

Dr. R. R. Moton Urges Gigantic Pool of Race Resources In Notable Address Before The National Negro Business League Convention

Sees Opportunity For Great Accomplishment in the Avenues of Commerce.

(Special to the Journal and Guide.)

Chicago, Ill., Aug. 21.—More than six thousand people gathered in the spacious auditorium of the Wendell Phillips High School, Wednesday evening to hear the annual address of Dr. Robert R. Moton, President of the National Negro Business League which is celebrating its "Silver Jubilee" and Twenty-fifth Annual Meeting in this city.

Dr. Moton paid a glowing tribute to the memory of the late Dr. Booker T. Washington, the Founder and First President of the National Negro Business League, declaring that "the inspiration which he gave to business development and the results that have been accomplished in the years following cannot be adequately measured." The speaker pointed out that the present need in Negro business "is to stress the need for honest, capable, expert management as a basis for credit and a warrant of confidence on the part of the business world in the ability and the competency of the American Negro to handle financial and commercial affairs, co-operate and otherwise in a thorough-going genuinely efficient business-like fashion."

In speaking of the progress which the Negro has made in the past twenty-five years, Dr. Moton said: "There is no need today for discouragement; rather there is every reason for hopefulness from whatever angle we may view the situation, notwithstanding the back currents and eddies in our political and social progress. The Business League has had a very large share in the astounding progress that the race has made. Let me give a few concrete examples: was organized twenty-five years ago, there were 250 drug stores; there are today more than 900. Then 450 undertaking establishments were conducted by Negroes; there are today 1558. When the League was organized there were but two banks, now there are 74. We boasted, and properly, twenty-five years ago, of 10,000 retail merchants; we can boast today of more than 25,000. In 1900 we paid taxes on property valued at three hundred million dollars, our realty holdings alone today are worth one billion seven hundred million dollars, and if we should add the value of church property and educational institutions owned and operated by the race for the race, and the progress in education in all of its phases, including music, art,

and literature, we can properly say as the prophet of old with the profoundest reverence and thankfulness, 'What Hath God Wrought.'"

The speaker further urged the members of the National Negro Business League to pool their resources for the commercial development of the race; referred to the great buying power of the race and explained the manner in which the National Negro Finance Corporation, which was recently formed with a capital of one million dollars, would be one of the foremost agencies in the economic development of the Negro in America and declared the need of such an organization was shown by the rapid sale of the stock which was put on the market about six weeks ago and \$100,000 worth has been sold already.

The text of President Moton's address is as follows:

"Twenty-five years ago, Booker T. Washington, whose name we delight to honor and whose memory we deeply revere, called together at Boston a group of business and professional men and women with a view of devising ways and means by which they could fix attention not less on the moral and intellectual development of the Negro race, but at the same time on the importance and the absolute necessity for greater business progress.

"There was organized at that meeting the National Negro Business League.

"In and out of season, sparing neither time, means nor energy, the great Founder of this organization with his prophetic vision preached the gospel of business development for the Negro people as a fundamental necessity to their general development. His great personality drew to his aid always many of the leading spirits of the race. The inspiration and impetus which he gave to the business development and the results that have been accomplished in the years following cannot be adequately measured. The change and progress that have come to the race during these years is marvelous, possibly beyond the dreams of the most sanguine well-wishers, within as well as without the race.

Present Need in Negro Business

"We meet now in the great metropolis of the Middle West in our Twenty-fifth Annual Meeting, our 'Silver Jubilee.' For sixteen years the Founder and President of this organization, with consummate tact and wisdom, indomitable force and courage, sought to overcome what seemed almost an obsession with our people—business fear and timidity; a lack of faith and courage to go into business. In large measure as individuals, and even more so as in groups, partnerships, and other corporate effort, we have very largely overcome this timidity. The need for the present,

President Of National Negro Business League



DR. ROBERT RUSSA MOTON

therefore, is not to overcome timidity and lack of courage as such, but to stress the need for honest, capable, expert management as a basis for credit and a warrant of confidence on the part of the business world in the ability and the competency of the American Negro to handle financial and commercial affairs, corporate and otherwise, in a thorough-going genuinely efficient business-like fashion.

