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# BLACK MIDAS: ARTHUR GEORGE GASTON

Patricia Thompson Stelts



BLACK MIDAS: ARTHUR GEORGE GASTON

by

Patricia Thompson Stelts

A thesis submitted to the Faculty of the History Department of Georgia Southern College in Partial fulfillment of the requirements for the degree of Master of Arts in History

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#### PREFACE

In Birmingham, Alabama, Arthur George Gaston is a legend. Despite the fact that he is a black man in a white man's world, he has achieved phenomenal success and great wealth. His beginnings were humble; his education, paltry; his outlook, bleak. He, however, succeeded. Because he did succeed, he became a symbol of the reality of the "American Dream" in an era in which the dream seems destined to die. only swing in the neighborhood, Gaston enjoyed the benefits of a monopoly and this first venture was an instant success.

After his initial success in business, Gaston decided that he would pursue a career in this field. His years in school at Tuggle Institute in Birmingham and his five-year stint in the army were spent with this eventuality in mind. In the army, Gaston traveled for the first time - to the Philippines, to the Mexican border, and during World War I to the French front.<sup>3</sup> By the time the United States entered the war, Gaston had attained the rank of sergeant in the 317th Ammunition Train, an all Negro supply unit of the 92nd Rainbow Division.<sup>4</sup> For his "valor beyond the call of duty" on the French front, he was decorated.<sup>5</sup> When he was mustered out of the Army in 1919 after serving five years of his seven year enlistment, Gaston, like so many returning veterans, found his service record did not help him find employment.

A discouraging period followed his discharge. Despite his obvious willingness to work, Gaston could find only "poorly paid odd jobs."<sup>6</sup> Finally he was hired by the Tennessee Coal and Iron Company in Westfield, Alabama as a

<sup>3</sup>"Personality," <u>Birmingham Magazine</u>, VI, No. 2 (February, 1967), p. <u>31</u>.

<sup>4</sup>William C. Nelson, private interview, Birmingham, Alabama, August 9, 1972.

<sup>5</sup>Gaston, <u>Green</u> Power, p. 34.

<sup>6</sup>Ibid., p. 46.

laborer. The company paid the stupendous salary of \$3.10 a day plus lodging.<sup>7</sup> For 1919, the year he was hired, this was an excellent salary. While employed as a laborer, Gaston saw and seized several opportunities for an enterprising individual to make extra money. These included selling box lunches to his fellow employees, operating a peanut and popcorn stand, and lending money.<sup>8</sup> Since Gaston had adopted a policy of saving as much of his salary as possible, he had money when most of the men of his acquaintance had exhausted their pay-checks. Therefore, he began to loan money to these men at \$.25 on the dollar.<sup>9</sup> This profitable venture led Gaston to relate that "it wasn't long before I was drawing more from interest on the loans than from the rest of our combined incomes."<sup>10</sup>

During this same period, Gaston also began an insurance company which became the foundation of his widely based financial structure. The insurance company was begun pri-

<sup>8</sup>Gaston, Green Power, pp. 50 and 53.

<sup>9</sup>Harper, "A. G. Gaston," p. 53; "Personality," Birmingham Magazine, p. 31; Gaston, Green Power, p. 53.

10Gaston, Green Power, p. 53.

<sup>7&</sup>quot;Personality," <u>Birmingham Magazine</u>, p. 31. See also Harper, "A. G. Gaston," p. 52; Gaston, <u>Green Power</u>, p. 47.

marily as a burial society.<sup>11</sup> To join the society, the head of a household paid a weekly sum of \$.25 plus an additional \$.10 for each member of his family.<sup>12</sup> When a member of the family died, a decent burial was assured.

When he could find no one willing to help him start the society, Gaston decided to work alone. Disaster struck almost immediately when a member succumbed after paying only \$.35 in premiums.<sup>13</sup> Two men were responsible for helping Gaston save the society.<sup>14</sup> One was S. H. Ravizee, the pastor of the deceased. During this period in Alabama, it was customary for churches to collect money during funerals to help pay for the burial arrangements. After explaining the

12Gaston, Green Power, p. 55.

13Ibid., p. 54.

<sup>14</sup>Gaston, <u>Green Power</u>, pp. 55-59. There were rumors of other sources of aid. One stated: "Unfortunately for Dr. Gaston, the first death of a member of the burial association occured before he had accumulated sums sufficient to pay for the funeral and burial. He went to his dear friend Mr. Percy Benton, a white lawyer in Fairfield, Alabama, and borrowed \$200.00 with which to pay the cost of the first burial..." Donald L. Newsom, letter to author, February 5, 1973.

<sup>&</sup>lt;sup>11</sup>Societies were a communal organization popular with Negroes throughout the South. The author remembers "societies" scattered through the rural Georgia community in which she grew up. These societies were not only the center of religious life of the predominately poor rural Negroes, but served as the social center. They also filled a financial need since they offered burial security and community support in time of personal disaster.

society and introducing Gaston to his congregation, Ravizee said that he would not collect monies for burials. Parishioners who were not willing to pay a small sum to assure a decent burial could not expect Ravizee to beg charity for them. James Payne, the Negro funeral director in Fairfield also helped. He agreed to handle the funeral arrangements for only \$75.00.<sup>15</sup> After Gaston's society had survived the burial of the first policy holder, it began to grow rapidly.

By 1923, the business was beginning to prosper. In that year, Gaston acquired both a wife and a business partner.<sup>16</sup> Shortly after his marriage to Creola Smith, his childhood sweetheart, Gaston persuaded her father, E. L. "Dad" Smith, to come to Birmingham to help him with his burial society. When the company was formally organized as the Booker T. Washington Burial Society, Smith became vice-president; Gaston, president; Creola Smith Gaston, secretary.<sup>17</sup> Smith's contribution to the company was mainly in the field of public relations.<sup>18</sup>

<sup>15</sup>Gaston, <u>Green Power</u>, p. 56; "Personality," Birmingham Magazine, p. 31.

16A. G. Gaston, private interview, Birmingham, Alabama, January 4, 1973. See also "Personality," <u>Birmingham</u> <u>Magazine</u>, p. 31. This article gave Gaston's age at the time of his first marriage as "about twenty-five." In 1923, Gaston was thirty-one.

17Gaston, <u>Green Power</u>, p. 67. 18<sub>Nelson</sub>, interview, August 9, 1972.

Before Smith entered the company, Gaston was already acquiring the reputation of being well-to-do. All the eligible young ladies who had previously avoided him because they felt he did not spend his money freely enough on them began to lavish their attentions upon him, 19 When Smith entered the company, the idea that Gaston was wealthy grew into established fact. "Dad" Smith wore a frock coat and exuded an aura of wealth, dignity and respectability, 20 The psychological importance of the image projected by Smith was not lost on Gaston. He knew that this image of "dignity and influence would lend prestige to the business."21 The same idea of image reoccurred when Gaston stated that "when you get a reputation of being rich, people will come up and give you things."22 His theory proved valid in this instance because the insurance business continued to grow as the Negro community "gave" Gaston and the stately "Dad" Smith its patronage.

As with any enterprise, outside pressures and events threatened the growth of the insurance company. One such incident centered around the Fairfield mortuary that had buried Gaston's first policy holder. The Negro funeral

19Gaston, Green Power, p. 62.

<sup>20</sup>Nelson, interview, August 9, 1972; "Personality," Birmingham Magazine, p. 32.

21 Gaston, Green Power, p. 67.

<sup>22</sup>A. G. Gaston, "How to Make a Million," Ebony, XVIII (January, 1963), p. 115.

director, James Payne, had agreed to handle this first burial for \$75.00 and had promised to direct all subsequent arrangements for the same fee. This bargin benefited both parties. Since the price was lower than prices charged by other mortuaries, the society had used the Payne mortuary exclusively. The increased volume of business compensated Payne for the lower rate.

Complications soon arose to disrupt this profitable arrangement. Payne did not actually own the mortuary; he managed it for a white owner. Gaston learned that Payne was to be dismissed as manager because of drunkenness. He had also been arrested for transporting illegal whiskey in the mortuary's hearse.<sup>23</sup> Gaston felt that a new manager might not continue to give the society a lower rate. With a probable \$25.00 increase in the cost of each funeral in the offing, Gaston and Smith moved rapidly. A verbal contract was made with the white owner to purchase the mortuary for \$15,000.00.<sup>24</sup> "Mr. Bell the owner and a fine white gentleman" allowed Smith and Gaston to make a down payment of \$500.00 and to make monthly installments of \$150.00.<sup>25</sup>

The burial company was enlarging its territory and was

23Gaston, <u>Green Power</u>, p. 68. 24<u>Ibid</u>. 25<sub>Gaston</sub>, <u>Green Power</u>, p. 68.

... "making progress although not much money"...<sup>26</sup> when Bell died. Bell's son and heir, George Bell, may not have been "a fine white gentleman," but he could recognize a profitable enterprise when he saw one. He liked what he saw so much that he attempted to claim ownership not only of the mortuary, but also of the burial society.<sup>27</sup> George Bell was so persistent that Smith and Gaston were forced to dissolve the original society and form a new company in order to invalidate his claim.<sup>28</sup> By the time this impasse was resolved, new difficulties had arisen.

The formative years of the insurance company were spent in Fairfield, Alabama, a community on the outskirts of Birmingham. Because of difficulties arising out of a mayoral election, however, Gaston was forced to move from Fairfield.<sup>29</sup> The problems began when Smith, a power in the Fairfield Negro community, did not support the incumbent candidate for mayor. When the incumbent lost the election by three votes, he was sure that Smith had caused his defeat by swinging all the black votes to his opponent. At the next election, Smith's candidate lost, and the winners began a campaign of harassment.<sup>30</sup> Seeing no way to evade or to stop the mayor's

26<sub>Ibid</sub>.

27 Ibid.

28<sub>Ibid.</sub>, p. 70.

29"Personality," <u>Birmingham</u> <u>Magazine</u>, p. 32; Gaston, <u>Green Power</u>, pp. 73-74.

30 Gaston, Green Power, p. 73.

harassment, Gaston decided to move to a "...majestic (if dilapidated) colonial residence..." that faced Kelly Ingram Park in Birmingham.<sup>31</sup>

Before the renovation of the old home could be completed, Smith died. At the time of Smith's death in 1935, the insurance company had grown so large that it had been necessary to obtain a license to operate from the state of Alabama.<sup>32</sup> Expansion had steadily continued throughout the early thirties despite the fact that many businesses were dissolving and the country was in the throes of the greatest depression of its history. When Gaston's wife, Creola, succumbed only six months after her father's death, a family crisis threatened to destroy the growing company. The crisis developed slowly and did not explode into open conflict until 1943. The protagonists in the struggle were Gaston, "Mom" Smith, and "Mom's" niece. "Mom" Smith was the widow of E. L. "Dad"

<sup>32</sup>The actual date of Smith's death was difficult for the author to ascertain. <u>Green Power</u> gave no date, but placed the deaths of Smith and his daughter, Gaston's first wife, within six months of each other; Albert C. Boutwell, interviewed in Birmingham on August 8, 1972, placed the death in 1935; the Nelson interview coroborated Boutwell's date; in an interview with Gaston in Birmingham, January 4, 1973, Gaston said he did not recall the date; "Personality," <u>Birmingham Magazine</u>, p. 32 gave the date as late 1940's; Gaston, "How to Make a Million," p. 115 gave the date of the death of Gaston's first wife as 1938 in a picture caption. The data of 1935 was used by the author because two different sources gave that date.

<sup>31</sup>Ibid., p. 74.

Smith and the mother of Gaston's first wife, Creola. When Creola died shortly after her father, "Mom" decided that the Gaston money should stay in the family. Consequently, she promptly picked her niece to be her daughter's successor and Gaston's second wife.33 The machinations and intentions of "Mom" and her niece were apparent and distasteful to Gaston.34

Since Gaston had definitely decided that he would not marry "Mom's" niece, he began to look elsewhere for a wife. His eyes and affections were soon engaged by Minnie L. Gardner a vivacious young friend of his first wife.<sup>35</sup> Gaston had ample time to observe her and further their acquaintance since she became one of his employees in 1938. Gaston found that "...Minnie's unassuming charm was a refreshing contrast to the flirtatious willfulness of 'Mom' Smith's protegee."<sup>36</sup> In 1943, Minnie Gardner and Gaston were Married.<sup>37</sup> The marriage enraged both "Mom" and her niece. In retaliation, "Mon" attempted to destroy the business. Using as a lever the forty-nine per cent of the company's stock that she had inherited from her husband, "Mom" demanded an accounting of

33Gaston, Green Power, pp. 77-78. 34<u>Ibid.</u>, p. 77. 35<u>Ibid.</u>, p. 78. 36Gaston, Green Power, p. 78.

37Gaston, interview, January 4, 1973; Minnie L. Gaston, private interview, Birmingham, Alabama, January 4, 1973.

the business, thereby forcing it into receivership.<sup>38</sup> To thwart this attempt, Gaston's friend and lawyer, G. Percy Benton, persuaded "Mom" to settle out of court.<sup>39</sup> Gaston was forced to borrow the enormous sum of \$50,000.00 to purchase "Mom's" stock and to rid himself of her unsettling presence.<sup>40</sup>

After Gaston became the sole owner of Smith-Gaston Enterprises in the mid-forties, expansion and growth continued uninterrupted throughout the next two and one-half decades. The insurance company became the basis for an ever widening financial empire. New vistas and opportunities seemed to materialize almost daily as Gaston "found a need" and proceeded to fill it.<sup>41</sup> In filling the need, he always managed to profit financially. By 1972, Gaston's personal fortune was rumored to be at least two million and as high

38 Gaston, Green Power, pp. 77-78.

39Ibid., p. 78.

<sup>40</sup>The exact purchase price varied with different sources. In <u>Green Power</u>, p. 78, Gaston claimed he "...deeded her my house and gave her practically everything I had in exchange for the 49% stock..." He gave no definite figure in his autobiography, but on January 4, 1973, in the author's interview with him he gave \$50,000.00 as the figure. The article about Gaston, "Personality," <u>Birmingham Magazine</u>, p. 32, gave \$50,000.00 as the figure. Nelson in his interview said rumors set the price at \$10,000.00. Nelson, interview, August 9, 1972.

41Gaston, interview, January 4, 1973. The phrase also appeared in varied forms in articles on Gaston. See "Personality," <u>Birmingham Magazine</u>, p. 30; Gaston, "How to Make a Million," p. 115; Harper, "A. G. Gaston," p. 53; Gaston, Green Power, p. 167.

as five million dollars.<sup>42</sup> Gaston admitted his annual income was in the seventy per cent bracket of \$200,000.00 and over for income tax purposes.<sup>43</sup> In that same year, Gaston Interests, a corporate conglomerate, included seven different companies with a total capital of almost five million dollars and total assets exceeding twenty million dollars.<sup>44</sup>

42<sub>Emory</sub> O. Jackson, private interview, Birmingham, Alabama, August 10, 1972.

44 Mattie M. Frierson, "Financial statement of Gaston Interests." January, 1973.

<sup>43</sup>Gaston, interview, January 4, 1972; Gaston, Green Power, p. 114.

#### CHAPTER II

### FIND A NEED AND FILL IT

Whenever anyone asks Gaston how he made his money, his answer is always the same. He claimed in one article that:

There's no trick to making money.

There's nothing complicated about it.

There's nothing mysterious about it.

It's easy.

It's a rule - just like a rule of nature. You do certain things and you get certain results. You go to the corner and you walk across on the green light and you get across safely. You touch all the bases and you score a run.

It's simple. Anybody can do it.<sup>1</sup> Anyone who followed the rules, said Gaston, would attain success and subsequent wealth. All one had to do, he maintained, was "find a need and fill it."<sup>2</sup> An ambitious young man should observe those around him.

1 Gaston, "How to Make a Million," p. 110.

<sup>&</sup>lt;sup>2</sup>Gaston has made these words his motto. They appear frequently in his speeches, in his autobiography and in articles concerning him. To Gaston, these words are a business philosophy. By quoting Gaston in this instance, the author does not mean to imply that Gaston was motivated by humanitarian or philantrophic ideals in founding any of his businesses. The profit motive was always his main motivator. Gaston, "How to Makeia Million," p. 110; "Personality," Birmingham Magazine, p. 31; Harper, "A. G. Gaston, " p. 52.

How do they live? What makes them tick? What do they want? What do they need? What service can a business man offer them that will make their lives more livable?<sup>3</sup>

Once the answers to these questions were ascertained, the rest was easy, according to Gaston.

All of Gaston's successful businesses were founded on the above principle - to fill a genuine need in the community. Gaston said the only business venture he began for the sole purpose of making money and without regard for the needs of the community was a dismal failure.<sup>4</sup> Gaston had studied various types of business and had been amazed at the prospects for profits that the bottling of soft drinks seemed to offer.<sup>5</sup> Costs and overhead were small when compared to most other enterprises; therefore, profits would be enormous. Since Gaston's previous successes in business had gained him the reputation of having a "golden touch", it was not difficult to convince a few friends that here lay the avenue to almost instant wealth. In 1938, the Brown Belle Bottling Company was organized.<sup>6</sup>

At first the company appeared as successful as the

<sup>3</sup>Gaston, "How to Make a Million," p. 112. <sup>4</sup>Donald L. Newsom, letter to author, February 5, 1973; Gaston, interview, January 4, 1973. <sup>5</sup>Gaston, <u>Green Power</u>, p. 83. <sup>6</sup>Gaston, "How to Make a Million," p. 113.

backers had hoped it would be. Ideally, it should have yielded large profits, but neither Gaston nor any of his associates in the business knew anything about running a bottling business or about the pitfalls involved.7 In outlining the business, no one had considered "...what a conveniently marketable product sugar was."8 Gaston and his associates found that "... the bulk of our sugar was going into the cupboards - or stills - of our employees and their friends."9 The theft of the sugar and other misfortunes eventually forced the liquidation of the company.<sup>10</sup> When all accounts were in the company had lost its backers \$60,000.00.11 Gaston claimed he assumed the entire loss rather than see his friends lose money because of an enterprise he had begun.<sup>12</sup> Gaston never again began a business without first ascertaining if there was a definite need for it or, in other words, if there was a possibility of making a profit.

7Gaston, <u>Green Power</u>, p. 83.
8<u>Ibid</u>.
9<u>Ibid</u>.
100ther misfortunes included

<sup>10</sup>Other misfortunes included a suit because of the use of the name "Brown Belle" and a robbery in which the company safe was stolen. The exact date the company was declared bankrupt is not available.

11Harper, "A. G. Gaston," p. 53.
12Gaston, Green Power, p. 84.

The need for Gaston's first business venture was apparent. Negroes had trouble getting insurance because they were poor risks.<sup>13</sup> Since Negroes did not have insurance, burial expenses weighted heavily on the families of the deceased. This was expecially so since a proper burial was of "...immense importance" to the Negroes.<sup>14</sup> Families usually depended on charity to help bear the burden of the funeral expenses. The churches in Alabama had attempted to help alleviate the expense by including a collection as a traditional part of the funeral service.<sup>15</sup> A collection plate was placed on a stand at the head of the coffin. Each individual viewing the body was expected to place a small donation in the plate. Many families claimed that the funerals cost more than had been collected at the church and began to solicit funds outside the church.

14Gaston, Green Power, p. 53. For a more in depth discussion of the ideas of Negroes on death see Gunnar Myrdal, An American Dilemma, 2 Volumes (New York: McGraw-Hill Book Co., 1964), II, 935-942.

15 Gaston, Green Power, p. 58.

<sup>13</sup>Gaston, Green Power, p. 52. Negroes were poor insurance risks since their life expectancy was lower than the life expectancy of whites. Actuarial tables based on the life expectancy of Negroes forced both white and black insurance companies to charge Negroes higher rates. Consequently, many Negroes, especially those in the poorer income brackets, found insurance premiums more than they could afford. Arnold Rose, The Negro in America: The Condensed Version of Gunnar Myrdal's An American Dilemma, (New York: Harper and Row, 1964), p. 110; E. Franklin Frazier, "Human; All Too Human; How some Negroes have developed vested interest in the system of racial segregation," Graphic Survey, XXXVI, (January, 1947), pp. 74-75.

Out of the practice of soliciting funds arose a whole subculture of list-carrying missionaries.<sup>16</sup> Many of the names on the lists were of people who were alive; others were non-existent; others had been dead so long that one no longer needed to worry about burying them. Gaston described some to the racketeering he observed. One woman lost a husband "...every pay day or so, leaving her with several children."<sup>17</sup> Abuses of this type were widespread as the missionaries converged on the towns on pay day.

Although Gaston was not the only one to see the fraud, he seemed to be the only one in his area shrewd enough to develop a workable and profitable solution to the problem. The plan he devised was based on the fraternal organization formula. An individual joining the group paid a small weekly fee to insure himself a proper burial. Gaston felt blacks who were willing to pay for another's funeral should be equally willing to pay for his own if given the chance.<sup>18</sup> All he needed to try out his idea was a few members, and a small amount of capital. Gaston decided to gamble that membership fees would soon accumulate enough to cover the costs of the first funeral.

16Gaston, Green Power, pp. 51-52. 17Ibid., p. 52. 18Gaston, Green Power, p. 54.

Although Gaston claimed he started the society with "...no intention of making money out of it,"<sup>19</sup> this society became the foundation of his financial structure, the Booker T. Washington Insurance Company. The story of Gaston's early years revolved around the steady but gradual growth of the insurance company. From its formal organization in 1923 as the Booker T. Washington Burial Society with \$1,000.00 on deposit with the state of Alabama, it grew to an association with \$5,000.00 on deposit and, later, to an insurance company with \$10,000.00 deposited with the state.<sup>20</sup> By 1952, the company had become an old line legal reserve firm with \$100,000.00 deposited with the state.<sup>21</sup> By 1972, the insurance company was the largest company in Gaston Interests. It had "...nearly one hundred million dollars worth of insurance in force."<sup>22</sup> The 282 employees drew salaries of

19Gaston, interview, January 4, 1973.

