ABSTRACT OF THE DISSERTATION

The Great Migration and Black Entrepreneurship in Detroit

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This dissertation provides new insights on the role of business in the African American freedom struggle by tracing African American business across the various waves of the Great Migration. Traditionally, historians of the Great Migration have imagined Southern migrants as wage laborers seeking employment in Northern industrial cities. As a result, the importance of entrepreneurship to the black migration experience has been overlooked. However, a significant number of African Americans moved north and engaged in enterprise. Black entrepreneurs saw business as a key way to achieve freedom, and they migrated north to gain the self-determination and economic independence business ownership could provide.

Using Detroit as a case study, this dissertation traces the movement of black entrepreneurs from the South to the North in the 1910s, examines the growth of a prosperous black business community through the 1940s, and analyzes the destruction of that community by urban planning initiatives in the 1950s and 1960s. Drawing on the writings of black intellectuals, oral histories, memoirs, black newspapers, census records, city directories from Detroit and Southern cities, draft records, and the records of city officials, the dissertation demonstrates that the economic landscape for black business in
Detroit adjusted over time in ways that made it more difficult for black entrepreneurs to attain their goal of freedom through business.
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**TABLE OF CONTENTS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract of the dissertation</td>
<td>ii</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>iv</td>
</tr>
<tr>
<td>Table of contents</td>
<td>vii</td>
</tr>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Chapter 1: Black Entrepreneurship in the Early Years of the Migration</td>
<td>20</td>
</tr>
<tr>
<td>Chapter 2: Formation of a Black Business Community, 1919-1929</td>
<td>60</td>
</tr>
<tr>
<td>Chapter 3: Black Entrepreneurs Respond to the Great Depression</td>
<td>114</td>
</tr>
<tr>
<td>Chapter 4: Black Business and the Wartime Economy in the 1940s</td>
<td>184</td>
</tr>
<tr>
<td>Chapter 5: Post-War Urban Planning and the Decline of Black Business</td>
<td>228</td>
</tr>
<tr>
<td>Epilogue: Fighting for Black Economic and Political Power, Post-1960</td>
<td>280</td>
</tr>
<tr>
<td>Bibliography</td>
<td>294</td>
</tr>
</tbody>
</table>
INTRODUCTION

As a nine year old boy, Fred A. Allen made a promise to himself: “Someday I’m going to be the boss, and when I’m the boss, I’m going to see to it that our people get a few breaks.” Born in 1898 near Clarksdale, Mississippi, Allen had been performing backbreaking labor in the scorching heat of a Mississippi cotton field since he was five years old. Years later, Allen recalled, “I was miserable and my spirit was broken. Everywhere I looked there was misery, poverty and stagnation. While the white kids my age were going to school and having fun, the Negro kids had to work 12 hours a day in the fields because our families were so poor.” Allen made up his mind to devote his life to helping raise the living standards of African Americans.\(^1\)

Determined to change his lot, Fred Allen left home at the age of fifteen to work as an auto mechanic earning fifteen dollars per week in nearby Clarksdale. Allen knew that in order to go into business he would need to first save a significant amount of money, since white-owned banks at the time would not loan money to African Americans. Allen had a cousin in Clarksdale who drove a laundry wagon and helped the young Fred secure a job in a laundry. While in Clarksdale, he met and married his wife, Callie, who worked as a tailor. The couple moved to Houston, Texas, in 1918, where Allen could earn thirty-five dollars per week for the same work he was doing for fifteen dollars in Clarksdale. After learning that Fred could earn forty dollars per week working in Detroit, the couple migrated north to the city in 1924 so he could reach his goal of establishing a business sooner.\(^2\)

Fred and Callie Allen worked hard and saved up $6,000 before going into business in 1929. Allen established Supreme Linen and Laundry to supply various linens such as tablecloths, napkins, uniforms and aprons to black businesses in Detroit and operate a commercial laundry that catered to businesses and households. Fred Allen decided to enter this field because he had learned about this business from his cousin while he lived in Clarksdale and there were no African Americans in Detroit operating in this field. The business prospered. By 1935, Allen had 150 customers. By 1940, Allen owned a large plant, a “fleet of trucks” that covered the entire city daily and employed more than 100 people at Supreme Linen and Laundry. By the early 1950s, Supreme Linen and Laundry was doing an annual business of $200,000 (approximately $1,800,000 in 2016 dollars). Allen’s success in business enabled him and his wife to build a large house in a nice neighborhood on Detroit’s northeast side. Though he only completed the fourth grade of elementary school in Mississippi, Fred Allen established one of the most profitable black-owned businesses in Detroit in the first half of the twentieth century.

Fred Allen’s efforts not only provided him with personal wealth, they also helped him keep his childhood promise to uplift African Americans. According to Allen, one of his main objectives in becoming an entrepreneur was to provide employment for African Americans: “As a businessman, I felt I would be able to provide good jobs for members of my race and thereby help raise their standard of living.” Besides providing employment for African Americans at Supreme Linen, Allen was deeply involved with

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4 1940 U.S. Census, record for Fred Allen 1940, Enumeration district 84-140, page 9B, household 147, Detroit, Wayne County, MI, Ancestry.com (online database).
the Booker T. Washington Trade Association, a Detroit organization that boosted black business in the city, served as vice-president of the Detroit Branch of the NAACP, served as vice-president of National Negro Business League, and was a board member of the YMCA and Parkside Hospital, Detroit’s first black-owned hospital.\(^5\) Allen’s work strengthening the black community in Detroit did not stop there. In 1943, a group of black entrepreneurs formed Wayne County Better Homes, Inc. (WCBH), a $100,000 construction corporation set up to build 500 Federal Housing Authority (FHA) houses for African Americans.\(^6\) Fred Allen was the president of this company, which employed black workers and hired African American contractors to build the houses. For example, the company used black architect Donald F. White to design various sites for the company in 1944. White was the first registered African American architect in the state of Michigan, and his firm had a reputation for hiring black architects, engineers, and draftsmen.\(^7\) All of these efforts had the same purpose: to provide greater freedom for black Americans.

Fred Allen was just one of countless African Americans who viewed business as a route to freedom and left the South during the Great Migration years and established businesses in northern and mid-western cities. These migrant entrepreneurs had various paths: some already operated a business in the South before migrating, others used the

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mass movement north as an opportunity to establish a business for the first time, and some left for other reasons, but decided to establish an enterprise once they settled in northern cities like Detroit. Many shared a common goal of accumulating wealth and obtaining greater economic independence and self-determination. These were goals for personal benefit as well as the larger aim of black liberation.

This dissertation provides new insights on the role of business in the African American freedom struggle by tracing African American business across the various waves of the Great Migration. Specifically, it explores the development of Detroit, Michigan’s black business community in the first half of the twentieth century, and the ways migrant entrepreneurs attempted to gain greater economic freedom within the confines of U.S. capitalism. I follow black entrepreneurs from the initial migration from the south to the north in the 1910s and 1920s, through the growth they made in building a prosperous black business community in the 1930s and 1940s, to the destruction of that community by urban renewal in the 1950s and 1960s.

Between 1910 and 1970, more than six million African Americans left the U.S. South. This massive demographic shift redefined urban life throughout the country and reconfigured the position of black Americans in the U.S. economy. Traditionally, historians of the Great Migration have imagined Southern migrants as wage laborers seeking employment in northern industrial cities. As a result, the importance of entrepreneurship to the black migration experience has been overlooked. Previous histories of the Great Migration have not made clear the particular concerns of migrant entrepreneurs, and my dissertation seeks to address this marginalization of black business within the historiography of the Great Migration. I show that black entrepreneurs saw
business as a key way to achieve freedom, and they migrated north to gain the self-determination and economic independence business ownership could provide. Southern-born African Americans had imagined the U.S. South and North as economically distinct. However, I argue that the end result for black migrant entrepreneurs operating in the North was the same as it had been in the South: the suppression of black business and the perpetuation of economic white supremacy.

This project offers a new interpretation of the Great Migration and exposes the adaptability of what Cedric Robinson has termed “racial capitalism.” For blacks engaging in business, operating in racial capitalism meant that free enterprise was stifled by systemic racism and racial prejudice. Migrant entrepreneurs thought business could lead to greater political freedom for the race, and they imagined that northern cities would provide the necessary conditions for them to accumulate wealth and, importantly, to retain it. Increased capital would lead to greater economic stability for black entrepreneurs who could then expand their enterprises and provide employment for black workers whose livelihood was precariously dependent on white employers. In taking up the question of how racial capitalism played out in the urban North, my project demonstrates how Detroit’s economy, with its fundamental characteristic of racialized exploitation, adjusted to the demographic shift of the Great Migration. As the black population increased, the racial divide hardened and the city became more starkly segregated—residentially and commercially. It became easier to police black spaces: banks could deny loans to businesses in majority black neighborhoods, and the city planning commission could demolish the main commercial street for black businesses.
Drawing on James Gregory’s theory that black and white migrants “southernized” communities they settled, I posit that black and white southerners not only transformed cultural and political institutions, but also reshaped the economy of migration sites. My project contributes to a greater understanding of the possibilities for African Americans’ attainment of political empowerment and economic self-determination through business, and the trajectory of black development in urban spaces throughout the twentieth century.

In tracing Detroit’s black business development from the 1910s through the 1960s, my dissertation uses a variety of sources. Southern city directories, vital records, military draft records, and census data allow me to trace entrepreneurs from the South to Detroit during the migration years. Letters from Southerners to Northern institutions like the Urban League show that greater prospects for economic advancement through business in the North were motivating factors in black Southerners’ decisions to participate in the Great Migration. Once in Detroit, migrants established businesses, which I identify through city directories, newspaper advertisements, and the publications of black organizations and churches. Manuscript collections of black entrepreneurs, business groups, and city officials allow me to piece together the growth of black business in the city and the obstacles that developed along the way. Additionally, memoirs and interviews from various oral history collections such as the Detroit African American History Project and the Detroit WestSiders Oral History Project enable me to reconstruct Detroit’s black business community through black peoples’ memories. These sources are crucial because Detroit’s black commercial district was bulldozed for urban redevelopment projects and there are limited manuscript sources for what businesses existed there or how long enterprises were in operation. The use of business history and
social history methods allow me to reconstruct the black business community that existed prior to the urban renewal era and examine racial capitalism from the bottom up.

I have chosen Detroit, Michigan as the site of the study because the Great Migration had such a transformative demographic impact on the city. Detroit’s pre-migration black population was incredibly small, little more than 1 percent of Detroit’s entire population. Between the years 1910 and 1920, Detroit’s black population increased 611 percent, more than any other major city in the U.S. The high population increases in such a short period of time created unique opportunities for African Americans to pursue their entrepreneurial goals. The city’s status as a boomtown was unique compared to cities like New York or Chicago that had longstanding, sizable black communities before the Great Migration. Detroit’s black business community and market emerged rapidly, and this was particularly appealing for migrant entrepreneurs. Detroit allows me to chronicle the story of a black business community made up mostly of Southern migrants, and this provides insights on the role of entrepreneurship in the Great Migration, migrant entrepreneurs’ experiences, and whether or not they achieved their goals of economic self-determination and freedom through enterprise.

**Historiographical Significance**

On the whole, the exodus of African Americans out of the South during the twentieth century involved a long-oppressed group of people searching for the freedom they had not been able to attain. Scholars who study the Great Migration have traditionally conceptualized migrants’ motivations for leaving the South in terms of several “push-pull” factors. This concept is drawn from migration theorist Everett Lee’s

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work, which argues that every act of migration involves an origin, a destination, and an intervening set of obstacles. The positive and negatives perceptions of “factors associated with the area of origin” and “factors associated with the area of destination” translate into “push” and pull” factors.\(^9\) Push factors in the Great Migration included escaping racial and sexual violence, social inequalities, and oppressive labor arrangements in the South. Economic opportunities, greater civil rights, political opportunities, and educational opportunities were important pull factors.\(^10\) Perhaps the most widely cited pull factor of the Great Migration is the appeal of economic opportunities in cities outside of the South. As historian Earl Lewis put it, “If we isolate one factor to explain black migration…that factor would be expected economic opportunity.”\(^11\) Other scholars tend to agree with Lewis, but economic opportunities, as discussed with reference to the Great Migration, usually mean higher wages (particularly from industrial jobs or domestic work), opportunities for promotion and occupational advancement, and the possibility of employment in sectors that were previously inaccessible to African Americans. Yet for entrepreneurially-minded Southerners, their ideas about freedom were attached to

business, not labor opportunities. This fact shaped the nature of migration to Detroit and
the development of the black business community there.

My dissertation also engages historical scholarship on both black business and the
Great Migration. No comprehensive historical study exists that is devoted to the
development of a black business community throughout the Great Migration years.¹²

Much scholarship on black business looks at the period before or after the Great
Migration and focuses on business development in the South.¹³ Scholars who turn their
attention to the North tend to focus on specific entrepreneurs and enterprises.¹⁴ One

¹² Cha-Jua examines the growth and development of black business in a Northern town founded
by black migrants, but this study ends before the Great Migration, Sundiata Keita Cha-Jua, America’s First
sociological studies illuminating black entrepreneurship in the Great Migration period, see Robert L. Boyd,
“Demographic Change and Entrepreneurial Occupations: African Americans in Northern Cities,” The
Migration to the North and the Rise of Ethnic Niches for African American Women in Beauty Culture and
Markets and African American Professionals in Northern Cities During the Great Migration,” Sociological
Spectrum 17, no. 1 (January 1997): 91; Robert L. Boyd, “Race, Labor Market Disadvantage, and
Survivalist Entrepreneurship: Black Women in the Urban North during the Great Depression,” Sociological

¹³ According to Walker, “because 90 percent of the black population lived in the South after the
Civil War, that region has been the primary focus of study on black business.” Juliet E. K. Walker,
(Westport, CT: Greenwood Press, 2000), 293. For studies on black business in the South, see Walter B.
Weare, Black Business in the New South: A Social History of the North Carolina Mutual Life Insurance
Company (Urbana: University of Illinois Press, 1973); Alexa Benson Henderson, Atlanta Life Insurance
Company: Guardian of Black Economic Dignity (Tuscaloosa: University of Alabama Press, 1990);
Kenneth Marvin Hamilton, Black Towns and Profit: Promotion and Development in the Trans-
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Southerners: Black Economic Success in North Carolina, 1865-1915 (Charlottesville: University of
Virginia Press, 1997); Leslie Brown, Upbuilding Black Durham: Gender, Class, and Black Community

¹⁴ Many studies on the history of black business and entrepreneurship are national in scope but do
not focus on the relationship between the Great Migration and black entrepreneurship. These works
include: Ronald W. Bailey, ed., Black Business Enterprise: Historical and Contemporary Perspectives
(New York: Basic Books, 1971); John Sibley Butler, Entrepreneurship and Self-Help Among Black
Americans: A Reconsideration of Race and Economics (Albany: State University of New York Press,
(New York: Twayne Publishers, 1998); Robert E. Weems Jr., Desegregating the Dollar: African American
Consumerism in the Twentieth Century (New York: New York University Press, 1998); Robert E. Weems
Jr. and Lewis A. Randolph, Business in Black and White: American Presidents and Black Entrepreneurs in
the Twentieth Century, Kindle (New York: New York University Press, 2009); Tiffany M. Gill, Beauty
exception is Bessie House-Soremekun’s *Confronting the Odds: African American Entrepreneurship in Cleveland, Ohio*. This sociological study built on previous studies of national trends in African American entrepreneurship by providing an in-depth examination of African American business at the local level. However, this book covers a long time period (1795-2002) and spends only one chapter discussing black business development between 1895-1960s. My study provides an in-depth understanding of how the Great Migration shaped black business development.

Early works on the economic causes behind the Great Migration tended to emphasize external forces such as industrial demand for labor in the North and agricultural difficulties in the South, not migrants’ agency in shaping their futures. This scholarship portrayed migrants as young black men from the South in search of industrial work in Northern cities, who were often lured by Northern labor agents. These studies also focused on race relations between black migrants and whites who were competing for employment and neighborhoods, particularly dealing with the race riots that affected dozens of cities in 1919. While these works paid attention to race, they did not highlight the working-class experience of blacks in northern cities, or the experiences of women migrants who often had distinct motives for migrating and different opportunities for

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employment. It was not until the 1970s and 1980s that historians began focusing on migrants’ lives as workers and their role in shaping the migration. Social histories of the Great Migration in the 1970s and 1980s continued to tell a story of male workers moving to northern cities for unskilled labor opportunities, but also emphasized their lived experiences in urban spaces. The major works during this time tended to focus on working-class formation, proletarianization, and how working-class migrants experienced life in the North.

Darlene Clark Hine made the next major shift in the historiography by adding gender to her analysis of the Great Migration in her essay “Black Migration to the Urban Midwest: The Gender Dimension, 1915-1945.” Hine showed that non-economic motives often propelled black female migration. Black women desired more autonomy and to escape sexual exploitation and abuse by Southern men. Hine’s work not only led to the inclusion of women and gender in migration narratives, it also led the way for scholars in the 1990s to focus on the social and cultural forces in the migration. Although Hine demonstrates that many black women had noneconomic motives for migrating to places like Detroit, I believe more can be learned from examining women migrants’ economic motives. Black women often had more incentive than men to seek autonomy through entrepreneurship.


Since the 2000s, scholarship on the Great Migration has shifted to focus more on the migrants themselves—their personal stories, how they shaped and created culture in the places they moved to, and how the migration of both black and white Southerners changed the entire nation. Works that fall into this category include James Gregory’s *The Southern Diaspora: How the Great Migrations of Black and White Southerners Transformed America*, Davarian Baldwin’s *Chicago’s New Negroes: Modernity, the Great Migration, and Black Urban Life*, and Isabel Wilkerson’s *The Warmth of Other Suns: The Epic Story of America’s Great Migration*.\(^{19}\) While recent scholarship has moved away from focusing on economic motives and opportunities of the migration, I believe there is still more to be learned in this area. I build on this scholarship to expand on the ways the economic landscape shifted in a migration site and affected black entrepreneurs’ experiences.

Not only did entrepreneurial opportunities “pull” blacks north, I contend that limited opportunities and hostility to black entrepreneurship acted as a “push factor.” Operating a business in the South could be dangerous, and the economic independence entrepreneurship offered was often seen as a threat by white Southerners. Black business success could bring about violent backlash from whites, sometimes costing entrepreneurs their lives. While racialized and sexualized violence has been discussed as motivating

factors for migration, the discussion has not thoroughly highlighted the role black entrepreneurship played in the violence blacks were trying to escape by moving north.20

Violence directed at black business owners in the South is key to understanding capitalism in the United States. In moving north, black migrant entrepreneurs were seeking to escape the economic white supremacy of the South. Twentieth century economic white supremacy has mostly been linked to the Jim Crow system of black economic subjugation. Jim Crow was a system of political, social, and economic racial oppression that southern whites imposed on blacks after the abolition of slavery. Whites maintained economic control over African Americans through labor arrangements such as sharecropping and tenant farming, passing laws that restricted the access of blacks to nonagricultural employment, and forcing laborers to become indebted to landlords and suppliers. Additionally, blacks were harshly penalized for minor crimes or wrongfully convicted and charged high fines and court fees. When they could not pay, they were leased out to Southern businesses and industrialists that would pay their fines in exchange for their forced labor.21

In recent years, the history of U.S. capitalism has remerged as a popular field of study and scholars such as Sven Beckert, Seth Rockman, Walter Johnson, and Edward E. Baptist have developed a new interpretation of U.S. capitalist development.22 Much of


22 One of the key debates in literature U.S. capitalism has concerned the relationship between the system of slavery and the emergence of capitalism. Since the early twentieth century, mainstream scholars insisted that the system of slavery had played a marginal role in driving U.S. economic expansion. They depicted Southern slavery as a premodern institution that was not committed to profit-seeking and was inherently less efficient than the free-labor capitalism developing in the North. This flawed system was
this new scholarship focuses on the nineteenth century and the centrality of the institution of slavery to the development of American capitalism. One of the first scholarly works that explored the link between slavery and development of capitalism was Eric Williams’s *Capitalism and Slavery*. Williams examined the role of slavery in financing the Industrial Revolution and demonstrated the importance of the slave trade in Europe’s economic development. Beckert, Rockman, Johnson, and Baptist have built on Williams’s scholarship by exploring the relationship between American slavery and the development of capitalism in the U.S. Their scholarship has demonstrated that slavery was not a pre-capitalist system, but that slavery’s expansion drove the evolution and modernization of the United States and was crucial for U.S. expansionism, industrialization, and the nation’s increasingly powerful standing in the global market.²³

This work has laid out the various ways that racism was foundational and fundamental to the development of American capitalism.²⁴

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²⁴ Rockman’s work was particularly ground-breaking for analyzing the coercive nature of labor relationships in the early stages of capitalism in the United States. In examining Baltimore’s laboring poor during the 1790s to 1830s, Rockman argues that “at a moment of great entrepreneurial energy and social mobility, prosperity came to Americans who could best assemble, deploy, and exploit the physical labor of others. The early republic’s economy opened up new possibilities for some Americans precisely because it closed down opportunities for others.” He also seeks to alter the narrative of the formation of capitalism in
This scholarship also incorporates what Cedric Robinson articulated in *Black Marxism*—that American capitalism is and always has been racial capitalism.\(^{25}\) Racial capitalism, or the development, organization, and expansion of capitalist society where race is the ordering principle, is an economic system dependent on racism and violence.\(^{26}\) When applied to African American entrepreneurs, racial capitalism produces a structure where free enterprise is stifled by racial prejudice. This notion is articulated in Merah S. Stuart’s *An Economic Detour*.\(^{27}\) Situating my research within this framework, my dissertation asks what happened as racial capitalism continued to develop in the twentieth century? The Great Migration was the most significant event in African American economic history in the twentieth century and studying it allows me to analyze how black entrepreneurs experienced capitalism in the South before migrating, and also how they navigated industrial capitalism after they migrated to the North where, supposedly, black entrepreneurs would have a freer market to compete in.

the United States by reconsidering the presumptive antagonism of slavery and capitalism. In Rockman’s view, free and slave labor are not oppositional, but entirely compatible for the people who exploited it, since they were able to pull from an assorted workforce of commodified laborers. The fact that this system succeeded because of laborers’ inability to negotiate with employers as equals in the labor market suggest scholars must take coercion into account and re-think labor relationships throughout the history of U.S. capitalism. Rockman, *Scraping By*, 2–3,8.


\(^{27}\) Stuart framed separate “race businesses” that were exclusively owned by and catered to only the members of any particular group as devices of racial prejudice. Stuart pointed out that, while the policy of segregation in the market was “in conflict with the fundamental logic of commerce, of trade, which thrives the more by expansion and suffers under constriction,” leaders in economic thought in America “approve—or at least tolerate—this barrier, this doctrine of a separate economy for the Negro; and grant the assumption that the Negro can accomplish that which under similar circumstances no other group has accomplished, viz., a separate ‘race’ business by the side of, and in competition with, the general business of the nation.” Merah S. Stuart, *An Economic Detour: A History of Insurance in the Lives of American Negroes* (New York: Wendell Malliet, 1940), xvii–xviii.
“The Great Migration and Black Entrepreneurship in Detroit” details the inner workings of racial capitalism in the urban North during the first half of the twentieth century. The exodus of blacks from the South contributed to the gradual decline of Jim Crow; however, it did not destroy economic white supremacy. Southerners who migrated to Detroit in the first wave of the Great Migration encountered a social and economic landscape that still placed limits on black advancement in business, but that generally had fewer restraints than in the South. Yet, the rapid influx of Southern blacks in the late-1910s and the 1920s initiated a shift in the racial attitudes of white Detroiters. Detroit’s political economy would continue to adjust to the increasing black population in the following decades in ways that would make it more difficult for blacks to obtain freedom through enterprise. Migrant entrepreneurs had left the South to escape racial violence and economic restraints on black business success. Rather than fearing that a white mob would attack black establishments, by the mid-twentieth century, Detroit’s migrant entrepreneurs had to worry about losing everything they had built to urban planning initiatives.

Chapter Overview

Chapter one examines the World War I wave of the Great Migration to Detroit and recovers the history of African Americans who pursued business opportunities as a route to freedom. Focused on Detroit, it offers a reconstruction of what migrants had in mind when deciding to migrate north for business and reveals that business-minded migrants were often drawn to mass movement because it provided them with opportunities to escape a Southern economy where free enterprise was stifled by racism. Entrepreneurial migrants left the South for many of the same reason as non-
entrepreneurial blacks, but they also had unique concerns that focused on business. In particular, the threat of racial violence directed toward successful black entrepreneurs was an incentive for black entrepreneurs to leave the South. This chapter also explores the geography and economic landscape of Detroit where the black migrant community would settle and where migrant entrepreneurs would establish businesses.

Chapter two examines the black business boom in 1920s Detroit and the ways black entrepreneurs used cooperativism as a strategy for strengthening black business development. Southern migrants discovered that the political economy of Detroit created an unequal playing field for black entrepreneurs. I demonstrate that during this era of Black Nationalist sentiment, black entrepreneurs in the city came together to combat restraints on black business growth in the city. I argue that by the end of the 1920s, a united black business community took shape in Detroit. Thus, when the stock market crashed in 1929, the black entrepreneurs were able to swiftly respond to the economic devastation it caused.

Chapter three investigates black business in Detroit during the Great Depression. I argue that the depression devastated Detroit’s black businesses and pushed Detroit’s African American entrepreneurs towards a variety of survival strategies. These strategies included forming organizations that promoted black self-help and boosted black business, pursuing economic alternatives to the capitalist system, and creating a more level playing field by engaging in illicit business. All of these strategies were designed to advance black economic recovery and make gains towards full economic citizenship for African Americans.
Chapter four demonstrates that black business boomed in Detroit during World War II. Increases in the black population in the city due to migration coupled with the booming wartime economy created new opportunities for black entrepreneurs. I argue that Detroit’s 1943 race riot was an additional catalyst for black business growth in the 1940s. White-owned businesses, which were vandalized and looted during the riot, fled from Detroit’s east side neighborhoods. The majority-black area of the city expanded north and black entrepreneurs took over the businesses of white entrepreneurs who moved out. Black-owned businesses thrived, especially in the Paradise Valley area bisected by Hastings Street. I also examine the founding of black-owned business schools in Detroit, which provided growing black businesses in the city with a pool of workers who were trained in important business skills.

Chapter five examines the effect of post-war urban redevelopment projects on Detroit’s black business community and sheds new light on post-1960s urban decline. Most scholarship on urban renewal focuses on housing and residential displacement. I show that black business owners were often even more adversely affected by urban planning initiatives than residential renters and homeowners. I argue that municipal urban renewal projects helped maintain a system of economic white supremacy and were effectively state-sponsored wealth redistribution programs that benefited white business owners. Land seized through eminent domain was often sold to private developers at depressed prices, and public funds were used for the expansion of white-owned private enterprises. Furthermore, contracts for public urban renewal projects were awarded to white businesses. Black entrepreneurs were not compensated equitably for property seized through eminent domain, and many could not afford to set up shop in a new
location, thus numerous black businesses never reopened. The wealth accumulated by black business over the previous decades could not be passed on to subsequent generations—this constituted a major blow for black economic development in the city.

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The following pages contain a story of economic hindrances and loss, but also a story of black entrepreneurs’ continual efforts to defy the restraints of racial capitalism. Their fight for freedom through enterprise, the gains they made, and the loss of black business in the 1950s and 1960s provide key insights on black economic development and the links between freedom and capitalism. It is my hope that this history can serve as a useful lesson for current discussions of racial and economic inequalities and aid in stretching American capitalism’ boundaries of possibility for marginalized groups.
CHAPTER 1:
BLACK ENTREPRENEURSHIP IN THE EARLY YEARS OF THE MIGRATION

Introduction

In 1920, a black newspaper called the *Detroit Contender* published a “special business issue.” The issue contained an article claiming that the black race was not measured by its intellectual or artistic contributions, but by “the number of businesses we have functioning in a community, bringing in wealth, insuring independence.”\(^1\) Its author, most likely Robert Poston, the editor of the weekly paper, continued: “Our problem is largely one of ownership. We do not own; so consequently we are in most cases owned. Our salvation is in our possession. It will take business to complete the emancipation of Lincoln.” When this was written, African Americans had been working to “complete the emancipation of Lincoln” for more than half a century. The article claimed that without property and the self-determination it enabled, African Americans’ bosses would control their fate.\(^2\) The article urged blacks to become economically self-sufficient through business in order remedy this precarious situation. For Poston, business was the most important measure of racial progress and would enable blacks to accomplish what Lincoln and Reconstruction had not: true freedom.

Poston was not alone in his views on the potentially liberatory role of business in African American life. In fact, during the early years of the Great Migration, black people across the nation were talking about business as a road to freedom. Among them were black Southerners who were thinking of migrating north. During the 1910s, potential

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\(^2\) Ibid.
migrants wrote to northern black institutions, expressing their desire to migrate north to engage in entrepreneurship, and sought advice on the best place to establish a business. For example, in April 1917 one man from Decatur, Alabama wrote a letter to the Chicago Urban League. His primary motivation in writing was to discover the possibilities for black entrepreneurship in the North. He requested a recommendation for a place where he could work making “fairly good wages” for a while, until he was well enough acquainted with the place to establish a business. Although he was writing to the Urban League in Chicago, he made it clear that he would be willing to move to any northern state considered to be “the best [place] for a young business Negro to locate & make good.”

Detroit institutions also heard from potential migrants who sought information regarding the possibilities for black business in Detroit specifically. In 1917 Forrester B. Washington, the director of the Detroit Urban League, reported receiving many letters from black entrepreneurs in the South, seeking information regarding the “real situation” for black business in Detroit. In the early years of the Great Migration, Detroit and other

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5 Forrester B. Washington, Report of Director March 8, 1917, Detroit Urban League Papers, Microfilm No. 1547, Reel #1, Burton Historical Collection, Detroit, Michigan. ; The Detroit branch of the Urban League was established in 1916 to help acclimate rural African-American migrants to an urban life in the industrial city. Forrester B. Washington, who would eventually go on to direct the Atlanta School of Social Work, served as the first director of the Detroit Urban League from 1916-1918. Washington was succeeded by John C. Dancy as leader of the Detroit Urban League in who served as the organizations director until his retirement in 1960. Frederica H. Barrow, “Forrester Blanchard Washington and His Advocacy for African Americans in the New Deal,” *Social Work* 52, no. 3 (July 2007): 202; Ulysses W.
cities in the North represented a land of opportunity for Southerners who would become migrant entrepreneurs.

This chapter traces migrant entrepreneurs’ path from the South during the years 1914-1919, and examines the factors that influenced their decisions to migrate and their choice of destination, their ideas about business as a route to greater freedom, and opportunities and obstacles that existed for entrepreneurs in Detroit in the 1910s. While most historians have suggested that the possibility of securing well paying jobs was the major economic lure drawing migrants north, I contend that many migrants came not in search of jobs, but in search of better business opportunities. African Americans widely accepted Booker T. Washington’s influential philosophy of pursuing racial uplift through accumulating wealth in the years leading up to the World War I wave of the Great Migration. However, blacks who accrued wealth in the South had trouble holding on to it, given that they had virtually no political power and were at the mercy of all-white courts and municipal governments. Racial violence directed towards black entrepreneurs in the South was a key tool used to maintain economic white supremacy. This violence went unchecked. Thus, some black Southern migrants moved north seeking the economic independence and security they believed entrepreneurship in the North could provide.


6 Scholars have recognized the importance of black Southern migrants in shaping the trajectory of twentieth century industrial capitalism, but mostly in their role as industrial wage laborers or proletarians. Labor historians have investigated the importance of the Great Migration in transforming the labor market in migration sites and laid out the ways the black laboring class in various migration hubs fought to be included in unions, receive higher wages, and combat racism in American big business. For discussions on black working-class formation and the proletarianization of migrants see Joe William Trotter Jr., *Black Milwaukee: The Making of an Industrial Proletariat, 1915-45* (Urbana: University of Illinois Press, 1985); James R. Grossman, *Land of Hope: Chicago, Black Southerners, and the Great Migration* (Chicago: University Of Chicago Press, 1989); Rick Halpern, *Down on the Killing Floor: Black and White Workers in Chicago’s Packinghouses, 1904-54* (Urbana: University of Illinois Press, 1997).
The migration to Detroit created the needed conditions for blacks to pursue their dreams of freedom through business: a large black clientele and an environment that was viewed as less hostile towards black business. Migration to Detroit offered no guarantee of wealth to the entrepreneurially minded. As the Great Migration began, business opportunities were limited for the small pre-existing black population, and business as a route to economic independence was not feasible for the vast majority of black Detroiters. And while business opportunities improved with the influx of blacks to Detroit between 1915 and 1919, those most likely to be able to enter this emerging market were blacks already living in Detroit before the migration commenced because of the long standing connections and knowledge of the city they possessed. Founding and operating a business in the wartime economy and new encounters with the state presented challenges for black entrepreneurs in the 1910s. Still, at the close of the decade, there had been much growth in black business in Detroit.

Pre-migration Background

Prior to the Great Migration, the majority of black Americans lived in Southern states and were mostly rural agricultural laborers. The economic conditions of blacks in America had always been grim. As the nineteenth century ended most black Southerners remained impoverished and could easily be forced into debt peonage through unfair sharecropping and tenant farming contracts. Black workers became indebted to planters, merchants, and company stores in order to have access to land, equipment, and everyday necessities of life. When they could not re-pay their debts, blacks were trapped in a nonstop cycle of working without pay. This system guaranteed that most black sharecroppers remained in poverty and had minimal economic independence. Blacks
were also harshly penalized for minor crimes or wrongfully convicted and charged high fines and court fees. When they could not pay, they were leased out to Southern businesses and industrialists that would pay their fines in exchange for their forced labor. In the earliest years of the twentieth century, blacks in the South were no longer fleeing plantations to escape human bondage. However, they had many reasons to flee the South.⁷

By the 1910s, blacks working the fields of the South were experiencing extreme hardship. The outbreak of World War I interrupted overseas markets for cotton, resulting in an agricultural depression in 1914-1915. Widespread flooding occurred in 1916. A severe boll weevil infestation destroyed cotton crops from 1915 through the early 1920s. Increasing mechanization caused the price of cotton to drop after the end of World War I, resulting in many black workers being kicked off of the land they had toiled for years. Some black farmers were left penniless. Blacks not working the land faced a discriminatory job market and were mostly limited to service positions such as domestic servants, washerwomen, janitors, or waiters.⁸ All of these factors were triggers for the mass exodus that would become known as the Great Migration.

Entrepreneurship offered blacks an alternative to service work, yet black Southerners who engaged in business faced numerous challenges. Black entrepreneurs experienced discrimination in almost all areas related to operating a business. They had difficulty obtaining loans from white owned banks and were unable to enter certain sectors reserved for whites. The low-paying, unskilled occupations blacks were confined

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to made it difficult for black entrepreneurs to save and accumulate the needed capital to establish a business. They also faced discrimination in the courts and had little influence over municipal or state politics. Moreover, once in business, Black entrepreneurs faced subjugation in the form of racial violence. As a result, blacks needed to develop a strategy not only for economic survival, but also for independence from the system of economic white supremacy that existed in the South.

**Black Business in Detroit before the Great Migration**

Like their sisters and brothers in the South, Detroit’s pre-migration black community had struggled to carve out a place for themselves in the post-Reconstruction economy. Michigan had experienced a wave of black migration in the 1880s and 1890s. Similar to those who went to Oklahoma or Kansas, black migrants to Michigan left the South after Reconstruction had failed to bring about the type of freedom they desired. Black Southerners went to cities and towns across the state, but most settled in Detroit. Some blacks who had fled to Canada during the years of slavery returned to the U.S. to make a life in Detroit. The city also attracted blacks from the surrounding areas in Michigan and other Great Lakes states. For example Robert C. Barnes, born in Mercer County, Ohio and educated in his native state, came to Detroit in 1889 to start his own law practice. Presumably, Mercer County had limited opportunities for a young black

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attorney. Though these earlier migrants, who would become known as “Old Detroiters,” undoubtedly found more liberty and opportunities in this northern city, many economic inequalities existed in Detroit.

The actual chance for blacks to gain economic independence through business in pre-Great Migration Detroit was slight. Because of the demographic makeup and the racial dynamics of the city, opportunities to become a prosperous black entrepreneur during this time were limited. According to the 1910 census, there were 5,741 blacks out of the total population of 465,766 in Detroit, Michigan. As only 1.2 percent of Detroit’s population, the small black community did not have a strong enough client base to sustain an independent business community of its own. Additionally, most white Detroiter were reluctant to patronize black-owned establishments due to racist bias. This bias especially affected black professionals like lawyers and doctors. Some services that were associated with servitude, like grooming, had a better chance of capturing white clientele. Between 1900 and 1915, the most financially successful black entrepreneurs in Michigan were farmers; however, for the most part black Detroiter did not enter the farming business.

For many professionals, no matter their background or qualifications, a glass ceiling thwarted their entrepreneurial pursuits. Blacks in professional fields were often “professionals without practices” in late-nineteenth and early-twentieth century Detroit.

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12 Once the Great Migration started, it did not take long for Detroit’s black population to be composed mostly of Southern migrants. These newcomers referred to African Americans who lived in the city prior to Great Migration as “Old Detroiters.”
Although they had attended prominent schools such as the University of Michigan and obtained their licenses from the state, no white firm would hire them, and it was difficult to run a profitable independent firm with only the support of black customers. In explaining the situation of black professionals in Detroit, attorney David Augustus Straker wrote in 1901 that a black man “may sweep the lawyer’s office, but cannot become his law-partner, his type writer, or his stenographer…he may carry the hod, but cannot contract for the building.”[15] Black doctors, lawyers, and nurses often had to earn a living doing something other than what they were trained in.

Black Detroiters had long worked to make economic advances. But at the turn of the twentieth century, most were still confined to the lowest paying and least secure jobs. Many African American men were employed as day laborers on the docks of the Detroit River. These jobs were mostly seasonal, and steady employment was not guaranteed. For the most part, blacks were excluded from Detroit’s factories. By 1910 only twenty-five blacks were recorded among the 10,000 mostly foreign-born white, semi-skilled laborers who worked in Detroit’s automobile factories.[16] Black women would continue being excluded from most of Detroit’s factories even after black men began entering during World War I. African American workers also held positions considered to be servile in nature, including hotels waiters, elevator operators, maids, and messengers at department stores, as well as janitors and house servants. The vast majority of black women were employed as domestics—in 1910, eighty-seven percent of employed black women worked in domestic and personal service. Live-in domestic service was common in

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[16] Ibid., 105.
Detroit before the Great Migration, and it had many disadvantages.\textsuperscript{17} If they had entrepreneurial aspirations, these types of jobs did not allow most blacks to accumulate enough capital to establish a business in Detroit.

Black entrepreneurs who catered to white clients had the greatest chance for business success in pre-Great Migration Detroit. For example, prior to the Great Migration, black entrepreneurs dominated the barber business. Black-owned barbershops often serviced whites exclusively and refused to serve blacks because they feared this would “drive away the white trade.” In 1915 a popular idea existed among black barbers that “in order to be successful in the barber business the boss was required to draw the color line in his patronage.”\textsuperscript{18} However, African American leaders praised black barbers who accepted both black and white customers.\textsuperscript{19}

A handful of successful black entrepreneurs had both white and black clients. Dr. Levi H. Johnson, a black medical doctor who moved to Detroit in 1880, was one of Detroit’s best-known physicians of any race. Prior to the start of the Great Migration to Detroit, he had “for many years been a successful practitioner, attending to the medical wants of many of the best families of the City both white and black.” Approximately seventy-five percent of his patients were white, and he was able to build up a “lucrative practice.”\textsuperscript{20} Entrepreneurs with more specialized practices could occasionally find success with an interracial client base. Abbie Bledsoe Cheatham, a native of Ohio, came


\textsuperscript{18} Michigan Freedmen’s Progress Commission, \textit{Michigan Manual}, 106, 123.


to Detroit in 1895 with her husband. Cheatham became highly successful as a chiropodist (hand and foot specialist) and reportedly counted “among her patrons many of Detroit's prominent citizens.”

These prominent citizens likely consisted of both white and black elite Detroiters.

Most blacks that came to Detroit before the Great Migration settled in a neighborhood called “Black Bottom” on Detroit’s near east side. Black Bottom would eventually become synonymous with African Americans, however in pre-Great Migration Detroit, the neighborhood was racially and ethnically mixed, and whites owned the majority of local businesses. Helen Nuttall Brown was the daughter of Dr. Harry M. Nuttall, an “Old Detroiter” who was a black physician and businessman. Of the neighborhood in the late-1910s, Brown recalled: “Black Bottom was an area near to the downtown section but very far removed in terms of being isolated economically and geographically. It was a neighborhood mainly of single homes with a number of businesses on corners, but they were family businesses. The people who had the businesses were ethnics, like Italians or Germans.”

Paul B. Shirley who was born in Detroit in 1912 also remembered Black Bottom being a mixed area with little black business when he was a child in the 1910s. He recalled, “When I was a kid, we would take our laundry to the Chinese laundry, and they could iron and wash your clothes.”

Thus, prior to the Great Migration, blacks patronized non-black businesses, along with the few black enterprises that existed.

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21 Ibid., 57.
22 Katzman, Before the Ghetto, 79–80.
24 See Paul B. Shirley oral history in ibid., 49.
The economic landscape of pre-Great Migration Detroit was not ideal for black entrepreneurship. “Old Detroiters,” or blacks who lived in Detroit before the migration, had extremely limited opportunities for entrepreneurship. Most worked in the lowest-paying, least desirable jobs and low prospects for acquiring capital were barriers for advancement. For those who did engage in business, catering to a white clientele provided the greatest chance for business success. In short, economic independence through business was not feasible for the vast majority of African Americans in pre-1915 Detroit. However, the possibilities for black business began changing once Southern migrants started arriving in droves in the fall of 1915. The existing black community had no sense of how dramatically they would change the economic landscape of the city.

**Considerations for Potential Migrants**

*Business as a Route to Freedom*

During the early twentieth century, black Americans across the nation were discussing the role business could play in improving their position in the United States. These discussions resulted in the formation of several national business organizations.25 The most well known organization founded during this time period was the National Negro Business League (NNBL). Booker T. Washington, whose philosophy of racial uplift revolved around accumulating wealth, spearheaded the establishment of the NNBL in Boston, Massachusetts in 1900. For Washington, the following statement summed up

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25 Other national business organizations formed during the early twentieth century include the National Negro Bankers Association, the National Negro Press Association, the National Association of Negro Funeral Directors, the National Negro Bar Association, the National Association of Negro Insurance Men, the National Negro Retail Merchants’ Association, the National Association of Negro Real Estate Dealers, the National Negro Finance Corporation, the Colored Undertakers and Embalmers Association, and the National Negro Tailor’s Association. These organizations were established to promote the specific interests of the group. Walker, *The History of Black Business in America: Capitalism, Race, Entrepreneurship*, 185.
the spirit of the Boston meeting: “Here were men who had penetrated the real secret of success; men who understood that the only sure basis of progress is economic, men who would sacrifice to-day’s indulgence for to-morrow’s independence.” The National Negro Business League’s mission was to boost the commercial and economic prosperity of black Americans by expanding black business networks, sharing information, fostering a sense of community for black entrepreneurs, and encouraging more blacks across the U.S. to enter business. Members in the league included farmers, small business owners, craftsmen, and professionals. No matter what sector black entrepreneurs were operating in, they believed that enterprise would lead to a better quality of life, and ultimately freedom, for themselves and the race.

Before 1915, the most well known spokespeople for black business development were Booker T. Washington and his ideological rival W. E. B. Du Bois. While these black leaders did not agree on everything, they both believed that business was fundamental for the survival of the race. They also, in different ways, argued that business could lead to greater freedom for black Americans. In his seminal book, *The Negro in Business*, Washington wrote: “It is in business and industry that I see the brightest and most hopeful phases of the race situation to-day.” Washington held that black engagement in business and industry could be a strategy for solving the race problem in the United States—after demonstrating that blacks were capable of developing enterprising qualities (marks of the highest civilization in Washington’s eyes) blacks could then gradually advance to enjoy the rights and privileges of first class citizens.

27 Ibid., 268–69.
28 Ibid., 18–20.
W.E.B. Du Bois stressed the importance of cooperative support of black businesses for the survival of the race. Du Bois posited, “the mass of the Negroes must learn to patronize business enterprises conducted by their own race, even at some disadvantage” and that blacks “must cooperate or we are lost.” For Du Bois, blacks could only strengthen their economic position in the U.S. if they attained political power, civil rights, and higher education. He asked: “Is it possible, and probable, that nine millions of men can make effective progress in economic lines if they are deprived of political rights, made a servile caste, and allowed only the most meagre [sic] chance for developing their exceptional men?”

Du Bois pointed out the paradox of Washington’s line of thinking: “He is striving nobly to make Negro artisans business men and property-owners; but it is utterly impossible, under modern competitive methods, for workingmen and property-owners to defend their rights and exist without the right of suffrage.”

While both black leaders saw business and economic advancement as routes to black liberation, Washington supposed business was the first step to progress, while Bu Bois thought no real progress in economic matters could be achieved until blacks attained political power and civil rights.

Booker T. Washington believed that blacks did not need to leave the South in order make economic gains and encouraged Southern blacks to “cast down their bucket” where they were and not seek to better their condition “in a foreignland.” He encouraged blacks to work to take advantage of opportunities in agriculture, mechanics, commerce, domestic service, and in the professions in the South. According to Washington, “when it

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31 Ibid., 52.
comes to business, pure and simple, it is in the South that the Negro is given a man’s chance in the commercial world.”  

Washington went so far as claiming that blacks were predestined to live in the South: “Any hesitation or doubting as to the permanent residence of the race [in the South] will work infinite harm to the industrial and economic interests of both races. Here, in His Wisdom, Providence had placed the black man. Here he will remain.”  

Similarly, Du Bois also questioned the idea that blacks should leave the American South to improve their economic prospects. While these two black leaders imagined that African Americans could improve their position in the U.S. economy while remaining in the South, those who would migrate to Detroit had different ideas.

**Racial Violence as a Push Factor**

Black entrepreneurs who participated in the Great Migration likely did not believe it was possible to gain economic freedom through business in the South. Like others who migrated, black entrepreneurs had complex motivations for going north, and racial violence was a major push factor. Black entrepreneurs were specifically targets for violence because of their economic success. While plenty of blacks engaged in business in the South, becoming successful and prosperous was taboo. In explaining the circumstances that were causing blacks to leave the South in 1918, researcher Carter G. Woodson pointed to the lack of opportunity for successful business. According to

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34 Regarding those who sought to relocate for greater freedom, Du Bois wrote, “[they] think that the Negro’s only hope lies in emigration beyond the borders of the United States. And yet, by the irony of fate, nothing has more effectually made this programme seem hopeless than the recent course of the United States toward weaker and darker peoples in the West Indies, Hawaii, and the Philippines—for where in the world may we go and be safe from lying and brute Force?” For Du Bois, it seemed a better plan for blacks to stay where they were and fight for independence. Du Bois, *The Souls of Black Folk*, 52.
Woodson, “In most parts of the South the Negroes are still unable to become landowners or successful business men. Conditions and customs have reserved these spheres for the whites.”

Black entrepreneurs who achieved business success and financial independence could become targets of Southern whites who had a stake in maintaining black economic subjugation and white supremacy.

A 1912 incident in Bluefield, West Virginia highlights an often overlooked fact of racial violence in the Jim Crow South. Black entrepreneurs were often the targets of racial violence, which stemmed from whites’ anger over black business owners’ expansion, success, or prosperity. As with the Bluefield lynching, black economic success was often not cited as the reason for a violent incident. However, examining cases of lynchings, race riots, and racial intimidation reveals that black entrepreneurs frequently appear in accounts of Southern racial violence.

“RACE WAR PROBABLE” the newspaper headline touted. On September 11, 1912, the town of Bluefield, West Virginia was expecting a bloody race war to “break out at any time.” Trouble had been stirring since the previous week when a black man named Walter Johnson had been lynched. At first glance, this incident seemed much like other violent clashes between whites and blacks in the Jim Crow South. Johnson had been accused of attacking a white girl, Nita White, and it was only after the lynching that Johnson was found to be innocent. When Nita’s father George White was arrested in connection with Johnson’s murder, whites in Bluefield became enraged. As a precautionary measure, blacks in the town began arming themselves. However, Bluefield’s white citizens did not immediately turn to physically assaulting the black

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community. According to the *Day Book*, “all negro businessmen on Raleigh street got letters last night [September 10] ordering them to move from Raleigh street by Saturday, or their places would be dynamited.” The letters were signed “Lynching Committee.” It seems that the black business community in Bluefield had become too prominent, and local whites deemed black business owners’ success a threat to the racial and economic hierarchy.

The black population of southern West Virginia had steadily grown since 1880. African Americans were 6.0 percent of the population in 1880, 9.2 percent in 1890, 11.1 percent in 1900, and 13.5 percent in 1910. This demographic evolution was spurred by a coal rush and industrialization in the region. As was the case with industrialization in other Southern states, coal mining transformed the region’s economy from a largely subsistence economy into an industrial economy linked to national and international markets. As the coal industry expanded, small West Virginia cities and towns registered brisk population growth. In 1888, Bluefield, Mercer County, was merely a flag station on a local farm; a year later it was incorporated, with a population of 600, and it increased to over 11,000 by 1910.

The expansion of the coal industry and black population created entrepreneurial opportunities for blacks. As a result of the increased black population, the state legislature created the Bluefield Colored Institute in 1895 through “an act to establish a High Grade School at Bluefield, Mercer County, for the colored youth of the state.”

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36 “Race War Probable,” *The Day Book (Chicago)*, September 11, 1912.
38 Ibid., 14–15.
39 Ibid., 49–50.
number of West Virginian blacks in professional, business, and clerical occupations increased from less than 1,000 in 1900 to over 1,600 in 1910, an increase over sixty percent. Most coal towns in southern West Virginia were segregated and a small black middle class was able to emerge. Black entrepreneurs worked as attorneys, physicians, and ran newspapers, restaurants, hotels, theaters, and undertaking establishments to cater to the growing black population. The black newspaper the *McDowell Times* frequently commented on the “phenom[e]nal success” of black business and professional people in “southern tier counties of the state.” Some professional entrepreneurs ventured into other fields to appeal to black coal mine workers. For instance attorney Harry J. Capehart established a black real-estate firm that advertised to clients by asking, “Why not own a home in the coalfields where you earn your money?” Capehart offered lots for sale in Bluefield, Princeton, and other towns in Mercer County.

The 1912 lynching of Walter Johnson was not a lone incident. In several violent incidents between 1890 and 1910, whites attempted to drive blacks out of Mercer County. While reported lynchings reached their peak in 1896, lynchings still occurred after the Johnson incident. In 1913, the *McDowell Times* bitterly denounced the lynching of a black man in Mercer County. Much of the racial violence in southern West Virginia originated with whites’ anger over the hiring of black workers or companies’ use of black strikebreakers. The violent threats towards black entrepreneurs in Bluefield were likely linked to heightened racial tensions brought on by an economic downturn southern West Virginia region was beginning to experience. On the eve of World War I, the average annual days worked in the coal industry dropped from 232 in 1913 to 195 in 1914, and

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40 Ibid., 29, 31.
41 Ibid., 31.
42 Ibid., 26.
average annual earnings dropped from $461 to $390. Yet, the lynching of Walter Johnson and the subsequent threats to dynamite black businesses demonstrate that whites were also hostile towards black business and economic independence.

In the Jim Crow South, whites were anxious to keep African Americans in their “place” and would use violence in reaction to what they viewed as black transgressions. Nearly any progress or achievement by blacks could be construed as an attack on the Southern caste system. This was true of economic progress and financial achievements. Thus, operating a successful business could be dangerous for black Southerners. For example, in 1898 some of Wilmington, North Carolina’s most successful black business owners were terrorized in a race riot that lasted two days. At the time, Wilmington was a prosperous port town, with almost two-thirds of the population being black. Black Wilmington had a small but significant middle class—black entrepreneurs dominated the restaurant and barbershop trade and owned tailor shops and drug stores. Violence broke out on October 10, eventually escalating to whites gunning down blacks on the streets.

Scholars traditionally view the Wilmington Riot as a political coup d’etat that led to the disenfranchisement of black citizens. While the riot was mainly motivated by politics, the statements of witnesses indicate that whites also had economic motivations for the violence. Harry Hayden, one of the white rioters, stated that many in the white mob were business people: “The Men who took down their shotguns…were not a mob of plug uglies. They were men of property, intelligence, culture … clergyman, lawyers,

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43 Ibid., 27.
bankers, merchants.” He continued, “They are not a mob, They are revolutionists asserting a sacred privilege and a right.” Likewise, John C. Dancy, who would go on to become the director of the Detroit Urban League, was in Wilmington when the riot broke out. He recalled that the primary targets of the violence were men like his father, whose crime was that they were “successful and prosperous beyond the condition of the average white man.” The white entrepreneurs who attacked Wilmington’s black business owners likely did so because they thought it was their right to be economically superior to blacks and despised the fact that African Americans were thriving in business.

Black entrepreneurship could also bring about violent backlash from whites because of economic competition. According to Stewart Tolnay and E. M. Beck’s study on lynching, there are numerous examples of lynchings that seemingly had their roots in economic competition. Sometimes no reason was given for the mob activity; in others, some alleged misconduct was concocted to justify lynchings that were obviously economically motivated. Perhaps the most well known example of violence directed towards black entrepreneurs in the South is the 1892 lynching of Thomas Moss, Calvin McDowell, and William Stewart. These murders propelled journalist Ida B. Wells on a decades-long antilynching campaign. McDowell and Stewart were employees of the black-owned and operated People’s Grocery Store in Memphis; Moss was the president of the joint stock company that owned and operated the store. W. H. Barrett, the white owner of a rival grocery store, targeted the three men because he wanted to reclaim his

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49 For more on lynching and economic competition, see Tolnay and Beck, *A Festival of Violence*, 69–75.
monopoly over the area’s black clientele. Moss, McDowell, and Stewart were marched to an isolated field outside of the city, and lined up for execution at gunpoint. It was reported that Thomas Moss’s last words before being shot and killed were, “tell my people to go West—there is no justice for them here.” Blacks fled Memphis after Moss’s death, and his friend Ida B. Wells became an advocate for emigration.

