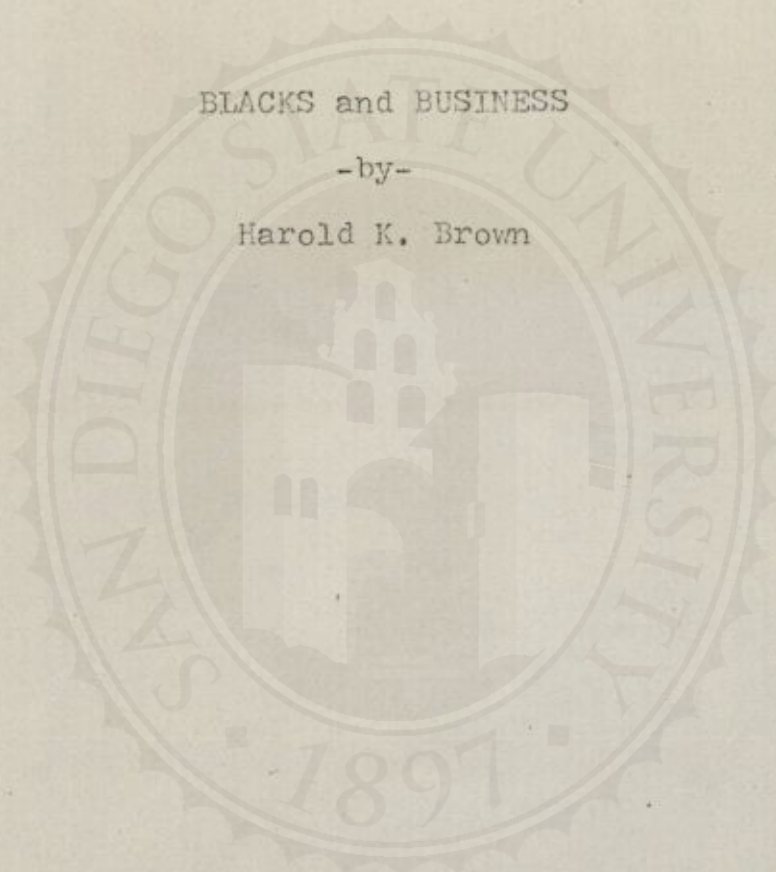


BLACKS and BUSINESS

-by-

Harold K. Brown



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ACKNOWLEDGEMENT

Although nearly a hundred Black persons were interviewed as to their reactions to the business world and the role it should play in the racial problem, I wish to especially thank Whitney Young and Adolf Holmes of the National Urban League, Roy Innis of C.O.R.E. and Floyd McKissick of McKissick Enterprises, Inc. These men were very gracious in taking time out from their very busy schedules to discuss with me their reactions to the subject "Business and Blacks." For this, I am sincerely appreciative.

Finally, I want to thank the many other persons, who (through their discussions) have contributed to the material used in writing this paper.

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INTRODUCTION

The title for this paper was changed many times after much discussion had taken place on the subject of Blacks and Business. After listening to many Blacks express their reactions to American businesses, it became obvious that there was unanimity on the point that "White" businesses should employ and up-grade more Blacks -- thus, erasing the label of "White" businesses. If this were done, "White" businesses would take on the appearance of being suntanned. The temptation to entitle this paper "A Suntan for Business" finally gave way to the present title.

The purpose for which this paper was written is to express a reaction of Black people to the business world. This reaction is not intended to represent all of the Black people in America. It does not even pretend to represent most Blacks. This paper is designed only to express the reaction of those persons whom the writer interviewed. The extent to which the contents of this paper expresses the views of other Blacks in this country is, of course, solely dependent on how many Blacks agree with the reactions as expressed in this paper. It would be a serious error for the reader to look upon this paper as a survey. To conduct a survey one has to take a sample...and a sample must pass the test of bias. The writer had no intention of taking a sample of the Black community. A sample would produce many more questions than it would answers.

The writer chose to talk with Blacks who, according to his judgment, were obviously capable of analyzing the situation involving business and the Black man's struggle in America. Obviously, time nor the space of this paper would permit talking with all, or a large number of those whom the writer would consider capable of doing that analysis. Besides, talking with a large number of people is hardly necessary to fulfill the purpose of this paper.

