

FACULTY RESEARCH EDITION

of

The Savannah State College Bulletin

Published by

The Savannah State College

Volume 18, No. 2 Savannah, Georgia December, 1964

HOWARD JORDAN, JR., *President*

Editorial Committee

Blanton E. Black

Mildred W. Glover

Elonnie J. Josey

Nazir A. Warsi

J. Randolph Fisher

Joan L. Gordon

Charles Pratt

Forrest O. Wiggins

John L. Wilson, *Chairman*

Articles are presented on the authority of their writers, and neither the Editorial Committee nor Savannah State College assumes responsibility for the views expressed by contributors.

Contributors

Hayward S. Anderson, Professor of Business Administration

Kermit Bird, Agricultural Economist, Marketing Division,
U.S.D.A., Washington, D.C.

Blanton E. Black, Assistant Professor of Social Sciences

Sylvia E. Bowen, Assistant Professor of Mathematics

Charles I. Brown, Assistant Professor of Education,
Bennett College, Greensboro, North Carolina

Arthur L. Brentson, Assistant Professor of English

Johnny Campbell, Jr., Instructor in Business Administration

James A. Eaton, Professor of Education and Director,
Testing and Guidance

Luella Hawkins, Associate Professor and Reference Librarian

Doris L. Harris Jackson, Cashier, Business Office

Prince A. Jackson, Assistant Professor of Mathematics
and Physics

Elonnie J. Josey, Associate Professor and Librarian

Calvin L. Kiah, Professor of Education

Robert H. Land, Chief, Reference and Bibliography Division

Library of Congress, Washington, D. C.

Isaiah McIver, Assistant Professor of Social Sciences

Theodore Samore, College and University Specialist,

Library Services Branch of U. S. Office of
Education, Washington, D. C.

Nazir A. Warsi, Associate Professor of Mathematics
and Physics

Althea M. Williams, Assistant Professor and Circulation
Librarian

Table of Contents

	Page
The Mathematical Processes and Some Examples of Elementary Mathematical Analysis in High School Physics Prince Jackson, Jr.	6
The Library of Congress, The Library Services Branch and College Libraries: A Colloquium	
The Library of Congress and College Libraries Robert H. Land	23
The Library Services Branch and College Libraries Theodore Samore	27
A College Librarian Views the Library of Congress and the Library Services Branch E. J. Josey	30
Just A Thought: Music A Must; The Story of the Wind; Where Goest Thou O Little Tears Doris L. Jackson	34
Competition in the Face of Integration Hayward S. Anderson	37
On General Conics Sylvia E. Bowen and Nazir A. Warsi	45
The Critical Temper of George Bernard Shaw Arthur L. Brentson	51
Academic Achievement and the Selection of Friends Charles I. Brown	55
Freeze-Dried Foods and Tomorrow's Consumer Kermit Bird	64
On Geometry of Shock Waves in Lagrangian Coordinate System Nazir A. Warsi	68
Religion on the Campus: A Need and An Inadequate Response James A. Eaton	72
Christian Realism: An Introduction Reinhold Niebuhr's Theory of International Politics Johnny Campbell, Jr.	78

Table of Contents – (Continued)

	Page
The Supreme Court's Justification for Deciding to Racially Integrate Public Education Isaiah McIver.....	88
Santo Domingo—A Rejected Annexation in Retrospect Blanton E. Black.....	102
A New Clarification of An Old Problem: Book Selection for College Libraries E. J. Josey.....	107
A Study of the Use of the National Teacher Examinations Within Institutions and School Systems Located Primarily in the Southern Regions Calvin L. Kiah.....	114
Senior Majors and Their Ratings on the NTE and TEEP James A. Eaton.....	119
Library Use At Savannah State: A Symposium	
Introduction E. J. Josey.....	121
A Study of Student Book Circulation at Savannah State College Althea Williams.....	121
Reference Services Luella Hawkins.....	131
Implications for the Instructional Program E. J. Josey.....	136
On Geometry of Gas-Flows in Lagrangian Coordinate System Nazir A. Warsi.....	140

Competition in the Face of Integration

by

Hayward S. Anderson

Out of a series of questions submitted to me, I shall give consideration to the following in this paper:

1. What kind of Negro businesses have been able to make competitive inroads into mainstream markets?
2. Is integration into the mainstream the only chance for survival of Negro businesses with the prospect of total desegregation in public accommodations?

