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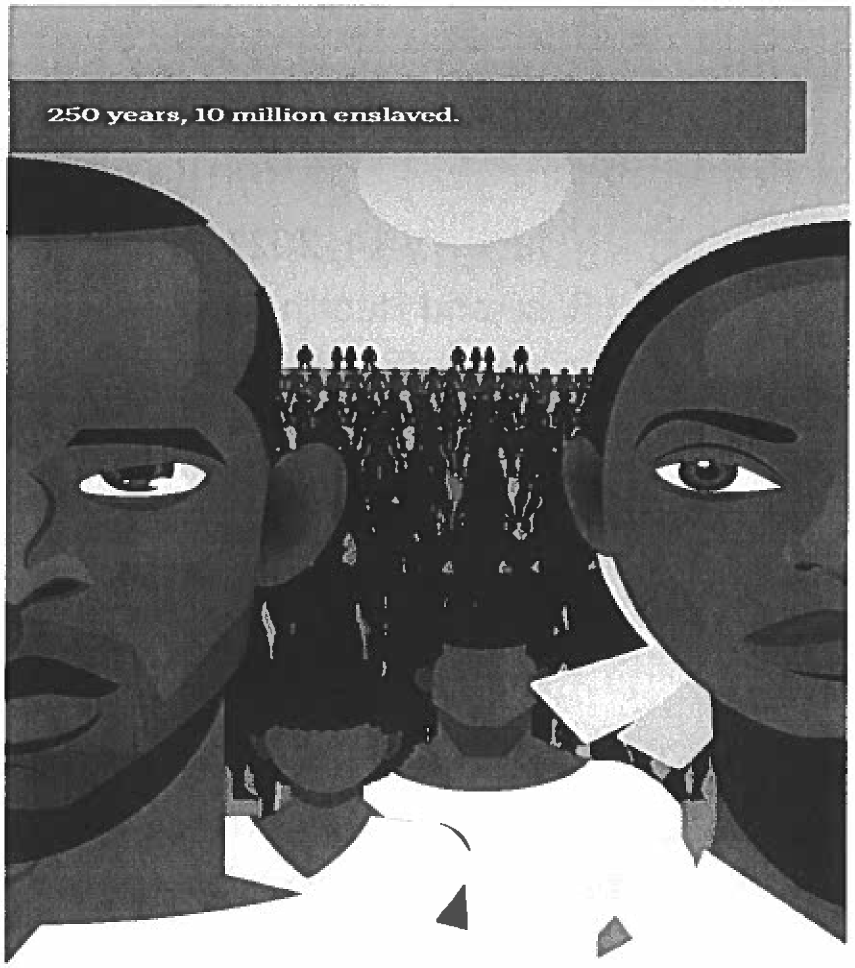

Topic: Slavery and Capitalism Part 2

Thursday December 10, 2020

6:30 pm – 8:00 pm

Zoom ID: 933 736 3398

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Upcoming 1619 programs

January 14, 2021

Race and Health Care

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Stealing Black Culture

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Banking, Currency, Globalism, Wall Street, and Slavery

The Limits of Banking Regulation

By Mehrsa Baradaran

At the start of the Civil War, only states could charter banks. It wasn't until the National Currency Act of 1863 and the National Bank Act of 1864 passed at the height of the Civil War that banks operated in this country on a national scale, with federal oversight. And even then, it was only law in the North. The Union passed the bills so it could establish a national currency in order to finance the war. The legislation also created the Office of the Comptroller of the Currency (O.C.C.), the first federal bank regulator. After the war, states were allowed to keep issuing bank charters of their own. This byzantine infrastructure remains to this day and is known as the dual banking system. Among all nations in the world, only the United States has such a fragmentary, overlapping and inefficient system — a direct relic of the conflict between federal and state power over maintenance of the slave-based economy of the South.