Moss’s urging for blacks to “go West” was not a lone cry. Reverdy Ransom, a black minister, encouraged blacks to abandon the South in response to the violence directed at black business. He rejected the idea that black economic advancement could be achieved in the South and claimed that black business success there was counterproductive. Ransom explained that if blacks were “too largely engaged in mercantile pursuits, having shops, stores and banks, the mob would find a ready pretext to assail [them] in order to plot, to plunder and to steal.” Ransom maintained that blacks could find “liberty, prosperity, and peace” in the North.

It is likely that many blacks who considered moving north believed, to some extent, that attaining business success in the South could be counterproductive and feared the violence that might come with financial success. As Jacquelyn Dowd Hall has demonstrated, lynchings “did not have to occur very often, or be witnessed directly, to be burned indelibly into the mind.” Because mob violence could strike at any time, it was not merely the threat of death that gave lynching its power. Spontaneous racial violence reminded blacks of their powerlessness. Thus, Black entrepreneurs in the South did not

51 Ibid., kindle locations 1389-1404.
52 Shapiro, White Violence and Black Response, 102–3.
need to experience racial violence firsthand to understand that it could happen to them. Even if they managed to establish an enterprise, become financially independent and prosperous, at any moment their business could be burned down, or they could become a victim of lynching. This constant threat of violence influenced some black entrepreneurs’ decision to migrate north in search of freedom and prosperity in cities like Detroit.

Lynchings were the extreme cases of racial violence towards black entrepreneurs. Even if they did not become victims of white supremacist violence, Southern black entrepreneurs like Berry Gordy Sr. could fear for their lives and decide to flee the South before it was too late. Gordy, the father of the Motown Records founder Berry Gordy Jr., migrated to Detroit in 1921 because he feared his financial success would lead to problems with local whites. Gordy was a successful businessman in Sandersville, Georgia, and in the years before his departure north, he had expanded his business activities. Gordy owned a farm from which he sold cotton, vegetables, and fruit. He also owned a beef cart and raised and sold chickens and pigs. Gordy was doing so well, he was making plans to establish a large store. Then, he sold a large number of timber stumps from his property. He received the payment in the form of a $2,600 check on a Tuesday. When several whites began pestering Gordy about cashing his check, he became suspicious. His mother warned him, “those white people is so interested by that check. I think you should go on to Detroit and get the check cashed up there. You fool ‘round here, they’re liable to beat us out of it, take all our money.”  

Less than a week after receiving the check, Gordy took his mother’s advice and fled Georgia. After church

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on Sunday, Gordy did not even return to his home. He boarded a train headed to Detroit, where he would begin his new life as migrant entrepreneur.

Factors in Choosing to Migrate

When rumors started swirling about blacks leaving the South and going north, no doubt black entrepreneurs in the South were listening and wondered what the migration meant for them. If the available jobs in the North were as wage laborers in steel mills, packinghouses, and automobile factories, should they go? Could they make more money working as a laborer in the North than they made operating their own business in the South? Business owners probably worried that blacks from their communities—the people they sold groceries to, made dresses for, and whose love ones they buried—were leaving. Would they ever come back? Surely they would come back. Black business people had heard of and probably knew blacks who went north for temporary summer employment to make extra money. People like Ossian Sweet, who went to work as a dishwasher, bellhop, and waiter in Detroit during the summers of 1910-1914, and always returned south. As the migration commenced, black entrepreneurs might have felt reluctant to leave where they were established and that there was no reason to get involved with the migration chatter. However, as time went on and more of their clientele vanished north, Southern entrepreneurs had to make a choice about migrating.

Deciding to uproot was not an easy decision for Southern business owners. Staying where they were already established meant not having to leave their community, build a new client base, or invest their hard-earned money in an uncertain venture up north. With these considerations, some Southern entrepreneurs were probably not so keen

to leave, but the decision was often not solely theirs to make. In Southern communities
that saw dramatic decreases in population during the migration, black entrepreneurs were
compelled to leave once a significant amount of their customer base had left. In 1917 a
gentleman in Memphis wrote, “at present I am employed as agent for the Interstate Life
and acc’d ins. Co. but on account of the race people leaving here so very fast my present
job is no longer a profitable one.”56 In some cases entire communities migrated to
Detroit; and doctors, lawyers and ministers had no choice but to follow their patients
clients, and parishioners.57

Friends and family members also influenced Southern entrepreneurs’ decisions to
migrate. A woman in Greenwood, Mississippi, anonymously wrote to the Chicago
Defender in 1917 stating, “I am very anxious to know what the chances are for business
men [in the North]. I am very anxious to leave the South on account of my children but
my husband doesn’t seem to think that he can succeed there in business.”58 The letter
writer’s primary motivation was for her children to have a better future, rather than
economic opportunities in the North.59 For some Southerner entrepreneurs, the primary
appeal of migrating was the social, political, and educational opportunities available in
the North. Still, they had to weigh the chances of black commercial success in the North
to determine if they could make a viable living there and were willing to leave everything
behind.

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57 Richard W. Thomas, Life for Us Is What We Make It: Building Black Community in Detroit,
58 Letter from Greenwood, MS, April 22, 1917, in Scott, “Letters of Negro Migrants of 1916-
1918,” 311–12.
59 For more on the non-economic motives that propelled black female migration see, Darlene
Migration in Historical Perspective: New Dimensions of Race, Class, and Gender, ed. Joe William Trotter
There were several factors that influenced black business owners to follow the pull of economic opportunities in the North. For migrant entrepreneurs, unprecedented opportunities in Detroit developed when black Southerners moved to the city for jobs in the automotive industry. If black business owners had previously wanted to leave the South for places like Detroit before the migration, the lack of a considerable black consumer base had prevented this. The city’s industrial boom during World War I led to an explosion in the black population. This created a black consumer base and made Detroit an extremely attractive place for Southern migrant entrepreneurs. Black laborers settling in Detroit would need goods and services, and black business owners could provide these things. They were entrepreneurs after all—resourceful, risk-takers, and ambitious. If anyone could make it big in the North, they could. This was the outlook of migrants like Dr. Ossian Sweet. Sweet, who was originally from Florida, received his medical degree from Howard University in Washington, D.C.. He then migrated to Detroit in 1921 to establish a physician’s office. He had made a goal to “rise in his profession and to amass a substantial fortune.” He chose Detroit to establish his practice because he believed the city rewarded the ambitious. While Sweet found it difficult to start up a practice at first, the potential rewards of migrating to Detroit for business outweighed the obstacles.\(^\text{60}\)

Migrants who wanted to pursue entrepreneurial aspirations needed to acquire information about business sectors outside of the South. This information was often brought by blacks who traveled north and then returned south. John Dancy recalled bringing news of the big city back to his friends in Wilmington, North Carolina, as a young man. After he traveled to Washington, D.C., his companions would inquire about

the city. One friend in particular, Ed Jenkins, had questions that were mostly prompted by a keen professional interest. Jenkins was a bootblack in a barbershop in Wilmington and had ambitions to establish a barbershop outside of his hometown one day. He asked Dancy, “What kind of barber shops do they have up there? What kind of mirrors? Do the mirrors run all across the place? Do Negroes shave white people? Cut white people’s hair?” These questions were designed to obtain information about the barbering field outside of the South and the answers Dancy provided could be used to make decisions about prospects for black business in the North. In fact, Ed Jenkins did eventually leave Wilmington and became a barber in New York City.61

After deciding to go north, migrant entrepreneurs had to determine where they would settle. Before deciding, they sought advice to assess the situation for black business and their particular fields in Northern cities. This allowed them to make the wisest and most profitable decisions. They requested information from knowledgeable individuals, newspapers, and Northern institutions. For example, in 1917, a potential migrant from Temple, Texas, wrote to the Chicago Urban League, “being a … young man seeking to better my conditions in the business world, I have decided to leave this state for North or West…. I would certainly appreciate any information you might be able to give.”62 Similarly in 1919, William V. Kelly, a young Fisk graduate who went to work in Detroit’s automobile factories during World War I, wrote to George Haynes, the Director of Negro Economics at the U.S. Department of Labor. Haynes advised him:

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61 Dancy, Sand Against the Wind, 69.
“start out in business for yourself.” Haynes asserted: “The business field among Negro people is to be one of the largest developments in the future.”

Another source of information was family and friends who had already migrated north. As with other Southern migrants, kinship networks shaped where migrant entrepreneurs would settle. Berry Gordy Sr. migrated to Detroit and established a contracting business and a grocery store. He chose Detroit because his brother had already decided to go there. Mrs. J. left her husband and two children in Macon, Georgia, when she migrated to Detroit. The couple had decided that Mrs. J. would go to Detroit first to find employment, “look the city over,” and find a home for the rest of the family to move into. The family owned a store, “well-stocked with groceries and a farm in the country with the crops only partially harvested.” They decided that it would be best for the husband to remain in Macon until he could sell their property at the most advantageous rates. This way they were not compelled to sell their store and farm at a loss. By migrating first, Mrs. J. was able to report back what the conditions were in Detroit.

Some migrant entrepreneurs moved where they knew others had achieved a measure of business success. For example, Otis Sweet, the brother of Dr. Ossian Sweet, migrated to Detroit to establish his dentistry practice. Otis chose to migrate to Detroit as a direct result of Ossian’s advice. Since the doctor had experienced success in operating a medical office in the black section of the city, the dentist figured he could as well, and he

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64 Gordy, Movin’ up, 85.
was right. Within a few months of arriving in 1923, Otis Sweet was running a promising dental office, not far from his brother’s practice.66

Migrants in Detroit

In January 1914, Henry Ford made his famous offer of $5.00 a day for unskilled labor in his automobile factory just outside of Detroit in Highland Park, Michigan. At the time, this was a substantial amount of money—more than most black workers had ever dreamed they could earn. This offer drew workers from all around the world. Among them were many Southern African Americans who came to Detroit in the hopes that they could make a fortune working for Ford. The war in Europe had created a labor shortage in Northern industry as many foreign-born workers who had been employed in urban factories returned to their homelands, and immigration slowed immensely. From 1900 to 1914, twelve million immigrants had come to the United States, an average of more than 850,000 per year. In 1918, only 110,000 came.67 As a result, Northern industrial demand for the labor of black Southerners increased. The large number of African American workers that migrated to Detroit would become the clients for emerging black businesses in the city.

The Great Migration had a transformative demographic impact on the city of Detroit. During the late 1910s Detroit drew large numbers of African American migrants from Alabama, Georgia, Florida, and Tennessee. Detroit’s black population increased from 5,741 in 1910 to an estimated 25,000 - 35,000 in 1918. By 1920, the black population would reach 40,838. George E. Haynes estimated that more than three-fourths

66 Boyle, Arc of Justice, 136.
of black newcomers came between 1916 and 1918. Detroit’s overall population was mushrooming as well. In 1910, the city’s population was 465,766, and by 1920 the city had 993,678 residents, making Detroit the fourth largest city in the nation. While Chicago drew the largest number of Southern migrants in the Midwest, Detroit saw the most dramatic increase in its black population in the early years of the migration. Detroit’s pre-migration black population was incredibly small, little more than 1 percent of Detroit’s entire population. Between the years 1910 and 1920, Detroit’s black population increased 611 percent, more than any other major city in the U.S. The high population increases in such a short period of time created unique opportunities for African Americans to pursue their entrepreneurial goals. The city’s status as a boomtown was unique compared to cities like New York or Chicago that had longstanding, sizable black communities before the migration. Detroit’s black business community and market emerged rapidly, and this likely was appealing for migrant entrepreneurs in particular.

It appears that black Southerners who came to Detroit in the first wave of migration, generally came with the goal of settling in the city. Forrester B. Washington reported that many migrants who came to Detroit during the first wave of migration came directly from the South, since “they have heard from friends and relatives of the better opportunities in this city than elsewhere.” Additionally Washington noted,

Detroit may be distinguished from other centers of Negro migration as a ‘repository city’ because the majority of Negroes who come to Detroit come to

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68 In 1917, George E. Haynes, a professor and co-founder and first executive director of the National Urban League, conducted a survey of the black population in Detroit. Detroit was selected for the survey because of the large number of blacks who had been attracted to the city in the years leading up to the survey. Although the conditions for blacks were rapidly changing, at the time of the survey conditions in Detroit were considered to be typical of other Northern industrial centers. George Edmund Haynes, Negro New-Comers in Detroit, Michigan: A Challenge to Christian Statesmanship, a Preliminary Survey (New York: Home Missions Council, 1918), 3–4, 8; U.S. Bureau of the Census, Negroes in the United States, 1920-1932, 55, table 10.

stay. Some of them are those who have come by the way of border cities where they have worked awhile and have not been satisfied and have come to Detroit. Others are of the class that has just been mentioned, who have chosen Detroit because of the advice of friends. Moreover, there is not the temptation to emigrate in Detroit that exists in other cities because Detroit is not a railroad center and is not so easy to get out of.\textsuperscript{70}

If a migrant entrepreneur settled in Detroit, it was likely a well thought out decision based on information from relatives about the business opportunities there.

Black entrepreneurs provided essential goods and services for Detroit’s growing black community and made the city a viable location for Southern migrants to settle. In the earliest years of the Great Migration, taxi cab and moving services were one of the first businesses that black entrepreneurs were able to establish in order to cater to newly arrived Southerners. Tom Collins Cartage and Moving was located at 536 St. Antoine Street and pledged that even night calls would be “promptly answered.”\textsuperscript{71} C. D. Clinton’s Taxi Service was “always ready” for those who needed a ride, while Super Six Taxi Company compelled potential clients to “get the habit of calling” their cab service.\textsuperscript{72} All three of these businesses were located on St. Antoine Street – in the heart of the black section of town – and were ready to move migrants from the train station to their final destinations in Detroit.

\textsuperscript{70} Washington, \textit{Negro in Detroit}, sec. Ch. 5 Renaissance of Negro Industrially, War and Reconstruction 1915 to 1920.


Most of the black business community would develop in the city’s third ward, in a neighborhood known as “Black Bottom.” The third ward was a two-block-wide strip that extended from the Detroit River out to the city’s limits. Despite its name, Black Bottom was not a majority-black area. Prior to the Great Migration, the majority of the neighborhood’s residents were immigrants. In the center of Black Bottom, along Hastings and St. Antoine streets, lived mostly Russian Jews, refugees from the czars’s pogroms. On the neighborhood’s fringes, the small black population shared streets with Italians, Greeks, and Syrians. Between 1916 and 1929, as Detroit’s racial boundaries shifted, the area would become overwhelmingly black. Discrimination in the housing market did not allow African Americans to live in other sections of the city, even if they could afford to do so. Thus, most blacks had no choice but to live in the Black Bottom area, and the neighborhood became synonymous with black Detroit.

The growing concentration of African Americans living in the Black Bottom aided in the expansion of black enterprises in the third ward. St. Antoine, Hastings, and Beaubien streets were the major black commercial streets in the early migration years. During the late 1910s, black entrepreneurs established new restaurants, funeral parlors, pool halls, and small retail stores on St. Antoine. The city also witnesses an increased number of businesses operated by black professionals. From the late nineteenth century until 1915, African Americans in professional fields had been “professionals without practices.” However, sociologist Forrester B. Washington noted that Detroit experienced

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73 Black Bottom earned its name from the area’s dark, fertile soil. Previously, the area was the source of the River Savoyard, which was buried as a sewer in 1827. Its “bottom” and rich marsh soils that were dark in color, gave rise to the name “Black Bottom.” Melba Joyce Boyd, *Wrestling With the Muse: Dudley Randall and the Broadside Press* (New York: Columbia University Press, 2003), 35.


a great increase in black professionals, “after the tremendous increase in the Negro population of the city which occurred as a result of the war-born migration which began in 1916.”77 Physician Robert Greenidge began operating a general practice in Detroit in 1915. After a few successful years in business, Dr. Greenidge established an X-ray laboratory at 614 E. Columbia Street in 1919 to service the increasing number of black physicians in Detroit. A 1924 feature on Greenidge’s East Side X-Ray Laboratory noted that the laboratory was “supported principally through the co-operation of [black] physicians, and the majority of the dentists refer their patients to him for X-Ray pictures of the teeth.”78

There was plenty of demand for black entrepreneurs’ goods and services, but obtaining retail space to set up a business could be challenging and expensive. The large migration created a severe shortage of residential and commercial property, especially in the near east side section of the city where African Americans were confined. Blacks paid exorbitant rents for substandard housing. The Detroit Free Press reported that while houses in the Black Bottom district had depreciated through age and lack of upkeep, rents nevertheless soared until they were proportionately higher than any other place in Detroit.79 The article in the white-owned newspaper acknowledged that racial prejudice prohibited blacks from settling in other sections of the city and created the housing problem. The author noted, “Negroes are not welcome in every neighborhood. A European, be he ever ignorant, can find localities where it is possible for him to rent, or to buy a home on easy terms. In the same district a negro would be turned away, however

worthy he might be.”80 Thus black Southerners arriving in Detroit had no option but to settle in the Black Bottom area and pay whatever price landlords and real estate owners set.81 Black entrepreneurs attested that they, too, were charged higher rents than their white neighbors.82

Whites owned much of the housing in Black Bottom in the early 20th century, but blacks owned at least some of the rental housing. Many of the black entrepreneurs who were already operating businesses at the beginning of the migration wave began investing in land or housing and operated as real estate agents alongside their usual businesses. When the influx began they would either sell lots for development or rent out apartments. McKinney Real Estate advertised “property for sale in all parts of the city.”83 One newly formed real estate company publicized their need for “several high grade real estate salesmen and listers of first class property.”84

Unfortunately, real estate deals black entrepreneurs offered were sometimes exploitative. The Binga Row on the southeast corner of Hastings and Rowena was an example of the type of real estate available in Black Bottom. Binga Row was originally owned by a black barber, William Binga. These tenement row houses spanned for 95 feet on Hastings Street and had unpainted wooden facades that rapidly deteriorated. Many were not equipped with hot water, toilets, or windows for access to fresh air and light.85 When Southern migrants began arriving, blacks that owned such property rented these

80 Ibid.
81 Ibid.
82 Detroit Bureau of Governmental Research, The Negro in Detroit, Prepared for the Mayor’s Inter-Racial Committee by a Special Survey Staff (Detroit, MI, 1926), 20–21, sec. Thrift and Business.
85 Katzman, Before the Ghetto, 76–77.
houses out. As the neighborhood became more crowded, landlords made makeshift housing by converting sheds and stables into apartments. Because of the strong competitive pressure for housing in the black district, blacks paid exorbitant rents for substandard housing.86

Forrester B. Washington reported that Detroit’s rising rents were merely a symptom of the lack of sufficient housing. However, he also acknowledged that there were individuals who are inflating and ‘kiting’ the rents higher than necessary. Both landlords and real estate agents are responsible for rent profiteering among Negroes. No less than seven Negro real estate agents have been proceeded against by the county prosecutor within the past six months for rent profiteering. This abuse is, however, not confined to the agents nor landlords but Negro business men have invested some of their capital in rent profiteering.87

In one instance, a certain black entrepreneur leased a number of houses in the vicinity of Russel Street, which formerly rented for $25 per month. As the housing shortage worsened, more than doubled the rent to $60 per month.88 Black property owners and entrepreneurs in the real estate business gained affluence from the exploitation of other African Americans who migrated to the city in search of greater prosperity themselves.

Entrepreneurs who were longtime residents had distinct advantages over newcomers when it came to knowledge of the area and political connections. They were

86 Ibid., 74–75; for more information on the ways black landlords and entrepreneurs exploited black renters, see Nathan D. B. Connolly, A World More Concrete: Real Estate and the Remaking of Jim Crow South Florida (Chicago: University Of Chicago Press, 2014).
87 Washington, Negro in Detroit sec. The Housing of the Negro in Detroit.
88 Washington also reported several instances of illegal housing scams: “there are many individuals who are taking advantage of the Negroes dire need for homes to absolutely rob him.” For instance, a certain black real estate dealer rented his own home five times within a few days and accepted deposits from as many different individuals who were delighted to make a down payment after seeing the very excellent location and conditions of the home This agent had no intention of renting his house. He merely wished to get the money which the home seekers had in the form of deposits and which invariably he was able to avoid paying back. According to Washington, “this situation is typical of many Negro and white real estate “sharks” who are preying upon homeless colored people. Ibid. sec. The Housing of the Negro in Detroit.
also more likely to have more capital to start a business. Some of these “Old Detroiter’s” had lived in the city for decades, while others were blacks who had migrated to Detroit between 1900 and 1910, before the Great Migration commenced. Some Southern migrants came to Detroit with savings or money earned from selling their property in the South. For example Willis Eugene Smith, who would go on to establish a funeral parlor in Detroit, left his home in Eufaula, Alabama in 1917 with a total of $600 in savings.\(^8\) Still, Old Detroiter’s who opened businesses in the late 1910s did have the advantage of not having to pay for the cost of relocation from the South. Thus, during the earliest years of the migration, blacks already living in Detroit, not newly arrived migrants, were most capable of establishing, and did establish, most of the new businesses in Detroit.

Migrants that came to Detroit between 1915 and 1919 with the goal of opening a business often had to work for wages when they first arrived in Detroit in order to save money so they could open a business. Even migrant entrepreneurs who came to Detroit with significant savings still delayed opening their businesses until they could learn the lay of the land and make business connections. For example, Fred and Callie Allen worked in Detroit for five years before they had saved enough money to open a linen supply business.\(^9\) Willis Eugene Smith also migrated to Detroit and initially worked at a Ford Motor Company plant before going into the funeral business.\(^1\)

Depending on their industry, migrants might be required to obtain a license from the state of Michigan in order to operate their business. This regulatory process took time. For example, those migrants who came with the plan of opening an undertaking business

\(^8\) Willis Eugene Smith, Oral History, interview by Monroe Walker, 2 audiocassettes, December 27, 1984, MS/ Smith (Willis Eugene), Burton Historical Collection, Detroit Public Library, Detroit, Michigan.
\(^1\) Smith, Oral History, December 27, 1984.
needed to become licensed as an embalmer by the State of Michigan Board of Mortuary Science. In order to apply to take the exam for an embalmer license, one had to have apprenticed under a licensed embalmer in Michigan for at least two years.\textsuperscript{92} The few African Americans already working as funeral directors in Detroit had the advantage of already being licensed by the state. Old Detroiters who wanted to enter the field at the start of the migration could receive their licenses sooner than migrant entrepreneurs because they had more connections in the city. License applicants also needed references from three upstanding Detroit citizens. Physicians James W. Ames and A. L. Turner, two of the few black medical doctors in pre-migration Detroit, served as character witnesses for the earliest applicants for embalmer licenses during the mid-1910s. Physician James W. Ames was a graduate of Howard University who came to Detroit in 1894 and later served in the Michigan Legislature.\textsuperscript{93} Having longstanding relationships with prominent black Detroiters served the applicants well, and Old Detroiters were more likely to have longstanding relationships with these people than newly arrived Southern migrants.

For Southern migrant entrepreneurs who came to Detroit and wanted to open a funeral home, being required to apprentice under a licensed embalmer for two years was a significant barrier to entry into the field. Before the influx of blacks from the South, white funeral directors who lived in the Black Bottom area buried most African Americans. Two black Old Detroiters, brothers James H. and Charles T. Cole served their apprenticeships under white morticians, the Marshall brothers.\textsuperscript{94} The Marshalls’


\textsuperscript{93} Katzman, \textit{Before the Ghetto}, 55.

\textsuperscript{94} Willis Eugene Smith, Oral History, interview by Margaret Ward, 1 audiocassette, October 28, 1980, MS/ Smith (Willis Eugene), Burton Historical Collection, Detroit Public Library, Detroit, Michigan.
undertaking business was located in Black Bottom at 245-257 Beaubien Street. The Marshall brothers had taken over the business started by their father Fred G. Marshall, and had probably known the Cole brothers all their lives. The Coles were the children of James H. Cole Sr., one of the most successful black entrepreneurs in pre-migration Detroit. The moving business that he built was located at 250 Beaubien, just across the street from the Marshalls.

In the late 19th century James H. Cole Sr. was reputedly Detroit’s wealthiest African American. When the senior James H. Cole died in 1907, the Detroit News estimated that he was worth nearly $200,000—his assets consisting of large property holdings, stores, dwellings, and the moving business. This atypically affluent black family took the wave of Southern migration as an opportunity to expand their business portfolio further. After James Cole Sr.’s death, his sons George and William Cole took over managing Cole’s Express Moving and Cartage Company, where they specialized in auto truck service, baggage transfer, expressing, furniture and piano moving, and storage. Along with their mother, the four siblings also organized a real estate business called the James H. Cole Realty Company.

James H. Cole Jr., and Charles T. Cole also followed in their father’s footsteps as successful entrepreneurs, though in a different field. Both brothers went into the funeral business with the help of the Marshall brothers. By 1920, James H. Cole Jr. owned two offices. A newspaper profile declared, “Mr. Cole comes from an old established family of

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96 Katzman, Before the Ghetto, 77, 131.
businessmen, which accounts for his keen and discriminating eye for business. With their inheritance and family background, James and Charles surely had enough capital and knowledge to start their funeral homes. Yet, without the apprenticeship they served under the Marshall brothers, it would have been impossible for them to break into this field.

Old Detroiters like the Coles had longstanding prominence in the community. Moreover, they also had connections with other long-time residents, both white and black, which served them well for entering new markets. Family ties and inheritance were especially crucial to aspiring black entrepreneurs during the first wave of the migration because blacks had not yet established banks in Detroit, and it was difficult for African Americans to obtain loans from white banks. The majority of black entrepreneurs in Detroit encountered difficulty in attempting to borrow capital from the banks for the purpose of financing their concerns. Funds that could be loaned to family members or inherited assets were vital for entering the marketplace quickly. Around 1915, Edward Watson inherited the undertaking business started by his stepfather William H. Howard. William Howard had been running the undertaking business since at least 1910. In fact, Watson’s mother, who married Howard in 1904, became a joint funeral director and embalmer with her husband. It is likely that the mother and son team continued running it together after Howard’s death. Family resources allowed black entrepreneurs to capitalize on emerging business opportunities at the start of the migration.

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100 Detroit Bureau of Governmental Research, Negro in Detroit, 20–21, sec. Thrift and Business.

101 Michigan Freedmen’s Progress Commission, Michigan Manual, 127, 301; see listing for undertaker W.H. Howard at 302 St. Antoine, in Detroit City Directory 1910, 3266; Marriage record for William H. Howard and Carrie C. Watson (record number 44167, Detroit, Wayne County, MI, October 26, 1904), Ancestry.com (online database).
Operating a business in the late 1910s offered many blacks the chance for independence and the financial rewards they desired; however, it also involved many challenges, particularly, operating in the wartime economy. During the war, the city faced shortages that made establishing and sustaining a business difficult. Fuel and food shortages increased the cost of running a business and forced entrepreneurs to raise prices for their goods and services. Food shortages and conservation efforts created dilemmas for grocery suppliers and retailers as well as restaurateurs. Detroiters were asked “to eat more corn and less of wheat. More of vegetables, less of meat. In order that we may have supplies to send abroad to our allies.”102 Detroit residents also experienced a severe coal shortage, which certainly negatively affected black coal and ice delivery businesses, but also touched any establishment wanting to keep their customers warm.103 Increased prices in the city compelled some commercial operations to pass on the raising costs to their customers. In 1916, Mr. Dudley, who owned the Vaudette Theater, a “high-class vaudeville house” was forced to increase admission prices “much to his displeasure.” According to Dudley, the admission price increase (to fifteen cents) was absolutely necessary to keep the theater up to the standard customers expected.104

The effect of the war on the United States economy was not the only challenge facing black entrepreneurs during this time period. Black entrepreneurs claimed that they experienced greater difficulties with state regulation and policing than other racial and ethnic groups. In 1916, Detroit police temporarily shut down four black social and

103 Ibid.
entertainment clubs. The *Iroquois* and *Drexel* (both located on St. Antoine), the *Union League* (on Gratiot Avenue), and *Booster’s* (on Catherine Street) were all legally incorporated and “serve[d] drinks, as white men’s clubs do.” The orders to shut down the establishments came from James Couzens, the commissioner of the metropolitan police department from 1916 to 1918, who would later serve as the mayor of Detroit (1919-1922). Representatives of the clubs protested to Commissioner Couzens against discrimination. Their spokesmen pointed out that the colored residents of Detroit were practically barred from white men’s restaurants and saloons and that there were no places for social entertainment in which they were welcome. The businesses were eventually reopened, but the owners suffered lost revenue during the closure period.

**Conclusion**

Opportunities for business influenced black migrants’ decisions to leave the South, shaped their expectations of the North, and affected migration patterns. The racial economy of the South imposed constraints on free enterprise among blacks, and entrepreneurs moved north where they believed that whites might be more tolerant of black economic success. For these migrants, participating in the Great Migration was a way to circumvent the suppression of black economic development and freedom in the South. The migration to Detroit created the needed conditions for blacks to pursue their dreams of freedom through business: a large black clientele and an environment that was viewed as less hostile towards black business. Before the mass influx of blacks from the South, it was not possible for blacks to maintain an independent business community in

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106 Ibid.
Detroit. With the migration, blacks already living in Detroit took advantage of the opportunities brought by the Great Migration and established businesses to cater to Southern migrants.
CHAPTER 2:
FORMATION OF A BLACK BUSINESS COMMUNITY, 1919-1929

Introduction

In 1920 Francis H. Warren, an “Old Detroiter” who was a lawyer and expert on black Detroit, contributed an article called “Business Among Colored People” to the black-owned newspaper, the Detroit Contender.¹ Warren stated, “it is with great hope for future business success that we note the recent business awakening among the Negro people in Michigan, there is large room for business enterprises and splendid profits and this is constantly growing.”² At the beginning of the 1920s, African American entrepreneurs could not know what the next decade would hold for them. But they were optimistic and determined to take advantage of the new opportunities the Southern migration to Detroit continued to bring. By 1920, the city’s population was 993,000, making Detroit the fourth largest metropolis in the United States, and between 1910 and 1930, the population of Detroit tripled.³ The 1920s was a decade of dramatic expansion for the entire city of Detroit, which was also transformative in terms of new developments and strides for black business in the city.

This chapter examines the black business boom in 1920s Detroit. I explore the obstacles entrepreneurs faced and the strategies they used for increasing black business

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¹ Warren served as the secretary for the State of Michigan’s Freedmen’s Progress Committee and compiled the Michigan Manual of Freedmen’s Progress in 1915. This handbook profiled the history of African Americans in Michigan and included information on successful blacks, including entrepreneurs. Michigan Freedmen’s Progress Commission, Michigan Manual of Freedmen’s Progress, Comp. by Francis H. Warren (Detroit, 1915), 33.
success and development in the city, as well as the impact the end of World War I had on black business prospects in Detroit. Southern migrants discovered that the political economy of Detroit created an unequal playing field for black entrepreneurs. I argue that during this era of Black Nationalist sentiment, black entrepreneurs in the city came together to combat restraints on black business growth in the city. Black entrepreneurs witnessed the economic devastation of an industrial depression in 1920 and 1921 and wanted to provide employment for laid-off black workers. They came together—many influenced by Garveyism—and engaged in cooperative economics in order to survive, upbuild, and provide employment. The growing opportunities for black business, coupled with the obstacles black entrepreneurs faced, resulted in the creation of a unified black business community that was thriving by the end of the decade.

The Armistice Brings Uncertainty

The Great War and the job opportunities it opened up helped propel the first wave of Southern migration to Detroit. By 1915, increased demand in an already booming industrial sector combined with a sharp decrease of European immigration to the United States created a labor shortage in Detroit.4 Automobile factories that had previously excluded blacks were forced to end their ban on hiring black workers.5 Along with inroads in Detroit’s industries, in the late 1910s blacks also made rapid progress in other

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5 According to Thomas, during this period Detroit businesses began radically changing their racial hiring practices. From 1915 to 1920 certain plants that had no black workers before the war had work forces composed of 25 to 48 percent black workers. Of 74 such plants in 1920, 46 had work forces that were 10 percent black; seven of them were 30 percent black; and two were 48 percent black. Thomas, Life for Us, 27, 29.
sectors as well. When utility companies Michigan Bell Telephone Co., Michigan Consolidated Gas Co., and Detroit Edison Co. relaxed their hiring policies, Detroit banks and department stores soon followed in their footsteps.\(^6\) While there was progress, relatively few black workers were able to take advantage of these new jobs and non-industrial opportunities remained limited.

Some leaders in the black community took note of the shaky nature of blacks’ advancement in employment. As head of the Detroit Urban League, John Dancy explained: “For a while things were going along so well for the Negro community, the employment situation was so much improved that some got into the habit of congratulating ourselves. Some of the ministers were saying ‘We finally made the grade,’ and there was much optimism that we would roll right along. ‘These factories can’t get along without us,’ some people were boasting.” Dancy tried to warn those who were too optimistic, “For God’s sake, don’t say that! These people can get rid of you in a minute. They don’t need you that bad.”\(^7\) He was right. The feeling among the African American community that black workers were indispensable to Detroit’s factories would not last long.

Armistice Day, November 11, 1918, brought uncertainty for black workers and entrepreneurs in Detroit. It marked the ending of World War I, and called into question the future place of African Americans in the city. If the Great War had brought Southern migrants to Detroit, would the armistice curb migration? No one could be sure if black Southern migrants would leave Detroit, or if black Southerners would continue coming. As John Dancy remembered, “the Armistice, of course, marked a change. There had been

\(^7\) Ibid., 141.
such an urgent need for labor in the war days that Negroes were grabbed as soon as they got off the train and rushed out to jobs before they had time to rent a room. It had been too good. I had wondered what would happen when the war was over and the soldiers came home. Dancy was not the only one who wondered about blacks’ role in Detroit’s economy after the war.

It is likely that some blacks employed in Detroit factories during World War I recognized that they might not have job security once the war ended. Since the beginning of the first Great Migration wave, city leaders had discouraged single black migrants from making Detroit a permanent home and consistently treated migrants as temporary residents meant to fill wartime labor shortages. According to an article printed in the African American newspaper *The Detroit Herald*, Mr. Boyd Fisher, the vice-president of the Executive’s Club of the Detroit Board of Commerce, addressed members of the Young Negroes’ Progressive Association at the Detroit Urban League’s office on November 18, 1916. At this meeting, attendees discussed the significance of Southern migrants to Detroit industry. Mr. Fisher explained what employers expected of black laborers and claimed that most manufacturers were satisfied with the work of black laborers. However, he stated “the Negro would have to be a little better than the average white man to hold his job after the war.”

Black leaders worked to improve African Americans’ chances of continued employment in the city’s industrial and domestic labor jobs. Forrester B. Washington, the

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8 Ibid.
9 Miller, *Managing Inequality*, 35.
10 The Young Negroes’ Progressive Association was an organization created to promote the economic, civic, and political welfare of the blacks in Detroit. “B. of C. Man Addresses the Y. N. P. A.,” *The Detroit Herald*, November 23, 1916, African-American Newspapers, Microfilm No. 579, Burton Historical Collection, Detroit, Michigan.
11 Ibid.
first director of the Detroit Urban League (1916-1918) believed that “the Negro has to convince the captains of industry…that he will be just as much of a necessity to production after the war as he is now.” The Detroit Urban League, and the Vocation Bureau it operated, attempted to help migrants adjust and get familiarized with Detroit by passing out cards to new arrivals with directions on how to navigate the city, helping migrants find housing, and offering job placement services. Washington came to the conclusion that, in order for black migrants to fully integrate into Detroit they must improve themselves as workers and prove indispensable to their employers. According to Washington, “if the [white] community can be convinced that the Negro is and always will be a business asset, we need not worry much about housing, employment, and recreation.” For the Urban League director, the welfare of the black migrant workers in Detroit depended on the attitudes of the white business community.

Black business owners cooperated with Forrester B. Washington’s efforts to help migrant workers become indispensible industrial employees. For example, Washington persuaded the owner of a local theater, known as a hangout for migrants, to publicize the services the league offered. Black entrepreneurs likely recognized that their own economic success was tied up with black laborers’ employment security. With the armistice, black entrepreneurs probably questioned what the end of the war meant for them. Would they start losing their customer base when people returned to their Southern

12 From a message delivered to St. Mark’s Brotherhood Church in May 1917, Thomas, Life for Us, 60.
14 From a message delivered to St. Mark’s Brotherhood Church in May 1917, Thomas, Life for Us, 60.
15 Ibid., 61.
homes? Yet in 1918, even as wartime manufacturing was winding down, hundreds of black travelers continued to arrive in Detroit each week. Would the Southern migration steadily continue after the war and possibly increase the consumer base for black business owners? If so, maybe they could even expand their business. No one could forecast what Southern migrants would do after the war and all black entrepreneurs could do was wait and see.

Post-World War I Migration

Southern migrants did continue to come to Detroit after the war and these migrants included blacks who were keen on establishing a business. For instance, Robert L. Poston and Ulysses S. Poston moved to Detroit with the expressed purpose of establishing their newspaper business in a non-hostile environment. The brothers, who were from Kentucky, had both served in the army during World War I and came to Detroit in the years after the war’s end as a part of the continuing wave of migration.

Robert and Ulysses Poston were born in Hopkinsville, Kentucky during the 1890s. Ephraim and Mollie, the Postons’ college-educated parents, instilled in their children the importance of education, race pride, and black independence. Ephraim and Mollie cherished black freedom so much that they named their first three (of eight) children after figures they felt contributed greatly to the emancipation of African Americans. The oldest, Frederick Douglass Poston, was born in 1888; Robert Lincoln Poston was born in 1890, and Ulysses Simpson Poston; who was known as “General”

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16 Miller, *Managing Inequality*, 33.
was born in 1892.\textsuperscript{18} It was important for Ephraim and Mollie Poston to teach race pride to their children, since race relations in Hopkinsville did not encourage such pride. The couple could afford to go against the grain, because Ephraim and Mollie were employed as teachers and the family was not directly dependent on the local white-controlled tobacco industry for their livelihood.\textsuperscript{19}

Ephraim Poston worked as an instructor at the State Normal School at Frankfort, Kentucky, which was located several counties northeast of Hopkinsville.\textsuperscript{20} Although he was a teacher, Eph (as he was called) also engaged in entrepreneurial activities from time to time. Like other African Americans, the Postons likely thought that business success could lead to economic self-determination, a key factor for uplifting the race and ultimately gaining racial equality. Eph and his eldest son Frederick operated a small grocery store in 1907, but it did not last long.\textsuperscript{21} His youngest son Ted remembered that Eph also tried his hand at selling made-to-measure suits to locals in Hopkinsville and other Kentucky towns: “He sent up there to Chicago or somewhere, and got him this measuring book from Sears Roebuck or somebody.” As soon as he mastered the skill of measuring for suits, Eph planned to set up in business and “make more money than any

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\begin{itemize}
\item \textsuperscript{18} The children were named after abolitionist Frederick Douglass; President Abraham Lincoln, who had signed the Emancipation Proclamation; and Ulysses S. Grant, the general who led the Union army to victory over the Confederacy. Hauke, \textit{Ted Poston}, 4; Ted Poston, \textit{The Dark Side of Hopkinsville}, ed. Kathleen A. Hauke (Athens: University of Georgia Press, 1991), xvii–xviii; this is a collection of ten stories written by Ted Poston and are based on Poston’s childhood memories of growing up in a southern town at the turn of the nineteenth century. Ted Poston, who was the youngest brother of Robert and Ulysses Poston, became the first career-long black reporter for a major white metropolitan newspaper, a member of Franklin D. Roosevelt’s “Negro Cabinet” in Washington in 1940 and, after thirty-five years at the New York Post, was considered to be America’s “Dean of Black Journalists,” see Ibid., xv.
\item \textsuperscript{19} From 1904 to 1909, Christian County, including Hopkinsville, suffered unrest and organized lawlessness because of problems with the sources of the local livelihood, tobacco. On December 9, 1909, the night riders—tobacco farmers irate over low tobacco prices—raided the city. Hauke, \textit{Ted Poston}, 5.
\item \textsuperscript{20} Poston, \textit{Dark Side}, xx.
\item \textsuperscript{21} Hauke, \textit{Ted Poston}, 10.
\end{itemize}
Mose mogul in this area.”22 The suits cost fifteen dollars a piece, and Eph would get three dollars up front for each suit. The venture initially seemed promising, but once the suits arrived customers found fault with their construction. For instance, one suit came with one leg that was eight inches shorter than the other. Not surprisingly, Ephraim’s clients demanded their money back, which he refunded in full.23

Although Ephraim’s business venture did not prove to be profitable, his entrepreneurial attempts may have helped inspire Robert and Ulysses to take on the challenge of operating their newspaper business. Robert certainly seemed to follow in the footsteps of his father. After attending Walden University in Nashville, Tennessee, and then Howard University, Poston returned to Hopkinsville where he, like both his parents, became a teacher at Hopkinsville Male and Female College.24

Then the Great War came. When the United States announced that it would enter the fighting of the First World War in April 1917, Robert Poston and his brother Ulysses likely discussed whether they felt black men should fight for the U.S. to “make the world safe for democracy.” On the one hand, it did not seem right to risk their life for a country that denied blacks equality and freedom, but on the other hand, perhaps their service could prove their devotion to the nation and bring about greater civil rights and racial equality for their people.25 In 1918, at the height of World War I, both Robert and Ulysses were inducted into the army. On June 20th, the brothers were sent to Camp Zachary Taylor near Louisville, Kentucky, and started basic training as privates. The

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22 Poston, *Dark Side*, 35.
23 Ibid., 34–36.
Poston brothers flourished in the service; Robert was promoted to sergeant three days after enlisting, and within a month he was recommended for a commission as an officer. Ulysses also made sergeant, and both brothers were assigned to the 159th Depot Brigade at Camp Taylor. The war ended before the Postons ever served overseas, but they would end up waging a fight for greater freedom at home.

While stationed near Louisville, the brothers protested the vicious treatment black soldiers received from their white superiors. Their hostile encounter with a white sergeant resulted in them being demoted and facing potential imprisonment. Years later, the *Negro World* recounted the story of what caused the demotion. A feature on Robert Poston relayed that he had been “inspired with a high sense of justice and fair play,” but soon found himself in serious trouble with “a white sergeant with southern tendency.” Although both Postons were demoted back to privates and assigned to the base hospital, they were honorably discharged from the army eleven months later.

In discussing the Postons’ experience with racial tensions in the army, the *Negro World* claimed that Robert was “not at all embittered…but made more determined to fight for fair play.” After the war, the Poston brothers chose the press as a venue to continue advocating racial equality and to speak out against racial injustice. After returning to Hopkinsville, Robert and Ulysses Poston established the Hopkinsville Contender. Unlike his previous occupation as a teacher, running a newspaper allowed Robert more economic independence and freedom to express his political views and

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27 Secondary sources state that both brothers were involved with the incident, while a Negro World article only tells of Robert Poston being involved in the conflict. See Juan González and Joseph Torres, *News for All the People: The Epic Story of Race and the American Media* (Verso Books, 2011), 239; Poston, *Dark Side*, xix; Martin, *Literary Garveyism*, 70–71.
29 Ibid., 16.
provided the opportunity for a key element of black freedom—being your own boss. It’s possible that the brothers’ experience in the army interacting with racist whites influenced their political views on black economic self-determination. One thing is for sure, the Postons believed that black people should play a greater role in defining their own destiny, and they would use their newspapers to spread the word.

Not atypically, the Hopkinsville Contender venture did not last long. Ideally Robert and Ulysses would have liked to be self-sufficient in their newspaper business, but the reality was that they did not have the resources to establish and maintain their own printing press. Thus, they needed a white-owned publishing company to print the Hopkinsville Contender. After the brothers used their editorial column to protest the discriminatory treatment of black veterans who were forced to walk in the back of a local victory parade, the white publishers in town refused to print the Hopkinsville Contender any longer.30 Outraged, Robert and Ulysses decided to leave Hopkinsville and reopen their business in a city that was less hostile to blacks, where they would have more freedom to write about race issues.

Before going to Detroit, the Postons first attempted to move their newspaper to Nashville, Tennessee. Robert had lived in Nashville while attending Walden University, and perhaps thought his prior knowledge of the city would contribute to success in the newspaper business there.31 Whatever prior knowledge Poston had did not help. The Postons’ Nashville operation was short-lived as the brothers quickly found that it was too expensive to run a newspaper business there.32 The Poston brothers then decided to migrate to Detroit next, a place where they probably believed the market would be easier

30 Martin, Literary Garveyism, 71.
32 Martin, Literary Garveyism, 71.
to break into, due to its growing black population. It is possible Robert had been to
Michigan before. After completing his education at the Kentucky State Industrial College
for Negroes, Robert had gone north to work waiting tables on the excursion boats up on
Lake Erie.\footnote{Poston, \textit{Dark Side}, 1.}

The brothers arrived in Detroit in 1919, and after a few months, they were able to
establish the \textit{Detroit Contender}. Within eight months, the paper had exceeded all its local
competitors in circulation, making the \textit{Detroit Contender} the most popular black weekly
in the city.\footnote{Martin, \textit{Literary Garveyism}, 70–73; According to the 1922 Negro Year Book, there was only
one other black newspaper in Detroit in 1921, the Detroit Leader, which was operated by W. P. Kemp at
246 Gratiot Ave. Monroe N. Work, ed., \textit{Negro Year Book: An Annual Encyclopedia of the Negro 1921-
1922} (Tuskegee Institute, AL: Negro Year Book Co., 1922), 424.} However, the brothers’ success in the newspaper business would soon falter
as new challenges arose. This time, an obstacle came in the form or an economic
downturn that affected the entire city, especially the black population.

\textbf{The Industrial Depression of 1920-1921}

In 1917 Detroit Urban League director Forrester B. Washington predicted that if
black workers were efficient and viewed as an asset to white industrialists, their position
in the city would become secure.\footnote{From a message delivered to St. Mark’s Brotherhood Church in May 1917, Thomas, \textit{Life for Us},
60.} However, his prediction turned out to be wrong. Three
years later, it became clear that industrial business cycles were not much influenced by
whites’ view of blacks as business assets. The few black women who were able to break
out of domestic service and into Detroit's factories during the war did not keep their
higher-paying jobs in the post-World War I era when “colored women were thrown out
of industrial employment.”\footnote{Wolcott, \textit{Remaking Respectability}, 69.} Additionally, an economic downturn in 1920 led to mass
unemployment that disproportionately affected black industrial workers and distressed the growing black community in Detroit. Black entrepreneurs were still working to grow their businesses, but their customers who worked in industrial jobs faced mass unemployment. Without wages, these clients had a difficult time buying black business owners’ goods and services.

Migrants who had come to Detroit with grand dreams of prosperity in the North were disappointed during times of recession. The depression in 1920-1921 caused a sharp drop in employment from the peak in 1920 to the lowest point recorded in January 1921. During this depression, 17,000 black workers were without jobs. However, even after large numbers of African American male autoworkers were laid off, the Detroit Urban League was still able to place thousands of black women in day work. Those who did not work in factories, namely women who worked as domestics, had the added financial burden of helping family members who no longer were employed. The employment numbers increased gradually during 1921, but only after January 1923 did the number on factory payrolls approach the high levels set in the first five months of 1920.

In order to make it through the 1920-1921 depression, many blacks in Detroit had to rely on their savings. The prosperous war years in Detroit enabled many African Americans to put away money. The 1922 Negro Year Book reported that savings in Detroit’s African American community played a large role in allowing blacks to ride out the depression. According to the article, “Negro labor in the industrial centers of the

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38 Wolcott, *Remaking Respectability*, 82.
North had saved a considerable amount of its earnings, and by this means was able to help tide over the period of non-employment.\textsuperscript{40} Forrester B. Washington conducted a survey of 500 typical black families and gathered statistics from 100 firms employing ten or more African Americans and from the city department of health and public welfare. Of the 500 families, 98 percent had bank accounts, which averaged $398.\textsuperscript{41}

Certainly some black entrepreneurs had accumulated capital and used their savings to keep their businesses afloat. For those Detroiter who had been saving up towards a business, having to use their funds to survive the depression was certainly a setback. For those already engaged in business before the 1920-1921 depression, having to use their savings to keep their businesses afloat also delayed any plans to expand or update equipment in their business. The depression also likely shook any sense of economic security they had gained in the previous years of prosperity.

In addition to using their savings to keep their businesses afloat, entrepreneurs also had to devise other strategies to remain in operation, particularly in those sectors that were hit hardest. The depression greatly affected those black enterprises that catered to newly arrived migrants, since the depression caused migration to come to a standstill and even resulted in reverse migration.\textsuperscript{42} For example, the Tanzy Hotel, which claimed to be “the largest and finest Hostelrys in Michigan,” was doing good business up until the depression. Centrally located in the black section of town at 432-436 St. Antoine Street,

\textsuperscript{41} Ibid.
\textsuperscript{42} In September 1920, the Detroit Urban League reported that there had been a tremendous exodus of people who were unable to find housing and because of the lack of available employment in Detroit. According to director John C. Dancy, many of those people went to other northern centers, “but in most cases they have gone back south.” John C. Dancy, “Urban League Report Covering July and August (1920),” September 1920, Detroit Urban League Papers, Microfilm No. 1547, Reel #1, Burton Historical Collection, Detroit Public Library, Detroit, Michigan.
this black-owned hotel offered “reasonable rates,” and “commodious rooms” that were “nicely furnished.” One strategy its proprietor, B. W. Tanzy, employed to obtain clients was to cater especially to migrants. He advertised, “A special effort made to provide accommodations for persons coming to Detroit. Write us in advance.” As late as November 1920 there did not seem to be any trouble for Tanzy. However, just six months later, the Tanzy Hotel was having difficulties and B.W. Tanzy clearly was feeling the grips of the depression. A May 1921 advertisement for the Tanzy Hotel stated that “Because of the Depression B. W. Tanzy of the Tanzey Hotel has cut the price of accommodations one-third. He has increased his space to accommodate three times as many guests as before.” Tanzy’s decision to cut prices was just one strategy entrepreneurs used to offset the effects of their clients’ unemployment.

Other black entrepreneurs had different strategies for combatting the challenges of the depression. It seems some business owners merged their businesses, presumably to cut costs. James H. Cole and Edward C. Watson were both Old Detroiter and had both been running successful funeral businesses of their own during the late 1910s. But by May 7, 1921, James H. Cole and Edward C. Watson had joined their businesses into Cole & Watson funeral directors.

While business owners struggled to survive the economic slump, some black entrepreneurs were able to expand their enterprises during the 1920-1921 depression. Mercy Hospital, founded in 1917 by Dr. David Northcross, was the first black hospital in

44 “Tanzy Hotel Advertisement,” The Detroit Contender, May 7, 1921, African-American Newspapers, Microfilm No. 579, Burton Historical Collection, Detroit, Michigan.
Detroit.\textsuperscript{46} It was originally established as a 20-bed hospital on Russell Street, but had moved to a larger 37-bed location with space for an operating room by 1922.\textsuperscript{47} Still, the black entrepreneurs who managed to stay in business during the depression had many challenges and needed to work together to maintain the strides African Americans had made in business during the late-1910s.

\textbf{The UNIA and Economic Cooperation in Detroit}

The idea of cooperative business initiatives was not new to the black community. W.E.B. Du Bois discussed such initiatives in his 1907 \textit{Economic Co-Operation among Negro Americans}, and argued that blacks in the United States had long engaged in cooperative economic ventures.\textsuperscript{48} Pooling the insufficient resources of individuals and operating cooperatively gave African Americans a better chance to gain more economic independence and power as a group.\textsuperscript{49} The 1920s saw an increase in black attempts to

\textsuperscript{46} David C. Northcross and his wife Daisy Hill Northcross were both medical doctors from Montgomery, Alabama. According to their son, the couple moved to Detroit in 1917 in order to escape the persecution of the Ku Klux Klan. While it is not clear if the couple was actually threatened by the KKK, there were reports that Dr. John A. Kenny, who worked at the Tuskegee Institute, was threatened and witnessed the Klan march and burn crosses to protest the VA hospital at Tuskegee being staffed by African-Americans. Dr. David C. Northcross did work with Kenny from time to time, assisting in surgeries at Tuskegee Institute. Thus, it is possible that the Northcrosses experienced persecution from the Ku Klux Klan in Alabama. Geraldine Rhoades Beckford, \textit{Biographical Dictionary of American Physicians of African Ancestry, 1800-1920} (Africana Homestead Legacy Pb, 2013), 240; David C. Northcross, Oral History, Transcript, November 18, 1997, Kellogg African American Health Care Project, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan; John A. Kenny, “The Veterans Facility at Tuskegee,” \textit{Journal of the National Medical Association} 37, no. 5 (September 1945): 168–69; R. M. White, “Kenney Memorial Hospital,” \textit{Journal of the National Medical Association} 91, no. 5 (May 1999): 282–88; “Items of Interest–Newsy and Otherwise,” \textit{Journal of the National Medical Association} 1, no. 4 (1909): 237–246.


\textsuperscript{48} This was a report made by Atlanta University, under the patronage of the Carnegie Institution of Washington, D. C., together with the Proceedings of the 12th Conference for the Study of the Negro Problems, held at Atlanta University, on Tuesday, May the 28th, 1907. W. E. B. Du Bois, ed., \textit{Economic Co-Operation among Negro Americans}, Conference for the Study of the Negro Problems (Atlanta: Atlanta University Press, 1907); For more on black cooperative economics see, Jessica Gordon Nembhard, \textit{Collective Courage: A History of African American Cooperative Economic Thought and Practice} (University Park: Pennsylvania State University Press, 2014).

advance their economic position in business through cooperative efforts, in particular cooperative finance and investment efforts. For example, in Detroit in 1926 blacks attempted to establish a national stock exchange that traded in securities of black-owned corporations. Similar attempts were made in Harlem and Philadelphia.50

The depression of 1920-21 spurred economic cooperation among Detroit’s black entrepreneurs who worked to unite black business owners across their differences. This was not an easy task because there were many divisions within Detroit’s black community related to class and religion. The various groups and organizations in Detroit at the time, including the Universal Negro Improvement Association (UNIA), the NAACP, the Urban League, and multiple church denominations were all concerned with uplifting the black community economically. However, they disagreed over the best method to achieve this goal. Groups like the Urban League and the NAACP embraced an integrationist approach to economic uplift and often partnered with white philanthropists in their work.51 The UNIA, by contrast, called for blacks to unite under the banner of Africa and to separate themselves from whites in America (although Marcus Garvey was less welcoming to mulattoes and blacks he did not consider to be full-blooded Negroes).52 Business professionals, who often were members of exclusive churches reserved for the black elite, believed that they should act as the voice and leadership of the black business community.53 African American entrepreneurs faced the challenge of uniting blacks from these different groups to and cooperate in the interest of black business.