Prior to moving into a discussion of this subject, it would be well to indicate what is meant when certain terms are used. Competition, as used in this paper, refers to the act of challenging or meeting a challenge for markets. Integration means the elimination of color as a criterion for extending employment opportunities and of doing business generally. Market refers to "the aggregate demand of the potential buyers of a commodity or service."¹

The term mainstream markets may have many meanings to many people. I infer from many Negro businessmen that one is in a mainstream market if he sells to ultimate consumers or industrial consumers without regard to the race or color of the purchasers. Some problems of definition are apparent. For instance, if the users of a generic type of product are Negroes, would the seller be in the mainstream if he sold only to them? Further, there is a problem of the size of the market and the proportion of the market which is held by a specific seller. For instance, if the market were a billion dollar one, would the seller be in a mainstream market if he had sales of only \$10,000 or some other figure? Or on the other hand, if the market itself were small, infinitesimally so, but consisted primarily of non-Negro consumers, would the seller be in a mainstream market if he held 100% of the market?

Without belaboring the point, our definition is that one is in a mainstream market if he is engaged in business for profit; if he is making a significant contribution in profits or knowledge to some phase of American business or has a significant share of a momentous market; and, if he has been in business long enough to show reasonable stability as evidenced by a favorable comparative growth rate, or failing to show a favorable growth rate, if he has maintained significant dollar sales, gross revenue and/or profits over a period of time.

Some limitations in my approach include the following: (1) without claiming to be an authority on the subject at hand, the point of view of this paper will be that of a Negro who is viewing the Negro businessman and some of his actual and potential markets;

¹Ralph S. Alexander, et al, *Marketing Definitions—A Glossary of Marketing Terms*, American Marketing Association, Chicago, Illinois, 1960, p. 15.

(2) I have deliberately attempted to keep heavy documentation to a minimum in order to express a point of view; and, (3) in order to hold this subject to manageable proportions, this discussion will be limited to domestic markets although there is ample evidence to suggest that Negroes, at this juncture in history, need to view world markets also. While there is evidence of opportunities in other special markets, particularly for those qualified to produce and market goods and services to industrial consumers and to the government, most of our attention will be directed to the ultimate consumer market, or, more accurately, ultimate consumer markets of a general nature.

All ultimate consumer markets consist of people with purchasing power and with wants and needs and various attitudes toward purchasing. The people who comprise these markets also have varying characteristics such as different income levels, different educational levels, different ethnic considerations, different geographic manifestations, and many others. In the sale of specific goods and services some of these characteristics and many others have significance to the sale. In other cases only a few of these or other characteristics may be of significance. In fact, in some instances it is difficult to determine what characteristics of buyers are significant to a sale. Though difficult to determine, assessment of consumer characteristics which are likely to influence sales are important. It would, in my opinion, be a mistake to think in terms of a Negro market, or a non-Negro or a white market, without looking at other characteristics of these markets. The Negro market and the white market, if you want to use the terms, themselves can be classified into smaller market segments or smaller markets.

It is difficult, in one paper, to generalize about business, its problems, its strengths, its weaknesses, its growth potential, and its chances for survival, primarily because aggregate business is composed of individual industries, which in turn are composed of individual firms of various types and sizes and which possess diverse characteristics. And while specific activity or specific inactivity may have a favorable or an unfavorable effect on business in general, frequently specific activity or specific inactivity will accelerate the growth of one industry or firm and will retard the growth of another. Thus, the outlook for business, taking the industries and firms individually, is not likely to be consistent at any one point in time except under highly unusual circumstances. Negro business, though narrower in scope and breadth and though it has some peculiarities of its own, has sufficient diversity to make generalizations difficult.

What Kind of Negro Businesses Have Been Able to Make Competitive Inroads Into Mainstream Markets? A statistical analysis would be, perhaps, the best approach to an answer to this question. Yet these statistics are not available, primarily because the federal government, the greatest collector of statistics, does not generally report business data on this basis. Many of us would frown on the approach, if it did. It is conceivable that the collection and dissemination of such data might be done more appropriately by private

agencies although they could hardly do so effective a job as the government. Lacking national statistics some insight is, nevertheless, possible.