<sup>20</sup>Ibid. The incorporation date was corroborated by the article "Personality," <u>Birmingham Magazine</u>, p. 52. According to Gaston's autobiography, the burial society existed several years before 1923, as a "breast pocket" organization. The individual did not actually have a contract with the society, but had his name added to a membership list. Gaston or one of his employees collected the fees door-to-door. In Gaston, "How to Make a Million," p. 112, Gaston gave the sum on deposit with the state in 1923 as \$5,000.00, a direct contradiction of the \$1,000.00 figure he gave the author in her interview with him.

<sup>21</sup>Birmingham World, January 15, 1952.

<sup>22</sup>Mattie M. Frierson, "Dr. A. G. Gaston, Sr.: Biographical Sketch." January, 1973. \$1,657,176.56. Assets exceeded \$11,444,247.01 and its capital totaled \$2,161,159.18.<sup>23</sup>

Gaston had also begun to branch out into the fire insurance area in 1972. He had become the chairman of the executive committee of the South Eastern Fidelity Fire Insurance Company in April of 1965.<sup>24</sup> By 1972, reorganization of the company was taking place and the new Booker T. Washington Fire Insurance Company was emerging. Total capital was \$251,140.00 and assets were \$645,326.38.<sup>25</sup>

The Booker T. Washington Insurance Company was managed on the same basis as other insurance companies.<sup>26</sup> Of the huge sums of money collected in premiums only a small portion was retained as liquid assets to be available to settle claims. The remander was invested in profitable but long term investments. The major investment avenues followed by most insurance companies and by the Booker T. Washington Insurance Company included large but carefully regulated purchases of bonds, mortgages, real estate and stocks. These investments served a dual purpose. They lessened the total taxable

<sup>23</sup>Frierson, "Financial Statement," January, 1973.
<sup>24</sup>Birmingham World, April 3, 1965.

<sup>25</sup>Frierson, "Financial Statement," January, 1973.

<sup>26</sup>A concise discussion of the behavior of insurance companies can be found in Sandford D. Gordon and Jess Witchel, <u>An Introduction to the American Economy: Analysis and Policy</u> (Boston: D. C. Heath, 1967), p. 271.

income of the company while they provided lucrative longterm dividends. This investment policy also served to enrich the community by making large sums of money available. By 1952, the company had \$200,000.00 invested in home mortgages.<sup>27</sup> One of the first avenues of investment used by Gaston's company was the purchase of real estate in the form of a chain of mortuaries.

Mortuaries have always been one of the more important and necessary of the Negro owned and operated businesses.<sup>28</sup> Since white funeral homes did not offer services to black clients, it was necessary to operate Negro funeral homes in each Negro community. Although the initial ventures were sometimes financed by white capital, the mortuaries were in many cases owned by black businessmen .<sup>29</sup> Mortuaries were profitable to operate; therefore, these businessmen became economic, social and political leaders in the communities

<sup>27</sup>Birmingham World, January 15, 1952.

28 John Hope Franklin, From Slavery to Freedom (New York: Alfred A. Knopf, 1963), p. 486.

<sup>29</sup>The mortuary in Fairfield was owned by a white man but operated by a Negro before Gaston purchased it. Gaston, <u>Green Power</u>, p. 68. Conversely, Gaston borrowed \$50,000.00 to finance the move to Birmingham from Rufus Lackey, the owner and operator of Brown-Service, the largest white mortuary in Birmingham. Gaston, Green Power, p. 75. in which they lived.30

Gaston began purchasing mortuaries after his burial society had become moderately profitable. Burial policies issued by the original society and by the insurance company paid for the funerals of policy holders at their death. It soon became apparent that it would be more profitable to own the mortuaries that buried the company's clients. Consequently, Gaston began to purchase funeral homes throughout the state of Alabama. If one were available, funeral arrangements for policy holders had to be made at an affiliated mortuary. At one time, Smith-Gaston Funeral Directors owned a total of thirteen funeral homes in Alabama.<sup>31</sup>

When Alabama forbade by law the issuance of a policy which paid off in funerals only, it was necessary for the Booker T. Washington Insurance Company to make case settlements to the family of a deceased policy holder.<sup>32</sup> The family could then have the arrangements made by the funeral home of its choice. Owning the chain of mortuaries was no longer as profitable under the cash settlement system as it had been under the older system. Therefore, Gaston began

31"Personality," Birmingham Magazine, p. 32. 32"Personality," Birmingham Magazine, p. 32.

<sup>&</sup>lt;sup>30</sup>A discussion showing how profitable the business was and an indictment of the industry as a whole can be found in Jessica Mitford, <u>An American Way of Death</u> (New York: Simon and Schuster, 1963).

to dispose of all except three of the morturies.

The three remaining homes were situated in Birmingham proper and in the neighboring black communities in Bessemer and Fairfield.<sup>33</sup> In 1972, the three mortuaries employed thirty-one persons who drew salaries totaling \$108,920.90. Capital had reached \$217,017.23 and assets of the combined homes was \$523,554.60.<sup>34</sup>

With the purchase of the mortuaries, Gaston established a vertical combination. This can be defined by using chain as a illustration. Each link represents one stage, level, or aspect of the final production of a product or service. The more links a company controlls the less the total cost of production, and, conversely, the more profit. Gaston now controlled two levels or stages in his business. The aspects were the issuance of the burial insurance policy which paid in funerals only and the burial of a deceased policy holder through an affiliated mortuary. There remained only one other factor that he could control in order to lessen costs. He gained control of this factor with the purchase of the New Grace Hill Cemetery.

Perhaps the most controversial venture in which Gaston became involved as far as the Negro community was concerned was the purchase and renovation of the New Grace Hill Cemetery.

33Frierson, "Financial Statement," January, 1973. 34Ibid.

When he purchased it and the Mason City Cemetery in 1951 for \$10,000.00, he discovered that much work would be necessary if he were to bring the cemeteries up to a standard equal to white cemeteries of the area.<sup>35</sup> Although the tracts had been in use for many years, the owners of the cemeteries had made no attempt to maintain or improve them. Gaston, consequently, put into operation an extensive plan to renovate the tracts as he had promised he would do at the time of purchase.<sup>36</sup>

The renovation of the tracts was planned on the basis of the original surveys and of existing grave sites. Using rights-of-way given in the surveys, Gaston planned his facelifting which included the cutting and paving of paths and roads and landscaping projects. His beautification projects had barely begun when the wrath of the Negro community decended upon him.

During the process of cutting and paving roads and paths some graves were disturbed. Rumors and accusations were rampant and the community evidently believed that Gaston had proceeded with his plans without regard for existing grave sites.37 As tension grew, it became apparent that the disturbed graves had been unintentionally disturbed. It was

36<sub>Birmingham World</sub>, April 6, 1951. 37<sub>Bell</sub>, interview, August 7, 1972.

discovered that the original surveys were faulty.<sup>38</sup> The faulty lines had resulted in the location of some graves on what was actually rights-of-way. The majority of the sites were disturbed because they were improperly marked or improperly placed.

Gaston discovered that in many instances bodies were interred in the cemeteries without any of the formalities such as the purchase of a lot, marking, or even proper notification of cemetery officials. This was especially the case during the depression years when few Negroes possessed the money to purchase a grave site. When someone died, his friends and relatives dug his grave and buried him without attempting to discover if the grave had been placed on a right-of-way. Some of these burials occured in the dead of night.<sup>39</sup> The lack of money also caused many families to leave the graves of loved ones unmarked. 40 Consequently, graves existed with no markers and were not listed on any of the cemetery records. Without any indication of the graves' existence, neither Gaston nor his planners could take the sites into consideration during the planning of the renovation.

38<sub>Nelson</sub>, interview, August 9, 1972.
<sup>39</sup><u>Ibid</u>.
<sup>40</sup><u>Ibid</u>.

Even with these facts in his favor, Gaston found himself in the middle of a rash of court cases.<sup>41</sup> In one of the resulting suits, a woman claimed that the grave of her husband had been desecrated. In court, however, she was forced to admit that the site had not been properly marked. When pressed, she stated that she had marked the grave, but the method of marking was slightly unorthodox. She had marked the grave by placing an empty whiskey bottle at the head of the grave because whiskey was what her husband had loved most in life.<sup>42</sup> By 1972, the renovation of the tracts had been completed. The tract originally purchased for \$10,000.00 was now valued in excess of \$204,761.66 and commanded \$10,000.00 in total capital. The cemetery employed ten workers whose salaries totaled \$31,189.15.<sup>43</sup>

The progressive vertical growth of Gaston's business interests was accompanied by the acquisition of real estate. This real estate was acquired not only to house his businesses, but also for investment purposes. Part of the investment property was used as rental property. One of the lots was the property Gaston had purchased for \$200.00 while he was serving in the Army.<sup>44</sup> By 1953, Gaston found this property

<sup>41</sup>Bell, interview, August 7, 1972.
<sup>42</sup>Bell, interview, August 7, 1972.
<sup>43</sup>Frierson, "Financial Statement." January, 1973.
<sup>44</sup>Gaston, <u>Green Power</u>, p. 35.

could not be adequately controlled through his existing businesses.<sup>45</sup> To efficiently control the property it was necessary to organize an independent company whose major function would be the management of the accumulating properties.

By 1954, he had formed the Vulcan Realty and Investment Company.<sup>46</sup> The company handled all real estate and rental properties that Gaston had acquired and offered the same service to anyone else desiring them.<sup>47</sup> The company could also be used to funnel much of the corporate profits made by the other businesses owned by Gaston into real estate and other long term investments. This was a time honored method to lessen the taxable income of corporations.

It was through this company that Gaston moved into the lucrative area of low-cost housing and land development.<sup>48</sup> Under the auspices of the Booker T. Washington Insurance Company, he had already entered the home mortgage field.<sup>49</sup> The insurance company could by 1958 act on any Federal Housing Administration Loan application that it received prior to consultation with and approval from the Federal

<sup>45</sup><u>Ibid.</u>, p. 104.
<sup>46</sup>Gaston, <u>Green Power</u>, p. 104.
<sup>47</sup><u>Ibid</u>.
<sup>48</sup>Birmingham <u>World</u>, May 13, 1959.
<sup>49</sup><u>Ibid</u>., January 15, 1952.

Housing Administration.<sup>50</sup> With Gaston Homes developed by the Vulcan Realty and Investment Company, however, he attempted to tap the resources of the lower income brackets.

The development company offered homes to "...those with income enough to buy, but without a conventional way to finance.<sup>51</sup> All the prospective buyer needed was a lot in order to have a home constructed by the company. An advertisement for Gaston Homes boasted that anyone owning his own lot could have a home with no down payment and as little as \$25.00 a month.<sup>52</sup> "Why pay rent?" the advertisement asked. Take advantage of the "chance of a lifetime" and own a home with "three bedrooms, one bath, living room, kitchen and dining area." Presumably, the lot was to be used as collateral.

The success of the investment facet of Gaston's business was enormous. By 1972, the investment company employed eleven people; salaries totaled \$40,669.20.<sup>53</sup> Total capital commanded by the company had reached \$1,527,078.71 which was over half the amount commanded by the insurance company.<sup>54</sup>

<sup>50</sup><u>Ibid.</u>, July 19, 1958.
<sup>51</sup>Birmingham <u>World</u>, May 13, 1959.
<sup>52</sup><u>Ibid.</u>, May 14, 1959.
<sup>53</sup>Frierson, "Financial Statement." January, 1973.
<sup>54</sup>Ibid.

After Gaston had accumulated a fortune and had become the proprietor of several large businesses, he had no difficulty obtaining money from the white financial institutions in Birmingham.<sup>55</sup> In the earlier years of his career when his own capital was limited, he had discovered that it was not an easy matter for a black businessman to finance his ventures.<sup>56</sup> It was during these formative years of a business that the privilege of obtaining outside capital was most crucial. Chronic lack of low cost sources of capital was a problem of the entire Negro segment of the population because blacks could expect little aid from the more legitimate sources such as banks and loan associations.<sup>57</sup> There were a few black owned and operated banks, but these were for the most part small and continually testered on the brink of bankruptcy. White owned and operated banks refused black applicants or severly curtailed the amount of money a black borrower could expect to receive.<sup>58</sup> As a result of the closure of these sources of capital, many blacks were forced to obtain their necessary capital from other sources and paid enormous rates of interest.59

55Gaston, interview, January 4, 1973. 56<u>Ibid</u>. 57Jackson, interview, August 10, 1972. 58<u>Ibid</u>. 59<u>Ibid</u>.

By 1956, Gaston felt there was an obvious need for a black owned and operated bank. One reason for his assurance was the encouragement he received from friends. They had long urged him to found a bank "...to make more mortgage money available to our people .... "60 He also felt that the black community as a whole would furnish enough support to make the institution a success. Consequently, in that year he initiated proceedings to gain permission to found a savings and loan association for blacks.<sup>61</sup> Since all saving and loan associations must be chartered, Gaston submitted his application for charter to the Alabama branch of the Federal Home Loan Bank Board. These branch board served as a regulatory device to insure that there would not be an over supply of banks in any one area.<sup>62</sup> As a basis for the board's decision, local savings and loan associations were required to agree there was a need for an additional facility.63 "All of the existing savings and loan associations declined to support our application for a charter."64 Their reasons for declining to support the charter were mixed. Some most likely honestly believed there was no need for additional facilities.

<sup>60</sup>Gaston, <u>Green Power</u>, p. 112.
<sup>61</sup>Birmingham <u>World</u>, January 15, 1956.
<sup>62</sup>Gaston, interview, January 4, 1973.
<sup>63</sup>Gaston, <u>Green Power</u>, p. 112.
<sup>64</sup>Gaston, <u>Green Power</u>, p. 113.

Others refused because they were afraid that another institution would interfere with their growth. Some undoubtedly opposed the charter because the applicant was black.<sup>65</sup> When the Birmingham banks refused to support Gaston's application, the application was denied. The board, however, did give Gaston a chance to appeal to the National Federal Home Loan Bank Board in Washington.<sup>66</sup>

Research revealed that the most a black could expect to get from a white owned and operated bank was \$5,000.00.<sup>67</sup> The feeling seemed to be that a \$5,000.00 home was all any black needed or should want.<sup>68</sup> Negro churches and businesses were also systematically refused building and extension loans of any size. The limit blacks could borrow was not the only factor. Not only was the limit set regardless of the ability of the individual, church or business to pay, but the interest rate was automatically higher for blacks. To justify this policy of charging blacks higher rates than whites were charged on loans of comparable size, the banks claimed blacks were high risk borrowers.<sup>69</sup> As a consequence of these policies

<sup>65</sup>Gaston, interview, January 4, 1973.

<sup>66</sup>Arthur Shores, private interview, Birmingham, Alabama, August 8, 1972.

<sup>07</sup>Gaston, interview, January 4, 1973.

68 Ibid,; Jackson, interview, August 10, 1972.

<sup>69</sup>Since many blacks were either unemployed or very poor, they were high risk borrowers.

many blacks became victims of loan sharks and finance companies.

With the above as proof of the prejudice against black borrowers at white associations in Birmingham, Gaston and his lawyer. Arthur D. Shores, presented their appeal to the Federal Home Loan Bank Board in Washington. 70 The briefs submitted by Shores convinced the Washington board that there was a need for a black savings and loan association in Birmingham and the lower board decision was overruled.<sup>71</sup> To discover whether or not such an institution would be supported by the black populace, however, the board increased the minimum capital necessary to begin operation of the bank from \$150,000.00 to \$350,000.00.72 They also gave Gaston a six month deadline to raise the necessary capital and train the personnel to operate the association.73 By the end of three months Gaston had raised the necessary money. When the bank was chartered in 1957, Gaston had raised nearly a half million dollars.74

71Jackson, interview, August 10, 1972.

<sup>72</sup>Shores, interview, August 8, 1972.

73Gaston, interview, January 4, 1973; Shores, interview, August 8, 1972.

74Gaston, interview, January 4, 1973.

<sup>&</sup>lt;sup>70</sup>Shores refused to accept a fee for this particular case. Gaston, Green Power, p. 113.

By the end of 1972, the Citizens' Federal Savings and Loan Association had grown considerably. Fourteen individuals drawing salaries totaling \$85,532.02 were employed by the institution. Gaston himself drew no salary as president of the bank. Total capital was now \$13,362,071.56. Loans of \$11,362,178.59 had been made to individuals and institutions in the community.<sup>75</sup>

By the 1950's, Gaston's business enterprises were profitable enough that he could gratify his long-expressed desire to travel. His involvement with various groups and organizations also necessitated increased travel in the form of speech-making tours. Before his travel experiences, he had not been fully aware of the problems that beset the increasingly mobile Negro populace. Comfortable travel accommodations were limited, especially in the segregated South. Because of the need for such accomodations, Gaston saw an area for profitable expansion for a businessman.

One article on Gaston suggested that Gaston built the A. G. Gaston Motel and Restaurant at least partially in selfdefense.<sup>76</sup> Only poor accommodations existed for Negroes traveling in the South and segregation decreed that Negroes could not use any of the excellent motel facilities operated for whites. Any well-to-do Negro who traveled expected to

75Frierson, "Financial Statement." January, 1973. 76"Personality," Birmingham Magazine, p. 32.

be welcomed into private homes or visited relatives and friends. Since Gaston was the wealthiest Negro in Birmingham, he was forced to open his home to a growing succession of guests. No matter how wealthy an individual was this would create a financial strain as well as create constant invasions by virtual strangers into the privacy of one's home. To eliminate this problem, Gaston built a modern motel that offered facilities to Negroes comparable to the best white motels.

In <u>Green Power</u>, Gaston claimed that the idea of building a motel was conceived while attending the World Ecumenical Conference in England in 1951. There he learned that Birmingham was being considered as a possible site for the 1954 session of the all Negro National Sunday School and Baptist Training Union Congress of the National Baptist Convention.<sup>77</sup> He knew that facilities for Negroes were limited in Birmingham and that those which did exist were "... little more than shelter for transients."<sup>78</sup> The Negro Baptist Convention could not be held in a city which offered such limited housing accommodations. Therefore, Gaston decided to construct a motel to help lure the convention to Birmingham. The motel was dedicated in February, 1954, and furnished accommodations for many of the delegates to the convention

77Gaston, Green Power, p. 97. 78Gaston, Green Power, p. 98.

held in August of the same year.79

At the time of its completion, at a cost of \$300,000.00, the A. G. Gaston Motel contained thirty-two air-conditioned units.<sup>80</sup> It was acclaimed "...the nation's finest motel for Negroes," by one of the local white newspapers.<sup>81</sup> Unlike other motels in Birmingham, Gaston's motel was open to both races.<sup>82</sup> By 1972, the motel had grown to one hundred units with an adjoining restaurant, supper club and lounge. The motel employed 32 persons in various capacities with a total payroll of \$57,840.64. It had a capital of \$65,700.00 and \$634,190.00 in assets.<sup>83</sup>

As Gaston's enterprises grew he found that he needed an increasing number of trained workers. He not only needed executives and managers to help him direct his companies and salesmen to market his products, he needed competent white collar workers trained in the fields of accounting, bookkeeping, typing, short hand, and general office practice. As his need grew, it became harder to staff his businesses with the necessary personnel adequately trained in these fields.

79Birmingham News, June 30, 1954. 80<u>Ibid</u>. 81<u>Ibid</u>. 82Gaston, Green Power, p. 110. 83Frierson, "Financial Statement," January, 1973. The major reason for the scarcity of black white collar workers was the unavailability of training centers in the South. Black business schools were practically nonexistent and the doors of institutions training whites in the various business fields were closed to blacks because of segregation. In reality, there seemed little need for such schools. Blacks were traditionally barred from holding white collar positions except in a few black owned and operated businesses such as Gaston's.<sup>84</sup> Consequently, even black colleges which did offer training in business were gradually phasing out their programs.<sup>85</sup> They felt it impractical and misleading to offer training in areas in which jobs were unavailable.

When Gaston found that trained personnel would not be forthcoming from ordinary Negro institutions, he instigated a training program of his own. This program was to develop into the Booker T. Washington Business College. The initial training program consisted of a type of on-the-job training given to individuals already employed in the insurance company. Gaston imported the instructor from Chicago to "...teach typing, short hand and bookkeeping to the office workers of my insurance company.<sup>86</sup> As the school progressed,

<sup>84</sup>Rose, <u>The Negro</u>, p. 107.
<sup>85</sup>Minnie L. Gaston, interview, January 4, 1973.
<sup>86</sup>Gaston, <u>Green Power</u>, p. 79.

training was given prior to employment in the insurance company. At first the training was given with the understanding that the student upon completion of the course of study would accept a position in the company.<sup>87</sup> As Gaston's ventures became diversified, the employees who managed the new companies were also drawn from the school. Later, training was given to students who did not plan to seek employment with Gaston. Many students entered the school prior to leaving the South or sought jobs outside Alabama.<sup>88</sup>

In 1938, the school came under the management of Gaston's future wife, Minnie L. Gardner, a graduate of Tuskeegee Institute.<sup>89</sup> Under her capable, if somewhat unorthodox management, the college grew rapidly, and more instructors were hired. In 1943, the college produced fifty-nine graduates capable of filling civil service positions in key defense areas.<sup>90</sup> By 1972, over ten thousand students had attended the college. Since the school had always operated on an open-door policy, some of these students were white. Graduates of Booker T. Washington Business College were employed in five-sixths of the Negro businesses in the South.<sup>91</sup>

87 Minnie L. Gaston, interview, January 4, 1973.

<sup>88</sup>Gaston, <u>Green Power</u>, p. 80.

