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### ***The Colored American Anti-Masonic Grocery Association and Other Stories of Black Business***

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In his “Author’s Note” at the end of *The Impeachment of Abraham Lincoln* (2012), Stephen L. Carter—Yale law professor, memoirist and novelist—dismissed what he considered to be the received wisdom about the African American past: “Our shared notion that the entire darker nation in the middle years of the nineteenth century was just out of slavery and grindingly poor is the sort of racist nonsense that continues nowadays to provide a peculiar comfort to black and white alike.” To be sure, this eye-catching claim sits a trifle awkwardly next to the novel Carter has written and is glossing. His hero, Abigail Canner, a young black graduate of Oberlin determined to be the first female American lawyer, is clever, articulate, sophisticated and irritatingly, if not implausibly, virtuous. Far from being unfamiliar, the author’s portrayal of her fits comfortably into an important African American tradition that, early in the twentieth century, W.E.B. Du Bois would label famously “The Talented Tenth.” This is ground that historians have hardly ignored. Nevertheless, I want to use Carter’s pronouncement as a starting point in order to ruminate about African American business history.

My own interest lies with what happened in New York City, although my comments may well have broader application. Specifically, somewhat like Stephen Carter, I am curious about the extent to which assumptions about how African New Yorkers made their living have persisted from the antebellum era itself and, as a result, the people, businesses and even industries that historians have left out of the usual story. Perhaps in a casually unthinking fashion we have been bequeathed a blinkered view of black business life, one that has encouraged historians as they have rummaged through the historical record to overlook certain facets of the black past. To be sure, the vast majority of African New Yorkers struggled to make their livelihood from menial occupations—but this was not true of all of them. A nagging question remains: if a New York black in the 1830s or 1840s made a name and a million dollars for himself as a Wall-Street broker, or later in the 1920s as a “banker,” would we be able to discern what faced us in the historical record, or, in some banal postscript to Ralph Ellison’s masterpiece, would we look straight through what to us was an invisible man?

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Let me begin with an example. For a few months in the summer of 1841, the members of the Colored American Anti-Masonic Grocery Association struggled to make their mark on Laurens Street, a thoroughfare known to every New York City policeman and magistrate as “Rotten-row.” Although, to the best of my knowledge, no historian has ever mentioned this association, its very short history is suggestive. York Bailey, a minister at the Zion Chapel, came up with the idea of the association, funded by the issue of 450 shares each with a face value of \$5 to open “a family grocery for the mutual benefit of members.” There were unusual conditions for participation: any members discovered to be supporters of Freemasonry or who were convicted of a criminal act would be expelled with no recompense for their confiscated shares. The store would sell no intoxicating drink of any sort, distinguishing it from just about every other of the

street's establishments, and, influenced by then circulating "hard money" ideas, refused to allow credit—all transactions were to be settled immediately in cash. Few organizations ever have been so obviously of their time and place.

And that time and place coincided with the New York Stock Exchange finally beginning to establish itself as a serious player in the American economy. According to the *New York Daily Express*, when York Bailey was formulating his plans for the association he was motivated by his knowledge of "how much a person's respectability was enhanced by being a stockholder." Taking their lead from Wall Street, these African Americans had created their own market: in 1841, black New Yorkers were buying and selling shares and holding stockholder meetings where they were using proxies. When things went sour one faction even offered to redeem shares at face value plus six percent interest and later some officeholders were buying back shares from compatriots in order to gain control of the Colored American Anti-Masonic Association, with the intention of breaking it up and selling off its assets. It all sounds surprisingly modern. Far from standing off to one side as the American economy began to "take off," these African Americans were striving to participate in, and profit from, financial capitalism. They may have failed but their striking behavior was at odds with the more familiar depiction of African Americans in these years simply as economic victims.

Over the last four decades, historians have almost completely rewritten African American history. Books and articles on this subject have poured off the presses and the quality of the best of this work has been, and continues to be, outstanding. Yet barely any of the scads of published pages have touched on black business history. The action has been elsewhere, first in social history and more recently in cultural history. This seeming lack of interest in the details of black business life continues to perplex, for as William Sewell pointed out recently: "In the hands of a great historian like Bloch, the history of economic life opened out striking vistas onto the larger social and cultural structures of society." To this day, that

potential remains the signal attraction of investigating black economic life, or economic life more generally for that matter.