Except as workers, as opposed to owner-manager positions generally speaking, Negroes, unless indicated otherwise, are not in the following businesses. Negroes are not in the genetic industries of forestry. They are not in the extractive industries of mining, lumbering, hunting, and fishing. In the construction industries, they are generally not in highway or waterway construction. While some have made an impact in the area of building construction on a local scale, on a national scale, their impact is limited. In manufacturing, there is at least one manufacturer of cosmetics on a national scale. There are a limited number of manufacturers of such items as ice cream, sausages, shirts, and potato chips, among others, on a regional or on a local scale. Negroes have made a strong impact, nationally, in the newspaper field. They have a limited number of publishers of periodicals, and to a much more limited extent they are publishing books. As a listing of one hundred richest Negroes in a recent issue of *Ebony*² will attest, Negroes have achieved individual successes, among others, in the areas of insurance, real estate, and banking. Without trying to identify all of the types of businesses, the bulk of Negro businessmen are in the business of selling goods and services at retail. I think that it is appropriate to say that more recently Negroes have entered aggressively into the business of selling information about the Negro market.

If we may use a study of businesses owned and operated by Negroes in Tennessee as a focal point in determining specific characteristics of the market to which the majority of Negro businessmen sell, and I think we can, we will find some interesting facts. This study was made by Dr. Schuster of Tennessee State.³ Dr. Schuster made a study of over 600 firms in Chattanooga, Knoxville, Memphis, and Nashville, Tennessee. Retail firms and service establishments comprised the major proportion of the businesses studied. The retail firms included: eating and drinking establishments; grocery and food stores; drug stores; dry goods, variety, furniture and hardware stores; and liquor stores. Service establishments included, among others: service stations; laundries and cleaners; barber shops and beauty shops; and hotels and motels. He indicated that: "It is estimated that Negro businesses, other than personal service enterprises which are protected by segregation, account for less than five per cent of the goods and services bought by Negroes in these cities and almost none of those bought by white persons."⁴

In terms of market potential, with the exception of personal service markets, Negroes, on an aggregate basis, have made little inroad

²*Ebony*, Johnson Publishing Company, Chicago, Illinois, May, 1962, p. 135.

³Louis H. Schuster et al, *Business Enterprises of Negroes in Tennessee*, Small Business Administration, Washington, D. C., July, 1961, p. 25.

⁴*Ibid.*, p. 27.

into the Negro market and almost none into the non-Negro market. While the study does not prove that Negroes, individually, are not in mainstream markets according to the writer's definition, it is apparent that they have made their greatest inroad into personal service markets in which they sell primarily to Negroes.

Is Integration into the Mainstream the Only Chance for Survival of Negro Businesses with the Prospect of Total Desegregation in Public Accommodations? Since Negro businessmen on an aggregate basis sell primarily to Negroes, it is well to observe whether Negroes have consumption patterns different from other consumers, to observe some factors which bear on their aggregate ability to consume, to observe some factors which are likely to affect the competitive status of Negro businessmen, and to observe which businesses will be directly affected by the Civil Rights Bill of 1964. Such analysis should aid in answering the question put.

Since purchasing patterns and habits, population, and income are factors generally accepted as affecting the marketing of goods and services, I will give you pertinent aspects of these factors first. Since the extent to which an individual is unemployed affects his income, some insight into this aspect of the Negro consumers' status is also desirable.

The Negro Consumer. Differences in consumption patterns. The following statement is attributed to Mr. Johnson of the Johnson Publishing Company: "They make me live—and buy—as a Negro."⁵ The question arises does the Negro consumer approach buying in a manner different from white consumers? While there are certain differences in points of view on this subject, Marcus Alexis analyzed budget data from several sources to determine whether there was any basis for the contention that Negro and white consumers with comparable means allocated their incomes differently to specific budget items. These are his findings:

1. Total consumption expenditures of Negroes are less than for comparable income whites, or Negroes save more out of a given income than do whites with the same income.
2. Negro consumers spend more for clothing and non-automobile transportation and less for food, housing, medical care and automobile transportation than do comparable income whites.
3. There is no consistent racial difference in expenditures for either recreation and leisure or home furnishings and equipment at comparable income levels."⁶

While some of the data research covered the 1930s and 1940s, the study does show that there is some basis for claims that the con-

⁵*Business Week*, McGraw-Hill Publications, New York, New York, May 26, 1962, p. 76.

⁶Marcus Alexis, "Some Negro-White Differences in Consumption", *The American Journal of Economics and Sociology*, Vol. 21, No. 1, Lancaster, Pa., January, 1962, pp. 27, 28.

sumption patterns of Negroes in some areas are different from whites. There may be others.