Both state regulators and the O.C.C., one of the largest federal regulators, are funded by fees from the banks they regulate. Moreover, banks are effectively able to choose regulators — either federal or state ones, depending on their charter. They can even change regulators if they become unsatisfied with the one they've chosen. Consumer-protection laws, interest-rate caps and basic-soundness regulations have often been rendered ineffectual in the process — and deregulation of this sort tends to lead to crisis.

In the mid-2000s, when subprime lenders started appearing in certain low-income neighborhoods, many of them majority black and Latino, several state banking regulators took note. In Michigan, the state insurance regulator tried to enforce its consumer-protection laws on Wachovia Mortgage, a subsidiary of Wachovia Bank. In response, Wachovia's national regulator, the O.C.C., stepped in, claiming that banks with a national charter did not have to comply with state law. The Supreme Court agreed with the O.C.C., and Wachovia continued to engage in risky subprime activity.

Eventually loans like those blew up the banking system and the investments of many Americans — especially the most vulnerable. Black communities lost 53 percent of their wealth because of the crisis, a loss that a former congressman, Brad Miller, said "has almost been an extinction event."

Fiat Currency and the Civil War

By Mehrsa Baradaran

The Constitution is riddled with compromises made between the North and South over the issue of slavery — the Electoral College, the three-fifths clause — but paper currency was too contentious an issue for the framers, so it was left out entirely. Thomas Jefferson, like many Southerners, believed that a national currency would make the federal government too powerful and would also favor the Northern trade-based economy over the plantation economy. So, for much of its first century, the United States was without a national bank or a uniform currency, leaving its economy prone to crisis, bank runs and instability.

At the height of the war, Lincoln understood that he could not feed the troops without more money, so he issued a national currency, backed by the full faith and credit of the United States Treasury — but not by gold. (These bills were known derisively as "greenbacks," a word that has lived on.) The South had a patchwork currency that was backed by the holdings of private banks — the same banks that helped finance the entire Southern economy, from the plantations to the people enslaved on them. Some Confederate bills even had depictions of enslaved people on their backs.

In a sense, the war over slavery was also a war over the future of the economy and the essentiality of value. By issuing fiat currency, Lincoln bet the future on the elasticity of value. This was the United States' first formal experiment with fiat money, and it was a resounding success. The currency was accepted by national and international creditors — such as private creditors from London, Amsterdam and Paris — and funded the feeding and provisioning of Union troops. In turn, the success of the Union Army fortified the new currency. Lincoln assured critics that the move would be temporary, but leaders who followed him eventually made it permanent — first Franklin Roosevelt during the Great Depression and then, formally, Richard Nixon in 1971.

Cotton and the Global Market

By Mehrsa Baradaran

Cotton produced under slavery created a worldwide market that brought together the Old World and the New: the industrial textile mills of the Northern states and England, on the one hand, and the cotton plantations of the American South on the other. Textile mills in industrial centers like Lancashire, England, purchased a majority of cotton exports, which created worldwide trade hubs in London and New York where merchants could trade in, invest in, insure and speculate on the cotton—commodity market. Though trade in other commodities existed, it was cotton (and the earlier trade in slave-produced sugar from the Caribbean) that accelerated worldwide commercial markets in the 19th century, creating demand for innovative contracts, novel financial products and modern forms of insurance and credit.

Like all agricultural goods, cotton is prone to fluctuations in quality depending on crop type, location and environmental conditions. Treating it as a commodity led to unique problems: How would damages be calculated if the wrong crop was sent? How would you assure that there was no misunderstanding between two parties on time of delivery? Legal concepts we still have to this day, like "mutual mistake" (the notion that contracts can be voided if both parties relied on a mistaken assumption), were developed to deal with these issues. Textile merchants needed to purchase cotton in advance of their own production, which meant that farmers needed a way to sell goods they had not yet grown; this led to the invention of futures contracts and, arguably, the commodities markets still in use today.

From the first decades of the 1800s, during the height of the trans-Atlantic cotton trade, the sheer size of the market and the escalating number of disputes between counterparties was such that courts and lawyers began to articulate and codify the common-law standards regarding contracts. This allowed investors and traders to mitigate their risk through contractual arrangement, which smoothed the flow of goods and money. Today law students still study some of these pivotal cases as they learn doctrines like forseeability, mutual mistake and damages.

