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## Integration Impact

### Desegregated Concerns In South Say Patronage Holds Up in Long Run

### Some Hotels, Restaurants Do Better; Atlanta, Dallas Cite Larger Convention Market

### New Rights Often Not Used

By JAMES C. TANNER

Staff Reporter of THE WALL STREET JOURNAL

ATLANTA—Things are swinging these days at the Wit's End, a swank North Side night club which opened its doors last November. Though the Treasury's new expense account rules made things tough at first, the Wit's End is now packing in customers regularly.

In Memphis, the 126-room Downtowner Motel is doing so well its occupancy is even running ahead of last year's booming 95% rate. The Downtowner has been filled to capacity much of the time in recent weeks and all signs point to a record year.

The financial fortunes of these Southern establishments are of special interest because both are among those that have begun serving Negroes for the first time. Their experiences, plus those of scores of other businesses from Texas to the Carolinas, point up a significant and perhaps surprising fact: Among those restaurants, hotels, theaters and other places of public accommodation in the South that have begun serving or hiring Negroes, only a few report suffering any lasting economic consequences. A sizable number, in fact, declare that business has been better than ever. "Couldn't Have Been Smoother"

"We were scared to death—we could just see all our white customers walking out the minute the first Negroes walked in," says Paul Stickney, manager of the Wit's End. "But things couldn't have been any smoother. We know of only one white couple who walked

out because we admitted Negroes and they came back within two weeks. As far as stirring things up around here, it's been one big zero." The Wit's End is one of only three Atlanta night clubs serving both whites and Negroes.

All this is not to suggest that desegregation would go smoothly for all Dixie establishments. At Ormond Beach, Fla., near Daytona Beach, motel operator George Thomas is still reeling from the financial punch delivered by boycotting whites when he decided it was the "right thing" to desegregate his 32-unit Star of the South Motel seven months ago. "My business at first dropped about 50%," he reports. But he adds that an influx of Negro guests quickly took up much of the slack, and he expresses confidence that many of his white customers eventually will return.

But most businessmen questioned by The Wall Street Journal report no grave economic dislocations from integration and they leave no doubt that desegregation of commercial facilities has been less painful than expected.

#### No Loss of Business

"Things have been going like clockwork—we're surprised and pleased," says Dallas hotel man Henry Rather of last summer's decision by the city's major hotels and motels to integrate. Mr. Rather says a recent check of the city's 35 largest hostels failed to turn up a single instance of lost business because of desegregation. "There were a few letters and a crank call or two at first, but that's all," comments Mr. Rather.

Broader access to privately owned places of "public convenience," such as hotels, restaurants, amusement facilities and stores, has become a prime goal of Negroes lately. The recent riots in Birmingham, and subsequent disturbances in such cities as Savannah, Ga., Jackson, Miss., Danville, Va., and Tallahassee Fla., primarily revolved around Negro demands that merchants open their facilities to Negroes—in some cases as customers and in others as employees.

The question has taken on added importance in recent weeks with the appeal to Congress by President Kennedy for Federal power to outlaw racial discrimination in all places of public accommodation. This is unquestionably the most controversial provision of the Kennedy civil rights program and seems likely to become the focal point of the coming Congressional battle over civil rights.

#### Negroes Making Major Strides

Southern businessmen generally express strong opposition to this section of the proposed civil rights legislation. But even without such a law, Negroes are making major strides in their push to break down segregation barriers. The Justice Department reports that some desegregation of commercial facilities occurred in 143 cities in Southern and border states in the four weeks ended June 18; others are joining the list daily.

Last week, for instance, a bi-racial committee in strongly segregationist Fort Worth announced that all of the city's public facilities, including hotels, restaurants, theaters, department stores and athletic contests, would be desegregated in September when the city's schools are scheduled for integration.

If the pattern emerging in other Southern cities holds true, Fort Worth merchants can expect some protests and loss of business when they first begin accepting Negroes. But experience shows that such adverse effects are rarely lasting.

Fred Harvey, president of Harvey's Department Store in Nashville, says that when his store desegregated its lunch counters in 1960 only 13 charge accounts were closed out of 60,000. "The greatest surprise I ever had was the apparent 'so-what' attitude of white customers," says Mr. Harvey.

Even where business losses occur, they usually are only temporary. At the 120-room Peachtree Manor Hotel in Atlanta, owner Irving H. Goldstein says his business dropped off 15% when the hotel desegregated a year ago. "But now we are only slightly behind a year ago and we can see we are beginning to recapture the business we initially lost," declares Mr. Goldstein.

William F. Davoren, owner of the Brownie Drug Co. in Huntsville, Ala., reports that though his business fell a bit for several weeks after lunch counters were desegregated, he's now picked up all that he lost. Says he: "I could name a dozen people who regarded it as a personal affront when I started serving Negroes, but have come back as if nothing had happened."

#### Memories Are Short

Even a segregation-minded businessman in Huntsville agrees that white customers frequently have short memories when it comes to the race question. W. T. Hutchens, general manager of three Walgreen stores there, says

he held out when most lunch counter operators gave in to sit-in pressures last July. In one shopping center where his competition desegregated, Mr. Hutchens says his business shot up sharply and the store's lunch counter volume registered a 12% gain for the year. However, this year business has dropped back to pre-integration levels "because a lot of people have forgotten" the defiant role his stores played during the sit-ins, he adds.

Some Southern businessmen who have desegregated say they have picked up extra business as a result of the move.

At Raleigh, N.C., where Gino's Restaurant was desegregated this year, owner Jack Griffiths reports only eight whites have walked out after learning the establishment served Negroes, and he says "we're getting plenty of customers to replace the hard-headed ones."

In Dallas, integration of hotels and restaurants has "opened up an entirely new area of convention prospects," according to Ray Bennisson, convention manager of the Chamber of Commerce. "This year we've probably added \$8 million to \$10 million of future bookings because we're integrated," Mr. Bennisson says.

#### Conventions for Atlanta

Within a day after 14 Atlanta hotels announced on June 13 they would begin accepting Negro guests who come to the city with conventions, the Atlanta Convention Bureau had nailed down three organizations for 1964 and 1965 meetings, a total of 3,000 delegates who otherwise would not have visited Atlanta. Walter Crawford, executive vice president of the Convention Bureau, says the hotels' decision opens up "the remaining 40% of the convention market that we estimate we haven't even been able to talk to before."

One frequently expressed fear of Southern white businessmen, that their establishments would be overrun by Negroes if they integrated, apparently is not materializing. "The Negroes want the right to enter your place of business, but they're not so anxious to use the right," says a Nashville banker.

At Knoxville, Tenn., William Tiller, assistant manager of the city's largest hotel, the Andrew Johnson, reports that although the hotel has been integrated more than a month, "we've had only three Negro families and two couples."