

Richard R. Wright and the National Negro Bankers Association: Early Organizing Efforts Among Black Bankers, 1924-1942

IN A PUBLIC STATEMENT PUBLISHED IN 1932, Richard Robert Wright, Sr., wrote: "We must unite all the Negro banks in the country to restore confidence in our business. No bank can stand alone." Wright called upon African-American bankers to come together for the purpose of discussing the present problems and the future possibilities for this enterprise. He argued that the growing encroachment on financial gains made cooperation incumbent upon all African Americans engaged in banking as an essential tool for the empowerment of the race along economic lines. Without such an alliance he doubted that the banks would recover from the economic havoc and financial devastation then facing these institutions.¹ This statement, issued at the height of a grave crisis in the American economy caused by the Great Depression, expressed Wright's longstanding sentiments regarding the value of affiliated efforts and cooperation among black business groups.

The story of the National Negro Bankers Association (NNBA) chronicles the early efforts to form an affiliation for the advancement of banking among African Americans. The intent was to bring together annually African-American bankers for the purpose of consultation, cooperation, and information exchange in a manner that matched the affiliated efforts of other groups in the country. In the mid-1920s, with more than seventy black banks in existence, the National Negro Bankers Association (NNBA) was independently organized, and has served since as the predominant affiliation for black banking institutions.² This study explores

¹ *St. Louis Argus*, Sept. 30, 1932, The Tuskegee Institute News Clipping File (hereafter, TINCF), reel 40, 0333, in Robert W. Woodruff Library, Atlanta University Center, Atlanta, GA (hereafter, RWW Lib.).

² The number of black banks in existence in any given year is not established conclusively. The black newspapers used in this study referred to 70 or more such banks. The *Negro Year Book: An Annual Encyclopedia of the Negro* for 1925-26 listed 73 black banks located in 19 states and the District of Columbia. On the other hand, Abram Harris's 1936 study of black banks indicated that financial statements were available for only 33 banks in 1925-1926: Abram L.

the activities of the organization between 1924 and 1947 and, particularly, the involvement of Richard R. Wright, Sr., cofounder with Charles C. Spaulding of Durham, North Carolina, whose ideas provided primary fodder for its formation and whose leadership was central to its development.

A spry little man of African and Cherokee descent, about five feet five inches tall, with a quick cackle and fiery eyes, Wright was for more than sixteen years the guiding light of the NNBA. Major Wright, as he was widely known, was born in Dalton, Georgia, on May 16, 1855. His parents, Robert Waddell and Harriet Lynch Wright, were both slaves. Ten years old at the end of the Civil War, Wright was accompanied by his mother on foot from Cuthbert, Georgia, where the family had fled during the war years, to Atlanta to attend the newly established Storrs School, the forerunner of Atlanta University. Here he eagerly acquired an education and a determination to rise above the degradation and devastation of slavery. An incident that occurred at Storrs School was prophetic of Wright's future work among freedmen and their descendants. The story was often recounted of a visit to the school in 1868 by Commissioner Oliver Otis Howard of the Freedmen's Bureau. In ending a speech to the children, Howard asked what message he might take from them to friends in the North. Young Wright, in a reply that was widely quoted and recorded in a poem by the abolitionist poet John Greenleaf Whittier, stood and responded, "Tell them we are rising."³

Wright's personal rise to prominence in the area of higher education for African Americans was remarkable. He attended Atlanta University where he earned a baccalaureate degree and was among six young men making up the first graduating class of the Collegiate Department in 1876. After graduation, Wright returned to Cuthbert to become principal of a grammar school known as the Howard Normal School. In 1880 he became principal of Ware High School in Augusta, the first publicly

Harris, *The Negro As Capitalist: A Study of Banking and Business Among American Negroes* (1936, reprint ed., College Park, 1968), 61. A historical review provided by the National Bankers Association indicated that 12 banks made up the charter membership of the National Negro Bankers Association.

³ Harriet Beecher Stowe Wright Lemon, comp., *Radio Speeches of Major R R Wright, Sr.* (Philadelphia, 1947), xii; Clarence A. Bacote, *The Story of Atlanta University: A Century of Service, 1865-1965* (Princeton, 1969), 11-13; Webb Waldron, "Black Banker," *Progressive*, March 12, 1945, in Richard Robert Wright, Sr., Biographical File, RWW.

supported high school for African Americans in the state. Wright also founded the first association of African-American teachers in Georgia and served as its first president.⁴

In 1891, at the age of thirty-six, Wright was selected by the Georgia legislature to head Georgia State Industrial College at Savannah (now Savannah State College). He served in this capacity for thirty years and developed one of the first state-supported institutions for the higher education of African Americans in the South. His academic pursuits in Savannah were interrupted in 1898 by a stint in the military during the Spanish American War, where he received a presidential appointment as special paymaster with the rank of major. Following the war, Wright returned to Georgia and continued as college president for another two decades. However, after a full and successful career as an educator, in 1920, at the age of sixty-five, he entered a new profession in Philadelphia, organizing with members of his family a bank to promote the economic and business needs of African Americans.⁵ In a statement following his departure from Savannah, Wright noted, "I have given thirty years to the education of boys and girls, and now I am giving the last part of my life to the practical application of the principles of education to our economic and industrial life."⁶

Part of Wright's motivation in founding the Philadelphia bank resulted from a strongly felt personal affront. When his daughter was insulted by an employee of a white Savannah bank, Wright resigned his position as president of the Georgia college and moved his family to the North. The bank employee refused to address Wright's daughter by the same courtesy title used with white women and, in an ensuing altercation, his daughter was assaulted physically. This incident severely incensed her father who threatened civil and criminal action against the bank. As tension flared in the community, Wright's eldest son, Richard Wright, Jr., an African Methodist Episcopal churchman who had established himself in Philadel-

⁴ Elizabeth Ross Haynes, *The Black Boy of Atlanta* (Boston, 1952), 60-71; Lemon, *Radio Speeches*, xii-xv.

⁵ Haynes, *The Black Boy*, 177-79; Lemon, *Radio Speeches*, xii-xv; "Richard R. Wright: Atlanta University's Oldest Living Graduate," *Atlanta University Bulletin*, Dec. 1938, 2; Rufus Early Clement, "Richard Robert Wright," *Phylon* 9 (1948), 62-65; "Banking," *Time*, July 17, 1939, 60-61.

⁶ "Report of Citizens and Southern Bank's First Year," *Christian Recorder*, Nov. 24, 1921, TINCf, reel 12, 0954.

phia, urged his father to resettle the family here. The elder Wright consented to the move to Philadelphia where he established a new bank which he elected to call by the same name as the offending Savannah bank.⁷

Other motivations for the move north and the founding of a bank probably included the emerging economic development of African Americans in urban areas and the growing migration of southern blacks to the North following World War I. As early as 1900, writing in *The Philadelphia Negro*, W.E.B. DuBois spoke of the small but growing "number of individual undertakers of business enterprise among Negroes," enumerating the establishments for meals and entertainment, barbershops, grocery stores, candy and notion shops, bakeries, undertaking establishments, caterers, and other small businesses.⁸ In 1910 the black population of Philadelphia was 84,000; ten years later it was 134,229.⁹ As the new arrivals settled in the city, they reinforced the need for financial institutions organized by and for African Americans. Richard Wright, Jr., emphasized this point in a 1921 meeting of Philadelphia's black preachers, stating that "most of the Negroes' money is not now organized for the Negro, but actually organized against us. Millions of dollars that colored people have put in banks (probably 12 million in this city alone) are used to build up businesses for people who discriminate against Negroes. Do you think it's about time to help organize the finances of our people?"¹⁰ The institution, for which the senior Wright served as president for more than twenty-five years, represented one response to this need among African Americans.

The greatest influence in founding the bank undoubtedly came from Richard Wright, Jr., who joined his father in initiating the enterprise. The younger Wright settled in Philadelphia in 1905, and he became one of the leading African-American citizens in the state. He was widely involved in efforts to promote institutional developments among African

⁷ Haynes, *The Black Boy*, 177-79; Clement, "Wright," 64; see also, Richard R. Wright, Jr., *87 Years Behind the Black Curtain: An Autobiography* (Philadelphia, 1965), 189-90.