51 Thomas, Life for Us, 174.
52 Arna Wendell Bontemps and Jack Conroy, Anyplace But Here (Doubleday, 1945; Columbia: University of Missouri Press, 1966), 199.
53 In Detroit churches were often divided along class lines. St. Matthew’s Episcopal Church and Bethel AME were considered to be more elite. Thomas, Life for Us, 178, 180. Old Detroiters were often
While these groups had their differences, they all faced adversity from outside of the black community. Black Detroiters who operated businesses like The Tanzy Hotel had to work hard to overcome a variety of obstacles in order to run profitable and long-lasting businesses. Black entrepreneurs experienced discrimination at almost every stage of business. This discrimination included: exorbitant rents for retail space, difficulties obtaining loans, and problems receiving licenses from state regulatory agencies. They also encountered geographical restrictions: white Detroiters denied black entrepreneurs access to downtown locations where other racial and ethnic groups were allowed to set up business. Moreover, black business owners also faced competition from white entrepreneurs who operated in the black section of Detroit. African Americans understood that the economy worked differently depending on the color of your skin, and that the marketplace had different laws for black and white entrepreneurs. Thus, a necessary component of black economic uplift in Detroit was the joint efforts of all blacks, regardless of their differences. In the face of a discriminatory climate, black business leaders in Detroit embraced an ethos of business cooperation.

An important channel that helped facilitate cooperation among black entrepreneurs was Robert and Ulysses Poston’s newspaper the Detroit Contender. Here, viewed as snobbish my arriving southern migrants. In fact some Old Detroiter did resent the increased racial prejudice that came with the migration of southern blacks, as it took away some privileges they were accustomed to in pre-migration Detroit. Some Old Detroiter made this known; however others realized that the only way to improve conditions for themselves was to help newcomers become adjusted so that the conditions for all blacks would improve. Some native Detroit blacks, also felt antipathy toward black southern migrants, but “for business reasons [strove] to stifle any outward show of dislike.” Detroit Bureau of Governmental Research, The Negro in Detroit, Prepared for the Mayor’s Inter-Racial Committee by a Special Survey Staff (Detroit, MI, 1926).

54 Thomas, Life for Us, 213.
the Poston brothers promoted black business cooperation and economic Black Nationalism. Not long after arriving in Detroit, Robert and Ulysses encountered the Universal Negro Improvement Association and the message of Marcus Garvey. After hearing Garvey speak in Detroit, the brothers were instantly won over. His message resonated with their desire to achieve independence through business—the very goal that has inspired them to move to Detroit. The Postons became dedicated followers of Marcus Garvey, and they used their newspaper to publicize Garvey’s Black Nationalist philosophy on business and how it could help liberate the black community.

Marcus Garvey founded the UNIA in Jamaica in 1914 and subsequently moved to New York, where he established the first U.S. chapter of the organization in 1917. By the mid-1920s the organization grown into the largest black organization in the United States, and had more than 700 branches across thirty-eight states. The organization’s ultimate goal was the uplift of people of African descent around the globe. One way Garvey envisioned achieving this global transformation was through business. In fact, one of the ten founding objectives of the UNIA was “to conduct a world-wide commercial and industrial intercourse.” Black migrants in Detroit were particularly drawn to Garveyism. The UNIA’s message of self-help and uplift through business resonated with migrant entrepreneurs in Detroit, since they had moved north seeking the economic freedom and autonomy they had not be able to attain in the South.

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Historians who study the UNIA generally view the organization’s cultural program as a resounding success. The organization’s contributions in terms of promoting race pride have led some to consider Garvey and the UNIA the epitome of the New Negro movement.\(^59\) As in other major cities, UNIA members in Detroit staged parades in special uniforms, ran excursions, taught African history, and rallied around the Pan African flag (which the UNIA designed).\(^60\) All of these activities fostered a feeling of dignity, self-respect, and cultural unity among black Americans.

While scholars recognize the UNIA for its positive cultural impact, the organization’s financial and business dealings are widely portrayed as disastrous.\(^61\) This portrayal is not entirely inaccurate—many of the UNIA’s national and international business ventures flopped. Yet on the local level, the Detroit division of the UNIA had a positive economic impact on African Americans. The business cooperativism it promoted helped strengthen and solidify the black business community there.\(^62\)

During the late 1910s and early 1920s Marcus Garvey traveled extensively throughout the U.S. spreading the UNIA’s message. In 1917, only a couple of years after the start of black migration to Detroit, Garvey wrote about the advancements black

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\(^62\) Unfortunately, the papers of the Detroit UNIA have not been preserved. According to Judith Stein, “the absence of a full set of raw materials...makes sound scholarship on Garvey and the UNIA a difficult task. The Justice department seized, and subsequently destroyed, UNIA records in 1922 when it indicted UNIA leaders. The UNIA’s factional wars led to the destruction and scattering of organizational papers.” Ibid., 2 While the available evidence is limited, I have used other sources to begin reconstructing the story of the Detroit division of the UNIA in the 1920s. These sources include fragments from the national organization’s papers, oral histories, newspapers, business directories, and government reports. The evidence I have gleaned suggests that the Detroit UNIA played an important role in uniting black entrepreneurs and fostering an ethos of business cooperation in the city. The organization also helped generate a network of entrepreneurs that outlasted the organization’s decline after Garvey’s imprisonment.
business owners had made in various parts of the country. He noted his pleasure observing the "commercial enterprises owned and managed by Negro people" in New York, Boston, Philadelphia, Pittsburgh, Baltimore, Washington, and Chicago.

Presumably Garvey had not yet traveled to Detroit, or else he was not very impressed with black enterprise in the city. In the same article, Marcus Garvey proclaimed, "the acme of American Negro enterprise is not yet reached. You want more stores, more banks, and bigger enterprises." Garvey's statement was accurate, and reflected the attitude of black entrepreneurs throughout the 1920s in Detroit.

Two years later, Garvey visited Detroit and witnessed the rising number of black businesses. On one of his 1919 speech tours, he visited the city to rally support for the UNIA. While there, he had the opportunity to observe some of the black businesses in the city, and he stayed at the black-owned and operated Biltmore Hotel. Mr. O. H. Banks established the Biltmore in the mid-1910s. In pre-migration Detroit, opportunities for black businesses were extremely limited, and those who were most successful catered primarily to a white clientele. The Biltmore was one example of the new type of businesses blacks in Detroit could establish to cater to the growing black population brought by the Great Migration.

The three-story brick building was equipped with "all the modern improvements" and offered black travelers comfortable accommodations that would have been hard to come by in Detroit prior to the Southern migration. Then, and for decades after, mainstream hotels in downtown Detroit refused to lodge blacks. With the increasing

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number of blacks moving to and passing through Detroit, black entrepreneurs like Mr. Banks saw a niche that needed to be filled and took the opportunity to establish hotels in the black section of Detroit. Located on St. Antoine Street—the principal business street in Detroit for blacks—the Biltmore boasted “commodious bed rooms” as well as a café where travelers and locals alike could enjoy a first-rate meal. Advertising for the Biltmore billed it as “one of the best hotels, owned and operated entirely by Negroes, in this section of the country.”

This is probably why the leader of the Universal Negro Improvement Association chose to patronize the Biltmore when he was in Detroit.

Marcus Garvey supported blacks breaking into new small business sectors, doing what people like O. H. Banks was doing operating a modern hotel. But Garvey also imagined a future where blacks would make strides in all areas of business, particularly in establishing larger enterprises that would allow blacks across the world to be competitive on the economic and political world stage. That summer in 1919 when Garvey was in Detroit, he was in the process of raising funds for just that type of enterprise, the Black Star Line. Perhaps Marcus Garvey was sitting in the comfort of his spacious hotel room or at the café at the Biltmore when he penned a letter that would be published in the organization’s national newspaper, the Negro World.

While staying at the Biltmore, Garvey wrote to promote the Black Star Line, which became the most famous of the UNIA’s businesses. This line of black-owned steam ships would be used to facilitate trade among blacks around the globe. Garvey’s letter was published in the New York-based newspaper on June 4, 1919. In this letter Marcus Garvey wrote that he hoped to launch the Black Star Line by the end of October.

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of that same year and outlined a plan for raising two million dollars for the venture in just five months. He asked black Americans to donate a dollar or more to the UNIA, so that the organization could begin operating a world-wide business for the betterment of black people. Garvey wrote: “A line of steamships owned and operated in the interest of the people, is necessary for the fuller economic and industrial development of the race. The Universal Negro Improvement Association is determined to lift the American Negro, the African Negro, the West Indian, South and Central American, and Canadian Negroes to a higher plane of economic independence.” 66 This business venture was to be the material manifestation of the UNIA’s ideological goals of black self-help and self-determination.

Unfortunately, the Black Star Line failed after a few years. The managers of the steamship line were inept, and in 1922 the federal government brought suit against Garvey on the charge of mail fraud. The mail fraud case against Garvey was politically motivated and not directly brought on by his failings as a businessman. The “Garvey Must Go” campaign was led by William Pickens, and denounced Garvey and the UNIA “with a view to driving out of the country the influence of Marcus Garvey and his worthless schemes through which negroes are losing their hard-earned dollars.” Pickens and several other members of the campaign describing themselves as the “Committee of Eight,” drafted a letter to U.S. attorney general Harry M. Daugherty recommending that he “use his full influence completely to disband and extirpate this vicious movement, and that he vigorously and speedily push the Government's case against Marcus Garvey for using the mail to defraud.” Marcus Garvey denied their accusations. 67 Still, the Black Star

67 Marcus Garvey et al., The Marcus Garvey and Universal Negro Improvement Association Papers, Vol. IX: Africa for the Africans June 1921-December 1922, ed. Robert A. Hill (Berkeley:
venture was under-capitalized and facing other financial problems. Additionally, Garvey lacked experience in the shipping business. Even the UNIA’s newspaper admitted that “Marcus Garvey is not a navigator; he is not a marine engineer; he is not even a good sailor; therefore the individual who would criticize Marcus Garvey for a ship of the Black Star Line not making a success at sea is a fool.”

In 1923 a jury found Garvey guilty on one count of mail fraud, although his co-defendants were acquitted and much of the evidence against Garvey was circumstantial. After an unsuccessful appeal, the UNIA leader began serving his five-year sentence in a federal prison in 1925. With Garvey in jail, the popularity of the UNIA decreased dramatically. The spectacular failure of the Black Star Line and other UNIA ventures left many with the impression that Garvey was a con man who had used the UNIA’s businesses as schemes to cheat blacks out of their money. Thus, in regards to their business program, Garvey and the UNIA earned a reputation for harming black people economically, rather than uplifting them.


69 Avery, Up from Washington, 70–71.


71 Contemporary rivals created much of the depictions of Garvey as a charlatan; however, historian Judith Stein also compared Garvey’s tactics to con man Charles Ponzi and other promoters. Stein, World of Marcus Garvey, 102-103-169; One of his contemporary opponents was Reverend Robert W. Bagnall, a minister who headed Detroit’s St. Matthews AME Church, and an NAACP activist. Bagnall was one of eight black leaders behind the “Garvey Must Go” campaign who petitioned the U.S. government to investigate and prosecute Marcus Garvey for mail fraud. Bagnall likened Garvey to Judas Iscariot. He also once described Marcus Garvey as “cunning, shifty, smooth and suave, avaricious… prolix to the “nth degree in devising new schemes to gain the money of poor ignorant Negroes; gifted at self-advertisement…
While the national economic program of the UNIA was far from successful, the organization’s effort locally in Detroit offers a different story. The Garvey movement came along at a time when the black business community in the city needed a cooperative model to survive. The Detroit division was one of the strongest chapters of the UNIA. Established in 1920, the chapter quickly grew to over 5,000 members by 1922. The bulk of Detroit’s UNIA members were laborers, often employed in the automobile industry or domestic service. However, most of the Detroit UNIA’s leaders were entrepreneurs.

Detroit members donated generously to the Black Star Line and other national UNIA campaigns. The chapter also bought real estate property locally. They purchased a building for their offices and called it Liberty Hall. There they opened a restaurant and hired trained blacks to operate it, thus providing job opportunities to those with experience in the restaurant business. In addition to UNIA-owned businesses, members and affiliates operated many types of small businesses including laundries, restaurants, shoeshine parlors, and drugstores. Charles Zampy, one of the earliest UNIA members in


72 Wolcott, Remaking Respectability, 127.

Alonzo D. Pettiford, a lawyer by profession, was elected president of the UNIA’s Detroit division in November 1921. Marcus Garvey et al., The Marcus Garvey and Universal Negro Improvement Association Papers, Vol. IV: September 1921-September 1922, ed. Robert A. Hill (Berkeley: University of California Press, 1985), 804, n. 1; F. Levi Ford, one of the major local leaders was a shoemaker; Charles C. Diggs, Sr., a successful undertaker led the Board of Trustees that managed the division’s property. Thomas, Life for Us, 194–97.

74 There was skepticism about the viability of the UNIA’s ventures. One well-paid black construction foreman, supervising the building of a new Ford plant in Detroit, was asked by a friend to purchase stock in the Black Star Line. He bought ten shares out of personal and racial loyalty, but added with skepticism, “If the company is still in business in three months, I’ll buy more.” Stein, World of Marcus Garvey, 230–31, 87; List of Contributors and amounts of contribution to “Rehabilitation and Expansion Fund,” The Negro World (New York) July 3 and September 4, 1926, as cited in Levine, Internal Combustion, 101.

Detroit, recalled: “We did all that was possible to raise our economic standards, and we were successful until the expatriation of our leader in 1925.”

The Poston brothers and their newspaper had been instrumental in winning support for the UNIA in Detroit. The Detroit Contender also served as a vehicle to discuss the obstacles to, and strategies for, black business success in Detroit. By using their newspaper as a vehicle to showcase the strides being made by Detroit’s black entrepreneurs and highlighting the importance of black cooperation in business, the Postons played an important part in unifying black entrepreneurs. In order to unite the black business community, the Postons invited blacks from different Detroit groups to participate and contribute to a special business issue of the Detroit Contender. According to the Postons, “If your business is to uplift we are going along the same road. Let us be companionable along the way.” Published on November 13, 1920, the special issue profiled black entrepreneurs from a range of backgrounds, and this provided them with valuable exposure. As one Detroit businessman put it, “Negro newspapers have helped to create race consciousness and have awakened a desire of the Negro masses to aspire for improved living … and have helped to sell the Negro business man the desire to advertise.” The special business issue also encouraged Detroit African Americans to patronize black-owned businesses. The Postons penned an editorial where they wrote: “Our people must quit begging and invest. Quit spending with others and spend with

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77 The UNIA’s newspaper the Negro World highly commended the Postons for using the Detroit Contender to win support for the UNIA in Detroit; see Thomas, *Life for Us*, 197.
ourselves. Our purpose in running this business issue is to call your attention to some things that we are doing here in a business way with the hope of encouraging further effort among us."^80

The special business issue particularly highlighted cooperative businesses, such as the Community Market Corporation, which was a chain of grocery stores. The Community Market Corporation had one store at the corner of Clinton and Russell, another at 695 Beaubien Street, and a third store was to open in a few days. The Community Market was also making plans to expand the first store by taking over the entire block and had raised $16,000 towards this goal. The *Detroit Contender* testified that the Community Market Corporation was the result of “definite action on the part of a number of our people who believed in themselves, in their own possibility along business lines, and who had confidence in the project.”^81 The newspaper also highlighted the Enterprise Garage, a car garage located at 209 Alfred Street, which was operated cooperatively by blacks. The garage had investments of $8,500, and the pay roll had been more than two hundred dollars a week ever since it was opened.^82 In profiling the success of cooperative black businesses, the Postons sought to encourage further business development and joint effort among black entrepreneurs in Detroit.^83

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^82 Ibid.

^83 The Postons’ newspaper business in Detroit continued to do well up until they decided to close the Contender to move to New York. They had the opportunity to become associates of Marcus Garvey and the Universal Negro Improvement Association. Robert was elected to the post of second assistant secretary general of the UNIA and he was a regular contributor to, and editorial writer for the Negro World. In 1922 Robert became secretary general of the UNIA and in August of that year he received the UNIA decoration of Knight Commander of the Order of the Nile. His brother, Ulysses S. Poston, also rose in the organization and became the UNIA’s minister of industries and an associate editor of the Negro World. Jack Glazier,
Writings in the *Contender* also discussed the issue of unemployment and the potential of business to address larger economic problems facing African Americans in Detroit. Black leaders such as Reverend Robert Bradby of Second Baptist Church witnessed the economic devastation of 1920-1921 and wanted to provide employment for laid-off black workers. Bradby wrote:

> If we in Detroit as a race would unify our forces and direct our attention for the next few months toward the developing of the business which you already have that is legitimate, and toward the creating of other businesses, which is badly needed, we should have done more toward the solution of your problem in this city from a civil, industrial, social, and economic standpoint than perhaps we can in any other way. Suppose that we had been working toward the development of business among our racial group for the past number of years in Detroit, and that today we had organized; and that under operation businesses which would meet and supply the urgent demands of our people; would we not be able to offer employment to many of our unemployed who are being turned out of white business places in the city of Detroit because of prejudice?  

The Universal Negro Improvement Association and Garveyites were not the only organization in Detroit that supported economic Black Nationalism and worked to increase cooperation among black entrepreneurs. While historians have discussed the importance of the Detroit Urban League and Second Baptist Church in facilitating the migration to Detroit, the role of these organizations in promoting black business, especially during the earlier migration years has been overlooked. For instance, the literature on migration to Detroit has focused on the role of Reverend R. L. Bradby, the head of Second Baptist Church, in placing newly arrived migrants in factory jobs. As Beth Bates put it, “Bradby used his church effectively as a hiring hall for jobs at the FMC

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84 Bradby, “Rev. R. L. Bradby Hits the Nail on the Head Again.”
While this is true to some extent, there is more to be said about Reverend Bradby and his role in generating economic opportunities for black newcomers to Detroit. Bradby also pushed for the strengthening of black business in Detroit in order to solve the economic problems of blacks in the city. According to Reverend Bradby, he supported “[the development of] business among our racial group, which will do more for the standardization and general good of the people than any other thing that I can think of now other than the work of the church.”86 Out of Second Baptist Church, Bradby started the Business Boosting Club, which was open to Detroit blacks regardless of their church affiliations, to encourage business ventures. This club was responsible for founding Enterprise Garage and the Community Market Corporation. The Detroit Urban League and its director John C. Dancy also contributed to efforts to increase black business growth and cooperation in the city. One way they did this was through business education initiatives. In 1920 Dancy reported, “It is our plan to inaugurate for the business men in the community a series of five or six lecture by some experienced man on some prescribed subject.”87

After the 1920-1921 depression, the factories in Detroit began hiring again, and migration to the city increased. The summer of 1922 saw a “tremendous influx of Negroes from all parts of the country into Detroit.” John Dancy estimated that 3,500 migrants arrived in both July and August of that year.88

86 Bradby, “Rev. R. L. Bradby Hits the Nail on the Head Again.”
87 John C. Dancy, “Director’s Report for June 10, 1920,” June 10, 1920, Detroit Urban League Papers, Microfilm No. 1547, Reel #1, Burton Historical Collection, Detroit Public Library, Detroit, Michigan.
88 “September 14, 1922 Urban League Board Report,” September 14, 1922, Detroit Urban League Papers, Microfilm No. 1547, Reel #1, Burton Historical Collection, Detroit Public Library, Detroit, Michigan.
were working together, and initiatives such as the Urban Leagues educational series were designed to increase the chances for black business success. When migration to the city and the black population increased after 1922, black entrepreneurs were quick to take advantage of the business opportunities generated by the new arrivals.

**A Thriving Business Community**

The 1920s were a part of what Juliet E. K. Walker calls the “Golden Age of Black Business.” This decade of black business growth corresponded with the post-World War I economic prosperity experienced across the nation. Detroit was not left out of the “roaring twenties.” By 1925 the city was home to 3,000 major manufacturing plants, 37 automobile manufacturing plants, and 250 automobile accessory manufacturing plants, and factories employed over 300,000 people.89 Relatedly, Detroit’s black population had doubled from forty thousand in 1920, to eighty thousand just five years later. By 1930, the black population would be over 120,000.90

Even businesses that had experienced financial difficulties during the 1920-21 depression were not only able to recover, but expand and thrive in the 1920s. The Tanzy Hotel, whose owner had to cut prices in order to draw enough customers during the depression, seemed to be operating full force in the years following its end. In 1924, the Tanzy made improvements to the subterranean dining rooms and the dance hall. The owner was also contemplating installing a roof garden, with a dome on top of the building. This would make “a cool and delightful place to eat, as well as present a unique place from which to view a great deal of Detroit.” The hotel’s 36 rooms were well

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equipped with rugs, dressers, chairs, lockers, and six of the rooms had running hot and
cold water. The hotel also “constantly employed” fourteen workers in order to give Tanzy
patrons “maximum service at minimum cost.” The Tanzy Hotel’s owner seemed
optimistic about the prospects for continued success, as their motto was “Watch us
grow.”

The owner of Tanzy Hotel was not the only entrepreneur in Detroit that had
business growth on their mind, and many who tried their hand at businesses found it to be
worth their time and effort. In the few years after the depression, blacks founded
enterprises that they never imagined they could establish in pre-migration Detroit.
According to a 1924 publication on black Detroit, “the Negro is rapidly entering into
untried fields and is gaining considerable headway.” Blacks’ business activities in
Detroit at the time included: Tailors, Cleaning and Pressing Establishments, Hairdressers
and Beauty Parlors, Seamstresses, Ice and Coals Dealers, Second-hand Furniture Stores,
Hotels, Photographers, Newspapers, Electrical Contractors, Sign Painters, Life Insurance
Companies, Groceries, Meat Markets, General Contractors, Florists, Printers, Plumbing
Contractors, Real Estate Brokers, Expressmen, Moving Companies, Pawn Shops, Loan
Companies, Soft-drink Manufacturing Company, Drug Stores, Music Stores, Auto Repair
Shops, Confectioners, Billiard Parlors, School for Mechanics, Employment Agencies,
Taxicab Companies, Hand Laundries, Hat Works, Jewelers, Undertakers, Banks,
Locksmiths, Restaurants, Barber Shops, Fish Markets, Bakeries, Public Garages,
Milliners, Shoe Repair Shops, and more. The number of black professionals also

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91 Arthur Turner and Earl R. Moses, eds., Colored Detroit: A Brief History of Detroit’s Colored
Population and A Directory of Their Businesses, Organizations, Professions and Trades (Detroit, 1924),
40–41.

92 Ibid., 55–56.
increased: there were fifty black doctors (up from 27 in 1920), thirty-five lawyers, twenty-five dentists (up from 13 in 1920), and twenty-six pharmacists.93

Just two years later, even more business growth was noticeable in black Detroit. The Negro in Detroit, a report prepared for the Mayor’s Inter-racial Committee in 1926, stated that there were 720 business establishments in Detroit “conducted by Negroes and depending for the most part on Negro patronage. Among those, 58 different types of enterprises are represented.”94 This report also presented the findings of a survey questionnaire answered by fifty “typical cases of business men.” The survey showed that 35 of 50 were born and reared in the South, while 17 were born and reared in the North. Additionally, of these fifty cases, 46 percent had been in business less than five years; 68 percent had been in business less than ten years; while only 14 percent had been in business for more than ten years. The average for the group was six years. These numbers show that many of these businesses were established in the 1920s.95

Another interesting finding of the survey was that the previous occupations of the entrepreneurs surveyed were often not connected or similar to the businesses they established. For instance, one entrepreneur who had been running a music store since 1920 was previously employed as a shipping clerk. It is likely that some entrepreneurs, who had previously only dreamed of establishing an enterprise, took advantage of the increased migration following World War I to open a business they were passionate about. Others, however, entered into businesses that they could be successful at based on

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93 Ibid., 55–56; In 1920, Forrester B. Washington reported that there were 27 Colored physicians and 13 colored dentists in Detroit. Forrester B. Washington, “The Health of the Negro in Detroit,” in The Negro in Detroit: A Survey of the Conditions of a Negro Group in a Northern Industrial Center During the War Prosperity Period (Detroit, MI: Research Bureau Associated Charities of Detroit, 1920).
95 Ibid., 16–17.
their employment history. They used knowledge gained from their previous wage jobs to establish their businesses. For example, someone previously employed as a waiter established a restaurant in 1923. Another entrepreneur who established an apron shop reported working previously as a “forelady in factory.”

It is highly possible that the person mentioned above was Mrs. Cynthia Thompson. Thompson had been profiled in *Colored Detroit* two years earlier in 1924. It was reported then that she had previously worked for many years in large garment factories in Chicago, which gave her the experience necessary to make her business a success. Cynthia Thompson opened The Best Apron Shop on April 1, 1923 at 1535 Hastings Street. The *Colored Detroit* profile labeled her establishment as “What One Can Do IF One Tries.” With only a few yards of cloth, a sewing machine, and her two industrious hands, Mrs. Thompson made a few aprons and displayed them in the small window of her shop. After her first sale was made, her business seemed to grow non-stop. This was in part due to Thompson’s business savvy and her keen eye for untapped opportunities. Seeing the opportunity to expand her business to sell both women’s and men’s garments, Mrs. Thompson equipped her shop to supply this demand. She began making men’s shirts, pajamas, and a number of other garments. By 1924, the men’s department had proven a great success and the sales from men’s clothes were almost equal to that of the women’s department. Thompson also started using the cast-off pieces of cloth collected from cutting garments to make bed quilts. Her “specialty quilts” cost

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96 Although the report says “business men” were surveyed, there was at least one women entrepreneur included in the study. Ibid., 17–18.  
97 Turner and Moses, *Colored Detroit*, 16.  
98 Ibid.
between $4 and $5 and were a popular item throughout Detroit’s bitter winters. In fact, Mrs. Thompson had to hire three employees in order to meet the demands of her trade.  

Mrs. Cynthia Thompson was one of many entrepreneurs to find success. However, what made her enterprise so praiseworthy was the fact that she was in the business of manufacturing goods, as opposed to a retail or service establishment. Many entrepreneurs viewed manufacturing as being a greater benchmark of blacks’ progress in the business world and one that was needed to make larger economic gains. The *Negro in Detroit* report acknowledged that a major reason black entrepreneurs engaged mostly in retail and service enterprises, as opposed to manufacturing, was because they required a “comparatively small amount of special training and a smaller amount of initial capital.” The report also lamented the absence of joint ventures and corporations, or as they put it, “concerns requiring a great deal of cooperative effort and a large amount of capital goods.” Individuals ran most of the surveyed establishments, and their businesses employed an average of 2.2 employees.

However, African-Americans in Detroit were working to organize larger establishments. Besides sole proprietorships, the 1920s saw efforts by black entrepreneurs to establish corporations for the first time in Detroit. Starting in 1922, black insurance companies started setting up operations in Detroit to offer African Americans more options and better insurance premiums for their money. White insurance companies regarded blacks as poor risks and African American customers were limited to certain types of policies, premium rates, and benefits. By 1926 three black insurance companies

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99 Advertisement for The Best Apron Shop, ibid.  
100 Mayor’s Inter-racial Committee, “Thrift and Business,” 13–14.  
101 This number of employees likely only represents the number of hired employees outside of the owner’s family members, often spouse and children, who also worked or assisted with the business. Ibid., 15, 19.
had issued approximately $5,000,000 of insurance. The Great Lakes Mutual Insurance Company was incorporated in 1927 and began operating in 1928. This company would go on to become one of the most successful black-owned companies in Detroit.\textsuperscript{102} Besides providing valuable services for the growing black population, black insurance companies also provided jobs as agents for black Detroiter.

Additionally, blacks in Detroit were able to set up the city’s first black-owned financial institutions. By 1926 there were two black financial institutions that were “officered and directed wholly or in part by colored men for colored people.” One was the St. Antoine branch of the Michigan Mutual Savings Association, which had a mix of black and white directors, but was located in the black community. The other was the Michigan Peoples’ Finance Corporation. This establishment filled “a very definite need, specializing in small loans up to $500.” At the time, 200 stockholders held stock in the company in individual amounts ranging from $150 to $6,000, with the total valuation of the company’s stock being $91,000.\textsuperscript{103}

The Michigan Peoples’ Finance Corporation offered confidential service with ten months to repay loans. The company advertised that they understood “The Problem of Finance is a big one in both business and private life.” They claimed to provide friendly financial service to “meet both the call of opportunity and the demands of necessity.”\textsuperscript{104}

The formation of Michigan Peoples’ Finance Corporation demonstrated that black entrepreneurs thought it necessary to provide loans so that the community could establish more businesses and prosper. Moreover, this financial institution was not only

\textsuperscript{102} Thomas, \textit{Life for Us}, 184–85; Mayor’s Inter-racial Committee, “Thrift and Business,” 7.
\textsuperscript{103} Mayor’s Inter-racial Committee, “Thrift and Business,” 3.
instrumental in providing financing to black entrepreneurs. It also played a key role in providing educational information regarding business to the growing black community. The managers of this corporation edited a financial review section in a local black newspaper, the *Detroit Independent*. Devoted to discussions of good business practices, the section generated a large readership by discussing technical aspects of business matters in an accessible style.\textsuperscript{105}

Such information was especially useful for black women who historically had been pushed to the margins of the business world. They were hungry for knowledge, given that black women often had more incentive to engage in entrepreneurship than black men. Black women in Detroit experienced discrimination in employment to a worse extent than black men; white employers often had policies against hiring African American women, and white workers often refused to work along side of them. Out of economic necessity, educated black women often settled for jobs such as elevator operators or cleaning women in department stores and factories.\textsuperscript{106} Additionally, the nature of Detroit’s manufacturing industry led to fewer occupational options for black women. In 1920 Forrester B. Washington argued that the occupational distribution of black women in Detroit would have been considerably broader if Detroit was not a “metal trades town.” According to Washington, “if is quite reasonable to suppose that if Detroit were a great garment making centre like New York or if Detroit went in for highly diversified manufacturing like Chicago that we would find colored women in a

\textsuperscript{105} Mayor’s Inter-racial Committee, “Thrift and Business,” 26; John C. Dancy, director of the Detroit Urban League, served as president and treasurer of the Michigan People’s Finance Corporation for several years. It is likely that he wrote some of the information that appeared in the financial review section. Thomas, *Life for Us*, 214; 83.

\textsuperscript{106} Wolcott, *Remaking Respectability*, 88–89.
greater variety of trades as well as in factory employment in larger numbers.”107 The vast majority of black women who migrated to Detroit before World War II worked as domestic workers. Domestics often faced long hours, violence, sexual harassment, and meager wages.108 Because black women had limited opportunities for employment, they began choosing entrepreneurship to gain the economic benefits and autonomy not possible through domestic work.

Although the initial stream of migrants to Detroit had been primarily single men, by the summer and early fall of 1917, Southern women began to appear in large numbers.109 Instead of seeking wage work, black women like Mrs. Eleanora A. DeVere increasingly took the post-World War I influx of women and migrant families as an opportunity to grow a business. Eleanora DeVere was a migrant herself, though she arrived before the onset of the Great Migration. Born in South Carolina in 1870, DeVere came to Detroit in the early 1900s and worked as a dressmaker.110 It did not take long for Eleanora to become known for her skills with a needle. An embroidered doily and centerpiece she created were featured in Michigan’s Exhibit of Freedmen’s Progress at the National Half Century Exposition in Chicago, Illinois. She worked as a dressmaker in

109 Thomas, Life for Us, 27.
110 Forrester B. Washington reported that prior to 1910, about 98% of working black women in Detroit were employed in some form of personal service, and about 2% were employed as teachers. Washington divided personal service into the categories of “skilled personal service” and “unskilled personal service.” Skilled personal service included occupations such as manicuring, hairdressing, dressmaking and cooking, etc. Some women, like Eleanor who would fall into Washington’s the category of “skilled personal service” workers were actually entrepreneurs who operated independent enterprises. Washington, “The Negro Woman in the Industries of Detroit.”
Detroit from at least 1910 to 1915.¹¹¹ Like many other black dress makers and seamstresses at the time, DeVere worked from home, which allowed her to enjoy more independence than someone living in as a domestic servant; she set her own schedule and was not constantly under the watchful eye of a white boss.¹¹² DeVere only had to answer to her customers and make sure they were satisfied with her work, and apparently from her success, they were.

But for DeVere, the independence she gained as a dressmaker was not enough. Once the migration got underway she turned to a more lucrative business. In 1915 Detroit’s city directory began listing DeVere as a “hairdresser” instead of “dressmaker.”¹¹³ The fact that she was already working in the city before the Great Migration likely enabled her to take advantage of a new stream of black customers. On June 1, 1919, she was able to open her own hairdressing parlor at 2509 St. Antoine Street.¹¹⁴ In an interview with the Detroit Contender, Mrs. DeVere said that after working for a few years styling hair (and making money for others) she decided that she should be making money for herself. When asked her if she had any regrets about entering into


¹¹² DeVere’s business directory listing as a dressmaker provides the same address (230 Bagg Street) listed as her home address in the U.S. census in 1920 census. This is different from the address (2509 St. Antoine) of her salon that she operated from 1919 to at least 1932. “Eleanora DeVere Listing,” 1910; “Eleanora DeVere in the 1920 United States Federal Census” (United States of America, Bureau of the Census, 1920); “Eleanora DeVere Listing,” in Polk’s Detroit City Directory, 1932 (Detroit, Michigan: R. L. Polk & Company, 1932), 2226.


business for herself Mrs. Devere replied: “My only regret is that I did not enter into
business for myself years before I did.”

Eleanora Devere probably saved up money from her work as a dressmaker to pay
for her training as a hairdresser. She trained under Madam C. J. Walker, the nation’s most
famous black beautician. This likely gave her a leg up in the budding beauty culture
industry in Detroit. In her hair salon, Devere operated a retail station for all the Madam
C. J. Walker products. Her shop also served as a distribution center for the company,
supplying agents throughout Michigan. Mrs. Devere’s method of doing business was
to “be courteous to her customers and to do her work absolutely satisfactorily.” “Constant
improvement” she stated, “is in keeping with my idea of development and efficiency.”
While she started out with just one employee, by 1924 Devere employed six “industrious
young women” to help handle the increasing volume of customers. Devere’s parlor
became one of the most popular black beauty salons in Detroit, and Devere would
operate it until the 1930s.

For those migrant entrepreneurs who came north looking for economic security,
self-determination and prosperity, it seemed that Detroit could in fact be a place where
free enterprise reigned supreme. However, as some black entrepreneurs discovered, their
business prosperity and personal wealth could also cause a violent response from
Northern whites.

White Backlash

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115 Ibid.
117 “Eleanora Devere Profile.”
Dr. Ossian Sweet had moved to Detroit to establish a physician’s office with the goal to “rise in his profession and to amass a substantial fortune.” After receiving his medical degree from Howard University in Washington, D.C., Sweet arrived in the motor city in the late summer of 1921 with two hundred dollars and a few connections from the summers he worked in Detroit as a bellhop and waiter while attending Wilberforce. After four years of working as a physician, Dr. Sweet was reaping the fruits of his labor. His business was so successful, he managed to save $3,500 as a down payment and purchase a three-bedroom bungalow at 2905 Garland Street. Erected in 1919, the one-and-a-half story brick house was built to accommodate the growing population of working-class whites moving to Detroit. Sweet agreed to pay $18,500 for the home in May 1925. Using the profits from his business to purchase a home in a wealthier neighborhood was supposed to be a sound investment, however Sweet was also breaching the line of de facto residential segregation in Detroit.

Ossian Sweet knew purchasing a home in a white area would be risky, because some of his friends had been terrorized by whites when they attempted to move into white neighborhoods. Nevertheless, Sweet and his wife Gladys moved into the home on September 8, 1925. When a white mob descended on the home the next evening, it was not their first encounter with mob violence. Ossian Sweet had witnessed a lynching in his hometown of Bartow, Florida, when he was a little boy. After an eyewitness saw a black man slit the throat of a white woman, whites in Bartow spent a day and half searching with bloodhounds until they located the suspect. According to Sweet, he was walking

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119 Ibid., 102.
120 Vine, *One Man’s Castle*, 2; Boyle, *Arc of Justice*, 146.
home near the local river when he encountered the white mob ushering the black suspect to the Peace River Bridge. He hid in the bushes and saw the crowd tie down the hostage and set him on fire. Sweet recalled the man’s shrieks as the flames engulfed him and claimed that the smell of burning flesh was forever seared into his memory.121

Witnessing a lynching as a boy was not Sweet’s only exposure to racial violence. In 1919 Sweet was living in Washington, D.C., and attending Howard University’s medical school. During the summer between his second and third year at Howard, Sweet experienced a race riot and witnessed a black man being dragged from a streetcar by a band of soldiers and sailors.122 Ossian Sweet’s wife Gladys was also acquainted with racial violence. Although she came from a privileged background and had spent much of her life in interracial spaces, her family knew well the tragic outcomes of racial violence in the North. Gladys Sweet’s cousin, a black police officer in Chicago, was one of several blacks killed during the 1919 Chicago race riot.123

So on the night of September 9, when hundreds of angry whites crowded around 2905 Garland Street and began throwing rocks and bricks though the window of their new home, the Sweets and their friends inside the house knew that they could very well lose their lives that night. To defend themselves and the Sweet’s newly acquired property, the men inside armed themselves with guns. As the situation escalated, someone fired a shot out of the window, which struck and killed a white member of the mob.124 The famous murder trials that came afterwards would set the precedent for black self-defense in the northern city. The NAACP hired veteran attorney Clarence Darrow as

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121 Vine, One Man’s Castle, 7–10; Boyle, Arc of Justice, 67–69.
122 Vine, One Man’s Castle, 55–56.
123 Boyle, Arc of Justice, 124–25; Vine, One Man’s Castle, 56.
124 Boyle, Arc of Justice, 35.
the defense attorney. Darrow successfully argued that people, regardless of their race, deserved the right to protect their family and property.¹²⁵

Many scholars have pointed to the importance of the Ossian Sweet case for its influence on the trajectory of residential segregation in northern cities, or Clarence Darrow’s incredible legal defense that was able to convince an all-white jury to acquit the black defendants. However, in thinking about the Sweet case in the context of the Great Migration and black entrepreneurs who went north for greater economic freedom, the case has more to reveal. Like black entrepreneurs in the Jim Crow South, business owners in Detroit had to deal with the consequences of becoming prosperous in a racist economic system.

In 1918 Carter G. Woodson had predicted, “the maltreatment of the Negroes will be nationalized by this exodus [the Great Migration]. The poor whites of both sections will strike at this race long stigmatized by servitude but now demanding economic equality.”¹²⁶ He was not wrong. The migration of Southern blacks and whites to Detroit resulted in increased racial tensions in the city. In 1920 Forrester B. Washington noted, “The Negro migration beginning in 1916 brought to Detroit a new sensation, namely, Negroes in large quantities. The increased number of blacks in the city led to increased racial prejudice amongst whites.” Importantly, he also observed that, “this prejudice was also developed by the migration of southern whites at the same time.”¹²⁷

¹²⁵ For more information on the case of Ossian Sweet see, Kenneth G. Weinberg, A Man’s Home, a Man’s Castle (New York: McCall Publishing Co., 1971); Vine, One Man’s Castle; Boyle, Arc of Justice; Donald McRae, The Old Devil: Clarence Darrow: The World’s Greatest Trial Lawyer (New York: Simon and Schuster, 2009).
In *The Southern Diaspora*, James Gregory demonstrates how black and white migrants “southernized” communities they settled.\(^{128}\) Gregory focuses mainly on how these newcomers transformed cultural and political institutions; but black and white Southerners also reshaped the economy of migration sites. Examining migrant entrepreneurs’ experiences reveals that much of the discrimination that black entrepreneurs experienced originated with Southern whites who settled in Detroit. Thus, in order to understand the trajectory of black business development in urban spaces throughout the twentieth century, historians must investigate the ways the diaspora of both blacks and whites transformed the possibilities for African Americans’ attainment of economic independence and self-determination in the North.

Ossian Sweet was not the only black entrepreneur to experience racial violence in the 1920s. Earlier in 1925 two other prominent black entrepreneurs had experienced violent responses to their moving into white neighborhoods. In June 1925, Dr. Alexander Turner bought a house on an all-white street. After a only few hours of Turner taking possession of the property, a white mob of 200 people formed outside the house. They stoned the painters Turner had hired to touch up the trim and began smashing windows. The crowd eventually swelled to over one thousand before dozens of people stormed into the house and began taking out Turner’s belongings. The white ringleader of the Tireman Avenue Improvement Association demanded Turner sign over the deed to the house to the group. Police escorted the white men from the association and Dr. Turner to his physician’s office so he could complete the property transfer.\(^{129}\)

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Two weeks after the Turner incident, Vollington Bristol, a man Ossian Sweet had known since he worked summers in Detroit as a bellhop in the 1910s, also experienced racial violence in majority a white neighborhood. Bristol was an immigrant from Grenada, British West Indies who had moved to Detroit in the 1910s with the intent to save money and establish a funeral parlor. Bristol did become a successful undertaker and was able to purchase multiple properties. In July 1925, Bristol rented a house that he owned (but did not live in) to a black couple, who subsequently received threatening notes. When Vollington Bristol arrived at the property, a delegation of twenty-five white neighbors warned him not to rent to black tenants anymore. After the encounter, Bristol decided to move his own family into the house. The day after he moved in, a mob formed outside of the house and whites began stoning the Bristol home and firing guns. Police were able to disperse the crowd, but tensions in the area remained high for several days and the Bristols continued facing death threats and hostile encounters with whites until they moved out of the neighborhood.

In the 1920s, when black entrepreneurs were seeking to grow their businesses and build a business community, the Ku Klux Klan was experiencing a rebirth in Midwestern cities like Detroit. The founders of the new Klan were businessmen who stood for “One Hundred Percent Americanism,” opposed foreign-born competition, and disliked African Americans’ increasing presence in northern cities. In the early 1920s, white shopkeepers increasingly banned black customers from their stores and restaurants.

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130 “Vollington Bristol World War I Draft Record,” Registration State: Michigan; Registration County: Wayne; Roll: 2032446; Draft Board: 17, U.S., World War I Draft Registration Cards, 1917-1918; Boyle, *Arc of Justice*, 84.
132 Ibid., 7–8.
133 Ibid., 9.
While increased segregation enabled black entrepreneurs in Detroit to grow their businesses by facing less competition from whites, it also created a hostile environment. Northern white hostility must have been unsettling for blacks who had left the South for greater economic freedom.

In 1921, the summer Ossian Sweet arrived, C.H. Norton, the Midwest organizer for the Ku Klux Klan had also moved to Detroit in order to work to increase membership numbers in the state of Michigan. By 1924, Detroit’s Klan had 35,000 members.\(^\text{134}\) A November 1923 issue of the Indiana Klan’s publication, *The Fiery Cross*, reported that membership in the KKK across Michigan was swelling. The increased enthusiasm had reached the point where “it has been found necessary to publish a Michigan edition of the *Fiery Cross*, the leading Klan paper of America.”\(^\text{135}\) The Indiana *Fiery Cross* published business directories to promote businesses owned by Klan members and for KKK entrepreneurs to advertise. Advertisements were not always subtle about their ties to the Klan. For instance, a clothes cleaning business advertised that they could “keep klothes klean.”\(^\text{136}\) It’s probable that the Michigan edition of the *Fiery Cross* also contained advertisements for businesses owned by Ku Klux Klan members in Detroit.

Detroit Klansmen also formed the Symwa Club (Spend Your Money with Americans).\(^\text{137}\) According to historian Kathleen Blee’s work on women and the KKK, Women of the Ku Klux Klan (WKKK) and KKK members promoted local businesses owned by members and often boycotted businesses that the Klan did not perceive as


\(^{137}\) Jackson, *Ku Klux Klan in the City*, 133.
being “100 percent American.” Shopkeepers who joined the KKK or WKKK received placards for their store windows that read “TWK,” meaning Trade With a Klansman.\textsuperscript{138} The Detroit Klan’s Symwa Club’s ventures included an attempt to manufacture and sell Klan phonograph records throughout the country; however, the Cross Music and Record Company of Detroit never produced a single album. Though the organization’s business ventures flopped, the Ku Klux Klan in Detroit received a new breath of life in 1925 over the issue of neighborhood segregation.\textsuperscript{139}

The fact that blacks tended to earn less than whites and paid higher prices for rent made it more difficult for them to save and become homeowners in the first place. Moreover, whites in Detroit and other Northern cities also used discriminatory real estate practices such as restrictive covenants to keep blacks out of their neighborhoods.\textsuperscript{140} White real-estate agents refused to show blacks houses in white neighborhoods. Bankers declined to offer them mortgages. Insurance agents would not provide them with coverage.\textsuperscript{141} Blacks who purchased homes in white neighborhoods crossed a barrier that many Southern migrants had not imagined existed in the North.

In his closing arguments on May 18, 1926, Clarence Darrow asked the all-white jury to reflect on why there were so many African Americans in Detroit and where they were supposed to live:

\begin{quote}
Gentleman, why are they here? They came here as you came here, under the laws of trade and business, under the instincts to live...your factories were open to them. Mr. Ford hired them. The automobile companies hired them. Everybody
\end{quote}

\begin{flushright}
\textsuperscript{138} Blee, \textit{Women of the Klan}, 147–51.  \\
\textsuperscript{139} Jackson, \textit{Ku Klux Klan in the City}, 139.  \\
\textsuperscript{141} Boyle, \textit{Arc of Justice}, 9.
\end{flushright}
hired them... You and I are willing to give them work, too. We are willing to have them in our homes to take care of the children and do the rough work that we shun ourselves.... The colored people must live somewhere.\footnote{Weinberg, \textit{A Man’s Home, a Man’s Castle}, 10.}

While Darrow’s statement was true for most of the Southern blacks who migrated to Detroit, ironically his argument did not fit the case of Ossian Sweet. Sweet had not come to work in an automobile factory or do “rough work” for whites. As a member of the black middle-class, Gladys Sweet did not work in a white home taking care of white children. In order to make a larger point about black migrant laborers’ residential options, Sweet’s lawyer contributed to the erasure of black entrepreneurs in the narrative of the Great Migration to Detroit.

Still, Ossian Sweet was a Southern migrant, and he came to Detroit to establish a business and “amass a substantial fortune.”\footnote{Boyle, \textit{Arc of Justice}, 101.} While Ossian’s fortune was not necessarily substantial, it did enable him to purchase the property on Garland Street. When Carter G. Woodson wrote that “Negroes are still unable to become landowners or successful business men” in explaining the conditions that initiated the Southern migration, he was also highlighting an important aspect of blacks’ long struggle for economic freedom.\footnote{Woodson, \textit{A Century of Negro Migration}, 99.} African Americans had long believed that attaining property was crucial to economic independence. While in the South many blacks attempted to buy land, in Northern cities like Detroit blacks mostly sought property in the form of housing. In fact, when the police came to his door after shots were fired on that September night and asked, “what in the hell are you fellows shooting about?” Sweet did not cite an attack on his family. Ossian Sweet gave this answer: “they are ruining my property.”\footnote{Weinberg, \textit{A Man’s Home, a Man’s Castle}, 28; Boyle, \textit{Arc of Justice}, 39.} In 1925, most black
migrants were not in the position to purchase a house, especially in a neighborhood outside of the black section of Detroit. Entrepreneurs were the first to be able to do this, which was why business owners such as Alexander Turner, Vollington Bristol, and Ossian Sweet experienced a violent response to their purchasing houses in white neighborhoods.

Ossian Sweet’s transgression was not simply moving into an all-white neighborhood, it was also being successful and affluent enough to purchase a home in that neighborhood. Whites in the neighborhood were enraged at the audacity of the Sweets, moving where they did not belong, “buying the best goddamned house on the block.”

For white Detroiter, the issue was housing segregation—in their minds they were upholding social segregation and maintaining the color line in their neighborhoods. Black entrepreneurs like Ossian Sweet saw whites’ violent response to their purchasing homes in white neighborhoods as an attack on a long-term investment. White mobs like those who attacked the Sweets, Turners, and Bristols assaulted the property that contained black entrepreneurs’ wealth accumulated from business activities. Migrant entrepreneurs had come north to engage in free enterprise—to be able to take risks, work hard, make smart business decisions, and then enjoy the profit of their labor. They perhaps underestimated how difficult it would be for them to enjoy their economic prosperity in Northern cities like Detroit.

A Unified Black Business Community

Despite the racial impediments they faced, many black entrepreneurs managed to become successful, and together blacks in Detroit were able to build a thriving business

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community in the 1920s. The obstacles entrepreneurs faced in their attempts to establish a business, become profitable, and expand required blacks to work together. As part of this process, black entrepreneurs had created a unified black business community in Detroit by the end of the decade.

By 1929, Michigan People’s Finance Corporation was able to begin constructing a new building at the corner of St. Antoine Street and Vernor Highway. It was hailed as the “first co-operative step in the matter of building that has been attempted in Detroit.” It was to have six offices and five stores, and black entrepreneurs regarded it as one of the major “forward steps the Negroes in this Community are making towards bettering their economic status.” Before the building was even completed, black entrepreneurs preemptively rented out all of the offices and stores.147 Establishing Michigan People’s Finance Corporation surely required much cooperation and unity among Detroit’s leading black entrepreneurs. Likewise, the construction of the company’s building required the support of black entrepreneurs who rented out the offices. This venture was an example of how business cooperation could benefit the black community as a whole, as well as bring profit to individual entrepreneurs.

The founding of Detroit Memorial Park Cemetery is another example of black business cooperation that served a larger good. This venture, which required the cooperation of black physicians, hospitals, embalmers, and funeral directors, allowed African Americans in Detroit to avoid discrimination and provided a new opportunity for black investors. Prior to 1925, blacks in Detroit met humiliating and frustrating experiences when patronizing white-operated cemeteries. White cemeteries placed

147 “Report of the Urban League for the Months of June, July, and August 1929,” September 1929, Detroit Urban League Papers, Microfilm No. 1547, Reel #1, Burton Historical Collection, Detroit Public Library, Detroit, Michigan.
restrictions on when black customers could bury their dead (usually on specific days or
during unpopular hours), insisted that black funeral processions use side or back
entrances to the cemetery, and charged blacks higher prices than white patrons. This
discriminatory treatment motivated a group of black entrepreneurs to come together to
purchase land and establish a cemetery of their own. They imagined an enterprise that
charged reasonable prices to anyone, regardless of race, who wanted to bury their dead
with dignity.  

Detroit Memorial Park was created under the leadership of Charles C. Diggs Sr., a
successful funeral director. Charles Diggs was born in Tullula, Mississippi in 1894. He
arrived in the Motor City in 1913, on the eve of the Great Migration. Diggs and his
brother had learned shoe repair in the vocational program at Alcorn State College in
Lorman, Mississippi, before coming to Detroit. Once settled in Detroit, the Diggs
brothers opened a shoe-repair shop. After saving up enough money from this
enterprise, Charles Diggs moved to Philadelphia to study embalming at the Eckle’s
Embalming School. He then returned to Detroit to go into a more lucrative career in the
funeral business and opened his own funeral home in 1921. His business would
eventually grow into one of the largest black funeral establishments in the city and one of
the most successful black undertaking businesses in the nation. He also became
involved in the UNIA when he returned to Detroit, serving as the leader of the local
division’s Board of Trustees that managed the division’s property.

148 Suzanne E. Smith, To Serve the Living: Funeral Directors and the African American Way of
149 Thomas, Life for Us, 265.
150 Carolyn P. DuBose, The Untold Story of Charles Diggs: The Public Figure, the Private Man
151 Thomas, Life for Us, 265.
152 Ibid., 196.
Charles Diggs eventually left the UNIA, but he continued applying the ideas of black economic uplift and self-determination. Founding Detroit Memorial Park Cemetery was one way he and other black entrepreneurs worked towards strengthening the black business community and uplifting the race. Diggs originally suggested establishing a black-owned cemetery to a small group of the city’s black funeral directors in early 1925. In June 1925, he asked twenty subscribers—including some of his fellow funeral directors—each to invest in five shares of stock to start the new company. Each share was worth $250 and the $25,000 raised was used to purchase sixty acres of land in Warren Township, a suburb north of Detroit. Detroit Memorial Park was the first black-owned cemetery in Michigan and conducted its first adult burial in November 1926.

Among the initial investors who purchased Detroit Memorial Park shares in 1925 and 1926 were: Charles C. Diggs Sr.; Robert I. Greenidge, M.D.; Rev. Robert L. Bradby, pastor of Second Baptist Church; Haley Bell, DDS; Aaron Toodle; Henry S. Dunbar; and Cornelius L. Henderson. The business success that many of the initial investors had achieved during the first half of the 1920s allowed them to pool their resources and skills to establish the cemetery. Cornelius L. Henderson was an architect and engineer who specialized in surveys, patent drawings, and building plans. It is likely that his training came in handy when the cemetery owners had to deal with fixing the grounds, which were plagued by water-drainage problems.

153 Ibid., 199.
154 Smith, *To Serve the Living*, Location 790–800.
Despite these problems, the cemetery grew, and by 1927 the Detroit Memorial Park Cemetery had conducted over 300 burials. Advertisements for the cemetery assured potential customers that “Now” was the “best time to buy, to save, to select,” since prices would soon double due to growing developments. They advised, “Vision Now = Dollars Tomorrow,” and that buying with Memorial Park was a “profitable investment,” that offered “permanent protection, perpetual beauty, [and] great convenience.” The Detroit Memorial Park Association not only achieved financial stability, but by the 1940s, it was one of the most popular cemetery for black funerals and was also able to offer home loans to black Detroiter who were denied mortgages by white-owned banks. By using the funds from the Detroit Memorial Park to finance mortgages, the entrepreneurs who established the cemetery built a practical mechanism for private homeownership for African Americans.