How Slavery Made Wall Street

By Tiya Miles

While "Main Street" might be anywhere and everywhere, as the historian Joshua Freeman points out, "Wall Street" has only ever been one specific place on the map. New York has been a principal center of American commerce dating back to the colonial period — a centrality founded on the labor extracted from thousands of indigenous American and African slaves.

Desperate for hands to build towns, work wharves, tend farms and keep households, colonists across the American Northeast — Puritans in Massachusetts Bay, Dutch settlers in New Netherland and Quakers in Pennsylvania — availed themselves of slave labor. Native Americans captured in colonial wars in New England were forced to work, and African people were imported in greater and greater numbers. New York City soon surpassed other slaving towns of the Northeast in scale as well as impact.

Founded by the Dutch as New Amsterdam in 1625, what would become the City of New York first imported 11 African men in 1626. The Dutch West India Company owned these men and their families, directing their labors to common enterprises like land clearing and road construction. After the English Duke of York acquired authority over the colony and changed its name, slavery grew harsher and more comprehensive. As the historian Leslie Harris has written, 40 percent of New York households held enslaved people in the early 1700s.

New Amsterdam's and New York's enslaved put in place much of the local infrastructure, including Broad Way and the Bowery roads, Governors Island, and the first municipal buildings and churches. The unfree population in New York was not small, and their experience of exploitation was not brief. In 1991, construction workers uncovered an extensive 18th-century African burial ground in Lower Manhattan, the final resting place of approximately 20,000 people.

And New York City's investment in slavery expanded in the 19th century. In 1799 the state of New York passed the first of a series of laws that would gradually abolish slavery over the coming decades, but the investors and financiers of the state's primary metropolis doubled down on the business of slavery. New Yorkers invested heavily in the growth of Southern plantations, catching the wave of the first cotton boom. Southern planters who wanted to buy more land and black people borrowed funds from New York bankers and protected the value of bought bodies with policies from New York insurance companies. New York factories produced the agricultural tools forced into Southern slaves' hands and the rough fabric called "Negro Cloth" worn on their backs. Ships originating in New York docked in the port of New Orleans to service the trade in domestic and (by then, illegal) international slaves. As the historian David Quigley has demonstrated, New York City's phenomenal economic consolidation came as a result of its dominance in the Southern cotton trade, facilitated by the construction of the Erie Canal. It was in this moment — the early decades of the 1800s — that New York City gained its status as a financial behemoth through shipping raw cotton to Europe and bankrolling the boom industry that slavery made.

In 1711, New York City officials decreed that "all Negro and Indian slaves that are let out to hire ... be hired at the Market house at the Wall Street Slip." It is uncanny, but perhaps predictable, that the original wall for which Wall Street is named was built by the enslaved at a site that served as the city's first organized slave auction. The capital profits and financial wagers of Manhattan, the United States and the world still flow through this place where black and red people were traded and where the wealth of a region was built on slavery.

How America's Vast Racial Wealth Gap Grew: By Plunder

nytimes.com/interactive/2019/08/14/magazine/racial-wealth-gap.html

By TRYMAINE LEE

August 14, 2019

Elmore Bolling, whose brothers called him Buddy, was a kind of one-man economy in Lowndesboro, Ala. He leased a plantation, where he had a general store with a gas station out front and a catering business; he grew cotton, corn and sugar cane. He also owned a small fleet of trucks that ran livestock and made deliveries between Lowndesboro and Montgomery. At his peak, Bolling employed as many as 40 people, all of them black like him.

One December day in 1947, a group of white men showed up along a stretch of Highway 80 just yards from Bolling's home and store, where he lived with his wife, Bertha Mae, and their seven young children. The men confronted him on a section of road he had helped lay and shot him seven times — six times with a pistol and once with a shotgun blast to the back. His family rushed from the store to find him lying dead in a ditch.

