds in Newark,” *New York Times*, November 1, 1987, 64.

¹⁰³ *Urban Grocery Gap, Hearing Before the Select Committee on Hunger, One Hundred Second Congress, Second Session Cong., 23 (1992)* (testimony of Msgr. William Linder). U.S. Government Printing Office, Washington, D.C., 1992

¹⁰⁴ Narvaez, “Supermarket for Newark,” *New York Times*, October 16, 1987, B1.

¹⁰⁵ Michael Winerip, “Our Towns: An Inner City Asks For a Supermarket,” *New York Times*, January 20, 1987, B1.

Speaking of the joint-venture that SGC was entering into with New Community, Pathmark's Robert Wunderle expressed his belief that the joint agreement and coupling with the community made for a "good business environment." "This is an opportunity for us to be part of a business venture that is part of the community rather than as an outsider," Wunderle said.¹⁰⁶

If supermarket operators had felt like outsiders to the Newark community for over a decade, Newark residents felt like outsiders while shopping at the suburban supermarkets they were forced to travel to shop. Newark residents who traveled to stores outside of the city in white neighborhoods described feeling as though they were not welcomed. "It's very crowded and I feel resentment, like I'm taking up someone's space," Roberta Singletary told a reporter for the *New York Times*. Cheneyfield similarly described that "They see a black face, and they ask you, 'Food stamps or cash?'" "It humiliates you," he added. For many Newark residents there was nothing routine about a trip to the supermarket. Many took a series of buses or arranged rides, and then had to contend with how to carry groceries back home. "You've got to get it all planned," said Maude Jones. Others welcomed the other non-food amenities that modern supermarket offered, such as a greeting card section. "Someone dies, [and] you can't find a sympathy card around here," Georgia Ransome said. "I want to get my supermarket," senior resident Ellen Watson declared. "I want to know why's [sic] it's so hard for me to get my shopping done here on Bergen Street," she continued, "So I don't have to pay someone \$5 to drive me to Kearny."¹⁰⁷

¹⁰⁶ Narvaez, "Supermarket for Newark."

¹⁰⁷ Michael Winerip, "Our Towns: An Inner City Asks For a Supermarket," *New York Times*, January 20, 1987, B1; Alfonso A. Narvaez, "Supermarket for Newark," *New York Times*, October 16, 1987, B1.

Garnering a supermarket for the central ward would mean easier access to fresh food that was priced for value. It also meant lower transportation costs that were tacked on top of families' food bills. "This will mean that I won't have to drive to Kearny to go shopping," Singletary, an employee of the Board of Education, told the *New York Times*. "It will mean that I can walk to my neighborhood shopping area." But, it also meant community control, and money being spent in a supermarket they would hopefully stay in Newark. "It means that when I spend \$175 every two weeks for my family of four, I can spend my money in Newark."¹⁰⁸

The effort by New Community took almost a decade to see to fruition. New Community needed to secure about \$15 million in total to finance the property and the construction of the new store. Over \$7 million in loans came from Prudential, the insurance company based in Newark. Additional funds came in the form of block grants.

In addition to piecing together the financing, representatives of Pathmark needed assurances about the character of the neighborhood. In a 1992 feature in *Newsweek*, Linder described how executives at SGC were "frighten to death" of the idea of building a new store in Newark's central ward. Ultimately, the pastor convinced the chain's officials to walk with him through the neighborhood. Linder recalled how the supermarket executives were impressed by seeing children coming and going and front doors that were open and unlocked.¹⁰⁹

¹⁰⁸ Narvaez, "Supermarket for Newark."

¹⁰⁹ Bill Turque, Debra Rosenberg and Todd Barrett, "Where the Food Isn't," *Newsweek*, February 24, 1992, 36-37.