89Gaston, interview, January 4, 1973.

<sup>90</sup>Congressional Record, 89th Cong., 1 Sess., p. 6528; Minnie L. Gaston, interview, January 4, 1973.

91 Ibid.

The college had an enrollment of 250 students in winter quarter, 1973.<sup>92</sup> Tuition charges were \$260.00 a quarter and a full-time student finished the course of study in either nine, twelve, or eighteen months depending on his degree.<sup>93</sup> Degrees were offered in secretarial science, electrical machines, accounting, advanced accounting and advanced secretarial courses.<sup>94</sup>

In 1972, the college employed twenty persons, eighteen of these were Negro and two were white. Salaries paid to these employees totaled \$116,542.00. Assets were estimated in excess of \$125,794.42 and its total capital was \$30,698.18<sup>95</sup>

By the early sixties, Gaston was wealthy and it was no longer necessary for an enterprise he might found to give immediate renumeration. He could begin businesses which might ultimately be profitable, but would require a large initial outlay of funds. One such enterprise grew out of his increased awareness of the problems facing the aging Negro. While Gaston himself had not suffered from severe debilitation due to age, he saw many who had. Some were close friends and associates. He also knew that he might

<sup>92</sup>Minnie L. Gaston, interview, January 4, 1973.

<sup>93</sup>Booker T. Washington Business College brochure, Birmingham, Alabama.

<sup>94</sup> Ibid.

<sup>95</sup> Frierson, Financial Statement.

eventually need care himself. Individuals who had special problems needed and deserved professional help.

During the 1950's and early 1960's, the nursing home movement gained momentum. It had become more and more popular for families of senior citizens to place older persons in nursing care centers rather than try to care for these persons in the home. Nursing homes or senior citizens' homes presumably offered expert care for the aged. As in other areas this expert care was available for whites only. No such care was offered for the elderly Negro. In an effort to remedy this situation, Gaston opened the A. G. Gaston Home for Senior Citizens in 1963.96 This nursing facility offered care to elderly Negroes comparable to the care given in white nursing homes. The facility had been "...planned, designed and constructed for nursing home use in accordance with the Alabama State Board of Health's Rules, Regulations and Standards for Nursing Homes."97 The home applied for and received its initial license to operate from the state of Alabama Department of Health in May 22, 1963.98 The Department of Health issued licenses on a yearly basis to two types

96 Birmingham World, May 11, 1963.

97 James L. Woodham, letter to author, February 13, 1973.

98 Woodham, letter, February 13, 1973.

of nursing homes.<sup>99</sup> Of the two categories, the requirements for obtaining a Skilled Nursing Home License were the most rigid. The standards adopted on September 20, 1967, controlled everything from the number and type of personnel that a nursing home must hire to the physical requirements of the facility.<sup>100</sup> The A. G. Gaston Home for Senior Citizens obtained its initial license "...as a fifty-one bed Skilled Nursing Home..." and the license was renewed yearly.<sup>101</sup> In addition, the home met federal requirements to participate in the Medicare, Medicaid, and Intermediate Care Programs operated under the auspices of the Department of Health, Education and Welfare.<sup>102</sup>

By 1972, fifty persons were receiving care in the home.<sup>103</sup> Thirty-eight employees received salaries of \$121,478.76.<sup>104</sup> Following the guidelines set up by the state,

<sup>100</sup>Woodham, letter, February 13, 1973.

101 Ibid.

102 Ibid.

<sup>103</sup>Mattie M. Frierson, telephone interview with author, January 23, 1973.

104 Frierson, "Financial Statement." January, 1973.

<sup>&</sup>lt;sup>99</sup>Alabama State Board of Health, "Rules, Regulations and Standards of Nursing Homes, September 20, 1967." Published by State of Alabama, Department of Public Health, Montgomery, Alabama, p. 13.

at least five of these employees had to be registered nurses or licensed practical nurses.<sup>105</sup> The Director of Nursing Services could be included in the above ratio of one nurse per ten patients, but she had to be a registered nurse.<sup>106</sup> The remainder of the employees were non-professional nursing personnel. Although the home's total capital was only \$5,000.00, its assets were in excess of \$214,892.92.<sup>107</sup>

Gaston's involvement in the growth of black business in Birmingham could be gauged by the diversity of his various enterprises. At various stages in his career he had owned a service station, a seventy-seven unit apartment complex and a Walgreen drug store. Farm land in excess of eighty acres had been purchased in Lowndes County, Alabama, and the A. G. Gaston estate outside of Birmingham included ten acres and a colonial-type mansion. For an uneducated black boy, Gaston had indeed come a long way.

105Alabama Board of Health, "Nursing Homes," p. 13. 106Ibid.

107 Frierson, "Financial Statement." January, 1973.

### CHAPTER III

# THE DUES YOU PAY

Depending on the personal energy and enthusiasm of the individual, most businessmen become involved with various organizations. They do this as a means of furthering their own interests. Groups aid businessmen in three main ways. A group of individuals with similar goals and purposes would naturally be able to bring more effective pressure than a single businessman. Participation in group activities broadens personal contacts and business success depends to a large extent on an ever increasing circle of business prospects. The third reason is that business growth is intricately related to community progress. For these reasons, Gaston became involved in numerous groups, associations, organizations, campaigns, and drives that affected the community as a whole.

The business organizations with which Gaston became affiliated were of two types. One was a combination of individuals in the same field or business. Of this group, the most notable were the National Insurance Association, the National Funeral Directors Association, the American Hotel and Motel Association, and the National Association of Real Estate Boards. All these groups existed to promote the interests of and cooperation among persons involved in

a particular industry.<sup>1</sup> The groups also disseminated information about the industry to the public. Gaston's longest association was maintained with the National Insurance Association, a combination of black insurance companies owned and controlled by Negroes.<sup>2</sup> During his career, Gaston was a featured speaker at national meetings of all the above groups.<sup>3</sup>

The other type of business organizations that Gaston supported was the local combination of persons in varied areas of business. These groups were usually community oriented and concentrated on local problems of their members. Some were black groups such as the National (Negro) Business League; others were integrated such as the Chamber of Commerce. All were founded on the assumption that businessmen needed to combine their energies and efforts to promote their interests. Some of the organizations with which Gaston worked in addition to those mentioned above were the Birmingham-Jefferson County Business League, and the Birmingham (Negro) Business League.

As early as 1947, Gaston's national reputation as a black

<sup>&</sup>lt;sup>1</sup>Margaret Fisk, ed., <u>National Organizations of the</u> <u>United States</u>, Vol. 1 of <u>Encyclopedia of Associations</u>, <u>2 volumes</u>, (7th ed.; Detroit: <u>Gale Research-Book Tower</u>, 1970).

<sup>&</sup>lt;sup>2</sup>Harry A. Ploski and Ernest Kaiser, eds. and comps., The Negro Almanac (2nd ed.; New York: Bellwether, 1971), p. 927.

<sup>&</sup>lt;sup>3</sup>Birmingham World, March 28, 1947; October 11, 1955; August 23, 1958; September 5, 1959.

businessman was such that he was nominated to fill an unexpired term of a retiring president of the National (Negro) Business League.<sup>4</sup> Prior to filling this office he had already served as board chairman and general vice-president.<sup>5</sup> After finishing out the unexpired term and serving a full term as president, he declined renomination.<sup>6</sup> During his year as president of the League, the organization began publishing the <u>Journal of Negro Business</u>, the first journal devoted entirely to the subject of Negro business.<sup>7</sup> Throughout this period and in later years, Gaston was a featured speaker on both the state and national levels of the League.<sup>8</sup>

Although Gaston's affect on the business community would be felt via his participation in and support of businessoriented groups, his major affect on the community was due to his active participation in civic groups. Even before he became wealthy, his interest in the community around his was strong. He realized that business growth depended on community growth. While he was employed as a wage earner at Tennessee Coal and Iron Company in Westfield, he had

<sup>4</sup>Birmingham <u>World</u>, March 7, 1947. <sup>5</sup><u>Ibid</u>., February 18, 1947. <sup>6</sup><u>Ibid</u>., July 30, 1947. <sup>7</sup><u>Ibid</u>. <sup>8</sup>See Birmingham World, May 20, 1947; August 17, 1963.

"...helped organize a Civic League."9

During the early years of his career, Gaston was excluded from many organizations because of his race. Active involvement was through black civic groups, black councils or black "advisory" boards to existing white organizations. Throughout the forties Gaston's name appeared in the newspapers in connection with such campaigns. One example was his work as chairman of the Negro Division of the War Finance Committee during World War II.<sup>10</sup> For his endeavors, he received a distinguished service award from the United States Treasury Department.<sup>11</sup> On another occasion, he served as chairman of the Negro division of a drive to save food in the state of Alabama.<sup>12</sup> Even the Community Chest had a Negro Advisor Council to aid in fund raising in the Negro Community.<sup>13</sup>

By the 1950's Gaston was branching out into various directions and assuming a larger role in civic affairs. Segregation still restricted his efforts to the black community, but his reputation as a civic leader was already secure in both the black and white communities. During this period, he increased his efforts in the fields of youth, education

<sup>9</sup>Gaston, <u>Green Power</u>, p. 51. <sup>10</sup><u>Ibid</u>., p. 82. <sup>11</sup>See Appendix C. <sup>12</sup>Birmingham World, October 31, 1947. <sup>13</sup>Ibid., July 11, 1947. and religion. He began his A. G. Gaston Spelling Bee and enlarged the Kiddie Klub that he had begun in the forties.<sup>14</sup> Participation in the Young Men's Christian Association and church affairs were assuming an ever increasing amount of his time. Gaston was also working with bi-racial groups in an effort to improve relations between the black and white communities. He was also finding time to maintain his position in two black fraternal organizations - the Masons and the Knights of Pythias. While both these organizations were social and the appeal of ritual and secretiveness was important, each supported worthwhile civic efforts in the black community. Gaston was a national figure in both groups.<sup>15</sup>

It was not until the 1960's and 1970's that Gaston and other blacks were allowed to participate in a fully integrated civic role in Birmingham. The process of civic integration had begun in the 1950's and was a gradual one, but it was not until after the racial confrontations of the 1960's that Birmingham removed its final barriers. The offical signal of a thaw in race restrictions in civic groups was an invitation for Gaston to become a member of the Birmingham Area Chamber of Commerce. At first, only Gaston was invited to join, but he insisted that others be included.<sup>16</sup> Gaston was

15Birmingham World, May 30, 1947; August 21, 1951. 16Gaston, interview, January 4, 1973.

<sup>&</sup>lt;sup>14</sup>Both of these groups will be discussed by the author in subsequent chapters.

the most logical choice for the white business community. He was the largest and most successful black businessman in Birmingham; his behavior during the riot period had solidified his reputation as a middle-of-the-roader; he had over forty years of previous involvement in civic affairs. Following his entry into the chamber, Gaston became involved in a bewildering welter of groups that affected all aspects of Birmingham's civic life.

Upon his entry into the Birmingham Area Chamber of Commerce, Gaston immediately plunged into various aspects of the organization. He felt he and the other black members were "...accepted on the basis of what we could contribute to the betterment of our community, just as all other members of the chamber. There was no reduced membership fee, and we expected no reduced responsibilities."<sup>17</sup> Like most local chambers, the group had the growth of the community as its major goal. It became a major clearing house for information on the area and attempted to attract new enterprises to Birmingham. Gaston represented the chamber on one notable occasion. He delivered a telegram to President Lyndon B. Johnson in an effort to have the federal government locate a research center in physical science in Birmingham.<sup>18</sup>

17<sub>Gaston</sub>, <u>Green Power</u>, p. 140. 18<sub>Ibid.</sub>, p. 150.

Gaston was one of two blacks to first break the lilywhite status of the prestigious Community Chest or United Appeal in Birmingham. Established in 1923, the fund remained segregated until Gaston and a dentist were appointed to the board of directors in 1967.19 The Community Chest idea was conceived to provide a concentrated fund raising effort for a group of charitable organizations. Instead of a wasteful duplication of efforts, time, and money, there would be one major campaign to gather funds to support all the affiliated groups. In Birmingham, the Chest supported forty-nine different charitable agencies. The board of directors consisted of forty-two persons who decided which organizations would be supported and how much each one received. An organization must prove it could be self-supporting for two years before it could be accepted by the Community Chest. Organizations to which the Chest supplied funds included everything from the USO to the A. G. Gaston Boys' Club. 20

Perhaps the most ambitious undertaking in which Gaston became involved was Operation New Birmingham. It was originally incorporated in April, 1957, as the Birmingham Downtown Improvement Association to "...revitalize the downtown business district and enhance its utilization as a

<sup>&</sup>lt;sup>19</sup>David G. Orrell, private interview, Birmingham, Alabama, August 7, 1972.

<sup>&</sup>lt;sup>20</sup>Information about the Birmingham United Appeal was extracted from the author's interview with Orrell, August 7, 1972.

center of trade for the region....<sup>21</sup> Its first efforts were all in the area of planning and surveys. The volunteer group of businessmen recommended that planning surveys be made to cover the areas of

... land-use, parking, traffic flow, location of traffic arteries, overpasses and underpasses for the new federal highway system, locations for new schools, needed improvements in the sewer system, environment, recreation, urban development, housing, and projected expansion of the police and fire departments.<sup>22</sup>

It frankly admitted that business depended on the progress of the entire community. By 1972, a new organization had emerged called Operation New Birmingham. The original membership of twenty-seven businessmen with businesses in the downtown area had grown to include 350 members drawn from labor, industry, government and business.<sup>23</sup> The new group limited its work to four areas: The Community Affairs Committee, (CAC), the Community Development Committee (CDC), the Birmingham Area Highway Committee and public relations.

The Community Affairs Committee was begun in May of 1969 as a phase of Operation New Birmingham when many of Birmingham's most respected Negro leaders claimed that no

<sup>&</sup>lt;sup>21</sup>Operation New Birmingham, "A Study in Progressive Productive Citizen Volunteerism," Birmingham, Alabama., p. 3.

<sup>22&</sup>lt;sub>ONB</sub>, "Volunteerism," p. 4.

<sup>&</sup>lt;sup>23</sup>Gaston served as Second Vice-president of the organization in 1970-71 and as one of four vice-presidents in 1972.

progress was being made in improving race relations.<sup>24</sup> Gaston became one of more than fifty individuals from both the black and white communities who met for breakfast every Monday morning. At these weekly meetings the bi-racial group discussed all aspects of the racial climate of the city. The committee has had no legal authority, but has served as a channel of communication between leaders of both races and government officials. As a forum and clearing house of ideas the committee was given most of the credit for winning the "All America City" Award for Birmingham in 1970.<sup>25</sup>

Discussions at weekly meetings have included such topics as hunger, hiring of blacks, appointment of blacks to policymaking positions, law, legal aid, public services, and drugs. Concrete accomplishments of the group were many. A few were listed in a booklet describing Operation New Birmingham as a Housing and Urban Development grant to create a pilot project of neighborhood planning in disadvantaged neighborhoods, police development of an Athletic Team program, better law enforcement, a model food stamp program, and greater equality in employment of blacks in public and private areas.<sup>26</sup>

<sup>24</sup>Birmingham News, March 18, 1970.

25Operation New Birmingham, "Annual Report, 1970-71," Birmingham, Alabama., p. 60.

<sup>26</sup>Operation New Birmingham, "That future generations may benefit from the fruits of our labor," Birmingham, Alabama, p. 1.

According to another booklet, fourteen blacks were added to policy-making boards within a two year period.<sup>27</sup> The work done by the pilot program itself filled four volumes.<sup>28</sup> In addition, the committee worked in the areas of recreation, public health, day care traffic problems, pollution and public relations.

Gaston's work on the Community Affairs Committee was centered around his work with the Police Athletic Teams. Eight teams of boys from black neighborhoods were sponsored by the committee. Volunteer coordinators were recruited from the police department. Gaston served as one of the heads of the fund raising project to support the program and to finance a trip to New York to participate in a tournament.<sup>29</sup>

In addition to his work with the CAC, Gaston served on the Community Development Committee, the "brick and mortar" branch of Operation New Birmingham.<sup>30</sup> It was mainly concerned with actual building projects such as the Birmingham Green Project, research and development of sewer and water systems, various parks and recreation development, low cost housing projects such as Park West and Renewed Birmingham, Inc.,

270NB, "Annual Report," p. 29.

28<sub>Ibid</sub>., p. 32.

<sup>29</sup>Gaston also served as one of the co-chairmen of the CAC during 1972. ONB, "Annual Report," p. 26.

30 ONB, "Fruits of our labor," p. 2.

beautification projects, a proposed monorail system, highways and the \$50,000,000.00 Civic Center. The Birmingham Green Project will be a " ... fabulous rejuvenation and renovation of the central city area.... "31 A general facelifting for 20th Street and for sections of several other streets would include widened streets and central park areas. The plan incorporated modern lighting techniques, underground utilities, and the newest designs in traffic signals. 32 Park West when completed was to be the "...development of a high quality, low-to-moderate cost residential area on the fringe of the downtown area."33 Gaston described it as a collection of "...high-rise and garden apartments with playgrounds and parks scattered through it" which would replace the slums of downtown Birmingham and " ... would be a beautiful place for my people to have a healthy life."34 Renewed Birmingham, Inc. was similar in scope and purpose to the Park West development. A more recent development than Park West, its completion will depend on whether grants can be obtained from HUD.35

Specific contributions by Gaston to Operation New Birmingham's Highway Committee were more difficult to assess.

Since the Highway Committee had to limit its efforts to research and planning, it can be assumed that Gaston would have more affect on highway construction through his affiliation with two other boards - the State Safety Coordinating Committee and the Jefferson County Planning and Zoning Board. The State Safety Coordinating Committee was established in 1965 to serve as a central planning agency for highway development in the state and it was given the power to make recommendations to the legislature.36 As an associate member of this board from Birmingham, Gaston could secure a hearing for special projects affecting his city. As a lay or nominated official of the Jefferson County Planning and Zoning Board, Gaston would be concerned with all aspects of land use in the county including road work. Actual enactment of new provisions in both cases, however, depended on elected officials.

In the public relations area of Operation New Birmingham's program, Gaston was most helpful. The entire public relations program was geared to reverse the image of Birmingham that had been given to the world during the riot period of 1963.<sup>37</sup> To create a new positive image was their goal. Gaston's usefulness as a symbol was apparent and was a natural role he had assumed long before Operation New Birmingham was

36<sub>Laura Watts</sub>, letter to author, March 2, 1973. 37<sub>ONB</sub>, "Annual Report," p. 50.

organized. He talked frequently of the advantages of his country and his city. He said:

This country is a good country. I've been all over the world and I know. And the South is the greatest part of this country. Right here. Now.... I'd give a million dollars for ten years of life and live it right here in Birmingham.<sup>30</sup>

In articles, he praised his city and its people:

Hell, if all the people in Birmingham were like some of them, I'd have moved out long ago. I've got enough money to live anywhere on the globe. But there are some good people here ... lots of them.<sup>39</sup>

In speeches he said:

Birmingham, Alabama is my home.... I make no apologies for having remained in the South.... I am glad to be associated with the Negro in the South, who is opening the eyes of the entire nation.<sup>40</sup>

Since Gaston had decided to stay in Birmingham and he had managed to make a large fortune, he had no reason for being disillusioned with Birmingham. It also held the necessary ingredient for his success as a businessman - a large mass of segregated blacks.

Gaston also joined the Downtown Action Committee, a group whose goals and constituency were similar to Operation New Birmingham. The original objectives of the seventyeight members were to increase trade, produce more profits

<sup>38</sup>Gaston, interview, January 4, 1973.
<sup>39</sup>"Personality," <u>Birmingham Magazine</u>, p. 32.
<sup>40</sup>Gaston, Green Power, p. 172.

for downtown merchants, and to rejuvenate downtown Birmingham.<sup>41</sup> Shoppers were no longer patronizing the downtown stores but were going to outlying shopping centers. The businessmen were fighting for one thing - to keep their enterprises alive. The problems were common to most other urban areas. The major ones were the lack of an efficient public transportation system, parking and traffic problems, declining buildings, racial tension and increased crime. The problems seemed staggering, but not as staggering as bankruptcy.

By 1972, the committee had grown to include a membership of over four hundred persons who were in business, industry, education, religion, and the professions whose livelihood depended on the continued growth of downtown Birmingham.<sup>42</sup> It had tackled with imagination and enthusiasm both the economic and social problems of the downtown area. Using all available media and working in conjunction with other groups, the committee advertised the advantages of the downtown area. Holiday decorations, gimmicks, sales, matinees, parades, athletic events, flower shows, fashion shows, fairs and festivals were financed and promoted by the businessmen. Anti-litter and anti-crime campaigns were supported. Plant boxes were added to the streets and efforts to fight pollu-

42DAC, "Doing," p. 2.

<sup>&</sup>lt;sup>41</sup>Downtown Action Committee, "Summing Up," Birmingham, Alabama, p. l.

tion were undertaken. Tuesday morning breakfasts became a forum for all types of city problems where any "...wellmotivated group has an opportunity to state its case."<sup>43</sup> The latest efforts of the group were centered around project Birmingham Green, the completion of the Civic Center, and plans for the construction of multiple parking decks.<sup>44</sup>

An example of a completely different type of civic organization in which Gaston became involved was the Jefferson County Association for Mental Health. Its purposes were "to promote preventive mental and social health services, to assure better care and treatment of the mentally ill, to provide information about mental, emotional and social health."<sup>45</sup> The association supported programs in public education, patient services at the local hospitals and professional education and training at local colleges and schools. Community services included work with a Crisis Center, drug abusers, alcholics, the aged, and Social Centers for former mental patients. This type of organization could be considered purely civic in scope and was funded by the United Appeal.