"In the future we should give no less attention to the inspirational aspect of business development, but we should also, if we are true to the ideals and aspirations of Booker T. Washington, emphasize more the business efficiency aspect, and share more largely and effectively in the financial affairs of the nation, especially as touching and affecting our group, for whatever affects in a business way one group of American citizens must of necessity affect other groups.

Development Since League Began Negro's Debt to Chicago

"Then, it is entirely fitting that we should hold our twenty-fifth session, our 'Silver Jubilee', here in Chicago, a city which I have been told was founded by a Negro; this much is certain, the first home on this spot was erected by a member of our race. One cannot view the great industrial plant of James S. Kirk and Company, which marks the location of the

first home in Chicago, without thinking of what Chicago owes to the Negro. And some of us who live in other parts of the country are inclined to think that the Negro, too, owes something to Chicago, for in this the progress of the race does not suffer in comparison with any other city in the country, with its multifarious business enterprises, with two great banking institutions the Binga State Bank, and the Douglass National Bank—owned and operated by our people; the Liberty Life and other successful insurance companies, with taxicab companies, not to mention the great printing establishment of Mr. R. S. Abbott and the Chicago Defender, the headquarters of the Associated Negro Press, with scores of successful professional men and women, and unnumbered beautiful Christian homes.

"We should and do rejoice that, in spite of difficulties, in spite of injustice here and there, in spite of discrimination, nowhere in the world has the Negro made progress along so many lines, on so large a scale as in the case of the United States of America—our United States of America, the country which we love and for which we have fought and bled and died, and for which we would even now give our lives if need be.

"We have had business failures. Some of our banks have failed, but the significant thing is that there has been practically no dishonesty charged against the officers of the few banks that have closed during the past year. In the Dakotas and adjacent states, I understand more than five hundred have closed within twelve months. A great many more would have closed but for the combination of capital in other organizations that have come to their rescue. I know of a dozen cases within the past few months, where some of the largest financial institutions in certain cities in the South and one or two in the North, would have been obliged to close their doors with ample "non-liquid" assets but for the fact that outside financial institutions came to their rescue taking over their securities that were then "non-liquid", saving the institution embarrassment and its patrons money, and, what was of equal importance the confidence of the community.

Pool Our Resources

"This is where the National Negro Business League can do and should do a large service. We are recreant to our obligation and false to our race if we do not, every man and woman of us, use every reasonable effort to pool wisely and safely, and of course conservatively, a part of our resources in some kind of an organization to do the things which other groups are doing so successfully;

sinking personal differences and animosities, and combining for the good of the race. This we should do, indeed this we must do if we would carry out the ideals of the Founder of this movement and face squarely and courageously our present day duties and responsibilities.

"We have been too long placed in the category of the five foolish virgins who slumbered and slept, and when the bridegroom came, tried to borrow oil but could not, and the door was shut in their faces. We must, with all earnestness and sincerity in the future by intelligent industry and thrift, by rigid economy and by careful, confident co-operation, place ourselves in the class of the five wise virgins who had oil in their lamps, who at the night time were able to go to them that sold and buy for themselves and thus were ready to go into the marriage feast. This we can do if we awake to our opportunities.

"Let us see what the opportunities are. It is conservatively estimated that there are twenty million dollars of Negro money hidden under mattresses, behind bricks in the arch, buried in earthen jars, and in other ways hidden around the home. I know of one family where the wife and children knew that the father had at least six thousand dollars. He was taken ill and went out one night, telling his wife he was going to hide it. They had good reasons to believe he had a good deal more hidden away somewhere. He died the next day; and though they scoured the place inside and out they were never able to locate that money.