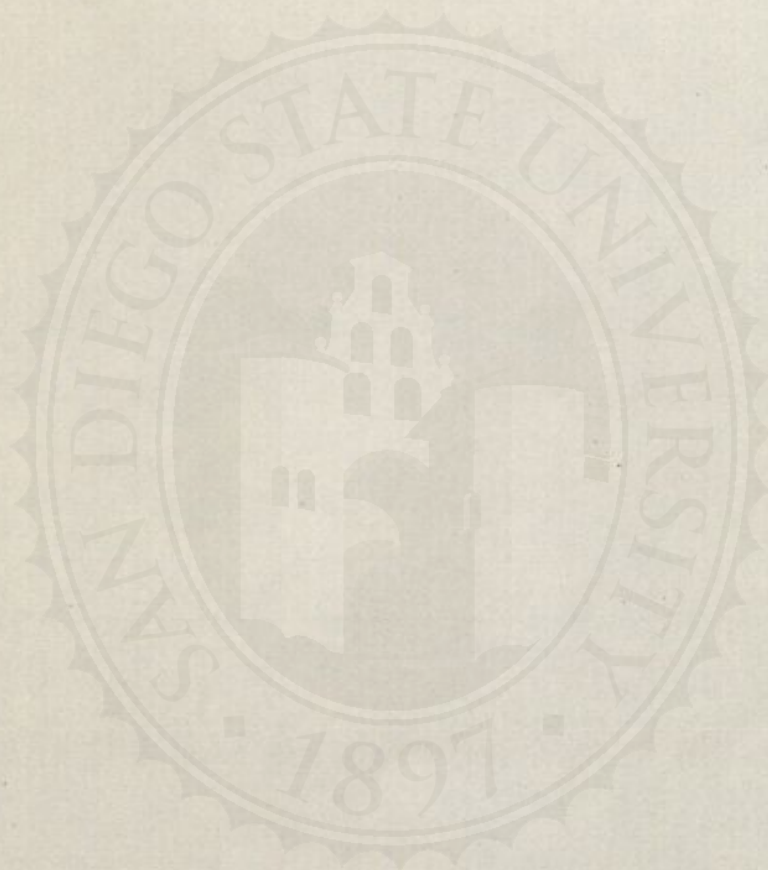
Some of the people interviewed are names well known to the American public. They are considered leaders by most Black people, which means that they represent the views of many Blacks. Otherwise, those people would not consider them to be leaders. The others interviewed are not nationally known and are not considered leaders. However, the writer places tremendous value on their analysis and judgment relating to the subject discussed in this paper.

Relative to the above, it is important (especially when discussing such an explosive and sensitive subject) to listen and be concerned with what is being said, rather than with who is saying it.

This paper will attempt to reflect the thoughts and feelings of those with whom the writer talked, by synthesizing the discussion from the interviews on three general points: defining the problem, understanding the problem, and the banking industry.

The writer chose not to use names as a source to quote, with a few exceptions, but instead to pull out the thinking of individuals

relating to the points being discussed. By doing this, the writer will be held solely responsible for the contents of this paper. Any criticism or disagreement with the contents of this paper should be directed solely at the writer.



II. DEFINING THE PROBLEM

Taken from a discussion of seven "grass roots" Blacks -- non-professional, but as "uppity" as can be.

"What is the problem? What is the problem, Whitey businessman? You mean you don't know? After four-hundred years of sweat and blood; castration and indignation; lying and stealing; lynching and raping; fearing and crying; suffering and dying; and you say, 'What is the problem?' That means you don't know me at all. You don't even know you. You're not dumb, businessman. You just don't want to know the problem."

If the above is true, if businessmen don't know what the problem is, then how are they going to solve it? If they don't know the quality of the product, how are they going to price it? If they don't know the different parts they are working with, how are they going to figure out the least cost combination?

The Black people who have concluded that businessmen don't want to know the problem, are merely expressing a desire for businessmen to know the problem. These Blacks know that if businessmen don't know what the problem is, the Black man's struggle will continue to be a struggle until one side gives up or is killed off. We should know what the problem is -- those who don't, should listen closely.