⁸ William E.B. DuBois, *The Philadelphia Negro: A Social Study* (1899; reprint ed., New York, 1967), 115-25.

⁹ *Philadelphia Public Ledger*, April 22, 1922, TINCF, reel 15, 0233.

¹⁰ "The Financial Condition of Our People," an address delivered by Richard R. Wright, Jr., before the Philadelphia Preachers' Meeting, *Christian Recorder*, May 19, 1921, TINCF, reel 12, 0956.

Americans, especially in the religious and economic spheres. As a graduate student at the University of Pennsylvania in the early 1900s, he conducted a seminal study on the economic history of African Americans in Pennsylvania. The study revealed that despite meager opportunities, African Americans demonstrated skill and proficiency for improvement in labor and the management of business. The study served to promote the younger Wright's involvement in movements to improve the social and economic opportunities available to black Philadelphians. His personal entrepreneurial efforts in the areas of real estate, manufacturing, and other areas also whetted his interest in improving economic opportunities for blacks. A respected churchman who was elected bishop of the African Methodist Episcopal Church in 1936, his position in the Philadelphia Conference of AME churches led to frequent support of member churches, assisting congregations with purchases, expansion, or other economic developments. The younger Wright served also for a number of years as president of the Eighth Ward Building and Loan Association which assisted with the purchase of homes. Therefore, his involvement with his father in organizing a bank in Philadelphia continued a long-standing effort to make "a tangible start toward real financial emancipation" for African Americans.¹¹

From its inception, the bank was a joint effort by members of the Wright family. Richard, Jr., and his father met initially with leading black citizens in Philadelphia who pledged subscriptions ranging from \$1,000 to \$5,000 toward the amount needed to incorporate a state bank. When, however, subscribers failed to honor these pledges, the Wrights invested their own funds and organized a private bank which they planned to reorganize later as a state bank.¹² The bank opened on September 15, 1920, with Wright, Sr., his son Richard, and daughter Lillian M. Wright

¹¹ Ibid.; Wright, Jr., *87 Years*, 186-87, 197; see also Wright, Jr., *The Negro in Pennsylvania: A Study in Economic History* (Philadelphia, 1912). As president of Wilberforce University (Ohio) from 1932-36 and 1941-42, Wright, Jr., was made a bishop in the African Methodist Episcopal Church in 1936: *87 Years*, 180-85, 223-24.

¹² According to Wright's biographer, the Pennsylvania Banking Department required \$156,250: Haynes, *The Black Boy*, 180. This amount is not verified in any other source. Richard Wright, Jr., conducted the bank's operations for the first year while his father concluded his affairs in Savannah and completed the move to Philadelphia in 1921. See also Wright, Jr., *87 Years*, 57-59; Haynes, *The Black Boy*, 180-83; Waldron, "Black Bankers," 13; Richard Spillane, "Men and Business," *Philadelphia Public Ledger*, April 22, 1922.

Clayton as original partners. Three years later, in 1924, the Wrights turned their attention again to fund raising, with plans to reorganize the bank into a trust company. Successful in these efforts, on January 19, 1926, with capital of \$125,000, they formally organized the Citizens and Southern Bank and Trust Company of Philadelphia. It became the first trust company organized by African Americans.¹³

The Wrights faced a number of difficult problems in the early stages of the bank's development. An initial expectation of failure prevailed as Philadelphians recalled the fiasco associated with the government-sponsored Freedman's Bank in the 1870s and with other losses associated with black banking enterprises.¹⁴ The predominant fear was that this bank, set up in an old storefront building and presided over by an aging African-American school teacher from the South and his busy preacher son, was doomed to fail. The skepticism subsided, however, as the Wrights spoke in churches and contacted groups and individuals with invitations to visit the bank. Word spread gradually among Philadelphia's black citizens, particularly southern migrants who came into the bank to make deposits or to negotiate small loans. At the end of the first year, deposits in the bank aggregated over \$100,000 with more than 4,000 depositors.¹⁵ Confidence in the bank swelled in succeeding years as it attained a state banking charter and absorbed the business of the failed black-owned Keystone Bank in 1926. The subsequent failure of the Brown and Stevens Bank, another black-owned banking business, left the Citizens and Southern Bank as the lone African-American banking enterprise in the city.¹⁶

Richard Wright, Sr., viewed the necessity of acquiring and maintaining the confidence of the black community as paramount to a successful banking operation, and his overtures in this area resulted in success for the enterprise. However, he also recognized the importance of obtaining

¹³ Wright, Jr., *87 Years*, 57-59; Haynes, *The Black Boy*, 185-91; Clement, "Richard Robert Wright," 63.

¹⁴ For a detailed study of the Freedman's Bank, see Carl R. Osthaus, *Freedmen, Philanthropy and Fraud: A History of the Freedman's Savings Bank* (Urbana, 1976).

¹⁵ *Baltimore Afro-American*, Dec. 4, 1922, TINCF, reel 15, 0233.

¹⁶ Haynes, *The Black Boy*, 206; Wright, Jr., *87 Years*, 192-93; *Washington Eagle*, Jan. 7, 1927; *Birmingham Reporter*, Jan. 15, 1927, TINCF, reel 27, 0587. Abram Harris contends that the impression given the public that the Keystone Bank was absorbed fully by Citizens and Southern Bank was incorrect; in fact, the stockholders received only 35 percent of their investment: *The Negro as Capitalist*, 125.

the support of white bankers in the city, and to that end he judiciously cultivated their good will. In the early years of the bank's development, in an arrangement described as "unique in banking history," three of the leading white bankers in Philadelphia acted in an advisory capacity for the Citizens and Southern Bank. The white bankers advised primarily in the areas of investments, loans, and banking regulations. This assistance, it was said, served as evidence of the white bankers' support of thrift and good citizenship in the African-American community.¹⁷

Along with the challenge of achieving community confidence and maintaining harmonious relations with white competitors, the inexperienced bankers faced issues of loan selection and the investment of bank funds in a manner that provided liquidity and ensured a fair return. Several loan defaults and investment losses, totalling \$1,000 in the first year, led Wright and his associates to realize also the need to personally acquire specialized knowledge of banking principles and procedures. To promote greater professionalism in the bank's operations, Richard, Sr., initiated a program of study and management training designed "to make new opportunities for ourselves."¹⁸ He enrolled himself in evening classes at the University of Pennsylvania; encouraged his youngest daughter, Harriet, a student at Radcliffe College, to transfer to Wharton Business College; and brought his youngest son, Emanuel Crogman, who later served as president, into the bank as an associate.¹⁹

Another important goal for Wright was to connect his bank with organizations and groups that provided prestige and dignity for the enterprise. In 1922 and 1923 he applied for membership in the Pennsylvania Bankers Association and the American Bankers Association.²⁰ He also hoped to form a closer union of all black banks then in operation across the country. The latter ambition involved the resurrection of a defunct

¹⁷ Spillane, "Men and Business"; *Baltimore Afro-American*, Dec. 4, 1922. Among the white bankers making up the "advisory board" were E. Pusey Passmore, president of the Bank of North America; Asa S. Wing, president of the Provident Trust Company; and E.G. Parsley, of Parsley Brothers and Company, investment bankers. This support, it was said, was also unusual, too, because many of the city's white bankers had been skeptical and uncooperative in the initial effort to obtain the bank's charter: Haynes, *The Black Boy*, 180, 185.

¹⁸ Haynes, *The Black Boy*, 184.

¹⁹ *Ibid.*, 184-85; Lemon, *Radio Speeches*, xv.