The new store anchored a development with five other smaller stores, bringing hundreds of fulltime and part-time jobs. The location, on Bergen Street in the central ward, served an estimated ten thousand residents of area housing developments, and an additional ninety thousand people estimated to live within a one-mile radius.¹¹⁰ The project benefitted from being located in a state urban enterprise zone, which featured a reduced sales tax. Pathmark also received tax credits for hiring workers in the enterprise zone, while New Community paid the chain a fee to operate the store with profits divided between New Community and Pathmark. A vice president for SGC, Larry Salinas, said the project, had “very little downside risk.”¹¹¹

Linder called the ten-year project that led to the partnership with Pathmark and the opening of the store “undoubtedly one of the NCC’s greatest achievements.”¹¹² Linder was able to boast that the New Community Pathmark had the best produce in the city of Newark, along with fresh seafood. In addition to also offering health screenings for diabetes and hypertension, the store became a meeting place for seniors and a center for interaction for the community.¹¹³

The New Community Pathmark demonstrated a strong commitment to community control and bringing “high quality food” to the central ward. Despite the stereotypes, residents had been traveling great distances to stores, and paying for it in greater transportation costs. The effort showed that the central ward could be an ideal

¹¹⁰ Linder, *Urban Grocery Gap Hearings*.

¹¹¹ Turque, “Where the Food Isn’t.”

¹¹² Janice Phipps and Anthony F. Shannon, “Priest Makes Things Happen for Good of Newark,” *The Star-Ledger*, January 14, 1990.

¹¹³ Linder, *Urban Grocery Gap Hearings*, 24-25.

market for a supermarket, and that the residents, despite the stereotypes, were committed to community, stability, cooperation, and the supermarket enterprise. Inner city consumers did have the same expectations as suburban consumers in terms of what good grocery stores should offer, such as fresh produce and seafood. In fact, there was hope that the example would spur new interest by chains in the inner city.

SGC President Salinas expressed hope in the joint venture model, and said that the company was looking at other joint ventures in the area. The New Community Pathmark illustrated that, contrary to industry claims, there was land available in cities like Newark that could support all of the popular and necessary amenities sought by supermarket operators: parking, and space for nonfoods, a pharmacy. City residents, rather than being hostile to the enterprise of supermarket chains, coveted the goods, services, and prices that they could offer and put a considerable amount of time and energy into securing a new supermarket. They were savvy consumers who invested time and energy into getting good deals on groceries, just as suburban shoppers would. The metrics on inner city consumption patterns more closely reflected the inaccessibility of supermarkets and the lack of grocery stores within the proximity of neighborhoods, not ingrained behaviors of inner city shoppers.

Conclusion

Why did an industry, called both the most competitive and the most resourceful enterprise by the start of the 1970s by industry leaders, fail inner cities in the subsequent decades? Testifying before the 1992 House Select Committee on Hunger, Ronald Cotterill, a recognized analyst for the food retailing industry, asserted that the “urban

grocery gap” was economic in origin, and due in large part to the character of capitalism during the 1980s. The 1980s, according to Cotterill, was a period of unique tumult for the supermarket industry. Mergers and buyouts enhanced the distance of the owners of stores from urban areas. The primacy of delivering returns for shareholders and investors directed investment away from cities that were viewed as higher-risk. Cotterill believed that these new market conditions resulted in a “format barrier” over cities and led to a dearth in “superstore” supermarkets in inner-city neighborhoods.¹¹⁴

Undermining Cotterill’s assessment, however, was the fact that the industry had experienced massive consolidations and tumult in periods prior to the 1980s, and in times when cities were still being looked to as sites for new supermarkets. The 1980s were not an exceptional period in this regard. The supermarket industry in and around Newark experienced much consolidation prior to the disinvestment of chains in city operations. In the 1950s, outside investors fueled the rapid expansion of the industry while stores were being built in both cities and the suburbs. At the start of the 1960s, chain consolidation had accelerated rapidly prior to their complete withdrawal from the city.

More importantly, the economic argument did not entirely explain *why* cities became viewed as unsuitable for new investment in the first place. While defenders of the supermarket industry would point out that there were serious logistical and economic reasons for abandoning the city, the profit potential of inner city neighborhoods for supermarket chains was clouded by race and class stereotypes. The trade literature of the prominent food retailers expressed their belief that many urban areas were irreparably damaged environments populated by a racially-distinct consumer base who were

¹¹⁴ Ronald Cotterill, *Urban Grocery Gap Hearings*, 4-11.

incompatible with the supermarket model. The economism of retail analysts and the supermarket industry masked the social underpinnings of the grocery gap in the discourse of 1990s. In their view, the decline of urban supermarkets was an almost natural process in which superstores out-grew cities.