One conspicuous strength of American democracy has been its ability to take all kinds of people, put them through similar experiences, and absorb the end-products with little difficulty. But the Black man (who arrived in America in 1619; and, therefore,

has been here longer than the Pilgrims) has not been absorbed by our democracy. What has prevented this absorption? We can trace it back as far as 1630, when it was recorded in the Jamestown Annals that a White man was punished by the Jamestown Assembly for sleeping with a Black woman. The decision indicates that the community was appalled by the notion that there could be a close relationship between White and Black.¹ So from the very start, the colonists had no intention of absorbing Blacks into their communities. And today, in 1970, it is still obvious that Whites are very reluctant to absorb Blacks into the democracy. One only has to look at the business firms of our country to get a glowing example of the reluctance to absorb Blacks into the American mainstream. In 1966, fewer than 1% of the professionals at 21 companies in the aerospace industry were Black. Yet, that small number represented roughly 40% of all Black professionals in companies with 100 or more employees.² Blacks feel that from 1619 to 1966 -- three hundred and forty-seven years -- is a mighty long time to wait (and especially to be "nice" while waiting).

The problem then as Blacks see it, is not that Blacks don't want to be absorbed into the mainstream of this country, and not that Blacks lack the skills necessary, but that Whites simply don't want Blacks absorbed into this system (except according to the

¹The Negro Challenge to the Business Community, Essay by Eli Ginzberg, pp. 1-3.

²"Urban Affairs," Business Week (June 20, 1970), p. 34.

time-table that Whites set up -- a time-table that serves whatever needs Whites find suitable for their purpose, and a time-table that is always a thousand times more gradual than the one Blacks set up.

According to Black thinking, the situation described above indicates that the battle-lines have been drawn. If business firms have been that reluctant to absorb Blacks from 1619 to 1966, the amount of progress that would have been necessary from 1966 to the present is too much for any realistic person to even imagine could happen. Therefore, based on past and present reactions of White people, Blacks have little, if any faith in White businesses which are able to overcome hang-ups (regarding the full inclusion of Blacks into the American business world). So, Blacks presently feel that certain costs will have to be shared by both Blacks and Whites in order to get businesses to the point where Blacks have access to any and all positions under the corporate structure. The cost to Whites will be to give up the "ghost" (or what Blacks call giving up the "nigger"). That means that Whites will have to come out of that dream world and admit that they don't have a job under the whole corporate umbrella that cannot be done as, or more efficiently by a Black person. The only thing that is missing and has been missing all along is the opportunity. The psychological security that many Whites have is that no matter how badly they are doing a job, they can do it better than a Black person. This myth will have to be tucked away in that part of the brain which houses fantasies.

It is believed by Blacks that most Whites need this fantasy.

Whether it is the nigger, the Indian, or (according to Dick Gregory) the young, long-haired, White boy, Blacks feel strongly that it will cost White businessmen their nigger to include Blacks into their business firms. Blacks also feel that businessmen find this too much of a cost at present. It is believed that the shock is too great for the "White" mind to cope with. Therefore, the mind must be given small doses, and at the proper intervals.

The cost to Black people to realize this absorption is the suffering that will come to those who attempt to force the "White" mind of businessmen to accept large "de-niggerizing" doses that fit more to the Black time-table. This surely is what causes the conflict because the unanimous declaration of all those interviewed was that businesses want their "show-piece" Negro, or that businesses are now trying to get their "corporate nigger." On the other hand, Blacks see Whites as exhibiting no sense of urgency (to say the least). Thus, the conflict -- velocity -- the rate of speed, or lack of speed, depending on which side you are looking from.

The session held with the so-called "grass roots" Blacks (whatever that means) pointed out what many Blacks feel (whether they are considered grass roots or not), that is, the White businessman does not know Blacks; and, therefore, finds himself dealing with a stranger...an imaginary character.