²⁰ It does not appear that membership in the American Bankers Association occurred prior to the mid-1930s: Haynes, *The Black Boy*, 197-98. The status of the bank's membership in the state organization is also unknown.

association that had existed a decade earlier. Black bankers, usually meeting in conjunction with the National Negro Business League (NNBL),²¹ had assembled as early as 1906 to discuss financial and banking matters as they related to the African-American community. Under the leadership of Walter R. Pettiford, president of the Alabama Penny Savings Bank, representatives of black banking institutions initiated the National Negro Bankers Association.²² By 1916, however, following the death of Pettiford and the failure of a number of the member banks, the organization had ceased to exist.²³

Nearly a decade later, in 1924, black bankers convened again in special session during the annual meeting of the NNBL, held in Cleveland, to discuss the reorganization of a National Negro Bankers Association. Wright presided over the session and Wilson Lovett of Kentucky served as secretary. The general opinion of the black bankers, as expressed by Wright, was that strong banks were essential to the economic progress of African Americans, and their establishment and support could not be forfeited or relinquished to any other group. He asserted their purposes as being

to promote the general welfare, and the usefulness of banks and banking institutions, and to secure uniformity of action, together with the practical benefits to be derived from personal acquaintance and from the discussion of subjects of importance to the banking and commercial interests of the country, and especially in order to secure the proper consideration of questions regarding the financial and commercial usages, [and of] customs and laws which [a]ffect the banking interest of the country.²⁴

²¹ The National Negro Business League, founded in 1900 by Booker T. Washington, provided a forum for businesspeople to share inspirational stories about their successes and problems in business operations. See Booker T. Washington, "A Most Encouraging Convention," *Independent*, Sept. 20, 1906, 684-86; "The National Negro Business League," *Black Enterprise* 2 (1972), 37-41.

²² Pettiford served as president of the early National Negro Bankers Association. The other officers were W.L. Taylor, first vice-president, Richmond, Va.; S.D. Redmond, second vice-president, Jackson, Miss.; J.H. McConico, secretary, Little Rock, Ark.; H.C. Wallace, assistant secretary, Greenville, Miss.; and J.C. Napier, treasurer, Nashville, Tenn. See W.R. Pettiford to members of the National Negro Association, Dec. 3, [1907], in Booker T. Washington Papers, Manuscript Div., Library of Congress.

²³ The date of that association's formal demise was not ascertained.

²⁴ *Pittsburgh Courier*, Sept. 24, 1927, T1NCF, reel 27, 0577; Lon G. Walls, "The National Bankers Association—A Vital Link," *NBA Today*, Fall 1982.

In September 1926 the black bankers convened in Philadelphia, meeting in a formal session apart from the NNBL.²⁵ Representing the most noteworthy black banking institutions, the bankers in attendance approached the meeting in a serious manner. The common church hymn, "A Charge to Keep I Have," set the tone for the sessions as the delegates declared their concern for finding ways to improve business operations. A serious and businesslike demeanor was demonstrated also in the statement of one banker who, in declining an opportunity to attend the sesquicentennial celebration then occurring in Philadelphia, responded, "I have come here to get facts on better banking, and not to go to a fair. We are at the place in our racial development when we must sacrifice for genuine progress."²⁶

Cooperation and racial progress were the watchwords of the 1926 meeting. It was reported that there were in existence seventy black banks, of which thirteen were north of the Mason and Dixon line and fifty-seven south of that line.²⁷ In the keynote address, Durham's Charles C. Spaulding, president of the Mechanics and Farmers Bank, emphasized cooperation of the group, pointing to missed opportunities for advancement when black bankers refused to cooperate. He urged the bankers to "pull together and make openings for our young men and women, and serve the race." Louisville's Wilson Lovett agreed heartily with this assessment, declaring that black bankers too frequently acted as though they "were afraid of each other. We have too much tried to shy away from discussing the very things that will help us develop in a larger way."²⁸

²⁵ The bankers represented the third allied organization to hold sessions apart from the NNBL; the other two groups were the National Negro Press Association and the National Bar Association. In the separate sessions, these groups sought to address more effectively the needs of specific business groups rather than maintaining the NNBL's traditional emphasis on inspirational talks covering all subjects, "in which only a few of the delegates are interested in a general way." *Dallas Express*, Sept. 25, 1926; *Pittsburgh Courier*, Sept. 25, 1926; *Louisville News*, Sept. 25, 1926, TINCf, reel 25, 0130, 1042-43. See "The National Business League," 37-41.

²⁶ *Dallas Express*, Sept. 26, 1926; *Louisville News*, Sept. 25, 1926. This statement, in many respects, conveyed the attitude prevalent in the early twentieth century regarding the essential role of business enterprise in transforming the status of African Americans. Black banks were talked about as being in the business of lending money to help stimulate other business enterprises: George C. Wright, *Life Behind A Veil: Blacks in Louisville, Kentucky, 1865-1930* (Baton Rouge, 1985), 198, 221.

²⁷ Lemon, *Radio Speeches*, 34. See also note 2.

²⁸ *Dallas Express*, Sept. 25, 1926; *Louisville News*, Sept. 25, 1926.

In addition to the practical matter of cooperation, several other issues related to banking claimed the attention of delegates. A good deal of emphasis was placed on the importance of selecting appropriate and safe investments for banks. The agenda called also for discussion of pertinent issues relating to sound investment. The difficulties experienced by black banks with investments were particularly highlighted. Nashville banker Henry Allen Boyd confirmed this weakness, stating "Our bank has been established twenty-four years and yet if \$5,000,000 were placed with us tomorrow, I would have many sleepless nights."²⁹

The Philadelphia meeting concluded after two days. Wright was elected president of the organization, with Nashville's Henry Boyd, Georgia's C.H. Douglass, and Washington, D.C.'s Walter S. Carter as first, second, and third vice-presidents. Wilson Lovett of the First Standard Bank in Louisville was selected secretary and C.C. Spaulding became treasurer. The initial session was declared a successful effort, and the next meeting, set for September 1927, was earmarked for the official formation of the NNBA. Durham, North Carolina, was selected as the site for that meeting.³⁰

When the NNBA convened in 1927 in Durham, black business people billed the city as "the financial center of Aframerica." The meeting was held in the auditorium of the North Carolina Mutual Insurance Company with an attendance that was more than twice the size of the Philadelphia meeting. Wright's opening gavel fell on an organization whose potential membership now included fifty-five banks located in nineteen states, ranging from New York to Alabama and as far west as Mississippi and Illinois.³¹ The Durham hosts took pleasure in receiving the visitors and included in their agenda a tour of the North Carolina Mutual Building and Duke University in Durham, as well as a motorcade to Raleigh to visit sites of African-American achievements in that city, including Shaw University and branches of the North Carolina Mutual Insurance Company and the Mechanics and Farmers Bank.³²

Amid the gala receptions and tours, the business sessions were again devoted to discussions of the problems confronting black banks. The

²⁹ Ibid.

³⁰ *Pittsburgh Courier*, Sept. 25, 1926.

³¹ *Norfolk Journal and Guide*, Sept. 24, 1927, TINCF, reel 27, 0577-0583.

³² Ibid.; *Durham Sun*, Sept. 17, 1927, TINCF, reel 27, 0577-0583.

delegates continued to express concern about the lack of investment opportunities and decreasing deposits. Growing out of the discussion of cities where there were two or more black banks, particularly banks showing little or no increases in business, came the recommendation that they should be consolidated to make one larger and stronger banking institution. This was viewed as especially necessary in cities where the African-American population numbered fewer than 50,000 inhabitants. Another proposal that was viewed as helpful and constructive was the idea of creating a federation among member banks for the extension of credit to weaker institutions in periods of stress. The proposition called for the purchase of standard securities on a pro rata basis by the member banks. The funds, constituting a reserve pool, would be immediately available to a member bank in the event of a failure.³³

Another major topic of the meeting centered on the need for closer cooperation between black businesses and black banks. Harry H. Pace, then president of Northeastern Life Insurance Company of Newark, and C.C. Spaulding, of Durham, addressed the gathering on the subject of relations between black insurance companies and black banks. At the concluding banquet, three of the leading black editors, Robert L. Vann of the *Pittsburgh Courier*, Plummer B. Young of the *Norfolk Journal and Guide*, and E. Washington Rhodes of the *Philadelphia Tribune*, spoke on "The Relation of the Public Press to Negro Business." Recognizing the value of good press relations, the bankers sought to acquaint the editors with their problems and progress. They hoped that through the press the bankers could inaugurate a program of education that would ultimately "sell" the black bank to the African-American public. The key point espoused was the need to convince the public that black banks compared favorably with other banks in their class. With the assistance of the black press, the bankers hoped to implant this point into the public mind.³⁴

The bankers stressed particularly their disappointment with certain aspects of the press. Wright pointed out that, "The news of a single failure of a Negro bank goes about like wildfire. Everyone knows it and everybody talks about it. The announcement of a Negro bank failure forms glaring headlines in red letters across the pages of every Negro newspaper." He did not believe that the newspapers advertised black bank failures simply

³³ *Nashville Globe*, Oct. 7, 1927, TINCf, reel 27, 0577.