As a black, Gaston could not ignore race oriented civic groups. He was one of the co-founders of the Urban League

44 Ibid., pp. 11-12.

<sup>45</sup>Jefferson County Association for Mental Health, "Annual Report, 1972," Birmingham, Alabama.

<sup>43</sup>Ibid., p. 6.

in Birmingham and served as its treasurer.<sup>46</sup> The Urban League can be considered the ultra-conservative race group which worked through and with the white power structure. The League has tried to avoid offending anyone. Major contributions have been made expecially in the areas of low cost housing and an on-the-job training program for blacks.<sup>47</sup> Gaston purchased a life membership in the National Association for the Advancement of Colored People (NAACP) and became a member of the board of the NAACP Legal Defense Fund. He even contributed heavily to the Southern Christian Leadership Conference.<sup>48</sup>

Only a sampling of groups has been discussed here to give an idea of the complexity of Gaston's personal civic involvement.<sup>49</sup> When Gaston was asked why he was willing to spend so much time and effort on civic affairs, his answer was characteristic. He said:

You've got to. Any citizen who isn't involved in civic affairs isn't a worthwhile citizen. It's his duty. It's the rent he pays for the space he occupies. Besides, if you don't you aren't much noticed. My dividend is the continued success of my business and pride in making a contribution to my city.<sup>50</sup>

<sup>46</sup>W. E. Key, private interview, Birmingham, Alabama, August 10, 1972.

47 Ibid.

<sup>48</sup>Gaston, interview, January 4, 1973.

<sup>49</sup>Other groups will be discussed in subsequent chapters dealing with their particular orientations. A full list of boards and clubs to which Gaston was affiliated as of January, 1973, is in Appendix B.

50 Gaston, interview, January 4, 1973.

# CHAPTER IV

# BRINGING IN THE SHEAVES

The first blacks converted to Christianity in America were incorporated into the existing white churches. This total integration of the races in the churches was of short duration. As racism solidified and chattel slavery became established, the Negro found himself being either excluded from the churches or segregated from the white congregations.<sup>1</sup> This move to isolate the black worshipper occurred in both North and the South. Although Negro churches had begun to appear as early as the 1790's in formal protest of this treatment, it was not until the period after the Civil War that the Negro church became firmly established.<sup>2</sup>

The Negro church as it evolved not only gave religious training and guidance to parishioners, but filled other needs as well. This was especially the case in the rural South. Here the church became the center of community life.<sup>3</sup> Charles S. Johnson described the role of the church in the South in

<sup>1</sup>Franklin, Slavery, p. 161.

<sup>2</sup>Rose, The Negro, p. 276.

<sup>&</sup>lt;sup>3</sup>The church was also the center of the Southern white community. According to St. Clair Drake and Horace R. Clayton in <u>Black Metropolis</u>: <u>A Study of Negro Life in a Northern City</u> (2 vols.; New York, 1962), II, 412-429, the church was not the center of community life in the Northern black communities.

#### this manner:

The church is the one outstanding institution of the community over which the Negroes themselves exercise control, and because it stands so alone in administering to their own conception of their needs, its function is varied. The religious emotions of the people demand some channel of formal expression, and find it in the church. But more than this the church is the most important center for face-to-face relations. It is in a very real sense a social institution. It provides a large measure of the recreation and relaxation from the physical stress of life. It is the agency looked to for aid when misfortune overtakes a person. It offers the medium for community feeling, singing together, in eating together, praying together and indulging the formal expression of fellowship. Above this it holds out a world of escape from the hard experience of life common to all. It is the agency which holds together the sub-communities and families physically scattered over a wide area. It exercises some influence over social relations, setting up certain regulations for behavior, passing judgements which represent community opinion, censuring and penalizing improper conduct by expulsion.

Everyone in a rural Southern community was exposed to the church to a certain degree throughout his lifetime. Since Gaston grew up in Demopolis in the heart of the "Bible belt", he was no exception.

Gaston says that his interest in religion and the church was "...inspired by my grandmother."<sup>5</sup> He recalled her as an extremely religious person who gave freely of her time and

5Gaston, interview, January 4, 1973.

<sup>&</sup>lt;sup>4</sup>Charles S. Johnson quoted in E. Franklin Frazier, <u>The Negro in the United States</u> (Rev. Ed.; Toronto: <u>Macmillan, 1969), pp. 349-350.</u>

efforts to the church. One of his favorite stories about her dealt with her church activities. Idella Gaston served as treasurer and collector for the local Negro church. After she made her collections, she kept them tied in a handkerchief and she "...would not even make change from the collections."<sup>6</sup> From these early memories, Gaston derived a lasting interest in the church.

As a young man employed by Tennessee Coal and Iron Company, Gaston had been active in the St. Paul African Methodist Episcopal Church.<sup>7</sup> One reason for his interest had been the social events sponsored by the church. Especially during the early years when he was struggling to establish himself, the free or low-cost church socials were his main source of entertainment. In return, Gaston began his work as a lay member in the church organization. Later, he was to turn to the church for more substantial aid in his various enterprises.

When Gaston decided to begin his burial society, he turned to the churches for support. In a meeting of ministers that Gaston called to explain his idea, the ministers agreed that the old system of "saucer" funerals

<sup>6</sup>Gaston, <u>Green Power</u>, p. 9. 7<u>Ibid.</u>, p. 51.

was often abused.<sup>8</sup> Although they liked Gaston's idea, they did not, much to Gaston's disappointment, offer to put up the necessary capital to finance the society. He had to be satisfied with "...the assurance of receiving their most sincere prayers."<sup>9</sup> When the first policy holder died, however, the parter of the policy holder and one of the ministers at Gaston's meeting, Reverend S. H. Ravizee, gave the society a substantial boost. By introducing Gaston and explaining the society to his congregation, Ravizee acted "...as the best salesman and publicity director I could have had.<sup>10</sup>

<sup>9</sup>Gaston, <u>Green Power</u>, p. 54. <sup>10</sup>Gaston, <u>Green Power</u>, p. 59.

<sup>&</sup>quot;The term "saucer" funeral is used loosely here. In the area of Alabama in which Gaston grew up this could be applied to a traditional part of the funeral service in which a collection was taken to help pay for the funeral. A stand was placed at the head of the coffin and individuals viewing the body placed a contribution in the plate. It could also be used to describe the "con" game that developed in the area. The "saucer" phenomenon was widespread in the South at this period. In DuBose and Dorothy Heyward's play, Porgy, based on the black community in Charleston, South Carolina, one finds a "saucer" funeral described. In the description, everyone sat around the body which had been drapped with a sheet and placed on a cooling board or table. A large blue saucer sat on the chest of the corpse. Dirges were sung until enough money was collected to pay for the funeral. In this case, the family feared the body would be given to the Medical School if the deadline for burial was not met. DuBose Heyward, Porgy (Sellanraa, Dunwoody, Georgia: Norman S. Berg, Publisher, 1925), pp. 23-28.

Ravizee said he would discontinue the tradition collection to help pay for burials in his church.<sup>11</sup> If any member of the congregation refused to pay a small amount of money weekly to assure himself a decent burial, he need not expect the church to beg charity for him. With such a forceful introduction from the minister, Gaston's society was on its way. Ravizee even appointed two of his parishioners to help Gaston sign up members.<sup>12</sup>

Gaston also used the well-known love of Negroes for gospel sings to publicize his business. He knew "...if we sponsored some good gospel singers we would get a big audience and fine publicity."<sup>13</sup> In addition to the large sings, he went a step further and established the first regular Negro radio program in Birmingham. The host was William Blemis, a well-known gospel singer. "These promotions made the names of Smith and Gaston and the Booker T. Washington Insurance Company familiar throughout the State of Alabama and directed a large amount of business to our companies."<sup>14</sup> Gaston remembered this aspect of business advertising when he included an auditorium in the A. G. Gaston Building.<sup>15</sup>

11\_Ibid. 12\_Ibid., p. 61. 13\_Ibid., p. 71. 14Gaston, Green Power, p. 71. 15\_Ibid., p. 124.

Gaston turned to the churches for help again in 1956 when he attempted to establish a Negro savings and loan association in Birmingham. After solving the initial problem of getting the charter approved, Gaston faced the semingly impossible task of collecting \$350,000.00 in six months. Many wealthy blacks and whites that Gaston approached to pledge funds were afraid the bank would not be a success.<sup>16</sup> Gaston then "...went to the churches and made speeches and they endorsed the thing.<sup>17</sup> In the speeches, Gaston promised the churches that they would be given building and extension loans if the bank were opened. In three months, the necessary funds had been raised and a charter was issued in January, 1957.<sup>18</sup>

In return for the aid he received from the churches, Gaston gave freely of his time. He maintained his membership at the St. Paul's AME Church in Westfield, and he joined St. John's AME Church in Birmingham. In addition to regularly attending services, he became an active secular member of the AME church organization and lay the foundation for his later service on the national level. He participated as a layman in local, national, and international projects. As early as 1951, he had gained enough prominence to be chosen to

16Gaston, interview, January 4, 1973. 17<u>Ibid</u>. 18<u>Ibid</u>.

represent the AME Church in England at the World Ecumenical Conference.<sup>19</sup> He was also elected to fill several posts of major importance in the church hierarchy.

From 1956 to 1968, he served as secretary-treasurer of church extension.<sup>20</sup> This was the office which controlled the building program of the church. In 1968, he was elected as treasurer of the national organization.<sup>21</sup> As one associate put it, "all the bishops had to come to him for money.<sup>22</sup> While serving as treasurer, Gaston became involved in a controversy. In an attempt "to straighten them (the church officers) out," Gaston evidently antagonized some of the highest officials of the church.<sup>23</sup> He requested that auditors be hired and that a new system for keeping financial records be set up in the national organization.<sup>24</sup> Using the new system as justification, Gaston removed funds of the church from the Union Trust Company of Washington, District of Columbia, and deposited the money in three Birmingham banks and one Dallas, Texas bank. One of the three banks chosen

<sup>20</sup>Birmingham World, March 6, 1957.
<sup>21</sup>Birmingham News, May 16, 1971.
<sup>22</sup>Shores, interview, August 8, 1972.
<sup>23</sup>Gaston, interview, January 4, 1973.
<sup>24</sup>Birmingham News, May 16, 1971.

<sup>19</sup>Birmingham World, August 21, 1951; Gaston, Green Power, p. 93. According to C. E. Thomas in his letter to the author, February 2, 1973, Gaston has remained active in the ecumenical movement through his work in the National and World Council of Churches.

as a depository for church funds in Birmingham was the Citizens' Federal Savings and Loan Association, headed by Gaston.<sup>25</sup> Several high church officials, led by Bishop Frederick D. Jordan, chairman of the General Board of the AME Church, removed Gaston from his post as treasurer on March 9, 1971, and leveled charges of fiscal malfeasance or maladministration against him.

In May, 1971, the Judical Council of the AME Church heard Gaston's appeal and returned him to his post.<sup>26</sup> The General Board, according to the Judicial Council, did not have the power to fire the church treasurer under any circumstances. Nor did the board have the authority to set up an arbitrary committee to handle church finances. Gaston was pleased by the decision; the General Board chose to ignore it.

The General Board, headed by Jordan, brought a suit against Gaston and his chosen depositories to force the return of church funds to the Union Trust Company. Again the decision was in Gaston's favor. "The judge ruled that due process had not been followed in Gaston's suspension because church officials had made no attempt to follow procedure of trail of lay members as set forth in the AME Discipline."<sup>27</sup> Only twenty-one of the more than sixty members

<sup>25</sup>Birmingham Post-Herald, October 12, 1971.
<sup>26</sup>Birmingham News, May 16, 1971.
<sup>27</sup>Birmingham Post-Herald, February 1, 1972.

of the AME General Board were present when the vote to dismiss Gaston was taken.<sup>28</sup> Even if all sixty members had been present, the removal would have been illegal because the treasurer was elected by and had to be removed by the general conference of the church.<sup>29</sup> The judge stated that "...no evidence was found in the discipline (to support Jordan's claim) that the Union Trust Company was the official depository of the church."<sup>30</sup> The same judge granted Gaston an injunction ordering no further interference in "...Gaston's performance of his duties, restitution of any of his annual salary of \$7,000.00 due him, and use of the general treasurer's office in Washington."<sup>31</sup>

The court's decision did not end the controversy. In Gaston's words, "They put me out."<sup>32</sup> This second dismissal was carried out with more legality and less fanfare than the first attempt. Gaston decided to "...let them run it themselves."<sup>33</sup> He did retain his position on the Board of Trustees of St. John's AME Church and he continued to give them large donations of money.<sup>34</sup>

<sup>28</sup><u>Ibid.</u>, October 12, 1971.
<sup>29</sup><u>Ibid.</u>, October 12, 1971.
<sup>30</sup><u>Ibid.</u>, February 1, 1972.
<sup>31</sup>Birmingham <u>Post-Herald</u>, February 1, 1972.
<sup>32</sup>Gaston, interview, January 4, 1973.
<sup>33</sup><u>Ibid.</u>
<sup>34</sup>Thomas, letter, February 2, 1973.

Gaston is a member of the AME Church, but he is involved in other churches. He has made himself equally available to speak to churches and church groups of all denominations. His statement about charities, "I give to them all," can be as easily applied to churches.<sup>35</sup> His money was made available to all denominations in the form of loans from the bank for buildings and extensions and in the form of personal gifts to the churches.<sup>36</sup> A list of his honors included awards from four different denominations. His involvement in church-oriented activities included active support of the Young Men's Christian Association and large donations to and service on the governing boards of church supported schools such as Daniel Payne College in Birmingham.

As a businessman, Gaston has found it financially profitable throughout his career to support one of the major strongholds of Negro leadership and money - the church. Ravizee was to a great extent responsible for the success of the burial society because he threw the weight of the church behind it. Not only were the churches largely responsible for the successful fund raising drive when the bank was begun, but they have given the bank a great deal of business. The churches paid interest just as other borrowers

<sup>35</sup> Gaston, interview, January 4, 1973.

<sup>&</sup>lt;sup>36</sup>Mattie L. Frierson, private interview, Birmingham, Alabama, August 8, 1972. According to this interview, Gaston would speak at various little churches and give them money during collection. They never kept a record of this money.

did and some of the largest loans were made to them. Each loan and deposit increased the value of Gaston's shares in the bank. This moreover, was the reason behind the charge of fiscal malfeasance while he served as church treasurer of the AME Church. His motives were suspect when he chose his own bank as a depository for church funds. While serving as Secretary-Treasurer of Church Extension, Gaston urged the AME Church to take out insurance that would give blanket coverage to church property. In his speech advocating this policy, he pointed out that most property belonging to the church was inadequately insured and some property was not insured at all.<sup>37</sup> Blanket coverage was designed "...to provide more adequate insurance coverage at lower rates."38 This was another effort to use his hard-earned business acumen for the good of his church, but many of his hearers felt that it was an attempt to solicit business for his own enterprises. The genesis of another enterprise came from the church. When Gaston learned that a Baptist church meeting was to be held in Birmingham, he knew the enterprise would be successful. Later, it was also used as headquarters by the AME Church for several meetings.39

The church not only offered a method for gaining direct

37<sub>Birmingham World</sub>, August 22, 1959. <sup>38</sup><u>Ibid</u>. 39<u>Ibid</u>., May 6, 1967.

financial profits, but it also offered intangible benefits. Gaston's experience with Ravizee when he was beginning his burial society taught him that the best avenue to the people was through the church. Here he could find the largest audience and get the greatest publicity for himself and for his businesses. For this reason, Gaston always made himself available to speak to churches and church affiliated organizations. Not only would the audience be large, but church events were of vital interest to the Negro community as a whole. Each speech, each trip, each official duty for the church was duly reported in the Negro press. This served to keep Gaston's name before the community. Since each article had some mention of Gaston's enterprises and business involvement, it served as free newspaper advertising. Forty years after his experience with Ravizee, Gaston was quoted in a national magazine. He said he had supported and worked for the Negro church "...not only because I believe in the Negro church but also because that's where the masses are. That's where the business is. That's where the money is."40

<sup>40</sup>Gaston, "How to Make a Million," p. 116.

#### CHAPTER V

### CONSOLIDATING OUR GAINS

Until recently, educational opportunities for Negroes were limited in the United States and poorer than the opportunities given whites. In the North, one reason for the differential was the fact that Negroes congregated in the older poorer sections of the major cities and were forced to attend the older, less modern and less wellequipped schools.<sup>1</sup> In the South, the educational outlook was much bleaker for two major reasons. One was the fact that the South did not attempt to establish a system of public education until after the Civil War.<sup>2</sup> The other was the South's adoption of the separate-but-equal doctrine to legally justify racial segregation in schools.<sup>3</sup> The schools were separate, but unequal in every respect from the

<sup>1</sup>Rose, The Negro, p. 116.

<sup>2</sup>Clement Eaton, <u>A History of the Old South</u> (2nd ed.; New York: MacMillan, 1968), p. 151.

<sup>3</sup>The separate-but-equal doctrine was first espoused by the Supreme Court in <u>Plessy vs. Ferguson</u> (163 U. S.) in which the court ruled separate accommodations for whites and blacks in trains was not a denial of the equal protection of the law. The doctrine was extended to support a system of "Jim Crow" legislation affecting every aspect of Negro life in the United States. This decision was overruled in 1954 by the Warren Court in Brown vs. The Board of Education of Topeka (347 U. S. 483). Although integration was slow in developing, educational opportunities for Negroes began to improve after this date. amount of money spent per pupil to physical facilities.<sup>4</sup> As a consequence of these factors, many blacks lacked adequate educational training.

Since he had managed to gain the equivalent of an eighth grade education, Gaston was more fortunate than many of his race in the South. In addition to several years spent in the Negro grammar school in Demopolis, he had attended Tuggle Institute in Birmingham. This was a small private boarding school officially sponsored by the Order of Calanthe, the women's auxiliary of the Knights of Pythias. The head mistress and founder of the school, Carrie Tuggle, was "...a woman of vision, with an unusual love for children."<sup>5</sup> The institute itself could not be considered either an academy or a vocational training school, but both types of courses were offered. Gaston attended the school for about two years and "graduated" in 1910. Gaston regretted throughout his life the fact that he had no further opportunities to attend school.

Although Gaston was not able to obtain further formal educational training, he developed a respect for education that was to stand him in good stead throughout his career. He began a serious effort to train himself and "...made each

<sup>4</sup>Rose, <u>The Negro</u>, pp. 116-118. <sup>5</sup>Gaston, <u>Green Power</u>, p. 21.

experience serve in his education."<sup>6</sup> As part of this effort he read widely and later travelled extensively. Nor was he lax in recognizing that he could use the training and ability of others to help him gain his ambitions.<sup>7</sup> Because of this insight, he became involved in his first venture into the field of education.

When he began his insurance company, he wished to avoid the "nigger business stereotype" that he had seen in many black businesses that had failed.<sup>8</sup> This stereotype was one of incompetence and inefficiency. In order to do this, he needed large numbers of competent white collar workers who were capable of running an insurance company. It was not a simple matter to find these employees. Negro workers were under the system of segregation that was strictly maintained in the South during this period. This system barred them from holding white collar positions and, in most cases, from receiving the training necessary to prepare them to fill these positions. It was, of course, unthinkable to try to hire white office personnel.

To solve his dilemma, Gaston began an on-the-job train-

<sup>8</sup>Gaston, Green Power, p. 79.

<sup>&</sup>lt;sup>6</sup>Jackson, interview, August 10, 1972.

<sup>&</sup>lt;sup>7</sup>Gaston's ability to use the talents of others was pointed out in the author's interviews with Orrell, August 7, 1972; Jackson, August 10, 1972; and Bell, August 7, 1972.

ing program. Promising individuals were hired and then trained as they worked. The employee gained competence in his job and possible future promotions while the company prospered from the increased efficiency of its workers.

This early emphasis on training was continued throughout Gaston's business career and in all his business ventures. As late as 1959, he was requiring his staff to update its methods and knowledge through a "continuous training program."9 In 1960, an article appeared in the local Negro press stating that one hundred Booker T. Washington Insurance Company employees had completed the fourteen week Dale Carnegie Course.<sup>10</sup> This course was designed to furnish "...training in effective speaking, leadership, and human relations."11 The insurance company gave each employee taking the course a \$150.00 scholarship to cover expenses. According to the article, the training would help the company, the employees, and the policy holders. The company also encouraged employees to take part in organizations associated with their work. For example, the Booker T. Washington Insurance Company sent delegates to the National Insurance Convention.<sup>12</sup> In an article in the press in 1963, Gaston announced the remodeling of his

<sup>9</sup>Birmingham World, May 8, 1959.

12Birmingham World, July 22, 1964 and July 22, 1965.

<sup>10</sup>Ibid., June 15, 1960.

<sup>11</sup> Ibid., June 15, 1960.

restaurant and the opening of a "...school to train waitresses and cooks."<sup>13</sup> When the nursing home opened the same year, an advertisement appeared asking for a registered nurse with experience in geriatrics to fill the position as head of the home.<sup>14</sup> Before the bank opened in 1957, all new personnel had been trained by the business college in IBM accounting proceedures.

Gaston's original on-the-job training program developed for the insurance company grew into something much bigger and far-reaching than he intended. By 1938, enough interest had been shown in the school to warrant organizing it as a separate entity apart from the insurance company. To manage the newly organized school, Gaston chose a young Tuskeegee graduate, Minnie L. Gardner. Minnie Gardner, who later became Gaston's wife, was vivacious, energetic, and dedicated. Since she had no fixed ideas on education, she assumed her duties with a willingness to innovate and improvise if the need arose. These qualities proved essential if the school were to succeed because problems arose from the very beginning.