The shooters didn't even cover their faces; they didn't need to. Everyone knew who had done it and why. "He was too successful to be a Negro," someone who knew Bolling told a newspaper at the time. When Bolling was killed, his family estimates he had as much as $40,000 in the bank and more than $5,000 in assets, about $500,000 in today's dollars. But within months of his murder nearly all of it would be gone. White creditors and people posing as creditors took the money the family got from the sale of their trucks and cattle. They even staked claims on what was left of the family's savings. The jobs that he provided were gone, too. Almost overnight the Bollings went from prosperity to poverty. Bertha Mae found work at a dry cleaner. The older children dropped out of school to help support the family. Within two years, the Bollings fled Lowndes County, fearing for their lives.

The period that followed the Civil War was one of economic terror and wealth-stripping that has left black people at lasting economic disadvantage. White Americans have seven times the wealth of black Americans on average. Though black people make up nearly 13 percent of the United States population, they hold less than 3 percent of the nation's total wealth. The median family wealth for white people is $171,000, compared with just $17,600 for black people. It is worse on the margins. According to the Economic Policy Institute, 19 percent of black households have zero or negative net worth. Just 9 percent of white families are that poor.

Today's racial wealth gap is perhaps the most glaring legacy of American slavery and the violent economic dispossession that followed. The fate suffered by Elmore Bolling and his family was not unique to them, or to Jim Crow Alabama. It was part of a much broader social and political campaign. When legal slavery ended in 1865, there was great hope for formerly enslaved people. Between 1865 and 1870, the Reconstruction Amendments established birthright citizenship — making all black people citizens and granting them equal protection under the law — and gave black men the right to vote. There was also the promise of compensation. In January 1865, Gen. William Sherman issued an order reallocating hundreds of thousands of acres of white-owned land along the coasts of Florida, Georgia and South Carolina for settlement by black families in 40-acre plots. Congress established the Freedmen's Bureau to oversee the transition from slavery to freedom, and the Freedman's Savings Bank was formed to help four million formerly enslaved people gain financial freedom.

When Lincoln was assassinated, Vice President Andrew Johnson effectively rescinded Sherman's order by pardoning white plantation owners and returning to them the land on which 40,000 or so black families had settled. "This is a country for white men, and by God, as long as I am President, it shall be a government for white men," Johnson declared in 1866. The Freedmen's Bureau, always meant to be temporary, was dismantled in 1872. More than 60,000 black people deposited more than $1 million into the Freedman's Savings Bank, but its all-white trustees began issuing speculative loans to white investors and corporations, and when it failed in 1874, many black depositors lost much of their savings.

"The origins of the racial wealth gap start with the failure to provide the formerly enslaved with the land grants of 40 acres," says William A. Darity Jr., a professor of public policy and African-American studies at Duke University. Any financial progress that black people made was regarded as an affront to white supremacy. After a decade of black gains under Reconstruction, a much longer period of racial violence would wipe nearly all of it away.

To assuage Southern white people, the federal government pulled out the Union troops who were stationed in the South to keep order. During this period of so-called Redemption, lawmakers throughout the South enacted Black Codes and Jim Crow laws that stripped black people of many of their freedoms and property. Other white people, often aided by law enforcement, waged a campaign of violence against black people that would rob them of an incalculable amount of wealth.

[To get updates on The 1619 Project, and for more on race from The New York Times, sign up for our weekly Race/Related newsletter.]

Armed white people stormed prosperous majority-black Wilmington, N.C., in 1898 to murder dozens of black people, force 2,000 others off their property and overthrow the city government. In the Red Summer of 1919, at least 240 black people were murdered across the country. And in 1921, in one of the bloodiest racial attacks in United States history, Greenwood, a prosperous black neighborhood in Tulsa, Okla., was burned and looted. It is estimated that as many as 300 black people were murdered and 10,000 were rendered homeless. Thirty-five square blocks were destroyed. No one was ever convicted in any of these acts of racist violence.

