

### **“BLACK REPARATIONS: THE CASES OF WACHOVIA BANK AND EASTMAN KODAK”**

*Part II of a Two-Part Series*

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The demand for black “Reparations” is a challenge to this nation’s corporations, institutions and all levels of government to reveal their complicity in the exploitation and suffering of millions of African-American people. Despite conservative critics who maintain that reparations cannot be granted to blacks, there are new signs that some corporations have gotten the message.

On June 1, 2005, the Wachovia Corporation, America’s fourth largest bank, revealed that several of its predecessor institutions had also profited directly from slavery, and had permitted borrowers to use their enslaved African Americans as collateral for loans. A team of seven archivists and researchers employed by Wachovia devoted over 1,800 hours, sifting through two hundred-year-old records housed at the Library of Congress and the Maryland Historical Society. Going over old bank ledgers, correspondence written by bank managers and newspaper accounts, the story of corporate collusion with slave traders, slaveholding plantation owners and businessmen began to unfold. In one instance, the Bank of Charleston, established in 1834, had taken possession of at least 529 slaves on defaulting mortgages and loans from white customers, prior to the Civil War. The Bank of Charleston subsequently

became part of the South Carolina National Corporation, which in 1991 merged into Wachovia.

Another Wachovia predecessor bank, the Georgia Railroad and Banking Company, had bankrolled the construction of a Georgia railroad in 1833 using slave labor that involved at least one hundred sixty-two enslaved African Americans. Wachovia chairman and chief executive officer, G. Kennedy Thompson, declared to the media: "I apologize to all Americans, and especially to African Americans and people of African descent. . . . We know that we cannot change the past, and we can't make up for the wrongs of slavery, but we can learn from our past and begin a stronger dialogue about slavery and the experience of African Americans in our country."

The public pressure on corporations and financial institutions to reveal their links to both slavery and Jim Crow segregation policies has prompted several to make unprecedented admissions concerning both past and present discriminatory practices. One interesting example is provided by Eastman Kodak. In 1999, the Rochester, New York chapter of the NAACP confronted Eastman Kodak's senior management about allegations of racial discrimination it had received from its minority employees. Kodak investigated the charges, and admitted that discrimination was widespread throughout the company. It responded by distributing, by 2004, approximately \$13 million in "restitution checks and salary increases," and promoted an undisclosed number of minorities to managerial positions. Kodak also evaluated eight hundred employees,

assessing their “ability to manage in a diverse environment,” and demoted or removed about two hundred people from managerial and supervisory positions. Such concessions, while commendable, were not sufficient for many African-American Kodak employees, who still perceived that blacks as a group continued to earn less than their white counterparts performing similar tasks. On July 30, 2004, a group of former and current Kodak employees sued the corporation in Federal District Court, charging Eastman Kodak with continued systematic discrimination against African Americans.

On March 1, 2005, the Richmond, California City Council adopted an ordinance mandating that its \$150 million pension and city investment funds divest from financial institutions that previously profited from slavery. A similar debate for slavery divestment has now erupted within the California Employees’ Retirement System, the nation’s largest public pension system. The issue of black reparations is now broadening beyond slavery, into a larger discussion about how to implement racial justice.

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