She and her instructors and administrators attempted to run the school along conventional lines at first. Entrance exams were required; tuition was charged; standards were set.

13Ibid., February 20, 1963. 14Ibid., February 20, 1963.

Experience soon revealed that the school could not be operated successfully if artificial and arbitrary guidelines were religiously followed. Since Gaston at this time was still dependent upon the school to supply the bulk of his trained personnel, he threw the considerable weight of the insurance company behind the school and allowed the new directress to experiment.

The entrance exam was one of the first guidelines to be revised. As at most schools, the exam had been administered during the first week of classes. It was soon apparent that the entering freshmen were incapable of taking the exam. The problem with the exam was three-fold. First, any test required basic reading skills and the entrants were mainly products of the inferior segregated schools of the South. Test scores also reflected the advantages the students had had.15 Since the Negro was culturally deprived he had not been exposed to many of the experiences that would have increased his score. All tests were slanted in this manner and did not measure the student's present status, ability, or potential accurately if his environment had restricted his experiences. This fact was not acknowledged by most educators for fifteen years. The other problem was that the students did not know how to take

<sup>15</sup>Lee J. Cronbach, <u>Educational Psychology</u> (2nd ed.; New York: Harcourt, Brace & World, 1963), pp. 242-243.

a test that was to be scored mechanically. When the answer sheets were presented to the scoring machine, it rejected them due to improper marking procedures.<sup>16</sup>

Rather than dispense with the exam entirely, it was decided to delay administering it. The instructors "...had to work with them (the students) a month, five weeks, six weeks until the teacher (thought he) could get a reasonable score" and the test could be scored mechanically.17 During this period, reading skills were increased and an attempt was made to culturally update the students.

The school found itself hard-pressed to supply the necessary number of graduates needed to fill positions in Gaston's expanding business empire if hard and fast rules were made concerning the collection of tuition. Many blacks wished to attend the school, but few had the money to pay the necessary fees.<sup>18</sup> Consequently, any attempt to systematically collect tuition was abandoned. An elastic program of student counseling was developed to determine the student's ability to pay and then a plan was adopted for each student. Some students were given scholarships; others were allowed to pay on an installment plan; others were given loans; others were

16<sub>Minnie</sub> L. Gaston, interview, January 4, 1973. 17<u>Ibid</u>.

<sup>18</sup>Minnie L. Gaston, interview, January 4, 1973.

given advancements in salary from Gaston's companies; etcetera.<sup>19</sup>

With such an informal and fluid policy toward tuition, it was not surprising that the school found itself in an occasional embarrassing financial situation. When such occasions arose, the insurance company would assume responsibility or waive collection of the school's rent for a period of time.<sup>20</sup> Gaston found this a small price to pay for a steady supply of well trained personnel to operate his businesses. In later years, the school became selfsupporting.

Some of the most original ideas were used to circumvent a rigid code of entrance requirements. In order to maintain accreditation some rules were necessary. The entrance requirements for day school were graduation from an accredited high school, possession of a General Equivalency Diploma (GED), or a college entrance examination if the student had graduated from an unaccredited high school. Although these rules were usually followed in the day school, there were some cases in which students were accepted tuition free and were kept off record for one quarter to see if they were capable of doing the work.<sup>21</sup> Rules were generally ignored,

# 19Ibid.

<sup>20</sup>The school now occupies a floor in the A. G. Gaston Building. <u>Ibid</u>.

<sup>21</sup>Minnie L. Gaston, interview, January 4, 1973.

however, by the night school staff. No student was refused entry if he paid the class fees. Most of those attending the night classes were adults who held jobs during the day and were studying at night to improve their position. Many were not high school graduates nor did they hold a GED certificate.<sup>22</sup> Special classes were added to the night school in an effort to offer classes desired by the students. The school has had plans to close the night school every year for fifteen years, but each year the demand has been so great that it has been held "...just one more year."<sup>23</sup>

The Booker T. Washington Business College was one of the first schools to appreciate the immense value of student counseling. The flexible attitude adopted toward tuition payment was just one area in which this can be seen. Each student was treated individually and his needs and limitations were evaluated. Each instructor served as a counselor. He decided when his students were ready to take a test that would reasonably reflect actual ability and potential. No student was simply "flunked out" of the school. If it was discovered that the student had no aptitude for business, "we counsel with him and try to steer him into some other area of technical training more suited for him and most of

<sup>22</sup>A special class was added to the cirriculum to help prepare students to take the GED test.

<sup>23</sup>Minnie L. Gaston, interview, January 4, 1973.

the time they go and do well."<sup>24</sup> Long before most other schools had a placement bureau, the school made sure that its graduates had jobs. Booket T. Washington students could not claim that they were being dehumanized.

The reputation of an institution of learning can be measured in many ways.<sup>25</sup> The Booker T. Washington Business College's rating is one method. A brochure published by the school gave its rating as follows:

The Booker T. Washington Business College is certified for full-time and part-time training, inspected and approved by the Veteran's Administration and State Board of Education. Member of the United Business Schools Association and Southeastern Business College Association. Accredited as a two-year school of business by the Accrediting Commission for Business Schools, Washington, D. C.<sup>20</sup>

A less tangible but more effective gauge would be the success achieved by the students who have attended the school.

In the school's brochure, this statement was found. "Whatever success had attained our efforts in the educational field is because of the achievements of our students."<sup>27</sup> If

24 Ibid.

<sup>25</sup>The author is not able to judge the academic qualities of the institution because of lack of knowledge. Since the school is a vocational school, its ability to produce workers of superior quality is of more importance than an arbitrary gauge.

<sup>26</sup>Booker T. Washington Business College brochure.

27 Ibid.

one used this as a yardstick, the school would have an enviable record. Until recently, Gaston's businesses were staffed by graduates of the school.<sup>28</sup> The success of these companies reflect the excellence of the workers. When Gaston needed to train personnel for the bank, he turned to the college to train them. Graduates of the college were employed in fivesixths of the black businesses of the South by 1964.<sup>29</sup> In 1943, the federal government administered the first Civil Service Examination at the school and hired fifty-six of the fifty-nine students who passed.<sup>30</sup> Since that year, the government has returned annually to administer the test and has offered every qualified individual a government job.<sup>31</sup> The students probably gave the best recommendation by sending their own children back to attend their alma mater.<sup>32</sup>

The reputation of the school is apparent in another case as well. In 1965, Minnie Gaston was chosen by the United Business Schools Association to lobby for the passage of a loan bill to aid vocational students.<sup>33</sup> She appeared before both the Senate and the House Education subcommittees to ask passage of the National Vocational Student Loan Insurance Act

<sup>28</sup>Minnie L. Gaston, interview, January 4, 1973.
<sup>29</sup>Congressional Record, 89th Cong., 1 Sess., p. 6528.
<sup>30</sup>Minnie L. Gaston, interview, January 4, 1973.
<sup>31</sup>Ibid.
<sup>32</sup>Ibid.
<sup>33</sup>Ibid.; Gaston, interview, January 4, 1973.

of 1965. As the basis for her testimony, she used her experiences she had had in directing the Booker T. Washington Business College. Her efforts along with the efforts of others were successful in achieving passage of the bill.

Experience with students entering the business college convinced Gaston and his wife that Negro children were not receiving proper training in the grammar and high schools. Many of the enrollees could neither read nor spell with any degree of efficiency.<sup>34</sup> In an effort to help increase the training local Negro students received in spelling, Gaston began to sponsor an annual A. G. Gaston Spelling Bee in the black schools. The first annual contest was held in 1953.<sup>35</sup>

Preparation for the event long before the contest was held. Gaston made it "...attractive enough that both the children and the schools wished to participate" in the Bee.<sup>36</sup> Books and materials were supplied to each school by Gaston in large enough quantities for each child in grades three through eight. He gave these materials with the understanding that "...every child third grade through eight grade would be taught spelling" in preparation for the Bee.<sup>37</sup> Cash prizes

<sup>36</sup>Minnie L. Gaston, interview, January 4, 1973.<sup>37</sup>Minnie L. Gaston, interview, January 4, 1973.

<sup>&</sup>lt;sup>34</sup>Minnie L. Gaston, interview, January 4, 1973.

 $<sup>35</sup>_{An}$  article in the Birmingham World, April 3, 1956, announced the third annual Bee.

up to fifty dollars were presented to the winners by Gaston.<sup>38</sup> At its height, it encompassed an area of six counties. According to his wife, Gaston continued the program about eighteen years and "...discontinued it with integration when there was no further need for it."<sup>39</sup> With the advent of integration, the black student "...would get the same training (in spelling) as the white students."<sup>40</sup> Integration did not end all of Gaston's educational projects.

Gaston's involvement and interest in education and educationally related activities gradually increased. By 1972, he was giving both time and money to many different schools and projects. He had been nominated to the Board of Trustees of the Tuskegee Institute in 1950, and he still held that post in 1972. In addition, he served on the Board of Trustees of Daniel Payne College, Birmingham, Alabama. An excellent opportunity for aiding black schools came when he was appointed to the National Body of the Federation of Regional Accrediting Commissions on Higher Education, the Southern Accrediting Association, and the Board of Southern Association of Colleges and Schools (South East).<sup>41</sup> Through his work on these boards he could help black schools gain accreditation.

<sup>38</sup>Birmingham World, April 3, 1956.
<sup>39</sup>Minnie L. Gaston, interview, January 4, 1973.
<sup>40</sup>Ibid.
<sup>41</sup>Newsom, letter, February 5, 1973.

He was also a member of the Board of the Gorgas Scholarship Foundation.

In addition to service on boards directly involved with education, he became involved in many civic organizations which carried on extensive public education campaigns. Some ot these groups which were indirectly involved in an attempt to educate the public on specific problems were the Board of the Alabama Health Study Commission, the Board of the Jefferson County Drug Abuse Coordinating Commission, the Jefferson County Mental Health Association and the Rehabilitation Research Foundation. The Red Mountain Museum Board and the Alabama Zoological Society elected him as a member. Through Operation New Birmingham, he was involved in planning a new technical high school and various parks and museums.

Donations of money were also made. The largest ones were in the form of scholarships. In 1969, he sponsored the first black law student at the University of Alabama by giving him a three year \$7,000.00 scholarship.<sup>42</sup> Later, a "... revolving scholarship fund for underprivileged (black) law students ..." was set up at both Samford University in Birmingham and the University of Alabama Law School at Tuscaloosa.<sup>43</sup> Each college had \$7,000.00 in its fund. In

<sup>42</sup>Birmingham World, May 17, 1969.
<sup>43</sup>Newsom, letter, February 5, 1973.

1972, one student was attending Samford and two or three, the University.<sup>44</sup> A partial list of smaller donations to educational projects made in 1972 would include:

Benedictine Sisters - St. Paul School	\$25.00
Tiger Band (Fairfield High)	\$15.00
Social Work Dept. Oakwood College	\$100.00
Oakwood, Alabama	
Paul Quinn College, Waco, Texas	\$200.00
Franciscan Sisters	\$25.00
Rust College, Mississippi	\$1,000.00 \$1,000.00 <sup>45</sup>
Miles College, Birmingham	\$1,000.0045

School affiliated groups such as the United Negro College Fund also received contributions.

A list of Gaston's awards, honors and degrees reflect his generous support of education.<sup>46</sup> His many contributions prompted the naming of a junior High School after him.<sup>47</sup> To a great extent, however, Gaston's reputation in educational circles must rest on what his wife has accomplished at the Booker T. Washington Business College. Her reputation in the professional education community is much greater than his. As early as 1953, her reputation was such that she was appointed to a three-member advisory committee "...to assist in developing and improving library service to Negroes in Birmingham."<sup>48</sup> She was asked to appear before the House and

<sup>46</sup>See Appendix C.

47<sub>Mrs. Robert W. Gwin, letter to author, August 9, 1972.
48<sub>Birmingham Post-Herald, July 25, 1953.</sub>
</sub>

<sup>&</sup>lt;sup>44</sup>Gaston, interview, January 4, 1973; Frank A. Clayton, private interview in Birmingham, Alabama, August 10, 1972.

<sup>&</sup>lt;sup>45</sup>All contributions were tax deductible. List supplied by Newsome, letter, February 5, 1973.

Senate Subcommittees on Education and was later appointed to President Lyndon B. Johnson's eight member Advisory Council on Insured Loans to Vocational Students.<sup>49</sup> Although she could not have accomplished as much without Gaston's financial backing, she furnished the spark that created a unique avantgarde institution of learning.

49Birmingham World, August 13, 1966.

## CHAPTER VI

IF WE FAIL ...

Growing up poor and black in a Southern city presented many problems. Gaston knew most of them from personal experience. He knew of the lack of recreation, of the lack of employment and educational opportunities, of the despair, aimlessness and discouragement of poverty, of the problems in a fatherless home. Many of the temptations of youth were also known to him. Because he did understand the situation and remembered his childhood, he felt he must become involved in youth-oriented activities. In addition, as a businessman he had consistently supported all civic efforts in the community. Support of youth groups was a major part of this civic commitment.

Although his major efforts on behalf of youth were to necessarily await a more affluent era in Gaston's career, he worked with youth throughout his career. During the earliest years of his struggle to establish himself, he worked with youth through the church. He was an active layman in the St. Paul's AME Church in Fairfield and later in the St. John's AME Church in Birmingham. As a layman, he helped plan church sponsored activities. Many were youth-oriented.

It was not until Gaston moved to Birmingham in the late 'thirties that he began to work directly with youth organiza-

tions. In Birmingham, he came in contact with Pauline Fletcher Bray, one of the most dynamic Negro reformers in Birmingham during this period. Her major efforts were aimed at providing some recreation facilities for Negro girls. She was able to help establish a camp for girls that was named in her honor. By 1948, Gaston was working closely with Pauline Bray. In the same year, he was chosen to chair the Board of the Girl's Service League, the organization that officially sponsored the Pauline Fletcher Bray Camp.<sup>1</sup>

In June, 1945, Gaston began his first major attempt to organize a youth group. At that time, he organized the Smith and Gaston Kiddie Klub in Birmingham.<sup>2</sup> Through these clubs, Gaston hoped to "...give the youth some recreation and outlet."<sup>3</sup> and "...to cut down on juvenile deliquency."<sup>4</sup> Weekly activities included a free movie every Saturday at the Frolic Theatre.<sup>5</sup> A thirty minute radio broadcast was devoted to the club's activities every Saturday on Birmingham's WJLD.<sup>6</sup> This broadcast was planned and conducted by the children with a

<sup>1</sup>Birmingham World, January 30, 1948.

6 Ibid.

<sup>2</sup>Ibid., August 8, 1947; Gaston, <u>Green Power</u>, p. 148. <sup>3</sup>Minnie L. Gaston to W. E. Key, July, 1972. Copy given to author by Key, August 10, 1972. <sup>4</sup>Gaston, <u>Green Power</u>, p. 148. <sup>5</sup>Birmingham World, August 8, 1947.

minimum of adult supervision. "Many of the [Negro] radio announcers of this city [Birmingham] came from the group of the Kiddie Klub."<sup>7</sup> A Christmas party was held every year and gifts were supplied to the children in June when the annual anniversary party was held.<sup>8</sup> By 1953, the club had a membership of eleven thousand children between the ages of four and fifteen and it had branches throughout Alabama.<sup>9</sup>

In 1953, Gaston increased his work with youth by establishing the A. G. Gaston Spelling Bee.<sup>10</sup> This was the annual event sponsored by Gaston Interests mentioned earlier. The Bee was begun to give "...the student the incentive to remain in school and become better scholars."<sup>11</sup>

In addition to the groups Gaston organized for black youths, there were several existing organizations that accepted Negro members or that had developed separate Negro branches. Of these organizations, Gaston worked with the Young Men's Christian Association (YMCA), the Boy Scouts, and the 4-H Clubs. The closest and longest association was maintained with the YMCA. This Christian organization, which was transplanted from England in the 1850's. had developed a branch

7 Minnie L. Gaston to Key to author, August 10, 1972.

<sup>8</sup>Birmingham World, August 8, 1947.

<sup>9</sup>Ibid., July 28, 1953.

10 Ibid., April 3, 1956.

<sup>11</sup>Minnie L. Gaston to Key to author, August 10, 1972.

for Negroes.<sup>12</sup> It had "...assisted in the adjustment of the Negro to city life..." and offered one of the few sources of supervised recreation for Negroes in the cities in which Negro branches had been established.<sup>13</sup> As in other facilities, however, the Negro YMCAs were less well-equipped and poorer than their white counterparts. Gaston gave time as well as money to the black YMCA in Birmingham. By 1957, he was serving as a division leader in that year's campaign for new members.<sup>14</sup> Because of his continued volunteer service and financial support, he had received five awards from the YMCA by 1972.<sup>15</sup> The Boy Scouts and the 4-H Clubs were aided more by Gaston's donations than his volunteer service.<sup>16</sup>

While Gaston worked with groups devoted to the betterment of Negro boys, his wife was involved with the equivalent female organizations. Her work with the Girl Scouts and the Young Women's Christian Association was often mentioned in the press.<sup>17</sup> One of the offices she held was chairwoman of the Board of the 8th Street YWCA.<sup>18</sup>

12Hofstadter, The United States, p. 519.
13Franklin, Slavery, p. 443.
<sup>14</sup>Birmingham World, February 20, 1957.
15See Appendix C.
16Gaston became involved with 4-H Clubs because of his

interest in agriculture and his ownership of farm land. 17See Birmingham World, March 7, 1964 and March 11, 1964. 18Birmingham World, May 1, 1957.

In addition to his work with youth clubs, Gaston became interested in efforts to supply gainful employment to black youths. "It hurt me [Gaston] to see boys want to work and unable to find a job."<sup>19</sup> To help supply job opportunities to these boys, Gaston turned his office into an "...unofficial employment agency."<sup>20</sup> Boys came to the office to fill out applications for jobs and the applicants were aided by Gaston's office personnel.<sup>21</sup> Since Gaston's businesses required highly-trained, full-time workers, the boys could not be employed by Gaston himself.<sup>22</sup> Gaston was widely known, however, and used his prestige to place some of the boys with other businesses.<sup>23</sup> Other applicants were channeled through various organizations such as the Neighborhood Job Corps, Job Opportunities, and Youthpower, Inc.

Each of the above organizations had similar goals and purposes. These goals were the training and subsequent placement of youths into jobs. The major targets for all these organizations were school drop-outs and slum-dwelling youths, especially those between the ages of sixteen and twenty-one. Youth of this type had previously been considered part of the

19Gaston, Green Power, p. 159
20Ibid.
21Gaston, interview, January 4, 1973.
22Gaston, interview, January 4, 1973.
23Gaston, Green Power, p. 159.

hard-core unemployable segment of society. Many of these forgotten boys and girls possessed talent, but because of lack of opportunity drifted into either crime or the welfare lines. The best known organization, the Job Corps, was established under the Economic Opportunity Act, passed in 1964 as part of Lyndon B. Johnson's sweeping Antipoverty Campaign.<sup>24</sup>

From this initial attempt to solve the problem of jobless teens sprang a myriad of organizations to help find jobs and train this youthful segment of society. Some were community based and financed programs such as Birmingham's Job Opportunities Program. Others were of national scope such as Youthpower, Inc. All hoped to curb mushrooming juvenile delinquency and shorten ever lengthening welfare lines. Through each organization, individuals of both races worked to help many individuals become productive members of society.

During the 'sixties, Gaston realized that he must do more than he had previously done for black youth.<sup>25</sup> "There were so many disadvantaged kids among our people" that his existing programs and involvement were insignificant.<sup>26</sup> According to his wife, he had often told her that the boys he observed lounging on the streets as they went to and from work reminded

<sup>25</sup>Gaston, <u>Green Power</u>, p. 148. 26<sub>1bid</sub>.

<sup>24&</sup>quot;Putting Teens to Work," Business Week, 1814, (June 6, 1964), p. 82.

him of himself as a boy.<sup>27</sup> Since Gaston's businesses were located downtown, they had to drive to work through the poorest section of Birmingham. He repeatedly talked of doing something that would give these boys some of the advantages that had not been available to him as a boy.<sup>28</sup> If some advantages were offered these boys, a few might succeed and be saved from juvenile delinquency. Over the years, Gaston had resolved that the best method of giving aid to these boys would be through the establishment of a boys' club "...in the center of the hard core, unemployed section of Birmingham."<sup>29</sup>

One boys' club was already in operation in the Birmingham area at the time Gaston conceived his plan for a club. Gaston "...knew that we could press for the inclusion of our boys in that facility."<sup>30</sup> Each club belonging to the national organization, Boys' Clubs of America, had to follow specific rules. One of the rules made it necessary to operate a facility without discrimination. To retain its affiliation with the national group, the existing club could not refuse to accept black applicants as members. There were, on the other hand, several good reasons for not demanding admittance to the existing club and for establishing a new facility.

<sup>27</sup>Minnie L. Gaston, interview, January 4, 1973.
<sup>28</sup>Minnie L. Gaston, interview, January 4, 1973.
<sup>29</sup>Gaston, Green Power, p. 153.
<sup>30</sup>Ibid., p. 155.

Perhaps the major deterrant to a move to force inclusion of blacks into the existing club lay in the racial tension in Birmingham. In 1963, it had been racked by mass demonstrations and bombings that had shocked Birmingham and the nation. The scars remained. In more cases than the conservative leadership in the city liked to admit the wounds remained as well. The potential for another racial confrontation remained since many of the promised reforms had not been forthcoming. No one, least of all Gaston whose continued prosperity was contingent on racial harmony, wished to supply a cause that might inflame the resentful black masses or the equally sullen white militants.<sup>31</sup>

Gaston had another personal reason for wishing to establish a separate boys' club. His image in the black community of Birmingham had become badly tarnished during the 1963 crisis.<sup>32</sup> The blacks felt he had not supported them with sufficient zeal.<sup>33</sup> He needed a spectacular example that would help him reclaim some of his lost prestige. Something was needed to remind the poorer blacks that Gaston had not "forgotten his people." There was, he felt, no more effective way to do this than to build an A. G. Gaston Boys' Club.