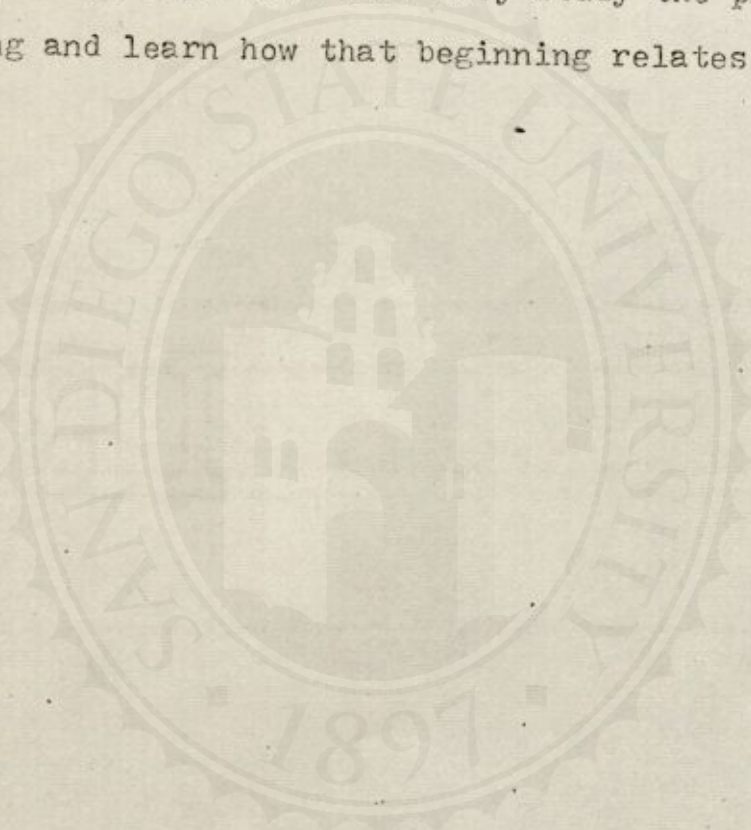
One session the writer had with a dozen Black professionals employed by leading business firms, strongly revealed their frustration with White supervisors. This group felt that the White supervisors (and their White co-workers) had no understanding of them as Blacks. Such things as the Afro hair style, the use of the word "Black," the identification Blacks feel with Malcolm X, Stokely Carmichael, and the Black Panthers, are all mysteries and areas of misunderstanding and even a threat for the White supervisors. The group felt that they were always on the fringe area of their circle of co-workers. Much frustration was felt in terms of their opportunities for promotion. It was felt that other pressures would have to be forthcoming before opportunities would be available to them on the same basis as Whites. Blacks feel that the costs to business firms who have excluded Blacks and are now only willing to practice gradualism, must outweigh the advantages of gradualism.

An important point to be made in this discussion of Blacks and business, is one that hung in the air throughout the interviews. That is, the feeling by Blacks that the White businessman is dishonest and lacks integrity, that his interest lies entirely in profits, and not in fairness and justice for all American citizens. Blacks have little faith in White businesses ever doing more than what is considered necessary to keep down riots so that business can proceed as usual.

It appears that the belief that White businessmen don't really know Blacks, is widely shared by Black people. After four hundred years of living together, this seems incredible. But many Blacks

would argue that White Americans never really have lived with Black Americans. It seems fitting, at this point, to add those reminding words of advice given to those contemplating marriage, "You really don't know a person until you live with him."

Figuratively speaking, Blacks consider this to be an important reason for the reluctance of business to include Blacks at all levels of the firm. In order for White businessmen to get to know Blacks, it is important that they study the problem from the beginning and learn how that beginning relates to the problem today.



III. UNDERSTANDING THE BEGINNING

A charge frequently hurled at Blacks is that they lack ambition and initiative and do not take advantage of the opportunities available to them. A look at how this Black-White problem started will reveal that charge to be a myth.

For four hundred years, Whites have maintained a system in the United States which was designed to destroy ambitions and initiative, as well as courage among Blacks. The system was designed to penalize them for displaying such qualities, and to prevent the accumulation of wisdom.

A system of slavery developed in this country, which declared that a slave was not a person, but a piece of property and therefore, could not enter into any contract. He could not marry. His wife and children could be sold away. In many states, the law forbade anyone to provide education for slaves, to teach them to read or write English. In a number of states, slaves were actually bred for the market. The system aimed to destroy any possibility of an independent family organization. It aimed to completely emasculate the Black male. Even the right to defend his marriage bed was denied him. This system, which was created and justified on the assumption that Black people were inferior, by design produced the type of behavior that justified the assumption.³ This system was successfully used against Jews in the Nazi concentration

³The Negro Challenge to the Business Community, Essay by Charles E. Silberman.

camps, and against White American prisoners in Korea.