³⁴ *Ibid.*; *Durham Sun*, Sept. 17, 1927.

to expose the weaknesses of such enterprises. Rather, he contended, they published news that they thought would interest their readers. For Wright and the other bankers, the challenge was to “change this by making our bank successes interesting news.”³⁵

At the heart of the concern of the African-American bankers in attendance at the meeting was the need to effectively mobilize the money power of the race. With improvement occurring in the economic life of the group in postwar America, black bankers and other leaders bemoaned the failure of a larger part of the growing assets of the race to be used to further the economic advancement of the group. As an example, they pointed frequently to the “enormous amount of race money that is garnered by our fraternal organizations [and that] is deposited in banks outside of the race group.” This and other failures of African Americans to select black banks was viewed as an obvious cause for the loose and relatively impotent economic situation of the group. They argued that “If Negro banks, selected with due regard for safety and service, were made the depositories of one half of this money, its circulation through the arteries of Negro trade and commerce would add wonderful strength to our economic structure.”³⁶

The bankers, through their association, hoped to address themselves to the problem of “unorganized Negro money power.” They argued that black banks, particularly the charter member banks, enjoyed a commendable rating for safety and integrity and compared favorably with other banks in their class—having withstood tests of state supervision. What needed to be addressed, in their view, was the “problem of education.” They hoped that the NNBA, with the assistance of the black press, could “inaugurate a program of education that will ultimately ‘sell’ the Negro bank to the Negro public.” The *Norfolk Journal and Guide*, in publicizing the 1927 meeting in North Carolina, seemed to accept its role of educating African Americans as to the value of black banks, noting,

The truth is, we are not going to get very far without strong banks, and our banks will gain strength in proportion as they prove their strength and as we, as a group, develop confidence to put our funds into them. And that

³⁵ *Pittsburgh Courier*, Sept. 24, 1927; *Norfolk Journal and Guide*, July 23, 1927, TINCf, reel 27, 0578-0583.

³⁶ *Norfolk Journal and Guide*, July 23, 1927.

confidence will be stimulated more and more as our education regarding the stability and integrity of these institutions is increased.³⁷

As president, Wright urged the delegates to "make banking a profession." He declared, "The National Negro Bankers Association is a serious attempt to dignify our banking, to organize our banks for bigger and better business and for mutual protection." Pointing to the large number of banks and banking institutions that represented more than \$22,000,000 in deposits, he mused about the "power for good, [banks] could be if . . . organized effectively."³⁸

Wright's presidential address outlined also the possibilities of cooperation between the banks and other business concerns and the benefits to be derived for the race. He extolled cooperation as a significant improvement over dominance which, in his opinion, stifled initiative. Competition wasted the energy of participants in fighting each other, although it usually made for improvements in service. Wright pointed to the way churches had organized for cooperative efforts and urged black business people to follow their example by organizing in a similar spirit. He cited, too, the examples of the success of white businesses in forming large combinations of capital and urged blacks to find ways of providing for similar cooperative uses of money. This constructive feature, he believed, boded well for the advancement and progress of black institutions.³⁹

As the year concluded, however, black bankers were shaken by the failure of two banks: the Fraternal and Solvent Savings Bank of Memphis and the Delta Penny Savings Bank of Indianola, Mississippi. Their failure caused a good deal of public consternation. Wright used these failures to emphasize further the need for cooperation among bankers. His official statements noted two points. He emphasized that these represented only two bank failures among African Americans, while numerous white banks had similar experiences. It was significant, too, that neither of the banks was represented by any of its active officers at either the meeting of bankers in Philadelphia or in Durham. He did not hesitate to point out the value of membership in the NNBA and cooperation among African-American bank officers. Wright concluded that "the absence of the active officers from such an organization of their fellow bankers should be

³⁷ Ibid.

³⁸ Ibid.

³⁹ *Pittsburgh Courier*, Sept. 24, 1927; *Norfolk Journal and Guide*, Sept. 24, 1927.

looked upon with some concern. Every white banker in the United States is a member of his State Association and also a member of the American Bankers Association. This is the only way by which these men can get informed. How can colored bankers do otherwise?"⁴⁰

In concluding the 1927 meeting in Durham, the bankers agreed to hold the next annual session in Savannah, Georgia. By June 1928, however, two banks in that city—the Wage Earners Savings Bank and the Savannah Savings Bank—were closed, having passed into the hands of federal receivers. As summer approached, this community became heated as newspapers reported on the losses faced by individuals and groups, such as the Masons and the Knights of Pythias.⁴¹

With Savannah in turmoil, the bankers held the 1928 meeting of the NNBA in Louisville, Kentucky, convening in the Mammoth Life Insurance Company Building. Wilson Lovett, president of the First Standard Bank, and J.O. Blanton, of the American Mutual Savings Bank, acted as hosts. While the visiting bankers were extended every courtesy by their hosts, with provisions made for their lodging, food, and transportation about the city at no cost to the delegates, the Kentucky meeting had a more solemn tone. The entertainment feature, consisting primarily of a steamboat ride, with orchestra, down the Ohio River, was somewhat restrained.

The recurring theme of this meeting was confidence, as various speakers urged the individual bankers to consider ways to merit the confidence and trust of the public. In the opening address Henry Allen Boyd, of the Citizens Bank and Trust Company of Nashville, noted "We are here to delve into and try to solve the problems that confront us as custodians of the public's deposits and the capital of the stockholders."⁴² A central topic was the present situation for black banks and what could be done to improve conditions. C.C. Spaulding, in addressing the organization, urged the bankers to give closer supervision to their affairs. He pointed out that the recent failures of banks had caused the public to become more critical than ever. According to Spaulding, the only way black

⁴⁰ *Norfolk Journal and Guide*, January 21, 1928, TINCf, reel 30, 0668.

⁴¹ *Atlanta Independent*, June 28, 1928; see also *Savannah Tribune*, March 15, 1928, TINCf, reel 30, 0641-0643. The total for the losses incurred by the Knights and other groups was reported at approximately \$59,000.

⁴² *Nashville Globe*, Sept. 7, 1928; *Pittsburgh Courier*, Sept. 22, 1928, TINCf, reel 30, 0656.

bankers could continue to hold the confidence of the public was "to be ever on the alert and see to it that our banks are constantly in good condition." Held up before the gathering as an example of a successful banker, Jesse Binga, of Chicago, shared his experiences with the group in managing the Binga State Bank and in developing relations with the American Bankers Association, the Chicago Clearing House, and numerous other white banking associations.⁴³

In the Louisville meeting, as in others, white bankers from the host city shared the podium with their black counterparts. In their talks, the white bankers highlighted practical aspects of banking and expressed sympathetic camaraderie with the black bankers. Similarly, public sessions, generally held in a local church, continued to be a highlight of the annual meetings. These sessions interspersed major addresses on the general state of black banking with musical interludes and testimonies of visiting bankers.⁴⁴

As the meeting concluded, the *Washington Bee* editorialized on the bankers' session. Extolling the bankers as "solid financiers," the editor wrote that their effort "means more to the present and future of the Negro race in America than possibly all of the other agencies concerned with the progress and welfare of our group combined." In the editor's opinion, these banks were "as important, as imperative, as constructive as the church or school." Calling for public support of these enterprises, in an effort to amass money power among the 12,000,000 African Americans, the article stated,

This is the age of big business, big mergers, stupendous undertakings in the commercial world. With most of our business enterprises just emerging from their swaddling clothes, to rival and battle against long established and experienced competition; with the enterprising home-owners and home-builders being imperiled by lack of capital, impossibility of securing or renewing loans; with millions of dollars being frittered away annually in pastimes and pleasures; with industrial and economic barriers being erected against the Negro every day in all parts of the country; with the facts of his

⁴³ *Pittsburgh Courier*, Sept. 22, 1928. Binga's bank failed in 1930, an event that caused a good deal of disappointment and consternation among African Americans. He was sentenced to prison for embezzlement in 1933 and paroled in 1938. See *Chicago Defender*, March 5, 1938; *Baltimore Afro-American*, March 5, 1938, TINCf, reel 57, 0385.