Besides establishing companies, black entrepreneurs also united in order to form business clubs and associations in the 1920s. The Detroit Negro Business League was established in 1926 with sixty members. Their objectives were: 1: to develop a sense of unity of interests among black businesses; 2: to educate black businessmen in the best business practices; 3: to provide a space for “considering their various problems, handicaps, opportunities, and responsibilities; and 4: to educate the public about the special advantages the Business League could offer them.” Existing associations also worked to support and promote black businesses during this time period. In early 1926,

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158 Memorial Park Cemetery “June 10, 1927 Advertisement.”
160 Smith, To Serve the Living, Locations 804–808.
the St. Antoine branch of the YMCA held an industrial exhibit featuring products of black businesses.\footnote{161}{Thomas, \textit{Life for Us}, 214.}

Business groups and associations often sought to uplift the race through their business success. By 1928, black business in the city had expanded so much that black women who worked in Detroit’s black business and professional offices formed their own organization, the Elliotorian Business Women's Club. Founded in September 1928, the “Elliotorians” were the first women’s club in Michigan to focus solely on the work of African American businesswomen. Its leader, Mrs. Elizabeth Nelson Elliot, was a secretary who realized that more needed to be done to support black women secretaries, bookkeepers, and clerks who had the potential to become a “viable community force.” She also wanted to encourage other young women to enter business careers.\footnote{162}{Ruth Wills Clemons, “History of the Elliotorian Business Women’s Club, Inc.,” Elliotorian Business Women’s Club Papers, Box 1, History: Founder (Elliot, Elizabeth Nelson) Folder, Burton Historical Collection, Detroit, Michigan.} The goals of the club were to “stimulate interest” in Detroit's businesses, build an educational program, study the needs of businesswomen, develop leadership qualities, and develop professional women to serve in public and private white-collar occupations.\footnote{163}{Wolcott, \textit{Remaking Respectability}, 156.} Members followed their motto as a guiding inspiration: “By Our Efforts We Hope to Rise.” According to a 1929 publication by the club, “the Elliotorian Business Women’s Club not only strives to rise itself, but also lift our fellowman with us, for we realize that only as the masses are lifted, can we as a race rise.”\footnote{164}{“1929 Elliotorian Business Women’s Club Scrapbook,” Elliotorian Business Women’s Club Papers, Box 12, Burton Historical Collection, Detroit, Michigan.}

\textbf{Conclusion}
By the end of the 1920s, black business in Detroit had indeed reached new heights. The 1920s was a transformative decade in terms of new developments for black business in the city, and this “roaring” decade saw expansion in Detroit and the black community as a whole. Increased migration following World War I created more demand for black entrepreneurs’ goods and services from Southern migrants. However, business people faced obstacles that included an industrial depression and various forms of racial discrimination. Black business owners like Ossian Sweet discovered that whites in Detroit could be hostile to their business success and prosperity. The post-World War I depression in Detroit (1920-1921) served as a catalyst for black entrepreneurs to unite and cooperate in order to counter the ups and downs of economic cycles in Detroit.

Black organizations including the UNIA, the Detroit Urban League, and churches such as Second Baptist Church helped foster the growth of black business in Detroit through the creation of networks. While Garvey’s popularity diminished after his deportation, Detroit’s UNIA did not disappear or abandon Garvey’s vision of black nationalist entrepreneurship. In 1926 the UNIA maintained a large enough presence in the city that the organization was included in official report of blacks in the city produced by the Detroit Bureau of Governmental Research. According to the report, the Universal Negro Improvement Association was “not a mere ‘protest’ organization but tries to induce the colored people to meet injustices and denial of rights by starting all kinds of enterprises of their own.” In 1927 the UNIA was still advertising and holding events in the city, charging 75 cents fare for entry. In 1928 Mrs. Bertha McKenzie, a graduate

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nurse, established the Good Samaritan Hospital with the aide of the Universal Negro Improvement Association and the Black Cross Nurses. By 1931, the Good Samaritan hospital had more than 100 beds, was equipped with the latest technology, and was earning approximately $1,000 per month. Importantly, former UNIA members remained in the community and used the experiences and knowledge gained from working in the organization to continue to build the black business community there. Entrepreneurs who subscribed to a Black Nationalist philosophy maintained their faith in the virtues and effectiveness of self-help and self-determination and continued to cultivate cooperative endeavors.

The black community established cooperative businesses and established the first black-owned financial institution in Michigan, which helped black businesses grow by providing loans. While class and cultural schisms still existed, by the end of the 1920s, a significantly unified black business community had formed. However, the post-World War I economic boom would not last forever, and the challenging economic times that came after it ended impacted Detroit’s black business community in distinct ways. The feeling of unity and cooperation that was established throughout the 1920s would be needed in the coming decade as African Americans in Detroit faced unprecedented economic challenges during the Great Depression.

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CHAPTER 3:
BLACK ENTREPRENEURS RESPOND TO THE GREAT DEPRESSION

Introduction

On October 29, 1929 the stock market crashed, signaling the end of the economic boom the nation experienced in 1920s. This economic boom, combined with the World War I-wave of Southern migration, had facilitated the growth of a black business community in Detroit. But the Great Depression threatened to destroy everything that migrant entrepreneurs had built up in the previous decade. In the early 1930s, the efforts of newly formed black business organizations helped alleviate the economic suffering of black entrepreneurs and were crucial to maintaining Detroit’s business community in a time of economic crisis.

This chapter investigates black business in Detroit during the Great Depression and argues that the depression devastated Detroit’s black businesses and pushed Detroit’s African American entrepreneurs towards a variety of survival strategies. Theses strategies included forming organizations that promoted black self-help and boosting black business, pursuing economic alternatives to the capitalist system, and creating a more level playing field by engaging in illicit business. All of these strategies were designed to advance black economic recovery and make gains towards full economic citizenship for African Americans.

Black Detroiter and The Great Depression

The Great Depression devastated the city of Detroit. The motor city was particularly hard hit by the depression because consumers across the country had less money to spend on luxury items, and an automobile was certainly a luxury. By October
1930 an estimated 123,200 of the city’s 689,566 gainful workers were unemployed. This number increased to 178,000 in December 1930 and 233,489 in January 1931, which was about 32.4 percent of the city’s labor force.\(^1\) Black workers were hit the hardest by the mass unemployment that industrial workers experienced during the depression. Detroit Urban League director John C. Dancy explained the situation this way: “you see, first and foremost, the Negroes didn’t have as much seniority as many of the whites and of course he had to go. The Negro was left out in many of these places.” According to Dancy, blacks in Detroit suffered more than whites because “there were more of them out of work and a larger percent of them out of work. And they had no office jobs, jobs like that where they could be retained. The Negro was a common laborer, semi-skilled was about as high as he got.”\(^2\) Thus, black workers’ unemployment rate was double that of whites. Although African Americans made up only 7.6 percent of the population, they constituted 30 to 35 percent of those on relief rolls.\(^3\)

Yet, during the first few months of the Great Depression, black community leaders believed that the economic downturn was not as severe as the one the city experienced in the early 1920s. At the January 30, 1930 Detroit Urban League meeting, Chester M. Culvor, the general manager of the Employers Association of Detroit, provided the executive board with information regarding employment trends at the time. Mr. Culver stated that “while conditions were not as bad as in 1921 that they were bad enough.” He further detailed, “there were more men employed at the present time than

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\(^2\) John C. Dancy, interview by Marvin Petroelje, Transcript, April 10, 1964, 17, John C. Dancy Papers, Box 1, Folder: Misc Personal and Biographical Materials, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan.

\(^3\) Fine, *Frank Murphy*, 250.
there were during the 1921 depression period.” However Culver also indicated that
employers across the city were neither as optimistic nor as hopeful as they had been in
other lean years. Culver was fairly certain that the first six months of 1930 would be
pretty bad economically. As time went on, it became clear to Detroiters that this
economic crisis was beyond anything the city had experienced previously.

Besides facing layoffs, black workers also lost many of the gains they had made
in curbing discriminatory hiring practices in the late 1910s and 1920s. African Americans
had succeeded in securing employment in sectors that had previously excluded blacks
such as utility companies, banks, and department stores. However, when jobs were scarce
during the Great Depression, white-owned businesses fired black employees and replaced
them with whites. This practice was a result of increasingly desperate unemployed whites
demanding access to jobs that had previously been relegated to blacks.

A June 1933 article in the Detroit Tribune highlighted various examples of blacks being fired and
replaced by white workers, such as at the Sears Roebuck where three employees were
dismissed and replaced with whites. The firing of blacks in order to replace them with
whites increased with the implementation of New Deal industrial codes that required
employers to pay higher wages to those employed in certain positions. Thus, some jobs
held by African Americans became more attractive to whites. In December 1933,
seventeen black workers at Detroit’s Webster Hall Hotel were fired as soon as the hotel

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4 Chester M. Culver was the general manager of the Employers Association of Detroit from 1916
to 1953. Culver was also a member of the Urban League executive board. “January 30, 1930 Minutes of the
Urban League Board,” January 30, 1930, Detroit Urban League Papers, Microfilm No. 1547, Reel #1,
Burton Historical Collection, Detroit Public Library, Detroit, Michigan; “Ex-Detroit Executive Dies at 90,”
5 John C. Dancy, Sand Against the Wind: The Memoirs of John C. Dancy (Detroit: Wayne State
6 “Firing Negroes and Hiring Whites,” Detroit Tribune, June 17, 1933, African-American
Newspapers, Microfilm No. 579, Burton Historical Collection, Detroit, Michigan.
began operating under the new code which required the women’s wages to be raised from fifty dollars a month to sixty-five. The hotel laid off the black workers and hired whites to replace them.\textsuperscript{7}

The Detroit Urban League’s Employment Office did its best to find jobs for black Detroiters who were out of work. During the early years of the 1930s, the office could place black workers in odd jobs or day work. As the depression continued, however, placing black job seekers anywhere became difficult. In 1933, the Office only placed 688 of its 7,000 black applicants. By 1938, the Office confessed that it could not do much more than refer “worthy” people to the WPA.\textsuperscript{8}

Black entrepreneurs in the city experienced their own unique challenges in trying to survive the Great Depression. The most direct ways the Great Depression affected black entrepreneurs was by reducing the black population in Detroit, and thereby shrinking both the size and purchasing power of their consumer base.\textsuperscript{9} Whereas new black migrants had once poured into Detroit, between the spring of 1929 and November 1929, “the influx … [was] almost negligible.”\textsuperscript{10} Instead, during this period an estimated 75,000 male workers left the city. Many were encouraged to leave by the city.

Charles Denby, a black migrant laborer recalled, “In 1929 no one was working…. It got

\textsuperscript{7} Richard W. Thomas, \textit{Life for Us Is What We Make It: Building Black Community in Detroit, 1915-1945} (Bloomington: Indiana University Press, 1992), 149.

\textsuperscript{8} Ibid., 66.

\textsuperscript{9} Migration patterns changed with the falling economy after 1929. The Great Depression kept most Americans close to home. In the difficult years of the early 1930s, people began to leave the cities in substantial numbers as journalists and politicians touted the benefits of going “back to the land.” Unknown numbers of former southerners now returned, seeking help from relatives who remained on farms or in the small towns of the South. Incentives were strongest when the family owned land or at least a house and garden. The best data on migrants returning south during the Depression comes from Flint, Michigan, where a special household census was conducted in early 1934. The population of southern whites had decreased by 35.1 percent in the four years since 1930, while the number of southern-born blacks had fallen by 18.9 percent. James N. Gregory, \textit{The Southern Diaspora: How the Great Migrations of Black and White Southerners Transformed America} (Chapel Hill: University of North Carolina Press, 2005), 28–29.

\textsuperscript{10} “January 30, 1930 Minutes of the Urban League Board.”
to the point where the city had to do something….The city officials put in the paper that they would pay the fare of anybody who had another place to go.”\textsuperscript{11} A December 30, 1930 article in the \textit{Detroit Free Press} supports Denby’s recollections. Here, Thomas E. Dolan, Superintendent of Welfare, indicated that Detroit’s Public Welfare Commission had “provided transportation for thousands of colored people back to their homes in the south.”\textsuperscript{12} City officials urged families on relief to return to their native Southern communities—and many did. However, large groups stayed on to “fight it out” in their adopted homes.\textsuperscript{13}

Fewer customers and the diminished purchasing power of the black consumers who remained in Detroit was even more damaging for black business when combined with competition from white-owned businesses in the black section of the city. Black businesses in Detroit struggled to survive in the racially segregated market where they had to depend solely on the support of black customers. According to Richard W. Thomas,

White competitors were well aware of the potential for profit within the black ghetto, where racial segregation fostered a captive consumer market. But black business and professional people were also captives, in a sense, because while white business and professional people could penetrate and exploit the ghetto market, their black counterparts could barely get within reach of the white consumer market.\textsuperscript{14}

Black entrepreneurs often complained about white competitors in their community, as they struggled to make ends meet throughout the Great Depression.

\begin{itemize}
\item \textsuperscript{12} “Relief Group Is Given Boost,” \textit{Detroit Free Press}, December 30, 1930.
\item \textsuperscript{13} Ulysses W. Boykin, \textit{A Hand Book on the Detroit Negro}, Preliminary (Detroit, MI: Minority Study Associates, 1943), 65.
\item \textsuperscript{14} Thomas, \textit{Life for Us}, 208.
\end{itemize}
When the Great Depression came, black entrepreneurs developed strategies to retain customers and combat the effects of the depression. Black entrepreneurs could not have known how long the Great Depression would last, but many had managed to come through the 1920-1921 depression. Perhaps business owners looked to their previous experience when calculating what measures they would need to take to remain solvent and outlast the current economic downturn. Advertising was a key strategy black entrepreneurs used to promote their businesses during the Great Depression era. During the 1920s and 1930s, businesses across the country saw advertising as a modern way to further the process of efficiency, specialization, and rationalization. The idea was that with more information being provided through ads, customers would choose the best and most efficient enterprises, increasing their sales and enabling them to achieve greater economies of scale. These businesses could then lower prices and attract more customers.\(^{15}\) In step with this marketing trend, black businesses in Detroit increasingly utilized advertising to stimulate sales during the 1930s.\(^{16}\) Black proprietors tried to relate and sympathize with the economic plight of their clients in advertisements. For example, on December 28, 1930, the Ohio Barbershop placed an advertisement in the black-owned newspaper the *Detroit People’s News*. In it the barbers who worked at the shop, Mr. Watkins, Mr. Lyons, and Mr. Gaines, not only advertised their services, but also offered words of encouragement. The advertisement stated, “Our President Hoover said it is the moral and spiritual inspiration of a Nation more than its material progress which will


determine its future.” The barbers as well as the proprietor, Mrs. A. L. Turner, wished their customers and friends “A Merry Christmas and Jobs for the New Year.”

Another tactic entrepreneurs used to attract customers was advertising their willingness to work with clients who lacked sufficient funds to pay for services up front. For instance, a little over a year into the economic crisis, Walter L. Riley, who touted himself as “the People’s Funeral Director,” advertised: “Customers with no money: Let us save you worry when you are in trouble with or without money—Consult Us.” Three years later in December 1933, husband and wife team Vollington and Agnes Bristol assured patrons “We Consider Your Troubles Our Troubles During These Hard Times.”

A. G. Wright Funeral Home guaranteed clients “we are always at your service, with or without money.”

Besides advertising, black entrepreneurs used other strategies in order to cope with the financial challenges of the depression such as increasing, reducing, or maintaining prices of goods and services. For example, Belle’s Beauty Saloons placed an advertisement that stated: “In cooperation with president Roosevelt’s blanket code to shorten hours, raise salaries and put more people back to work, our prices will be slightly higher beginning Sept. 1st.” The shop’s manager, Jeanette Coleman, hoped to have customers’ support in “bringing about the good purpose and aim of the administration,

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that we all may experience better living conditions and better times.” Conversely, Mitzie-Bobette Beauty Shoppe, placed and advertisement (directly next to the Belle’s Beauty’s ad in the same newspaper) informing customers that while the shop was now operating under the president’s new N. R. A. code, “regardless of the increase in the costs of material and advance in wages, their prices will remain the same.” Perhaps the proprietor, Beatrice Phillips, was trying to highlight Mitzie-Bobette Beauty Shoppe’s commitment to keeping prices low for customers, unlike its competitor Belle’s Beauty Saloons.

No matter what tactics they employed, black entrepreneurs faced the possibility of losing everything they had worked for, and some sought loans to avoid going out of business. In the 1920s the black-owned Michigan People’s Finance Corporation had offered loans for “both business and private life.” It is unclear how many loans the company was able to give during the 1930s, but it is likely they continued to give loans to business owners. Additionally, enterprising individuals who had available capital took advantage of the economic downturn by making loans and collecting interest. C. J. Cole advised potential clients “Don’t Lose Your Property,” and advertised that his company had “Money Available for Foreclosures and Mortgages.” Certainly some of those who faced the prospect of losing their property were entrepreneurs. Perhaps the services of

24 Presumably, the company was financially sound, as they were able to provide the Detroit Urban League, which had offices in the company’s building, free rent during the duration of the depression. Thomas, Life for Us, 186.
people like C. J. Cole allowed some entrepreneurs to stay afloat; however, even an inflow of cash was not enough to save black entrepreneurs whose customers had disappeared. Unfortunately, many of Detroit’s black businesses established during the 1910s and 1920s did not survive the Great Depression. Some were lost forever, others eventually reopened, and others closed shop in Detroit only to reopen in other parts of the country.

The Depression affected both Southern migrant entrepreneurs and Old Detroiters. Old Detroiters had an advantage over migrant entrepreneurs when entering new markets during the initial wave of the migration and operated some of the longest-running black businesses in the city. However, initial advantages were not enough to protect Old Detroiters from the grips of the depression. For instance, James H. Cole was a funeral director and the son of James H. Cole Sr., one of the most successful black entrepreneurs in nineteenth-century Detroit. When the senior James H. Cole died in 1907, the Detroit News estimated that he was worth nearly $200,000 and his son likely used some of this wealth to establish his undertaking business. The younger Cole began his funeral home on St. Aubin Street in 1919 and experienced great success. But in the early 1930s, Cole’s fortunes declined: he moved his business to St. Antoine and Livingston, likely to obtain less expensive commercial space. During the mid-1930s, Mr. Cole moved again to 446 E. Warren Avenue and remained there for two to three years until he lost the building during the depression.

Yet not all business owners who faced financial difficulties or ruin stayed down forever. James H. Cole was later able to re-open his business at 275 E. Warren and

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remained there until 1962.\textsuperscript{28} Similarly, funeral home owner Charles C. Diggs who had migrated to Detroit in the 1910s from Mississippi, went bankrupt in 1929 and went out of business. He did not return to the funeral business until 1932, the same year he was appointed as a member of the Michigan State Parole Commission, which provided him with steady income outside of his business pursuits. Diggs managed to start again and eventually built one of the largest funeral businesses in the country, the House of Diggs.\textsuperscript{29}

James H. Cole and Charles C. Diggs were able to bounce back from their losses. But the reality of losing everything or going bankrupt was too much for some entrepreneurs to bear. Some struggling business-owners made the decision to end their lives and free themselves from the financial troubles the Great Depression brought them. In September 1933, both Dr. Leon O. Jefferson and Hewitt Watson, two prominent black businessmen, committed suicide due to financial troubles. Dr. Jefferson had suffered from a nervous breakdown and was being treated at Dr. Ossian Sweet’s hospital before he fled to his cousin’s home and shot and killed himself. Jefferson had been under treatment at the hospital because he was despondent over economic conditions and had experienced “financial reverses.” According the \textit{Detroit Tribune}, “he had lost a large sum of money in the bank failures.”\textsuperscript{30} Hewitt Watson, an undertaker and insurance salesman, committed suicide in the rear of his mortuary at 611 E. Canfield Avenue.\textsuperscript{31} Perhaps

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\textsuperscript{28} Ibid.
\textsuperscript{29} Carolyn P. DuBose, \textit{The Untold Story of Charles Diggs: The Public Figure, the Private Man} (Arlington, VA: Barton Publishing House, 1998), 6.
\end{flushright}
financial troubles were too much for him to bear after sacrificing so much to uproot from Kentucky to start a business in Detroit.\textsuperscript{32}

Hewitt Watson and Dr. Leon O. Jefferson were not the only ones who struggled to deal with the economic damage brought on by the depression. The number of suicides in Detroit increased 30 percent over the previous five-year average in 1931. The mental health issues that came with economic insecurity and destitution likely contributed to a rise in suicides. Of the suicides for which the cause was known, almost half were directly attributed to unemployment.\textsuperscript{33} Moreover, the economic crisis fostered other kinds of mental health problems as well. According to the Detroit Bureau of Governmental Research, the number of “insane” persons in Wayne County increased by approximately 70 percent from 1930 to 1932.

Some black migrant entrepreneurs likely experienced feelings of depression when the businesses they had invested so much in simply disappeared. “Papa” Young, the grandfather of future Detroit mayor Coleman Young, was laid off from American Copper and Brass around 1930-1931 and never regained his job or pride. Coleman Young truly believed that “the absence of steady work is what killed him.” According to Coleman, “Papa had worked hard all his life, and it damn near broke his heart to be economically impotent.”\textsuperscript{34} It is not hard to imagine black entrepreneurs feeling similarly.

When their businesses were no longer solvent, some migrant entrepreneurs decided to go back to the South and start over. This was likely the case with William Ellis


\textsuperscript{33} Fine, \textit{Frank Murphy}, 248.

Jackson. Born on December 18, 1885 in Victoria, Texas, Jackson completed the 9th grade in the public schools of Texas before going on to study at Tuskegee Institute in Alabama and Worsham College of Embalming in Chicago.\textsuperscript{35} On February 15, 1914, Jackson completed his course at Worsham and then returned to Texas to begin his first embalming practice in Houston. After practicing embalming in Houston for two years, Jackson decided to migrate to Detroit and pursue his career there.\textsuperscript{36}

While he saved up money working as a laborer for the Detroit Shell Company, William E. Jackson was also busy acquiring the prerequisites to operate as a licensed embalmer in the state of Michigan.\textsuperscript{37} Jackson apprenticed under Chas T. Cole (brother James H. Cole Jr.) in the field of embalming and subsequently applied to take the Michigan State examination for an embalmer’s license in 1920.\textsuperscript{38} Jackson passed his exam and opened his own funeral business. He was soon profiled in the \textit{Detroit Contender}’s special business issue. Here, Jackson was described as “one of Detroit’s popular undertakers.” His establishment was located at 332 Orleans Street and carried a full line of modern funeral equipment. The profile stated: “Mr. Jackson is always ready to serve. It is this characteristic about him that has made for him legions of friends. You


\textsuperscript{36} Michigan Department of Licensing & Regulation, Board of Mortuary Science, William Ellis Jackson Application for Examination for Embalmer’s License May 24, 1920, Box 5, Folder 3, Application for Examination for Embalmer’s License, 1901-1933, Archives of Michigan, Lansing, MI.


\textsuperscript{38} Michigan Department of Licensing & Regulation, Board of Mortuary Science, William Ellis Jackson Application for Examination for Embalmer’s License.
will find a friend to the friendless and ready to lend a helping hand.”39 Jackson also advertised in the Detroit Contender and highlighted his full line of equipment, refined service, and agreeable prices.40

While funeral homes were one of the most stable enterprises in the black community, they were not without financial challenges.41 As the Depression continued year after year, Jackson finally decided to cut his losses and return to the South. By 1935, Jackson was back in Texas, living in Corpus Christi. The 1940 census lists Jackson’s occupation as an undertaker at his own shop, where he worked 60 hours a week.42 Two years later Jackson was still in Corpus Christi running a funeral parlor with a partner, Joel B. Flowers. Jackson operated this enterprise until his death in late 1942.43

For migrant entrepreneurs like William E. Jackson, the ability to return south and begin operating there was beneficial during the Great Depression.44 For others who chose to stay in Detroit, connections to their former homes in the South were also crucial.

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44 I have not found evidence of an entrepreneur who went south during the Depression and then return and re-established a business in Detroit. However, it is feasible that it could have happened. Charles Denby returned home to Alabama in 1930 and rode out the Depression there before returning to Detroit in 1943. However, it is more likely that established entrepreneurs stayed in Detroit during the Depression or moved within the region. When Charles C. Diggs’ funeral business failed, he sent his family to Chicago, Illinois, where they had relatives. They stayed there until he could get re-established in Detroit in 1933. Denby, Indignant Heart, 87; Elaine Latzman Moon, ed., “Charles C. Diggs Jr. Oral History,” in Untold Tales, Unsung Heroes: An Oral History of Detroit’s African American Community, 1918-1967 (Detroit: Wayne State University Press, 1994), 52.
Having family ties, capital, and/or property in the South was sometimes the only thing that enabled migrant entrepreneurs to ride out the depression. This was certainly the case for Berry Gordy Sr. and his wife Bertha.

Berry Gordy Sr. had left Sandersville, Georgia, in 1922 because he feared his financial success as a farmer and vendor could lead to problems with local whites. After following his brother to Detroit, Gordy decided he would settle permanently in the city. He recalled, “I got up there in Detroit and I saw how things was. I saw a lotta people makin’ money…. So I just know I could make big money in Detroit. I wrote for my wife, Bertha, to come up; I was gonna stay here. I told her to sell everything.” Many families had made property sacrifices in order to obtain the funds needed to migrate north. One man from Jacksonville, Florida, sold his horse, wagon, and cow to pay for his family’s transportation north. Dr. Robert R. Moton, principal of Tuskegee Institute held that many Southerners who left for northern cities ran off “pell-mell” without investigating and fully weighing the opportunities available to them in the North. According to Moton, “some Negroes who own valuable property have left their homes, their cotton, their cattle and even unharvested products, and gone north.” Fortunately, Bertha Gordy erred on the side of caution and decided not to sell everything. According to Berry Gordy Sr., “I meant for her to sell the cows, our home, the chickens, mules, horse, wagon, and buggy, sell everything! But she didn’t sell nothin’!!” Bertha came to Detroit about a month after

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48 Ibid., 501.
her husband and left everything in Georgia under the care of family members. Bertha’s
decision would prove to be a critical one.49

After working for wages in Detroit for a period, Berry Gordy Sr. was able to
establish a contracting business doing plastering and carpentering and also purchase a
grocery store.50 Like most migrant entrepreneurs, he faced obstacles in getting
established; however, he was able to grow his ventures into successful businesses.
According to Gordy, “I had a good business goin’ and had a lotta people workin’ for me.
So, when people would come to Detroit from Georgia, Mississippi, Alabama, or
Tennessee, or somewhere from the Southern states, the people at the church would send
‘em to me to give ‘em jobs as mechanics. They made good mechanics. There was lots of
‘em that I give jobs too.”51

One of the deciding factors of Berry Gordy Sr.’s success was his wife Bertha
Fuller Gordy. While Berry grew the contracting business, Bertha operated the store. Her
husband would go to the market place at five o’clock in the morning to purchase fresh
produce and other goods for the store. While Berry worked in the contracting business
from 7:00 a.m. until late at night, Bertha managed the store with the help of the Gordy
children who would come after school.52 Perhaps Bertha learned some of her
entrepreneurial knowledge from her father, who owned a racetrack and plantation in
Milledgeville, Georgia.53

The Gordys continued to experience growth in their businesses until the Great
Depression came and they ran into financial troubles. The plastering and carpentering

49 Gordy, Movin’ up, 86–87.
50 Ibid., 100.
51 Ibid., 122.
52 Ibid., 101–2.
53 Ibid., 67, 130.
business received fewer contracts, and the contracts Gordy could secure were for small jobs. It got to the point where Gordy did not have enough work for his employees and could not pay them. He had no choice but to lay off his employees. In order to cope with their financial troubles Berry and Bertha Gordy worked odd jobs so they could continue providing for their eight children. Most work related to Berry Gordy Sr.’s trade was temporary and did not pay enough to feed a family of ten. He once worked as a carpenter for the city, but the job was only for three days. According to Gordy, “what it really came down to, I was hustlin’ hard…. I was doing everything I could to make a livin’. I was sellin’ ice, coal, wood—even collectin’ junk paper to sell. I bought watermelons and sold ‘em whole and by the slice.” Bertha also worked at any jobs she could find, at one point working in an office doing day work.

As the Gordys’ income dwindled, their family ties and connections to the South came in handy, as well as Bertha’s decision not to sell all of their property when they migrated to Detroit. Soon after Gordy got on public relief rolls, his father-in-law sent the family a hundred dollars. Bertha’s father had sold two of the cows the family had left in Georgia. Berry Gordy Sr. remembered, “we was so happy! I wish he’d sold all of ‘em! We got that hundred dollars; seemed like five hundred dollars at that time. But then again, I thought anything was big money in the Depression years.” Besides the money from the cows, the Gordys also received a steady stream of income from their property in the South. According to Berry, “we had left everything in Georgia, everything…. So then I decided I’d rent out the houses down there on the plantation…I rented those [two] houses down there for six dollars a month, and I was payin’ fifty dollars up here for my

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54 Ibid., 126.
house! I though that was out of reason! But I made out with it.”56 Migrants who retained ties to their Southern homes and had income-producing assets had options for surviving the depression that native Detroiter did not have.

As black businesses faltered throughout the depression, proprietors and their family members often had to seek work outside of the business. This included children.57 James E. Cummings, whose family moved to Detroit from Greenville, Alabama, in 1918, worked as a newspaper delivery boy with his two brothers in the 1920s. Cummings remembered that during the 1921 depression “the family relied on the income from our paper routes, and we were able to make as much as fifty dollars a week...we made a cent a piece off of every paper.”58 Families’ reliance on income earned by youth likely increased during the Great Depression. Throughout the 1930s, the black-owned Detroit Tribune advertised that they were seeking boys to sell the newspaper. They claimed, “Live, Hustling Boys can earn BIG MONEY during Spare Time after school.”59

Yet, even with all family members seeking work, most black families still had to seek relief aid at some point during the depression, including the Gordys. Berry Gordy Sr. recalled, “I never did look to get on the Welfare…I held out; stood as long as I could.”60 Gordy was not the only Detroiter reluctant to seek assistance from the state. In 1930 Harry Andrews, president of the city’s Public Welfare Commission noted, “The sad part about the entire welfare problem is the fact that hundreds of men and women will go without food, clothing, or fuel, and deprive their children of these necessities, rather than

56 Ibid., 128.
60 Gordy, Movin’ up, 125–26.
appeal to charity.” Andrew added, “These people have too much pride to seek aid from the city, and they provide some of the most worthy cases.”

Berry Gordy Sr. believed his family was deserving and that he had a right to relief assistance because he “was a taxpayer,” but not everyone agreed. When Gordy finally went down to the relief office, some of the people in line tried to block him from getting in. According to Berry,

some of the people saw me. They told me that I didn’t need any help. Said, ‘that man use to work; he’s got a business; he’s a big man.’ Well, there was a time I was kinda big. I had people workin’ for me and all. But ‘cause of the Depression and bein’ that there wasn’t no more work, all that went down. I wasn’t no big man; I was just like the rest of ‘em.

Gordy’s statement highlights the fact that black working-class people at the time did not fully recognize the struggles of black entrepreneurs who remained in business during the depression. In his words, “the people down there at the welfare office said I couldn’t get on. My business was the reason keepin’ me off of the Welfare.” According to Detroit historian Roberta Hughes Wright, “during the Depression years most businesses were closed, closing, or operating in the red.”

Ulysses Boykin, and entrepreneur himself, recognized that, “those forced to seek relief aid not only included day labors but also professional workers and small businessmen of all races and nationalities.” Even entrepreneurs whose businesses did not fold could not always make ends meet without aid.

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61 “Relief Group Is Given Boost.”
62 Gordy, Movin’ up, 125.
63 Ibid., 126–27.
64 Ibid., 127.
65 Wright, Detroit Memorial Park Cemetery, 38.
Berry Gordy Sr.’s connections with entrepreneurs like Charles C. Diggs and other prominent blacks likely aided him in eventually being able to receive relief aid. Gordy went to city hall and met with the mayor’s secretary. He brought all of his receipts, bankbook, and other documents related to his business. After seeing the history of his business—how well he had been doing, and then the withdrawal of funds from his bank account—the secretary gave him a letter to take to the relief office. Subsequently Gordy was able to receive assistance. However Gordy asserted, “that soon I’d get to where I could get off, ‘cause I really didn’t want to be on welfare.”

The Gordys were not the only business owners who had to turn to the state for assistance. On January 10, 1936, John C. Dancy, director of the Detroit Urban League, wrote a letter to John J. O’Brien of the Works Progress Administration (WPA) in Detroit on behalf of Mrs. Lula J. Theus. Lula Theus was the wife of a photographer, and they owned Theus Photo Service located at 3419 Hastings Street. Dancy wrote to O’Brien,

For several years the Detroit Urban League has had on its volunteer staff of music teachers at its center at 1534 Chestnut Street a Mrs. Lula J. Theus…Recently Mrs. Theus has made efforts to be taken on the W.P.A., so that she might continue this work with some pay but all of her requests have been turned down since it happens that she is married. Her husband is a photographer but earns hardly enough to pay rent. I am writing to ask if it is at all possible for Mrs. Theus to be put on W.P.A. rolls?

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67 Gordy and Diggs had a longstanding relationship. Diggs had used Gordy’s plastering and carpentering business for his funeral home property and Gordy volunteered on Diggs’ campaign when he ran for state senator in 1936. Diggs’ appointment to the Michigan State Parole Commission led to connections with many city officials, which likely aided Gordy in obtaining a meeting with the mayor’s office. Gordy, *Movin’ up*, 125.

68 Ibid., 127.


It is not clear whether Lula Theus ever obtained a position through the WPA; however, her case demonstrates the struggles entrepreneurial families faced when they could not take advantage of New Deal programs.

Lula Theus’s experience of repeatedly being turned down by the WPA was not unique. Though her marital status was one factor in her being denied, her race very well could have been another factor in the rejection of Mrs. Theus’s application for the WPA. This is because black women routinely experienced discrimination in New Deal and social welfare programs. Government programs like the Works Progress Administration were supposed to provide work for unemployed blacks and whites alike. However, blacks across the nation experienced discrimination during the implementation of New Deal programs, with jobs frequently going to whites. For instance, black women applying at WPA offices were told that there were no government jobs and that they should “go hunt washing.”71

However, many black Detroiters could not count on New Deal programs such as the National Recovery Administration (NRA). In an address given in Detroit, Harry Haywood claimed, “N. R. A. means Negro Robbed Again” and that “the Roosevelt government, despite its liberal phrases is a government of big monied bosses—the Rockefellers, Fords, Morgans, etc.”72 In short, most New Deal programs were not designed for the benefit of black workers or black business owners. Thus, black

entrepreneurs had to rely primarily on their own efforts to weather the Great Depression.73

Black Entrepreneurs Organize

Throughout the 1930s, black Detroiters made many efforts to use business development as a solution to the economic devastation experienced in the black community. These included educating entrepreneurs in modern business practices, promoting individual black businesses, forming cooperatives, and promoting economic Black Nationalism and separatism.

When the Great Depression began, African Americans compared it to the depression Detroit had experienced in 1920-1921. Black entrepreneurs formed cooperative strategies to overcome the financial strains of the earlier depression and to provide employment for black workers who had been laid off. The work of organizations such as the UNIA and The Boosting Club, headed by Second Baptist Church’s Reverend Robert L. Bradby in the 1920s helped create a unified black business community in Detroit. Thus, at the beginning the Great Depression, black entrepreneurs were able to swiftly organize in order to work together to preserve and strengthen black business in the city.

Baptist minister Reverend R. L. Bradby had promoted black business cooperation in the 1920s, and the Reverend William H. Peck and Fannie B. Peck took up this work in the 1930s. Like Detroit’s Second Baptist Church, Bethel African Methodist Episcopal (AME) Church embodied the same self-help philosophy and worked to build black economic institutions in the community. By the spring of 1930, Reverend William H. Peck, pastor of the 2,000 member Bethel AME Church, felt the need to do something about the negative effects the depression was having on his congregation. Unemployed laborers were struggling to survive without work, and black entrepreneurs were struggling to fight off white competition and remain in operation. After discussing this predicament with his wife Fannie Peck, William decided that Detroit needed a black business organization. On April 15, 1930, Reverend Peck called a meeting of black business owners and professionals and the Booker T. Washington Trade Association was formed.74

Two months later on June 10, 1930, a group of 50 black women responded to a call issued by Fannie B. Peck, wife of the Reverend Peck. Out of the initial meeting emerged the Detroit Housewives’ League. Fannie Peck had conceived the idea of creating a housewives’ organization following a lecture by Albon L. Holsey, secretary of the National Negro Business League. Holsey had described the successful efforts of black housewives in Harlem to consolidate and exert their considerable economic power.

Fannie Peck was convinced that such an organization could benefit the black business community in Detroit.\textsuperscript{75}

The Booker T. Washington Trade Association (BTWTA) and the Detroit Housewives’ League (DHL) were the largest and most visible black business organizations during the Great Depression years. These partner associations were established in order to boost and build black-owned business in Detroit. Members of the BTWTA and DHL organized annual trade exhibits, canvassed black neighborhoods promoting black businesses, produced and distributed informational publications, and sponsored education programs for entrepreneurs and consumers. These organizations grew immensely during the 1930s and remained strong throughout the 1940s. From the fifty members who attended the first meeting, DHL membership increased to 10,000 by 1935 and had 12,000 members at its height.\textsuperscript{76}

Many BTWTA members had previously been involved in the 1920s business organizations, such as the Detroit Negro Business League, which was founded in 1926.\textsuperscript{77} Likewise, there was overlap in members and affiliates of the Elliotorian Business Women’s Club, founded in 1928, and the Detroit Housewives’ League.\textsuperscript{78} The previous networks that had been built among black entrepreneurs were an important factor in the success of the Booker T. Washington Trade Association and the Detroit Housewives’ League.

\begin{itemize}
\item \textsuperscript{77} Thomas, *Life for Us*, 214.
\item \textsuperscript{78} “1931 Negro History Week Program,” February 15, 1931, Elliotorian Business Women’s Club Papers, Box 4, Burton Historical Collection, Detroit, Michigan; “1936 Negro History Week Program,” February 9, 1936, Elliotorian Business Women’s Club Papers, Box 4, Burton Historical Collection, Detroit, Michigan.
\end{itemize}
The links and continuities between the BTWTA and DHL and 1920s black business groups and cooperative efforts have not been emphasized in historical scholarship. The main reason for this is that the DHL is more widely studied than the BTWTA, and historians have tended to analyze the two organizations separately. As a result, scholars have highlighted Detroit Housewives’ League’s consumer activism and philosophies on black women’s purchasing power. Yet framing the DHL as an outgrowth of progressive-era women’s clubs has pushed to the background the group’s foundational purpose of strengthening black business as a means to black economic security and independence. Likewise, analyzing the organization only in the context of Great Depression-era consumer movements obscures the longer history of black migrant entrepreneurship in Detroit and business cooperation that came before the depression.79

To be clear, the DHL did engage in consumer activism and worked to empower and educate black women consumers. However, in the 1930s their purpose in engaging consumers so was to boost black business and strengthen the position of black entrepreneurs in the market. In fact, much of the group’s consumer activism did not come about until the 1940s.80 Certainly larger consumer movements influenced the Detroit


80 The Detroit Housewives League’s purpose changed overtime to focus more on consumer activism. Their vision for black business and women’s role in improving African Americans’ economic position, shifted in the 1940s. In fact their slogan evolved from “Boosting, Building, Business” in the 1930s to “Buy, Boost, Build” in the 1940s. The reason for this shift is related to increased southern migration to Detroit during World War II and higher employment rates that allowed black Detroiter to consume at a higher level than they had during the depression. During the 1940s, the Detroit Housewives League began participating in activities that more closely resembled mainstream housewives groups and consumer rights
Housewives’ League. When promoting black women’s purchasing power, the organization often quoted Hugh Johnson of the National Recovery Administration’s figure that women did 80 percent of household buying in the United States. Central to the NRA’s campaign was recruiting female shoppers to moderate necessary price increases by patronizing only stores that displayed a Blue Eagle (the NRA’s symbol). The DHL participated in NRA drives and BTWTA members placed Blue Eagle placards in their businesses to demonstrate they complied with minimum hours and wages as well as prices set by the Roosevelt administration.81 Examining the Detroit Housewives’ League’s economic philosophy and actions in tandem with the BTWTA not only demonstrates the groups’ actions as a continuation of the work black entrepreneurs were doing in the 1920s, but also reveals that the DHL’s first priority was to increase and strengthen the position of black enterprises.

The Detroit Housewives’ League and the Booker T. Washington Trade Association formed for the purpose of boosting black business and encouraging black consumers to spend their money where it would do the most to advance the economic status of the race. The organizations asserted, “To throw support to Negro business in this way is a duty we owe the race. It is not a form of boycott against other groups. It is a legitimate and essential act of self-preservation.”82 Competition from white-owned organizations. However, they did continue to focus on black business growth, particularly emerging opportunities for women entrepreneurs in the 1940s.

businesses was one threat to black economic survival during the Great Depression.\textsuperscript{83} Black entrepreneurs’ disadvantage in Detroit’s (and the nation’s) economy only worsened with the economic crisis. The activism of the BTWTA and DHL centered on business education and improving business efficiency so black entrepreneurs could achieve economies of scale and become more competitive and at least have a better chance to compete for black dollars in the skewed market place.

One educational program these organizations created was the BTWTA Weekly Luncheons. This weekly noonday lunch was a space where business leaders and experts educated entrepreneurs in modern business practices as a way to strengthen black business’s market position. “Visiting men and women of high standing” spoke to the attendees about specific business sectors and aided in broadening members’ business knowledge and effectiveness.\textsuperscript{84} The BTWTA celebrated when a white-owned grocery and meat market, which opened on the corner of Forrest and Hastings streets, closed its doors after a few months. “We cannot believe the proprietors got rich and retired from business so soon, but rather that they could not stand the competition of so many stores operated by our group in that vicinity.”\textsuperscript{85} They clearly attributed the black businesses’ stronger position to the efforts of the BTWTA.


The BTWTA and DHL also aimed to strengthen black businesses to a point where they could provide more employment opportunities for black workers in Detroit. The League adopted the slogan, “Find a job, or make one and make your dollar do Triple duty.” A dollar doing triple duty would “get you what you need, give the Race what it needs—Employment, and bring what all investments should bring—Dividends.”86 Besides encouraging members’ individual businesses as a way to create more jobs for blacks, the organizations also sought to provide employment through their publication The Voice of Negro Business. They advertised, “Wanted...Young men and women to make money representing this paper. Liberal Commission.”87

The BTWTA and DHL helped foster the growth of many businesses, and proprietors recognized the positive impact the DHL had for black business growth. On November 14, 1939, Lincoln Gordon, “realizing the ability of the Housewives League to boost race business,” wrote to Christina Fuqua, president of the organization. Gordon manufactured a household cleaning product called Gordon’s Quality Cleanser, a mineral water softener and solvent, and he wanted the League’s helps. He wrote: “I shall be very please to have this body of business makers select or recommend to me one or more of your group to sell Quality Cleanser.” All agents recommended would receive one-fifth, or five cents, of every twenty-five cents earned in selling the cleanser and a $2.00 bonus after having demonstrated his or her ability to sell. Gordon closed his letter by letting Fuqua know that he subscribed to the League’s principles, “this is a written statement to

86 Hine, “Black Women in the Middle West,” 80.
87 The Voice of Negro Business February 1, 1936, Folder Chapters: Housewives League of Detroit: News Clippings 1931-1981, Box 2, National Housewives League of America Records, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan.
display my willingness to cooperate and promote a bigger and better Racial Business."\(^{88}\)

It is unclear whether the DHL recommended agents to Lincoln Gordon, but they did endorse his product and helped his establishment grow. In the September 1940 issue of the *Voice of Negro Business*, Gordon advertised his Quality Cleanser and stated that it was “endorsed by the Housewives’ League of Detroit.”\(^{89}\) This exposure and endorsement no doubt resulted in increased business for Gordon.

Gordon’s Quality Cleaners was one of many businesses the DHL and BTWTA assisted during the 1930s. Fred Allen’s Supreme Laundry, the Great Lakes Mutual Insurance Company, Barthwell’s Drug Stores, J. P. Branam’s Dairy Products, and Willis Eugene Smith’s Funeral Home were among the businesses that were founded or expanded during the 1930s because of the proprietor’s close ties with the BTWTA and DHL. All of these businesses would go on to become extremely successful enterprises in the 1940s and 1950s. By 1941 there were 250 businesses (out of 3,000 recorded black businesses) that were members of the BTWTA.\(^{90}\)

The BTWTA and HLD were the most visible black business groups during the Great Depression years. However, they were not the only organizations black entrepreneurs formed to foster business cooperation for joint economic survival. Black entrepreneurs in specific fields created their own cooperative associations. For example, sixteen black-owned trucking, moving, and storage companies founded the Detroit

\(^{88}\) Lincoln Gordon to Christina M. Fuqua, November 14, 1939, Folder: Correspondence 1932-1967, Box 1, Housewives’ League of Detroit Papers, Burton Historical Collection, Detroit, Michigan; Hine, “Housewives’ League of Detroit,” 232.


Cooperative Movers Association. Likewise, in April 1933, Detroit’s black manufacturers came together under the leadership of R. C. Smith, president of May Morning Manufacturing Company, to organize the National Negro Manufacturers’ Association (NNMA). Its purpose was to “stimulate the sale of colored manufacturers’ products among the buying public, and to create a greater demand for these products among members of the race.” In order to do this, NNMA planned an advertising campaign and direct house-to-house contact with potential clients. The organization was comprised of more than half of the forty-six black manufacturers in Detroit.

Besides cooperative organizations, blacks also participated in popular movements that promoted business as a means to black economic security. These included Father Divine’s International Peace Mission movement, The Nation of Islam, and the Development of Our Own. The latter two groups formed in Detroit the 1930s and stressed black economic independence and self-determination during the depression years. Although these groups had different philosophies on religion and interracial cooperation, they all stressed the importance of blacks’ engagement in business ventures.

Father Divine’s following began in the late 1910s, but the International Peace Mission movement was most popular during the Great Depression years. Father Divine, who was born George Baker, founded the new religion in Harlem. The Peace Mission movement was premised on a belief in race neutrality and faith in Father Divine as God. According to historian Juliet E. K. Walker, Father Divine was one of the first African Americans to introduce “New Thought” economic principles to the black masses. These

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teachings held that followers could use their mental capacities and positive thinking to achieve wealth. Thus, Divine’s message had significant appeal to blacks and whites across the nation. Initially, Father Divine ran an employment service to provide jobs in domestic services for his members. His chief economic goal, however, was to organize his “angels” into groups that would establish businesses and turn over the profits to him. Father Divine and his angels ran several profitable enterprises including restaurants, laundries, dry cleaners, clothing stores, groceries, and supermarkets. Divine’s business success enabled him to provide employment to the unemployed and food for the hungry during the Great Depression. Through his ownership of hotels and apartments, he also provided free housing for the homeless.

Yet it appears only a smaller number of black Detroiters joined Father Divine’s movement. Ulysses Boykin reported in 1943, “the so-called cult movements have not grown to any great extent in Detroit as they have in large Metropolitan communities, because of the strong control of the various established religious groups over the majority of Negro religious life. There are a few followers of Father Divine, but not enough to warrant any detailed mention.” While there is no evidence that Father Divine had a large following in Detroit, black entrepreneurs did sell the International Peace Mission’s materials in their stores. For example, a café called “Housewives’ Lunch” sold Father Divine’s teachings. Ferguson, the proprietor of Housewives’ Lunch, was a member of the BTWTA and proudly advertised that the café located at John R. and Palmer was

95 Boykin, Hand Book on the Detroit Negro, 39.
“dedicated to the Housewives’ League of Detroit.”\textsuperscript{96} It is unclear whether Detroit Housewives’ League members read Father Divine’s teachings or subscribed to his economic philosophies, but they certainly had the opportunity to learn more about Divine’s message. Scholars estimate that anywhere from 75 to 90 percent of Divine’s followers were African American women. The economic message of the Peace Mission and Father Divine could have been popular among members of the Detroit Housewives’ League or women customers who frequented the lunch counter.\textsuperscript{97} If anything, Father Divine provided black retailers with material to sell to those interested in black economic development.

Around the same time black entrepreneurs were organizing BTWTA and DHL in 1930, Wallace Fard (later also known as Wallace Fard Muhammed), a former restaurant owner and coat salesman, formed the Nation of Islam (NOI). Erdmann Beynon’s early study on the NOI reported that Wallace Fard made his first appearance among the blacks of Detroit as a peddler. According to Sister Denke Majied (formerly Mrs. Lawrence Adams), “he went from house to house carrying his wares. He came first to our houses selling raincoats, and then afterwards silks. In this way he could get into the people’s houses, for every woman was eager to see the nice things the peddlars had for sale.”\textsuperscript{98} With the financial constraints most black Detroiters experienced during the depression, Fard must have been selling his goods at a good price. Once inside black Detroiters’

\textsuperscript{96}“Photograph of Ferguson Lunch Counter,” Folder: Awards and Certificates, Advertising Agreements, Box 4, Housewives League of Detroit Papers, Burton Historical Collection, Detroit, Michigan; “Eat with Ferguson Advertisement,” \textit{The Voice of Negro Business}, September 1940, Folder: Related Organizations - Booker T. Washington Trade Association 1932-1987, Box 2, National Housewives League of America Records, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan.


\textsuperscript{98}Erdmann Doane Beynon, “The Voodoo Cult Among Negro Migrants in Detroit,” \textit{American Journal of Sociology} 43, no. 6 (May 1938): 895.
homes, Fard was able to sell silks and the Islamic religion. Denke Majied recalled, “He told us that the silks he carried were the same kind that our people used in their home country and that he had come from there. So we all asked him to tell us about our own country.” Fard’s strategy worked. Between 1930 and 1934, approximately 5,000 to 8,000 black Detroiter heard the call and became members of the Nation of Islam. Most were recent migrants from the rural South, the majority having come to Detroit from small communities in Virginia, South Carolina, Georgia, Alabama, and Mississippi. After 1934, the NOI expanded even more under the leadership of Elijah Muhammad (formerly Elijah Poole), a migrant from Georgia.

Black economic self-help and independence through entrepreneurship were central to the Nation of Islam’s teachings. Indeed, several NOI temples and members operated various business enterprises, such as grocery stores, restaurants, laundries, and farms. According to the FBI’s investigative report, “some of these institutions were organized to enable members of the [NOI] to secure freedom from the control of the “devil” [white race] and members are urged to patronize these institutions.” From the NOI’s point of view, upward mobility for blacks in the United States was limited by institutional racism and economic inequality. Elijah Muhammad felt the solution was not integration into the system, but separation.

The NOI’s economic Black Nationalist philosophy was not new: the organization’s message had many similarities to that of Marcus Garvey’s Universal

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99 Ibid.
100 Ibid., 897.
Negro Improvement Association (UNIA) and Drew Noble Ali’s Moorish Science Temple.\textsuperscript{103} African Americans who had previously been attracted to the UNIA’s economic philosophy were also drawn to the NOI. In fact, Elijah Muhammad, who would become the leader of the NOI in the 1930s was a former member of the UNIA, and Malcolm X, who would join the NOI years later, was the son of Garveyites.\textsuperscript{104} Members of the UNIA certainly saw a connection between the Detroit UNIA and the Nation of Islam. Garveyite Charles Zampy explained,

\begin{quote}
[{ootnotesize Elijah Muhammad}] was a good member of the UNIA and worked with us for many years...But Elijah Poole was wise enough in arousing the Black people here in certain areas...to recognize that the must do something economic for their race, and since they are \textit{Black} Muslims, then they must work as Black people. If he would have left the word ‘Muslim’ out, I think he would have gotten more cooperation from even those who were at one time former members of the UNIA.\textsuperscript{105}
\end{quote}

The culture of business cooperation that had been prominent in the Detroit division of the UNIA in the 1920s was no doubt crucial or the formation and growth of the NOI in 1930s Detroit.

Another prominent organization that attempted to solve the economic injustices African Americans faced in Detroit was the “Development of Our Own.” Unlike black separatist organizations, this group stressed the importance economic cooperation amongst all people of color. George Grimes, a city worker, started the Development of Our Own in 1933. Major Satouchi Takahashi, a reserve Japanese officer, would take


\textsuperscript{104} Elijah Muhammad was not the only former UNIA member in Detroit who, in the wake of the decline of the UNIA, sought other means of community building and economic development. Two former UNIA leaders, Charles C. Diggs, and J. A. Craigen left the UNIA for other pursuits for economic development. Diggs, in particular, became deeply involved with the Booker T. Washington Trade Association. Thomas, \textit{Life for Us}, 199; Beynon, “The Voodoo Cult,” 898.

\textsuperscript{105} Jeannette Smith-Irvin, \textit{Footsoldiers of the Universal Negro Improvement Association: Their Own Words} (Trenton, NJ: Africa World Press, 1989), 49.
over leadership of the group. According to Ulysses Boykin, Takahashi “used the organization to urge Negroes to join with all other colored people, yellow, brown, and black-against all white people.”

While the Detroit Police Department investigated Takahashi for seditious activities, the black business community had no problem with the Development of Our Own. The *Detroit Tribune*, owned by BTWTA and DHL founders Reverend and Mrs. Peck, published articles relating to the activities of the Development of Our Own. They included a report on Takahashi’s address at a black church and a picture of Takahashi with his African American wife. The *Detroit Tribune* was the only newspaper in the city that printed a picture of the interracial couple, and the paper received much criticism for the move. The *Detroit Tribune* also printed advertisements for black businesses that were affiliated with the organization. For example, Howard Grocery advertised their “complete line of groceries and fresh meats” while also promoting its affiliation with the Development of Our Own.

Although they had different positions on racial separatism, the Development of Our Own and the Nation of Islam had similar philosophies on the importance of minority-owned business and black economic development. Major Takahashi even capitalized on these similarities by attempting to lure some members of the Nation of Islam to join his organization. However, only a small minority of the members followed him into the Development of Our Own.

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Police officers eventually raided the Development of Our Own’s headquarters at 2299 East Congress Street. Major Takahashi and his wife were arrested, and Takahashi was deported to Japan shortly thereafter in 1934. The organization continued operating even after Takahashi’s deportation. Development of Our Own was carried on by Mrs. Takahashi and had branches in multiple cities throughout Michigan. In 1943 the organization claimed to have a membership of over twenty thousand. However, the Detroit Police Department estimated that the figures were less than half the number claimed.\textsuperscript{109} Even if the Development of Our Own had slightly fewer than ten thousand members (as per the police estimate), that was a large following, approximately the same size as the Detroit Housewives’ League.

