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Report to the Honorable
William O'Dwyer, Mayor, City
of New York, on 125th Street
controversy. January 16, 1948.
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FOR RELEASE ON TUESDAY, JANUARY 20, 1948

Report on 125th Street Controversy.

125th Street Controversy

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MAYOR'S COMMITTEE ON UNITY

REPORT

TO

THE HONORABLE WILLIAM O'DWYER,

MAYOR, CITY OF NEW YORK,

ON

125th STREET CONTROVERSY.

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January 16, 1948

Return, Mrs.
Prices

125th STREET CONTROVERSY

I. BACKGROUND

Since early October, there has been conflict between the 125th Street merchants and some groups in the community, particularly the Amsterdam News and the Consumers Protective Committee. It has now reached serious proportions. All attempts at negotiations by interested parties, including individuals, newspapers and ministerial alliances have failed.

The issues are not basically interracial, but tensions which grew out of them have serious implications for interracial relations in the community as a whole.

Both sides to the controversy have contacted the Mayor's Committee on Unity in different ways.

In addition, a communication from the Consumers Protective Committee was referred by your office to us for "Such Action as the Facts in the Case may Warrant".

Exploratory conferences were held with the parties involved in the controversy on December 23, 1947, and January 15, 1948.

The issues in this controversy are of long standing and have many historical ramifications. To gain a full understanding of this background, and to investigate the merits of the questions involved in the numerous charges, allegations and insinuations that have been made, would require a prolonged series of hearings. The urgency of the existing situation does not permit such a program, and it is likely that even such an investigation would leave the basic issues in the controversy unsolved. Since the basis of the Committee's

interposition is to alleviate the racial tensions arising out of the controversy, rather than to determine the merits of the complaints which have been made, the Committee confines itself to proposals which it hopes will promote the former purpose.

II. THE ISSUES INVOLVED

The following quotations are the Consumers Protective Committee's summary of its charges against the 125th Street merchants.

- "1. They sell inferior merchandise.
- "2. They charge exorbitant prices.
- "3. They use a two and three-price system.
- "4. They practice double dealing.
- "5. They fail to absorb through the process of employment, skilled Negro professionals of the community.
- "6. In most instances they refuse to label the price and quality of merchandise.
- "7. They refuse to advertise their products in local newspapers for comparative value.
- "8. There is a general lack of cooperation on the part of local merchants to community institutions.
- "9. They have no interest in the improvement and appearance of the community.
- "10. Through some process of collusion, it is impossible for Negro businesses to be established on the Street".

The Uptown Chamber of Commerce, which claims to represent 126 of the 260 stores on 125th Street has allegedly admitted the possibility that some stores have been guilty of bad business practices, but contends that they are no better or no worse than in the average neighborhood.

Such information as the Committee on Unity has been able to assemble indicates that by selective shopping, a person can buy as cheaply in the 125th Street neighborhood as elsewhere in New York City. There are many difficulties, however, to this kind of shopping. More housewives in the Harlem community work than do outside. The 1940 Census figures show that 20% more of the women 14 years of age and over in the Harlem community are gainfully employed than in the remainder of the City. This means that there is less time for shopping, and that children do a larger portion of it.

Undoubtedly, the level of consumer education in that element of the Harlem community which is of relatively recent rural background is not as high as would be true for these populations who are better integrated into city life. Consequently, sales resistance is not as high as it would be among people more experienced in urban living.

The Study done by our Committee* in 1945 showed that the insanitary stores are as crowded as are the sanitary ones, and that the demand is greater for the highly advertised expensive brands of commodities than for the less expensive ones of equal value. The people buy in smaller quantities, for which, of course, they pay more.

The inferences that these patterns are due to the fact that the merchants are white is unfortunate, for there is no assurance that were the merchants themselves Negro, there would be a difference of behavior.

III. PROPOSED PROGRAM

The Committee proposes the following program as its contribution to the possible solution of these problems.

1. We recommend that the merchants together with community leadership develop a mutually acceptable statement of business policies and practices which will set a standard against which to

*A Study of the Comparison of the Cost of Food and Shopping Facilities in Greater New York, Harlem, and Washington Heights.

1. Cost'd.
measure the practices of individual merchants. There is at present near agreement on such a statement.
2. To provide continuous implementation of such a statement of policies and practices, the Mayor's Committee on Unity will use its good offices to encourage the merchants and local citizenry to establish machinery through which they can help eradicate bad business practices on the Street, and more equitably handle complaints and grievances. Initial explorations have already been made along these lines. The experience of Chicago and Newark indicate that such a program can be effective if developed intelligently.
3. We recommend that some qualified community agency, such as the Greater New York Urban League develop a Comprehensive Consumer Program for the community. Initial explorations indicate that the Greater New York Urban League is favorably disposed towards the recommendation, and that numerous other community agencies will lend their support to it.
(See details presented on Page 5.)
4. We recommend that the churches ask their memberships to create consumer groups to assist in spreading information collected by the proposed Comprehensive Consumer Service.
5. We propose to undertake another Commodities Cost Study in the 125th Street area if resources can be secured.
6. We recommend that the New York City Council of the State Commission Against Discrimination join with the Mayor's Committee on Unity in making a study of employment practices in the 125th Street area.
7. We propose to make a study of business opportunities for Negroes in the 125th Street area.