Part of the reason for the neglect of black business life in New York City's history is that at least from the end of slavery in 1827, the story of free black impoverishment and decline at the hands of a modernizing economy was, to contemporaries, strikingly obvious and well known. After examining the 1860 census schedules for the city, one *New York Herald* writer concluded, "that the true position of the negro in the United States is one of servitude." Labor in the North was "the property of the white man and woman," and "stern necessity is driving the black race from every honorable field of employment among us." "Stern necessity" was little more than a euphemism for the full gamut of discriminatory employment practices, often introduced at the behest of recent migrants refusing to work with blacks, a development that would have inevitable consequences. As the *Herald* reporter summed up, "the field of labor for the negro is gradually but certainly growing narrower and narrower" and free blacks were "despised and condemned."

The black political activist Martin Delany, while trying to convince African Americans to emigrate in *The Condition, Elevation, Emigration, and Destiny of the Colored People of the United States* (1852), painted a similarly doleful picture: "White men are producers—we are consumers. They build houses, and we rent them. They raise produce, and we consume it. They manufacture clothes and wares, and we garnish ourselves with them." The early stirrings of the northern economy's transformation into an industrial powerhouse gave every sign of leaving blacks floundering off to one side, of reducing African Americans to a dwindling and beleaguered minority in dynamically expanding centers such as New York City.

Surveys of Northern black business life from Martin Delany's down to the recent impressively encyclopedic work of Juliet E. K. Walker have told an essentially similar story, albeit with varying degrees of sophistication and elaboration. Perhaps typically, Herman Bloch, in his revealingly entitled *The Circle of Discrimination: An Economic and Social Study of the Black Man in New York* (1969), referred to what he labeled

an “Afro-American job ceiling” starting in the eighteenth century and continuing down into the twentieth. To be sure, there were a few African Americans who, against the odds, started businesses, made money and got ahead: since the time of Delany, commentators and scholars have picked from a roster of usual suspects—such as restaurateurs Henry Minton in Philadelphia or Thomas Downing in New York—for illustrative purposes, again with varying degrees of sophistication and elaboration. Most elegantly, W.E.B. Du Bois in *The Philadelphia Negro: A Social Study* (1899), generalized from the experience of these individuals, labeled the entire era that of “The Guild of the Caterers, 1840-1870,” and wrote: “the whole catering business, arising from an evolution shrewdly, persistently and tastefully directed, transformed the Negro cook and waiter into the public caterer and restaurateur, and raised a crowd of underpaid menials to become a set of self-reliant, original business men.” But, for the most part, successful black individuals were concentrated in service sector niche markets, not in the engine room driving the American economy. Overall, scholars have emphasized discrimination, exclusion, and consequent black impoverishment, demonstrating that, having shucked off slavery, Northern blacks, and more particularly New York blacks, were consigned to a slow death in a hard place. These accounts carry considerable explanatory power.

And yet my forays in New York’s legal records and newspapers—sources that remain strangely underutilized by historians—have convinced me that there was more to black life, particularly black business life, than this. I have kept on coming across African New Yorkers who speculated in land and shares and engaged with the market in much the same fashion as their white neighbors. Far from being crushed by economic transformation, these African Americans saw the changes occurring around them as an opportunity and grasped it. From the moment of freedom and down into the twentieth century, there were blacks shouldering aside the barriers placed in their path and jumping with enthusiasm into the marketplace. They did not always thrive, but they most certainly tried—and very occasionally they succeeded beyond any possible expectation. But this history of excited black participation in the economy, of doing something more than huckstering on the street, has been ignored, erased from the story of black New York.