The FBI and the Detroit Police Department considered the NOI as a cult or “voodoo” organization. The police also regarded the Development of Our Own as a threat.\textsuperscript{110} However, many in Detroit’s black community did not see things this way. When Ulysses Boykin reported, “the so-called cult movements have not grown to any great extent in Detroit,” he was not referring to the Nation of Islam or the Development of Our Own.\textsuperscript{111} Boykin discussed these groups as legitimate organizations, not as a part of “cult” movements. Some black Christians were uncomfortable with the NOI because of religious differences, but many agreed with the organization’s message about black economic development and self-help through business. These organizations all participated in an ongoing conversation in Detroit about the importance of maintaining and growing black-owned businesses during the Great Depression years.

\textsuperscript{110} Beynon, “The Voodoo Cult,” 894.
Alternatives to Capitalism

During the economic crisis of the 1930s, not all black entrepreneurs turned to boosting business and economic Black Nationalism as a response to the depression. The economic breakdown also caused some business owners to doubt the viability of capitalism in the United States. One such person was Haywood Maben, a Marxist barber operating in Detroit. Haywood Maben was originally from Augusta, Georgia, and migrated to Detroit sometime between 1923 and 1930. Prior to coming to Detroit, he had operated Maben & Maben Barbershop in Augusta with his business partner Noy Maben. Once in Detroit, Haywood Maben ran a two-chair barbershop on the city’s east side at 2241 Waterloo St.\(^\text{112}\)

According to Coleman Young, Haywood Maben conducted civic classes in his shop. Young remembered Maben as a “pontificator extraordinaire” who “argued about economic systems” and subscribed to the theory of dialectical materialism.\(^\text{113}\) It is possible that Maben attended classes held by the Communist Party in Detroit. Richard O’Hair recalled that during his membership in the CPUSA he attended several evening classes held at 10 West Warren Avenue in Detroit, where he studied dialectic materialism.\(^\text{114}\) Maben’s barbershop attracted a crowd of the “more thoughtful men” in the neighborhood and occasionally, somebody would purchase a haircut. As Young put

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\(^\text{113}\) Young and Wheeler, Hard Stuff, 29; For more on hair salons and barbershops as political spaces see, Tiffany M. Gill, Beauty Shop Politics: African American Women’s Activism in the Beauty Industry (Urbana: University of Illinois Press, 2010); Quincy T. Mills, Cutting Along the Color Line: Black Barbers and Barber Shops in America (Philadelphia: University of Pennsylvania Press, 2013).

\(^\text{114}\) Richard F. O’Hair, Charles E. Potter, and Donald T. Appell, Communism in the Detroit Area (Washington, D. C., 1951), 43.
it, “if you weren’t in the market for a political quarrel, you didn’t happen into Maben’s.” Most of the regulars shared the same basic ideology, which Young described as “trade unionism with a liberal dose of communism.”\textsuperscript{115}

The fact that Haywood Maben was an entrepreneur and supported communism raises certain questions. For instance, why would he be interested in a system that seemingly would not support his interest as private business owner? And how did black entrepreneurs with communist leanings reconcile their existing petite bourgeoisie status with a potential economic revolution? Perhaps part of the answer to these questions lies in the precarious and discriminatory nature of being a black entrepreneur in the United States. Black entrepreneurs did not operate in a free enterprise system because they could not compete on equal terms as white competitors. Perhaps those who supported communism understood that white wealth was built on the exploitation of blacks, and that the racialized economic hierarchy would not change without drastic measures. Communists had many visions of what a communist America could look like; perhaps Haywood Maben imagined he could still be a barber after the revolution, but with greater economic security. For blacks communists, an economic revolution seemed far more likely to lead to racial and economic equality than the existing system of racial capitalism.

Some black entrepreneurs were working-class people who had turned to business because of a lack of job opportunities, job security, or workplace mistreatment. For African Americans not necessarily seeking to make a fortune, but who desired a stable income and economic security, communism could have been an attractive option. What drew blacks to communism in the 1930s was the promise of working-class

\textsuperscript{115} Young and Wheeler, \textit{Hard Stuff}, 29.
empowerment, and many black entrepreneurs were working class-people. Of the crowd
who frequented Haywood Maben’s barbershop, Coleman Young noted, “there were not a
lot of conservative…Booker T. Washingtonians in the barbershop crowd—with the
exception of the cobbler next door, who had attended Tuskegee Institute.” In fact,
Haywood Maben did not make much more in his barbershop than an unskilled laborer
working in an auto-factory. While some black entrepreneurs aspired to amass a
fortune, many others simply used the skills they had to make a living through business.
Maben probably fell in the latter class.

Black contemporaries also had questions regarding the relationship of black
entrepreneurs to a workers’ revolution. In a 1936 article in The Crisis, Bettie E. Parham,
former head of the Economics Department at Shaw University and founder of “Miracle
Products” beauty supplies, asked “What of the Negro Bourgeoisie?” In this article,
Parham argued that the small group of black professional and business people including
lawyers, physicians, dentists, educators, government workers, and other white collar
occupations, needed to choose whether to ally themselves with the worker, the capitalist,
or remain in their neutral status. The writer urged black entrepreneurs to side with the
laboring class, writing that the Negro bourgeoisie, “like the others, has suffered by the
depression,” and that the “laissez faire attitude of the educated Negro toward the laborer
can do no other than lead to racial deterioration.” Parham recognized the dilemma black
entrepreneurs faced. She was all too aware that “the life blood of the Negro bourgeoisie is

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116 Ibid.
117 The 1940 census reported Haywood’s income at $980. This compared to $1,000 of a skilled
auto-factory worker and $864 of an unskilled foundry worker. 1940 U.S. Census, record for Hayward
Maben at 1836 Maple Street, Enumeration district 84-304, page 2b, household 34, Detroit, Wayne County,
MI, Ancestry.com (online database).
118 Bettie E. Parham, “What of the Negro Bourgeoisie?,” The Crisis, July 1936; “‘Miracle’
Treatment for the Hair Attracts Throng to 125th Street,” The New York Age, August 15, 1936.
dependent upon the proletariat on the one hand, while they are tied hand and foot to the capitalist on the other…Extreme loyalty to either side means death to him.” Parham also acknowledged that the communists’ policies and principles might not appeal to black entrepreneurs, because “if brought to fruition [they] will doubtless tear down the hopes and accomplishments of many years’ struggle.” Still, she concluded, “the white collared Negro must look beyond his immediate circumstance into the future. He must offer himself to be hanged upon the cross of personal sacrifice to save the suffering masses.”

Perhaps Parham did not have confidence that black entrepreneurs would ever be able to enter the capitalist class, and thus reasoned that all African Americans should support black workers’ struggle.

Were other black entrepreneurs, besides Haywood Maben and Bettie Parham, convinced that they were better off siding with the masses over capitalists regardless of the personal financial sacrifices it entailed? Possibly. According to O’Hair, an FBI informant, the Communist Party’s East Side Council in Detroit consisted of different neighborhood clubs, factory branches, and professional groups, which involved doctors, lawyers, artists, and anybody with a craft. The East Side Council was chaired by Chris Alston, an African American war veteran, and had many black members. Dr. J. Massee, a black medical doctor whose office was at 5205 Hastings Street, was a member of the party’s Midtown Club and “paid dues, but put in few appearances at general meetings.” However, membership records do not exist to confirm how many other black professionals and entrepreneurs were directly involved with the Communist Party during the 1930s.

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119 Parham, “What of the Negro Bourgeoisie?”
120 O’Hair, Potter, and Appell, Communism in the Detroit Area, 55, 24–25, 92.
Yet, Haywood Maben and Dr. J. Massee were not the only African Americans to join the communists during the depression years.\(^{121}\) James Anderson, was one of the primary African American communist organizers in Detroit. Anderson was Co-Director of the Political Action Committee of the Communist Party’s Midtown Club and in 1944 helped to organize the Thirteenth Congressional District Democratic Club, located at 114 Erskine Street, Detroit, Michigan. According to Richard O’Hair, Anderson had joined the party in 1932.\(^{122}\) Anderson was a union man, but some “Booker T. Washingtonians” also appeared sympathetic to the communist cause, or at least were willing to do business with the Communist Party in Detroit.

Richard O’Hair connected several business concerns to Communist Party activity when he testified before the House Un-American Activities Committee.\(^{123}\) For example, a dentist leased a space above Mac’s Drug Store for the party to hold meetings. Likewise, Iggy Barenson, who operated a newsstand near City Hall, also supplied the *Daily Worker* for all the Communist Party units in Wayne County.\(^{124}\) While most of these connections seem to be with whites, O’Hair’s testimony suggests a relationship between the Communist Party and black entrepreneurs in Detroit going back to the Great Depression years.

Dr. Aaron C. Toodle was a black entrepreneur who might have been involved with, or at least sympathetic to the communist cause. O’Hair remembered that Harry


\(^{122}\) O’Hair, Potter, and Appell, *Communism in the Detroit Area*, 33–34.

\(^{123}\) The three-day hearing was mostly comprised of the testimony of Richard F. O’Hair, a former member of the Communist Party U.S.A. and an FBI informant. O-Hair’s testimony focused mainly on local organizing and activities of the CPUSA that related to the labor movement. O’Hair, Potter, and Appell, *Communism in the Detroit Area*, 1–5.

\(^{124}\) Ibid., 7–8, 60.
Glassgold, an artist involved with the party, had mentioned that Dr. Aaron C. Toodle “was instrumental in assisting Glassgold in his organizational work for the Communist Party in the State of Michigan.” One of Harry Galssgold’s main organizational projects was to pinpoint individuals who could be cultivated for Communist Party membership and leadership in organizations within Detroit’s African American district. According to O’Hair, Toodle assisted Glassgold in creating progressive democratic organizations in the Thirteenth Congressional District.125

Toodle was a pharmacist and extremely successful businessman. Originally from Plymouth, North Carolina, Toodle had graduated from Howard University in 1917 and migrated to Detroit in 1919.126 By the 1930s, Toodle’s resume in the black business community was extensive. Besides operating several drug stores in Detroit, Toodle was also the treasurer for Michigan People’s Finance Corporation and general manager of the Tribune-Independent newspaper.127 Along with Charles C. Diggs, Aaron C. Toodle was one of the initial entrepreneurs that mobilized and raised capital to establish Detroit Memorial Park Cemetery, Detroit's first black-owned cemetery in the mid-1920s. Not only was Toodle one of the original 20 subscribers who purchased 5 shares each in 1925, he was the first president of the Board of Directors and also served as the general manager of the company during his time as board president.128

125 Ibid., 105–6.  
127 “Campaign Flyer for Aaron Toodle, Republican Candidate for Michigan State Senate,” c 1934, MS/Toodle, Aaron C., Burton Historical Collection, Detroit, Michigan, https://digitalcollections.detroitpubliclibrary.org/islandora/object/islandora%3A142931.  
128 Wright, Detroit Memorial Park Cemetery, iii, 21, 46.
Additionally, Toodle was a long-time Trustee of Detroit’s Bethel AME Church, where the Booker T. Washington Trade Association was established in 1930. At the BTWTA’s initial founding, Toodle was elected chairman of the Committee on Ways and Means. Aaron C. Toodle’s wife Hattie Toodle was a founding member of Detroit Housewives’ League and was elected treasurer at the group’s initial meeting. Throughout the 1930s and 1940s, Aaron and Hattie Toodle were deeply involved with the BTWTA and the DHL and contributed financial resources to the organizations.

So why would Toodle, who seemed to epitomize the conservative “Booker T. Washingtonians” have connections to the Communist Party? There are several possible explanations. First, it is possible that O’Hair misunderstood Toodle’s role in helping Harry Glassgold in his organizational work for the Communist Party. Toodle was involved in local politics and might have worked with Glassgold without knowing of Glassgold’s communist ties. However, it is also possible that Toodle was sympathetic to the Communist Party’s cause. When campaigning for a Michigan state senate seat in 1934, Toodle highlighted that he had “helped hundreds of Negroes to secure employment, rendered much welfare service, and clothed hundreds of needy children.”

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129 “Campaign Flyer for Aaron Toodle, Republican Candidate for Michigan State Senate.”
Toodle claimed to be “A true friend to the forgotten man and woman.”\footnote{132}{“Campaign Flyer for Aaron Toodle, Republican Candidate for Michigan State Senate.”} Perhaps Dr. Aaron C. Toodle chose to ally himself with the laboring-class during the Great Depression.

Richard O’Hair also suggested a relationship between the communist Party and two black clubs, the Twelve Horsemen Club and the Detroit Association of Women’s Clubs, in Detroit in the early 1940s. These clubs’ membership consisted of many black business owners. It is unlikely that they would have allowed the Communist Party to meet in their space unless they were somewhat sympathetic to their cause. According to O’Hair, from time to time the Communist Party, U.S.A., rented accommodations at the Twelve Horsemen Club.\footnote{133}{O’Hair, Potter, and Appell, *Communism in the Detroit Area*, 33–34.} Located at 114 Erskine Street, Twelve Horsemen was owned by the Improved Benevolent and Protective Order of Elks of the World.\footnote{134}{In the early 1940s Ulysses Boykin reported that the largest type of business activity engaged in by blacks was the fraternal and insurance business. The lodges that conducted business in Detroit were the knights of the Pythias, the Odd Fellows, the American Woodmen, the Masonic and Shriners Lodges, the Eastern Star, Easter Lily Society, and the Elks (I.B.P.O.E. of W). Detroit’s Wolverine Lodge No. 72, I.B.P.O.E. of W was formed on October 19, 1905, however, there was little progress in the activity of the lodges to any extent until the beginning of 1918 when the lodge membership increased with the influx of southern migrants to Detroit. Detroit developed several Elk lodges, one of which was the Twelve Horsemen. Boykin, *Hand Book on the Detroit Negro*, 106–8.}

Erma Henderson, who managed the Twelve Horseman’s Civic Center, remembered the Twelve Horsemen as a luxurious facility. It had an auditorium and ballroom, as well as a huge kitchen in the basement, which was equipped to serve meals for the large groups that rented the banquet hall on the second floor. The center also supported black businesses. When the Twelve Horsemen purchased a smaller club in order to expand its property, Henderson remembered, “the renovation that took place to make this change was the first time I had seen an African American contractor granted a
job.”\textsuperscript{135} The Twelve Horsemen also utilized local black businesses for events. For special events in the ballroom, Henderson would contact Edgar Brazelton of Brazelton’s Flowers. Brazelton was an African American florist known for providing flowers for weddings, banquets, and church and union events that required an elegant touch. The Twelve Horsemen was one of the major ballrooms for African Americans in the city.\textsuperscript{136}

Various organizations used the Twelve Horsemen Civic Center as their meeting place. They included the AFL-CIO, which would hold meetings there every Wednesday, and the National Negro Labor Congress. Henderson recalled, “there was another labor group or two that would meet at the Civic Center, which caused some of the members of the Civic Center to question whether labor groups should be allowed to meet at the Civic Center.”\textsuperscript{137} Henderson did not specify which other groups used the Twelve Horsemen, but her statement gives credit to O’Hair’s claim that the Communist Party used the facility. According to Henderson, some members of the Civic Center protested the facility being used by labor groups because “the labor organizations members were predominantly white.” However, the problem could also have been that some were uneasy with communists meeting in the center. Henderson pointed out that her reason for allowing the groups to meet at Twelve Horsemen was that “labor organizations were being denied access to, and prohibited from meeting at other buildings.” The Board of Directors of the Civic Center backed Henderson’s decision to allow labor unions access to the facility to hold their meetings.\textsuperscript{138}

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\textsuperscript{135} Erma Henderson, \textit{Down Through The Years: The Memoirs of Detroit City Council President Emeritus} (Bloomington, IN: AuthorHouse, 2004), Kindle Locations 1018-1025.
\textsuperscript{136} Ibid., 1030–36.
\textsuperscript{137} Ibid., 1055–59.
\textsuperscript{138} Ibid., 1059–65.
\end{flushleft}
Richard O’Hair had also testified that the Midtown Club of the Communist Party held meetings at the Detroit Association of Women’s Clubs, located at 5461 Brush Street.\textsuperscript{139} Originally called the Detroit Federation of Colored Women’s Clubs, the Detroit Association of Women’s Clubs was established in 1921, and its membership consisted of many entrepreneurs or wives of business owners. The president of the Detroit Association of Women’s Clubs, Rosa Slade Gragg, received her bachelor’s degree from Morris Brown College in Atlanta, Georgia, and married James Robert Gragg, a Detroit businessman. Rosa Gragg was also the proprietor of the Slade Gragg Academy of Practical Arts, considered to be a “Tuskegee Institute” of the North.\textsuperscript{140} In fact, there was much overlap in members and leadership of the Detroit Housewives’ League and the Detroit Association of Women’s Clubs.\textsuperscript{141}

Perhaps a woman named Elizabeth Clark had convinced the DAWC leaders to allow communists to meet at their clubhouse. O’Hair remembered seeing Elizabeth Clark, an African American woman and a member of the Communist Party’s Midtown Club, speak at a CPUSA general membership meeting held at the DAWC. Clark lived at 631 East Kirby Street, just three blocks from DAWC’s clubhouse, and was actively trying to increase black participation in the Communist Party and labor activism.\textsuperscript{142}

Even if they disagreed with their economic goals, perhaps black business owners respected the Communist Party’s stance on racial equality and willingness to defend black clients in legal cases. For many African Americans during the 1930s, the appeal of

\textsuperscript{139} O’Hair, Potter, and Appell, \textit{Communism in the Detroit Area}, 68–70.

\textsuperscript{140} Hine, “Black Women in the Middle West,” 73–74.

\textsuperscript{141} For instance Agnes Bristol, Beulah Young, Christina Fuqua, Rosa L. Slade Gragg, and Violet T. Lewis. Biographical Sketches, Box 1, Folder 10, Michigan State Association of Colored Women’s Clubs Collection, Archives of Michigan, Lansing, MI.

\textsuperscript{142} O’Hair, Potter, and Appell, \textit{Communism in the Detroit Area}, 68–70.
the Communist Party was the organization’s promise of racial equality. The party sympathized with African Americans’ economic plight, and recognized that the capitalist system in the United States was particularly oppressive to black workers. This acknowledgement of racial capitalism by a white-led organization likely appealed to blacks who long understood that the economic system was flawed. The party’s insistence that blacks could attain full freedom only under communism was a divisive issue in the black community. Yet, for many Southern migrants who had come north to Detroit seeking freedom, the revolutionary system of communism seemed liked a viable route to economic security and equality.143

In the 1930s the Comintern’s International Labor Defense (ILD) represented African Americans in key legal battles. This was a major factor in black support of the Communist Party during the depression years. This convinced blacks that the party did not just talk about racial and economic equality, but were willing to take action. The most notable case the ILD took up was the Scottsboro Boys. Nine black teenagers were arrested in 1931 in Scottsboro, Alabama, and falsely accused of raping two white women while riding the rails. After eight of the nine were convicted and sentenced to death, the ILD was the first to offer its assistance.144 According to O’Hair, James Anderson, a prominent black communist joined the party in 1932 (soon after the ILD took up the


Scottsboro case). It’s possible that he and other black Detroiters were convinced that the Communist Party was the “real deal” by the Scottsboro case.

Detroit had its own local version of the Scottsboro case in 1934, which could have also led black entrepreneurs to support, or be sympathetic to, the Communist Party. In this case James Victory, an African American World War I veteran, was accused of slashing the face of a white woman in an alley and stealing her purse. Victory’s alibi was solid, he had no prior criminal record, and the method used by the police for witness identification was faulty.\(^{145}\) Apparently, the prosecution had no case against Victory and had to “rely solely upon the testimony of Mrs. Kay who only recognized his hair which she saw in an unlighted alley at night.”\(^{146}\) Maurice Sugar, a labor lawyer who worked for the International Labor Defense, defended Victory.\(^{147}\) Sugar successfully argued the case before an all-white jury and a sympathetic judge named Edward L. Jeffries. In his closing statement, Sugar passionately pleaded with the jury for justice. He called on the jurors to acknowledge the differences that racism had produced, specifically, that the “Negro is doubly exploited. He is exploited as a worker and he is further exploited as a colored worker.”\(^{148}\) This defense of the black proletariat, the lifeblood of black-owned businesses, could have prompted black entrepreneurs to directly or indirectly support the Communist Party during the 1930s.

Illicit Business


\(^{146}\) Haywood, *The South Comes North in Detroit’s Own Scottsboro Case, An Address Delivered In Detroit*, 8.


\(^{148}\) Dillard, *Faith in the City*, 77–78.
Blacks engaging in illicit business during the Great Depression years offered a critique of the existing formal economy. Profit was not colorblind and the legal markets black entrepreneurs operated in were skewed by racial discrimination. Black businesspersons were not in a position to compete with white entrepreneurs, and the formal economy offered African Americans second-class economic citizenship. Thus, some blacks sought opportunities in the illicit economy, which in some ways offered fairer competition and more favorable conditions for black entrepreneurs.

Illegal activities such as prostitution, gambling, and bootlegging were common in Detroit throughout the twentieth century. These activities particularly flourished during Prohibition and the Great Depression. According to Victoria Wolcott, even before the Prohibition, Detroit had developed a reputation for vice. The city’s illicit economy was sustained by its proximity to Canada, the closing of Chicago’s “red-light” district, and the large number of industrial workers who earned relatively high wages and were the primary consumers of leisure. As the busiest crossing point between the United States and Canada, the Detroit-Windsor region provided a fruitful opportunity for informal and illegal exchanges in the early twentieth century. During Prohibition years, the illegal liquor trade emerged as the second most lucrative industry in the region (after automobile manufacturing). Prostitution, gambling, and illegal drugs went hand in hand with the illegal liquor trade.

After betting at races became illegal in the United States during the Progressive era, entrepreneurs in Windsor, Ontario, built new racetracks to attract American customers. As head of the Detroit Urban League in 1916, Forrester B. Washington noted,

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“the proximity of the Windsor (Canada) races, attracted the touts, the gamblers, bookmakers and all the undesirable followers of the race track from all over the country.”  
Likewise in 1918 sociologist George E. Haynes reported, “about ten years ago, the crusade in other parts of the country against race tracks and the popularity of a race-track in Windsor, Canada, just across the river from Detroit” had brought many “undesirable” people to Detroit and “disreputable characters of other kinds than those who follow the race track were drawn from other large cities.”
Many of these newcomers settled in the region of St. Antoine and Hastings Streets in Black Bottom. Another migration occurred as a result of the 1911 vice campaign in Chicago. Forrester B. Washington noted that “when the reform wave struck Chicago and cut out at least a large part of the colored Red Light district, a great many proprietors of disorderly resorts and their hangers-on came to Detroit because it had the reputation of being a wide open town.” George E. Haynes likewise noted that “the freedom from police interference caused Detroit to be known as a ‘wide-open town.’”

Early twentieth century America saw vice districts being pushed into black neighborhoods at least in part as result of Progressive era campaigns to clean up cities and eradicate so-called “white slavery”—prostitution and sex trafficking. Such campaigns seem to have been more lax in black neighborhoods, which tended to be both over and under policed, and often became what Kevin Mumford has called interzones: vice districts that served both blacks and whites. This is certainly true of Chicago and

151 Wolcott, Remaking Respectability, 102.
153 Wolcott, Remaking Respectability, 102.
154 Haynes, Negro New-Comers in Detroit, 8.
New York. However, the history of vice districts in Detroit had a somewhat different trajectory. The near east side, particularly the Black Bottom neighborhood, was already regarded as the city’s vice district prior to the Great Migration. As the poorest and oldest section of the city, this area housed a mix of recent immigrants, Jews, and the small black population. Accordingly, Detroit’s pre-migration vice district was not predominantly black. Discrimination in the housing market forced Southern black migrants to settle on the near east side. As the black population increased, white residents left the area and blacks were forced to stay. The area continued to house the city’s vice, which became increasingly associated with African Americans. Thus, in Detroit, the vice district became more black over time, rather than vice being push into an established black neighborhood. Still, blacks and whites alike frequented illegal enterprises in the area.

Illicit business activities flourished in the 1930s. According to Coleman Young, “Prohibition and, in turn, the Great Depression converted Black Bottom into a haven for hustlers of every stripe.” Much of the black community in Detroit recognized some forms of illegal entrepreneurship, especially gambling, as a legitimate way of making money. Coleman Young remembered, “the money was jumping from pocket to pocket in those days. If you weren’t making money you either weren’t trying or were inhibited

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158 These ideas were not unique to Detroit. In Harlem, the numbers business was not viewed as a major nuisance, and some argued that “lotteries if any kind should not be but in the same illegal category as burglary and other major crimes.” Shane White et al., *Playing the Numbers: Gambling in Harlem between the Wars* (Cambridge, MA: Harvard University Press, 2010), 219.
by an unusual code of lawfulness.”¹⁵⁹ Many blacks survived the Depression and some profited greatly through what Coleman Young called “Black Bottom economics.”¹⁶⁰ Illicit business offered black migrants the ability to escape backbreaking work that paid less and often involved ill treatment from bosses. Being able to work for yourself, even if it meant breaking the law, was seen as a better option than working an industrial job or as a domestic worker under oppressive conditions. In Detroit, the Ford Motor Company (FMC) was the major industrial employer for African Americans. By the mid-1920s, the FMC was known as a “man-killing place,” and black workers were known as “Ford mules.”¹⁶¹ Detroit migrant Charles Denby recalled: “I never wanted to work for Ford…everyone talked about it, they said it was the house of murder.”¹⁶² Henry Ford and other manufacturers encouraged the dictatorial behavior of their foremen, who pressed for ever-increasing production by threatening workers.¹⁶³ According the Beth Tompkins Bates, it was not uncommon for black Ford workers from the thirties to refer to the FMC as “the plantation.”¹⁶⁴ George S. Schuyler, a well-known black journalist, referred to the Ford Motor Company as an “industrial Plantation” and claimed that the FMC was “run like a Georgia plantation.”¹⁶⁵ Likewise, one migrant recalled: “It was too goddamn hard working for Ford. That assembly line stuff is a sonofabitch, I’m telling

¹⁶⁰ Ibid., 35.
¹⁶⁵ Ibid., 229–30.
Detroiter Walter Rosser remembered that a job with Ford in the 1930s meant working in “almost slave-like conditions.” Migrants had come to escape plantations and the repressive working conditions in the South. The environment at places like FMC was enough for those who came north for greater economic self-determination to turn to illegal business.

Perhaps the ill treatment of laid off workers convinced those who turned to illicit business instead of industrial work that they had made the right choice. During the depression, black workers, especially those who had relied on employment from the FMC, were in a dire state. Charles Denby recalled, “during the depression, everything closed down once for two or three months. The paper came out asking for men for Ford’s. The next morning there was a stampede at Ford of two thousand men at five a.m. They were only hiring fifty or one hundred workers.” When the crowd did not disperse after Ford agents announced that they were no longer hiring, things turned violent. “The police rode up on horses and ran at the crowd hitting us with sticks,” remembered Denby. “This didn’t disperse the workers. The police called the Fire Department and they hooked up their hoses and shot cold water on us. It was the middle of winter. While we waited for the streetcars our clothes froze on us as hard as bricks.” That was the last time Denby went to the FMC to look for work. However, this incident was not the last time unemployed workers experienced violence at the hands of the FMC. On March 7, 1932, approximately 3,000 to 5,000 unemployed and laid-off workers organized a Ford Hunger March to demand jobs. FMC security guards, along with the Dearborn Police department

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167 Moon, Untold Tales, Unsung Heroes, 140.

168 Denby, Indignant Heart, 36.
fired into the crowd killing 5 and injuring 60 protesters. Violent incidents like these taught black migrants an important lesson about what to expect if their livelihood was dependent on industrial employment. African Americans who engaged in both legal and illegal entrepreneurship did not have to deal with the caprices of the Ford Motor Company and other industrial employers.

In the 1930s, the employment situation was particularly dire for black women, who faced overwhelming barriers to employment in the auto industry. Even during the depression, the Ford Motor Company remained one of the nation’s largest employers of black men, but it was unwavering in its refusal to hire black women. During the 1910s and 1920s, black women had been able to work in domestic service jobs, which they often received through the Detroit Urban League’s Employment Office. But during the depression, domestic work became increasingly scarce. Many working-class white families in Detroit who had hired household workers once a week or once a month discontinued this practice as male industrial unemployment increased. Ernestine Wright, a domestic worker remembered, “In the early ‘30s…blacks didn’t have any decent jobs anyway and lost what they did have, which was domestic service.” Moreover, the few black women who managed to secure domestic work did not make enough to live on. Wages of domestic servants stagnated or dropped to as little as one dollar a day in the 1930s. Without viable employment options, some African-American women were forced to participate in illegal enterprises as numbers runners or sex workers.

Writing about prostitution during the 1930s, Ulysses Boykin stated that a reason “for the large percentage of Negro women prostitutes is … economics. So long as sweat

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shop conditions exist, and low pay for women, prostitution was turned to in order to supplement their income.”¹⁷² Still, even sex work did not necessarily guarantee adequate income. In a study on prostitution in Detroit, Glen Taylor concluded that “the depression has brought no more prostitution but many more prostitutes.”¹⁷³ A decline in male wages, combined with increased numbers of workers who crowded the market, made prostitution more competitive and less lucrative during the 1930s. Additionally, sex workers faced competition from so-called “charity girls” who exchanged sexual favors for a night out or viewed sexuality as an expression of freedom and independence.¹⁷⁴

Engaging in prostitution and other illicit trades also carried risks. These risks included arrest, imprisonment, harassment from competitors and police officers, violence, and even death. Detroit’s Black Bottom neighborhood was closely monitored by the Detroit Police Department. Thus, the risk of harassment or violence from police was higher for blacks engaging in illegal business than whites. Ulysses Boykin pointed out that a higher rate of prostitution arrests among African Americans, compared to whites, was a result of stricter law enforcement among blacks by the police.¹⁷⁵ This was also true of arrests for other illegal business activities. Between 1930 and 1945, police arrested more black males for carrying concealed weapons than any other group.¹⁷⁶ Encounters with the police could turn deadly. A report on crime among African Americans in Detroit outlined several incidents in which police killed sex workers and bootleggers during raids

¹⁷² Boykin, Hand Book on the Detroit Negro, 97.
¹⁷³ Wolcott, Remaking Respectability, 175.
¹⁷⁴ Ibid.; For more on black women’s engagement in illicit business see, LaShawn Harris, Sex Workers, Psychics, and Numbers Runners: Black Women in New York City’s Underground Economy (Urbana: University of Illinois Press, 2016).
¹⁷⁵ Boykin, Hand Book on the Detroit Negro, 97.
¹⁷⁶ Thomas, Life for Us, 114.
Besides state violence, those conducting illegal business had to worry about violence from competitors. Carrying guns was common among residents of Detroit’s Black Bottom neighborhood, in part, because of the Southern gun culture that the migrants brought with them. However, during the 1930s when illicit business activities were prevalent, it is likely that some of the guns in the black community were used to conduct business. Illicit trade sometimes required violence to protect proprietors’ lives and business interests.

Throughout the Depression, illicit business activities and the violent crimes that often came with them were frequently reported in local black newspapers. Some community leaders found this reporting of black criminal behavior damaging to efforts to advance blacks’ social position in the city. For example, William J. Robinson, a Detroit Independent journalist, had this to say of African American gangsters: “They got out their guns and went to work, and the race in general has been made to share in their shame.” In the same vein, two Detroit clubwomen, Geraldine Bledsoe and Nellie Watts, wrote a letter to the editor of the black-owned Detroit Tribune to complain about sensationalist coverage of black crime. In the next issue of the newspaper, a veteran newspaperman responded to the women’s letter, “I have been in the newspaper business since 1928…I am in sympathy with Miss Watts and Mrs. Bledsoe’s complaint.” But the writer also reminded the women that a newspaper was primarily a business and “the first consideration of any business is to satisfy as many of its customers as is humanly possible.” While he agreed that black newspapers had a responsibility to their

178 Thomas, Life for Us, 114.
179 Wolcott, Remaking Respectability, 101–2.
community, they also needed to be profitable and crime news sold more newspapers.

Thus, he concluded, “Don’t tell papers how to run their business.”

Not everyone in the black community saw those who participated in illicit trade as dangerous criminals or a threat. Margaret Ward recalled, “St. Antoine was the street that ran the gamut of businesses, from legal to illegal. [As teenagers] my sister and I would walk through St. Antoine…We had never been treated in anyway but with great respect. No one bothered anybody, and we were very safe and very, very secure.”

Similarly, as a small child Lillian Duplessis would walk home from music class on Saturdays. According to Duplessis,

> the sidewalks between St. Matthews and Gratiot Avenue were just packed with men waiting to see what the policy number was gonna be, and they would write it on a little blackboard and put it up in the window. Well, my mother told me: ‘Those men aren’t gonna bother you. You just walk straight through and act like you know where you’re going, and don’t look around like you’re looking for anything, and they wont bother you.’ And sure enough, they didn’t. They would just make a path; and if someone didn’t see us coming, someone would say, ’Hey man, get out of the way. Don’t you see that little girl coming down the street?’

Perhaps one reason widespread illicit business did not bother many black Detroiters, is because they or people close to them at times participated in it.

Certainly, many black Detroiters were involved in illegal enterprises during the Prohibition years, when illegal alcohol was widespread in the city. The state of Michigan passed a prohibition law two years before the nation went dry. Much of the thrust behind the state’s prohibition came from Detroit’s largest firm, the Ford Motor Company,

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181 Moon, *Untold Tales, Unsung Heroes*, 170.
182 Ibid., 90–91.
183 The Eighteenth Amendment to the United States Constitution was ratified on January 16, 1919 and declared: “After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.” U.S. Constitution, amendment XVIII (repealed 1933).
and Progressive reformers who wanted to clear the city of workingmen’s saloons. The number of saloons had grown with the industrial boom, much to the alarm of Progressives, who considered drunkenness a social ill and harmful for worker efficiency and productivity.\textsuperscript{184} In the November election of 1916, the people of the state of Michigan voted in support of measures prohibiting “the manufacture, sale, giving away, bartering or furnishing of any vinous, malt, brewed, fermented, spiritous or intoxicating liquors, except for medicinal, mechanical, chemical, scientific or sacramental purposes.” Beginning in early 1918, prohibition went into effect in Michigan.\textsuperscript{185}

Despite early enthusiasm for a dry Detroit, the city ironically became one of the nation’s major import sites for illegal alcohol during the Prohibition years.\textsuperscript{186} The Detroit River, which separates the city from Windsor, Ontario, features a network of inlets and

\textsuperscript{184} Within his own company, Henry Ford employed inspectors to make sure workers were living frugal and decent lives, so that they could be more efficient workers. This zeal for cleaning up the lifestyle of the growing population of industrial workers spread throughout the city and the state and shaped the political sphere. In fact, in 1918, Detroit elected James J. Couzens, an officer and former general manager of the Ford Motor Company, as mayor. It was Couzens who had implemented the program of monitoring employees’ homes while at the Ford Motor Company. Boyle, \textit{Arc of Justice}, 103; Ford R. Bryan, \textit{Henry’s Lieutenants} (Wayne State University Press, 2003), 70.

\textsuperscript{185} In May 1917, the state legislature passed Governor Act No. 161 (called commonly the Damon Act) and Act No. 338 (known as the Wiley Act). The latter act made it unlawful to manufacture, sell or keep for sale, give away, barter, furnish or otherwise dispose of intoxicating liquors, while the Damon Act covered the bringing and carrying into the state, the receiving and possessing of intoxicating liquors. Both acts went into effect on May 1, 1918. Ralph W. Aigler, “Repeals by Implication: Prohibition in Michigan,” \textit{Michigan Law Review} 17, no. 6 (1919): 495–96, doi:10.2307/1277607.

\textsuperscript{186} Liquor was not the only illegal cargo being imported during the Prohibition years. Another profitable venture in Detroit during this time was the transportation of undocumented immigrants from Canada into the United States. Eugene Smith recalled, “the Chinese they would pay $2,000, $3,000 for someone to smuggle them over…that went on for years. A lot of Chinese came over through Canada.” While he never admitted to participating in any illegal business activities during the 1920’s and 1930s, Smith definitely seemed to know much about the inner workings of those who did. According to Smith, Detroit smugglers would put people into a sack on an open boat and take them across the Detroit River. If the authorities came, the smugglers would dump the sack overboard. The person inside the bag would have a knife so that they could cut themselves out and swim to shore. Willis Eugene Smith, Oral History, interview by Monroe Walker, 2 audiocassettes, December 27, 1984, MS/Smith (Willis Eugene), Burton Historical Collection, Detroit Public Library, Detroit, Michigan; The quota system based on national origins had been American immigration policy since the 1920s and was not abolished until the Immigration and Nationality Act of 1965 was passed. For more on immigration restriction into the United States see, Mae M. Ngai, \textit{Impossible Subjects: Illegal Aliens and the Making of Modern America} (Princeton: Princeton University Press, 2004), 21–55.
canals, which provided cover and escape routes for thousands of professional and amateur bootleggers. Additionally, the close proximity of a Hiram Walker whiskey distillery located in Windsor aided the illegal transportation of liquor across the Detroit River. The unlawful transport of liquor across the river was so common that the Detroit Tunnel was known locally as the “Detroit Funnel.”

Many ordinary people worked in the bootlegging trade for profit. Coleman Young learned the bootleg trade from his father, who routinely brokered whiskey that he obtained from Canada to half a dozen federal judges. Young, along with several friends, ran his own illegal business in his youth. Since the Coast Guard patrolled the river constantly, bootleggers would smuggle small loads of liquor that they could dump into the water at the first sight of law enforcement. Often, they would have to unload the cargo just before making it to the shore. The job of youth like Coleman Young was to mark the spot where the cargo was dropped, and then return first thing in the morning and dive to retrieve the goods. According to Young, once the illegal liquor made it to Detroit’s shores, selling it was no problem. There were thousands of Blind Pigs—Prohibition saloons—that would buy it.

Swimming the Detroit River was not an easy task, and was a highly risky aspect of illegal businesses during the Prohibition years. In fact, Coleman Young and his friends had to end their profitable operation after one of their best swimmers got caught in the

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188 Detroiters also produced alcohol only for personal consumption and did not engage in the illicit trade. Catherine Blackwell remembered when she was a girl in the 1930s, her father would make dandelion wine in the basement: “we would go out to River Rouge on Sundays and pick the dandelions. We would have big crocks in the basement and my father would make this wine.” Blackwell’s father, brother, and her brother’s friends consumed this alcohol. Catherine Blackwell, interview by Louis Jones, Transcript, June 29, 2005, Oral History Project of the WestSiders, http://thedetroitwestsiders.org/slider/catherine-blackwell.
190 Ibid., 22.
undercurrent and drowned.\textsuperscript{191} Not everyone smuggled liquor into Detroit on a boat. When the Detroit River would freeze over in the winter, smugglers would drive alcohol exported from Canada over the ice.\textsuperscript{192} Reginald Larrie remembered that bootleggers built a tunnel under the Detroit River, wide enough to pull a cart through. “It was like a dumbwaiter, and they ran whiskey from Canada under the river. They had speedboats on top of the water as decoys.” The police thought they were chasing the bootleggers, and the bootleggers were bringing the liquor under the water.\textsuperscript{193} Once the liquor was in Detroit, bootleggers would also use tunnels to transport alcohol between buildings.\textsuperscript{194}

Compared with those who manufactured and sold alcohol in speakeasies, entrepreneurs who transported liquor took on the biggest risks during Prohibition. Unlike bootleggers who manufactured and sold liquor in their homes or businesses, transporters moved through public space that was easily monitored by the authorities. Speakeasies, by contrast, were usually difficult to spot and closed off to strangers. According to Henry Biggs, “there was a speakeasy on the corner [of Woodward Avenue], a cigar store it was supposed to be, but you could go in there if you were known . . . because there was always a guard there. When they let you in, they just pushed a little button underneath the counter, and this wall would go back, and you could go in the closed back apartment.”\textsuperscript{195}

The bootlegging business was profitable for all involved, but it did not last forever. On March 22, 1933, President Roosevelt signed the Cullen-Harris Act, which

\textsuperscript{191} Ibid.
\textsuperscript{193} Moon, \textit{Untold Tales, Unsung Heroes}, 46.
\textsuperscript{195} Moon, \textit{Untold Tales, Unsung Heroes}, 46.
authorized the sale of 3.2 percent beer.\textsuperscript{196} This allowed legal enterprises to sell liquor again, and many new black-owned cafés and restaurants sprung up. Beginning in May 1933, such entrepreneurs advertised the fact that they were selling beer and wine at their venue. For example, Gold’s Drug Store announced that they sold “legalized 3.2 Beer” and Mack’s Barbecue & Beer Palace highlighted the selection of “3.2 Beer & Wine Choice Brands” patrons could expect at the Grand Opening.\textsuperscript{197} Similarly, the newly opened Williams’ Cafe advertised their selection of imported and domestic beer that were “back on the scene after 15 years.”\textsuperscript{198} The boom in establishments that sold beer also provided employment and opportunities for other black entrepreneurs. The newly opened Creole Kitchen promoted their “fine assortment of famous bottled beers,” but the proprietors also highlighted the fact that the decorating and construction for the business was done “by Negro craftsmen.”\textsuperscript{199} Entrepreneurs in the real-estate business also benefited from the upsurge in businesses wanting to sell alcohol. W. S. Fornay advertised a “Large store, just the room and location for a Beer Garden or other Business.”\textsuperscript{200}

Though Prohibition was over by the end of 1933, the economic depression was not. Detroit’s Cotton Club advertised for patrons to “Come and Drink Prosperity Back.” The owner of the club likely experienced an increase in patronage and personal

\textsuperscript{196} “Legal Beer Flows in 19 States... State Has to Wait at Least 10 Days,” \textit{Detroit Free Press}, April 7, 1933.
\textsuperscript{199} “New Cafe - Detroit’s Finest and Best,” \textit{Detroit Tribune}, May 27, 1933, African-American Newspapers, Microfilm No. 579, Burton Historical Collection, Detroit, Michigan.
prosperity with the ability to serve “Real Beer and Wine.” But many who spent their money at these new businesses were struggling financially. Accordingly, African Americans in Detroit continued to engage in illicit business activities throughout the depression years.

The most profitable illicit business sector in Detroit in the 1930s was gambling, particularly the “numbers game.” Know by different names, such as “Clearing House” or “Policy,” the numbers was essentially a lottery form of gambling where players had to guess the number for the day. In Clearing House games, the daily number was a three-digit number chosen from the clearinghouse reports of banks published in the daily newspaper. Operators received bets from one cent up, and paid odds of 500 or 600 to one. That is, a one-cent bet would net the winner five or six dollars. The players’ chances of winning were one to 999 since there were 1000 possible combinations of three digits. Various houses that operated under names such as “Yellow Dog” and “Alabama and Georgia” ran a different kind of lottery called “policy.” The houses selected numbers by spinning a wheel or shaking a container consisting of small tubes with numbers. The winning numbers consisted of one and two digits, and were printed on long strips of paper and distributed. The player had to guess at least three of the winning numbers to receive a payout. The smallest policy bets started at five cents. Compared to policy, clearing house was seen as a safer bet, since the clearing house numbers originated from an impartial source and could not be tampered with.

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203 Boykin, Hand Book on the Detroit Negro, 95.
204 Ibid., 96.
The numbers game started in Detroit during the World War I-wave of migration and grew as the black population increased.\textsuperscript{205} According to Ulysses Boykin, the growth of the numbers game could be attributed to “the Negroes desire to take chances and to bet in hopes of getting enough money to help raise him from poverty.”\textsuperscript{206} Before 1929, many leaders in the black community attacked the numbers game, because they viewed gambling as a vice. In 1928 the Colored Ministers Association organized a crusade against the practice in the press and pulpit. However, the harsh economic conditions of the depression caused many who had previously opposed the numbers game to change their position. This illicit business provided jobs for blacks that otherwise would be out of work, and winnings from hitting the right number helped families in financial binds.\textsuperscript{207}

The numbers business grew so much during the Great Depression that by the early 1940s it was the largest black business sector in Detroit. According to Coleman Young, just about everyone in the community participated in the numbers game either as business owners, employees, or players. Young recalled, “The only people not in the hustle were mothers and preachers, although it was hardly unanimous in their cases, either. Even my grandmother…played policy, as we called it, which paid off on numbers mimeographed all over town in houses named after southern railroad lines, like the Yellow Dog.”\textsuperscript{208} In his study on Detroit, Ulysses Boykin reported: “This racket has all the earmarks of big business and grew from a penny game played chiefly by Negroes over twenty years ago to a ten million dollar a year racket, giving employment to hundreds of
men and women in jobs such as clerks, writers, and pick-up men.” During the depression Charleszetta Waddles, a migrant from Missouri, had to go seek relief from the city after her husband was laid off. The city’s aid was not enough, and she sought supplemental income to provide for her children. According to Waddles, “I learned to pick up numbers as a side thing, you know. I’d walk from house to house and pick up numbers.” Some blacks turned to the numbers to make money because they had been denied the types of jobs for which they were trained and had ambitions beyond the service jobs traditionally offered to them (such as porters or maids). During the worst years of the depression, black college graduates found lucrative employment in this line of work. In fact, some of these college-educated young people did so well in the numbers game that they decided to remain in it even after the depression ended and legal employment was available.

African Americans’ decisions and entrepreneurial strategies in operating illegal enterprises during the 1930s were often linked to their larger goals of self-determination and economic freedom that they had migrated north for. Illicit business provided many Southern migrants with the lifestyle they had imagined possible when they left the South, but realized they could not achieve by working an unskilled industrial job. According to Coleman Young, numbers gambling was a profitable business that provided young migrant entrepreneurs with the lifestyle they had dreamed of:

All over the streets you’d see black guys with their pants neatly pressed and their fingernails manicured and their yellow leather shoes shined so bright it made you

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squin. Most of those guys came from the South, where their models for success were the highfalutin plantation owners, with their crisp clothes and smooth hands. The object was to remain unsullied by hard labor, and the young smart asses of Black Bottom seemed to have it knocked.213

No one questioned the fact that the numbers business was illegal and contributed to crime among blacks. Numbers runners made fortunes from gullible players; spiritualists and fortunetellers made large sums from releasing “tips” to those who played the numbers game.214 Yet, many black Detroiters viewed the numbers business as a positive force in the community, rather than a detriment to the race.215 As William Hines remembered of the black numbers business, “of course, it was considered illegal, but that money was put to good use in the black community, with the dollar turning over in the community five or six times. The pickup man, the lady that wrote the number, pickup man, the other pickup man, to the owner. The owner had all blacks working for his area.”216 The philanthropy of numbers bankers also contributed to the community’s positive impression of the numbers game. William Peck, the pastor of Bethel AME Church and founder of the Booker T. Washington Trade Association, remarked: “The church which I was pastoring needed money to complete a construction contract that had begun on the church building. Mr. ____ [a numbers banker] did not wait for me to ask help of him but came and offered the full amount needed to complete the job.”217 Even Reverend Peck acknowledged the positive role illegal business had on the community during the depression.

216 Moon, *Untold Tales, Unsung Heroes*, 78.
In many cases the revenue from this illegal source laid the foundation for legal black ventures. This increased black economic enterprise and subsequently gave legitimate employment to black youths trained in business.\textsuperscript{218} In Detroit’s black community, the formal and informal economies were inextricable connected. As Victoria Wolcott has noted, “the depression greatly blurred the already indistinct lines between the formal and informal economy” in Detroit.\textsuperscript{219} Money made from illegal entrepreneurship fed the legal economy and vice versa. Illicit business was sometimes the only entryway for blacks to establish legal enterprises. In inter-war Detroit, African American entrepreneurs could more easily receive credit at a numbers bank than at any legal financial institution.\textsuperscript{220} Since white-owned banks did not give loans to black entrepreneurs, numbers bankers were often the only choice black entrepreneurs had to secure adequate startup capital. According to native Detroiter Leroy Mitchell, “The backbone of the black economics in the ‘30s and even maybe before that was the numbers. This is how our money was really accumulated. Even Barthwell, the numbers guys help set him up...” Sidney Barthwell was the proprietor of nine drug stores and one of the most successful black entrepreneurs in Detroit. Mitchell continued, “many black businesses had numbers men behind them.”\textsuperscript{221} The success of legal businesses in

\textsuperscript{219} Wolcott, \textit{Remaking Respectability}, 169. Victoria Walcott also discusses the indistinctness of the formal and informal economy in Detroit on 94-95; Davarian Baldwin deals with the links between the formal and informal economy in Chicago’s New Negroes. In describing the businesses on the Stroll, Baldwin draws attention to the mixing of legal and illegal business interests. He argues that, while “the ‘official’ history of Chicago’s black business world” credits respectable “old settler” business men, “in fact, it was the underworld of policy gambling that stabilized the city’s black economy and social world, especially during the Depression.” Policy gambling money provided capital for the development of many aspects of the “Black Metropolis,” such as music clubs, films, commercial sports, banks, politicians, and even smaller businesses and churches. Baldwin, \textit{Chicago’s New Negroes}, 48–50.
\textsuperscript{220} Wolcott, “Culture of the Informal Economy,” 69.
\textsuperscript{221} Leroy Mitchell Jr., Oral History, interview by Deborah Evans, Transcript, November 15, 1990, 12, MS/ Leroy Mitchell, Jr., Burton Historical Collection, Detroit Public Library, Detroit, Michigan; Moon, \textit{Untold Tales, Unsung Heroes}, 85.
Detroit’s black community could not have been achieved without the capital from the numbers game.

Even if owners of legitimate businesses disapproved of the numbers business, they felt compelled to participate. Many barbers, beauticians, newspaper sellers, or lunch counter workers sold numbers as an expected part of their workplace duties. Entrepreneurs who did not wish to participate in the numbers often felt pressured to do so, in order to retain their clients for their legal business. A prominent dentist in Detroit described the bind black entrepreneurs were in: “what can I do when one of my patients asks me to buy a number? If I don't play with him he'll go somewhere else for his dental work.” Given the difficulty keeping a small business solvent during the Great Depression, few business owners or professionals could afford to displease customers who expected to play numbers at their establishments.222

Conversely, many entrepreneurs who ran legal businesses in Detroit also enthusiastically ran numbers games. For example Bill Mosley, one of the most powerful numbers bankers, was extremely successful in the legal business world. During the depression he owned the *Detroit Independent*, one of the city’s largest black newspapers, he had controlling interest in the McFall Brothers funeral business, the largest of its kind in Detroit. He had a half interest in the City Cab Company, the largest in the black community. Mosley also owned three store buildings, two poolrooms, and seven houses. Additionally, he and John Roxborough owned the controlling shares in Great Lakes Insurance Company, one of the biggest and fastest growing black-owned enterprises in Detroit.223

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223 Thomas, *Life for Us*, 118.
Businessmen John Roxborough and Everett Watson, who operated legitimate companies, set up the largest gambling houses in Detroit.\(^{224}\) Both were on the Board of the Great Lakes Insurance Company, and Watson was in the real estate business.

Roxborough was also Detroit boxer Joe Louis’s principal manager and was known as the richest black man in Detroit. The majority of his wealth came from the numbers business.\(^{225}\) In his autobiography, Joe Louis reflected on the role of such numbers bankers within the African American community of the 1930s: “In those days it was hard living if you were black, and it was harder still because the Depression was on. If you were smart enough to have your own numbers operation and you were kind and giving in the black neighborhoods, you got as much respect as a doctor or lawyer.”\(^{226}\) Joe Louis owned legal businesses such as The Brown Bomber’s Chicken Shack. According to Leroy Mitchell, whose family members were involved in the numbers, Joe Louis was in the numbers business, too, and “helped a lot of black businessmen go into business.”\(^{227}\) Certainly Lewis’s connection with John Roxborough makes this plausible. Whether he directly was in the numbers business or not, Joe Louis certainly would not have had such a successful career without the help of his manager and numbers banker John Roxborough.

Leroy Mitchell noted that the police department played a hand in determining who would be successful in the numbers business and who would not. Mitchell recalled, “for a while, the police department allowed it. You could pay them off… I can remember

\(^{224}\) Ibid., 116.
\(^{227}\) Mitchell, Oral History, 12.
the police wanted someone out of this business, they would make sure the owner could not function. According to Mitchell, “they just kept busting them and busting them and busting them. A lot of times they would bust the guys in the numbers and they’d just take all of their money.” This loss of revenue definitely hurt those in the numbers business, but they would move to different neighborhoods and sections of the city to try to avoid the police. “The police would get paid off, or maybe they’d take all of their money. I think they just harassed them out of the situation. They just had to get out.” Like other businesses, those in the numbers played a risky game and sometimes went bankrupt.

The intertwined legal and illegal business practices in Detroit’s African-American community speak to the discrimination blacks faced in the larger political economy of Detroit. Had black entrepreneurs been able to obtain loans from white-owned institutions or opportunities in other sectors, many likely would not have participated in the numbers business. Yet that was not the case, especially during the Great Depression. Accordingly, illicit business was widespread on Detroit’s east side. Coleman Young recalled its pervasiveness: “The local shop hat was a front for the biggest numbers operation on the east side. Dave Winslow made whiskey in the rear of his sweet shop. If you were stupid enough to walk into Lonnie’s shoe shine parlor ask for a shine while the poker and blackjack games were going on—which was most of the day and night—you were liable to get your ass beaten...at Ike Portlock’s tailor shop there was usually a crowd of men shooting craps in the backroom. Ike kept as many as eight very large fellows on his

228 Ibid.
229 Ibid., 13–14.
payroll as bouncers and stick men.” Illicit business was one venue black Detroiter used to provide employment and make gains towards economic stability and advancement during the lean Great Depression years.

**Conclusion**

The 1930s in Detroit were hard times for most in the city. Black workers’ disproportionate rates of unemployment combined with the entrepreneurs’ sole reliance on blacks as consumers made operating during the Great Depression years especially difficult. The economic crisis caused many black businesses to go under, but it also sparked black entrepreneurs to organize for joint economic survival. Some of their cooperative organizing built on strategies black entrepreneurs had employed during the earlier 1920-1921 depression. The Booker T. Washington Trade Association and the Detroit Housewives’ League utilized business boosting, similar to the Business Boosters club Reverend Bradby had formed in the previous decade. Likewise, the Nation of Islam called for racial separation and black economic independence, inspired by the Universal Negro Improvement Association. Other entrepreneurs critiqued the existing economic system and looked for an alternative to capitalism. Illicit business was an important sector for Detroit’s black entrepreneurs during the 1930s. Black entrepreneurs who engaged in illegal economic opportunities took dangerous risks, but illicit business sometimes provided the self-determination and economic freedom Southerner migrants had sought in the North.