Population. The overall growth trend of the population in the United States, both white and non-white, is generally favorable to the marketing of goods and services. Increased longevity may make the sales of certain goods and services to the elderly attractive. The movement away from rural areas to urban areas will have implications to some sellers in specific areas for changes in the nature of wants, and changes in the availability of customers may take place. *Business Week*⁷ indicates that 50.5% of the non-white population live in central cities in 1960 as opposed to 39.2% who lived in central cities in 1950. Cities like Washington, with a Negro concentration of 53.9%, and Atlanta, with a Negro concentration of 38.3%, indicate the depth of concentration of the Negro in some urban areas. The significant migration of Negroes from the South to other areas of the country may have significance to some sellers, because of a possible intensification of competitive effort to capture remaining potential customers.

Income. A significant difference exists between the median family income of whites and non-whites. For instance, in 1948, the median family income of whites was \$3,310 while that of the non-whites was \$1,768 or 53.4% of the whites. The difference amounted to \$1,542. In 1961 the median family income of whites was \$5,981 while that of non-whites was \$3,191, or also 53.4%. The gap in dollar differential, however, had widened and amounted to \$2,790.⁸ Since consumers do not spend percentages, this differential is important. Because non-white customers' median family income is smaller than that of white customers, they can not buy as many goods and services as whites, the amount of money of which they have discretionary spending is much more limited, and they are much more restricted in the type of goods which they may purchase.

Unemployment. An unemployment rate of 5.7%⁹, which was the rate in June, 1963, does not set a favorable tone for the consumption of goods and services. The rate of non-white unemployment is also higher than the rate of unemployment for whites. This creates an additional problem for the Negro businessman. For instance, in December 1962, the seasonally adjusted unemployment rate of the civilian labor force was 5.5%.¹⁰ As of the same date the unemployed whites numbered 4.6% of the white labor force while the non-white unemployment was 11% of the non-white labor force or double that of the labor force. Because high un-

⁷*Business Week*, May 26, 1962, pp. 79, 80.

⁸Matthew A. Kessler, "Economic Status of Non-White Workers, 1955-62", *Special Labor Force Report*, No. 33, From the *Monthly Labor Review*, Preprint No. 2419, July, 1963, p. 7.

⁹*Federal Reserve Bulletin*, Vol. 49, No. 7, Board of Governors of the Federal Reserve System, Washington, D. C., July, 1963, p. 1002.

¹⁰Jane L. Meredith, "Labor Force and Employment, 1960-62", *Special Labor Report*, No. 31, From the *Monthly Labor Review*, Preprint No. 2417, May, 1963, pp. A-7, A-8, A-9.

employment tends to engender a cautious attitude toward spending even on the part of those who have money, high unemployment has a doubly depressing effect on sales. Those who sell primarily to Negro markets find it more difficult to find customers who are willing and able to buy their goods and services than those who do not limit their selling efforts to this market segment.

Some Pertinent Business Factors. Two significant competitive factors that pertain to the Negro businessman, in my opinion, should be viewed. They are the new awareness on the part of sellers, generally, of the presence of the Negro market and the location of Negro businesses as they relate to businesses in general. The latter is of significance because it is felt that the Negro businessman has, typically, not done the most effective job.

Awareness of the Negro Market. Domestic sellers have become aware of the Negro market as attested to by several appointments of Negroes to high-level marketing posts. In a perusal of *Ebony* over a period of time it was observed that these companies included soft drink manufacturers, liquor manufacturers, tobacco manufacturers, beer companies, and others. If the marketing efforts of these appointees are successful, greater penetration into the Negroes' pocketbooks is likely with a resultant decrease in the Negroes' funds which are available for other purchases. Further, the Negro seller of products will likely find a decrease in available Negro sales talent. The likely outcome is that he will have to pay more to secure competent sales personnel. This increase in sales costs must be compensated for by an increase in sales, gross margin, or both; or it must be accompanied by a decrease in other costs if the Negro seller is to avoid a squeeze on his profits.

Location. While not all businesses benefit equally from it, location is important and an excellent location can spell the difference between success and failure. Whether because of high rent, refusal of owners and agents to rent to Negroes, or some other factors, Negro businesses, even those who could benefit from the draw of mainstream traffic, typically, have not located in the primary shopping areas. Although downtown shopping areas are experiencing problems of their own, a lack of location of specific Negro businesses in this area tended, in my opinion, to detract from the image of Negro business as first rate.