The aforementioned cursory study of the beginning of America's race problem, might shed some light on the reason why White people still unconsciously treat Blacks as children. Blacks see this tendency among White businessmen daily. It is infuriating to Blacks and thickens the wall between the two races. Blacks feel that White businessmen have such little understanding of them that patronizing and condescending remarks flow from the lips of Whites without their even realizing it. This is part of the racism that Floyd McKissick refers to when he says that businessmen must first tackle the problem of racism.⁴

If it is true that White leaders in American corporations do not know Blacks, it is reasonable to assume that these rational businessmen want to better understand the Black people who are employed within their organizations. The way to accomplish this is to get on with it. But not by delivering a speech at a staff meeting, or sending a memo to the managers under you. That gives the assumption that you have already bridged the gap...an assumption that in too many cases is a false one. Top management must lead others by working to better know and understand Blacks as an example of their leadership. As one person remarked to the writer, "most White corporation executives who claim to know so much about the 'ghetto,' have never even see one, much less know the people who live in one."

⁴Reference made to writer's interview with Floyd B. McKissick on Blacks and Business, June 17, 1970.

In order to stimulate business involvement in the ghetto, government representatives have also voiced their sentiments regarding the Black man's position in America. The late Senator Robert F. Kennedy was one of the most aggressive proponents of legislation to improve the economic position of Blacks. He was the author of a number of proposals and bills designed to encourage profit-making firms to invest in the ghetto. One of Senator Kennedy's bills was for the purpose of stimulating investment, and creating jobs and income in poverty areas. The entire program was to be carried out by private enterprise. Senator Kennedy supported his bill by pointing out that the most serious failure on the part of those interested in improving the urban area has been the failure to enlist the support of private enterprise which is the basic strength of the Nation.

Another government spokesman who voiced his sentiments during the Presidential campaign of 1968 was Richard M. Nixon. Mr. Nixon called for tax incentives and guaranteed loans to encourage private industry to locate in ghetto areas. John Kain quotes Mr. Nixon (in Race and Poverty on page 164) as saying, "What we have to do is to get private enterprise into the ghetto and get the people of the ghetto into private enterprise."

IV. THE BANKING INDUSTRY

What has been said about Black people's feelings toward business in general applies, of course, to banking as well. However, it is felt that banks will, in the future, become the main object of the poor and disenfranchised. Why? It is reasonable to assume that if gradualism continues in the efforts to permit Blacks to market their skills on the same basis as Whites, and if businesses don't change the image that Blacks have of them, the frustration of Blacks will begin to focus on the financial institutions of America. Blacks see banks as the financial institutions which have financed White racism. As Blacks become more sophisticated in the economics of capitalism, and as succeeding attempts are met with failure, the financial institutions could very well become the objects of massive protests. These protests will include other groups besides Blacks. It is felt that these groups will consist of all the elements calling for a wave of change in our society to rid itself of everything considered to be indecent. Any association with racism and exploitation will be challenged by this growing segment of the population who wants to rid itself of the guilt they inherited from their fathers. Therefore, they will join with the forces to eliminate that evil.

Banks, until recently, have done very little to express an interest in the solution of the racial problem. Banks cooperated with real estate institutions in creating racial residential

sanctuaries and ghettos; and banks provided mortgage loans on houses with restrictive covenant clauses which barred Blacks from buying the homes. Banks, until very recently, had so few Black employees, that it was hardly worth taking a count. Blacks in bank management positions were almost non-existent. Blacks knew that banks were the last places they could expect to obtain a loan. In the minds of Blacks, banks have always represented the foundation and pillar of American racism.

Black resentment toward bank exclusion and neglect has risen recently. However, there was a wave of protest aimed at banks in 1964, when a Civil Rights organization launched a statewide protest against a major bank. Recently, attention has been focused on the banking industry by the Congress of Racial Equality (C.O.R.E.). Mr. Roy Innis, National Director of C.O.R.E., demanded that the banking industry contribute \$6 billion to create a "Black Urban Coalition" which would act as an instrument to enlarge economic resources of the minority community.⁵

Caution was directed at the banking industry by Whitney Young of the Urban League. Mr. Young cautioned bankers that they should not use what they have done in the past as a yardstick to measure its success in programs designed to correct the inequity and injustice toward Blacks and other minorities.