The various efforts of black organizations in Detroit helped minimize the decline of black-owned businesses throughout the depression and also helped establish new

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enterprises. Yet, all the efforts of black entrepreneurs could not alter the depressed
economy in Detroit and across the nation. After more than a decade of financial turmoil,
only the war economy would finally end the depression. World War II would bring a
fresh stream of Southern migrants and open up greater opportunities for black business
development.
CHAPTER 4:
BLACK BUSINESS AND THE WARTIME ECONOMY IN THE 1940S

Introduction

When the United States entered World War II, Detroit’s auto factories and other industrial plants converted their facilities to producing war goods. Economically, the war brought the U.S. out of the grips of the Great Depression and resulted in a post-war period of prosperity. It also spurred the second wave of the Great Migration that brought tens of thousands of black Southerners to Detroit. In the early 1940s, Detroit’s black-owned Lewis Business College asked black Detroiters: “If the opportunity presents itself are you trained to take advantage of the situation???” The school claimed to be “The Training Blitzkrieg Against Unpreparedness” and encouraged African Americans to train for business careers so they could take advantage of the business opportunities that were sure to come out of the city’s revamped economy.1

Lewis Business College’s optimistic outlook on the prospects for black business growth in the 1940s was not without merit. As this chapter will show, black business boomed in Detroit during World War II. Increases in the black population in the city due to migration coupled with the booming wartime economy created new opportunities for black entrepreneurs. I argue that Detroit’s 1943 race riot provided an additional catalyst for black business growth in the 1940s. White-owned businesses that were vandalized and looted during the riot fled from Detroit’s east side neighborhoods. The majority-black area of the city expanded north and black entrepreneurs took over the businesses of

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1 “Lewis Business College Flyer,” c. 1940s, Folder 2, Box 1, Lewis Business College and Violet T. Lewis Collection, Charles H. Wright Museum of African American History, Detroit, Michigan.
white entrepreneurs who moved out. Black-owned businesses thrived, especially in the Paradise Valley area bisected by Hastings Street.

The Booker T. Washington Trade Association (BTWTA) and the Detroit Housewives’ League (DHL) continued their work of boosting black business in Detroit and aided business expansion in the 1940s. With the World War II stimulating the city’s economy, the organizations’ focus turned to how to take advantage of emerging opportunities for black business and how to plan for the post-war economy. Both the shifting nature of women’s work in the 1940s and the increased Southern migration created new opportunities for women entrepreneurs in the 1940s. The Detroit Housewives’ League’s long-term vision for economic advancement through education came to fruition when women entrepreneurs established three business schools and commercial institutes in Detroit. Lewis Business College, The Slade-Gragg Academy, and the Detroit Institute of Commerce boosted the black business community in Detroit by providing business skills to future entrepreneurs and also training workers who went on to secure jobs as bookkeepers, typists, and secretaries in Detroit’s expanding black enterprises. By the end of the 1940s, Detroit’s business community was larger and more prosperous than ever before and many migrant entrepreneurs had achieved a fair degree of economic independence and self-determination through business.

**World War II Migration**

The Great Depression had devastated the city of Detroit in the 1930s because consumers across the country had little money to spend on luxuries like automobiles, the city’s main industry. However, Detroit reemerged in the 1940s as “Detroit the Dynamic” and the “Arsenal of Democracy.” Demand for heavy industrial goods rose steeply during
World War II and automobile factories converted to produce jeeps, tanks, and bomber planes for the war. Increased industrial production created renewed demand for labor: between 1940 and 1947, manufacturing employment in Detroit increased by 40 percent. The city’s economy finally recovered from the Depression and unemployment dropped. Between 1940 and 1943, the number of unemployed workers in Detroit fell from 135,000 to only 4,000. In the early 1940s Detroit was at its industrial highpoint.2

Much like the migration prompted by World War I, the boom in Detroit’s economy in the 1940s attracted workers from across the country, many of whom came from the South. The World War II migration wave, however, was much larger than the one that took place during World War I, and brought unprecedented increases in Detroit’s black population. In 1925 the number of blacks living in in Detroit was 85,000 and increased to 120,000 by 1930. In 1940, the total had jumped to nearly 150,000. By June 1943, between 190,000 and 200,000 African Americans lived in the Motor City. In 1950 there would be more than 300,000 blacks in Detroit.3

With Detroit’s economy flourishing again, the city’s workers experienced unprecedented prosperity, and black workers experienced new gains in industrial employment. World War II was a turning point in black employment prospects because of the tight labor market. Detroit industrial firms could hardly meet the demand for labor during the wartime defense buildup. By July 1945, the size of the majority male armed forces had reached 12.3 million persons, and these individuals were no longer available

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to participate in the domestic workforce. The chronic labor shortage left manufacturers with no choice but to hire Africans American men and women for jobs that had previously been restricted to white men. Blacks who migrated to Detroit in this period found jobs with wages that greatly exceeded those in even the best-paid Southern industries.\(^4\)

The high employment rates and wages for Detroit’s black workers during the 1940s benefited not only workers, but black entrepreneurs as well. The increased migration of black Southerners expanded their customer base, while the high wages gave their customers more expendable income. These conditions created new opportunities for Detroit’s black entrepreneurs to establish or expand their businesses during this period. Both blacks already operating in the cities and blacks who moved to the city in this time period did well. However, entrepreneurial conditions were somewhat different during the second wave of the Great Migration than during the first. During the second wave an established black business community already existed in Detroit. This might have made it more difficult for new migrants enter certain fields that were already fairly saturated (such as hairs care and barbering industry). On the other hand, more black residents created a higher demand for goods and service, which was an opportunity for new migrant entrepreneurs.

Established enterprises such as local insurance companies found increased business in the war wages of thousands of workers and in-migrants. Gloster B. Current, head of the Detroit chapter of the NAACP, wrote in 1944:

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Until recently the average Negro worker did not earn enough to have something left over which could be invested in life insurance. When he did buy insurance he bought it from a certain large white eastern insurance company. Not so in Detroit today. The answer to what the Negro worker is doing with his increased earnings can be found in the increased assets of local companies like the Great Lakes Mutual Insurance Company, the Superior Life Insurance Company and Western Union Mutual.  

Besides Detroit-based companies, Chicago’s Supreme Liberty Life Insurance Company and several Southern black insurance companies also saw increased patronage from black Detroiters during the war years. According to Current there were hundreds of agents in Detroit “selling post-war security to the Negro” in black-owned own companies.  

**Detroit Race Riot of 1943**

Another factor that created opportunities for black business growth in the 1940s was Detroit’s 1943 Race Riot. The riot took place at a time when the city was flourishing economically, but brimming with racial tensions. Wartime racial conflicts stemmed from a severe wartime housing shortage, social strains cause by the city’s the rapidly growing population, and whites’ dislike of having to work alongside African Americans in Detroit industrial plants. On June 20, 1943 Detroit exploded and experienced one of the worst riots in twentieth-century American history.

The trouble began when nearly one hundred thousand Detroiters gathered on Belle Isle, Detroit’s largest park, on a hot summer Sunday. Throughout the day, minor fights between young blacks and whites had broken out. Late on Sunday night racial tensions escalated as rumors spread in the black community that whites had thrown a black woman and her baby over the Belle Isle bridge. Meanwhile, in the white

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6 Ibid.
community another rumor spread: people said that a white woman had been raped by a black man. Enraged by these rumors, whites and blacks alike took to the streets near Belle Isle and in the downtown area, throwing rocks at passersby, streetcars, and property. The outburst spread throughout the city’s east side during the early morning hours of June 21. On Monday, more than ten thousand angry whites swept through the Paradise Valley area, attacking African Americans at random. Blacks also assaulted whites, and looted white-owned stores in Paradise Valley. The rioting did not subside until Wednesday after federal troops were brought in to restore law and order. At the riot’s end 34 people had died, 675 suffered serious injuries, and 1,893 were arrested. Of those who were killed, 24 were black and 9 were white. All of the 17 who were killed by police were African American. The riot also caused two million dollars worth of property damage.

The second wave of the Great Migration brought large numbers of Southern whites to the city, and this contributed to the tense atmosphere that led to the 1943 riot. Detroit police officials blamed the “economic situation” as well as the influx of Southern whites and blacks as underlying causes of the riots. In the early 1940s approximately 450,000 white newcomers and 50,000 Southern blacks flooded Detroit for defense work and strained its already inadequate, depression-wrecked living conditions and social services. By the summer of 1943, the metropolitan population soared to over two million.

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More than half of Detroit’s population of nearly two million came to the city in the previous twenty years. The largest single bloc was the 260,000 Polish, after them came the 200,000 Southern whites who migrated to Detroit, and then 150,000 blacks.\textsuperscript{10}

According to the Research and Analysis Department of the UAW-CIO, the United States Employment Service, the Detroit Bureau of Governmental Research, and the Detroit branch of the NAACP, the overwhelming majority of the 250,000 to 300,000 white immigrants to Detroit during the year immediately preceding the race riot came from the South. Thus, the high percentage of Detroiter’s with Southern backgrounds increased enormously. Walter White of the NAACP reported that the coming of white workers recruited chiefly in the South not only gravely complicated the housing, transportation, educational and recreation facilities of Detroit, but they also “brought with them the traditional prejudices of Mississippi, Arkansas, Louisiana, and other Deep South states against the Negro.”\textsuperscript{11}

Leroy Mitchell recalled that black Southern migrants worked in the worst areas of Detroit’s factories in the 1940, and that white Southerners worked right along with them. According to Mitchell,

When I was at Highland Park, in the factory, on the line, the only whites in the line were southern Europeans and first generation white immigrants. The only Anglo-Saxons whites were the so-called hillbillies. But no native Detroit whites were working in the factories on the line. You didn’t find that...They were the superintendents and things of that sort. Most of the guys on the line that were white had an accent, either a hillbilly accent, or a Polish accent, or an Italian accent.\textsuperscript{12}


\textsuperscript{11} White and Marshall, \textit{What Caused the Detroit Riot?}, 5.

\textsuperscript{12} Leroy Mitchell Jr., Oral History, interview by Deborah Evans, Transcript, November 15, 1990, 25–26, MS/ Leroy Mitchell, Jr., Burton Historical Collection, Detroit Public Library, Detroit, Michigan.
The sudden increase in black migration to Detroit was due to the labor shortage that made it difficult for industrial employers to be able to fill government orders. The shortage of labor in Detroit was so great by 1943 that companies had no choice but to open doors for blacks that had previously been shut. A 1944 report found that “a 44% advance in wartime employment brought with it an advance of 103% in the total number of Negroes employed.” The proportion of black men working as factory operatives rose from 29 percent in 1940 to 45 percent in 1950.13 The pressure to produce war goods, combined with federal governmental and labor union pressures, also pushed employers to upgrade blacks to skilled positions. Although they were modest, the upgrades angered white workers.

These years also saw African Americans push for access to affordable defense housing and the city’s recreational sites, which also angered white Detroiters. As a result members of the two groups clashed regularly. In early 1942, Polish residents clashed with blacks over federally-built defense housing (named the Sojourner Truth Homes) in northeast Detroit. In this instance, whites attacked blacks in order to prevent them from occupying the housing project, which was located near a white community. Blacks fought back, and the conflict escalated, resulting in 220 arrests and forty injuries.14 In June 1943 tensions were raised in a “hate strike” at Packard Motor Company when whites protested working with blacks. Blood was also spilled at Eastwood Park in a racial conflict preceding the 1943 race riot.15 The close working conditions of black and white

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14 Ibid., 29, 73–75.
Southerners, coupled with the fact that whites resented black economic progress, strained race relations so much that a race riot was almost inevitable.

The incidents that touched off the riots were simply the straw that broke the camel’s back. According to one Detroit journalist, “It did not take a prophet to know the riot was coming... Detroit has been building steadily for three years towards a race riot.”

Similarly, in 1942 black journalist Elmer H. Carter had predicted:

There is something highly disturbing in the repetition of racial clashes in Detroit, something ominous like the low rumble of distant thunder before a storm. The clouds gather. And the storm will eventually break unless the constructive forces of racial amity in Detroit take aggressive and positive action to quell those irresponsible and vicious elements in the population who are intent on fastening the pattern of race relations of Mississippi and Florida on that municipality.

Less than a year before the race riot LIFE magazine had predicted trouble in the city because of wartime racial tensions: “Detroit can either blow up Hitler or it can blow up the U.S.” The article also lamented “too many of the people of Detroit are confused, embittered and distracted by factional groups that are fighting each other harder than they are willing to fight Hitler.” According to Detroit Urban League director John C. Dancy, “The urgency of war production had accelerated the upgrading of Negroes in factories; it had also resulted in importation of white labor from the more backward sections of the South. Many people had felt that some sort of explosion was inevitable and the only question was when.”

Some historians have argued that the role of white Southerners in racial clashes and tensions in migration sites like Detroit in the 1940s and 1950s has been greatly

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exaggerated. However, the sources they often cite are not representative of black Detroiters’ experience and perception of the racial tensions that sparked the 1943 riot. For example, Capeci and Wilkerson use a small sample of records of police arrests made during the 1943 riot to determine the place of origin of white rioters, and Sugrue uses a 1951 survey of Detroiters’ attitudes to demonstrate that “Southerners who now live in Detroit express no more negative attitudes about Negroes and are no more in favor of segregation than are people from other parts of the country.”21 Arthur Kornhauser’s 1951 survey sample included 32 “Negroes” out of a total 593 participants. Thus, blacks accounted for roughly 5.4% of survey participants, though Africans Americans made up 16.2% of Detroit’s population in 1950.22

However, in oral histories, blacks point to racial animosity from white Southerners or “hillbillies” as the main factor that sparked the 1943 riot. Certainly African Americans had conflicts with other groups as well, particularly Polish immigrants.23 But white Southern migrants were more numerous than first- and second-generation eastern Europeans. The auto industry was a major source of the jobs what white Southerners counted on, particularly in Michigan, where one in four employed Southern white males worked in auto assembly or auto parts.24 Not all Southern migrants held racist attitudes or were hostile to blacks living in Detroit. Walter White confirmed

23 Kornhauser’s report did note that “people who came to Detroit from abroad, however, are more willing to accord Negroes their equal rights than are people from within the United States.” Kornhauser, *Detroit as the People*, 104.
“here and there among these Southern whites were members of the UAW-CIO and other labor unions, churchmen and others who sloughed off whatever racial prejudices they had brought with them from the South.” Nevertheless, White concluded, “But the overwhelming majority retained and even increased their hostility to negroes.”25 Police brutality was another major factor in the riot. According to business-owner Sunnie Wilson, “traditionally, the police had always been cruel in their treatment of Detroit’s black folks. Racial animosity within the police department emerged out of a leftover southern hatred for blacks. These patrolmen, many of them southern born, were raised on hatred for black people and they fought to maintain a sense of superiority.”26

Some observers called Detroit “the northernmost southern city” or “the largest southern city in the United States,” and black Detroiters certainly felt like the racial dynamics of the South had followed them north to some extent.27 Marcena Taylor, one of the first black firefighters for the city of Detroit, was with his wife at a Paradise Valley club when the 1943 riot broke out. On the way to their home on the west side on Sunday, Taylor and his wife encountered trouble with white Southerners. As they crossed through “the area going out Warren, Forest, out in the area of Grand River, where those hillbillies lived at the time,” they attracted the attention of some whites, who “got in cars following

25 White and Marshall, What Caused the Detroit Riot?, 5–6; White was long familiar with racial hostilities in Detroit. Working for the NAACP he was deeply involved with the Ossian Sweet case in 1925 and had personally persuaded Clarence Darrow to represent the defendants. Kevin Boyle, Arc of Justice: A Saga of Race, Civil Rights, and Murder in the Jazz Age (New York: Holt, 2004), 206–8, 228–30.
us, and harassing us.” Fortunately the Taylors made it home safely.28 Factory worker Charles Denby remembered,

My chief steward, a hillbilly, asked me what I thought about the riot. He asked me if it was the fascists that caused it. Did the Germans plant people to start the riot? I said, ‘Hell, no. Some of them Goddamned hillbillies from the South started the whole thing.’ He looked real sad about my statement, ‘I don't know, I'm from down South.’ He felt pretty bad. At first I was sorry for speaking so sharp, I had forgotten he was a hillbilly. But I thought, hell, he knows how they treat us down there.29

During the riot, black Detroiters also complained about the Southern origins of the federal troopers brought in to end the disturbance. According to Denby, “The Negroes said that all the white troopers were hillbillies. ‘Why weren’t there some Negro soldiers?’ was the question everybody asked. ‘Why aren't these guys overseas fighting Hitler?’ We felt we’d have a better chance with Negro soldiers. They wouldn’t shoot us as quick as white soldiers would.”30

Although black Detroiters associated most of the racial hostility they experienced with white Southern migrants, Jewish merchants in their neighborhoods were the victims of blacks’ economic frustrations.31 In 1943, the vast majority of Detroit’s black residents

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28 Marcena Taylor, Oral History, interview by Monroe Walker, 2 audiocassettes, December 31, 1984, MS/ Taylor (Marcena), Burton Historical Collection, Detroit Public Library, Detroit, Michigan.
30 Ibid., 116.
31 Detroit’s 1943 riot displayed both “communal” and “commodity” characteristics. Communal riots were interracial clashes that occurred at the boundaries of expanding black neighborhoods, frequently in the peripheral areas where black and white communities overlapped and their residents came into conflict. Such riots were, as a rule, instigated by whites and had the support, either passive or active, of a city’s police force. A “commodity riot” was an eruption whose main target was white property and stores and, secondarily, the police as symbols of municipal authority. Unlike a communal riot, the commodity riot was an outburst that started within the black community, not at its periphery, and did not involve a confrontation between white and black civilians. Capeci and Wilkerson, “The Detroit Rioters of 1943: A Reinterpretation,” footnote 1, 49; Nat Brandt, Harlem at War: The Black Experience in WWII (Syracuse, NY: Syracuse University Press, 1996); For more on communal and commodity riots see, Morris Janowitz, Social Control of Escalated Riots (Chicago: University Of Chicago Press, 1968), 10–18; Morris Janowitz, “Patterns of Collective Racial Violence,” in Violence in America: Historical and Comparative Perspectives, ed. Hugh Davis Graham and Ted Robert Gurr (New York: New American Library, 1969), 412–44.
lived in an east side area bounded by Jefferson on the South, John R. on the West, East Grand Boulevard on the North, and Russell on the East. This area covered approximately 60 square blocks. Hastings Street ran south to north through this area and was the main commercial thoroughfare. The white-owned businesses on Hastings were mainly owned and operated by Jewish merchants. According to Leroy Mitchell,

we [blacks] didn’t live on Hastings. Jews still lived on Hastings, over the stores. We lived on the cross streets that cut across Hastings. That’s the way it was. We lived on the cross streets that cut across Hastings. All of the [business] activity was taking place on Hastings… they owned the drugstores, chili parlors, a lot of chili parlors…a lot of small [businesses], all Jewish.

Leroy Mitchel recalled that, on Sunday night of the riot, blacks were very angry when they came across the Belle Isle Bridge. When they arrived at the Hastings Street area, “that’s when they started venting their anger against white businesses. They started tearing up things, going up and down Hastings.” Black rioters began to stone and destroy shops; the destruction spread until practically all the white-owned businesses in the black section of town had been attacked. Still, Charles Denby remembered that black rioters were somewhat sympathetic towards their Jewish neighbors. According to Denby, African Americans at the time put Jewish people in a different category than other whites because they tended not to participate in white mob violence against blacks in the South and were not a part of the police force. Dendy recalled, “If a difference arose between a Negro and a Jewish person to the point of a fight we were not expecting a lynch mob to come to our home or for a Jewish man to act in the same way as the rest of the whites.” According to Denby, during the riots some black people would say, “I don’t

33 Mitchell, Oral History, 45.
34 Ibid., 40.
give a darn if I beat the hell out of a Jew, but I don’t want to kill them. They’re not in on everything. There aren’t many of them on the police force. But they deserve a beating because they’ve been robbing us too.”

African Americans had a long and complicated relationship with the Jewish community and Jewish entrepreneurs in Detroit. These two groups had always lived close to each other on Detroit’s east side neighborhoods. They had also worked together to dismantle racial discrimination that affected both groups, such as quotas for admittance of blacks and Jews at Michigan universities and colleges. Moreover, Jews had provided the some of the first opportunities for black Southern migrant entrepreneurs and laborers during the first wave of the Great Migration. For example, when future funeral home owner Willis Eugene Smith first moved to Detroit from Alabama in 1919, a Jewish merchant employed Smith to sell fur coats. Additionally, Frederick Butzel, a Jewish lawyer, businessman, and philanthropist worked closely with black institutions to improve the social circumstances of blacks in Detroit from the 1910s through the 1940s. Butzel was an early board member of the Detroit Urban League, served as president of Parkside (Dunbar) Hospital, the first black hospital in Detroit, and also was the vice chair of the City of Detroit Mayor’s Interracial Committee, which was convened after the 1943 riot to address problems of racial tensions in the city. When Butzel died in 1948, he deeded his home on Mack Avenue to Parkside Hospital. Butzel’s good friend, Julian Krolick, was one of the first factory owners in Detroit who agreed to the Detroit Urban

36 Denby, Indignant Heart, 118.
37 Willis Eugene Smith, Oral History, interview by Monroe Walker, 2 audiocassettes, December 27, 1984, MS/ Smith (Willis Eugene), Burton Historical Collection, Detroit Public Library, Detroit, Michigan.
League’s proposal to hire black women in industrial positions. Krolik Garment Factory began hiring African American women in 1917.38

Yet, blacks had long felt that Jewish merchants were exploiting them. In 1933, ten years before the race riot, Theodore R. Barnes wrote in the black-owned *Detroit Tribune*: “Some of the best friends of the Negroes have been Jews, and for this type of Jewry I have the deepest respect and admiration… Such men as Julius Rosenwald, who gave millions for the education of Negroes, and Fred Butzel, was and are all high-minded and high-class men, all the Jewry of this type deserve the admiration of the Negro race.”39 However, Barnes lamented the fact that some Jewish-owned businesses exploited the black community:

The average Jew on Hastings Street at the present time, when he is financially independent, will move into a neighborhood far detached from the Negro Race and will do nothing to turn back into the hands of the Negro any of the business profits reaped from his business. Not only that, but he will do nothing to aid in the elevation of the Negro. He wishes to keep him unenlightened in order that he might be more easily exploited… [This exploitation] is sapping, from the Negro race, its very economic backbone and livelihood.40

Not all African American Detroiter held anti-Jewish attitudes. In the 1930s the Reverend H. H. Williams of the Metropolitan Baptist Church started a movement to cooperate with Jews, Syrians, and other non-blacks operating business in neighborhoods where blacks lived. In November 1934, Williams gave a speech at Bethel AME Church before 300 members of the Booker T. Washington Trade Association and the Detroit

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40 Ibid.
Housewives’ League. He argued that while Jews did dominate the economy in the black community, African Americans and Jews were “brothers in distress.” Williams suggested that Jewish business owners should work to bridge the gap and promote good relations between the two groups, and blacks in turn should stop trying to dislodge them.\(^{41}\)

In January 1941, Samuel Lieberman, a merchant in Paradise Valley, led the founding of the Eastside Merchants Association. This organization initiated brotherhood dinners at the Lucy Thurman YWCA to ease racial tensions and reduce anti-Jewish sentiment among blacks. The merchants association sponsored scholarships for black and Jewish graduate students to study various aspects of black-Jewish relations in Detroit. One of the results of their efforts was a study jointly sponsored by the Jewish Community Council and the NAACP called *Some Aspects of Negro-Jewish Relations in Detroit, Michigan*.\(^{42}\) The study explored topics such as Jewish “commercial establishments,” “prices charged,” “attitudes of Jews toward Negroes,” “attitudes of white Gentiles toward Negroes,” “attitudes of Negro youth toward Jews,” and “economic data on the Negro consumer and Negro adult attitudes toward Jews in commercial relationships.”\(^{43}\) Yet, the efforts of the Eastside Merchants Association and Jewish individuals often seemed offset by black perceptions of Jewish slumlords and economic exploitation by Jewish merchants.\(^{44}\)

In discussing the Detroit Riot, NAACP leader Walter White admitted, “there is no question that shameful and inexcusable looting of stores operated by whites in the east side Negro area, particularly on Hastings and John R Streets was perpetrated by

\(^{41}\) Thomas, *Life for Us*, 220.
\(^{43}\) “News and Notes,” *American Journal of Sociology* 49, no. 2 (September 1, 1943): 184.
Negroes.” However, White also illuminated the causes of black attack on white-owned businesses during the riot. According to White, looting was “a form of vengeance both against the prejudice in Detroit from which Negroes had suffered,” and a response to news of an anti-black riot in Beaumont, Texas, less than a week earlier on June 15-16, 1943.45 There, whites had looted black homes and businesses.

Blacks across the country were outraged by events in Beaumont. Beaumont was a shipbuilding center, that had boomed between 1940 and 1943, growing from 59,000 citizens to an estimated 80,000 residents, with blacks representing one-third of the population.46 With the growth came rising racial tensions, which flared into violence on June 15 when a white mob of more than 4,000 formed after police received a report that a black man had raped a white woman. Upon inspecting the jail and finding no suspect, the mob began rioting through the nearby black districts of the city. This rioting continued uncontrolled until daylight on the morning of June 16. The mob spent its time beating every black person they encountered, setting buildings and cars ablaze, and looting black businesses. Some buildings burned to the ground, including the city’s three black funeral homes, a jewelry store, which was also looted, and a pharmacy. One black man had a clear view of the destruction as looters swept through the Dew Drop Inn on Gladys Street. P. G. Thomas, the restaurant owner, remained inside when rioters arrived shortly after midnight to break down the front door and sack the building. From a service window, Thomas observed in horror as they systematically destroyed the interior of the

45 White and Marshall, What Caused the Detroit Riot?, 11–12; Detroit and Beaumont were one among many booming cities across the United States that experienced race riots in the World War II era. Riots broke out in Harlem, Mobile, Brownsville, Texas; Los Angeles and Chicago experienced “zoot suit riot” where whites attacked Mexican and African American zoot-suiters; hate strikes shut down factories in Chicago, Baltimore, and Philadelphia. Minor clashes between blacks and whites occurred in virtually every major city in the country. Sugrue, The Origins of the Urban Crisis, 29.
structure. Nearby, Perrodin’s Radio and Sound Service, Bendys Cafe, and the Canton Cafe received similar treatment.47

When the Detroit riot first broke out, blacks vandalized white-owned businesses largely to vent their frustration with whites in Detroit and elsewhere. Walter White reported that when the windows in the stores on Hastings Street were first broken on Sunday night, there was no looting. An officer of the Merchants’ Association had walked the length of Hastings Street around 7:00 a.m. on Monday morning and noticed that none of the stores with broken windows had been looted. 48 Likewise Charles Denby, who lived on Harper Street, remembered going outside on Monday morning: “every store that was white-owned, in that block, was completely smashed. Many things were in the street, groceries, druggist equipment, dry goods, everything.” However, Dendy stated, “Nobody was touching the stuff.”49

That would not last long. Soon the rioters began looting and, in doing so, took direct financial revenge on white merchants who exploited them. Leroy Mitchell recalled, “It just really caught on. It was like anger that had been pent up and had come to the boil. There were lots of people, but mainly youngsters... The youngsters were the ones doing the most destruction. Of course once the youngsters started destroying the stores, the older people were helping themselves to things in there.”50 Black looters especially targeted pawnshops, which were seen as a particularly exploitative business. According to Mitchell,

Boy, they were cleaning out those. Hastings was just full of pawnshops. That used to be a major business in the black neighborhoods. That’s where you got money.

47 Ibid., 42–43.
49 Denby, Indignant Heart, 110–11.
50 Mitchell, Oral History, 40–41.
You’d take your things and then you’d try to get them back. They just took over those pawnshops. They just took everything. That’s what they wanted mainly. They weren’t so much worried about the stores and the food and things, but those pawnshops…that was the main thing they were hitting.\textsuperscript{51}

Local black businessman Ed Davis also remembered that pawn shops were particularly targeted by rioters.\textsuperscript{52} Sidney Barthwell, a black entrepreneur who owned a drug store on Hastings Street remembered driving over to Hastings Street to check on his business during the riot:

it made my flesh crawl. Where you’d see all those steel bars, the guys had just put a tow chain on the back of the truck and drove off and pulled them off. All of Hastings Street was just wide open, full of people just looting all of the stores. Some of the stores that had whiskey, they had gone as far as getting trucks, backing them up and loading them up.\textsuperscript{53}

When the riot was over, a walk down Hastings Street was revealing. From Canfield to Medbury, not one white business had been left intact by rioters.\textsuperscript{54}

Some sources suggested that the looting was worsened by the actions (or inactions) of Detroit police and federal troopers. Sidney Barthell noted, “I think there was some racism, because the police department had a large percentage of Southerners. I think they were almost as much against the Jewish people as they were against blacks. Two and three police were on each side of the street, and they did absolutely nothing to try to stop these things.”\textsuperscript{55} Other witnesses’ accounts seem to back up Barthwell’s claim that the police did not protect Jewish businesses from looting during the riot. For example, on Monday night of the riot Charles Denby remembered seeing a white-owned store that had not been harmed. A group of about eight black boys “grabbed the

\textsuperscript{51} Ibid.
\textsuperscript{52} Ed Davis, \textit{One Man’s Way} (Detroit: E. Davis Associates, 1979), 52.
\textsuperscript{55} Moon, \textit{Untold Tales, Unsung Heroes}, 87.
protection bars on the window and started rocking back and forth. Two white police were
only ten or fifteen feet away but they only watched and didn’t move or say anything.”56
Walter White reported that throughout Monday the Detroit police, instead of placing
policemen in front of the stores to protect them from looting, contented themselves with
driving up and down Hastings Street and from time to time stopping in front of the stores,
jumping out of the squad cars with drawn revolvers and riot guns to shoot whoever might
be in the store.57 White also argued that the use of black troops in the riot area would have
prevented much of the violence by demonstrating to black Detroiters the faith of the
government in black troops. He also suggested, “Negro troops could have prevented
much of the looting on Hastings Street.”58

We cannot know whether or not the use of black troops or white police officers
behaving differently would have actually prevented damage to white-owned stores on the
east side. What is clear is that Jewish entrepreneurs bore the brunt of the economic loss
from the 1943 riot. A study conducted just months after the 1943 riot found that Jewish
shopkeepers had suffered great property damage in the June riots.59 This fact had
profound implications for the trajectory of black business for the rest of the decade. The
year following the riot marked the beginning of “white flight” to the city’s west side from
the east side neighborhoods most affected by the riot. This flight included a business
exodus to other areas, particularly Twelfth Street and Dexter Avenue where the number
of Jewish merchants increased dramatically.60 (This is the area where the majority of

56 Denby, Indignant Heart, 113.
58 Ibid., 5.
60 Wylie, Detroit’s Near Eastsiders, 16, 18; Bolkosky, Harmony & Dissonance, 269.
African American businesses would relocate during urban renewal in the 1950s and 1960s, and also the commercial area most affected by Detroit’s 1967 urban rebellion. Jewish leaders tried to revitalize the Eastside Merchants Association to gather Jewish entrepreneurs together and strategize how to avoid another riot in the Hastings Street area. But their plans for rebuilding in that area were never realized. By the mid-1940s, many Jewish merchants were closing shop in the neighborhood, frustrated with the inability to obtain property insurance since the riot and unwilling to tie their economic future to a black neighborhood.61

Black entrepreneurs suspected that damage to their white competitors would benefit them, even as the riot ensued. Sidney Barthwell remembered, “I had a friend who told me that when they were tearing out the Jewish stores across the street from him he stood and laughed, because he thought, ‘It’s good they’re gone, then my business will be better.’”62 The destruction of white-owned businesses certainly produced opportunities for the expansion of black business throughout the rest of the 1940s. Some of the white-business owners who decided to leave the east side neighborhoods, maintained ownership of the business and hired African Americans to manage it. But most white business owners sold their establishments and property to black entrepreneurs. According to Charles Denby, even after the riot violence played a role driving these white merchants out of the east side. “Some of the White businessmen tried to go back to their stores when the riot was over and many were killed,” he recalled “There was a drugstore on the corner of Hastings and Henrie Streets. When they opened up they lasted one week and were killed. The store was closed up and later sold to a Negro. Places where Negroes

61 Berman, Metropolitan Jews, 56.
62 Moon, Untold Tales, Unsung Heroes, 87.
could never get jobs opened up with Negroes running them. The owners didn’t ever come around.63 As Leroy Mitchell remembered, “After the ‘43 riot, that’s when the blacks started getting businesses on Hastings. That was the major change, because most of the Jews, they just packed up and left.” Mitchell continued,

we replaced them. We took over the drugstores … we didn’t have that many drugstores on Hastings, chili shops, restaurants, things like that. A lot of those things, blacks took them over. Which they hadn’t had before. You had more professionals there. They were upstairs, over some of the stores: medical doctors, dentists. The professionals moved in and had more of their offices down on Hastings… of course we had businesses before, but not on Hastings…In fact, all through the area I’d say, east of Woodward, the blacks took over much of the businesses in there after the ‘43 riot.64

However, the post-riot white flight in the 1940s was not beneficial for all black entrepreneurs. Ed Davis’s car dealership was next to a large black-occupied area of the east side, yet only a few blocks from downtown Detroit, which was an advantage for his business. About 60 percent of his customers were white, which provided Davis with a wider customer case and more profit-making opportunities. Davis recalled, “this changed drastically after June 20, 1943. A terrible race riot broke out. When it was over the service traffic to my dealership from white customers dropped off.”65 In time the traffic at Davis’s dealership resumed its pre-riot level, but he never regained the same patronage from the white community. According to Davis, “I continued to serve some white customers, but the majority of my business was now with my fellow blacks. It was the price we had to pay because a single act of racial discrimination precipitated a full-scale riot.”66 Ed Davis was not the only black entrepreneur who had black and white clients. For example, Fred Allen of the Supreme Linen and Laundry always catered to black and

63 Denby, Indignant Heart, 119.
64 Mitchell, Oral History, 1–2.
65 Davis, One Man’s Way, 51.
66 Ibid., 53.
white clients since he established his business in 1929. Post-riot white flight and decrease in white patronage likely had negative impact on other black entrepreneurs in the area who serviced whites as well as blacks.\(^{67}\)

Still, many African American entrepreneurs benefited from the white flight. James E. Cummings’s first opportunity to own a business was a result of the post-riot exodus of white-owned business from the east side. Cummings was born in 1908 in Greenville, Alabama, and migrated to Detroit in late 1918 where he later became a successful Detroit businessman. For years Cummings had saved up money as he worked as a bellhop in some of Detroit’s white-owned hotels. However, after the 1943 riot, Cummings owned several businesses, including a Standard Oil gas station. According to Cummings, “The way the buildings were bought was because we had a riot in 1943...The owners of the property became afraid, and they began to sell all of this property right from Harper Hospital [Alexandrine Street] north and sold it almost on your terms. They thought it would break out again.”\(^{68}\) Cummings began purchasing property right after the war. Having served in the military for two years, Cummings converted an insurance policy into enough money to make a down payment on his gas station. Cummings’s assessment that white owners sold their property “almost on your terms” was an important breakthrough for blacks who previously had been barred from purchasing certain properties, or who had no choice but to pay exorbitant prices to white owners. Though it came through violence, the flight of white business from the area opened up space for black entrepreneurs to acquire property at manageable prices. In this way, the

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\(^{68}\) Moon, *Untold Tales, Unsung Heroes*, 34–35.
riot changed the racial geography of the city and economic landscape for black entrepreneurs.

**Increase of Black Business in Hastings Street Area**

Since the nineteenth century, blacks had settled primarily on Detroit’s east side, many in the small “Black Bottom” neighborhood just east of downtown. But blacks, Jews, and recent immigrants shared the same streets on the east side, and blacks rarely found themselves concentrated in predominantly black neighborhoods. The second wave of the Great Migration and the 1943 riot changed the racial geography of Detroit. In the 1940s the area became decidedly black. Black Bottom was the poorer section located between the Detroit River and Gratiot Avenue and contained the oldest housing stock. Just to the north, between Gratiot and Grand Boulevard, was the “Paradise Valley” area. This neighborhood was home to many of the thousands of black workers who came to the city during the war. Nearly one-third of Detroit’s black population lived on the streets clustered around St. Antoine and Hastings.69

This area grew to become the commercial center of black Detroit and black businesses filled Hastings Street and the surrounding area to cater to new customers. According to Leroy Mitchell, during the mid 1940s “Hastings was all of the way from Adams all of the way down to Medbury…that’s a long way. It must have been about four miles. That was almost half of Detroit.” He also recounted, “Hastings was a classic street for the whole [business] situation. Up and down Oakland, too, we had more restaurants….Most of the Jews had left.” He remembered how a friend of his got into business by buying a record shop from a white owner who was ready to leave Hastings

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The amount of black-owned businesses on Hastings increased enough that the entrepreneurs were able to establish a softball league of teams representing different enterprises. Heavyweight champion Joe Louis had a team representing his restaurant the Brown Bomber’s Chicken Shack. So did Bender’s Fish Market and Swanson’s Barbershop. George D. Ramsey Sr. summed up Hastings Street in the 1940 in this way: “Hastings Street was the corridor that black businesses thrived on.”

In 1941, entrepreneur Sunnie Wilson established the Forest Club, which became a popular spot for nightlife entertainment in Paradise Valley. He rented a building at the corner of Hastings and Forest that ran the entire block. The building had three white owners, one of whom was Leo Adler, a wealthy white businessman who loaned Wilson $25,000 to buy out the lease. In the 1920s the building had been an amusement park and Wilson transformed it into an entertainment space that had a banquet hall, dance floor, a two-level roller skating-rink, and twenty-six lanes for bowling, and a famous 107 foot long bar. Because the Forest Club was located at a streetcar stop, Wilson’s business benefited from the steady flow of people arriving and departing from the street. Wilson put up a big sign outside reading “Stop in and Get Your Morning Nip” to attract customers in the daytime. The Forest was so popular Wilson was able to hire nearly three hundred employees, including clerks, bartenders, cooks, waiters, and bouncers. This was just one of many black-owned businesses that thrived in Paradise Valley during the 1940s.

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70 Mitchell, Oral History, 1, 2, 15, 19.
71 Ibid., 43–44.
72 Wylie, Detroit’s Near Eastsiders, 34.
73 Wilson and Cohassey, Toast of the Town, 102–4, 107.
74 Ibid., 106.
Sunnie Wilson did not only operate the Forest Club to accumulate personal wealth. According to Wilson, “In the club we set up a school for poor black people to learn to read and write. Watching these women and men learn to write their names was an emotionally moving experience. They had tears running down their cheeks.” Having the skills to read and write could be economically beneficial for black Southern migrants. Wilfred E. Little came to Detroit in 1940 and began working selling furniture at a white-owned company called Cut Rate Department Stores in 1941. The store was located on Hastings and Livingstone in a mostly black neighborhood. Little recalled the ways white business owners exploited black customers. According to Little, when they’d write up their contract, they’d write an altogether different price. Sometimes they’d add as much as one hundred dollars or more to their bill, and the person wouldn’t even know it…You had people coming from the South and other places. Some of them couldn’t read too well. They hadn’t gone to high school…and many of them couldn’t even count their money too well.75

The school at the Forest Club provided Southern migrants with the tools to combat economic exploitation. According to Wilson, most black business owners in Paradise Valley put money back into the community in order to uplift the race.76

The Hastings Street area remained the main economic lifeline of the black community through the early 1950s and earned a “world-wide reputation.”77 One reason Hastings Street was so well know was because it was mentioned in popular blues and jazz songs. For example it was mentioned in the lyrics of Big Maceo and Tamps Red’s “Detroit Jump” (1945). Pianist Detroit's Count recorded “Hastings Street Opera,” which contained colorful and humorous descriptions of Hastings Street bars. This song included a reference to Sunnie Wilson’s business, stating, “Forest and Hastings! Sunnie Wilson,

75 Moon, Untold Tales, Unsung Heroes, 273–75.
76 Wilson and Cohassey, Toast of the Town, 110.
77 Ibid., 101.
longest bar in town. That’s the only bar you can walk in, when you get ready to buy a bottle beer you have to walk a mile after you get in the joint.” 78 Dorothy Elizabeth Lawson remembered,

    During the war my husband and my brother were both stationed in Illinois…every time I would go there, we would go out or meet somebody and they would say, ‘Where are you from?’ I would say, ‘Detroit.' And they would say, ‘Where, on Hastings Street?’ Everybody thought everybody from Detroit was from Hastings Street or Black Bottom; and then it was changed to Paradise Valley. 79

Paul B. Shirley worked as waiter at the Downtown Club and Penobscot Club, and as a singer, dancer, and stand-up comedian in clubs like as Lark’s Grill, Turf Bar, and Flame Show Bar. 80 According to Shirley, “Hastings Street—there will never be another like it, and it is known all around the world. Hastings Street in Detroit.” 81

Although the east side became well known for its clubs, bars, and nightlife, black entrepreneurs established many other new types of businesses. For example, in 1943 several black entrepreneurs joined together to purchased the fabulous nine-story, 200-room Gotham Hotel. Architect Albert Kahn originally built the Gotham in 1925 for the lavish taste of Albert D. Hartz, the rich owner of a medical supply house, at a cost of $590,000. This purchase gave to Detroit “the finest hotel in the country owned and operated by Negroes.” 82 Leroy Mitchell remembered, “[John] White had the Gotham, which was huge, one of the best hotels. Was the best hotel blacks had in the whole of the

79 Moon, Untold Tales, Unsung Heroes, 118.
80 Ibid., 50.
81 Ibid.
United States. Guys would come up from New York, [and] they were startled. It was nothing but a bunch of dumps in Harlem."83

A. W. Curtis Laboratories was a new type of business in Detroit established in the area abandoned by white business owners after the 1943 riot. Austin W. Curtis. Curtis was born in 1911 in Institute, West Virginia and graduated with a DSc in Chemistry from Cornell University in 1932. After teaching at the Agricultural and Technology College in Greensboro, North Carolina for two year, Dr. Curtis moved to Tuskegee, Alabama in 1935 to become the assistant of Dr. George Washington Carver at the Tuskegee Institute. After Carver’s death in 1943, Austin moved to Detroit and established the A.W. Curtis Laboratories at 454 Farnsworth. There, he manufactured and distributed 80 different products, including cosmetics such as face powder, vanishing and cleansing creams, shampoos, cough medicine, rubbing oils, and peanut cooking oil.84 Austin W. Curtis chose to migrate to Detroit to establish his laboratory because “Detroit had a reputation of being the leading city in the nation for black business development and progress.”85

Austin W. Curtis had a particular interest in creating job opportunities for black youth and provided economic opportunities for numerous black workers as dealers of his products.86 Curtis encouraged black Detroiters to become dealers of Curtis Products as a way to gain economic independence and claimed that A. W. Curtis Laboratories “swings wide open the door of financial independence for you. It is the organization that will

83 Mitchell, Oral History, 3.
85 Moon, Untold Tales, Unsung Heroes, 254–55.
never cease in its desire to help you realize the utmost profit and happiness from your work as a Courteous Curtis Dealer.”87

**Continued Efforts of the BTWTA and DHL**

Entrepreneurs like Austin W. Curtis had a close relationship with the Booker T. Washington Trade Association and the Detroit Housewives’ League, which also contributed to their success. The BTWTA and the DHL were the largest and most visible black business organizations during the 1930s. These partner organizations were established in order to promote black-owned business in Detroit. One of the organizations’ main objectives was to strengthen black businesses to a point where they could provide more employment for blacks workers in Detroit who were laid off from mainstream industries during the Great Depression years. By the end of the 1930s, the BTWTA and DHL had helped numerous entrepreneurs establish and grow their businesses. However, in the 1940s, with the World War II economy, the organization’s focus turned to how to take advantage of emerging opportunities for black business and how to plan for the post-war economy.

By 1941, there were 250 businesses (out of 3,000 recorded black businesses in Detroit) that were members of the BTWTA.88 The BTWTA and DHL had also acquired a national reputation. For this reason, the National Negro Business League (NNBL) held its annual convention in Detroit from August 27-30, 1940 as guest of the Booker T.

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87 “A. W. Curtis Laboratories Dealer’s Manual,” Folder: Literature for Dealers, Box 2, Austin W. Curtis Papers, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan; “A. W. Curtis Laboratories Flyer for Dealers,” Folder: Literature for Dealers, Box 2, Austin W. Curtis Papers, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan.
Washington Trade Association and the Housewives’ League." The theme of the convention was “Trends and Opportunities for the Negro in Business.” Panel discussions covered such topics as “How do present Negro consumers' attitudes affect Negro businesses”; “Should united efforts be made to integrate Negroes into general business”; “What are some effective methods for building strong local Negro trade associations”; “How may cooperative efforts strengthen Negro business”; and “What improved business techniques are needed in Negro business today.” According to A. L. Holsey, secretary of the NNBL, advanced enrollment for the 1940 convention exceeded that of any previous year. Holsey also reported that more local chapters of the NNBL had been organized or revived in 1940 than during the last five-year period. Clearly, black entrepreneurs in Detroit and across the country were devoted to taking advantage of new opportunities for black business growth.

Three years later, in December 1943, the Booker T. Washington Trade Association and the Detroit Housewives’ League held a Better Business Conference with the theme “Doing MORE with Less.” Wartime rationing had created challenges for businesses. The conference’s program stated, “These are busy times. The war has added to an already complicated situation, especially for the proprietors of small business. Naturally, all business owned and controlled by Negroes are in this class.” Forty-eight hour workweeks in Detroit’s factories had put a surplus of money in workers’ pockets but people few places to spend their money. Meat, butter and oils, sugar, coffee, and gasoline

89 “Program from the National Negro Business Leagues’ Annual Conference in Detroit,” 1940, Box 1 of the National Housewives’ League of America records, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan.
90 Thomas, Life for Us, 217; “Business Aid Award Given By Spaulding,” Indianapolis Recorder, August 24, 1940, Hoosier State Chronicles: Indiana’s Digital Historic Newspaper Program.
were among things rationed. Many people traveled to Canada to buy meat and sugar rationed in the United States. Other kinds of Consumer goods were also in short supply and automobile production had come to a halt.92 Wartime rationing certainly created financial challenges for Ed Davis who owned an automobile dealership and Standard Oil gas station. With Detroit’s assembly lines producing trucks, tanks, planes, and guns, the supply of cars dropped. The few cars that were being built were destined primarily for military use. In March 1942, car rationing began and the cars still on hand at dealerships could only be sold to “essential people” at the 1941 price level. According to Davis, “soon, like that of most dealerships, the survival of my business depended largely on servicing cars that were getting older and older.”93 Even with the challenges of operating in a war economy, the Booker T. Washington Trade Association and the Detroit Housewives’ League were still “eager to build bigger, better and more serviceable businesses among our group, although we have less.”94

The 1943 Better Business Conference addresses numerous topics. Sessions included: “Who Should Go into Business” by Fred A. Allen, proprietor of Supreme Linen and Laundry Service company; “The Proper Locations for Business Establishments and How to Select Them” by W. D. Morison, Real Estate Broker; “The Relationship of the Housewives’ League to Business” by Christina Fuqua, President of the Detroit Housewives’ League; and “Negro-Jewish Relations” by Dr. Donald C. Marsh, Assistant Professor Sociology, Wayne University. There were also talks devoted to thinking ahead to economic opportunities that would be available after the war ended. S. D. Fuller, President of Fuller Products of Chicago gave a talk on “Post-War Planning for Small

92 Wylie, Detroit’s Near Eastsiders, 10.
93 Davis, One Man’s Way, 48.
94 “Better Business Conference Program.”
Business,” and Emmer M. Lancaster, head of Negro Affairs for the U.S. Department of Commerce spoke on “U.S. Chamber of Commerce and Its Aid to Small Business.”

The following year, the Booker T. Washington Trade Association opened a loan company that provided loans from $10 to $300. Instrumental in this accomplishment were Carleton Gaines and L. C. Blount. Although he was a real estate broker in Detroit, Carlton Gaines had a banking background, having been at one time an officer in a black-owned bank in Georgia. He was also the past president of the BTWTA and served as the president of the loan company. L. C. Blount was born in Washington, D. C., attended Howard University for his undergraduate work, and then specialized in life insurance when studying at Temple University before moving to Detroit. Blount served as executive secretary of Great Lakes Insurance Company and was the president of the Booker T. Washington Trade Association. The loan company was just one of the many enterprises the organization established in the 1940s. According to Gloster B. Current, the Booker T. Washington Trade Association was the factor that “holds Negro business together in Detroit.” He praised the organization’s work of holding special lectures on improving black businesses, charting the latest economic trends, and planning post-war activity to increase the amount of black business in Detroit.

**Expanded Business Opportunities for Women**

The 1940s saw an expansion in the economic opportunities for black women. The war effort drew women into defense industries to replace men who had joined the

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97 Current, “The Detroit Negro Leads the World.”
military. A growing number of women became their households’ primary breadwinners during the war, and relied on defense employment to support their families. The shifting nature of women’s work and financial independence during World War II opened up a discussion on the changing economic landscape for women entrepreneurs and black women sought new opportunities for establishing and expanding their businesses. In the 1930s, most of the women involved in the BTWTA operated in the hair culture industry or were partners with their spouses in a family business. The 1940s saw the types of businesses black women engaged in diversify.

One new field black women entrepreneurs entered during the 1940s was the real estate and resort business. A 1945 publication profiling successful African Americans highlighted a “New Field for Women” when featuring Mrs. Ella F. Towns. Towns, who migrated to Michigan from Atlanta, Georgia, had pioneered in the field of summer resort management when she opened Kelsonia Inn in Woodland Park Resort at Bitely, Michigan. Her vision was to cater to black Detroiters who were overworked and needed rest and relaxation outside of the city. According to the profile Mrs. Towns had “made an unusual effort to provide good food, swimming, boating and fishing facilities for tired city dwellers.” For the safety of bathers, the resort also had a lifeguard on duty. Cottages could be rented during the summer and for game hunting in the winter. Detroit Housewives’ League president Nannie Black also entered into the real estate business selling property in Michigan’s resort towns during the 1940s.

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100 National Housewives’ League Trade Week Guide April 1941, Folder Chapters: Housewives League of Detroit Publications Trade Week Guide 1941-1947, Box 2, National Housewives League of America Records, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan.
Perhaps the most impressive new operations of black women were business schools and commercial institutes. The 1940s saw the founding of three black-owned business schools in Detroit: Lewis Business College, The Slade-Gragg Academy, and the Detroit Institute of Commerce. The three proprietors of these schools—Violet T. Lewis, Rose Slade Gragg, and R. Louise Grooms—worked closely with the Detroit Housewives’ League and the Booker T. Washington Trade Association. Their ventures went along with the DHL’s long-term goal of investing in future entrepreneurs through education.\textsuperscript{101}

Prior to the founding of black business and commercial schools, African Americans did not have the opportunity to attend business schools in the state of Michigan. According to R. Louise Grooms, founder of Detroit Institute of Commerce, “When we started even the public schools discouraged blacks from taking business courses on the theory that there was no point in it. But I always urged our students to be prepared for the opportunity that would come.”\textsuperscript{102} Cecil Whittaker McFadden also remembered that in the 1940s, “They discouraged you in school from taking anything that they felt you could not get a job as.”\textsuperscript{103} Rose Slade-Gragg, founder of Slade-Gragg Academy of Practical Arts (1946) noted that her reason for establishing the academy was to provide post-war displaced and unskilled persons with the opportunity for careers.

\textsuperscript{101} Throughout the 1930s the Detroit Housewives League had promoted continued education as a way to improve black youths’ prospect for economic advancement. In 1934 the DHL stated that the organization’s greatest accomplishments “have been the vision of self-help it has given the Negro woman; the confidence it has inspired in Negro business and professional men and women; [and] the courage it has imparted to your young people to continue their education.” Thomas, \textit{Life for Us}, 220.


\textsuperscript{103} Cecil Whittaker McFadden was born in Kansas City, Missouri in 1918. She attended Detroit Public Schools, South Carolina State A & M, and Wayne State University. She was assistant editor of the black-owned newspaper the Detroit Tribune from 1945-1948. Moon, \textit{Untold Tales, Unsung Heroes}, 249, 147–48.
besides unskilled occupations. In establishing the academy, Gragg “devoted all her energy and finances to lifting the economic and social status of her race.” She envisioned graduates of Slade-Gragg academy who were poised, confident, and able to achieve “independence and dignity” in the economy.

R. Louise Grooms decided to use her business knowledge and experience to prepare young black men and women to earn a livelihood through business. Grooms had a long career in business before opening the Detroit Institute of Commerce in 1941. She worked as a note teller at Peoples Bank and Trust Company of Nashville, Tennessee and as the secretary at the black law firms of Lewis & Rowlette and Attorney Julian W. Perry. For fifteen years Grooms served as the Chief Accountant and Office Manager of one of Detroit’s largest black-owned businesses, the Great Lakes Mutual Life Insurance Company. She also served as secretary of the Booker T. Washington Trade Association for ten years, was a member of the National Negro Business League and business sorority Iota Phi Lambda Sorority. Having worked as a public school teacher for

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104 “The Slade-Gragg Academy of Practical Arts 1947 Catalog,” 1947, 8–9, Folder: Slade Gragg Academy, Box 4, Housewives’ League of Detroit Papers, Burton Historical Collection, Detroit, Michigan.