There was also a real need for another club. In 1965,

31See Chapter VII for a more detailed discussion of the race crisis. 32See Chapter VII. 33Ibid.

there were "...63,972 boys from the ages eight to sixteen residing in Jefferson County, of this number 23,738 were Negro boys."<sup>34</sup> One club could not possibly fill the needs of and offer services to all the boys in the Birmingham area. In addition to this factor, boys' clubs were generally built in the poor areas they served.<sup>35</sup> Because most of the boys attending a club walked to it, a natural segregation occurred. Both clubs would be technically open to boys of all races, but the location of the two clubs would cause almost complete segregation.

By 1965, the idea of establishing the club had become crystalized to the point that Gaston began approaching civic leaders of both races.<sup>36</sup> He wished to assess the amount of support he could expect when he publicly announced the project. One official described his interview with Gaston. "Dr. Gaston put it this way. 'The city has been good to me. I feel I owe the community something.' Then he told me about his idea of a boys' club. I was all for it."<sup>37</sup> Leaders of both races were enthusiastic and promised support. The following year the campaign to raise funds for the A. G. Gaston Boys' Club was officially begun.

<sup>34</sup>Birmingham News, December 10, 1966.
<sup>35</sup>A. G. Gaston Boys' Club, "We're On Our Way."
Birmingham, Alabama, p. 2.
<sup>36</sup>Bell, interview, August 7, 1972.
<sup>37</sup>Bell, interview, August 7, 1972.

To open the campaign for funds, Gaston donated a twostory brick edifice and the land on which the building stood to the club. They were valued at \$50,000.00<sup>38</sup> Funds needed to renovate the building and equip the club totaled \$360,000.00<sup>39</sup> The slogan of the drive was "Help build boys ... not mend men."<sup>40</sup> An intensive advertising campaign followed and "Birmingham answered [the plea for funds] with dollars."<sup>41</sup> Gaston felt it was "perhaps the first tangible example of the entire community working together, contributions both large and small flowed in from Negro and white citizens...."<sup>42</sup> United States Steel made the club a grant of \$20,000.00.<sup>43</sup> The fund raising campaign began in December of 1966, and the club was officially opened October 1, 1967.<sup>44</sup>

From its inception, the A. G. Gaston Boys' Club became a member of the national organization of boys' clubs, Boys' Clubs of America. Although there are differences in the individual clubs, each one was formed for the same basic reasons. The

<sup>38</sup>Clayton, interview, August 10, 1972; Birmingham World, April 30, 1966. <sup>39</sup>Boys' Club, "We're On Our Way," p. 6. <sup>40</sup>Ibid., p. 1 and p. 3. <sup>41</sup>Gaston, <u>Green Power</u>, p. 155. <sup>42</sup>Ibid. <sup>43</sup>Birmingham World, April 5, 1967.

<sup>44</sup>Birmingham <u>News</u>, December 10, 1966; Boys' Club, "We're On Our Way," p. 4. brochure announcing the opening of the club proclaimed:

The Boys' Club exists solely and exclusively for boys. It especially provides opportunity for boys from low income families, inadequate homes and poor neighborhood environment. It offers competent guidance, wholesome companionship and supervised recreational facilities. Boys' Clubs are found all over America in neighborhoods where economic and social conditions prevent or discourage the fulfillment of basic boy needs within the family circle. At a time when juvenile delinquency and disrespect for law are increasing, the Boys' Club reaches into the source area of these problems and offers a guiding hand toward development and maintenance of decency, morality and personal ambition.<sup>45</sup>

The club had set no small task for itself.

With the aid of representatives sent from the national group, the board of the A. G. Gaston Boys' Club began making plans. The old building was renovated by dividing it into music and exercise rooms, library, game rooms, hobby and craft areas, an auditorium, a kitchen and an office area.<sup>46</sup> The grounds were subdivided into various athletic fields. The building as planned would "...ultimately serve 174 [boys] simultaneously and allow for a total membership of approximately 1500 boys."<sup>47</sup>

Boys between the ages of six and nineteen were eligible to join. A membership fee of \$.25 a year to \$1.00 a year was assessed according to age.<sup>48</sup> A brochure on the club stated:

<sup>45</sup>Boys' Club, "We're On Our Way," p. 2.
<sup>46</sup>Clayton, interview, August 10, 1972.
<sup>47</sup>Boys' Club, "We're On Our Way," p. 3.
<sup>48</sup>Clayton, interview, August 10, 1972.

No boy is ever turned away for lack of money. If he is eight years old and doesn't have the necessary quarter, he is asked to carry out a basket-load of trash and is paid a quarter to do it. In this way, he has earned something and has earned the rights and privileges of a Boys' Club member.<sup>49</sup>

No charges other than the initial membership fee were made. All materials the boys used, such as uniforms and craft supplies, were supplied by the club.<sup>50</sup> The boys who were in the building at six o'clock in the afternoon were served a sandwich, milk and cookies.<sup>51</sup> Free dinners were served to members on holidays.<sup>52</sup>

As director of the new club, the board chose Frank Clayton, a former school teacher in the Jefferson County School System and a lifetime resident of Birmingham.<sup>53</sup> Clayton had three full-time assistants and seven part-time assistants to help him supervise the activities of the boys.<sup>54</sup> In addition, community leaders gave lectures and police and juvenile court officials paid regular visits to the club.<sup>55</sup>

<sup>49</sup>Boys' Club, "We're On Our Way," p. 4.
<sup>50</sup>Clayton, interview, August 10, 1972.
<sup>51</sup>Boys' Club, "We're On Our Way," p. 4.

<sup>52</sup>Approximately two thousand boys were served Christmas dinner in 1972. Gaston, interview, January 4, 1973.

53Clayton, interview, August 10, 1972.

54 Boys' Club, "We're On Our Way," p. 4.

55<sub>Ib1d.;</sub> Gaston, <u>Green Power</u>, p. 158; Bell, interview, August 7, 1972. The boys were at first afraid of the police, but had become accustomed to the weekly visits after a few months. Some were later to volunteer to help the police because they did not want anyone to reflect on the club.<sup>56</sup> Gaston himself made almost daily visits to the club.<sup>57</sup> One article said Gaston spent "...aminimum of fifteen to twenty hours a week at the club."<sup>58</sup>

The activities at the at the club were similar to scheduled activities of most boys' clubs. There was the usual emphasis on physical training. Team sports were organized and games were scheduled. A swimming program was added after the club had been in operation for several years.<sup>59</sup> Games, boxing, wrestling, exercise classes and other indoor sports were an integral part of the program. Craft and hobby areas were provided with constant adult supervision and the boys were encouraged to gain competence in such practical areas as woodworking. Music rooms gave the boys a quiet area to listen to records and to practice on instruments. Books for all ages were made available through the library. To increase their reading enjoyment and to help the boys attain their proper reading level were the goals of a remedial read-

<sup>56</sup>Gaston, Green Power, p. 159.

58 Birmingham News, March 3, 1969. 59 Clayton, interview, August 10, 1972.

<sup>57</sup>Clayton, interview, August 10, 1972; Gaston, interview, January 4, 1973.

ing class that was added to the club program. 60

In addition to the practical skills the above activities offered, the club initiated a medical and health education program. The boys were given an annual free medical examination.<sup>61</sup> The correction of physical defects discovered in this examination became one of the goals of the club. Since the majority of the boys who frequented the club came from poor families, this yearly check-up was the only medical care they received. The health education classes became an important part of the planned activities offered members.<sup>62</sup>

Using the aforementioned activities and programs, the club tried "...to build useful citizens who will be a credit to themselves and their community when they reach adulthood."<sup>63</sup> Perhaps the most mundane reason of all for beginning and backing the club was given by Gaston in his remarks in a brochure announcing the opening of the new club and requesting continued community support. He said:

The world we live in twenty-five years from now will be governed, not by us, but by the boys we train today. If we train them well, we have no need to fear. If we fail...."64,

Failure would mean that all Gaston and his generation had

60Gaston, Green Power, p. 157. 61Boys' Club, "We're On Our Way," p. 4. 62Ibid., p. 5. 63Ibid., p. 3. 64Boys' Club, "We're On Our Way," p. 1. worked for would be destroyed.

By 1972, Gaston was deeply involved with programs to benefit youth. He was president of the A. G. Gaston Boys' Club and had been elected to serve on the board of the Boys' Clubs of America in 1967. The Boys' Club was given credit for a decline in juvenile delinquency in the area it served.<sup>65</sup> He was appointed to the Jefferson County Drug Abuse Coordinating Commission and had retained his seat on the board of the 19th Street Branch of the YMCA. He was working through the Community Affairs Committee of Operation New Birmingham and the Mayor's Council on Youth Opportunity with the Police Athletic Teams program and various recreation projects. His contributions in this area had garnered him at least a dozen different awards and citations and a large amount of publicity.<sup>66</sup>

66See Appendix C.

<sup>&</sup>lt;sup>65</sup>The author could find no figures to support this allegation but several sources believed it to be the case. Clayton, interview, August 10, 1972; L. H. Evena, questionnaire to author, September 21, 1972; Bell, interview, August 7, 1972.

#### CHAPTER VII

## THE KINGFISH?

Until recent years Gaston's enterprises and many ventures have originated within the Negro community and have been nurtured by the black race. Blacks provided the money that made him successful. They were the policy holders, the depositors, the clients, the raw material that went into the maw of Gaston's wizardry to create a financial empire. All he had he owed to the little black man.<sup>1</sup>

In return, Gaston has provided quality services through his enterprises and financial leadership. Through his ventures he created jobs for hundreds of talented blacks who would have otherwise not been given employment. In addition, his businesses served as a showcase to prove that if blacks were given the training and opportunities they could succeed. The insurance company and bank made available millions of dollars in mortgage money for black churches, schools, businesses, and individuals. Using his financial position as a lever, he has also influenced the policies of others in hiring blacks. One example of this was his insistence that black workers be employed on all his construction projects.<sup>2</sup> Another

<sup>&</sup>lt;sup>1</sup>Both Gaston and his wife readily admitted this in the personal interviews they gave the author.

<sup>&</sup>lt;sup>2</sup>Louis J. Willie, questionnaire to author, July 25, 1972.

was the purchase of "...more than \$100,000.00 worth of cars from an agency after it hired a Negro salesman."<sup>3</sup>

In addition to his obvious enormous financial impace on his race, Gaston made contributions in other areas. He provided educational and recreational opportunities for them through his work in youth and education. He had a great deal of influence via his position in his church. In Birmingham, Gaston served as one of the main individuals who opened the civic arena to blacks and applied continuous pressure to have them included on decision-making boards. Many contributions were also made to the movement to achieve civil equality.

Gaston was never to take the forefront in the push for civil rights. He was first and foremost a businessman whose major interest was making money. As a black who felt the pinch of segregation and as a black who depended on other blacks to patronize his businesses, he could not afford to remain completely out of the movement. He contributed generously to the rights movement. His own approach to the problem of attaining equality and integration could best be described in his own words. In a speech in 1965, he said: "There is nothing wrong with the American Constitution. We only need to see that it is obeyed."<sup>4</sup> Gaston wanted to work

<sup>3</sup>"Personality," <u>Birmingham Magazine</u>, p. 32.
<sup>4</sup>Birmingham World, May 29, 1965.

within the existing system to bring about the needed changes.

One such method to achieve change was support of numerous movements originating in the Negro community to bring grievances before the white power structure. A few of the petitions and hearings with which he was affiliated were the following: In 1947, Gaston headed a committee that wrote a protest of the racially inspired revocation of a city permit for the construction of a Negro theatre.<sup>5</sup> The committee was composed of members of the Birmingham Negro Business League. In 1965, he was named associate presiding officer of a meeting of twenty-one Negro leaders to decide how to deliver a petition en masse to Mayor Albert Boutwell.<sup>6</sup> The petition had been drawn up earlier by over one hundred Negro leaders.<sup>7</sup>

"...proposals on employment, health and welfare, alleged police brutality, housing, public accommodations, education, mass-media and the anti-poverty program...."<sup>0</sup>

One white Birmingham paper urged the fullest hearing be given the resolutions. It quoted Gaston as saying "if you don't get behind those of us here, you're going to have outside people."<sup>9</sup> This was a subtle threat by Gaston since Birmingham

<sup>5</sup><u>Ibid</u>., December 16, 1947.
<sup>6</sup>Birmingham <u>News</u>, May 16, 1965.
<sup>7</sup><u>Ibid</u>., May 14, 1965.
<sup>8</sup><u>Ibid</u>., May 16, 1965.
<sup>9</sup><u>Ibid</u>., May 14, 1965.

remembered all too well the 1963 race riots which had been led by outsiders. In 1969, Gaston and one of his employees, Louis J. Willie, were two of twenty-one Negroes who testified before a Grand Jury investigating charges of police brutality.<sup>10</sup> Gaston was the first black witness called.<sup>11</sup> These were just a few of many of Gaston's efforts to achieve changes through petitions.

He also became personally involved in organizations whose chief aim was improving the position of the black race in society. He was one of the main organizers of the Urban League in Birmingham and gave the League office space in his building rent free.<sup>12</sup> Founded in New York in 1911, the League was a bi-racial organization whose major goal was the opening up of new job opportunities for blacks.<sup>13</sup> A branch organization was not established in Birmingham until the 1960's.<sup>14</sup> The League has made its major contributions in the areas of low-cost housing and on-the-job training programs. In Birmingham, it has also served as an employment agency for the underprivileged.<sup>15</sup> By approaching individual employers

<sup>10</sup>Birmingham Post-Herald, April 23, 1965.

<sup>11</sup>Birmingham Post-Herald, April 25, 1969.

<sup>12</sup>Snyder W. Smyer, private interview, Birmingham, Alabama, August 8, 1972.

13Franklin, Slavery, p. 441. 14Key, interview, August 10, 1972. 15<u>Ibid</u>.

with applications from gualified blacks, it has managed to place many in positions and open new areas of opportunity. It, also, has a program of social work and served as a workshop for black social workers. It should be stressed that this organization worked through the white power structure and could be considered the most conservative of the race groups. Gaston served as treasurer of the Birmingham Urban League and served on the Board of the National Urban League. As a member of the NAACP and of the NAACP Defense Fund, he was involved in the continuous and expensive litigation of the NAACP. He was involved, however, only so far as he was a member of these societies and he gave them money. It was the little black man who took the risks of bringing the actual cases that were responsible for breaking the legal barriers set up to retard the growth of the black race. Although he was not a member of the Southern Christian Leadership Conference or the Alabama Christian Movement for Human Rights, he contributed funds to both these organizations and to the movements and demonstrations they led. The Frontiers of America chapter that was organized in Birmingham in 1960 was a "...national service organization on the pattern of Kiwanis, Exchange, Rotary and Lions Clubs."16 Gaston was a charter member of this black organization.

In addition to helping further the civil rights movements

16Birmingham Post-Herald, August 28, 1970.

via race organizations, Gaston furnished financial aid in specific rights cases. Instances in which Gaston gave aid to participants in racial protests include the following: In December of 1955, one of the most famous Negro protests of the black crusade began in Montgomery, Alabama, with the arrest of Rosa Parks. The ensuing Montgomery bus boycott lasted almost exactly a year and ended in success for the black cause. The boycott brought to national prominence Reverend Martin Luther King, Jr., the man who was to lead the non-violent crusade for black rights until his assassination in April of 1968. Gaston "...supported Martin King's bus boycott in Montgomery."<sup>17</sup> He approached King about using the boycott commercially but "I couldn't get along with Martin; he started talking to me about love."<sup>18</sup>

In 1956, Polly Myers and Arthurine Lucy attempted to integrate the University of Alabama. When they were refused admittance and needed jobs, Gaston hired them. Emory O. Jackson, who had told Gaston the women needed but could not find jobs, said Gaston paid the two women "...more than they could have made teaching school."<sup>19</sup>

When Negro residents of Tuskegee were faced with gerrymandering in 1957 to prevent them from participating in

<sup>17&</sup>lt;sub>Gaston</sub>, interview, January 4, 1973. 18<sub>Ibid</sub>.

<sup>19</sup> Jackson, interview, August 10, 1972.

city politics, Gaston threw the economic strength of his businesses behind the resistance movement. In a speech, he endorsed "...the orderly manner in which you have gone about voluntarily exercising your right to spend your money where you feel your business is appreciated."<sup>20</sup> He urged them to practice thrift and support Negro firms, such as his. He "...assured the members of the Tuskegee Civic Association that our company was willing to take up any mortgage where undue pressure was being applied..." and to supply needed mortgage money to Negroes.<sup>21</sup> Over \$100,000.00 of the money to build the ABC Supermarket came from Gaston Enterprises.<sup>22</sup> Although all these investments were extremely profitable for Gaston, he took an initial financial risk.

King got help from Gaston again in the Selma to Montgomery March held in 1965. Gaston learned that the marchers had no place to stop during the four day trip. He let them camp on his eighty acre farm in Lowndes County.<sup>23</sup>

Gaston was naturally more involved in the racial unrest in Birmingham proper. The story of Birmingham's riot period is so well known that there will be only a brief recapitulation

20Birmingham World, July 17, 1957.

21 Ibid.

22 Gaston, Green Power, p. 118.

<sup>23</sup>Gaston, interview, January 4, 1973; Congressional Record, 89th Cong., 1 Sess., p. 6528.

here.<sup>24</sup> The campaign which had been planned for months began with sit-ins and picketing on April 3, 1963.<sup>25</sup> This was the day after the run-off election for mayor between rabid segregationist Eugene "Bull" Connor and moderate Albert Boutwell. Boutwell won the run-off, but Connor refused to step down as Commissioner.<sup>26</sup> This in reality left the city without leadership during the worst of the riot period. Boutwell did not assume his duties until May 23, when his election was unanimously upheld by the Alabama Supreme Court. By that time, a settlement had been reached and an uneasy truce was in effect.

The campaign to eliminate segregation in Birmingham was led by Martin Luther King, Ralph Abernathy and Fred Lee Shuttlesworth. Shuttlesworth was a veteran fighter for Negro rights in Birmingham and had had his home and his church

25<sub>Miller</sub>, <u>King</u>, p. 134.

<sup>26</sup>Before 1962, Birmingham had a commission form of city government. Connor was one of three commissioners. In 1962, the electorate voted to adopt the mayor-council form. In the election for mayor, no one polled a majority. Consequently, a run-off was held between the two top candidates. When Connor lost to Boutwell and saw he would not retain control of the city, he claimed he and the other commissioners could not be replaced until their term was over and refused to give his office to Boutwell.

<sup>24</sup> The author gathered the information on the riot period from various sources. The Birmingham newspapers, World, News, and <u>Post-Herald</u>, gave daily accounts of the riots and proved an invaluable source of information. A concise discussion of the period from King's point of view can be found in William Robert Miller, <u>Martin Luther King</u>, <u>Jr.</u>: <u>His life</u>, <u>martyrdom and meaning for the world (New York: Weybright</u> and Talley, Inc., 1968), pp. 130-152.

bombed as early as 1957.<sup>27</sup> King and Abernathy were "outsiders." These leaders planned a series of non-violent domonstrations that would put continuous pressure on the white power structure and the white businessmen.<sup>28</sup> The demon strations were to last as long as necessary to obtain an equitable settlement.

The April campaign stretched into May and consisted of two major phases. The first phase consisted of almost daily marches of volunteers, sit-ins, and picketing of downtown stores. One march held on Good Friday, April 12th, resulted in the jailing of King until April 20th. Another tactic employed by blacks in this first phase called for Negroes to attempt to attend services at white churches. Some churches allowed them to attend and invited them back. The second and more intensive phase began on May 2nd. On that day, ten large waves of children were thrown into the streets as demonstrators.<sup>29</sup> This was a new tactic in the civil rights movement. One biographer of King extolled the new tactic as as brilliant and "...one of the most momentous decisions in

27Gaston, Green Power, p. 118.
28Miller, King, p. 135.
29Miller, King, p. 141.

the history of Negro protest."<sup>30</sup> Whatever the merits or demerits of this tactic, it forced a truce and subsequent settlement.

The settlement, officially unveiled by King on May 10, provided for:

- Desegregation of lunch counters, rest rooms, fitting rooms, and drinking fountains in all downtown stores within 90 days.
- (2) Placement of Negroes in previously all-white clerical and sales positions in the stores, through upgrading or hiring, within 60 days.
- (3) Release of prisioners.
- (4) Firm establishment of permanent communication between white and black leaders.<sup>31</sup>

As far as King was concerned, the campaign was over and the demonstrations were at an end. He considered the settlement a complete victory for the black cause.

White extremists were not content to let matters rest here. On Saturday, May 11th, explosions rocked the Negro community. In the upper class Negro community of Ensley, two bombs partially destroyed the home of Reverend A. D. King, Martin King's brother and one of the leaders of the demonstrations. Another bomb ripped through the A. G. Gaston Motel

31 Miller, King, p. 146.

<sup>30&</sup>lt;sub>Lerone Bennett, Jr., What Manner of Man: A Biography</sub> of Martin Luther King, Jr. (Chicago: Johnson Publishing Co., 1964), p. 152. Both this biography and the Miller biography were extremely complimentary toward King. The Bennett biography won the Pulitzer Prize for biography in 1964.

which had served as headquarters for King and other out-oftown members of the movement. Negroes were calmed by A. D. King in the Ensley neighborhood and a riot was narrowly averted. The Gaston Motel, however, was located in downtown Birmingham. Here violence erupted and a full scale riot developed that lasted several hours and resulted in the destruction of thousands of dollars worth of white property.<sup>32</sup> This riot was called the Mother's Day Riot.