⁵The American Banker, Required Reading, July 19, 1969.

Mr. Young reminded bankers that they have no way to go but up in the battle against poverty, and that they spent 350 years creating the problem. Further remarks by Mr. Young included reminding bankers that there is a credibility gap between what bankers must teach by example, rather than exhortation; that bankers have in the past been very silent in social change, and now find they have to run twice as fast to catch up; that bankers should become as genius at including as they have at excluding. He said that bankers have a greater stake in the urban crisis than any other businessmen, and their skyscrapers are not high enough, and their suburbs are not far enough away to escape.⁶

Efforts to urge banks to participate in improving the ghetto were made by J. Lester Blocker, Assistant Vice President of First Pennsylvania Banking and Trust Company. Mr. Blocker proposed a formation of a National Development Corporation which would provide loan and equity capital for qualifiable minority enterprises.⁷

"Blacks suffer under no illusion," the writer was told, "banks are not opening their doors to Blacks out of kindness." Blacks feel that banks fear riots, and that bankers realize that business needs a stable social climate in which to function. Blacks also feel that bankers are concerned about the cities becoming poorer and blacker because banks, like the telephone

⁶American Banker, March 28, 1969.

⁷American Banker, July 25, 1969.

companies find it difficult to leave the cities.

Banks have now become involved in the Black community through employment of Blacks, giving financial assistance to Black companies, and participating in various programs in the Black community. This has been long coming, but the fact is, it is here -- in small doses -- but here. Blacks are aware of this involvement, but are not jumping to any conclusions. Blacks feel that an important contributing factor to their recent employment in banks is the shortage of White clerical labor in the cities.

Banks now having become involved in giving assistance to the Black communities, leaves Blacks skeptical about the sincerity of that assistance. There is certainly a credibility gap. This is an important issue and may very well be the most important issue discussed in this paper.

V. CREDIBILITY

It was said earlier that Blacks feel the banking industry is the foundation and pillar of White racism. It would follow then that the banking industry is the one to reverse the feelings Blacks have toward the banking industry. Whitney Young said, "Bankers have enjoyed a unique status in the United States -- more so than in any other country in the world." It is true that bankers enjoy a position in the community that qualifies them to lead in this area. Banks are now on the right track. They have made some progress in getting to know the ills that have been part of the Black community for 400 years. Some Blacks, such as Whitney Young, feel that banks now have a more enlightened management who are socially aware and are capable of producing a stable social climate. It is felt by some Blacks that bankers are more secure and do not feel threatened, and unlike construction workers, are open to new attitudes.

Banks have a long way to go to convince Blacks that they are sincere in wanting to help. Rebuilding the cities is one thing -- but rebuilding Blacks is another. Rebuilding Blacks to where they were before this system set out to destroy them is the only thing that will wipe away the bitterness Blacks feel toward business, banks, and America. Bankers have the opportunity to turn America around in the area of race relations. They can erase 400 years of history and bring peace and trust between Black and White Americans. Banks are in a position to do this

because they have not been generally attacked by Blacks -- that is, there have been no wide-spread protests against banks specifically. This is the time for banks to move, not after they have been attacked. It is true that some banks are moving ahead in this area, but it is doubtful that any banker would seriously say that the pace is fast enough. Banks should seize this opportunity and run with it. They have the resources, they have the talent. Banks should anticipate and plan creatively, instead of simply reacting to minimum demands, making concessions so typical of defensive management's dealings with Black employment and promotion. Blacks would like to see banks advance on the problem and grasp all its implications at the outset, rather than back into the situation, conceding instead of proposing, retreating instead of initiating.⁸ Bankers could well start by getting to know the Black community, by understanding what Blacks need so that the banking and business skills they possess can be effectively used to cure the ills of the "ghetto."

The contents of this paper is not intended to provide specific recommendation. However, my discussion with Blacks pointed out these areas whereby bankers can improve.