William Thompson was a black pioneer, although no one will ever erect a statue of him. He was an unsavory character (admittedly not necessarily a bar to memorialization). Contemporaries were often put off by his appearance, with one court reporter describing him as “a negro of the dimensions of Sir John Falstaff.” In the early 1830s he made most of his money from two brothels, one in Broome Street and the other in Chambers Street. Following the lead of some prominent whites, notably at least one member of the Livingston family, he chose to invest his profits from prostitution in real estate. In 1833, he purchased three lots at the intersection of Seventh Avenue, the Bloomingdale Road (or Broadway) and 42<sup>nd</sup> Street and employed a white carpenter to build three speculative houses on the land. In 1840, Thompson deposed that earlier he had received three cash offers of \$10,000 for his holdings. Everything went sour as a result of the panic of 1837. He mortgaged his land for more than it was worth, was pursued relentlessly by the DA and ended up in the penitentiary. As most readers will have figured out, the lots of land William Thompson owned for some six years during the 1830s were located on 42<sup>nd</sup> Street at the southern end of what would later become Times Square. Less than a decade after the end of slavery in New York, a black man not only owned part of what is now one of the city’s emblematic landmarks but also erected some of the first buildings on the site. Given the current antiseptic and anodyne state of the area, even a modest plaque acknowledging his pioneering role would be wholly out of place, although for much of Times Square’s vibrant existence, the brothel-keeper, penitentiary bird, and failed businessman would have fitted in nicely.

But my main example of an African American entrepreneur left out of the story of New York City is Jeremiah G. Hamilton, about whom, coincidentally, I have just published *Prince of Darkness: The Untold Story of Jeremiah G. Hamilton, Wall Street’s First Black Millionaire* (2015). This black entrepreneur, mentioned in print only four times since 1900 (and three of the four mentions are misleading or inaccurate), was not only one of the earliest Americans labeled a millionaire but also slashed a swathe through the lily-white world of Wall Street in the middle third of the nineteenth century. He speculated in real estate—in 1836 he owned, in today’s money, nearly ten million dollars worth of land, buildings, and a four-hundred-foot

long wharf in Poughkeepsie—bought and sold shares, indeed ran a “pool,” or a forerunner of a modern hedge fund, for white clients, and went head-to-head in a stock market battle on Wall Street with Cornelius Vanderbilt. It was in this context that the Commodore acknowledged Hamilton as the only man who ever fought him to the end and that he “respected” him. During the Civil War there were white New Yorkers, almost groveling before Hamilton, sending him cigars and champagne, in order to gain access to this black man’s opinion as to whether or not they should buy or sell railroad stocks. In the late 1840s for a few years Hamilton left New York for Glover House, a rural retreat in New Jersey. The arresting image of this black millionaire strolling through the terraced garden in front of his ten bedroom mansion, surveying the splendors of his estate, replete with a trout stream and quail, woodcock, snipe and other game, does not accord that well with our usual understanding of the way African Americans lived in the antebellum North. How such a figure could be so completely ignored still baffles me. Indeed, I would suggest that it is more than just accident. At some level, American historians have expected to find black economic failure and then gone out into the archives and found it; in doing so they have also looked straight past examples of black achievement. Perhaps I am still too much influenced by the example of Jeremiah Hamilton, but it seems to me at least that Ralph Ellison’s powerful metaphor of blindness from *Invisible Man* still has surprising relevance.

I remain confident that the sources will continue to yield more unknown stories of similar black individuals and enterprises to those of William Thompson, Jeremiah Hamilton, and the Colored American Anti-Masonic Grocery Association. I am particularly taken with Ellen Garvey’s recent recovery of a successful African American known as “Back Number” Budd. Starting in the 1880s, this ingenious man collected discarded newspapers and filed them in such a way that he could retrieve them very quickly. At one time, he claimed to have over six million copies of various newspapers in storage. Clients, mostly lawyers and reporters, but also white professionals and even real estate developers, would come to him looking for information in back issues and he would find it and sell it to them. Ingeniously, he created a new

business that avoided any white competition. A century before Lexis/Nexis, Budd was thinking about information, working out how to amass it, collate it and find it again.