⁴⁴ *Pittsburgh Courier*, Sept. 22, 1928.

forced isolation from other groups and the realization that he must work out his own problems and overcome and conquer his hazards himself, the Negro needs a strong, trained arm at the wheel to pilot him safely into the port of his dreams.⁴⁵

To continue the focus on the condition of black banks, in 1929 the NNBA kicked off the year with an observance of "Negro Bankers Week" beginning February 10. Plans announced by Wright included mass meetings in every city, with a black bank to conduct educational campaigns to acquaint blacks with the advantages and conveniences of these institutions. Special observances were to be scheduled throughout the week to further stimulate the educational program. As a preliminary event to the week's observance, Wright and a delegation from the NNBA called on President Coolidge to support the movement to promote thrift among African Americans. Wright announced also that, beginning January 18, he would personally take "a swing around the circuit to study local conditions in territories served by bankers." The tour, beginning in Nashville, was organized to include Louisville, Richmond, Durham, Charlotte, Columbia, Macon, Atlanta, Charleston, and Washington.⁴⁶

The bankers continued the annual sessions by holding the 1929 meeting in the nation's capital. The fourth annual meeting, held September 19-20, climaxed with an opportunity to meet President Herbert Hoover in a brief White House reception conducted for the bankers. The business sessions, held at the city's Cardoza High School, followed the usual plan with emphasis on growth, community confidence, proper investments, mergers, loans and discounts, and trust activity.⁴⁷

Once again the bankers turned their attention to the subject of mergers. Several of the delegates prepared speeches on the value that could be derived from mergers, especially in cities with two or more institutions. The benefits of a merger included reducing operating expenses significantly, increasing the mobility and enhancing the social productivity of black capital, reducing the chances for bank failures, and inspiring greater confidence in black-operated enterprises.⁴⁸

⁴⁵ *Washington Bee*, Sept. 29, 1928, TINCF, reel 30, 0656.

⁴⁶ *Pittsburgh Courier*, Jan. 12, 1929, TINCF, reel 33, 0517.

⁴⁷ *Ibid.*, Sept. 28, Oct. 19, 1929, TINCF, reel 33, 0509, 0519-0520.

⁴⁸ *Ibid.*, Sept. 28, 1929.

A number of banking services were discussed in this session. Among the speakers was Raymond Pace Alexander of Philadelphia, president of the National Bar Association and trust officer of the Citizens and Southern Bank headed by Wright. Alexander discussed the value of a trust department to the banking enterprise. Wright, for his part, advised the delegates to develop connections with black attorneys in their cities. This meeting highlighted the association between the banking and legal professions and stressed the opportunities for cooperation between the groups. In addition to Alexander, a number of other prominent black attorneys also attended the sessions, including Charles Hamilton Houston, professor of law at Howard University; James A. Cobb of the Municipal Court of Washington; and Charles E. Robinson, vice-president of the National Bar Association.⁴⁹

Following adjournment of the Washington meeting, Wright fell ill and continued to suffer poor health for some months. In his stead, Henry A. Boyd, the organization's first vice-president, assumed general responsibility. In requesting that Boyd take charge of the association's affairs, the seventy-six-year-old Wright indicated that he sought to shift the burdens to the shoulders of someone "younger, more active and thoroughly capable."⁵⁰

The resolve was short-lived, however, and within months the leadership mantle returned to Wright. At the fifth annual meeting of the association, held at the Bay Shore Hotel in Buckroe Beach, Virginia, in 1930, he was again elected president. Bowing to the will of the conferees, Wright accepted on condition that the main burden of planning the annual meetings be shifted to other shoulders. This was accomplished with the election of C.C. Spaulding as vice-president and treasurer with authorization to carry out the planning function. Wright remained the organization's only president for the next decade.⁵¹

The bankers convened the Buckroe Beach meeting as the Great Depression deepened across the country. The roll call of banking institutions represented at the session revealed that about twenty black banks were "weathering the storms of business upheaval, financial depression and loss of confidence." These banks reported total deposits of nearly seven

⁴⁹ *Washington Bee*, Sept. 29, 1929.

⁵⁰ *Nashville Globe*, Dec. 6, 1929, TINCF, reel 33, 0518.

⁵¹ "Banking," *Time*, July 17, 1939, 60-61.

million dollars (\$6,957,000). The capital stock of the combined institutions represented an investment of \$1,670,000. This level of banking resources, when compared to banks owned by other groups, represented a minute portion of the total financial structure in the country. The general assessment was that while interesting, it was not impressive when viewed against the African-American population and its actual and potential earning power.⁵²

At the Virginia conference, as at others, the black bankers lamented the fact that the greater amount of black resources remained under the control of white institutions. They viewed the total deposits in black banks as constituting “a nucleus about which we should proceed to rebuild a financial structure worthy of our group, commensurate with our numbers and with our earning and buying power.” The fear, they argued, was that until such a financial structure was erected, blacks would amount to nothing in the economic fabric of the world.⁵³

By 1930, the number of black banks had begun to shrink. Five years earlier, in 1925, there had been seventy-three banks within the group; there would be only twenty-three such enterprises in 1938 (see Table). In assessing the causes of bank failures among African Americans, Wright cited several contributing conditions. These included unwise loans to bank officers and directors who could not meet their notes at maturity, loans made on already-mortgaged real estate, and the general incompetence of officers and directors. He seldom failed to note that there had been few failures among banks whose officers regularly attended sessions of the NNBA, where issues and trends in banking and business were discussed and information disseminated among participants.⁵⁴

Several issues and trends guided the work of the Buckroe Beach conferees. A good deal of discussion centered on the idea of adopting a member bank as a central clearinghouse for the deposits of other banks and to which they could apply for cash in emergencies. A second concern involved the need to establish an exchange to evaluate stock in various black banks and corporations, and to serve as a medium for the sale and

⁵² *Norfolk Journal and Guide*, Sept. 27, 1930, TINCF, reel 35, 1036.

⁵³ *Ibid.*

⁵⁴ *Ibid.*

**Black-Owned Banks by States
Selected Years, 1912-1946**

States	1912	1915	1919	1922	1925	1932	1938	1946
Alabama	8	7	1	1	1	2	1	-
Arkansas	1	-	-	-	-	-	-	-
District of Columbia	-	1	1	3	2	2	1	1
Florida	4	4	3	2	2	1	-	-
Georgia	2	4	9	9	9	5	2	1
Illinois	2	3	3	2	2	3	-	-
Indiana	-	1	1	-	-	-	-	-
Kentucky	1	-	-	2	2	-	-	-
Louisiana	-	-	1	-	-	-	-	-
Maryland	2	1	3	3	2	1	2	-
Massachusetts	1	1	1	2	2	2	2	-
Michigan	-	-	-	1	2	2	-	-
Mississippi	11	6	2	2	2	-	-	-
Missouri	-	-	-	-	1	2	-	-
North Carolina	6	7	8	8	9	4	1	1
Ohio	-	-	5	5	5	6	2	-
Oklahoma	3	2	2	2	2	2	1	1
Pennsylvania	1	1	3	5	4	1	1	1
South Carolina	-	-	2	4	4	2	2	1
Tennessee	4	4	4	4	4	1	1	2
Texas	6	5	5	5	5	4	2	1
Virginia	12	11	15	13	12	10	4	3
West Virginia	-	-	1	1	1	1	1	-
TOTAL	64	58	70	74	73	51	23	12

Source: Monroe N. Work, ed., *Negro Year Book: An Annual Encyclopedia of the Negro*, 1912, 1914-15, 1918-19, 1921-22, 1925-26, 1931-32, 1937-38 (Tuskegee Institute, Ala., 1912, 1915, 1919, 1922, 1925, 1931, 1937); Jessie Parkhurst Guzman, ed., *Negro Year Book: A Review of Events Affecting Negro Life*, 1941-46 (Tuskegee Institute, 1946).

exchange of such stocks. Committees were appointed to study these issues and to report at the next annual session.

The bankers were made aware of the negative business trends affecting black banks. In assessing the ability of banks to raise capital, Wright concluded that "the day of stock buying is past." His address emphasized that sentiment for stock buying, which motivated African Americans in the past, was "gone forever" as the country became embroiled deeply in depression. Wright noted that "all Negro businesses set up for the next 15 years must get their capital from a comparatively small group of investors who believed in the ability of the firm to make money. There will be no more stock buying by the people until stock produces earnings."⁵⁵ The simple maxim was that black bankers must make stock profitable.