8. We recommend that the City Administration proceed with dispatch with the development of the proposed public market in Harlem.

IV. PROPOSED COMPREHENSIVE CONSUMER SERVICE

It is hereby proposed that as a part of the solution of the 125th Street controversy, the Greater New York Urban League, or like organization, be asked to develop a Comprehensive Consumer Service. Such a service is long overdue. Undoubtedly, a large factor in the adjustment of that segment of the Negro population which is from, relatively speaking, rural backgrounds relates to shopping habits and consumer knowledge. The objective studies which have come to our attention have shown that an individual, if selective, could shop as cheaply in the Negro section of the community as elsewhere.

The following factors, however, militate against such shopping practices.

Low income, absence of mechanical refrigeration, and crowded housing, prevents people from buying in larger quantities.

Children do much of the shopping, and this gives wide latitude for exploitation.

The opportunity for exploitation of many Harlem housewives is greater because they do not have as much time to shop as do their counterparts in other communities. Even though there are stores in the community where good values can be obtained, there is a larger proportion of unfit stores where they are tempted to buy without regard to values, because of convenience.

Another factor which plays a large part, undoubtedly, is the age-old problem of rural peoples being exploited by high pressure salesmanship. The practices of "Pulling-in," "Double-prices" etc., are a part of this problem.

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One other point about which little has been said is that of carrying charges on time purchases.

An agency such as a Comprehensive Consumers' Service could render an invaluable assistance by:

1. Coordinating such information as exists on commodity prices and values, and assisting in giving widespread publicity to them.
2. By price-taking in the stores to compare with prices in the remainder of the community. In this way they could advise with the stores when their prices are out of line and report grievances which may arise, to the agencies involved. They could publicize bad business practices so that the community would be aware of the techniques through which they are cheated.
3. Such an agency could perform an effective function in developing Consumer Committees in churches and other institutions of the community so that they could get further information on consumer values as near the "grass roots" of the community as possible.

Such a program could be accomplished on a minimum budget because interested agencies of the community would undoubtedly assist in providing resources with which to develop it.

V. COMMODITY PRICE STUDY

The Mayor's Committee on Unity proposes a Commodity Cost Study in the 125th Street area which would bring up to date comparative food costs, but would include as well other cost-of-living commodities. The findings of such a study should be of tremendous value in giving direction to the agencies working on this problem. Particular attention will be given to quality of merchandise in the chain stores in order to uncover data relating to the accusations that the chain stores use their Harlem

outlets to dispose of their inferior commodities.

In such a study, the Committee will seek the assistance of those agencies which have had experience with this kind of work.

VI. STUDY OF EMPLOYMENT PRACTICES OF 125TH STREET AREA

The Mayor's Committee on Unity proposes to initiate a Study of Employment Practices of the 125th Street area, designed to shed light on the allegation that "they (the merchants) failed to absorb, through the process of employment, skilled Negro professionals in the community". In this undertaking, the assistance of the New York City Council of the State Commission Against Discrimination will be sought as well as the Industrial Division of the Greater New York Urban League.

VII. ORGANIZATION OF THE 125TH STREET MERCHANTS

The Uptown Chamber of Commerce had indicated that it enrolls only 126 of the 250 merchants on the Street. Consequently, it would be difficult to expect the Uptown Chamber to assume the responsibility of disciplining recalcitrant merchants who do not belong to its membership.

Numerous suggestions have been made that an agency be entrusted with the responsibility of passing judgment on the business practices on the Street and recognizing the merchants who measure up to desirable standards by providing them with an insignia to be displayed in their windows. We believe this could be dangerous for there is the possibility that it might be interpreted as a form of blackmail.

We propose instead that the Mayor's Committee on Unity with the assistance of other qualified organizations, attempt to work out with the merchants and the community a plan whereby the merchants would assume the initiative in developing their own patterns of discipline to the end of avoiding periodic recurrence of tensions.

VIII. STUDY OF BUSINESS OPPORTUNITIES

The Mayor's Committee on Unity, together with other qualified agencies, should study the business opportunities for Negroes in the 125th street neighborhood. The elements of such a study should include whether there is collusion to keep Negro merchants out, the obstacles to Negroes obtaining capital with which to work, and problems of obtaining business experience with which to launch such undertakings.

S U M M A R Y

It is hoped that these proposals will provide a basis of cooperation through which the people of the Harlem community, as well as the organizations involved, will recognize the interdependence of all to achieve well-being for the community.

Finally, the Committee is most appreciative of the interest that the City Administration has shown in the problem and wishes to thank the Mayor for the assistance being given by the Departments of Health and Markets.

We also wish to express our thanks for the strong support that the Mayor is giving to the Harlem Market project.

As the proposed studies develop, there is a possibility that the assistance of other Departments may also be needed. If so, we shall advise you accordingly.

YTB/ea