Attempts by the likes of Juliet Walker to restore pioneering black firms and individuals to the American story are anything but complete. There are still successful African Americans who were well known in their own time but since have fallen between the cracks and been completely lost. As scholars learn how to exploit imaginatively digitally searchable newspapers more and more such individuals and episodes of African American history, forgotten because they were not part of a usable past, are going to turn up. Even as I type out these words, the mailman has just delivered an advance reading copy of Karl Jacoby's *The Strange Career of William Ellis: The Texas Slave Who Became a Mexican Millionaire* which will be published in June 2016. I imagine I am hardly the only specialist in African American history who has never heard of William Ellis.

If my first major point is that the process of recovering the history of black business is anything but complete, my second is that a little bit of thought about what constitutes "business" would not go astray. In my view, historians would benefit from using a more imaginative and realistic definition of business and business achievement. Although most will readily admit that African Americans have faced enormous discrimination, much of it specifically designed to prevent blacks getting ahead economically, there remains a reluctance to allow that that discrimination affected the contours of black economic development directing efforts into other channels. African American entrepreneurs, be they Madam Walker, "Back Number" Budd, or Casper Holstein, succeeded when they moved into areas where they would not be in direct competition with white firms. Sometimes white authorities deemed those areas to be illegal. While it is true that American blacks founded neither a Ford Motor Company nor a Coca-Cola Company, an African American did invent numbers gambling. African Americans should be assessed not for their shortcomings, measured against some impossible white standard, but for what they achieved. And, personally, I am little worried about whether what they achieved was "legal" or contributed to "Negro uplift."



Here historians can benefit by drawing from other disciplines in order to make sense of what was going on in nineteenth and early twentieth-century New York. The contrast between the staidness of the way many historians have written about black business and the imaginative verve of contemporary ethnographies of ghettos by anthropologists and sociologists could hardly be more striking. Crucially, these scholars conceive of economic activity in a way that encompasses an underground economy. Here I have in mind in particular Venkatesh's revelatory *Off the Books*, and to a lesser extent studies such as Jackson's *Harlem World* and Goffman's *On the Run*. Interviews and personal observation through years of fieldwork allowed these writers to reveal an underground economy that sustained the black underclass. These scholars had the benefit of being there, but much of what they were writing about was familiar to me from the archival sources in which I have been engrossed for the last three decades. Although the sociologists seem unfamiliar with any of the details, the behavior they have written about has a rich history.

You can find it in Harlem of the 1920s and 1930s, where there were African Americans running beauty parlors in their kitchens, clubs and rent parties replete with bathtub gin in private apartments, gambling parties in basements, street vendors hawking everything from pigs feet to suits, pimps, and hustlers. Most of all, though, you can find it in the Clearing House Numbers (or the numbers as it was known after 1931. Starting from nothing in 1920, the African American "bankers" had created a business turning over scores of millions of dollars a year by the end of the decade. As it turned out, numbers gambling was *the* black business of the 1920s and 1930s. Marcus Garvey may have preached the gospel of black business but it was the numbers bankers who delivered (and, not coincidentally, some of them donated handsomely to Garvey and other African American causes). Numbers may have been illegal, but the racket was created by blacks and for just over a decade run by blacks and employed more African Americans than any other industry. A *New York Times* reporter labelled numbers in the years before 1931 as "a brilliant Harlem success story," and he was right. Denied ready access to the financial institutions everyone else was able to use, African Americans created their own forms of financial organization. And yet

numbers is barely mentioned, let alone considered seriously, in African American business history or any of the numerous studies of black Manhattan. Coincidentally again, I should add, that I am hardly disinterested on this point as I have co-authored a book—*Playing the Numbers: Gambling in Harlem Between the Wars* (2010)—in which we attempted to remedy this neglect.

This informal or underground economy, peopled by pimps, hucksters, hustlers and numbers runners, was a vital part of the black urban culture forged on New York streets in the first century of freedom. Often illegal, all these activities were part of a world that was unregulated, unreported and untaxed—in Venkatesh’s terms, “off the books.” But it was also the backbone of the Harlem economy, as indeed had been the case in New York since the 1820s and 1830s, and historians should perhaps pay rather more attention to it.