After the Mother's Day Riot, an uneasy peace ensued and Birmingham spent a tense summer. Then violence and riots erupted again in September when an effort was made to integrate the schools. Bombs exploded in the homes of Arthur Shores and Gaston. On September 15, a bomb was tossed through the window of the Sixteenth Street Baptist Church. The Church had been the central organizing center and starting point for the non-violent demonstrations in April and May. It was Sunday morning and Sunday School was in session. The bomb landed in a room full of little girls; four were killed and twenty persons were injured.<sup>33</sup> White Birmingham was stunned; black Birmingham "...went wild with the desire for revenge."<sup>34</sup> The

33<sub>Miller</sub>, <u>King</u>, p. 151. 34<sub>Gaston</sub>, <u>Green Power</u>, p. 134.

<sup>&</sup>lt;sup>32</sup>According to Frank Clayton in his interview with the author, the motel is located in one of the poorest and roughest black neighborhoods in Birmingham. He said of the residents: "They would participate in a riot to have something to do." Again he said: "A man with nothing to lose is a dangerous man and these people had nothing to lose." Clayton, interview, August 10, 1972.

rest of America and the world were horrified. This event and the resulting riot proved to be the climax of the racial strife of 1963. With the specter of total civil was looming on the horizon, leaders on both sides worked for peace and equitable solutions.

During the entire period of strife, Gaston was intricately involved. The initial planning for the Birmingham campaign began more than six month before the actual demonstrations began. Gaston obviously knew something of these plans because they were made in a "...command post in room 30 of the A. G. Gaston Motel, "35 and Gaston "...paid their rent."<sup>36</sup> Gaston continued to pay the rent throughout April and May even when he disagreed with the policies followed by the demonstration leaders.<sup>37</sup> He also furnished money on other occasions. Thousands of the non-violent demonstrators were arrested and jailed. Of the total \$237,000.00 bond money required for their release, Gaston guaranteed \$160,000.00.<sup>38</sup> Martin Luther King was arrest-

35<sub>Miller</sub>, King, p. 133.

36 Gaston, interview, January 4, 1973.

37According to Gaston in his interview with the author in January 4, 1973, he did not approve of the use of children in the street demonstrations because it recklessly exposed them to danger. He felt they should be allowed to participate if they knew what was transpiring, but many of the demonstrators were as young as six years old.

<sup>38</sup>Actual figures were taken from Gaston, <u>Green Power</u>, p. 123. See also Shores, interview, August 8, 1972; Willie, questionnaire to author, July 25, 1972.

ed twice during the Birmingham demonstrations. When he was arrested for the second time, his and Ralph Abernathy's bail was set at \$2,500.00 each. Gaston placed the \$5,000.00 bond with a bondsman for their immediate release.<sup>39</sup>

Gaston was actually involved in some of the strategy meetings. An example of one such meeting was reported in the Negro press. On April 12, eleven days after the demonstrations had begun, he presided over a meeting of local citizens and Martin Luther King to discuss the plans of the Southern Christian Leadership Conference and the Alabama Christian Movement for Human Rights.<sup>40</sup> In the speech he delivered to the group, he left no doubt that he supported the Negro cause and the non-violent demonstrations. In part he said:

There is no doubt in my mind, or in the mind of any of us, concerning the aspirations of the Negro citizens in this community and throughout the country. We want freedom and justice; and we want to be able to live and work with dignity in all endeavors where we are qualified. We also want the privilege of access to those facilities that will make an individual qualified. We also want to contribute our share for the progress of the community.<sup>41</sup>

He also left no doubt that he wanted the demonstrations ended as soon as possible.

In the same speech, he chided the local leaders, both black and white, for their failure to assume their natural position and to bring about an equitable solution to the

39<sub>Miller, King</sub>, p. 145. 40<sub>Birmingham World</sub>, April 13, 1963. 41<sub>Ibid</sub>. problems through negotiation. He said:

The problems that Birmingham now faces were faced by other great Southern cities, and to the credit of these great cities which lie within a short distance of us, the local leaders of these communities got their minds, talents and energies together and solved their respective problems.<sup>42</sup>

A line of communication had to be set up between blacks and whites in Birmingham similar to the ones set up in other cities. Negotiations had to take place and the time was past when the two opposing communities should have met at the conference table. Gaston made it clear that he was making himself available to help bring about a settlement.

It was in this area of negotiation that Gaston played his most pivotal role. Snyder W. Smyer was president of the Chamber of Commerce during the crisis and head of the white merchants' committee that was finally able to negotiate a settlement. This committee was composed of one hundred members of the business community in Birmingham and they employed approximately eighty per cent of the people in the Birmingham area.<sup>43</sup> Gaston was one of the black members of the committee.<sup>44</sup> Smyer said of Gaston's role:

He was the number one opener, the outstanding leader. If he hadn't of been, I don't think some of the others [Negroes] would have.... I would give him credit for being able to bring together the white and black.<sup>45</sup>

<sup>4</sup>3Shores, interview, August 8, 1972.
<sup>44</sup>Miller, <u>King</u>, p. 145.
<sup>45</sup>Smyer, interview, August 8, 1972.

<sup>42</sup> Ibid.

Federal Judge Hobart H. Grooms, who was himself in an unenviable position in Birmingham since he had consistently ruled against segregation said:

Dr. Gaston was a moderating influence in calming the extremist, but at the same time he supported the blacks in the racial crisis without alienating the whites.<sup>46</sup>

Family Court Judge G. Ross Bell, a traffic judge at the time

of the riots, defined Gaston's position in this manner:

He made a concerted effort along with other blacks to establish a bridge of communication and understanding which would enable the community to peacefully resolve their differences.<sup>47</sup>

Sheriff Melvin Bailey said:

Dr. Gaston, was, in my opinion, an intermediary during the racial crisis because of his privilege to personally communicate with both the black and white leadership.<sup>40</sup>

Louis J. Willie, executive vice-president of Gaston Interests,

maintained:

He [Gaston] took a position that he has maintained consistently - blacks and whites must work together - not against each other if a community is to grow and prosper.<sup>49</sup>

47Bell, interview, August 7, 1972.

<sup>48</sup>Melvin Bailey, questionnaire to author, July 21, 1972.
<sup>49</sup>Willie, questionnaire, July 25, 1972.

<sup>&</sup>lt;sup>46</sup>Hobart H. Grooms, questionnaire to author, July 22, 1972. At the time of the author's interview with Grooms in August, he was working on an election case that dealt with the black-white controversy. There were elaborate security measures taken around the Federal Building where his office was located because of bomb threats.

Roper Dial, head of Sears, Roebuck and Company's stores in Birmingham, said Gaston "...provided council to leadership on both sides."<sup>50</sup> Negro educator Leon Kennedy, called Gaston a "mediator in the racial conflict of 1963."<sup>51</sup> Arthur Shores who served as attorney for approximately three thousand jailed demonstrators said Gaston "...was one of the leading ones in contact with negotiating a settlement."<sup>52</sup>

Gaston served as an intermediary. He would meet with whites and then blacks. He told the whites what the blacks wanted and carried the white proposals back to the black leaders. Gaston said:

I'd talk with King and Shuttlesworth and try to get them to cool things down and then I'd go over here and talk with the whites 53

He saw "...a need for no further division," and attempted to work between the two groups to end the unrest.<sup>54</sup>

The first negotiations were carried on in secret. Smyer described them by saying:

He [Gaston] would sneak up this alley behind my office to see me and we would sneak off downtown

<sup>50</sup>Roper Dial, questionnaire to author, October 15, 1972.
<sup>51</sup>Leon Kennedy, questionnaire to author, February 5, 1973.
<sup>52</sup>Shores, interview, August 8, 1972.
<sup>53</sup>Gaston, interview, January 4, 1973.
<sup>54</sup>Minnie L. Gaston, interview, January 4, 1973.

somewhere to meet him.... Those were tough times with the commissioner [Eugene "Bull" Connor], the police and the Klu Klux Klan. That's when they broke all the windows out of my house.... The committee didn't want to tell who they were.<sup>55</sup>

The behind-the-scenes manipulations were complex and many samll meeting were held. Later during the period, there were federal representatives at the conferences of black and white business leaders. Gaston was present at many of these bi-racial conferences.

As one of the workers to bring about a settlement, Gaston put himself in an awkward position. He became a target for extremists on both sides. The black militants accused him of being an "Uncle Tom" because he was not demonstrating and was holding meetings with whites.<sup>56</sup> The Southern Christian Leadership Conference leaders felt "betrayed" when Gaston had King released the second time.<sup>57</sup> Gaston felt, however, that King was "...needed to calm and control the colored community"<sup>58</sup> during that critical last week of negotiations before the settlement was reached. When Gaston spoke out sharply against the use of school

57<sub>Miller, King</sub>, p. 145. 58<sub>Gaston</sub>, <u>Green Power</u>, p. 124.

<sup>55&</sup>lt;sub>Smyer</sub>, interview, August 8, 1972.

<sup>&</sup>lt;sup>56</sup>According to Clayton in his interview with the author, August 10, 1972, Gaston was called a super Uncle Tom. In Gaston, interview, January 4, 1973, Gaston conceded that he was called names by the black militants.

children as demonstrators, he was again assailed by the militants.<sup>59</sup> His financial support of the demonstrators was no secret and his speeches made it clear the aims of the non-violent movement were the same as his. Consequently, he was not popular with segregationists. White extremists bombed his motel, the headquarters for the non-violent movement. When his home was bombed on September 7th, he

...kept wondering why our house had been bombed and which political faction was responsible. I had been accused by some in the white community of supporting the so-called radicals by providing motel accommodations and bond for civil rights demonstrators. At the same time I was being criticized by the leaders of the "rights" movement because of my conservatism, a charge stemming from newspaper statements. Was there a possibility that I was being attacked by the more militant Negro leadership or the Klan?<sup>00</sup>

Well he might wonder because the culprits were never apprehended. Gaston hired guards to protect his home after the bombing.<sup>61</sup>

The position Gaston took during the 1963 crisis was clear, but the reasons for his stand were not. While supporting the aims of the non-violent demonstrators, he worked diligently to get black and white leaders to the conference table and to solve the difficulties as speedily as possible. He spoke repeatedly against violence and lawlessness and for

<sup>59</sup>Gaston, interview, January 4, 1973.
<sup>60</sup>Gaston, <u>Green Power</u>, p. 131.
<sup>61</sup>Ibid., p. 132.

reason and restraint. As to why he took this position, there were probably several contributing factors. Gaston, like all the businessmen who were able to eventually settle the dispute was motivated by a desire to return to normalcy or businessas-usual. It was only under peaceful conditions that they could resume their quest for profits. A businessman, after all, is in business for the sole purpose of making money and social disorder disrupts this process. There was another aspect of the self-interest motive as well. The actual demonstrations took place in a two square mile area that comprised downtown Birmingham.<sup>62</sup> Within this area lay most of Gaston's businesses. As long as the demonstrations continued, the danger that full scale violence would erupt and destroy his life's work existed. He had cause to worry. His home and motel were bombed and the recently completed A. G. Gaston Building was damaged by streams of water from fire hoses used to batter the demonstrators. 63 Snyder Smyer sharply rejected the "profit motive."

I don't think he was. Any more than I was. He did as his conscience dictated and what he rightfully saw was for the good of the community as a whole .64

David G. Orrell, executive director of the Jefferson County

<sup>62</sup>Boutwell, interview, August 8, 1972.
<sup>63</sup>Gaston, <u>Green Power</u>, p. 116.
<sup>64</sup>Smyer, interview, August 8, 1972.

Community Chest, added yet another explanation. He said:

...as I understand Dr. Gaston, one of his great sorrows is that most Black anti-social and anti-establishment behavior does a great deal more harm to other Blacks than it does to society as a whole. It is for this very practical reason that Dr. Gaston is opposed to violence in racial matters.<sup>65</sup>

The longer the non-violent demonstrations continued the greater the danger that militants on both sides might force a confrontation. Race war would not solve the problems and the Negro would lose. Gaston's reasons for acting as he did were probably a complex mixture of all of the above factors. It should be pointed out, moreover, that his actions during the riot period were consistent with his whole approach to the rights movement. He attempted to foster the aims of the blacks through reason and at the conference table and to work within the system to bring about needed changes.

Since Birmingham had a reputation of being a "tough" city, the 1963 crisis was not the end of racial tension there. Another serious threat to peace came in 1965. A magazine article entitled "Birmingham Two Years Later" morosely surveyed the city. The author stated:

After an outbreak of rioting, there is a national tendency - perhaps even a need to equate quiet with racial progress. If Negroes are not out in the streets, then all must be well. But things can be going better than bad without going well enough

650rrell, interview, August 7, 1972.

to allay the danger of violence or to assure the prospects of meaningful black and white advance.<sup>66</sup>

Such was the case in Birmingham. The causes of the earlier violence had not been removed and in many cases no progress had been made to implement the promises made in 1963. Many blacks were "...ready to go into the streets again."<sup>67</sup> All was needed was a leader and a spark to set off the smoldering unrest.

The spark almost came over the registration of blacks to vote in 1965. Civil rights organizations staged marches to encourage voter registration of qualified blacks before the November elections.<sup>68</sup> This drive was the result of the lossening of restrictions on Negro voters caused by the passage of the Voting Rights Act of 1965. Birmingham, fearing a recurrence of violence similar to that of 1963, held its breath.<sup>69</sup> Since the blacks lacked aggressive leadership and no incident occured to enrage them, violence did not materialize.<sup>70</sup>

Through his work with the Community Affairs Committee and other groups, Gaston continued his role as mediator and

66 Paul Good, "Birmingham Two Years Later," The Reporter, XXXIII (December 2, 1965), p. 21.

<sup>68</sup>For daily accounts of the marches see the Birmingham World, News and Post-Herald for the months August thru November.

69 Gaston, Green Power, p. 146.

<sup>70</sup>Good, "Birmingham Two Years Later," p. 21.

<sup>67</sup> Ibid., p. 22.

and used his influence to further the civil rights cause throughout the 'sixties. He worked mainly to get blacks better jobs and to have blacks included in areas where decisions relevant to black progress were made. Part of his efforts included continued pressure on the city to hire black policemen. He held

... special classes at Booker T. Washington for men taking the police examination. We trained them to a point they could almost have passed a bar examination, and they still didn't make it. 71

Much progress needed to be made before blacks received a fair hearing in Birmingham.

Although Gaston considered himself an important member of the black community, he never considered himself a spokesman for the black race. Emory Jackson, editor of the black newspaper in Birmingham, said Gaston told the white leaders during the 1963 riots that "...he was not the leader the people trusted."<sup>72</sup> Jackson claimed "...the whites wanted one or two blacks they could deal with as a system of control" and have consistently turned to Gaston as the leader in Birmingham.<sup>73</sup> In an article in The Reporter, it was put more bluntly.

City Hall describes Gaston as a spokesman and leader of the Negro community; a civil-rights worker says: "Gaston couldn't lead two Negroes

<sup>71</sup>Good, "Birmingham Two Years Later," p. 25.
<sup>72</sup>Jackson, interview, August 10, 1972.
<sup>73</sup>Ibid.

across the street or speak for them if they were mute." Gaston inclines toward the latter view.

"The colored people here don't have any voice," he told me. "There's plenty of poverty, plenty of suffering. They need someone to strike the match. Who the hell have they got to speak for them? Me? Listen, I don't have to answer to anyone. I came up the hard way. But I'm a property owner. It's good to get rid of the rats, but I don't want to burn down my house doing it."<sup>74</sup>

He did consider that as the largest Negro businessman in the Birmingham area he should be considered in discussions between local black and white leaders. At one point in his career, he put it this way:

As a native of Alabama and a taxpaying, firstclass citizen of Birmingham and Jefferson County, as an employer of a large number of people, whose total earnings are more than a million dollars a year, and with several million dollars invested in this area. I feel I am qualified to have a right to be concerned, not only about myself or my business, but about the hundreds of employees and their families who are associated with me as what affect the good name and economy of this community, good or bad, affects all of us who benefit from this community.<sup>75</sup>

Since solutions would affect him, he should be allowed to have a voice in the conferences that made the decisions.

Although he did not consider himself a spokesman for the black community, he did assume the role of mentor and model. According to his close friend and associate, Arthur

74<sub>Good</sub>, "Birmingham Two Years Later," p. 24. 75<sub>Gaston</sub>, <u>Green Power</u>, p. 132. Shores, this role grew on him as a result of his accomplishments and was not consciously assumed.<sup>76</sup> Gaston constantly preached to his people and his message was always the same. He used slogans to popularize his ideas. He taught that:

A part of all you earn is yours to keep. Pay yourself first. Save a part of all you earn.<sup>77</sup>

These slogans run continually through his speeches. His counsel on thrift and attempt to educate blacks on the value and power of money was needed.<sup>78</sup> As Gaston said too much money ran through the hands of the blacks and little stayed as savings and as real property.<sup>79</sup> Blacks tended to be consumers rather than savers. He also served as an inspiration to other blacks because he, and uneducated black boy in the segregated South, had accumulated a fortune. Since he had done it, they could do it, too. To help others succeed, Gaston formulated his "Recommendations for Success." These were:

- Save a part of all you earn. Money doesn't spoil. It keeps.
- Establish a reputation at a bank or savings and loan association. Save at an established institution and borrow there.

76 Shores, interview, August 8, 1972.
77 Birmingham World, January 7, 1959.
78 Jackson, interview, August 10, 1972.
79 Birmingham World, July 17, 1957.

- Take no chances with your money. A man who has no money to lose has no business gambling.
- 4. Never borrow anything that, if forced to it, you con't pay back.
- 5. Don't get "big-headed" with the "little fellows." That's where the money is.
- Don't have so much pride. Wear the same suit for a year or two.
- 7. Find a need and fill it. Successful businesses are founded on the needs of the people.
- 8. Stay in your own class. Never run around with people you can't compete with.
- 9. Once you get money or a reputation for having money, people will give you money.
- 10. Once you reach a certain bracket, it is very difficult not to make money.<sup>80</sup>

These rules had worked for him and they would work for others. As one individual said, "Gaston was telling them, 'Don't act like a nigger and go out and spend your whole paycheck on Saturday night."<sup>81</sup>

The inspiration theme reappeared when he began the Boys' Club. He felt that he could "give the boys some inspiration."<sup>82</sup> This was especially so since, according to Gaston, "there are very few blacks that a black boy can look up to."<sup>83</sup> Gaston

81 The source of this quote wishes to remain anonymous.
82 Gaston, interview, January 4, 1973.
83 Gaston, interview, January 4, 1973.

<sup>80</sup>A. G. Gaston, "Recommendations for Success." Leaflet given out by Citizens' Federal Savings and Loan Association, Birmingham, Alabama.

had been poor and he had made money by working through the system; maybe, they could make it, too. The theme that runs throughout his autobiography was "If I can do it, so can you."<sup>84</sup> Gaston felt that he was an example of what could be accomplished. His wife said he showed the "...possibilities of growth without any of the advantages and in a world not friendly."<sup>85</sup>

How Gaston saw himself and how other blacks saw him were two entirely different matters. The feelings of blacks toward him were mixed. There was a great deal of pride on the part of many because he had succeeded. Many expressed admiration and respect for him. Some seemed to actually revere him. Conversely, there was also an element of envy or jealousy as there always is when someone had achieved great success and wealth. Respondents to a questionnaire on Gaston seemed to feel that most blacks were generally proud of Gaston, but that this pride was not unmixed with envy. One suggested that there was "...perhaps a feeling that he has become far removed from the majority of the black community."<sup>86</sup> Frank Clayton, director of the Boys' Club, said: "Black people in this

84Gaston never actually said this, but this is the idea. In his foreward he said, "If putting my experiences into book form can help even one individual to find the way to a better life...."

<sup>85</sup>Minnie L. Gaston, interview, January 4, 1973.
<sup>86</sup>Bell, interview, August 7, 1972.

community expect him to do it all."<sup>87</sup> Minnie Gaston felt that "sometimes he is not well thought of in the black community" because of their bitterness over their plight.<sup>88</sup> They feel anyone who achieved success against the impossible odds that a segregated society placed against them must have "...sold them out."<sup>89</sup> Emory Jackson quoted Gaston as saying "the only thing the black people had against me was I was a success."<sup>90</sup>

<sup>87</sup>Clayton, interview, August 10, 1972. 88<sub>Minnie</sub> L. Gaston, interview, January 4, 1973. 89<u>Ibid</u>. 90Jackson, interview, August 10, 1972.

## CHAPTER VIII

## WAVES AND RIPPLES

In the new emphasis on black history and contributions, one fact should not be overlooked. Just as it would be impossible to study American history without cognizance of the existence of the rest of the world, so would it be impossible to study blacks without cognizance of whites. The events in the black community reverberated in the white, and vice versa. Consequently, Gaston's influence and wealth were felt in the entire community, not just in the black.

Financially speaking, Gaston contributed enormous wealth to the community. By 1972, he operated nine businesses in Birmingham that employed a total of 438 persons. The total annual payroll was \$2,219,349.23; total capital, \$18,174,966.22; total assets, \$30,661,907.21. Using the contemporary cycle theory and the present multiplier rate of three and fivetenths, Gaston's enterprises poured \$7,767,722.31 into the business community in wages alone each year.<sup>1</sup> The bank had \$11,362,178.59 in loans in force. Using the same rate in this

<sup>&</sup>lt;sup>1</sup>The contemporary cycle theory is based on the concepts of the multiplier and the accelerator. The multiplier is the numerical relationship between investment and income that results from it. The accerator is the change in consumer demand and its affect on the demand for durable equipment. Raymond T. Bye, <u>Principles of Economics</u> (New York: Appleton-Century-Crofts, Inc., 1956), pp. 275-280.

instance would add \$39,767,636.27 to the community's growth. Even in a city of  $300,910^2$  people, this amount of wealth added to the community would have a profound effect on the economic scene.