"You have limited opportunity to accumulate wealth, and then you have a process where that wealth is destroyed or taken away," Darity says. "And all of that is prior to the effects of restrictive covenants — redlining, the discriminatory application of the G.I. Bill and other federal programs."

The post-Reconstruction plundering of black wealth was not just a product of spontaneous violence, but etched in law and public policy. Through the first half of the 20th century, the federal government actively excluded black people from government wealth-building programs. In the 1930s, President Franklin Roosevelt's New Deal helped build a solid middle class through sweeping social programs, including Social Security and the minimum wage. But a majority of black people at the time were agricultural laborers or domestic workers, occupations that were ineligible for these benefits. The establishment of the Home Owners Loan Corporation in 1933 helped save the collapsing housing market, but it largely excluded black neighborhoods from government-insured loans. Those neighborhoods were deemed "hazardous" and colored in with red on maps, a practice that came to be known as "redlining."

The G.I. Bill is often hailed as one of Roosevelt's most enduring legacies. It helped usher millions of working-class veterans through college and into new homes and the middle class. But it discriminatorily benefited white people. While the bill didn't explicitly exclude black veterans, the way it was administered often did. The bill gave veterans access to mortgages with no down payments, but the Veterans Administration adopted the same racially restrictive policies as the Federal Housing Administration, which guaranteed bank loans only to developers who wouldn't sell to black people. "The major way in which people have an opportunity to accumulate wealth is contingent on the wealth positions of their parents and their grandparents," Darity says. "To the extent that blacks have the capacity to accumulate wealth, we have not had the ability to transfer the same kinds of resources across generations."

Seventy years later, the effects of Bolling's murder are still felt by his children and their children. "There was no inheritance, nothing for my father to pass down, because it was all taken away," says Josephine Bolling McCall, the only one of Bolling's children to get a college degree. Of the seven siblings, those with more education fared best; the men struggled most, primarily working as low-paid laborers. Of Elmore and Bertha Mae's 25 grandchildren, only six graduated from college; of those, two are McCall's children. The rest are unemployed or underemployed. They have never known anything like the prosperity of their grandparents.

Trymaine Lee is a Pulitzer Prize- and Emmy Award-winning journalist and a correspondent for MSNBC. He covers social-justice issues and the role of race in politics and law enforcement.

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Black Capitalism Won't Save Us

thenation.com/article/archive/nipsey-killer-mike-race-economics/

May 22, 2019

Celebrities like Killer Mike and Jay-Z equate black ownership with liberation—but you can't end racial inequality with consumerism.

By Aaron Ross Coleman

May 22, 2019

Last month, Jay-Z fumbled his tribute to the slain rapper and entrepreneur Nipsey Hussle. Performing a eulogy freestyle in New York City's Webster Hall, he told his audience they could best honor Nipsey Hussle's legacy by claiming eminent domain over their neighborhoods and gentrifying their community. The performance drew shock and condemnation; being told to gentrify your neighborhood by someone accused of gentrifying his own is predictably infuriating.

Yet Jay-Z wasn't the only public figure mining the rapper's death for free-market talking points. Senator Cory Booker resurrected Nipsey's mission to "buy back the block." Issa Rae emphasized the importance to "own in our communities." *Blavity* touted the need to "bank black."

Celebrities and well-wishers surely have good intentions when they make plans to revitalize black areas like Nipsey's South Los Angeles. But entrepreneurship and consumerism can only do so much, because the reasons black neighborhoods are troubled—mass eviction, mass incarceration, double-digit unemployment, redlining—can hardly be blamed on the dearth of black ownership. Changing them will require political and artistic narratives that extend far beyond the scope of black commerce.

Long before Nipsey's death, the mythical prowess of black-owned businesses loomed as epic folklore. From Malcolm X's speeches calling black communities to build companies larger than General Motors to Jay-Z's "The Story of O.J.," in which the rapper tells dealers to "take your drug money and buy the neighborhood," tales of entrepreneurial liberation have been on heavy rotation in the culture for generations.