Maggie Lena Walker, chairman of Richmond's Consolidated Bank and Trust Company and perhaps the most outstanding black businesswoman of the period, attended this meeting of the NNBA, acting along with other Virginia bankers as host to the visitors. Walker's attendance at the Buckroe Beach conference was well noted, for it had been said that Wright had tried for several years to get her involved in the organization. She had guided the consolidation of three Richmond banks—the St. Luke's Penny Savings Bank, the Second Street Savings Bank, and the Commercial Bank and Trust Company—into the Consolidated Bank, one of the most successful financial enterprises among African Americans.⁵⁶ She took an active role in the sessions, speaking on various issues related to women and banking. In a talk on "Women's Influence and Duty in Building Up Our Financial Institutions," Walker indicated that women spent approximately 85 percent of black family income. She believed that women, if organized properly, would be more easily impressed with the necessity of spending these funds in ways that benefitted the African-American community and that they could be induced to use black banks for saving purposes. Walker agreed also to chair the newly appointed committee to devise plans for establishing an exchange for evaluating and selling stocks and other securities in black banks.⁵⁷

⁵⁵ Ibid.

⁵⁶ *Pittsburgh Courier*, Sept. 5, 1931, TINCF, reel 38, 0270; *Montgomery Advertiser*, April 2, 1937, reel 54, 0598. Mrs. Walker resigned her position in the company in 1930 because of ill health. She died Dec. 15, 1934.

⁵⁷ *Chicago Defender*, Sept. 27, 1930, TINCF, reel 35, 1036.

A positive outlook for black bankers came from James A. Jackson, specialist in black affairs assigned to the U.S. Department of Commerce. In Jackson's opinion, black banks were just beginning "to crystallize into something with definite programs and policies." He observed that these banks had operated generally on trial and error, "having started without knowledge or experience on the part of their promoters and with capital assembled largely through sentimental appeal." He asserted that the mortality of the last two decades, which occurred with great racial sacrifice and tremendous shattering of individual hopes, should not have been unexpected. Jackson now sounded the good news that black bankers understood fully their peculiar situation in the general scheme of American finance. They were more aware of the hazards of excessive real estate and other long-term loans and were well-apprised of the industrial wage earning character of the majority of black Americans. As a result, he concluded, they were adjusting loan methods to meet these requirements.⁵⁸

The black bankers, representing a membership of thirty-one banks, returned to Philadelphia in 1931 for the next annual meeting. Wright, reelected to the presidency, continued to emphasize confidence and patronage by African Americans. In his annual address, he urged all bankers to join the association, stating that, "We need to learn from each other how not to fail and how, with safety, to continue to foster business. Today, it is more difficult than ever to keep a bank steady and liquid. The confidence of the people is the bedrock of bank success."⁵⁹ The opening session was highlighted with addresses by Wright and the noted educator and editor of the *Crisis Magazine*, W.E.B. DuBois.⁶⁰ Closing activities included a visit by the delegates to the New York Stock Exchange, to observe stock trading, and a visit to the Dunbar National Bank, the only white-owned member institution. In addition to Wright, the visiting delegation included Maggie Walker, C.C. Spaulding, Jesse N. Mitchell, W.H.C. Browne, Walter Beckett, and other bank directors.⁶¹

As the association continued to assess its membership during the Great Depression, it appeared that fewer than twenty of the banks operated by

⁵⁸ *Norfolk Journal and Guide*, Sept. 27, 1930.

⁵⁹ *Pittsburgh Courier*, Oct. 3, 1931, TINCF, reel 38, 0267.

⁶⁰ *Crisis Magazine* 38 (Dec. 1931), 426.

⁶¹ *Pittsburgh Courier*, Aug. 1, Sept. 5, Oct. 3, 1931, TINCF, reel 38, 0266-0267; see also Haynes, *The Black Boy*, 190-92.

African Americans would survive the economic upheaval. The 1932 annual meeting of the NNBA, scheduled for Richmond, Virginia, in September, was not held. Choosing to postpone the meeting on the ground that it was not a propitious time to leave their banks, the bankers instead issued a public statement noting that, "Sixteen (16) banks are still meeting the acid test of the storm of unemployment which have [*sic*] swept over the country." Hard hit by the Depression, these banks—four in Virginia; two each in Georgia, South Carolina, and Washington, D.C.; and one in each of the states of Texas, Tennessee, North Carolina, Oklahoma, Maryland, and Pennsylvania—were nevertheless viewed as survivors.⁶²

In his usual manner, Wright used the public statement to extol the value of black banks, their safety and honest operation, and to contend that "a thousand times more Negro money is lost year after year in other banks than is lost in Negro banks." He cited the failure of borrowers to repay loans as readily to black banks as to white banks, or to give ample security, and urged African Americans to learn the lesson of prompt payment of obligations. Wright emphasized, too, the need for support of black banks in order to provide an avenue of opportunity for young women and men who are studying banking. "It is useless," Wright noted, "for our young people to study banking unless our people are willing to support banking." Finally, he did not miss the opportunity to urge bankers to continue to assemble for the purpose of cooperation. "The Association," he stressed, "would continue to insist upon every banker engaged in banking the money of our people joining the Association and making it a power for the encouraging of our people along the lines of thrift and self help."⁶³

The failures took their toll on the NNBA and the African-American public. Two examples are illustrative of the failures occurring in that period. In Kentucky the two largest African-American banks, the American Mutual Saving Bank and the First Standard Bank, merged in 1932, following the collapse of their white-owned depository, in an effort to thwart the approaching financial collapse. The merged institution, the Mutual Standard Bank of Louisville, however, failed in 1933 as withdrawals became heavier and heavier, and the bank was forced to suspend

⁶² *St. Louis Argus*, Sept. 30, 1932; *Norfolk Journal and Guide*, Sept. 24, 1932; *Nashville Globe*, July 1, 1932, TINCf, reel 40, 0325, 0333.

⁶³ *St. Louis Argus*, Sept. 30, 1932.

operations.⁶⁴ In Illinois the Douglass National Bank, the only surviving black bank in Chicago following the closing of the Binga Bank, failed in 1932. As in Kentucky, the precipitating cause for its failure was the steady withdrawals by depositors whose confidence the bank had failed to retain.⁶⁵

Despite their survivor status, the remaining black banks were small, with individual assets amounting to less than a million dollars. The two largest banks in this group were the Consolidated Bank and Trust Company of Richmond and the Mechanics and Farmers Bank of Durham. Others reported to be thriving enterprises in 1932 were Wright's own Citizens and Southern Bank and Trust Company of Philadelphia, the Citizens Savings Bank of Nashville, and the Citizens Trust Bank of Atlanta. These banks, along with a few others, reopened in 1933 on an unlimited basis following the proclamation issued by President Franklin Roosevelt declaring a March 4 banking holiday.⁶⁶

In Philadelphia Wright's bank was among the fifty banks in the city authorized to open following the national holiday with full banking power. Hard hit by the Depression, with securities depreciating over \$100,000, the Citizens and Southern Bank nevertheless was able to absorb the loss and to pass state examinations successfully.⁶⁷ The announcement of its healthy position was said to electrify racial pride and enthusiasm in the city, and congratulations and commendations poured into the Wrights from churches, organizations, and clubs. Their confidence in the bank's security apparently bolstered, they set up savings clubs and increased deposits. Similar confidences were expressed at Durham, as the bank announced its newly acquired status as a depository for the city of Durham, Durham County, and the United States Government.⁶⁸

In 1934 eight of the African-American banks qualified for membership in the temporary bank deposit guaranty plan. The government-backed Federal Deposit Insurance Corporation (FDIC) insured the net deposits

⁶⁴ Harris, *The Negro As Capitalist*, 165; *Baltimore Afro-American*, May 16, 1931, TINCf, reel 38, 0264; see also *Crisis Magazine* 38 (Jan. 1931), 21.

⁶⁵ *Pittsburgh Courier*, Aug. 9, 1930, TINCf, reel 35, 1026; *Houston Informer*, May 28, 1932, TINCf, reel 40, 0328.