Buying Power of Race

"It is also estimated conservatively that Negroes have in banks not owned and operated by colored people, between seventy and a hundred million dollars. Upon a great deal of this they draw no interest, it not being in the savings account. Suppose half of this money were deposited in Negro institutions, what a big difference it would make in furnishing employment to Negro boys and girls. This would mean no loss to white institutions because most of our own banks, for obvious reasons, carry large accounts in white banks.

"There is another thing this League should do in the future in a larger measure than we have in the past, and that is, emphasize the importance of thrift for our people, young and old. Let us quote some figures from the United States Treasury Department based on taxes collected by the Internal Revenue Bureau for the year 1921. The Negro race constitutes one-tenth of the constituted population of the United States. Basing our estimates on this fact, the figures of the Internal Revenue Bu-

Pays Glowing Tribute to Memory of Late Booker T. Washington, Founder

reau show that in the year 1921, Negroes spent for luxuries alone the following sums: for cigars, cigarettes and tobacco, \$56,000,000; for perfumery and cosmetics, \$15,000,000; for toilet soaps, etc, \$14,000,000; (personally, I would not put toilet soap down as a luxury, I think it is necessary) for moving pictures, theatres and cabarets, \$65,000,000; for soft drinks, ice cream, \$30,000,000; for candy, \$71,000,000; for jewelry, \$25,000,000; for chewing gum, \$3,500,000; pianos, organs, phonographs and other musical instruments, \$20,000,000; sporting goods, cameras, electric fans, photographs and pictures at least, \$30,000,000 more.

"Now if the League alone with all the other organizations of the Negro in the country, including churches, Sunday schools, secret and benevolent societies and the like, could set up a continuous joint campaign, say for five years, a crusade, as it were, with a view to getting the race to save, not the entire amount, that would be impossible,—but without curtailing in any appreciable degree our pleasures and recreations, to set aside an aggregate of ten per cent of the amount we spend for luxuries which would total at least \$100,000,000—think what it would mean to our financial and commercial standing in the nation. Two per cent of that total, if combined in a strong, well conducted financial organization would make it impossible for any worthy business enterprise among our group to fail, and at the same time would create a business confidence and support. In fact a financial credit, which would not only mean greater prosperity for business organizations, but the churches and educational institutions as well would enter upon an era of prosperity, the like of which has never before been witnessed by any single group in this country.

Successful Service Institutions

"Our speakers are accustomed to saying, and I think rightly, that the Negro can do what any other group in America can do if given a chance. His accomplishments here seem to justify that. There is a Jewish relief organization, with headquarters in New York that in the past twenty years has accomplished what would appear to the casual observer to be startling results by the combining of small sums in a partnership. The Chinese have done the same thing by what is known as the Chinese Six Society. Six years ago, Dr.

Frederick C. Howe, former Commissioner of Immigration, a most competent writer and investigator and most successful organizer, who knows banks and banking and has had no superior in the knowledge of real co-operation, whom we are expecting for this session,

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"Here is an opportunity for the more effective organization and work of the Local Business Leagues, for the national organization must function in a large measure thru local organizations. We will perhaps divide the country, in so far as Negroes are concerned, into districts or zones, with a zone chairman or vice president of the corporation, and zone chiefs, with state and city or country chief or chairman, but all of these committeemen and women must be people of known business integrity and sound in their moral as well as business standing.

Help For Local Enterprises

"Sentiment is necessary and valuable, and we must have sentiment in this movement, but sentiment must not control the movement. We must place at the disposal of local business organizations expert advice and counsel as well as financial assistance when the conditions warrant it. We must help in co-operative buying and selling, in and up-to-date methods of book-keeping and inventories; in neat, orderly, attractive places of business and courteous service. We must take away from the Negro business enterprises the all too characteristic ear marks of shiftlessness, disorder, discourtesy, uncertain weight, unbusiness like as well as unethical methods of dealing with customers. In other words, we must, in business parlance, sell the Negro merchant to his own race as well as to other races.

"We need also to establish a central bureau from which may be sent the latest information regarding Negro business and corporations, a sort of clearing house of helpful information on worthwhile enterprises.