Bankers should develop an awareness and understanding of Black entrepreneurs. This is especially true of loan officers. The reasons why Blacks must go into business must be understood. The

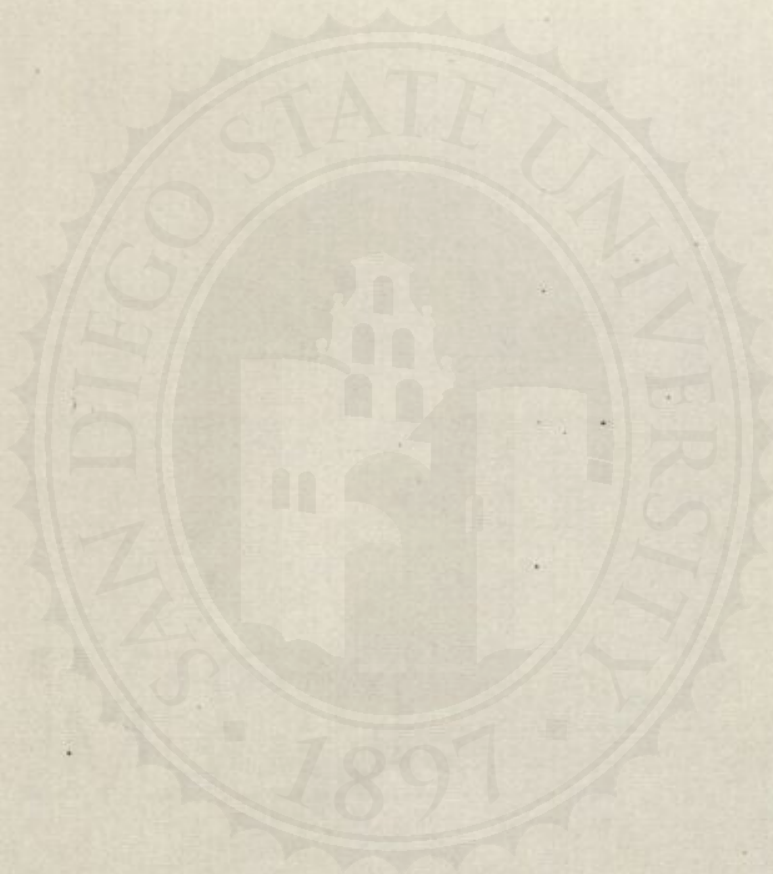
⁸The Negro Challenge to the Business Community, Essay
"Business and the Negro Community," Joseph P. Lyford, pp. 96-100.

special problems confronting prospective Black businessmen and those presently in business, must be understood and fully appreciated.⁹ It must be remembered that the four "C's" of credit were established as criteria for evaluating credit worthiness by Whites who based their criteria on the assumption that everyone possessed equal opportunities. Since bankers now realize that Blacks neither had equal opportunities then, nor do they now, there is no reason to apply this same criteria. It seems foolish to expect a person who has been handicapped by being placed at a disadvantage, to compete with a person who has not been handicapped, and expect both to score about the same.

Another area is how White-owned banks can give assistance to Black-owned banks. This can be done by depositing money in Black banks; participating with Black banks in loans too large for Black banks to handle; lending experienced Black bankers to Black banks and paying the salary differential; by making skills of the White bank available to the Black bank when needed. Some White banks are now training Blacks for Black-owned banks, but more White banks should be involved in this. White banks should also establish a program to train their officers in the skills of minority relations. This would include the skills necessary in analyzing loan requests from Black businesses. One important way for bankers to bridge this credibility gap is to become active in the Black communities. There are programs in the Black community that range from the executive

⁹Interview with Adolph Holmes, National Urban League.

boards of businesses to little league athletics. Bankers could certainly improve thier image, as well as America's, by becoming involved in the life of the Black community.



VI. CONCLUSION

Business firms in America are being challenged more today, than any other time in this country's history, to become more socially aware and active. Environment has become a household word today, and business is right in the middle of any conversation about environment. One segment of the environment has for years been unsuccessful in getting business to become more aware and more sensitive to their problems. Blacks in America have been trying to get business to help solve the problems of the "ghetto" and until recently, have not been successful. Today, with the help of government, business is now taking steps to help the urban problems --specifically, Blacks. The reactions by Blacks to all this is a very important measure of the future social climate of this country.