The narrative of emancipatory commercialism runs deeper still. Documentaries like *The Green Book: Guide to Freedom* show elders recounting how black-owned businesses created unprecedented wealth in the community. *High Flying Bird*, a film written by Tarell Alvin McCraney, imagines an NBA revolt where black athletes create a co-op league of their

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own. Netflix's *Trigger Warning* urges viewers to invest in black businesses. The vision behind these works sees entrepreneurial black folks as free—free from exploitation, faux-integration, and racism.

While the politics of transformative black ownership animate the world of entertainment, it can be poisonous for public policy.

No show better illuminates this than Killer Mike's *Trigger Warning*. Like Nipsey Hussle, Killer Mike is a successful entrepreneur, activist, and rapper. Where much of Nipsey's rhetoric focused on empowering people as entrepreneurs, Mike's politics preach the power of consumerism.

"I think that the black community can do a better job of keeping the dollar in our ecosystem longer," Mike said on his reality show. White and Asian people, Mike notes, recirculate money in their communities for weeks, while black communities only retain theirs for hours. After citing this fuzzy math, he then praised Jim Crow, of all things, saying that during segregation "from top to bottom, the ecosystem from a dollar perspective stayed black. Hence, we had a true black working class, a true black middle class, [and] we could send kids off to college." Here, Mike's logic points toward a type of economic segregation that would supposedly generate wealth through the ownership of black businesses.

Politicking with a group of black barbers, Mike concluded that "because we aren't focused on our dollar, our whole community seems to be suffering." The first episode follows Mike attempting to ameliorate this suffering by "living black." He commits to consuming goods only from black-owned businesses with black supply chains—which leads him to face the limits of racial autarky.

When he wants to smoke, he can't; his dealer sources from white marijuana farms. When he's hungry, there's only one sparsely stocked black grocer. When he travels outside Atlanta for a show, he can't find a black hotel. Even when he wants to drive, he can't because all his cars "are made by white companies." The show chronicles the painful one-man boycott that, by the creator's own account, leaves Mike "hungry" and "wandering the streets in the dead of night."

However theatrical, the episode broadcasts how years of compounded divestment have made the politics of black capitalism useless.

In America at every stage of the business life cycle, the economy beats black businesses like a piñata. Battered by higher insurance prices, hammered by stingy investors, pummeled by exclusive supply chains, assaulted by recessions, thrashed by exclusionary regulators, pounded by an intergenerational wealth gap, a hobbled community of marginal black worker-entrepreneurs must compete with American monopolies and oligopolies like

Amazon and Walmart, flush with cash and bolstered by lobbyists. The upshot is predictable. Because they are so wounded by the financial pressures that discrimination exerts, black businesses often can offer only fewer locations, higher prices, and fewer choices. Killer Mike's consumerism flounders under the racialized reality that black communities have been pushed down for too long to pull themselves up by their bootstraps.

Mike's troubles draw a striking comparison to one of the final scenes from James Baldwin's book of essays indicting American racism, *The Fire Next Time*. After a long interview at the Chicago estate of Elijah Muhammad, Baldwin debates his chauffeur, a young member of the Nation of Islam who tells Baldwin how the black dollar could support a self-sufficient economy free from the ills of the country's bigotry.

"He spoke to me first of the Muslim temples that were being built," Baldwin wrote, "or were about to be built, in various parts of the United States, of the strength of the Muslim following, and of the amount of money that is annually at the disposal of Negroes—something like twenty billion dollars. 'That alone shows you how strong we are,' he said."

Baldwin, a well-read and well-traveled debater, quickly gives the young nationalist a two-piece. He pokes, asserting that additional segregation would shrink black spending power; he prods, inquiring about the political ramifications of a less productive economy. As he goes on, the man's face soon contorts. Sensing that the driver is out of his depth and conscious enough not to break his spirit, Baldwin pulls back and speaks directly to the reader instead:

> I was thinking, in order for this to happen, your entire frame of reference will have to change, and you will be forced to surrender many things that you now scarcely know you have. I didn't feel that the things I had in mind, such as the pseudo-elegant heap of tin in which we were riding, had any very great value. But life would be very different without them, and I wondered if he had thought of this.