Support of Negro Press

"I firmly believe that the time has come when our people will support such an organization with their interest and time and a portion of their means.

"Already the Negro press is keenly alert on this subject, and let me say in passing that the Negro newspapers, whatever may be their private differences, have absolutely rung true when it comes to justice and fair play for the Negro people. We owe them a debt of gratitude which we can never adequately pay. The Negro newspapers have supported this movement from the beginning. The Negro newspapers are read more studiously and quoted more regularly by the white press of the country than ever before. Negro correspondents and staff writers are employed by leading dailies. This change from the former attitude of the white press is due to the recognized importance and value of the Negro press as a factor in our national life, and the ability of our group as thinkers and writers in dealing with present day subjects.

Era of Co-operation

"The time is rapidly approaching when all of us, wherever we are, whatever our social or educational status, who ever our professional or business, and whatever may be our differences of opinion, must in a larger measure than ever before sink personal differences and prejudices and stand together, that our race shall have an equal share in all the blessings and privileges of American civilization without regard to creed or condition or habitat, and having secured these privileges, we must together use them usefully for the good of our race and our glorious country and to the glory of God, so that all may fully share in that 'far-off divine event, to which the whole creation moves.' "

Dr. Moton's Address At Business League

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was asked to organize for the Federation of Labor a co-operative banking institution, not without a view to helping labor along lines of thrift and the pooling of their interest for benefit primarily of their own group. He did so, and out of that bank which Mr. Howe organized six years ago in Cleveland, the Federation of Labor today has developed fifty banks, scattered all over our country with combined assets of over a million dollars. Can we do the same? We have the money in our race to do it, and friends, we have the ability within our race to do it.

Aid From Julius Rosenwald

"We can command, if necessary, the advice and co-operation of the best and most experienced bankers in the country, men like Julius Rosenwald, George Foster Peabody and Clarence H. Kelsey, of the white race. Mr. Rosenwald, has spent on the Rosenwald schools in the South, I think, about a million and one-half dollars. He would gladly put an expert at our disposal and would gladly give us as much of his own time if necessary, for he gives his time and sympathy to anything that has to do with the highest development of any people. There are scores of others also would gladly give their assistance when called upon.

National Negro Finance Corporation

"For several years now, we have been discussing such an organization in this League. At the meeting in Norfolk, Virginia, in 1922, a committee was appointed with Mr. C. C. Spaulding, of Durham, as chairman to take up this suggestion in all of its phases and to advise methods and means by which it could be carried out, and was authorized to perfect such an organization to be presented at a subsequent meeting of the League. Mr. Spaulding, chairman of the committee, will make his report tomorrow evening. The organization has been perfected and the charter obtained for a million-dollar financial corporation known as the National Negro Financial Corporation, capitalized at one million dollars, and I am happy to inform you that in the neighborhood of a hundred thousand dollars of stock has already been sold. At the urgent and persistent request of the committee I have reluctantly accepted the presidency temporarily. My hope is that during this gathering, or very soon thereafter certainly, we shall complete the list of permanent officers and committees. I have been surprised at the enthusiasm with which this organization has been accepted by our people; it shows that our people want something of a business sort that our leaders, with perhaps the best possible intentions, have thus far not been giving. I hope by the first of January, if not earlier, we can begin active business operations. I know the movement will have the backing and co-operation of this organization and all other worth-while organizations, and that within twelve months, we will be functioning effectively.

"I could give you illustration after illustration in my experience in the past few months, which would prove to the most skeptical the absolute necessity for such an organization, but it must be wisely and conservatively and efficiently handled. It is not organized primarily as a money-making scheme—were that the primary object, it would not appeal to me—but it is a service organization. We might have called it the National Negro Service Corporation, but that would have been misleading in high business circles perhaps, but it is nevertheless a distinctively service movement. It will make money, it cannot help it if it serves; it will make a great deal of money, and the question will come, comparatively soon too, as how the money shall be spent in the larger development of our group.