⁶⁶ *Baltimore Afro-American*, July 9, 1932, March 18, 1933; *Norfolk Journal and Guide*, Sept. 24, 1932, TINCf, reel 40, 0325; March 18, 25, 1933, TINCf, reel 43, 0229-0230.

⁶⁷ Wright, 87 Years, 194.

⁶⁸ *Baltimore Afro-American*, Jan. 28, 1933; *Philadelphia Tribune*, March 16, 1933, TINCf, reel 43, 0239.

of every depositor up to \$2,500, an arrangement that offered protection to approximately 98 percent of all depositors in black banks. Among the eight institutions certified for admittance in 1934 were the Citizens and Southern Bank and Trust Company of Philadelphia, Citizens Savings Bank and Trust Company of Nashville, Citizens Trust Company of Atlanta, Consolidated Bank and Trust Company of Richmond, Crown Savings Bank of Newport News, Danville (Virginia) Savings Bank and Trust Company, Mechanics and Farmers Bank of Durham, and Charleston (South Carolina) Mutual and Savings Bank.⁶⁹ Wright ended the year with a tour of the South, observing economic conditions and institutions throughout the region. En route to Christmas vacation with his daughter in Jacksonville, he visited banks from Washington, D.C., to Columbia, South Carolina. In his assessment, "all of the banks gave promise of survival and great usefulness to the people." Similarly, he deemed that, despite great deprivation, unemployment, and general uneasiness, some improvements were occurring along most economic lines.⁷⁰

The new status of black banks as members of FDIC dominated promotional efforts of the NNBA. At a spring planning session of the management committee, held in May 1935 in Durham, Wright led a discussion entitled, "How our Banks under the Strict Regulations of the Federal Deposit Insurance Corporation May more Effectually [*sic*] Conduct the Needs of Race Business." With the ceiling on insured deposits increased to \$5,000, the banking representatives hoped to find ways to give more publicity to the services provided by black banks that earned FDIC status. Evidencing a commitment to continue the efforts of the NNBA, the committee reaffirmed the elected leadership of the organization, including Wright's continuation as president. The other officers, reelected by the committee, were E.C. Burke, Henry A. Boyd, and Jesse H. Mitchell, vice-presidents; Charles C. Spaulding, vice-president and treasurer; and M.C. Martin, secretary.⁷¹

A number of studies were published in this period that attempted to assess black-owned banking institutions. After chronicling the none too glorious history of black banks, the studies generally analyzed the current

⁶⁹ *Norfolk Journal and Guide*, Jan. 6, 1934, June 1, 1935, TINCF, reel 46, 1009-1012. See also Jesse Bee Blayton, "The Negro in Banking," *Banker's Magazine* 133 (Dec. 1936), 513.

⁷⁰ *Richmond Planet*, Dec. 8, 1934, TINCF, reel 46, 0012; see also Haynes, *The Black Boy*, 293.

⁷¹ *Norfolk Journal and Guide*, June 1, 1935.

status of contemporary organizations. Jesse B. Blayton, university professor and vice-president of Atlanta's Citizen Trust Bank, in a 1936 article in *Bankers Magazine*, called attention to the favorable comparison of black banks in asset distribution, educational level of most officers, and success in filling the economic and social needs of the black community.⁷² On the other hand, Abram Harris's seminal study, *The Negro as Capitalist*, undertaken while a graduate student and research assistant in the Department of Banking at Columbia University and also published in 1936, provided a coolly detached and very detailed analysis of the major failures of this group within the banking arena. His findings ran counter to the prevailing position of the NNBA. He concluded that "the Negro bank had no real economic justification. Its *raison d'être* is not economic necessity but race prejudice and, it might be added, a growing racial nationalism among American Negroes which is fed by their poverty and their economic limitations."⁷³

With a Ph.D. degree in political economy from Columbia University, Harris was the leading black economist and the foremost expert on the history of black-owned enterprises in the period prior to World War II. His scholarly writings, which provided *the* reference works for the development of black enterprise through the early 1930s, projected the message that "prospects for successful black capitalism in America were nonexistent." He held no stock in programs that were exclusively internally oriented, and he discouraged as futile and counterproductive proposals aimed at establishing a separate black economy.⁷⁴

Harris did not view black-controlled banks as a panacea for the condition of African Americans, particularly the black masses. Although he conceded that black-controlled banks possessed greater relative resources and importance than many other black businesses, he perceived few benefits being derived from such enterprises. Applying a critical lens to black banks, he contended that they "invested the savings of black workers—their only significant source of deposits—in real estate, but not

⁷² Blayton, "The Negro in Banking"; *Savannah Tribune*, Dec. 24, 1936, TINCf, reel 51, 0905.

⁷³ Harris, *The Negro as Capitalist*, 175; see also *Baltimore Afro-American*, Sept. 19, 1936, TINCf, reel 51, 0903.

⁷⁴ Abram Harris, *Race, Radicalism, and Reform: Selected Papers*, Ed. and intro. by William Darity, Jr., (New Brunswick, 1989), 1-2, 6, 13-14. Harris was the first black economist to have a professorial level appointment at a predominantly white university, the University of Chicago.

with an eye to mitigating the housing conditions of the same black workers." As these banks generally charged high loan rates to borrowers, he charged further that they were "instruments of debt peonage for black workers," and he noted that when such banks failed, "the losses fell on the savers." In his view, the argument for black business development and an independent black economy emanated from "an intrinsically black middle-class world view," and did not measure up to his ideal for programs to promote social change. Instead, Harris argued for a course of action favoring the working class that extended across racial lines and aimed at a radical transformation of American society.⁷⁵

Despite Harris's academic credentials and detailed analyses, it has been noted that "the world simply did not respond to (his) wisdom."⁷⁶ Carter G. Woodson expressed disdain for the stance assumed by Harris in *The Mis-Education of the Negro*. He noted caustically that "the 'highly educated' Negroes who have studied economics at Harvard, Yale, Columbia, and Chicago, will say that the Negro cannot succeed in business because their professors who have never had a moment's experience in this sphere have written accordingly." Furthermore, Woodson continued, "if the 'highly educated' Negro would forget most of the untried theories taught him in school, if he could see through the propaganda which has been instilled in his mind under the pretext of education, if he would fall in love with his own people and begin to sacrifice for their uplift . . . , he could solve some of the problems now confronting the race."⁷⁷ Like Woodson, many African-American leaders were appalled by Harris's opposition to black enterprise, although few addressed the substance of his criticisms.

A consummate academic with little propensity for activism, Harris was not persistent in promoting his own ideals for social change. He perceived clearly the futility of theoretical formulations that ran counter to popular appeal. His opinions did little to diffuse the movement to promote black enterprise and had little impact on efforts such as those undertaken by Wright and the NNBA. Harris remained, however, a leading critic of what he saw as the romantic goal of developing a financial empire among African Americans.⁷⁸

⁷⁵ Ibid., 15.

⁷⁶ Ibid., 11.

⁷⁷ Carter G. Woodson, *The Mis-Education of the Negro* (1933; reprint ed., Nashville, 1990), 30-31; Harris, *Race, Radicalism, and Reform*, 16-17. Woodson himself earned a Ph.D. from Harvard.

⁷⁸ Harris, *Race, Radicalism, and Reform*, 21.

As the number of black banking institutions declined in the 1930s, the NNBA continued to stress the need for cooperation and consultation within the group. In 1936 representatives of the eleven member banks responded to Wright's call to meet in Philadelphia. In an all-day session, held at the Citizens and Southern Bank and minus the frills of earlier convention sessions, addresses were given on pressing issues ranging from avenues for the investment of funds to the value of banks in thrift movements. Wright's address, continuing an effort to establish a positive mood, emphasized that the eleven institutions "had increased their assets anywhere from \$100,000 to \$400,000 in the past three years."⁷⁹

In 1937 the *Norfolk Journal and Guide* confidently noted that "bank failures are now rare." Following the banking collapse of the early 1930s, there appeared to be a "complete recovery of the saving and investment public from the financial hysteria" of the Depression years. Among black banks, the official count was now thirteen—three in Virginia, two in South Carolina, and one each in North Carolina, Pennsylvania, District of Columbia, Oklahoma, Texas, Alabama, Tennessee, and Georgia.⁸⁰ It was noted, too, that among the nine NNBA-member banks eight were below the Mason and Dixon Line, making banking among African Americans a predominantly southern phenomenon.⁸¹

By 1939 the NNBA had returned to a full-scale annual meeting. In July the bankers again came to Philadelphia for the thirteenth annual convention. The sessions were conducted in the auditorium of the Philadelphia Chamber of Commerce, where Wright reviewed the recent history of the organization, pointing to the greater volume of business handled by the remaining enterprises. In this vein, he also expressed his personal desire "to see about 200 (black banks) throughout the United States." "We have the ground work on which to build, but it may take us another 25 years," he concluded.⁸²

⁷⁹ *Baltimore Afro-American*, June 27, 1936; *Amsterdam (NY) News*, Aug. 1, 1936, TINCf, reel 51, 0909-0912.