The evidence I have presented suggests that urban areas did, in fact, have many of the necessary components for success that supermarket operators claimed did not exist in cities. Continuing to undermine innovation and investment in city operations are similar processes that distorted the calculus for chain operators during the 1970s and 80s- the mechanisms that separate the consumer market along lines of race and class. This helps to explain why, after the opening of the Pathmark on Ferry Street in 1995, it would be another seventeen years until another new supermarket was built in Newark in 2012.¹¹⁵

The primacy of treating the inner city consumers as essentially different from other kinds of shoppers has overdetermined the contemporary discourse regarding urban food deserts. The question of how to operate successful supermarkets in inner cities has led to calls for better understanding of the *difference* of shoppers in poor neighborhoods. In other words, the primary cause of food deserts in the minds of some very prominent observers is that store operators have not known how to cater to the particulars of inner city consumers. Recently, Jeff Brown, the CEO of Brown's Super Stores that are operated under the Shop-Rite name and supplied by the Wakefern Food Corp., stated his belief that the success of his store in urban Philadelphia neighborhoods was due to the unique attention his stores give to the nuances of those communities. Other chains were not operating successful stores these neighborhoods because they did not cater to the

¹¹⁵ "Newark's Food Desert Turning into an Oasis," *The Star-Ledger*, December 13, 2013.

community and, in his words, were not “selling what they should be selling.” Agriculture Secretary Tom Vilsack has concurred with Brown’s sentiment that stores are mostly failing by being unknowledgeable about the special needs of certain communities. “You have to cater to the people that live there,” Vilsack said in 2015. “You have to know who they are.”¹¹⁶

But, catering to a customer base, whether in the suburbs or in the inner city, is nothing more than sound business sense, and is not a key to shrinking food deserts. Attributing food deserts to the uniqueness of inner cities most serves to perpetuate the stubborn stigmas surrounding those neighborhoods. The lack of new store openings in Newark shows that the problem has not been selling the wrong things, but that too few private entities have even attempted to please Newark shoppers.

This paper shows that industry leaders have historically ignored countervailing evidence about the urban environment. Newark neighborhoods were not one-dimensional or overwhelmed with racial animus. In 1969, two years after the so-called race riot, merchants of the central ward, both white and black, believed that the worst of the turbulence had past and that racial tensions would not stand in the way of operating successful stores. Had the supermarket industry paid attention to the communities of Newark and other inner cities they would have noted that many of the supposed characteristics of inner city neighborhoods and consumers were highly questionable or demonstrably false. The riots had not made the main thoroughfares in Newark’s central ward impossible to do business and local merchants refuted claims that there were

¹¹⁶ Mike Schneider – Associated, Press, “Grocery Chains Leave Food Deserts Barren, AP Analysis Finds,” *US News Online* (December 7, 2015): Points of View Reference Center, EBSCOhost (accessed April 25, 2016).

insurmountable obstacles to running profitable stores in the years after 1967. Since the late 1960s, when the presence of chain supermarkets first became less pronounced in Newark neighborhoods, residents organized and invested significant time, energy, and money into establishing alternatives that could approach the amenities offered by the modern supermarket. When these efforts were unable to fully replicate the advantages offered by supermarkets, many Newarkers boarded buses or arranged car rides to do their grocery shopping in better-maintained and better-priced stores in the suburbs surrounding the city. Like the basic characteristics of suburban shoppers, Newark residents invested time, and paid more in travel costs, for the ability to shop at clean stores that offered good deals at low prices. A decade of collective action would finally result in a new supermarket for Newark in 1990 after a decade of community organizing. More than most suburban consumers would ever have to, residents of Newark demonstrated a willingness to take action for the ability to eat well.

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