The shortcomings Baldwin saw in the driver's politics in 1962 undermine Killer Mike's today. Baldwin wrote that a massive black boycott would cost the driver his car—just as it claimed the Atlanta rapper's on *Trigger Warning*—not to mention his cell phone and his diet. In this century, just as in the last, black business offers mere Band-Aids to cover the gun wound of racial inequality.

As a rule of thumb for evaluating the efficacy of a policy designed to affect black neighborhoods in 2019, it's always smart to double-check the merits of any proposal endorsed by Donald J. Trump. Last December, he endorsed black capitalism in the form of "Opportunity Zones."

In an uncharacteristically diverse White House ceremony, Tim Scott, Ben Carson, and a cadre of bald black men in dark suits flanked Trump as he introduced his Opportunity Zones executive order. On its face, it looks benign. The program promises to leverage tax breaks and lean on investors, entrepreneurs, and historically black colleges and universities "to revitalize urban and economically distressed communities." But as with many of Trump's policies aimed at communities of color, Opportunity Zones flow from what legal scholars like Mehrsa Baradaran describe as "cynical and racist origins."

In her book *The Color of Money: Black Banks and the Racial Wealth Gap*, Baradaran explains how the program was innovated in Richard Nixon's administration. As he took office in 1968, black Americans reeled from generations of discrimination. Instead of mobilizing the large federal government response needed to quell racial inequality through reparations or targeted anti-poverty programs, the president nimbly "co-opted the black power movement's rhetoric of economic self-determination to push a segregated black economy, thereby justifying his neglect of other proposals for meaningful reform."

This program was black capitalism—a series of meager tax breaks and incentives touted as enabling a black entrepreneurship that would supposedly redress generations of racialized American plunder. It was a farce—a decoy made of Styrofoam and plastic. But its minuscule price tag and rhetorical appeal made it a political masterstroke that grew into the go-to policy for American presidents.

"Carter did it, Reagan did it, Clinton did it, Obama did it, [and] Trump is doing it now with Opportunity Zones," Baradaran told me. "Opportunity Zones is black capitalism. It's been denuded of the word 'black,' but it's essentially the same idea."

"We're pretending like we're helping distressed communities through capital, but it's actually not capital for the communities themselves. It is development incentives. It is rich private-equity firms and hedge funds getting tax incentives to do stuff, build stuff, and to create stuff in these distressed communities. They get the upside, and they're protected from the downside because they are going to get tax credits. That is an extension of Nixon's brilliant decoy," she continued.

"It looks like we're helping, but we're actually not," Baradaran said. "All it does is prop up a few black businesses to sort of allow for the segregated market to continue breeding inequality."

While Nixon played off the self-determination rhetoric during the Black Power movement, Trump taps into the language of uplift favored by rappers today. Drawing from the entrepreneurial spirit that flows through the genre, Trump's Opportunity Zones proposal has found strange bedfellows in business-minded rappers like Nipsey Hussle.

In February, *Forbes* ran an article on Nipsey Hussle titled "Inside Nipsey Hussle's Blueprint to Become a Real Estate Mogul." The piece plotted out Nipsey's entrepreneurship in an Opportunity Zone in Crenshaw and discussed his plans to expand "a broader Opportunity Zone-based fund" in 10 cities with his business partner David Gross, a Los Angeles–based real-estate developer. The expansion plan centered on collaborating with local celebrities—like rapper TI in Atlanta—to build a network of "tax advantaged" businesses in low-income neighborhoods.

In his wake, many publications recounted how Nipsey's businesses touched the lives of Los Angeles residents and provided a lasting sense of community and ownership. And yet it's difficult to separate programs like Opportunity Zones that assist high-profile black entrepreneurs like Nipsey "to buy back the block" from the cynical policies of politicians like Trump who ruthlessly undermine plans promoting systemic racial justice.