Shopping centers, because of the heavy draw of consumer traffic, make possible the mass merchandising and mass sales of goods and services. Manufacturers of goods, normally sold through the types of stores located there, should think seriously of getting their wares on the shelves in these stores. Although *Fortune*¹¹ indicates that shopping centers are beginning to reach the saturation point in certain areas, exploring the feasibility of placing businesses in these locations is felt to be justified. Imagery, talent, and capital, however, are likely to prove critical. Negro retailers, typically not located in these shopping centers, are placed at a competitive disadvantage

¹¹*Fortune*, September, 1963, p. 118.

since these centers have been syphoning off more and more community sales.

The Civil Rights Bill.¹² While the public accommodations section of the Civil Rights Bill of 1964 pertains to such establishments as hotels, motels or other public places providing lodging to transient guests, motion picture houses, theatres, sports arenas, exhibition halls or other public entertainment places whose sources of entertainment moved in interstate commerce and to retail shops, gas stations, restaurants or other establishments where goods are held out to the public for sale, use or rent, I believe that the bill will have greatest implications to Negro businessmen in the motel, hotel, and restaurant businesses in the South. Some analysis of significant factors which relate to motels and restaurants is attempted.

Restaurants and Motels. It is evident that stiffer competition in the restaurant business is on the way. A recent issue of the *Wall Street Journal*¹³ indicates that Woolworth, Holiday Inns of America, Greyhound Corporation, Quaker Oats Company, Sears, Roebuck and Company, Pure Oil Company and Stouffer Food Corporation are moving deeper into the business of feeding the public. Competition generally in this area is likely to become keener. While some Negro establishments will not be hurt because of their excellent service, their excellent facilities, their location, and a loyal following, some excellent Negro establishments are bound to feel the pinch. Location, improved services, and facilities are likely to be the only respite for marginal operators. Sub-marginal operators are going out of business anyway.

In the motel business it is also apparent that numerous chains such as Howard Johnson, Quality Courts, Holiday Inn, Horne's and others are spreading further along the highways. Since these organizations, usually, in addition to having excellent facilities, are giving excellent service, and are being well located, also have established names in the trade, how much of the Negro market they will garner since the section on public accommodations passed Congress is a significant question to some of you who have these organizations as likely competitors. First, I know that no Negro businessman would be against the bill even if he lost his shirt the first night because of it. Secondly, I believe that the income of Negro consumers and the degree of satisfaction they have experienced at these establishments will be factors of significance. It is my opinion that as the Negro consumer approaches the middle income bracket or higher, he is more likely to switch his place of eating and abode, if the service has not been to his liking, than is a person in a lower income bracket. Yet the so-called New Negro, regardless of income, is venturesome, and the newness of the opportunity to be served in different surroundings may attract him. If stiff competition comes,

¹²"Around the Capital", *Congressional Quarterly Weekly Report*. Vol. XXI, No. 25, Congressional Quarterly, Inc., Washington, D. C., Week ending June 21, 1963, p. 998.

¹³*Wall Street Journal*, August 23, 1963, p. 1.

the Negro businessman will have to fall back on the tools of the trade which he should have been using all the time—superior products and superior services. To further meet this competition it might be well for Negro businessmen to attempt to secure franchises from some of the national chains that operate on this basis.

I believe that Fayetteville, North Carolina is a good city to watch currently for indications of what might follow the opening of motels to Negroes in the South in terms of competitive patterns. Here we have an older motel establishment that has catered to Negroes for some years, a newly opened motel that caters to Negroes; and the writer has been informed that at least two chains, including Howard Johnson, have opened their doors to Negroes.

In answer to the initial question, integration into the mainstream is not the only chance for survival of Negro business with the prospect of total desegregation in public accommodations. The need for small businesses that cater to a specific market, such as a segment of the Negro market, is likely to be continuous. This small businessman's rate of growth is likely to hinge on such factors as the number of persons in the population, their purchasing power and the extent to which he caters to their wants. Because his market is small, his rate of growth is likely to be slow. On the other hand, provided his is not a type of business where anti-Negro sentiment is strong, the Negro businessman who attempts to broaden his market base by catering to both Negro and white patrons has a greater chance for rapid growth primarily because his potential population universe is larger. Yet, he, too, will have to cater to specific market segments. He will have to analyze the characteristics of his potential market, determine who the potential consumers are, what their significant characteristics are, what they want—and give it to them. He will have to evaluate the nature of his competition and devise means of meeting it. And, he will have to promote his business aggressively. In addition, if he is in the restaurant or motel business, more capital, more talent, and a franchised name may be factors of significance.