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To: The Archives,
The Elmendorph
The Red Hook Historical Society
From: J.E.L.

The obituary for James Wood in yesterday's *Times* completes the story of the Elmendorph's rescue.

Mr. Wood was president of the Grand Union which was thought to own the Inn next door, but, for some reason title of the building was in his name. When he heard that the "friends" of the Elmendorph wanted to restore the building to its early 19th century appearance, and devote it to new, public purposes he was immediately sympathetic. He determined, over the protests of the Grand Union's real estate men who were present,, to sell the Elmendorph then and there for a very reasonable price and loan interest. He dictated a letter to that effect to his secretary. He made only one personal caveat, and that was the transaction not be immediately broadcast for, he hinted, his position might be compromised because of other changes in the Grand Union. The "changes" James Wood had in mind were revealed soon after, when he became head of the ailing A&P.

Had Mr. Wood not acted as promptly and firmly as he did, there is no reason to think the Inn would not have been sold to the alternate bidder for the property. Quite the contrary: the Grand Union's real estate office seemed determined to sell it for a restaurant. The Elmendorph owes its rescue to James Wood.

James P. Lindsley

James Wood, 85; Revived A.&P. Chain

By MARY WILLIAMS WALSH

James Wood, a British-born executive who prevented one of America's best-known supermarket chains from, in his words, "slipping into oblivion" in the 1980s, died on March 26 at his home in New York City. He was 85.

The cause was congestive heart failure, said Christopher T. Cox, Mr. Wood's son-in-law.

The Great Atlantic and Pacific Tea Company was a deeply troubled enterprise when Mr. Wood was recruited as its chief executive in 1980. Many analysts thought it was beyond redemption.

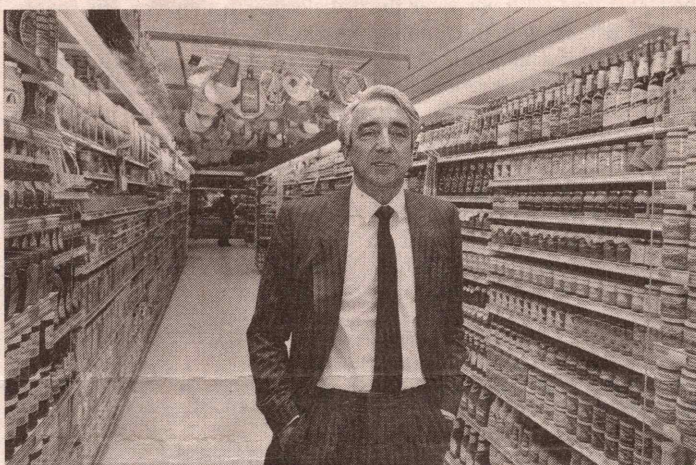
But he had long set his eye on the top job at A.&P. and accepted the role under a five-year contract that would reward him more if he drove up the company's stock price. With that motivation, he not only revived A.&P. and created unexpected value for its shareholders, he also helped renew interest in stock options, an executive compensation tool that had fallen out of favor during the bear market of the 1970s.

Mr. Wood was one of the first corporate chiefs to extract surplus assets — about \$250 million in A.&P.'s case — from a company's pension fund and use the money to help finance a turnaround. The technique was widely imitated in the subsequent wave of corporate takeovers that came to characterize American business in the 1980s.

A.&P. employees fought the pension move in court, giving rise to groundbreaking legal arguments about whose money it is when a pension fund has more than it needs. The employees settled when A.&P. offered to return \$50 million; arguments that they should get back the whole \$250 million were rejected by federal district and appellate courts.

The Great Atlantic and Pacific Tea Company, founded in 1859, blossomed into America's first national supermarket chain as the refrigerator replaced the icebox and the family car doomed the mom-and-pop corner grocery store. By 1950, The New York Times reported, 10 cents of every dollar spent on food in the United States went to A.&P.

A.&P. was the first supermarket chain in the country to un-



VIC DELUCIA/THE NEW YORK TIMES

James Wood, then chief of A.&P., in 1987. He turned the supermarket chain around after many thought it was a lost cause.

ionize, and by the 1970s its labor costs were the highest in the industry. Younger, nimbler chains were building spacious new stores in the suburbs, and A.&P. found itself trapped in aging, dingy urban stores that were no match for wide aisles and free parking.

Customers were leaving in droves, and A.&P. was losing tens of millions of dollars a year when Mr. Wood arrived. Industry ana-

Wood's first five years, A.&P. was growing again, taking advantage of competitors' troubles by buying up their stores.

The company's stock, which traded around \$3.50 a share when Mr. Wood took over, was above \$16 in the summer of 1985. His original contract allowed him to buy 1.1 million shares for \$4 each within its five-year term.

He stayed on as chief executive for another 13 years before stepping down in 1998. He continued as chairman until 2001.

He is survived by his wife, Colleen; two daughters, Sarah and Julie; and four grandchildren.

Mr. Wood was born on Jan. 19, 1930, in Newcastle-upon-Tyne, England. He went to work as a grocery stock boy at 14 and later worked in a slaughterhouse and for other grocery enterprises.

In the 1970s, as an executive of Cavenham Foods in Britain, he came under the wing of James Goldsmith, the flamboyant corporate raider who was then Cavenham's chairman.

Mr. Goldsmith put him to work on various food-related acquisitions, and when Cavenham bought the Grand Union supermarket chain in 1974, he sent Mr. Wood to the United States to run it. Six years later, Mr. Goldsmith called A.&P.'s options-fueled offer to his protégé "truly astounding."

"We couldn't make any comparable offer," he told Fortune magazine that year. "I told Jim that I'd take it."

By the 1980s, the first national supermarket was in a tailspin.

lysts said he had taken on a lost cause.

Mr. Wood accelerated the cuts his predecessor had started, closing more than 500 stores, eliminating almost 20,000 jobs and scrapping an entire food-manufacturing division. He pulled A.&P. out of a half-dozen states entirely, ending its claims of being national. Revenue fell by almost half.

But the most profitable parts of A.&P. were spared. In its fiscal year ending Feb. 26, 1983, the company was not only profitable again, it had also posted its best sales and earnings in more than 12 years. By the end of Mr.

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