Gaston influenced the white community by his "...agonizing and disturbing presence on boards...."<sup>3</sup> No man who took part in as many civic organizations and held a position on as many decision-making boards as Gaston could fail to touch the entire community. One example showing how much power he could exert was his presence on the Jefferson County Planning and Zoning Board. This would also serve to judge his standing in the overall business community since he "...did not seek the job."<sup>4</sup> The white members on the Board decided they needed a black member and chose Gaston to fill the position.<sup>5</sup> By his civic involvement, he helped prove that blacks were capable and willing to assume the responsibilities and duties as well as the privileges of first-class citizenship.

Gaston had a tremendous impact on the white community as an example of what could be achieved by blacks. He was not only a shining example of the talent a black could possess,

Jackson, interview, August 10, 1972. <sup>4</sup>Smyer, interview, August 8, 1972. <sup>5</sup>Ibid.

<sup>&</sup>lt;sup>2</sup>United States Bureau of the Census, <u>Census of Population</u>: 1970, Volume 1, <u>Characteristics of the Population</u>, Part A, Number of the Inhabitants, Section 1 - United States, Alabama -Mississippi (Washington, D. C.: U. S. Government Printing Office, 1972), Table 20.

but his highly successful businesses staffed by blacks proved that blacks were capable and efficient workers. If given the training and the opportunity, they could fill a position as well as white workers.<sup>6</sup> The obvious success of Gaston's business rendered irrefutable proof of this fact. This must have affected the black image in the mind of white Birmingham. How much it was affected would be difficult, if not impossible, to accurately assess.

In reality, Gaston had reached a point by 1972 in which everything he did and said influenced the entire community and had reverberations in both black and white sections of the city. His work in education, the Boys' Club, bi-racial groups and religion helped everyone in Birmingham. The community as a whole profited by better trained personnel, a lowering of the juvenile crime rate, and better racial understanding. He was even preparing to move into the white market and tap resources generally reserved for white businesses. He saw that total integration of the black within white society, although far from a reality, was eventually coming. This would put pressure on and curtail the growth of a business

<sup>&</sup>lt;sup>6</sup>Gaston insisted on training. He was by no means willing to place a person who was not capable of performing a job in a position in any of his enterprises. He did not want jobs given to black workers because they were black, but because they were qualified. He believes incompetence has no color, and no place in a successful enterprise.

that catered to one race or one segment of society.<sup>7</sup> He already felt the pressure in the loss of employees to white businesses who found it necessary to hire blacks because of federal guidelines. Black businesses, to continue to grow, must become competitive with the white consumer as well as the black. His initial move in this direction was an attempt to place two white tellers in his bank.<sup>8</sup>

What whites thought of depended on the position, politics and social strata of the individual speaker. Respondents to a questionnaire felt that Gaston was generally admired and respected by the white community for his business acumen. Roper Dial felt that whites "...have confidence in his leadership."<sup>9</sup> Black educator, C. F. Campbell, said:

...he still commands the respect and confidence of a large portion of the white community, who are in positions that will make a difference so far as Black progress is concerned.<sup>10</sup>

Campbell admitted that the question was a difficult one to answer because of

... Dr. Gaston's standing in the black community,

<sup>8</sup>Gaston, interview, January 4, 1973.

<sup>9</sup>Dial, questionnaire, October 15, 1972.

10C. F. Campbell, questionnaire to author, October 2, 1972.

<sup>7</sup>It was impossible for the author to ascertain whether Gaston also felt that he had tapped as much of the black market as possible and needed a new source of consumers in order to grow larger. The black is after all only ten percent of the population, and this limits the size of a business catered to only by blacks.

whites have a tendency to be highly complimentary of him when they are speaking to blacks.11

Black insurance executive, Ivery C. Brandon, said whites considered Gaston "...an outstanding and unusual Black person."<sup>12</sup> "...for every white who praises Dr. Gaston, there is still probably another who still thinks of him as a 'Nigger'," claimed David G. Orrell.<sup>13</sup> Orrell was pessimistic about racial progress in Birmingham and felt the working class whites had not changed their basic assumptions about blacks.<sup>14</sup> Melvin Bailey "...supposed of all the blacks in the total community, Dr. Gaston is held in the highest esteem by all the whites."<sup>15</sup>

Emory Jackson, a black newspaperman, felt whites had not progressed enough to respect any black man, no matter how big, but he thought Gaston did have the confidence of whites who wished to use him to control the black community.16 Orrell said that whites in the upper brackets were more tolerant toward blacks in general and seemed to hold Gaston and other successful blacks in esteem. Socially, he noted little change even there. Of all the parties given in the exclusive white residential neighborhood called Mountainbrooke

<sup>12</sup>Ivery C. Brandon, questionnaire to author, July 31, 1972.
<sup>13</sup>Orrell, interview, August 7, 1972.
<sup>14</sup>Orrell, interview, August 7, 1972.
<sup>15</sup>Bailey, questionnaire, July 21, 1972.
<sup>16</sup>Jackson, interview, August 10, 1972.

in Birmingham, not one that he had attended had been attended by a black.<sup>17</sup> Mattie Frierson, private secretary to Gaston, was in a unique position to see the reaction of whites to Gaston and his businesses. She told the author of many tours that were arranged by groups and for visitors. These tours of his businesses were very frequent.<sup>18</sup> She said:

Now you know how whites and blacks are. He's a mystery to more white people. Most of them wonder ... how did we let him get away and do all that right here in the South.19

She seemed to feel that most were awed by his success and found it unbelievable. <sup>20</sup> Gaston himself told citizens of Demopolis during a speech at a celebration honoring him that "white folks must have been looking the other way when I left."<sup>21</sup> If they had seen him they never would have allowed him to succeed.<sup>22</sup> As Mattie Frierson said, Gaston made it by "...keeping quiet and not attracting any attention."<sup>23</sup>

It is interesting to note that whites seemed to judge Gaston simply on the basis of his business successes. Few looked deeper. It is also apparent that whites assumed

17Orrell, interview, August 7, 1972. 18Frierson, interview, August 8, 1972. 19<u>Ibid</u>. 20<u>Ibid</u>. 21Gaston, interview, January 4, 1973. 22<u>Ibid</u>. 23Frierson, interview, August 8, 1972. Gaston wielded great power in the black community. His activity in business, education, religion, civic, and youth work made his name a familiar one in the white community. His interest in politics made his power and money felt in the political parties and in the offices of the elected officials. Gaston claimed that his endorsement of a candidate carried "...considerable influence."24 Of greater importance to a political campaign than mere endorsement, however, is money and Gaston contributed generously.25 The whites felt that a man of Gaston's wealth and influence must speak for the entire black community, and it was assumed that Gaston could deliver a large number of black votes.<sup>26</sup> Gaston, consequently, became a symbol of black leadership and authority. Whites turned to him to keep the blacks in line. In the minds of whites he assumed a much larger role in shaping and influencing black opinion than he actually did. Few realized that the black community was split by factions just as the white community was and no one man could be called leader.27

<sup>24</sup>Gaston, interview, January 4, 1973.

<sup>25</sup>One example of his generosity was his presence in Lyndon Johnson's President's Club. Any member in the club had contributed at least \$1,000.00 to Johnson's campaign chest. Any contribution was naturally tax exempt.

<sup>20</sup>Perhaps Gaston could sway some of his 438 employees to wote for the candidate of his choice. It is doubtful, however, that he could carry the black community for a candidate simply because he endorsed him.

27 The myth of black solidarity and brotherhood was conclusively shattered in Griffin, John Howard, <u>Black Like Me</u> (Boston: Houghton Mifflin, 1961).

When individuals, both black and white, were questioned about Gaston, most considered his determination to susceed and native ability the major reasons he had achieved such spectacular success. Other factors were his ability to choose personnel, his self-discipline, his religious faith, his integrity, and his determination to give quality service. Gaston's minister, Reverend C. E. Thomas, capsuled him in this manner:

He is known for his rigid honesty, and he is always sensitive to needs of the community; and he gives himself unselfishly in working for the betterment of all mankind.<sup>28</sup>

Gaston claimed if there was a dispute between him and a customer, he always gave the customer the benefit of a doubt and accepted the loss.<sup>29</sup> W. Cooper Green, president of the Jefferson County Commission, felt Gaston

...is a contructive individual and not destructive. He is an optimist and not pessimist. He is industrious and not lazy .... He is one of the few individuals who transcends race.<sup>30</sup>

Albert Boutwell also thought Gaston was "...bigger than one race."31 In describing him, Judge Hobart H. Grooms said in part:

<sup>28</sup>Thomas, questionnaire, February 6, 1973.
<sup>29</sup>Gaston, interview, January 4, 1973.
<sup>30</sup>W. Cooper Green, questionnaire to author, July 28, 1972.
<sup>31</sup>Grooms, interview, August 7, 1972.

[He is] ... a law and order person.... He tries to keep his cool when things about him are popping.... [He knows] violence never furthers any cause.<sup>32</sup>

Melvin Bailey judged him to be a man who has:

... recognized his responsibilities to his own race and has successfully steered a business course that has related to both the black and white community, with an open mind that there are individual opportunities as well as community opportunities for black people if they would shed the prejudice and the long-time hurt of what to them has been considered oppression and perhaps at times recrimination. 33

G. Ross Bell claimed Gaston has "...a reverence for the power of money."<sup>34</sup> Emory Jackson felt that Gaston was of such complexity that "no one person is in a position to size him up."<sup>35</sup> Jackson felt that business was uppermost with Gaston at all times and quoted him as saying "...the only reason I advertise with the Birmingham World [Jackson's newspaper] is that I get results not friendship."<sup>36</sup> In 1956, an editorial appeared in Jackson's paper. It read in part:

He seems ... not interested in any such recognition [an achievement banquet given in honor of his founding of the bank] to be given him. He seems to prefer to stay in the background and let his work shine out through expanded business, new jobs and improved services for the community. For

32Boutwell, interview, August 8, 1972.
33Bailey, questionnaire, July 21, 1972.
34Bell, interview, August 7, 1972.
35Jackson, interview, August 10, 1972.
36Ibid.

behind all his efforts there seemed to have been a desire to help the group with which he is identified and to help enrichen the city, state and region in which he lives.37

Mattie Frierson considered Gaston a great boss because "he expects you to produce, but he gives you a free hand."<sup>38</sup> In assessing Gaston, Arthur Shores said:

If an individual crossed him, he cut them off. He has demanded, you might say, perfection. He doesn't put up with second class service of any kind.... He does not ask any more of others than he is willing to give - the best.... He is equally at home with kings and the common man.... His exhibition of humility and his concern for his fellow man characterize him to me.<sup>39</sup>

When all things were considered, there was a very favorable image projected by the respondents.

The picture of Gaston that emerged from the statements of friends, family and associates was not unique. He emerged simply as a shrewd and aggressive businessman who by dent of hard work and perseverance achieved success. To succeed, he used every means available to him - people, groups, religion, and psychology as well as his own drive and talent. All businessmen must and do use these same methods. One individual claimed Gaston was indeed an "oreo" - black on the outside, but white on the inside - because he used the same methods and

37Birmingham World, December 19, 1956. 38Frierson, interview, August 8, 1972. 39Shores, interview, August 8, 1972. had the same ideas as white businessmen.<sup>40</sup> In fact, little sets Gaston apart from others who have made a fortune against great odds. The only factors that do distinguish him from the usual rags-to-riches story were that he was black and that he created his empire within a Southern Negro community. Because he was one of so few blacks to achieve this, his importance has been magnified.

Gaston's importance does not lie in the fact that he accumulated a fortune but in his use as a symbol. To blacks and liberal whites, he became a symbol of what talented blacks could achieve. If shackled Gaston had accomplished so much, think, they said, of what he could have achieved if he had been as free as white businessmen. They bemoaned the loss of talent caused by segregation. To segregationists, Gaston was proof that blacks could and did achieve within a segregated system. If a black had talent, he would succeed. Therefore, segregation did not retard blacks who were capable. TO militant blacks, Gaston became a symbol of the "Uncle Tom" who bowed to the whites and refused to rock the profitable boat he had built for himself within the system of segregation. To everyone, Gaston became a symbol of reason, restraint and perseverance. Many commented on his coolness in periods that were emotionally charged such as the riot period in 1963. Because he refused to allow his emotions to rule him, he was

40 The source of this quote wishes to remain anonymous.

able to use himself, his people, and whites to achieve his goals.

APPENDIX

APPENDIX A

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Financial Statement of A. G. Gaston's Businesses and Affiliated Companies

BUSINESS	TOTAL CAPITAL	TOTAL ASSETS	ANNUAL	BLACK	WHITE	Total Insurance
		1	PAYROLL	EMP.	EMP.	
Booker T. Washington Insurance Company	\$ 2,161,159.18	\$11,444,247.01	\$1,657,176.56	282		over \$1,000,000
Booker T. Washington Business College	30,698.18	125,794.42	116,542.00	18	2	
Vulcan Realty Corp.	1,519,507.54	1,527,078.71	40,669.20	11		
Smith & Gaston Funeral Directors	217,017.23	523,554.60	06°026°80T	31		X
A. G. Gaston Motel	65,700.00	634,190.00	57,840.64	32		
New Grace Hill Cemetery	10,000.00	204,761.66	31,189.15	20		
A. G. Gaston Home for Senior Citizens	5,000.00	214,892.97	121,478.76	38		
Citizens' Federal Sav- ings and Loan Asso.	13,914,744.09	15,342,071.56	85,532.02	14		\$11,362,178.59
Booker T. Washington Fire Insurance Co.	251,140.00	645,316.38	(Pending)			

# APPENDIX B

# CLUBS AND ORGANIZATIONS

A. G. GASTON SERVES ON THE GOVERNING BOARDS OF:

Boys' Clubs of America Operation New Birmingham Jefferson County Mental Health Association A. G. Gaston Boys' Club National Business League Jefferson County United Appeal NAACP Legal Defense Fund Federation of Regional Accrediting Commissions of Higher Education State Safety Coordinating Commission Rehabilitation Research Foundation Jefferson County Planning and Zoning Board Red Mountain Museum Board Jefferson County Drug Abuse Coordinating Commission Birmingham Centennial Corporation (defunct) Birmingham Human Relations Council Alabama Health Study Commission Tuskegee Institute Daniel Payne College Gorgas Scholarship Foundation Eighteenth Street Branch YMCA Community Affairs Committee Downtown Action Committee Birmingham Area Chamber of Commerce Alabama Zoological Society\*

A. G. GASTON IS AFFILIATED WITH:

Board of Southern Association of Colleges and Schools (South East)\*\* National and Birmingham Urban League American Legion Knights of Pythias Masons Frontiers of America National Insurance Association

#Frierson, "Biographical Sketch," January, 1973.
#\*Newsom, Letter, February 5, 1973.

American Hotel and Motel Association National Funeral Directors Association National Association of Real Estate Boards Alabama Advisory Committee to Civil Rights Commission National (Negro) Business League Birmingham-Jefferson County Business League Birmingham (Negro) Business League\*\*\* National Association for the Advancement of Colored People\*\*\*\* Southern Accrediting Association\*\*\*\*\*

\*\*\*Preceeding organizations extracted from Birmingham World, 1946-1972.

####Jackson, interview, August 10, 1972.
#####Gaston, interview, January 4, 1973.

### APPENDIX C

### AWARDS AND HONORS RECEIVED BY A. G. GASTON

Public Interest Award from Khedive Temple Plaque Achievement Award fron National Association of Colored Women's Clubs Appreciation Award from Mountain Brook Lions Club Russwurm Award from National Newspaper Publishers Association Liberty Bell Awards from Birmingham Bar Association and Samford University Certificate of Merit from Alabama Chapter of National Multiple Sclerosis Society Citation for Outstanding Service and Meritorious Service from 4-H Clubs Native Son Award from City of Demopolis, Alabama Key to City of Montevallo, Alabama Service to youth Award from Imperial Club Debutantes Appreciation Award from Alabama Department of Public Health, Division of Mental Health Outstanding Service Award from Zeta Phi Lambda Sorority President's Club Citation from President Lyndon B. Johnson Appreciation Award from President Harry Truman Distinguished Service Award from U. S. Treasury Department Appreciation Awards (2) from the Mayor's Council on Youth Opportunity (Mayor George Seibels, Jr.) Appreciation Award from National Youth Opportunity Campaign from President Lyndon B. Johnson Certificate of Merit from Alpha Phi Alpha Fraternity Achievement Award from Zeta Phi Lamda Sorority Urban League Pioneer and Service Awards from Birmingham Urban League Carver Achievement Award from the City of Philadelphia, Pa. Certificate of Merit from the Association for the Study of Negro Life and History Appreciation Award from Miles College Alabama Eminent Leader Award from the Small Business Administration Awards for Service and Recognition from H. O. A. C. Citizenship Recognition Award from Mayor George Scibels, Jr. High Producer Award from Y.M.C.A. Awards for Service and Leadership, and Appreciation Award from employees of Booker T. Washington Insurance Company Outstanding Achievement Award from Alabama Newspaper Association Awards (4) from Y.M.C.A. for Outstanding Service Achievement, Appreciation and Century Club Award

Appreciation Award from Order of Calanthe of Detroit, Michigan Leadership and Contribution Award from Rev. W. H. Perry and

Rev. W. D. Hargrove

Gold Star Citizen Award from Ebony Crusaders, Inc. Recognition and Appreciation Award from Christian Education Department of the A.M.E. Zion Church Award and Honors for Stewardship and Outstanding Achievements from the African Methodist Episcopal Church Award for Christian Stewardship from St. Paul A.M.E. Church Award for Christian Service from Brownsville Methodist Church Certificate of Merit from the Holy Royal Arch Masons, Grand Chapter Award for Outstanding Service from Carver Y.M.C.A., Selma, Alabama Man of the Year Award from Omega Psi Phi Fraternity Distinguished Service Award from American Legion, Department of Alabama Achievement Award and Award for Recognition of Service from the Periclean Club Appreciation Award from Green County Board of Education Distinguished Service Award from Birmingham Baptist College School of Religion Certificate of Merit from United Negro College Fund Certificate of Merit from Jefferson County Progressive Democratic Council Certificate of Recognition from Fairfield Industrial High School Certificate of Appreciation from Tuskegee Institute Pioneer Success Award from Jefferson State Junior College Achievement Award from Rust College Appreciation Award for Leadership and Service from President Richard M. Nixon Award for Outstanding Achievements from New Pilgrim Baptist Church Outstanding Service Award from Hopewell A.M.E. Church Recognition for Contributions from Beta Psi Accounting Honor Society Membership Award from Omicron Delta Kappa Society Appreciation Award from Youthpower, Inc. Award of Merit from Pi Lambda Sigma Honor Society Recognition of Service Award from Alabama Sesquicentennial Celebration Appreciation Award from Small Business Association Appreciation Award from The United States Commission on Civil Rights Distinguished Leadership Award from Iota Phi Lambda Sorority Paramount Chief Award from the Republic of Liberia Past Supreme Vice Chancellor of the Knights of Pythias Charter Member of Alabama Academy of Honor Dean's Award from University of Alabama School of Law

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Outstandint Achievement Award from U. S. Chamber of Commerce\* Citation from Atlanta University on Convocation Day, October 16 1970

National Medical Association Award for work with youth

Allen University Alumni Association Appreciation Plaque\*\*

One of America's 100 Most Influential Blacks chosen by editors of Ebony, 1972\*\*\*

\*Frierson, "Biographical Sketch," January, 1973

\*\*A. G. Gaston Trophy Room, Citizens' Federal Savings and Loan Association Building, Birmingham, Alabama.

**###**"The 100 Most Influential Black Americans: Ebony editors select '72 roster of men and women whose positions affect a sizable number of blacks." Ebony, XXVII, No. 7 (May, 1972), 77-80 and following pages.

# APPENDIX D

EDUCATION AND HONORARY DEGREES RECEIVED BY A. G. GASTON

Graduate of:

Tuggle Institute, Birmingham, Alabama

Honorary Doctorates from:

Tuskegee Institute, Tuskegee, Alabama Daniel Payne College, Birmingham, Alabama Paul Quinn College, Waco, Texas Allen University, Columbia, South Carolina Monrovia College and Industrial Institute, Monrovia, Liberia Edwards Waters College, Jacksonville, Florida Birmingham Baptist College, Birmingham, Alabama\*

\*Frierson, "Biographical Sketch," January, 1973.

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- Clayton, Frank A., private interview with author in Birmingham, Alabama, August 10, 1972.
- Frierson, Mattie M., private interview with author in Birmingham, Alabama, August 8, 1972.

. Telephone interview with author, January 23, 1973.

- Gaston, A. G., private interview with author in Birmingham, Alabama, January 4, 1973.
- Gaston, Minnie L., private interview with author in Birmingham, Alabama, January 4, 1973.
- Grooms, H. Hobert, private interview with author in Birmingham, Alabama, August 7, 1972.
- Jackson, Emory O., private interview with author in Birmingham, Alabama, August 10, 1972.
- Key, W. E., private interview with author in Birmingham, Alabama, August 10, 1972.
- Nelson, William C., private interview with author in Birmingham, Alabama, August 9, 1972

- Orrell, David G., private interview with author in Birmingham, Alabama, August 7, 1972.
- Shores, Arthur, private interview with author in Birmingham, Alabama, August 8, 1972.
- Smyer, Snyder W., Sr., private interview with author in Birmingham, Alabama, August 8, 1972.

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- Kennedy, Leon, questionnaire returned to author, February 5, 1973.
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- Smith, N. H., Jr., questionnaire returned to author, August 10, 1972.
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