The solution to the racial problem is as complex as any problem this country has been faced with. The problem is so overwhelming, with its subtlety equal to its overtness, that many people are not sure just what the problem is. Defining the Problem, as discussed in this paper, made an attempt to express the feelings of Black people as to what they feel the problem is. Blacks feel that the problem consists of White people's refusal to absorb Blacks into the economy because of skin color and the White man's need to have a "nigger." Blacks feel that White people's understanding of them and their communities is very shallow. This has

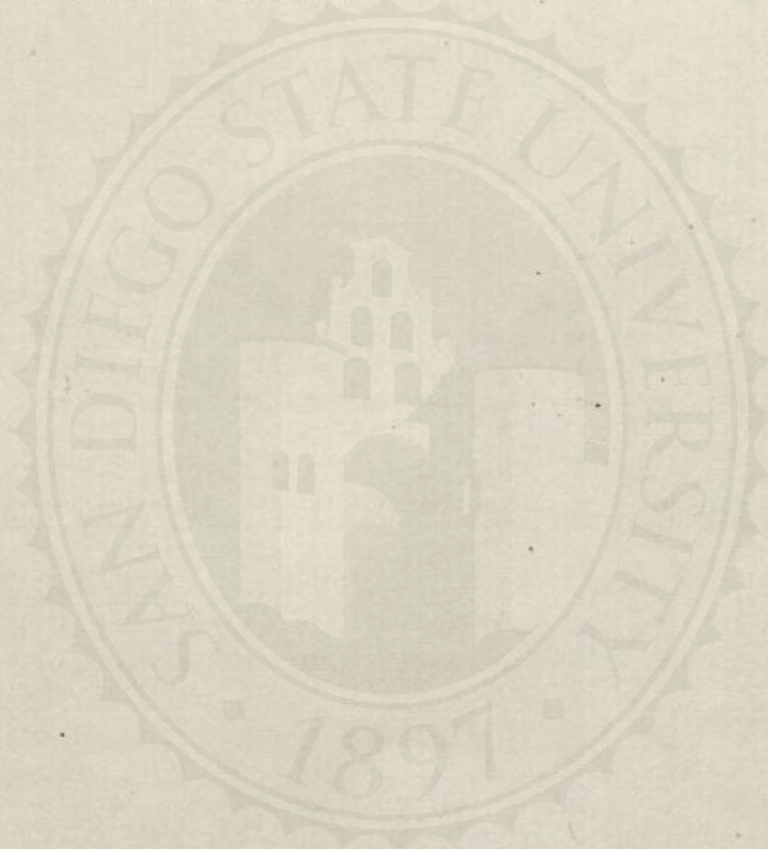
resulted in many problems for Black people in the corporations of White America.

Understanding the beginning of the problem of Whites and Blacks in America is of vital importance and prelude to finding a solution. Blacks point out that the system in America was designed to destroy Blacks from the time Blacks were brought here as slaves. Laws, custom and tradition have perpetuated that system to this day. Understanding the beginning of the lives of Black people in this country and how the American system handicapped Blacks will explain the many things Blacks are accused of, such as being uneducated, and lacking ambition, initiative, courage and wisdom.

The banking industry, with its long silence on America's social problems, might well find itself as the focal point of Black demands for assistance in up-grading the Black communities. Blacks see banks as pillars of "White America" and as conservative and resistant to the progress of Black people. Blacks are criticizing banks and demanding from them money and talent as "recouplement" for past deeds.

It can be concluded from this paper that Blacks in America see business as a strong segment of American society who can do much for their cause. Through pointing out areas for improvement, Blacks are hopeful that their words will bring about understanding and change in the relationship between the "White" business world and Blacks. It can be further concluded that the gap between business and Blacks is a wide one. Blacks suspect the sincerity of businessmen and feel that much of the present help coming from

business is only an attempt to pacify Blacks so that business can proceed as usual. Only time will tell whether or not Blacks and business will strike a note of harmony or whether they will collide as they travel along their different timetables. Whatever happens, one can be sure that it can be used as a barometer to measure the collective relationship between Blacks and Whites in America.



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