105 Rose Slade Gragg was born in Hampton, Georgia, the eldest daughter of the Reverend and Mrs. Henry O. Slade. She received her early education in the public schools of Georgia. She graduated from Morris Brown College, Atlanta, Georgia, and began a career as a teacher in 1920 as principal of the Eatonton High School, Eatonton, Georgia. She later attended Tuskegee Institute for a summer. In 1926, she married James R. Gragg, a Detroit tailor, and moved to Detroit. Slade-Gragg imagined her academy in Detroit as a “Tuskegee” of the North. Gragg Academy offered courses in tailoring, upholstering, sign painting, millinery, food production and service, and waitress training. Many of the academy’s trade instructors had been educated at southern institutions such as Tuskegee Institute, Howard University, and Hampton Institute. Through the 1940s ex-service men and women comprised the majority of Slade-Gragg’s student body. Florence Allen, “Northern ‘Tuskegee Institute’ Rising on City’s East Side,” Detroit Free Press, March 30, 1947, sec. 2; Boykin, Hand Book on the Detroit Negro, 131–32; Darlene Clark Hine, “Black Women in the Middle West,” in Hine Sight: Black Women and the Re-Construction of American History (Bloomington: Indiana University Press, 1994), 73–74; “The Slade-Gragg Academy of Practical Arts 1947 Catalog,” 4–5; “The Slaggite 1949 Yearbook,” 1949, Folder: Slade Gragg Academy, Box 4, Housewives’ League of Detroit Papers, Burton Historical Collection, Detroit, Michigan.

six years before she migrated to Detroit, Grooms decided to merge her skills in business and teaching to establish the Detroit Institute of Commerce.\textsuperscript{107}

The Detroit Institute of Commerce had a modest start in two rooms at Detroit’s downtown Tobin Building, but throughout the 1940s grew to occupy the entire sixth and eight floors. The school taught stenographic, executive secretarial, finishing secretarial, junior accounting, and business administration courses. Detroit Institute of Commerce was licensed by the Michigan State Board of Education and was authorized to train Veterans of World War II under the GI Bill. After ten years of operation Mrs. Grooms considered her school a success because “Negroes now own more, larger, and better organized businesses.”\textsuperscript{108}

Detroit’s Lewis Business College (LBC) was the largest and most successful of Detroit’s black business schools. Lewis Business College was established by Mrs. Violet T. Lewis in 1939 and provided expanding black businesses in the city with a pool of workers who were trained in important business skills like bookkeeping. The college also led the way for two other black business schools to be established in the 1940s: The Slade-Gragg Academy (1941) and the Detroit Institute of Commerce (1947). LBC originally enrolled women who wanted to gain more skills to work in “businesses careers,” which mostly meant being a secretary or stenographer. The college offered nine-month courses, in topics like typewriting, shorthand and stenography, bookkeeping, filing, and office machines. The school later expanded its curriculum and became co-educational in response to World War II veterans taking advantage of the G.I. Bill. New

\textsuperscript{107} Grigsby, \textit{Ambitions That Could Not Be Fenced In}, 33.
programs in Business Administration and Accounting were developed, and this led to the introduction of new courses like economics and business psychology.  

The Detroit college actually started out as a branch of the original Lewis Business College, which was located in Indianapolis, Indiana. Having been born and raised in Ohio, Violet T. Lewis graduated from Lima High School in 1915. She then enrolled in the secretarial program at Wilberforce University. She graduated from Wilberforce in 1917 and obtained her first professional job, as the secretary to the president of Selma University. She also worked as an instructor in the university’s business department, where she taught secretarial classes. From there, Violet T. Lewis landed a job as a bookkeeper at the Madam C.J. Walker Company in Indianapolis, Indiana. Lewis worked in Indianapolis for several years—for Madam C.J. Walker, as well as the Indianapolis Recorder newspaper. Lewis enjoyed her work. However, she noticed that there were many unemployed young people in Indianapolis; this gave her the idea to start her own secretarial school in order to train African Americans to enter business careers. In January 1928, Violet T. Lewis opened the Lewis Business College in Indianapolis. While in Indiana, Lewis also operated various enterprises besides the College—she sold Christmas trees and fireworks, ran a children’s typing seminar, and operated a nut shop and an ice cream shop. These businesses helped her, and the college, survive the Great Depression.

After operating the school for almost ten years, Lewis decided she needed to increase her income in order to send her two daughters to college. She reasoned that

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110 Ibid., 63.
opening another school in a nearby city would be the solution. But the question was where? While she was making this decision, a family friend and Lewis’s distant cousin, Cortez Peters, was in-town and advised Lewis on where she might successfully set up a branch of the Lewis Business College. Cortez Peters was the world champion typist on the portable typewriter, and had traveled all across the country giving typing demonstrations for the Royal Typewriter Company. He suggested that Lewis open her new school in Detroit. Peters noted that there were more Black owned businesses in Detroit than any other major city. Detroit had a large African American community, and there were no business schools in Detroit that accepted African Americans.  

Violet T. Lewis decided to visit Detroit to explore the viability of Mr. Peters’s suggestion. Lewis had family in Detroit, so she stayed with them while she assessed the location. With the help of her family, Lewis found a suitable location for the college. An administrative building at West Warren and McGraw Avenue had affordable rent, and she signed a one-year lease. Besides her family, another major factor that enabled Lewis to set up the Detroit school was assistance from black entrepreneurs and organizations operating in the city. Two black organizations were especially crucial in Lewis successfully breaking into the Detroit market: the Booker T. Washington Trade Association and the Detroit Housewives’ League. Lewis researched the black community and learned of the BTWTA and the DHL, and the importance of these groups for gaining acceptance in the black community and ultimately for the success of black enterprises. She met with the organizations to discuss her plans for a new business college and solicited their advice on the best way to advertise to potential students. The members of

111 Ibid., 47–48.
112 Ibid., 53.
both organizations pledged to support her, and the women of the Housewives’ League promised to help advertise and promote Lewis Business College.113

After the state of Michigan approved her education program and issued her a license to operate a business school, Lewis got to work advertising her new school to Detroit’s black youth. She ran full-page ads in all three black newspapers in Detroit. Members of the Detroit Housewives’ League canvased neighborhoods distributing flyers, and the pastors of Detroit’s major black churches placed inserts in their Sunday bulletins.114 On the first day of school in September 1939, Violet T. Lewis was surprised and delighted that over 50 students showed up and registered for classes. Lewis would not have 50 students in one year at the Indianapolis campus. In fact, when Lewis had established the Indiana college in 1928, only one student enrolled on the first day. The school was located in a storefront on a busy commercial street and passers-by could peek in and observe the classroom. Lewis had to force her teenage sister to skip her high school classes, and sit-in at the college, so people walking by would think Lewis had more than one student.115

Opening day in Detroit was an affirmation to Lewis that the success of the Detroit branch was imminent. After the school had been opened for a week, Lewis was confident that the manager and faculty she hired were capable of running the Detroit college and she returned to her main duties at the Indianapolis school.116 The Lewis Business College in Detroit continued to grow throughout its first year and Violet T. Lewis was satisfied with its progress. However, operating two business schools, one of them remotely,

113 Ibid., 50–52.
114 Ibid., 54–55.
115 Ibid., 32.
116 Ibid., 55–56.
presented various obstacles. One of the most challenging was an issue with her staff. In the first year of the school’s operation, Lewis would only come to Detroit once a month for meetings. At the end of the year, Lewis discovered that the Detroit manager had been embezzling money.\textsuperscript{117} After learning this, Lewis decided that the Detroit branch needed her full attention. It now had 75 students and could not be efficiently operated from a distance. Though the Indianapolis college had grown considerably, Lewis knew that the original school could not stand alone and was financially dependent on the Detroit branch. The 1940 graduating class of the Detroit college had over 30 graduates, while the Indiana school had only 5. Therefore, Lewis decided to close the school in Indianapolis. She moved the original college’s typewriters, desks, and other classroom equipment to Detroit’s campus, and after September 1940 the Lewis Business College became solely a Detroit institution.\textsuperscript{118}

The school expanded immensely over the next decade. From 50 students in 1939, Lewis Business College grew to almost 300 in 1942.\textsuperscript{119} Attendance at the school continued to increase thereafter. Between September 1942 and August 1943, 514 students attended the College.\textsuperscript{120} Total registration for the 1944-1945 school year was 626 students. The college had to add more class sessions to keep up with increased attendance. Classes were held three times a day—morning, afternoons, and three evenings week. On average 350 students attended sessions daily.\textsuperscript{121}

\textsuperscript{117} Ibid., 61.
\textsuperscript{118} Ibid., 61–62.
\textsuperscript{120} August 1943 ibid.
\textsuperscript{121} August 8, 1945, ibid.
Demand for the school’s services was so high that after the first year, Lewis Business College had to move from the initial building Lewis had rented. Lewis economized and managed to save $1,000 as a down payment for a beautiful mansion in a predominantly white neighborhood. In August 1940, Lewis purchased the building at the corner of John R. and Ferry streets and she moved the college to this location. In 1947 Lewis purchased an adjacent building on east Ferry Street, and she would later take over a third property nearby.

While Lewis Business College continued to grow, there were definitely times when money was tight and the college’s working capital was minimal. In fact, when Lewis first purchased the mansion on John R. Street in 1940, she could not even afford to hire a moving company. She gathered a group of family and friends who brought their cars and trailers to move the school’s equipment and furniture. They moved in the middle of the night so that her new neighbors in this elegant neighborhood would not see the caravan of cars pulling trailers.122 Still, Lewis did all she could to run the school efficiently and the college never operated in a deficit throughout the 1940s.123

Lewis Business College boosted the black business community in Detroit by providing entrepreneurs with bookkeepers, typists, and secretaries. In the earliest years of the college’s existence, white companies’ would not hire African Americas as office workers. Nonetheless, African American businesses would seek out and employ Lewis Business College graduates.124 Detroit’s black professionals and business owners wanted to hire black secretaries and bookkeepers, but they had a hard time finding them prior to

122 Ponders and Harris, On Her Own Terms, 73.
123 March 17, 1943, “Minutes.”
124 Ponders and Harris, On Her Own Terms, 76.
the founding of the school.\textsuperscript{125} Lewis saw that there was a lucrative, untapped market for the training she could offer.\textsuperscript{126} Her college provided black entrepreneurs with the staff they needed to expand their businesses, which they did throughout the 1940s.

In March 1943, Lewis Business College was happy to report that “We have young men and women scattered throughout the city of Detroit, able to make their living, and to hold their own in the business world.”\textsuperscript{127} By the early 1950s, the college’s graduates were working as personal secretaries to executives, doing clerical work for the government and in private business, and operating their own small businesses.\textsuperscript{128} These were students like Alice Newman who worked as a tax technician for the U.S. government for thirty years, and also became a realtor.\textsuperscript{129} Graduate Beatrice Buck, worked as the secretary for John White, an entrepreneur who owned the Gotham Hotel, the grandest black-owned hotel in the city.\textsuperscript{130}

Conclusion

Since the 1930s, Detroit had a reputation for having more black-owned businesses than any other major city, and the war years further consolidated its reputation. In 1940, Detroit attorney H. L. Dudley reported on the progress of Detroit’s black business community and claimed that “Negroes own and operate perhaps more business of their own in Detroit, than in any other of the large Metropolitan cities.”\textsuperscript{131} A publication

\begin{footnotes}
\item[126] Ponders and Harris, \textit{On Her Own Terms}, 50.
\item[127] March 17, 1943, “Minutes.”
\item[128] Ibid., June 4, 1954.
\item[129] Moon, \textit{Untold Tales, Unsung Heroes}, 72–75.
\item[130] Ibid., 188–89.
\item[131] “Detroit’s Outstanding Lawyer Writes on ‘Negroes in Detroit,’” \textit{Pittsburgh (PA) Courier}, March 30, 1940.
\end{footnotes}
produced by the Works Progress Administration noted that even though they faced racism in their state, blacks had established themselves in Michigan’s business and professional life:

They have built businesses and laid the foundations for a few major industries, their enterprises ranging from the nondescript barbershop to the well-equipped hospital, summer resort, and finance corporation. Detroit has a greater per-capita volume of business controlled and patronized by Negroes than any other city in the United States; for example, a thriving insurance company and a large cleaning and dyeing plant compete successfully with similar establishments owned by whites. There are seven Negro hospitals in Detroit alone.132

Detroit’s black-business community expanded greatly throughout the 1940s and would continue to flourish well into the next decade. According to future Detroit mayor Coleman Young, “Throughout the fifties, Detroit had more black homeowners and more black-owned businesses than any other city in America.”133

As the black business community expanded rapidly in the 1940s, many migrant entrepreneurs had achieved their dream of operating an enterprise that provided them and members of the race with more economic independence and self-determination.

Businesses such as Sunnie Wilson’s Forest Clubs, A. W. Curtis Laboratories, and Lewis Business College not only provided the proprietors with wealth, they also helped other blacks secure dignified employment and prepared many to be their own boss. As the 1940s came to a close, black entrepreneurs looked toward the future prospects of black business to continue booming along with the United States’ economy. The next decade would usher in post-war urban planning initiatives that would shake Detroit’s black

business community to its core and threaten to destroy all the progress black
entrepreneurs had made during the war years.
CHAPTER 5:

POST-WAR URBAN PLANNING AND THE DECLINE OF BLACK BUSINESS

Introduction

Willis Eugene Smith migrated to Detroit from Eufaula, Alabama, in 1919, opened a real-estate company in the early 1920s, apprenticed under an “Old Detroiter” undertaker in 1926, and then opened his own funeral home in 1929. He recounted, “I had the Smith’s Funeral Home until the express-way came in. I was at 615 E. Forrest, that’s where I opened, then I moved down to 611 Canfield….that was Hastings street over there, right near St. Antoine.” After losing his property due to highway construction, Smith did not reestablish his funeral home in a new location. Instead, he worked for another funeral home until he retired.¹ Smith’s story of moving from the South, establishing a successful business, and then losing it through urban planning initiatives was not unusual among black entrepreneurs in post-World War II Detroit. Automobile dealership owner Ed Davis recounted, “In just the area around my business, where houses and stores and apartment buildings were destroyed to make way for the Fisher Freeway and the Medical Center, it was almost as though a city had been lost within a city.” Davis lamented, “In truth, a community had been broken up and a whole way of life had been torn apart and lost forever.”²

This chapter explores the impact of post-war highway construction and urban renewal projects on Detroit’s black business community. I show that Black business owners were often more adversely affected by urban planning initiatives than residents.

¹ Willis Eugene Smith, Oral History, interview by Monroe Walker, 2 audiocassettes, December 27, 1984, MS/ Smith (Willis Eugene), Burton Historical Collection, Detroit Public Library, Detroit, Michigan.
Long delays in the city appraising and acquiring properties led to “blight by announcement,” and property values declined. Black entrepreneurs protested the economic hardships caused by urban renewal and fought to receive fairer compensation. However, improvements came too late for many, and most black business owners believed the compensation they received from the government was unfair. Many businesses could not afford to set up shop in a new location and win new customers. Once seized through eminent domain, many black businesses did not reopen. Additionally, urban renewal displaced blacks but did not provide replacement housing, which forced thousands of blacks into Detroit’s already crowded west side. The overcrowded conditions on the west side contributed to the 1967 urban rebellion, which destroyed even more black enterprises. The business connections and resources accumulated by black entrepreneurs over the previous decades could not be passed on to subsequent generations, which was a major blow for black economic development in the city.

In the early twentieth century, Booker T. Washington advocated black commercial success as a means of racial uplift. Inspired by Washington’s philosophy, African American entrepreneurs took with them a vision for achieving black economic independence, self-determination, and financial security though business as they left the South for urban centers like Detroit during the Great Migration. Though they faced obstacles, black migrant entrepreneurs were able to achieve considerable success from the 1920s through the 1940s, and built a thriving business community in Detroit. Yet, black neighborhoods were targeted for redevelopment, in part, because black communities seemed less likely to be able to fight it off than their white counterparts.
The degree to which black business owners were unable to protect their property without political clout in Detroit speaks to the importance of political power and representation for black economic advancement.

**Urban Planning in Detroit**

City planners targeted the sections of Detroit that contained the black business district to be torn down in the 1950s and 1960s. Urban renewal in Detroit disproportionately affected African Americans, so much so that black Detroiter often referred to urban renewal as “Negro Removal.” Non-whites made up 85 percent of the families living in some urban renewal locations. June Manning Thomas has noted that Detroit’s selection of urban renewal sites was in fact racially motivated. One retired urban planner recalled that several areas were similarly blighted, which could have been slated for urban renewal. This included housing in west Detroit. The difference? According the city planner: “I guess the practical difference was that the east side was predominantly Black.” Additionally, Planning Director George Emery stated that in “colored sections” of the city, “there may be less likelihood of organized opposition.”

City planners viewed black Detroiter’s lack of significant political power as an opportunity.

The two post-war urban planning initiatives in Detroit that most affected black business were highway construction and urban renewal projects. In April 1942, president Roosevelt appointed a committee to investigate the need for a national highway system.

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that would improve interregional transportation in the United States. A system of
highways, designated as the “National System of Interstate and Defense Highways,” was
authorized in the Federal-Aid Highway Act of 1944. While this was a federal program,
cooperation at all levels of government was needed to implement the system. The
International Highway Report, published in 1944 by the Bureau of Public Roads
recognized the need for a Federal Land Authority with the power of excess condemnation
and similar authorities at the state level. With the Federal-Aid Highway Act of 1956,
construction of highways increased significantly. The act authorized the expenditure of
$24 billion in 13 fiscal years from 1957 to 1969 at a 90 percent federal share. About 20
percent of the system mileage was designated as urban to provide alternative interstate
service into, through, and around urban areas. More highways were built through Detroit
than any other city.5

The construction of a national and regional highway network was also a part of
decentralization, a Cold War defense strategy prompted by the Soviets’ acquisition of the
atom bomb. The first step in decentralization was an industrial relocation plan that
involved defense plants and automobile manufacturers moving out of Detroit proper. This
was supposed to be a military mechanism, to make the defense industry less vulnerable to
wholesale complete destruction. Between 1945 and 1957, the Big Three auto companies
built twenty-five new plants in metropolitan Detroit, all of them outside the city. This
industrial relocation aided in the post-war suburban boom.6

5 Edward Weiner, Urban Transportation Planning in the United States: History, Policy, and
Practice, 4th ed. (New York: Springer Science & Business Media, 2008), 16, 18, 26–28; Coleman Young
and Lonnie Wheeler, Hard Stuff: The Autobiography of Mayor Coleman Young (New York: Viking Adult,
1994), 150; For more on freeway planning in Detroit see, W. Earles Andrews and Detroit Transportation
6 Young and Wheeler, Hard Stuff, 144–45, 148–50; Thomas J. Sugrue, “From Motor City to
Motor Metropolis: How the Automobile Industry Reshaped Urban America,” Automobile in American Life
The federally sponsored Urban Renewal program grew out of the Housing Act of 1949 and expanded with the Housing Act of 1954. The official purpose of urban renewal was “to assist cities undertaking local programs for the elimination and prevention of slums and blight, whether residential or nonresidential, and the elimination of the factors that create slums and blight.” Urban renewal was a long-range effort to “achieve better communities through planned redevelopment of deteriorated and deteriorating areas by means of partnership among local governments, private enterprise, citizens, and the Federal Government.” Urban renewal in Detroit involved conservation and redevelopment efforts, and the federal government granted funds to cover two thirds of the net cost of renewal projects, with local governments paying the remaining one-third. Conservation was designed to preserve and rehabilitate sections of residential areas without necessarily clearing out large numbers of structures. The city of Detroit defined “redevelopment” in several ways, and the manifestation of redevelopment changed over the years. For the most part, redevelopment involved the massive clearance of residential areas and the sale of razed land to private developers, hospitals or other local institutions. Redevelopment was concentrated in the central city, and much of what was later built on the land was privately, not publicly, owned.

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8 Urban redevelopment in Detroit began with “The Detroit Plan,” which was later supplanted by the federal urban renewal program. In November 1942 Detroit mayor Edward Jeffries announced the Detroit Plan, as an attempt to replace slum housing with newly built, affordable housing, presumably for low-income people displaced in the process of slum clearance. According to this plan, the city would declare a district as a redevelopment area, condemn the land, acquire parcels from current owners, clear the site of all structures, and sell the cleared land to developers at one-fifth to one-fourth of the acquisition cost. In order to finance the program, the mayor proposed that $2 million of the city’s $100 million tax budget of into a revolving fund, to be refurbished by increased tax revenues collected from redeveloped land. Joe T.
Across the country post-war urban planning policies destroyed African American neighborhoods, and municipal agencies made little or no effort to relocate the displaced. According to Detroit Urban League director John Dancy, “even at its best… the housing and slum-clearance projects were an imperfect answer to the problems that existed. When they tore down the places around Brewster Street, to make way for the Brewster project, the question was ‘Where are these people going?’ No provision had been made to resettle them.”

Urban renewal aggravated the housing shortage in black Detroit and the burden that it placed on displaced residents cannot be overstated. Several scholars, most notably Thomas Sugrue, have examined the effects of urban renewal on housing in Detroit and its role in creating the post-war “urban crisis.” Their research makes clear that the city’s urban renewal program produced great hardship for low-income residents of all races, and was hard on African Americans across class-lines. However, urban redevelopment often had an even more catastrophic impact on black business owners. This was devastating for black entrepreneurs who had migrated to the city seeking the opportunity to build an enterprise, accumulate wealth, and obtain economic independence and self-determination.

The destruction of black businesses due to urban planning in the 1950s was not a new phenomenon. Since the 1930s, black entrepreneurs had been adversely affected by geographical changes in the city. These instances tended to involve smaller communities of African Americans located in pockets outside of the east side where the majority of

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blacks lived. For example, in the 1930s restaurant proprietor Jimmy Cain was forced to move when the city decided to widen Eight Mile Road. During the late 1910s and early 1920s, a small black community formed on the outer edge of Detroit. In 1921, there were approximately 100 black migrant families living in the area. They built their own houses on the land they purchased and also raised poultry and hogs on their large lots. The Cain family had migrated to Detroit during the first wave of the Great Migration. Initially living near downtown, the family moved out to the Eight Mile Road area when it first developed.11 Jimmy’s daughter Alice Cain Newman remembered, “They were frame houses. It was very nice. It was safe, it was clean, and the businesses were black-owned…we were right on Eight Mile Road, because my dad had a business. On both sides of Eight Mile was a black-owned commercial strip.”12

Jimmy Cain owned “Jimmys” hot dog stand. Jimmy’s was a popular spot for young people to hang out. He sold hot dogs and pop for a nickel each, chili for twenty-five cents, and other small items like gum and candy. Cain’s mother was involved with the business, making sweet potato pies to sell. The establishment also had a slot machine. Besides owning the hot dog stand, Jimmy Cain was a partner in operating a pool hall. According to Alice Cain Newman, “My dad made a lot of money, he made a very lot of money.”13

Other black-owned businesses along Eight Mile included a candy manufacturer, restaurants, and a theater operated by African Americans. The city decided to widen

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12 Moon, *Untold Tales, Unsung Heroes*, 72.
13 Ibid., 73–74.
Eight Mile in the 1930s, and the business owners were forced to move. When the city came through to buy the properties, the back entrepreneurs hired an attorney and fought the forced removal. However, they lost the battle and eventually had to sell. Regarding this urban planning project Alice Newman Cain concluded: “They broke up the community. They broke up the business.”

Catherine Blackwell also lamented the loss of black business when an expressway tore through her west side neighborhood in the 1940s. Blackwell’s father, Burrell Carter, was a barber. He had migrated to Detroit to join his uncle who was also a barber and had already moved to the Motor City. Carter initially worked as a barber on a D&C boat, and also worked at his uncle’s barbershop located on St. Aubin Street. After several years, Burrell Carter decided to open his own shop on St. Antoine and Watson, which was one of the first black-owned four-chair barber shops on St. Antoine Street. Burrell Carter later relocated his family to Detroit’s west side. During World War II the government built the Detroit Industrial Highway (later the Edsel Ford Expressway and then expanded to I-94) to carry war workers to the Willow Run Plant. The highway ran through the Carters’ neighborhood and wiped out many black-owned businesses, especially on Milford Street. Milford was a busy street that had black owned restaurants, gasoline stations, a shoe repair shop, dime store, pharmacy, and other businesses. There was a small, but tight-knit black community in the area. Catherine Blackwell recalled, “it sort of

14 Ibid., 74.
15 The Detroit and Cleveland Navigation Company was a shipping company on the Great Lakes. The main route was between Detroit, Michigan, and Cleveland, Ohio. Most scheduled sailings were overnight sailings, landing in the morning after departure. The popular line operated from 1868 to 1951. J. C. D. Blaine, Selected Cases and Case Studies in Transportation Regulation and Management (Dubuque, IA: W.C. Brown Co., 1963), 82–83; Catherine Blackwell, interview by Louis Jones, Transcript, June 29, 2005, Oral History Project of the WestSiders, http://thedetroitwestsiders.org/slider/catherine-blackwell.
broke up when the expressway came through. That is what happened to our house on 25th Street; the expressway came through and our house was taken away. Of course, we were all very disgusted about that. We had our own individual churches... And there were a lot of businesses.”\textsuperscript{17}

Entrepreneurs, like Burrell Carter, who operated in small black communities throughout the city, were affected by urban planning prior to the 1950s and 1960s. However, the vast majority of the black population and black-owned businesses were located on Detroit’s near east side neighborhoods of Black Bottom and Paradise Valley. These neighborhoods would be devastated by post-war highway construction and urban redevelopment projects. Hastings Street, the main black commercial street in the city was paved over for the I-75 and I-375 freeways, which displaced hundreds of black entrepreneurs, and brought about the destruction of countless businesses.

The Impact of Urban Planning on Black Entrepreneurs

The 1950s and 1960s saw the creation of several highways in and around Detroit. Before the war was over, an expressway had been built from downtown past River Rouge to the Willow Run bomber plant. This road was later expanded into Interstate 94. The Jeffries Freeway, part of I-96, cut through northwest communities en route to Lansing. In 1950 construction began on the John Lodge Freeway, which ran north to south on the west side of downtown. The Lodge connected the Davison to the Edsel Ford and also the Fisher Freeway, which became part of I-75. A mile away on the east side, at the edge of Black Bottom, the Chrysler Freeway extended I-75 north along what used to be Hastings

\textsuperscript{17} Blackwell, interview.
Much of what was left of the black east side was later slated for urban renewal redevelopment in different phases throughout the 1950s and 1960s.\textsuperscript{19}

The vast majority of black-owned businesses were located in Detroit’s eastside neighborhoods of Black Bottom and Paradise Valley. This was the black commercial district, and Hastings Street was the main thoroughfare. Most black entrepreneurs established their businesses in this area because of geographic restrictions (in place since the 1910s) on African American residents and entrepreneurs. Even if a black business owner lived outside of these neighborhoods (such as in the wealthier Boston-Edison or Virginia Park neighborhoods), their business would be located in the black commercial district.\textsuperscript{20} The Black Bottom and Paradise Valley neighborhoods were devastated by post-war freeway construction and urban redevelopment projects. Hastings Street, the main black commercial street in the city was paved over for the I-75 and I-375 freeways, which displaced thousands of black residents, and brought about the destruction of countless businesses.

\textsuperscript{18} Young and Wheeler, \textit{Hard Stuff}, 150.


\textsuperscript{20} Historically, Detroit’s black population had been highly concentrated within the east-central sectors of the city because of discriminatory housing practices that restricted the movement of blacks in the city, even those who were financially able to acquire property in more expensive neighborhoods outside of the city center and in the suburbs. Detroit Commission on Community Relations, “The Negro in Detroit: Statistical Summary and Commentary,” 1961, Detroit Commission on Community Relations/ Human Rights Department Collection, Part 3, Box 12, Folder 48, Walter P. Reuther Library, Archives of Labor and Urban Affairs, Wayne State University; For more on racial segregation in Detroit see, Sugrue, \textit{The Origins of the Urban Crisis}; David M. P. Freund, \textit{Colored Property: State Policy and White Racial Politics in Suburban America} (Chicago: University of Chicago Press, 2007); Reynolds Farley, Sheldon Danziger, and Harry Holzer, \textit{Detroit Divided} (New York: Russell Sage Foundation, 2000), 144–77.
In 1926, a report on blacks in Detroit counted 720 business establishments in Detroit “conducted by Negroes and depending for the most part on Negro patronage.”\textsuperscript{21} Twenty-five years later, the diversity and size of black business in Detroit had grown tremendously. By 1952, black professionals and business owners numbered 2,500 in Detroit and their enterprises employed thousands of black workers. The greatest growth of black business had taken place after 1930.\textsuperscript{22} Serving the city’s 361,000 African American residents in the early 1950s were 18 black-owned hospitals, 8 medical-dental labs, more than 150 physicians and 50 dentists, 15 accountants (three were Certified Public Accountants), and 75 black lawyers. There were 68 real estate firms, 18 insurance companies, and 3 savings and loan associations. There were 59 black engineers of various types, 45 general contractors, 85 electricians, 50 carpenter contractors, 10 plastering contractors, 8 masonry contractors, 8 plumbing concerns, and 1 architect.

Other black-owned businesses included 100 barbershops, 200 beauty shops, 75 hotels, 53 drug stores, and 200 dry cleaning and tailoring establishments. There were 2 new car dealerships, 100 gasoline stations, 100 groceries, 6 wholesale meat companies, 50 moving and cartage companies, 100 restaurants, 27 funeral homes, 18 florists, and 4 furriers. There were 7 appliance stores with TV franchises, 3 wholesale beer distributors, 60 taverns and bars, 2 advertising businesses, 3 black newspapers, 4 hardware stores, 20 printing shops, 20 radio and TV servicing businesses, and 100 confectioneries. Other businesses operated by blacks include 20 coal companies, 20 commercial photography studios, 6 commercial art studios, 6 manufacturing plants, 2 cemeteries, 100 billiard halls.


and 2 bowling alleys. Additionally, there were 50 garages, 6 taxi cab companies, 20 wearing apparel businesses, 5 slip cover and drapery factories, and 2 furniture factories.\(^{23}\) These businesses were the manifestation of decades of work by Southern migrants and second-generation Detroiters.

By the early 1950s, Detroit also had numerous black business organizations. The largest business organization in the city was the Booker T. Washington Trade Association, which was open to all black entrepreneurs. There were industry specific trade organizations as well. One of the city’s largest was the Detroit Real Estate Brokers Association, founded in 1933. Others include the Michigan Council of Insurance Executives, the Paradise Valley Businessmen’s Association, the United Beauty School and Teachers Association, the Wolverine Funeral Directors Association, the Association of Fashion and Accessory Designers, the Wolverine Bar Association, The Cotillion Club, the Detroit Association of Electricians, the Pharmacists Guild, the East Side Tavern Owners, the Detroit Technical Association, the Detroit Medical Society, and the Elliotorian Business Women’s Club.\(^{24}\) Without a doubt, Detroit’s black business community was thriving in the early 1950s. The Booker T. Washington Trade Association, while proud of the record of achievement of black business owners, “expected a far greater advance in the second quarter century than it had seen in its first.”\(^{25}\) Unfortunately this was not to be.

When the city announced that the path of the highway would run directly over Hastings Street and slated sections of Black Bottom for urban renewal, it was a major

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\(^{24}\) George, “Detroit Tops Nation in Negro-Owned Businesses.”

\(^{25}\) Ibid.
blow to the black business community. Other redevelopment projects such as the Medical Center and mid-town Cultural Center, added to the destruction of black-owned businesses in Paradise Valley. Coleman Young’s father had migrated to Detroit in 1922 from Tuscaloosa, Alabama and established a dry cleaning business and a tailoring business on St. Aubin Street in the Black Bottom. Young, remembered, “my father's tailor shop was plowed under in 1950. Haywood Maben’s barbershop bit the dust a little while later. Ours was the first neighborhood to be eliminated, with long stretches of stores and houses being demolished seemingly at random. The swath of destruction was broad and frightfully unpredictable.”

There were several ways that urban renewal in Detroit negatively affected black businesses. It dispersed black customers; created “blight by announcement,” and offered woefully inadequate compensation to property owners. Black business owners were often more adversely affected by urban planning initiatives than residential renters and homeowners. Instead of being able to relocate to other sections of the city, black entrepreneurs were stuck in urban redevelopment areas through the sluggish settlement process. As they watched their neighborhood customers move to other sections in the city, and their sales drop drastically, many entrepreneurs went out of business before they had a chance to obtain a settlement for their property from the city. For example it took from 1946 to 1958 for the city of Detroit to condemn 129 acres at the Gratiot redevelopment site, relocate almost 2,000 black families, prepare and receive approval for four different sets of plans for reuse of the land, and sell the land to a developer.

This redevelopment project caused a significant reduction of a wide array of vital black

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businesses, including jazz clubs, restaurants, and barbershops, as well as homes and churches.  

One issue related to the flight of east side residents and the dispersal of customers was “blight by announcement.” Detroit Common Council member Mel Ravitz, summed up the process of blight by announcement. “We announce a project years in advance and cast a shadow over the whole neighborhood,” he said. “Owners stop improving their property, tenants move out and vandals do the rest.” Coleman Young recalled the repeating pattern of blight by announcement, “Just the rumor of urban renewal was enough to ruin an area. Businesses would flee, and the remaining landlords were told by government officials that any improvements they made in their properties would not be considered in the ultimate settlements.” Residents and entrepreneurs across the city complained that the years that passed between the announcement of a project and the arrival of the official appraisers, caused rapidly accelerated deterioration, vacancies, loss of rentals and business, insurance rate increases and cancellations, vandalism, fires, and crimes. Increased blight negatively affected property values in an entire redevelopment area. While residents who rented could leave and try to find housing in other parts of the city, business owners who were in long-term leases or who owned their property were stuck. They could not sell and start over somewhere else, because no one would buy property that had the threat of condemnation hanging over it.  

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28 Thomas, Redevelopment and Race, 60.
30 Young and Wheeler, Hard Stuff, 146.
32 Davis, One Man’s Way, 96.
deteriorating, sales down, and not being able to relocate to other sections of the city, many businesses closed.

The case of a small business owner who owned cleaning and pressing plants illustrates the problem businesses encountered when their customers left condemned areas. Like many black entrepreneurs, he had thought at one time that he was pretty well set, based on his income and what he had accumulated over the years. But as urban renewal took his customers away his business started going downhill. He dipped into his savings. Then he borrowed some money. Because Detroit’s white-owned financial institutions did not make loans to Blacks, the only people who would lend him the $3,000 he needed were loan sharks who charged 30 percent interest (the regular interest rate at banks and loan institutions at the time was about 5.5 percent). If he had been paid for his land, which was probably worth around $10,000, within a reasonable amount of time after urban renewal was announced for his area, he still could have survived. Instead, he saw everything he had worked to build up over the previous thirty years being destroyed. Without the patronage of his former customers, the cleaning plant owner could not repay the $3,000 he owed and he had to sell out his business. 33

While some entrepreneurs managed to keep their businesses open long enough to receive compensation from the government, the amount they received for their property was often inadequate. According to Ed Davis, “even after the government condemned a property and paid what they thought was a good price for it, many businesses couldn’t afford to set up shop in a new location and win new customers. So they closed.” 34 Residents and entrepreneurs across the city complained that the long-drawn-out process

33 Ibid., 100.
34 Ibid., 99.
of the urban renewal program cut heavily into the price offered for property. By the time
the city bought the property long after urban renewal had been announced, the value had
fallen drastically.\textsuperscript{35}

Delayed acquisition by the city haunted business owners like Austin W. Curtis.
Curtis was born in 1911 in West Virginia, moved to Detroit in 1943, and in 1945
established the A.W. Curtis Laboratories at 454 Farnsworth. There he manufactured and
distributed 80 different products. When proposing to incorporate A. W. Curtis
Laboratories in 1953, Dr. Curtis reported that the company had assets valued at $51,000
(approximately $452,000 in 2016 dollars). Curtis also reported that the company’s gross
profit was $45,926 in 1950, $38,144 in 1951, and $40,699 in 1962. Curtis projected that
gross profit for 1953 would be $45,000.\textsuperscript{36}

However, by the late 1960s, the company was experiencing financial troubles
because of urban renewal. A. W. Curtis Laboratories was located in the proposed Medical
Center #3 Redevelopment Project area.\textsuperscript{37} Speaking of a delay in the city acquiring his
property, Austin Curtis, said “It almost creates a situation where a business folds up…It’s
impossible to do any planning.” Curtis estimated that the delay would cost his business
$15,000 to $20,000. Furthermore, Curtis pointed out, “You can’t even get a loan from the

\begin{footnotes}
Delays Purchase of Renewal Site Land, Families Hurt, Hood Charges,” \textit{Detroit Free Press},
February 1, 1967, sec. A, Detroit Commission on Community Relations/ Human Rights Department Collection, Part 3,
Box 35, Folder 17, Walter P. Reuther Library, Archives of Labor and Urban Affairs, Wayne State
University.
\item[36] “A. W. Curtis Laboratories, Incorporated Organization Prospectus,” September 18, 1953,
Folder: Organization prospectus and suggestions for organized office procedures, Box 2, Austin W. Curtis
Papers, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan; Moon, \textit{Untold Tales,
Unsung Heroes}, 255.
\item[37] Small Business Administration, “Attention: Small Businessmen in Medical Center #3
Redevelopment Project - What Can The Small Business Development Center Do for You?,” ca. 1960s,
Detroit Commission on Community Relations/ Human Rights Department Collection, Box 122, Folder 4,
Walter P. Reuther Library, Archives of Labor and Urban Affairs, Wayne State University.
\end{footnotes}
Small Business Administration to enable you to move to another place until it reached the stage where the city is acquiring the land.”

Prior to 1964, there was limited assistance to relocate businesses displaced by urban renewal. Mel Ravitz, a sociology professor who served as Director of Community Organization for the Detroit City Plan Commission, highlighted in 1956 that displaced business owners faced problems in relocating. Ravitz stated, “The problem of what to do with the small businessmen is sometimes resolved by the businessman himself finding some new site for his enterprise. But it is a problem which probably cannot be resolved by such self-help alone.” Relocation payments for moving expenses for families, individuals and businesses were begun as a result of the Housing Act of 1956. The 1964 Housing Act added a requirement that cities track available commercial spaces and refer business owners who were displaced. City officials boasted that the Detroit Housing Commission had worked out such an arrangement with the local Small Business Administration as early as February 1961 before law required them. Still, assistance made available in 1961 or 1964 was too late for businesses that were displaced between 1950 and 1960.

Relocation funds were often inadequate for displaced business owners. The maximum commercial relocation payment an entrepreneur could receive for expenses

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38 Pannill, “City Delays Purchase of Renewal Site Land, Families Hurt, Hood Charges.”
incurred in moving and/or actual direct loss of property was $25,000.\textsuperscript{41} The Housing Act of 1965 contained a provision that permitted a Small Business Displacement Payment, in addition to reimbursement for moving expenses and direct loss of property, to certain businesses. However, the Small Business Displacement Payment was capped at $2,500.\textsuperscript{42} This amount was often not enough for businesses to find a new commercial building that was up to code or construct a new building. Because many displaced black residents were moving to the west side Twelfth Street area (which was becoming overcrowded) black businesses also needed to relocate to overcrowded areas to serve black customers. Finding commercial space was difficult, and many of the existing structures available to black entrepreneurs were not up to code, which was a requirement for receiving relocation payments. Since almost all newly constructed real estate in the post war era was built in areas where blacks were restricted from purchasing property (in white-middle-class neighborhoods and in the suburbs), it was difficult for black entrepreneurs to qualify for, and receive the government relocation assistance made available after 1961.\textsuperscript{43}

Moreover, some of the costs displaced entrepreneurs incurred were not eligible for commercial relocation and small business displacement payments. For instance, if because of local laws, a business had to obtain a license to operate at its new location or had to pay inspection fees in connection with reinstalling its equipment, the business would not be reimbursed for the cost of obtaining the license or the inspector’s fees.


\textsuperscript{43} Sugrue, \textit{The Origins of the Urban Crisis}, 41–43.
because they were not considered to be moving expenses or actual direct loss of property as defined by Housing and Home Finance Agency rules. Other eligibility requirements for a Small Business Displacement Payments included: The concern is not part of an enterprise having establishments outside the urban renewal area; Average annual gross receipts or sales exceed $1,500; and Average annual net income, before income taxes and plus certain salaries, wages, and other compensation, is less than $10,000. Any business that did not meet these requirements would not benefit from the displacement payment program. Additionally, the main fault of government relocation support for commercial enterprises was the stipulation that business owners could not receive the Small Business Displacement Payment or a Relocation Payment until after the enterprise had already moved from the premises occupied in the urban renewal project area. This was a financial hardship for many black business owners. Shouldering the cost of moving and then hoping to get reimbursed was just not feasible. Thus, a great many of the Black Bottom and Paradise Valley businesses never got a chance to relocate, they simply went under. By the end of the 1960s, two decades of highway construction and urban renewal projects had wiped out the majority of Detroit’s African American commercial landscape and eradicated the thousands of jobs it had supplied.

The case of Ed Davis illustrates how urban renewal played out for entrepreneurs who were able to obtain compensation for their property and relocate their business.

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46 The devastating impact of urban renewal on small business occurred in other cities as well. In his work on New York, Samuel Zipp details an array of small businesses that were plowed under to make way for Lincoln Square. Samuel Zipp, *Manhattan Projects: The Rise and Fall of Urban Renewal in Cold War New York* (New York: Oxford University Press, 2012), 137–38.
Davis was born in 1911 in Shreveport, Louisiana. Davis migrated to Detroit in the 1920s to live with his aunt and uncle who had moved to the motor city for an opportunity to work at Ford Motor Company. Ed Davis loved cars and his family believed he would get a better education in Detroit schools, so they allowed the young Ed to go north. Once in Detroit, Davis worked washing cars at a gas station, as a used car salesman in another man’s shop, and eventually enrolled in the Alexander Hamilton Institute’s two-year correspondence course in modern business. Davis then established his own new car dealership in 1939. Davis Motor Sales was located at 421 E. Vernor Highway, on the city’s east side. Davis operated at this location for the next twenty years and built Davis Motor Sales into a thriving Studebaker dealership.\(^4\)

However by the mid 1950s, sales for both new and used cars were down in the area near Davis’s car dealership. Davis’s dealership was in the path of a proposed highway across Detroit. Davis remembered,

the area just north of downtown Detroit had been a fairly prosperous black district in the 1940s, but by the mid-1950s it was turning into a no-man’s-land. Those who could afford to move were getting out. Those who couldn’t (property owners, mostly) stayed on from day to day, hoping to sell and get out themselves. Such were the effects of the new expressway programs, industrial parks, and urban redevelopment plans on people on this area and others like it. About a mile in each direction from my location—east, west, and north, but accepting south toward downtown Detroit—had been condemned or was soon to be condemned. The people who were still there were disgusted and wanted to leave.\(^5\)

Ed Davis suffered financially, along with other entrepreneurs and property owners, since the entire area was deteriorating, economically and physically. Davis did not have any other option but to continue working to keep his business afloat. Getting a

\(^4\) Davis, One Man’s Way, 11–14.
\(^5\) Davis, One Man’s Way, 96.
job somewhere else would not have solved his problem—the going salaries at the time meant everything he could have earned would have been eaten up by the payments for his commercial property. If he did not keep the taxes and mortgage paid up, he stood to lose everything he had accumulated over the years. Davis admitted, “It was a terrible position to be in. Five or six years before I had been earning $25,000 or so a year; by 1959 I was struggling just to survive.” Getting a loan was completely out of the question, since Davis was no longer earning anything.

In late 1962, the government paid Davis $75,000 for his property, about half of what it had been worth before the urban renewal announcement. Davis considered himself one of the lucky ones. He had lived with urban renewal for five years, but he did succeed in getting a settlement for his property sooner than many people in his area. Even though Davis felt the government’s payment was unsatisfactory, he decided to accept it, and “get out” of the area.

Large commercial enterprises were not the only businesses displaced by urban planning projects. Most of the black commercial district had been destroyed by the time the city took Ruth Ellis’ home, bringing about the end of the printing business she had operated for two decades. The case of Ruth Ellis highlights another important aspect of black business loss related to urban planning; highway construction and urban renewal projects also affected enterprises operated out of peoples’ homes. Thus, official estimates of the number of displaced enterprises under-reported the affect of post-war urban

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50 Ibid., 96–97.
51 Ibid., 97.
52 Ibid., 104.
53 Ibid., 103–4.
planning on businesses. The actual number of residential businesses that were displaced for highway construction and urban renewal cannot be known.

Ruth Charlotte Ellis was born in 1899 in Springfield, Illinois. After graduating from Springfield High School in 1919, Ellis worked for a family in Springfield and earned $3.00 a week taking care of a baby.\(^{54}\) However, she also learned printing from a neighborhood man named Mr. Foster. At Foster’s print shop on Sixteenth Street, Ellis learned how to set type and how to run the press machine. After years of working in Springfield, Ellis’s oldest brother Charles Ellis Jr. convinced her to move to Detroit. Charles Ellis Jr. had moved to Detroit in the 1920s following World War I. Ruth Ellis remembered, “Wages were so low in Springfield. My brother said I could make more money in Detroit,” so she took the Greyhound bus to the Motor City.\(^{55}\)

Ruth Ellis arrived in Detroit in 1937. Ellis’s girlfriend from Springfield, Ceciline “Babe” Franklin, soon followed. Franklin found a job as a cook in a restaurant and Ellis went to work for a family just outside of Detroit in Highland Park. In Detroit, Ellis earned $7.00 a week, compared to the $3.00 she had made in Springfield. On her day off, Ruth Ellis would look for a job at a printing business. She finally found one with a printer named Waterfield. Ellis and Franklin worked for a few years to save enough money to purchase a home.\(^{56}\)

\(^{54}\) Ruth Ellis, Interview of Ruth Ellis, interview by Terri Jewell, Transcript, April 23, 1989, Folder: Papers, Correspondence, and Events - “Living with Pride: Ruth Ellis @ 100,” Box 1, Ruth Ellis Papers, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan.

\(^{55}\) “Ruth’s Story,” Folder: Papers, Correspondence, and Events - Biographical Information, Box 1, Ruth Ellis Papers, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan; Lesley Rogers, “Witness of 1908 Race Riots Returns to Springfield to Remember, Be Recognized,” The State Journal Register, May 12, 1998, Folder: Papers, Correspondence, and Events - “Living with Pride: Ruth Ellis @ 100,” Box 1, Ruth Ellis Papers, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan; Ellis, Interview of Ruth Ellis.

\(^{56}\) Ellis, Interview of Ruth Ellis.
After working for Waterfield for a while, Ruth Ellis decided to open a shop of her own. According to Ellis, “I was working for a printer and I said to myself, if I can do this for him, how come I can’t do this for myself?” In 1942, Ellis and Franklin took their savings, along with $500 they borrowed for a down payment, and bought a two-family flat at 10335 Oakland Avenue. There were 5 rooms downstairs, and Ellis used the front room for her printing shop. The couple lived upstairs and rented out the other downstairs rooms. Franklin remodeled the house in preparation for the new business endeavor. According to Ellis, “[Babe] could knock the plaster off the wall, put in a doorway, do all that kind of stuff.” Soon Ruth Ellis had set up her printing room, and “Ellis and Franklin Printing Company” was open for business.

Though it was a family-owned business, Ruth Ellis did all the work while Babe Franklin continued working as a cook. Ellis recalled, “I printed anything small, not books or things like that where it had to be linotyped. I did all printing by hand. The largest printing I did was 11x14 ... I would just take the walk-in trade.” There were several churches in Ruth’s neighborhood that were clients, so she printed a large number of coin envelopes and raffle tickets. Ruth Ellis’s store policies included: “A deposit is

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58 Ted Shen, “Film Explores Pride, Prejudice of a Lifestyle,” *Chicago Tribune*, August 26, 1999, Folder: Papers, Correspondence, and Events - “Living with Pride: Ruth Ellis @ 100,” Box 1, Ruth Ellis Papers, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan; Ellis, Interview of Ruth Ellis.
59 Ellis, Interview of Ruth Ellis.
60 While Ruth and Babe could never marry, the couple stayed together for thirty years. The couple also raised a daughter together. According to Ruth, Babe had a child when she was 17 before she graduated from high school. In the 1940 U.S. census Ruth is listed as the head of household, Ceciline is listed as a lodger, and Shirley Draper (age 13) is listed as “lodger/daughter.” Ibid.; “Ruth Ellis in the 1940 United States Federal Census,” 1940, Ancestry.com. 1940 United States Federal Census [database online], Ancestry.com Operations Inc., http://search.ancestry.com/cgibin/ sse.dll?indiv=1&db=1940usfedcen&h=84861790.
61 Ellis, Interview of Ruth Ellis.
required on all work,” “State tax must be paid on all work,” and “No credit.”

Ellis also taught herself photography by reading books: “there weren’t always color films, so I hand-colored my own prints,” she recalled, “I had my own dark room and had it set up in a coal bin.”

Ruth Ellis’s printing business did not make her rich, but it did provide her with economic independence and self-determination. Ellis was her own boss, set her own hours, and decided what jobs she wanted to take. According to Ellis, “I made enough money to live off of. I didn’t save too much, but I could pay my bills and eat what I wanted.” Besides self-determination, Ellis and Franklin Printing also enabled the couple to provide a safe place for queer black people to be free to socialize and openly be themselves. According to Ellis, “Our house was noted for being the ‘gay spot.’ There weren’t very many places in Detroit you could go back in [the 1940s and 1950s]. We rented out the back 4 rooms of the downstairs to a gay fellow. When we had a party, we would open up the whole house. People used to come from every place.”

Ruth Ellis’s place of business and home served as a meeting spot for queer African Americans during a time when gay bars were often raided and patrons were harassed, thus providing safety and freedom for people who were oppressed because of their sexuality as well as their race.

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62 Ruth Ellis at the printing press (photograph, ca. 1940s), Box 2, Ruth Ellis Papers, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan.
63 Ellis, Interview of Ruth Ellis.
64 Ibid.
66 Ellis, Interview of Ruth Ellis.
67 John D’Emilio considers the 1950s to be the low point for gay people in terms of surveillance by the FBI, blackmail, and labeling gay people as a national security risk; this all opened up the door for increased police harassment and crackdowns on gay bars and gay hangout spots. For information on raids
Ruth Ellis operated Ellis and Franklin Printing out of her home through the 1960s until “the city had it torn down during urban renewal... to help improve Oakland Avenue.” Upon being forced to leave her home, Ellis closed her printing business and never reestablished it. Because of Detroit’s housing shortage, Ruth Ellis moved into the Wolverine Senior Citizen housing project on Elizabeth Street in downtown Detroit. Ellis could not operate a printing business from her new residence. Additionally, all of Ellis’s clients had been located in her north Detroit neighborhood. When she moved downtown, she no longer had an established customer base.

Ruth Ellis, like numerous other black entrepreneurs in Detroit, was devastated by the changes urban renewal forced. Ellis recounted, “I liked my home. We had a nice place and a big yard,” and lamented, “We hated to move - we enjoyed our house so much.” Years later, reflecting on post-war urban planning, Ellis concluded, “I saw that progress was making the poor classes of people move, keep moving, on the move. If they decide they want your property, they take it. That's what you call progress.” Ruth Ellis is just one example of the many entrepreneurs who were displaced from residential properties, saw their communities break up, and were not able to reestablish their businesses when their customers dispersed across the city.


68 Ellis, Interview of Ruth Ellis.
69 The Wolverine Hotel at 55 E. Elizabeth was turned into a federally subsidized senior-housing complex in the late-1960s. Ruth Ellis moved there in 1970. Ellis and other residents were forced to move from the Elizabeth Street building in 1986 because of the building’s numerous code violations. “Ruth’s Story”; “Residents Say Public Housing Still the Same,” Detroit Free Press, December 7, 1994.
70 “Ruth’s Story”; Ellis, Interview of Ruth Ellis.
71 “‘Living on Earth’ Transcript,” January 7, 2000, Folder: Papers, Correspondence, and Events - “Living on Earth,” National Public Radio, January 7, 2000, Box 1, Ruth Ellis Papers, Bentley Historical Library, University of Michigan, Ann Arbor, Michigan.
Organizing against the Injustices of Urban Renewal

When Urban Renewal threatened black entrepreneurs, they did not take it lying down. The black business community organized and fought the economic injustices of post-war urban planning. Black entrepreneurs demanded fairer and speedier compensation and relocation payments. They also protested the government directing public funds for the development of private enterprises, such as a medical center, shopping centers, and housing developments that discriminated against African Americans.

When the Detroit Medical Committee proposed a new medical center to the Detroit City Plan Commission on May 12, 1956, the Booker T. Washington Trade Association (BTWTA) protested the expanded medical center as an urban redevelopment project. The black business organization acknowledged that urban redevelopment was necessary: “No responsible private citizen, or business organization, could in good conscious adopt a position which is adverse to the eradication of slum conditions and factors which produce neighborhood decay.”72 However, BTWTA urged the city to be realistic and recognize that to effectively rid Detroit of the slums, the city must get to the root causes of slums: racial discrimination. The BTWTA explained, “It is estimated that approximately ten thousand people, 80% of whom are Negroes, will be displaced and an undetermined number of business, and organizations, many of whom are members of our Association, face possible relocation or disestablishment in the development of the proposed medical center.”73 The organization asserted, “We are of the opinion that a

73 Ibid., 3.
governmental expenditure for the establishment or expansion of a privately owned hospital facility which racially discriminates in its service to the community is an improper object to which to devote money belonging to all people."\textsuperscript{74} The BTWTA concluded that the proposed medical center plan represented, “a misuse of the slum clearance program.”\textsuperscript{75} Detroit’s hospitals at the time discriminated against blacks in patient admittance, training opportunities for black nurses and doctors, and staff appointments. The Booker T. Washington Trade Association requested that among other things, “Negro owned business concerns which face possible relocation from urban renewal sites have opportunity equal to that of other business establishments to relocate themselves in areas zoned for commercial uses instead of having to relocate in other residential areas of the community.”\textsuperscript{76}

Individual business leaders also objected to the use of urban renewal public funds to expand a private enterprise that discriminated against blacks. Ernest Shell, the Vice-president and Agency Director of Great Lakes Mutual Life Insurance Company wrote about the expansion of the Children’s, Grace, and Women’s hospitals stating, “when the above hospitals gave as one of their main reasons why the expansion was needed—to increase their facilities and services to the public—they were on ‘high ground’ with a noble purpose. We seriously question their motivation as well as the city’s.”\textsuperscript{77} A report by the Detroit Urban League had indicated that African Americans were discriminated against in the use of

\textsuperscript{74} Ibid., 4.  
\textsuperscript{75} Ibid., 3.  
\textsuperscript{76} Ibid.  
services and facilities by these hospitals. Shell wondered how the hospitals could ask “for
the city to use its power of ‘eminent domain’ to condemn land (chiefly occupied by
Negroes) for their expansion” and contended that neither the city nor government should
subsidize a project that had been publicly condemned as practicing discrimination.\textsuperscript{78}

Ernest Shell also spoke out against the city’s urban renewal program, which he
condemned for its disproportionate impact on black neighborhoods: “There are areas
where hospitals could be built.... I seriously doubt if this area had 20\% Negroes instead of
80\% whether this expansion program would be considered, and if considered, approved
by government agencies.”\textsuperscript{79} Shell called for remedies such as businesses in urban renewal
areas to be given first choice to re-purchase cleared land if they desired, and that hospitals
(prior to approval of the expansion program) correct all discriminatory practices in the
use of their services and facilities.\textsuperscript{80} Shell warned that if the hospitals and governmental
agencies did not take steps to remedy the discrimination and injustices of urban
redevelopment in the medial center area,

they will create serious doubt in the minds of the people presently living in that area... whether they are getting (1) equal protection of the laws. (2) That the use
of public funds, to which they contribute as tax payers, are not being used against
their best interests; or ‘taxation without representation.’ These are things in which
America believes. It must believe them strong enough to apply to all Americans
regardless of race, creed, religion or national origin.\textsuperscript{81}

Religious and political leaders in the black community joined in condemning the
negative effects of urban renewal on black business. The Reverend Albert B. Cleage Jr.
(the leader of the Shrine of the Black Madonna) adamantly called out injustices of urban
renewal in columns printed in the \textit{Detroit Illustrated News} during the 1960s. Cleage,

\textsuperscript{78} Ibid.
\textsuperscript{79} Ibid.
\textsuperscript{80} Ibid.
\textsuperscript{81} Ibid.
along with Milton and Richard Henry, organized a protest group, the Group on Advanced Leadership (GOAL) in early 1962. This all-black organization was designed to be a “chemical catalyst” in the fight against bias in Detroit. Cleage and GOAL focused mostly on bias in the city’s public school system and urban renewal program. Cleage consistently asserted that urban renewal was “Negro Removal” and denounced the city for asking black people to finance (with tax dollars) the destruction of black neighborhoods and the displacement of their inhabitants. By 1962, almost 10,000 acres of “blighted” area, or 15 percent of the city, had been cleared under the urban renewal program. The majority of those personally affected by the clearance were black. Cleage and GOAL saw no reason why black Detroiters should have to disproportionately forfeit their homes and neighborhoods. Together with other organizations, GOAL launched an assault on the constitutionality of the Urban Renewal Redevelopment Program, filing a suit in federal court on the premise that the Urban Renewal Authority had no right to condemn and clear private properties for the benefit of private organizations.