For decades, programs providing tax breaks and incentives to a few high-profile black entrepreneurs have sucked all the air out of policy conversations addressing racial economic inequality. These dialogues focused on upper-middle-class black entrepreneurs obscure the plight of everyday black folks living in segregated areas. They ignore poor and working-class people, who need direct investment the most. For example, when publications like *Complex* run stories describing Nipsey's Opportunity Zone funds as the "Economic Version of Black Lives Matter," they miss the point. Black Lives Matter—a movement focused on radical redistributive policy for *all* black people—*is* the economic version of Black Lives Matter.

And if history serves as our guide, it can be profoundly counterproductive to support economic-justice agenda premised on the altruism of black entrepreneurs. Because as NDB Connolly, a Johns Hopkins historian, notes, black entrepreneurs are capable of inflicting the same racialized inequality seen in the broader American economy as anyone else.

"It's always very funny to me, to hear people celebrate black capitalism, as if somehow the 'black' part is supposed to erase the 'capitalism' part of it," he says.

Connolly cites the black business trailblazer Carl Hansberry, a 1940s Chicago real-estate developer and a slumlord. Black poets detested his tiny "kitchenette" units. Gwendolyn Brooks depicted them as "grayed in, and gray." Richard Wright decried them as "the funnel through which our pulverized lives flow to ruin and death on the city pavements, at a profit." Yet in the eyes of many policymakers and historians, Hansberry, the "King of the Kitchenette," epitomizes a civil-rights and black-capitalism success story.

In Connolly's book, *A World More Concrete: Real Estate and the Remaking of Jim Crow South Florida*, he traces several civil-rights activists who also profiteer off black customers in a segregated housing market in the South. And he notes that even renowned activists like WEB Du Bois and Madam CJ Walker owned black slums and busted black unions.

In the past and present, the rub of black capitalism is evident; it measures success in a few black entrepreneurs, while the everyday black people living, working, and shopping in the segregated economies still face existential financial threats. They're still plagued by the wealth gap, squeezed by discrimination, and targeted by predatory businesses. For these people moving their dollars from a white firm to a black one can provide cosmetic change, but rarely does it fix the fundamental underpinnings of racial inequality.

If we needed any evidence of the futility of black capitalism, last spring, the nation's leading stratification economists at the Samuel DuBois Cook Center on Social Equity published a hefty report rebutting the "harmful narratives" that buying black, banking black, or fostering black entrepreneurship will close the racial wealth gap, concluding that "it is time to move beyond these fallacies and confront the root causes of the racial wealth gap. Otherwise we will whistle in the wind, and the racial wealth gap will remain unchallenged."

None of this is to undermine the vitality of black economic solidarity and institutions. Boycotts, whether of buses in Montgomery or Starbucks in Philadelphia, can serve as excellent organizing tools and often command crucial media attention. Moreover, scholars like Eddie Glaude Jr. explain that for generations, "Black churches, social clubs, schools and colleges, newspapers, masonic orders, and fraternal and sororal organizations—this broad associational life of Black America—served as the life force of communities under continuous racial assault." But even today, while black institutions and businesses continue to provide communities with many essential social and political services, they simply aren't capable of generating the resources to address racial economic inequality.

Closing the gulf requires dealing with inequities in housing, employment, investment, and assets. This task requires recognizing black people not as consumers or entrepreneurs but as citizens—as members of a society with a national debt to which black people have claim. To access their citizenship, black people need not spend more money at certain stores. They need not start more businesses. They need not settle for tax breaks. The debt of black Americans' citizenship has been incurred many times over, and the bill is past due.

It's now up to the United States to pay the tab it ran up. Calling this a debt is only the path to equality. It's daunting. It isn't a simple political slogan. It costs much more than banking black or buying black. The chore demands more than meager government lip service; the mission lacks the liberating autonomy and agency captured in so many songs and movies that imagine freedom through a black business.

But if we are to ever create economic justice, we must change the way our art conceptualizes that justice. We must change the stories we tell. We must tell the truth.