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firms "to lower labor costs by lowering wages." What they should be doing instead, Hoerr asserts, is "improving productivity by reorganizing work, giving workers more voice in deci-

sion making, and stepping up training programs." With the permanent-replacement strategy, Hoerr maintains, U.S. business may well be shooting itself in the foot.

## *Discount Destruction?*

"Sam Walton and Wal-Mart Stores, Inc.: A Study in Modern Southern Entrepreneurship" by Sandra S. Vance and Roy V. Scott, in *The Journal of Southern History* (May 1992), Rice Univ., P.O. Box 1892, Houston, Texas 77251.

For better or worse, businessman Sam Walton (1918-92) had a big impact on the American South. Starting in 1945 with a single variety store in Newport, Arkansas, and concentrating on the country towns and smaller cities that large retailers shunned, Walton developed a chain of discount department stores, Wal-Mart Stores, Inc., that expanded across the Sun Belt and beyond. Many southerners were grateful and proudly regarded their local Wal-Mart store as "a symbol of progress and hope," note historians Vance and Scott, of Mississippi's Hinds Community College and Mississippi State University, respectively. But others mournfully contended that the "Wal-Marting" of the South destroyed a cherished way of life.

Walton's first store was a Ben Franklin franchise, located in Newport, a town of 5,000 about 80 miles from Little Rock. Sales almost tripled in three years—prompting Walton's landlord to take over the business himself. So Walton started anew in 1950 in Bentonville (pop.: 3,000), in the northwest corner of the state. By the early 1960s, Walton and his brother, Bud, had built a chain of 16 stores.

But the Waltons, Vance and Scott write, "understood clearly that variety stores were losing market share to supermarkets... and to expanded drugstores... and that retailing as a whole was being changed markedly by discount merchandising." In 1962, Walton opened his first Wal-Mart Discount City store in Rogers, Arkansas (pop.: 5,700). By 1970, the Waltons had 18 Wal-Marts, selling everything

from clothing to garden equipment, as well as 14 Ben Franklin variety stores. Some big-city sophisticates sneered at the "couturier to the hillbillies." But stressing low prices and encouraging employees to feel part of "one big family" (with no need for a union), Wal-Mart steadily expanded. By 1980, the old variety stores were gone and Wal-Mart had 276 outlets in 10 states in the South and Midwest. By 1990, it had 1,525 outlets in 29 states and was challenging both K mart and Sears, Roebuck for the title of number-one retailer in the United States.

There is no denying Wal-Mart's impact on small towns, Vance and Scott note: "Some local merchants went out of business; while the focal point of many communities, their once-bustling main streets, withered away, and with them a way of life." Locally owned stores, detractors argued, kept more profits and salaries in the community.

There may be some truth to such laments, Vance and Scott say, but "on balance Wal-Mart no doubt serves the greater good. Country towns had been dying for decades before the huge discounter appeared on the scene. Its stores attracted customers in droves, and local enterprises that did not compete directly with Wal-Mart benefited significantly." Most important, Vance and Scott say, people in hundreds of rural communities suddenly had available "a wide variety of reasonably priced goods." Had that been true before, they note, Wal-Mart would never have succeeded.

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## SOCIETY

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### *Tuition Tales*

"The Scandal of College Tuition" by Thomas Sowell, in *Commentary* (Aug. 1992), 165 E. 56th St., New York, N.Y. 10022.

Throughout the 1980s, tuition at American colleges and universities increased faster than inflation. By 1990-91, tuition at 255 institutions

was \$10,000 or more, and at places such as Brown and Princeton the cost of tuition, room, and board now tops \$20,000. College adminis-