GOAL actually filed two lawsuits, one of which focused on the planned medical center. The other suit involved the Detroit Eight Mile Road Conservation site. The conservation plan for this involved the destruction of an entire strip of black businesses along Eight Mile Road and their replacement with a shopping center in which the

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displaced businesses were unlikely to gain access to commercial space. Cleage and GOAL utilized lawsuits as a strategy to stop what they saw as a violation of African Americans’ rights. This violation destroyed black churches and businesses and threatened black political and economic power. GOAL demanded that displaced people and businesses be granted the right to return to redeveloped areas with financial assistance for their relocation or return. They group also insisted that “the government must guarantee through operable law and administrative measures, that no business, institution, apartment, person or persons in a [urban renewal] area may practice racial discrimination in any form, including its economic guise.”

Some business owners protested the plans for the Eight Mile area altogether. In 1960 citizens affected by urban renewal jammed the Detroit Common Council hearing on the Eight-Mile redevelopment program. The council heard two hours of testimony from citizens living in the area. Dr. Richard McGhee, a resident of the area for 14 years, voiced his disapproval of the entire plan. He was especially critical of the plan to eliminate black-owned businesses on the south side of Eight Mile and replace them with parks, and other businesses from the “outside.” The council also heard from other business owners such as Ernest Cockfield, a 79 year old funeral director who asked, “what else can I do, if I have to relocate at my age?” James H. Smith, another businessman of the area, stated, “Their plans don’t make sense... there is a plot of 26 acres, without anything on it in the area.” Smith suggested, “Why not locate the park there.”

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The cries of entrepreneurs and residents affected by urban renewal did not fall completely on deaf ears. By 1960, blacks accounted for twenty-nine percent of the city’s population, wielding nearly twice the voting influence they had held ten years before. In 1957, black attorney William T. Patrick Jr. had broken the racial barrier to the Detroit Common Council. Reverend Nicholas Hood followed Patrick in 1965. These two black council members, along with council member Mel Ravitz (who was white) worked tirelessly to change the discrimination produced by post-war urban planning. William T. Patrick asserted in common council meetings that urban renewal’s role was to upgrade the city for existing residents, not to attract the fleeing white middle-class back from the suburbs at blacks’ expense. Rev. Hood called a special Common Council meeting to discuss the problems faced by small business owners in the Medical Center Area. At this meeting, the main concern of black entrepreneurs was finding out exactly when the city would begin taking possession of their properties. As a council member Mel Ravitz demanded changes in the law that would permit early acquisition of property in urban renewal areas and stressed that the decline in neighborhood conditions in areas slated for renewal would be greatly reduced if the city would acquire property soon after announcing an urban renewal project.

Black business owners urged elected officials to pass laws that would allow business owners to secure fairer compensation for their property and funds to relocate

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87 Dillard, *Faith in the City*, 199.
89 “Minutes, Meeting in the Common Council Chambers on October 27, Called by Rev. Hood to Discuss the Problems of Small Businessmen in the Medical Center Area,” October 31, 1966, Detroit Commission on Community Relations/ Human Rights Department Collection, Box 122, Folder 4, Walter P. Reuther Library, Archives of Labor and Urban Affairs, Wayne State University.
their business. Ed Davis of Davis Motors was deeply involved with organizing for better treatment of black business in Detroit. Davis was a member of Detroit’s Booker T. Washington Trade Association and was the regional vice-president of the National Business League (formerly National Negro Business League). He also served on the Detroit Housing Commission’s Relocation Advisory Committee. Davis recalled, “I went to the state capitol in Lansing several times to talk to legislatures. I even made a couple of trips to Washington, D.C., trying to get some laws passed which would alleviate some of the problems of people caught in the web of urban renewal.”

Ed Davis also spoke before the Detroit Common Council presenting suggestions developed by the National Business League for help on the local level. The league asked that real estate be appraised by the city soon after areas were marked for development so that property owners could be paid more equitably, and that payment, in full or part, be made to businesses so they could plan their relocation immediately. They also requested that the government assume responsibility for reimbursing long-term leaseholders who had invested money in the commercial property they rented in areas designated for redevelopment, and that businesses, regardless of size, be given financial assistance to relocate and financial consideration for income lost while in the process of moving. Black entrepreneurs proposed that retired business executives be recruited to serve on committees with local business owners. These committees were to evaluate local business needs and determine the responsibilities of both the federal and local governments to business owners displaced by urban renewal. They further requested that, once the responsibility for a financial loss had been established, payment be made within six months. Finally, entrepreneurs asked that all of these steps be taken fairly, without

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91 Davis, *One Man’s Way*, 97.
discrimination. They charged the federal government with the moral and legal responsibility of seeing that all banks, savings associations, the Small Business Administration, and organizations that dealt with funds guaranteed or supplied by the federal or local governments cease discrimination against groups and businesses for reasons of race, creed, color, or social position. According to Davis, elected officials made promises for improvements, but “still, promises were not enough in Detroit or in the other cities around the nation with areas marked for urban renewal.”

Mildred Smith, the Research Park Relocation Council delegate to the West Central Organization, echoed Davis’s sentiments in a letter she penned to the Detroit Housing Commission on April 28, 1966. Smith protested the “inhuman relocation practices” of urban renewal and asserted that the Housing Commission’s relocation process had resulted in “too many broken promises and too many broken people.” The letter urged the members of the Housing Commission to come to the Research Park area and hear from residents themselves about the true experience of urban renewal. Mildred Smith wrote, “We would like the Commissioners to talk with homeowners about their difficulty getting enough for their homes to buy a new house.” The letter also stressed that the hardships caused by urban renewal affected entrepreneurs: “Listen to the voices of owners of neighborhood businesses that are losing everything they have worked for. Nobody pays them for the years it has taken them to build up a trade.”

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92 Ibid., 99–100.
93 The West Central Organization (W.C.O) was a group that protested the injustices of urban renewal. The organization picketed, arranged meetings with state officials, distributed newsletters, and peppered the city council and the local media with statements of protest. W.C.O. lasted from approximately 1965-1967. Darden, Detroit: Race and Uneven Development, 173, 286.
At times, it seems that nobody understood the devastation of urban renewal except those who were being displaced. According to Ed Davis, “Those of us who knew what urban renewal was doing, because we were also caught in its trap, were virtually the only ones trying to solve some of these problems. Sometimes it seemed like an impossible struggle. Sometimes it seemed as though no one else in the whole country knew, or cared, what was happening.” Davis was serving on the Detroit Housing Commission’s Relocation Committee when a bill passed in Washington, D.C. in early 1963. The bill allowed for moving expenses to be paid to any person or business owner having to relocate due to the federal highway program. In order for Detroit residents to benefit from this act, however, the Michigan state legislature had to pass a law for reimbursement of moving expenses. Davis remembered that the Relocation Committee worked very hard to get such a law through the Michigan legislature, however they had to fight “against the lack of interest of the state highway department and the lethargy of many of our elected representatives in Lansing.” Gradually, some of the measures black entrepreneurs requested were undertaken in a “piecemeal fashion”—there were some payments for moving expenses and financial assistance in relocating businesses. Davis recalled, “but it still took a lot of effort from the affected citizens.”

The organizing efforts of black entrepreneurs, community leaders, and residents against urban renewal’s injustices did lead to some victories. For instance, concerning the proposed medical center in mid-town, pressure from the black community led to the proposed medical center’s hospitals signing non-discrimination pledges. There also was improvement in the training opportunities and staff appointments for blacks in most

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96 Ibid., 103.
97 Ibid.
major Detroit hospitals. Harper Hospital’s black staff increased from zero physicians in June 1960, to eleven by September 1963. Additionally, in October 1963 the Detroit Common Council passed a hospital anti-discrimination ordinance.98

Another breakthrough came three years later. In 1966, U.S. District Judge Fred W. Kaess ruled that a property owner should be paid for their property on the “fair market value immediately before the city took active steps to carry out the work on the [urban renewal] project,” not the depreciated value left after years of delay had blighted the neighborhood.99 This ruling was prompted by the case of Thomas E. Foster and his wife Georgia Lee Foster. Their east side property, which was worth $12,500 in 1954, had slipped to a condemnation value of just $5,200 by 1963. This decrease was a result of more than a decade of city delay and inaction in acquiring property, after it had announced that the area was earmarked for urban redevelopment in 1950. The area experienced “blight by announcement,” which was aided by the city’s decisions to demolition some houses and remove welfare tenants from the area. These decisions increased vacancies in the area and caused prices to decline further. The city had also warned owners in the affected area not to make any improvements to their property, because the cost of improvements would not be compensable in condemnation awards. Whether or not the city deliberately intended to depress property values in the areas, that was certainly the result of its actions.100 The city appealed Judge Kaess’s ruling, but the

100 “Justice for Property Owners.”
Sixth Circuit Federal Court of Appeals in Cincinnati, Ohio upheld Kaess’s decision and determined that the city had damaged the Fosters’ property by the drawn-out condemnation process. The court also ruled that all of the property owners in the area had the right to have their land re-revaluated and to be paid according to what the property was worth in 1950.  

The victories which resulted from black Detroiter’s organizing were significant, yet they often came too late for black entrepreneurs whose businesses had already gone under. Urban renewal and highway construction projects damaged or destroyed countless black businesses, and broke up the communities that black entrepreneurs served. Ed Davis asserted, “Urban renewal—often rightly called ‘Negro removal’—was discrimination at its worst. People who had spent their lifetimes in buying a home or building a business lost everything they had.” Many property owners in urban renewal areas had never heard of eminent domain. According to Davis, “they were not aware that some unknown bureaucrats could decide that the public needed their land more than they did, and they didn’t know that, if these men made the decision, then the government could legally condemn their land, paying what these faceless men said was a fair price, and force them to give it up.”

The end result of post-war urban planning projects was the loss of black wealth, economic stability, and self-determination. Black entrepreneurs caught up in urban renewal had “no control over their own destinies.” Urban renewal had “destroyed their sense of security…they knew that a lifetime of hard work and saving would be swept away by government edict.” Davis concluded, “urban renewal showed them that they did

not even have power over their own property and funds.”103 The knowledge and resources accumulated by black businesses over the previous decades could not be passed on to subsequent generations, a major blow for black economic development in the city.

**Urban Renewal’s Beneficiaries**

The destruction of black Detroiters’ property and wealth benefited whites in several ways. First, highway construction made suburbanization possible and helped create a prosperous “consumers republic” at the expense of black communities and the black business district in Detroit. Second, urban renewal aimed to revamp the inner city and build private housing and shopping centers that were designed to attract middle-class whites back from the suburbs. Black homes and businesses were sacrificed to fulfill urban planners’ vision of a new, modern downtown. Third, millions of dollars were paid to white owned-businesses that were awarded contracts to demolish buildings and construct freeways, public housing projects, parks, and other developments.

Did Detroit lawmakers, city officials, and city planners purposely set out to sabotage black economic development? Many African Americans certainly felt the black business community was targeted because of its success. Speaking of the city tearing down black businesses to widen Eight Mile Road, Alice Cain Newman stated,

> I’ve noticed a pattern. The city did the same thing in the ‘40s down at Paradise Valley. That was a thriving black business community, probably one of the most thriving in the United States that was owned by blacks, not just fronted by blacks but it was owned. They came through and did the same darn thing and let that land stay vacant ten solid years before they put up housing down there.104

Similarly, Marsha Mickens, whose father’s business was displaced from Paradise Valley noted, “it was a very prosperous community, because you had a number of black business

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103 Ibid., 101.
104 Moon, *Untold Tales, Unsung Heroes*, 74.
people that had serviced the community for years and were becoming affluent. This is one reason people talk about how Hastings was destroyed purposefully. That has always been the scuttlebutt within the community. That the white man decided to get rid of Hastings because that community was becoming too strong.” Mickens continued, “People began to say, ‘They’re going to get rid of us here,’ and others would laugh at it. When they look back, they feel it is true that this area was demolished for the highway. It was very purposeful and destroyed the infrastructure of the people in that area.”

Of Paradise Valley business owners, Leroy Mitchell recounted, “Sunnie Wilson, [John] White, and these guys tried to do these businesses. Joe Louis had a business. They’ve tried. In most cases, these things were sabotaged. They don’t want to see us with a viable community because we are a threat to the society.”

Whether or not the city had a specific vendetta against the black business community, the city’s decisions and actions undoubtedly damaged African Americans businesses and led to a decrease in black wealth. Certainly, if nothing else, the city was reckless with black residents’ community relationships, property, livelihoods, and financial prospects for future generations. According to Coleman Young, “The emphasis on freeway construction after the war was not limited to Detroit, but nowhere else was it administered with the same reckless abandon, and nowhere else did it carve up and mortify a municipality as it did Detroit.” Young alleged, “Looking back I can see that Black Bottom had everything but a fighting chance… it was red-tagged by the government as a sort of Yankee Doodle sacrifice, a trespasser upon somebody’s sacred

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105 Ibid., 362.
106 Leroy Mitchell Jr., Oral History, interview by Deborah Evans, Transcript, November 15, 1990, 7–8, MS/ Leroy Mitchell, Jr., Burton Historical Collection, Detroit Public Library, Detroit, Michigan.
bureaucratic vision of America, a sociological trouble spot for which keepers of the
dream had no real solution but to lay it to waste.”

Part of the “bureaucratic vision of America” involved increased highway
construction that aided the suburban boom in the post-years. Speaking of post-war
suburban planning Coleman Young stated, “I tend to see decentralization as a big
chocolate sundae that the policymakers just couldn’t resist. If defense was the ice cream,
racial isolation smothered it in chocolate sauce. The whipped topping was profit. There
was a hell of a lot of money to be made from the whole process.” Following World
War II, white developers, real estate professionals, and homeowners consistently showed
clear preference for the whiter suburbs over the city core that was becoming blacker, and
white flight was aided by the publicly funded highway system.

The development of mostly white suburban communities across the country was a
key aspect of the rise of a post-war “consumers’ republic.” Lizabeth Cohen highlights the
links between consumption and citizenship in *A Consumers’ Republic*. In the post-World
War II era a notion arose that a republic that entrusted the private mass consumption
market place (supported by government resources) would not only deliver economic
prosperity for Americans, but also loftier social and political goals of a more equal, free,
and democratic nation. In the suburbs, white middle-class families could purchase homes,
automobiles, and consumer goods such as household appliances and furnishings. This
mass consumption would maximize employment, production, and purchasing power, a

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108 Ibid., 144.
109 Ibid., 148–49.
goal of the Employment Act of 1946. As the United States reconverted back from a defense economy, this mass consumption was to maintain a flourishing economy. 111

Cohen highlights the fact that efforts to democratize the benefits of post-war prosperity and “expand the pie” for all often excluded marginalized groups like African Americans. 112 However, in the case of Detroit, the expansion of the suburban prosperity did not simply exclude blacks. The prosperity that suburbanites enjoyed was made possible through the destruction of black property and wealth. The construction the I-75 and I-375 freeways was achieved by destroying the main black commercial street of Hastings. Black businesses had run almost the entire length of Hastings Street, from Adams all the way down to Medbury. According to Leroy Mitchell, “That was a long way. It must have been about four miles. That was almost half of Detroit.”113 Clearly, the prosperity of black entrepreneurs was not taken into consideration in the conceptualization of post-war economic citizenship.

Besides developing the suburbs, a second post-war vision for urban planning was revitalizing inner cities, especially downtown areas. 114 As middle-class whites fled to the suburbs and black employment in the city decreased due to deindustrialization, cities like Detroit suffered a loss in its tax base. The language of Title I of the Federal Housing Act of 1949 was sufficiently vague that cities could lawfully tear down areas deemed as slums, and build privately-owned luxury housing, office buildings, and convention

112 Ibid., 190.
113 Mitchell, Oral History, 16.
centers, instead of public housing. Through the 1950s and 1960s, the city used its power to condemn property to clear blighted areas, rearranged land into larger tracts, and then re-resell the land to private parties for redevelopment. This municipal subsidization of private enterprise was used to push black residents from the central city in order to try to attract white, middle-income people back to Detroit. City officials and white business owners understood the monetary value of whiteness in urban spaces, and worked to reverse the trend of Detroit becoming an increasingly black city.

White-owned companies greatly influenced the course of urban redevelopment in Detroit. This was especially true during the administration of Albert Cobo who served as Detroit’s mayor from 1950-1957. When he was elected mayor of Detroit, Cobo immediately appointed Harry J. Durbin as the head of the Detroit Housing Commission. Durbin was a prominent developer and former president of the National Association of Home Builders. According to Thomas Sugrue, “the roster of housing officials in Detroit in the Cobo years reads like a Who’s Who of the city’s real estate and construction industries.” Other Cobo appointees included real estate magnate Walter Gessell and property manager George Isabell. Two other members of the Housing Commission, Ed Thal and Finlay C. Allan, were officers of the Detroit Building Trades Council of the American Federation of Labor. These officials represented the interests of private industry and the building trades in their government positions.

Private developers constructed luxury high rises and middle-income housing units on land that had been taken from blacks and cleared through urban renewal. They also planned a massive shopping center and other upgrades to the downtown central business district.

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116 Ibid., 154–55.
district. One reporter noted the perceived “one-sidedness” of the urban renewal program in the black community and pointed out that those who stood to “benefit most by urban renewal, or more accurately, ‘Negro Relocation,’ are the individuals in the upper-middle class bracket.”

Part of the reason black Detroiters protested the private development of renewal projects was because there were two visions for the purpose of urban renewal. One idea held that the program would improve the quality of life for the city’s present residents. Another vision was that redevelopment could attract suburbanized, white middle-class families back to Detroit. “They’re not going to return,” insisted black councilman William T. Patrick. Patrick urged the city to focus on building more low-income housing. Patrick was correct; whites did not return to the city from the suburbs, and attempts to draw white back to the city from the suburbs largely failed. Still, white companies’ vision was to turn a vast profit from purchasing devalued land and building projects for middle-class white consumers. This vision did not include black business. Thus, black homes and businesses were sacrificed for urban planners and white businesses’ vision of a new, modern downtown.

Another way whites benefited from the urban planning projects that devastated the black business community was the money white-owned businesses made from city contracts. Throughout the 1950s and 1960s, millions of dollars in contracts were awarded to white-owned businesses by the city of Detroit for things like the demolition of

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120 Dillard, *Faith in the City*, 261.
buildings and construction of redevelopment projects. For example, the city paid S. Weissman Excavating Company, Inc. $108,700.90 for the demolition of 175 buildings, site clearance, and related work in the Elmwood Park area.\textsuperscript{121} In March 1962 the city awarded Arrow Wrecking Company $586,800 to raze the 200 buildings in the area bounded by Cass, Lafayette, the Lodge Expressway and Bagley.\textsuperscript{122}

After nearly two decades of being excluded from the financial rewards of city contracts, black business owners organized in an attempt to benefit from urban renewal. In 1969 fifty black contracting businesses in Detroit founded the Metropolitan Builders and Home Improvement Association. This association was formed to insure that “black contractors have equal access in rebuilding the inner city.” According to George Walker, association president and manager of Walker Brothers Building Contractors, Inc., part of the reason black contracting businesses had difficulties getting contracts for large city contracts was because “Banks and other financial institutions have systematically discriminated against us,” Walker said. “Many bankers still automatically consider a black contractor a bad risk.” Henry McClendon, associate vice-president and owner of McClendon Home Improvement association, also talked of the problems black contractors faced. “Trade unions, by their attempts to limit their number, have created a severe labor shortage in the building trades,” he said. “This shortage is especially in the inner city where blacks are becoming more insistent in demands that they contribute a major share to its rebuilding.” John Bingham, president of Hi-Fashion Homes, Inc.,


concluded: “Up to now, the black contractor has been largely ignored. However, I want to emphasize our eagerness and our ability to get the job done.”^123

**Black Business and the 1967 Rebellion**

By the late 1960s, numerous black businesses had been lost, either from declining sales as business owners’ neighborhood customers moved to other sections of the city, or because the payment they received from the city for their property was inadequate to reestablish their enterprise. East side entrepreneurs who were not stuck with long-term leases or mortgages in areas slated for redevelopment or in the path of a proposed highway dispersed to other sections of the city. Most businesses ended up on the west side of Detroit along Twelfth Street. Twelfth Street was already a major commercial street on the west side when blacks moved in, though Jewish merchants owned most of the businesses. As the area was rapidly becoming black, many white business owners moved their residences out of the area, yet they continued to operate businesses along Twelfth Street.^124

For black entrepreneurs who survived and moved over to the west side, urban renewal continued to haunt them in 1967. The overcrowding of the west side caused by displaced east siders contributed to the explosive urban rebellion that further destroyed black (and white) businesses. On July 23, 1967, the Detroit police raided a blind pig (after-hours drinking establishment), sparking the most destructive urban rebellion of the 1960s. The rebellion lasted for five days and 17,000 men from the U.S. Army, Michigan National Guard, Michigan State Police, and Detroit police department were called in to

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^124 Dillard, *Faith in the City*, 201.
restore order. Overall, the disturbance claimed 43 (mostly black) lives and resulted in nearly 700 injuries. Over 7,000 individuals were arrested, and property damage was estimated to total over $75 million. More than four hundred buildings were destroyed, including twenty percent of the ones on Twelfth Street near the Virginia Park area.

Overcrowding created by urban renewal and the continued Southern migration to the city was a major factor that contributed to the rebellion. Post-war urban redevelopment had displaced thousands of blacks from the east side and exasperated the housing shortage. George Romney, who was governor of Michigan from 1963-1969 and deeply involved with the state’s reaction to the disturbance, had sought federal assistance to squash the 1967 Rebellion. According to Romney,

What triggered the riot in my opinion, to a considerable extent, was that between urban renewal and expressways, poor black people were bulldozed out of their homes. They had no place to go in the suburbs because of suburban restrictions. They settled along 12th Street. The concentration of people on 12th Street was too great. So when that incident occurred, it was a spark that ignited the whole area.

Businessman Ed Davis also reflected on the conditions of the west side in the late 1960s. “As the bulldozers moved in the people were pushed out, with no consideration given to where they were going,” recalled Davis. “No provision was made for them at all. Consequently many moved into areas that were already heavily populated.” Some areas around the city were jammed with newcomers until there was nearly four times the

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126 Young and Wheeler, Hard Stuff, 176.
population that was planned for when the areas were built. Single-family homes were sheltering three and four families. Duplexes, flats, and apartments had families in each room. The streets became crowded with cars parked bumper to bumper along each curb; others lined up in front of driveways or in alleys; some were even parked in front yards to get them out of the way. 128 Davis concluded, “As much as anything else, urban renewal created the urban ghetto.”129

In the days following the disturbance, the Detroit Urban League conducted a survey of attitudes among black Detroiters in the rebellion area. The 437 participants were read a list of 23 grievances and asked by the interviewers to tell which problems had a “great deal,” “something,” or “nothing at all” to do with the riot. Based on the items which got the most responses of “a great deal,” the study concluded that the black community perceived the main causes of the rebellion as police brutality, overcrowded living conditions, poor housing, lack of jobs, poverty, and anger with business people—in that order. However, survey participants who admitted to participating in the rebellion were singled out for special analysis. Those categorized as “rioters” indicated “overcrowded living conditions” as the main cause of the rebellion.130

When the disturbance began, the main concerns of business owners located in the Twelfth Street area were looting and arson. During the uprising, black entrepreneurs

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128 Davis, One Man’s Way, 101–2.
129 Ibid., 103.
130 The survey of attitudes among blacks in the riot area was sponsored by the Detroit Urban League with funds donated by the Shiffman Foundation, the Campbell-Ewald Foundation, Henry Ford II, Detroit Edison Co., and Golden State Mutual Life Insurance Co. Interviews were taken from a random probability sample of 437 African Americans living in the main riot areas of East and West Detroit. All of the interviewers were blacks and most were school teachers. They were recruited through the Urban League and Hazel Trumbull of the Detroit Public Schools. Interviews were taken between Aug. 5 and Aug. 12, 1967. Detroit Urban League and Philip Meyer, The People Beyond 12th Street: A Survey of Attitudes of Detroit Negroes After the Riot of 1967 (Detroit, MI: Detroit Urban League and the Detroit Free Press, 1967).
placed signs in their windows in an attempt to save their businesses from looting.

William Lowell Hurt recalled, “We started writing a phrase on the side of the house, on the windows; and all the store owners who wised up to what was happening would put the signs in their windows that said, ‘Soul Brother,’ or ‘I’m a Soul Brother,’ or something like that.” Ollie Foster recounted, “I guess the word got out that they weren’t going to burn any black guy's establishment because they said you were supposed to write on there ‘soul brother.’ I remember a Chinese had on his window, ‘Me soul brother too.’” Similarly William Hines remembered, “a Chinese laundry put on his door, ‘Me colored too.’” In some cases this seemed to work and those who looted targeted white-owned stores. According to William Lowell Hurt, “That was almost like painting the blood over the top of the house to let death pass over, because they didn't mess with the houses that had those signs or the stores that had the signs.” But, these signs could not guarantee entrepreneurs that they would not lose all that they had worked for. As Ed Davis put it, “Store fronts around the city bore hastily lettered signs: Soul Brother, or just Soul. They

131 Moon, Untold Tales, Unsung Heroes, 373.
132 Ibid., 383, 78; Detroit’s 3,600 Chinese American residents had dispersed throughout Detroit after urban renewal disintegrated their community. Detroit’s original Chinatown was located near Michigan Avenue and Third Street up until the early 1960s. In the spring of 1962 Chinatown was bulldozed to make way for an urban renewal project. Several hundred ethnic Chinese, and more than a dozen Chinese restaurants, markets, and curio shops moved to a “new” Chinatown near Cass Avenue and Peterboro Street. However, by the end of 1963 only about 55 Chinese Detroiters—most of them elderly men—lived in the new Chinatown area. Most others had scattered to other parts of the city. By 1966 only four restaurants, some grocery stores and two curio shops existed in the area bounded by Cass, Peterboro, Third, and Temple. Most of these businesses catered to non-Chinese Detroiters. It is unclear how many displaced Chinese Americans relocated to the Twelfth Street area. Chinese American entrepreneurs who set up shop in near Twelfth Street likely faced the same economic losses as other business owners located in the 1967 rebellion zone. “Chinatown Lost: Forlorn Area Is Buried in the Cass Corridor,” Detroit Free Press, November 26, 1989, sec. J; “Is There A Chinatown in Detroit?,” Detroit Free Press, January 15, 1966, sec. 1; George Cantor, “Year of the Rabbit (4661) Arrives with a Quiet Hop,” Detroit Free Press, January 26, 1963; Kathie Norman, “The New China Town - Quaint Shops and Exotic Eaters Are Sparking a Rebirth along Cass,” Detroit Free Press, November 3, 1963, Sunday Free Press Magazine edition; For more on the Chinese American community in Detroit see, Helen Zia, Asian American Dreams: The Emergence of an American People (New York: Farrar, Straus and Giroux, 2000), 55–81.
133 Moon, Untold Tales, Unsung Heroes, 373.
were fire insurance for some, but not for others. Blacks and whites alike were burned out. The rioters did not discriminate.”

Not all damage to black-owned businesses came from civilians. Police destroyed Vaughn’s Book Store, the only black bookstore in Detroit. Vaughn’s was most likely targeted because it was a gathering place for black militant activists. Edward Vaughn was out of town when the uprising started, however he returned the next day confident that “nothing would be wrong with my store, at least from the people, and of course I was correct.” Two days later, the police destroyed the shop. Firebombing the building, they mutilated the artwork, damaged many of the photographs and books, and left the water running, ruining the vast majority of Vaughn’s books. Police maintained that their actions were necessary because they had reports that guns were stored in the bookstore. Witnesses maintained that the attack was a hate crime. Either way, the loss of inventory was detrimental for Ed Vaughn’s business.

The loss of property through looting, arson, and police attacks was devastating for all businesses in the rebellion zone. It was especially so for entrepreneurs who had already been displaced by urban renewal and had started over again on the west side. The 1967 rebellion was the last blow for many. This was certainly true for Joe Von Battle. Joe Von Battle had a record shop at 3530 Hastings Street near Mack Avenue in the early 1950s. At the time there were not many places that Detroiters could buy black music in the city, so Von Battle shop was extremely popular. Besides selling records, Von Battle

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134 Davis, *One Man’s Way*, 142.
also recorded and produced music for artists in his shop. Von Battle’s record shop was open almost all night long, and he played records out of the shop’s loud speakers so people walking by would hear the music and want to come in his store. This business was a vital part of Paradise Valley’s vibrant music scene.

Joe Von Battle was forced from Hastings Street because of the I-75 freeway. Von Battle’s daughter Marsha Mickens recalled, “my first memory of Hastings [around 1957 or 1958] was that my father took me to a place near where his record shop had been … He walked me across the street from the place where we were standing over to this gigantic dirt pit that was in the ground … He looked at me and said … ‘This is where Hastings used to be.’” Mickens reasoned, “what my father so graphically understood and expressed with that sentence was that a way of life had been totally destroyed by the Chrysler Freeway. The street of Hastings just no longer existed.”

Like many other entrepreneurs displaced from the east side, Joe Von Battler relocated to Twelfth Street. While the process of reestablishing his business was difficult, Von Battle managed to build up the Twelfth Street record shop. The new record shop had a regular pop, rhythm and blues, and a gospel section, and was soon a key part of the area’s nightlife. Settled in the area, Joe went along fine for a few years, until the summer of 1967. While at his home in Highland Park, just a few miles from his record shop, Von Battle looked over the trees and saw black smoke clouds coming from Twelfth Street. From news reports Von Battle knew something was brimming, but during the first

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137 Moon, *Untold Tales, Unsung Heroes*, 361.
139 Moon, *Untold Tales, Unsung Heroes*, 361.
140 Ibid., 362.
day of the disturbance it seemed like it might easily be contained.\textsuperscript{141} Von Battle closed down the store thinking that the police would contain the disturbance and everything would blow over. He tried to assure himself that looters were not going to bother his record shop.\textsuperscript{142}

When it became clear that the disturbance was going to be a multi-day upheaval, Joe Von Battle thought about getting a “Soul Brother” sign in his shop window even though he was “an old school black that didn't believe in this soul brother stuff.” After the second day, Von Battle decided he would take a pistol and protect his record store from looters. He sat in the doorway and dared anybody to come in. However, as the days went on, it became obvious that his record shop was going to be caught up in the looting. According to his daughter Marsha, “He knew he could not save it.”\textsuperscript{143} At the tail end of the riot, Von Battle took his children to the record shop to assess the damage. It looked like a war zone with glass all over the street, and the record shop was torn apart. When he saw his business he just said “Oh, Lord.”\textsuperscript{144}

Von Battle had feared arsonists had completely burned down the shop; thankfully they had not. Still, the record shop was completely looted and his merchandise was strewn everywhere. Taped recordings that Von Battle had owned for a generation were destroyed. Marsha Mickens remembered the terrible feeling she had witnessing her father observe the damage at the store, “of seeing him powerless over the situation.” His whole life’s work had been destroyed. After the rebellion was over Von Battle managed to pull

\textsuperscript{141} Ibid., 362–63.
\textsuperscript{142} Ibid., 363.
\textsuperscript{143} Ibid.
\textsuperscript{144} Ibid., 364.
things together and briefly reopened his record store. However, it never flourished and he ended up losing it shortly afterwards.\textsuperscript{145}

\textbf{Conclusion}

Black migrant entrepreneurs had left the Jim Crow South where whites kept blacks economically subordinate through violence and targeted business owners who became too prosperous. Early black migrants to Detroit worried about white mobs taking away their lives, property, and wealth in their Southern homes. However, in the 1950s and 1960s, black entrepreneurs in the city had to worry about the state condemning their property, bulldozing it, and taking away their livelihood and the businesses they spent decades building. Multiple waves of black migrant entrepreneurs had come to Detroit from the South in order to attain freedom through business. Through the post-World War I boom, the Great Depression, and the World War II era, black entrepreneurs managed to build up a thriving business community. Urban renewal tore apart that community, and migrant entrepreneurs’ dreams of obtaining economic security, independence, and upward mobility through businesses—things they had made great progress in—came crashing down.

Some entrepreneurs relocated and rebuilt their businesses, and African Americans certainly continued to establish businesses in Detroit after the 1960s. But for Southern migrants and second generation Detroiters who sought freedom through enterprise in the first half of the twentieth century, so much was lost that was never replaced. The losses black business experienced during the era of urban renewal demonstrated the limitations of Booker T. Washington-type ideas about racial uplift that inspired so many black

\textsuperscript{145} Ibid.
entrepreneurs. These visions of racial uplift held that hard work and the creation of successful businesses could uplift the race. Yet, the story of Detroit suggests that so long as blacks lacked significant political power, even successful black business owners could not count on holding on to their property.
EPILOGUE:

FIGHTING FOR BLACK ECONOMIC AND POLITICAL POWER, POST-1960

When black entrepreneurs left the South for Detroit in the initial wave of the Great Migration, they fled a longstanding tradition of white economic dominance. Following emancipation and Reconstruction, the Southern system of Jim Crow was maintained through violence and the disenfranchisement of black Americans. Yet, American capitalism was racial capitalism. The mechanisms of economic white supremacy that upheld racial capitalism in the twentieth century were not the same in the North and South. Still, the end result for black migrant entrepreneurs operating in the North was the same as it had been in the South: the suppression of black economic advancement and the continuation of economic white supremacy.

In the United States, self-sufficiency and full participation in the economy has been linked to citizenship; being an independent economic citizen, as opposed to one deemed as dependent, has been a prerequisite for claims to political rights, state protections, and social equality. Likewise, the ideas articulated in Max Weber’s classic text, *The Protestant Ethic and the Spirit of Capitalism* and Milton Friedman’s *Capitalism and Freedom* have long been ingrained in the nation’s identity.¹ The mythical “American Dream” that one can achieve prosperity, success, and upward mobility through hard work is commonly linked to entrepreneurship. Yet, as this project demonstrates, the valorized position of independent entrepreneur has not been equally accessible to all. Black migrant entrepreneurs were not able to participate in a system of fair competition and an

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“invisible hand” of the market did not decide their fate. City officials, white business owners, and urban planners’ decisions regarding post-war highway construction and urban renewal led to the downfall of a thriving business community. Further analysis of black entrepreneurs experiences in Great Migration sites will contribute to a greater understanding of the possibilities for African Americans’ attainment of self-determination through business, and shed new light on post-1960s urban decline.

Although post-World War II urban planning initiatives certainly had devastating consequences for black business in Detroit, not all was destroyed. The black business community had experienced a major set back, but they continued to fight to attain greater economic and political power as a means to freedom. African Americans in Detroit would gain more political power in the late 1960s and 1970s. However, at the same time this process was taking place the city’s economic strength was also declining.

As urban renewal projects and freeway construction unfolded in the 1950s and 1960s, blacks continued to fight for greater economic power within the context of the Civil Rights Movement and the Cold War. As Robert Weems had shown, during the early- to mid-1960s, the U.S. government actively attempted to enlist the services of African American businesspeople in fighting the Cold War. One way government agencies believed black entrepreneurs could help the United States win the Cold War was by assuming a more visible role in Africa. Government officials reasoned, “Not only are there ethnic affinities between American and African Negroes; but there is no stigma of
colonialism attached to these Western brothers.” Black business owners were to aid in the United States’ global struggle with the Sino-Soviet block, and the federal government would offer support to black entrepreneurs. The Johnson administration sought to expand the parameters of civil rights legislation to include the “right” of owning a business, and by the late 1960s, as African American sentiment shifted from more moderate views on civil rights to the more radical call for “Black Power,” the U.S. government stepped up its programs aimed at stimulating black business ownership, hoping to subdue urban unrest.¹

Like African Americans who took the Cold War climate as an opportunity to push for greater civil rights, black entrepreneurs also took advantage of the government’s interest in black business to try to become more integrated in American capitalism.² For example, in 1961 John F. Kennedy’s Secretary of Commerce sponsored a conference on black business.³ The chairman of this conference was Detroit-based Congressman, Charles C. Diggs Jr., the first black U.S. representative from Michigan. In his opening remarks at the conference, Diggs stated: “Let us say quite frankly that our central concern, at this particular conference, is in the greater participation of Negroes in American business life. Let us hasten to point out that this in no wise (sic) implies any interest in any type of segregated—or separate—economy notions.” Diggs promoted the

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³ Ibid., 67.
potential of black business in an increasingly desegregated society, not only for black
economic development, but for the broader cause of American democracy itself.⁶

Perhaps after seeing how urban renewal was destroying the black business
community in Detroit, Charles C. Diggs Jr. came to believe that integration into the
mainstream economy was the only chance for black entrepreneurs to achieve greater
freedom through business. Diggs, whose family operated one of the largest black funeral
homes in the country, was taught the importance of racial unity throughout his life.

Diggs’s mother and father had been active leaders in the black business community since
the 1920s when they established Diggs Funeral Home, which expanded into The House
of Diggs. In addition to the funeral home, the family operated a florist shop called the
House of Diggs Flowers, an ambulance service, and a mutual insurance company that
Charles C. Diggs Sr. started. The Diggs’s business was located at Mack Avenue, and at
it’s peak, the House of Diggs employed 500 people. Though the Diggs were one of the
most successful black business owners in Detroit, they, like so many others, were
affected by post-war urban planning. When the I-75 freeway came along, it cut through
the neighborhood where the House of Diggs was located. The junior Diggs recalled, “The
city took that property, because of the extension of the freeway. We had to move out of
there.”⁷ Charles C. Diggs Jr. was acutely aware of the negative effects urban planning
initiatives in Detroit were having on black entrepreneurs. Without significant political
power to protect their interests, black entrepreneurs operating in Detroit’s segregated
market were vulnerable to the whims of white politicians and industry leaders. Diggs and
other black leaders likely realized the limitations of racial uplift through business, while

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⁶ Ibid., 68–69.
⁷ Carolyn P. DuBose, The Untold Story of Charles Diggs: The Public Figure, the Private Man
solely relying on the African American market, and sought to gain more influence by becoming fully integrated in the mainstream economy.

During the Civil Rights era, African Americans also used economic retribution to respond to economic and political injustices. Boycotts were employed to protest violence directed at blacks, humiliating treatment in white-owned establishments, white businesses solely interested in blacks as consumers and not as employees, and white companies that used demeaning images of blacks in their advertising. Blacks also withheld support of white-owned businesses in order to more fully support African American enterprises and black economic development.\(^8\) The Montgomery Bus Boycott of 1955-1956 remains the model instance of organized black consumer retribution and self-determination. As the boycott evolved, Montgomery’s African American community sought to use its decreased spending with white enterprises to stimulate black economic development. Martin Luther King Jr. used Montgomery Improvement Association meetings to stress the importance of blacks gaining more political and economic power and proposed establishing a bank and loan association. Likewise, Montgomery’s black entrepreneurs experienced increased patronage from blacks during the boycott.\(^9\) While consumer boycotts are traditionally thought of in relation to the Southern civil rights movement, this type of protest also took place in Northern cities like Detroit.

Despite victories in places like Montgomery and Greensboro, many black Detroiter remained frustrated and angry about continuing racial and economic injustice right in their own backyards. As African Americans were displaced from the east side of Detroit and resettled in west side neighborhoods where whites owned the majority of the

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\(^9\) Ibid., 61–62.
businesses, they experienced increased hostility, humiliating treatment, and economic exploitation from white business owners. In the early 1960s, local activists organized demonstrations to protest unfair treatment, to increase employment opportunities for African Americans in white-owned businesses, and to encourage the establishment of more black-owned businesses.  

For example, in the spring of 1962, the Robert Oakman Neighborhood Association joined with other block clubs to boycott the white-owned Cabot Grocery located at 3709 Pasadena Street near Dexter Avenue on Detroit’s west side. The boycott was initiated because of the attitude and behavior of the owner towards his black customers. In one instance, the storeowner drew a gun on a black woman while small children, who were not involved in the dispute, were in the store. Customers’ other complaints included shortchanging children, refusing to exchange unsatisfactory merchandise, overpriced merchandise, discourtesy to female customers, and having a “don’t care attitude.” The neighborhood association asked for the cooperation of everyone in order for the boycott to be successful. They contended, “if the selective buying means walking or driving a few extra blocks, consider the extra blocks the price of self-respect and dignity.”  

Likewise, in 1962 the *Detroit Illustrated News* printed a piece entitled “Selective Patronage” to promote the development of black-owned business in the city. Speaking of rising unemployment caused by automation, the author, Reverend Albert B. Cleage Jr., wrote, “neither Henry Ford nor unions can help [black workers]. The time has come for the Negro to help himself, and to help himself in the

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City of Detroit the Negro must collectively utilize his consumer power through the intelligent use of ‘Selective Patronage.’”12

Reverend Cleage’s advocacy of black self-help through business came at a time when Detroit’s economic strength was declining. The combination of continued discrimination in hiring, technological transformations, decentralized manufacturing, and urban economic decline had dramatic effects on the employment prospects of blacks in metropolitan Detroit in the post-war period. According to Thomas Sugrue, “Detroit’s postwar urban crisis emerged as the consequence of two of the most important, interrelated, and unresolved problems in American history: that capitalism generates economic inequality and that African Americans have disproportionately borne the impact of that inequality.”13 As the auto industry declined, black Detroiter continued to be shut out of decent jobs, and by the late 1960s Detroit’s black citizens remained stuck in the least skilled, lowest paying, and most dangerous occupations in the city.14 In response to this reality, blacks in Detroit once again turned to the strategy of boosting black business.

In 1961 Congressman Charles C. Diggs Jr. pushed for black inclusion and opportunities in the mainstream economy and distanced himself from associations with Black Nationalism. Yet, by 1963 Diggs seemed to have changed course.15 In 1963 Diggs

15 Weems and Randolph, Business in Black and White, 68–69; Diggs would also go on to be the driving force behind the formation of the Congressional Black Caucus (CBC) and served as the caucus’s first chair. Robert Singh, The Congressional Black Caucus: Racial Politics in the U.S. Congress (Thousand Oaks, CA: Sage Publications, 1998), 51–58.
spearheaded a “buy-in” campaign at Detroit’s local Community Supermarket at the intersection of Roosevelt and Myrtle Streets. The campaign took shape after a group of black leaders purchased the supermarket as a way to generate economic development in a black Detroit neighborhood. Diggs rallied local leaders and civil rights groups to patronize the store in a show of support. Organizations including the NAACP, the Nation of Islam, the Trade Union Leadership Council, the Detroit Housewives’ League, and the Booker T. Washington Trade Association joined together to publicize and participate in the buy-in. The campaign was a success. Record numbers of patrons crowded the store in just a few days, overwhelming the staff and management. Charles C. Diggs Jr.’s “buy-in” campaign for the community supermarket was a product of the activist climate of civil rights demonstrations but also reflected a long history and politics of black economic self-help in Detroit.16

The goal of black economic independence and racial solidarity motivated much of the civil rights activism in Detroit during 1963. The success of boycotts and picket lines inspired community activists to begin organizing for more far-reaching economic and political change. Radical activists such as Reverend Albert Cleage Jr. felt that the plans for economic development endorsed by moderate civil rights leaders did not go far enough, and organized the Freedom Now Party.17 The leaders of the Freedom Now Party criticized moderate national civil rights leaders, particularly Roy Wilkins, who made “nice speeches” but did not advocate “much of a program.” According to Cleage, “The Freedom Now Party advocates that you vote black and buy black. That’s something you

16 Smith, Dancing in the Street, 78.
17 Ibid., 79.
can do. It’s no dream.” The Freedom Now Party was short-lived. Founded in August 1963 during the March on Washington for Jobs and Freedom, it disbanded two years later. In 1964, the party’s efforts were primarily directed toward Michigan. In that year, thirty-nine members ran for office, most prominently Rev. Albert Cleage, who ran for Governor of Michigan. The primary goal of Detroit’s Freedom Now Party was the end of racial and economic inequality through the election of black officials, who would then challenge the existing political order and respond to the needs of black constituents. The party’s platform sought to unify the efforts of business organizations, labor unions, and social work organizations such as the Urban League to combat black economic disenfranchisement. The Freedom Now Party did not win any of its 1964 campaigns, however, one black candidate from Detroit did taste victory in 1964 when voters elected Democrat John Conyers Jr. as a Representative to U.S. Congress. Conyers joined Charles C. Diggs Jr. in Washington, D.C., making Michigan the leader in black representation in the nation’s capital.

The push for black economic power throughout the 1960s led to an important transition for black political radicalism in Detroit in the late 1960s and early 1970s. With the ascending of Reverend Albert Cleage and his constituency, which included Black Nationalists and separatists, as well as black and white Marxists, the city’s civil rights movement entered a new phase. Organizations such as the Group on Advanced Leadership (GOAL), the Freedom Now Party, the Socialist Workers, the Inner-City

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20 Smith, *Dancing in the Street*, 86.
21 Ibid., 90–91.
Organizing Committee, and the Interreligious Foundation for Community Organization (IFCO) became prominent in Detroit’s black freedom struggle.\textsuperscript{22}

Radical blacks considered sixties-style liberalism to be too timid in its approach to combatting entrenched racism, and Detroit witnessed the birth of a new grassroots black challenge to the racial inequalities in the city after 1969. A key minority of African Americans formed militant black revolutionary organizations that advocated far more radical avenues for effecting change. Leaders included individuals such as Edward Vaughn (Pan African Congress), Kenneth Cockerel (League of Revolutionary Black Workers), Milton Henry (New Republic of Africa), and Reverend Albert Cleage (Black Christian Nationalists).\textsuperscript{23} The Nation of Islam also remained influential in Detroit working to advance the goals of black self-reliance and economic independence. The work of black power activists led the way for Detroit to elect its first black mayor in the early 1970s.

In the 1969 election, Richard H. Austin, a black accountant considered to be moderate in his political views, ran for the mayor of Detroit and lost to white conservative candidate Roman Gribbs.\textsuperscript{24} Four year later in 1973, liberal leaders in the city

\textsuperscript{22} Dillard, \textit{Faith in the City}, 20–21.

\textsuperscript{23} Thompson, “Rethinking the Collapse of Postwar Liberalism,” 224, 230; Sugrue, \textit{The Origins of the Urban Crisis}, 263.

\textsuperscript{24} Richard H. Austin was born in Stout’s Mountain, Alabama on May 6, 1913. Following the death of his father, the Austin family moved to Detroit in 1924. In 1941, Austin became a certified public accountant, the first African-American CPA in Michigan, and was a senior partner in the firm of Austin, Washington & Davenport. While Austin lost his 1969 bid for Detroit mayor, he did go on to have a distinguished public service career, which spanned more than 30 years. Austin was the longest-serving Secretary of State in Michigan history (1971-1994). As Secretary of State Austin was recognized as a national pioneer and trailblazer in Michigan’s election process. Under his leadership, Michigan was the first state to implement a “motor voter” law that expanded the voter registration system. This allowed people to register to vote when they renewed their driver license and vehicle registration. Michigan’s law served as a model and led to the enactment of the National Voter Registration Act. Richard H. Austin, Oral History, interview by Monroe Walker, 2 audiocassettes, January 4, 1985, MS/ Austin (Richard H.), Burton Historical Collection, Detroit Public Library, Detroit, Michigan; “Richard H. Austin Biographical Sketch”
sensed the desire in the black community for an African American candidate more outspoken and daring than Austin had been. Black leaders in Detroit decided that Coleman Young would be perfect. Young had been born in Tuscaloosa, Alabama, on May 28, 1918, and like so many Southern African Americans, moved to Detroit with his family in 1923. Unlike Austin, Young possessed far-left political leanings. Detroit was becoming an increasingly black city, and by 1972 the city’s black population was slightly less than fifty percent, which was key in Young’s winning the 1973 election. In 1974 Coleman Young became the first African American mayor of Detroit and would serve in this position as the leader of the nation’s fifth-largest city for twenty years.25

When Coleman Young was elected, black Detroiter had real hope that the city would make major inroads against poverty and discrimination. The Young administration was committed to the civil rights goals its supporters had long sought, and certainly produced far greater racial equality and civic integration than had ever before existed in that city. Young’s administration supported black business, instituting racial preferences in government contracts that created a lucrative niche for African American-owned businesses. As mayor, Coleman Young, much like his white predecessors, used city employment and city contracts to reward loyal supporters during the twenty years he served as mayor.26 However, Young’s administration failed to bring about the economic equity envisioned by black entrepreneurs and political activists in the early 1970s.

There were several factors in Young’s inability to improve living standards in the city. One was the fact that Young’s election inspired racially conservative white

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Detroiters to abandon Detroit, taking their taxes and businesses with them. By 1980, Detroit had a predominantly black but increasingly impoverished urban center surrounded by overwhelmingly white, and disproportionately wealthy suburbs.\(^{27}\) White flight was not the only factor in Detroit’s decline. When Young took office, the nation as a whole was heading into a major oil crisis-induced economic recession. As a result of this national downturn, Detroit experienced its worst fiscal crisis since the Great Depression in 1975. That year, the city had to lay off more than four thousand employees, and Chrysler’s Jefferson Avenue plant (one of the city’s largest factories) closed its doors. By 1977 the city had lost 56,000 jobs, and Detroiters clearly were suffering. As Young put it, “No city in America has been harder hit by the national economic recession. Detroit’s unemployment rate is three times the national average.” In 1977 black unemployment in the city reached 25 percent.\(^{28}\)

During the recession of the 1970s, few cities suffered to the same extent as Detroit, which had lost most of its white population and tax base. As Detroit became more impoverished after 1973, its neighboring suburbs grew even wealthier. Not coincidentally, while Detroit lost 56,400 jobs by 1977, the suburbs gained 36,500 jobs.\(^{29}\) In 1980 the median income in Detroit was $17,033, whereas in the nearby suburb of Gross Point Woods it was $35,673. That same year in Detroit 27 percent of blacks and 6.8 percent of whites were receiving some type of public assistance and 25 percent of blacks and 7 percent of whites lived below the poverty level. By 1983 the $11,685 gap in average household income between the overall region of Metropolitan Detroit ($33,241) and Detroit City ($21,556) was the widest of the 33 largest metropolitan areas in the United States.\(^{30}\)

\(^{27}\) Thompson, “Rethinking the Collapse of Postwar Liberalism,” 225.
\(^{28}\) Ibid., 241.
\(^{29}\) Ibid.
United States.\textsuperscript{30} As the city grew poorer, efforts to revitalize the city in the 1970s and 1980s suffered from inadequate financing: industrial and population flight drained the city of resources necessary to maintain infrastructure, and the federal government, especially under the Reagan administration, drastically cut urban spending.\textsuperscript{31}

The economic decline of African Americans in Detroit began before the 1960s; for black business owners, post-war urban planning was the most influential factor that truncated black economic development. By 1953 over 700 buildings in Detroit’s Black Bottom neighborhood had been demolished, a process that displaced over 2,000 black families. Ten years later in March 1963, the Detroit Commission on Community Relations reported that the city’s urban renewal projects had demolished, or were scheduled to demolish more than 10,000 structures, and that 43,096 people, 70 percent of them black, had been displaced, or were to be displaced by these plans.\textsuperscript{32} Ten years after this report, Coleman young became Detroit’s first black mayor in 1973, signaling a shift to African American political control in the city. This twenty-year period is informative in regard to black Southern migrants’ quest for freedom through business in the urban north. Without significant black political power, blacks were not able to hold on to the wealth they had accumulated through business from the 1910s through the 1940s. Urban renewal weakened Detroit’s black business community in the 1950s and 1960s, yet black business and political leaders continued to advocate increased black entrepreneurship as an answer to rising unemployment, poverty, and economic inequality. By the time blacks were able to gain significant political power in the 1970s, Detroit was experiencing an

\textsuperscript{30} Ibid.
\textsuperscript{31} Sugrue, \textit{The Origins of the Urban Crisis}, 270.
\textsuperscript{32} Smith, \textit{Dancing in the Street}, 35.
economic crisis shaped by deindustrialization, white flight, and larger economic trends affecting the entire nation. With black Detroiter severely economically disadvantaged, black business suffered as well.

The transfer of jobs and wealth from Detroit to the suburbs was a long process, and resulted from numerous factors. Yet, it is undeniable that the demographic patterns brought by the Great Migration and blacks’ demands for economic and political power greatly shaped the shift of the post-war urban/suburban economic landscape. The adjustment of racial capitalism in Detroit throughout the Great Migration years derailed African Americans’ attainment of economic empowerment and self-determination through business, and had long-term consequences for the trajectory of black economic development in urban spaces into the twenty-first century.
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