⁸⁰ *Norfolk Journal and Guide*, May 1, 1937, TINCf, reel 54, 0597.

⁸¹ *Ibid.*, Oct. 21, 1939, TINCf, reel 60, 0650-0651.

⁸² *St. Louis Argus*, July 14, 1939; see also *Nashville Globe*, May 12, 1939; *Atlanta Daily World*, July 13, 1939, TINCf, reel 60, 0648-0649, 0652. Wright's prediction was not realized. In 1948 there were only twelve black banks. In 1991, in its annual edition of financial institutions, *Black Enterprise* listed twenty banks. Of this number, only seven were established on or before 1948.

The bankers entered the next decade with meetings in Richmond, Virginia, and Washington, D.C., in 1940 and 1941 respectively. These meetings emphasized New Deal programs and their profitability for the banks. They stressed particularly the opportunity for financing mortgages for home building through the Federal Housing Authority (FHA). Plans were discussed for developing educational programs on the part of banks and schools to enlighten the public on the benefits and services provided by banking institutions, especially the small wage earner. It was believed by many forward thinking leaders that these banks, as the "mainsprings of business enterprise" among African Americans following the devastation of the Depression years, provided a tremendous opportunity to reinspire saving among the group.⁸³

In 1942, amid the turmoil of World War II, African-American bankers convened their session in Atlanta. Held at Atlanta University, the meeting featured discussions led by professors in the economics and business departments. One aspect of the conference continued to focus on government and banking in the new era. Emmer Martin Lancaster, representative in the U.S. Department of Commerce, highlighted the presentation of this subject, discussing the favorable economic conditions stimulated by the war economy. Lancaster, an African American, advised the secretary on black affairs. He prepared annual reports on increased activity among the banks. The 1941 report noted a gain of \$1,250,511 and \$1,232,068 in aggregate banking deposits and total resources respectively. The fourth annual report, released in 1944, continued to note the steady and consistent growth of banking institutions owned and operated by African Americans. The latter report noted that "resources ascended to a new total of \$15,175,983, an increase over the previous year of \$4,134,000, or 37.4 per cent, the largest dollar volume and percentage gain during any of the comparative years."⁸⁴

As an indication, too, of the turn around in the banking situation among African Americans, two new institutions were organized in this era. In 1946 a group led by Dr. J.E. Walker, president of the black-owned Universal Life Insurance Company, organized the Tri-State Bank in Memphis. Among the founding officers of the Tennessee enterprise

⁸³ *Norfolk Journal and Guide*, Oct. 21, 1931; July 20, 1940; *Atlanta Daily World*, July 18, 1940, TINCf, reel 65, 0435-0436; *Chicago Defender*, July 1941.

⁸⁴ *New York Age*, Aug. 26, 1944, TINCf, reel 86, 0547.

was Richard R. Wright, III, third-generation banker in the Wright family, who served as cashier. In that same year, the Douglass State Bank was incorporated in Kansas and slated to begin operation in the spring of 1947. These banks brought the membership of the NNBA to thirteen.⁸⁵

As the NNBA basked in new member institutions and reports of appreciable progress by the Department of Commerce, Wright, now in his ninth decade, relinquished the presidency of the organization. After sixteen years in the presidency, Wright was made president-emeritus of the NNBA at the 1942 meeting in Atlanta. He was succeeded in the presidency by Jesse H. Mitchell (1942-45), president of the Industrial Bank of Washington, D.C., and Lorimer D. Milton (1945-48), president of the Citizens Trust Bank of Atlanta. In his final presidential address, Wright called for the rotation of the office of president to allow each member to serve as head of the association.⁸⁶ He continued as president of Citizens and Southern Bank, which, by 1942, was the third largest bank among African Americans. As perhaps the best-known banker among African Americans, he continued also in the role of leading advocate for these enterprises. At his death in 1947, Wright was scheduled to address the opening session of the annual conference of the NNBA.⁸⁷

In his last years Wright was engaged in a number of other activities, as well as enjoying the tributes and honors bestowed upon him. Following successful efforts to secure the issuance in 1937 of a special commemorative postage stamp honoring Booker T. Washington, he initiated a move to promote February 1 as "National Freedom Day" to mark the passage of the Thirteenth Amendment. In Wright's opinion, the day would recognize not only the emancipation of African Americans but all peoples who have been liberated from oppressors. For several years, while Congress debated the resolution, delegates from various states made pilgrimages to Philadelphia's Independence Hall to celebrate emancipation on this date. Wright continued to press for its official passage and, according to his biographer, the last words uttered by Wright were "National Freedom Day."⁸⁸ During the war Wright was active in promoting the

⁸⁵ *Pittsburgh Courier*, Jan. 4, 1947, TINCF, reel 99, 0412.

⁸⁶ *Atlanta Daily World*, July 11, 1942; *Pittsburgh Courier*, July 19, 1947, TINCF, reel 99, 0412.

⁸⁷ *Pittsburgh Courier*, July 19, 1947.

⁸⁸ Haynes, *The Black Boy*, 209-216; *Atlanta Daily World*, July 9, 10, 1942; *Pittsburgh Courier*, Jan. 27, 1945; May 17, 1947, TINCF, reel 99, 0410-0411; *Nashville Globe*, July 11, 1947, reel 238, 0643.

sale of liberty bonds. He also worked actively to promote entrepreneurial ties between African Americans and Haitians. As he entered his nineties, still peppery and vigorous, Wright was honored in San Francisco at an interracial gathering during his visit to observe the United Nations Conference. Reviews of his life and work appeared in several magazines and news articles, including *Negro Digest*, *Time Magazine*, *Phylon*, and *Readers' Digest*.

Wright died in Philadelphia on June 2, 1947, at age ninety-two, as he prepared to travel to Africa to attend the Centennial Anniversary of the founding of the Republic of Liberia. His funeral was held at Philadelphia's Greater St. Matthews AME Church and was attended by hundreds of mourners, including bankers and businessmen, bishops and ministers, college presidents and publishers, lawyers and physicians, and housewives and laborers. The former slave was eulogized as a great citizen, good businessman, and distinguished leader.⁸⁹

An active and dynamic force in American life for more than sixty years, Wright contributed to education, politics, military, civic, and business areas. His efforts were central to the organization and development of the NNBA, which continues to operate today as the National Bankers Association (since 1948) headquartered in Washington, D.C. Wright attempted tirelessly to promote black banking and to clarify the primary purpose and central role of this enterprise in African-American economic life. His pronouncements and activities sought to delineate the strengths and value of black banks and to influence the support and confidence of the black public. He worked also to correct weaknesses in black banks that relegated them to marginal operations within the American economic system. Cold and objective analyses, such as that provided by Abram Harris, generally stressed the inherent weaknesses of the enterprise, the diabolical intentions of some promoters, and the numerous hindrances to effective organization and growth of black financial resources. These arguments emphasized that the black enterprises did not warrant the status ascribed to them by Wright and others or the trust of the black public. Despite these assessments, however, several of the depression-tested banks prevailed to provide critical support and resources to the

⁸⁹ *Christian Recorder*, July 10, 1947, TINCF, reel 328, 0645; *Chicago Defender*, July 12, 19, 1947; Richard R. Wright, Sr., Biographical File, RWW Lib.

social movements of the 1950s and 1960s. The NNBA continued, too, to serve as an umbrella organization for the banking ventures among African Americans of the period.

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