USATODAY.com

Insurance firms issued slave policies ; Various documents link modern companies to antebellum slavery. Reporter James Cox takes a look at the evidence and the companies' responses.: [FINAL Edition]

Cox, James. **USA TODAY** [McLean, Va] 21 Feb 2002: A.09.

Abstract (summary)

Evidence of 10 more New York Life slave policies comes from an 1847 account book kept by the company's Natchez, Miss., agent, W.A. Britton. The book, part of a collection at Louisiana State University, contains Britton's notes on slave policies he wrote for amounts ranging from $375 to $600. A 1906 history of New York Life says 339 of the company's first 1,000 policies were written on the lives of slaves.

Brown was a slave trader. A partial census of slave ships in the book The Notorious Triangle: Rhode Island and the African Slave Trade lists him as owner of several vessels that sailed to Africa and returned with human cargo. A typical entry names him as part owner of the Hope, a 208-ton ship that brought 229 slaves from Africa to Cuba in 1796. Another for the same year names him as part owner of the schooner Delight, which delivered 81 slaves to Savannah, Ga.

A slave policy: New York Life, then called Nautilus Insurance, charged a Virginia slave owner a $5.81 premium plus a $1 policy fee to insure slave [Robert Moody] for one year in 1847. The company agreed to pay Moody's owner $412 if he was killed. Today, the premium and policy fee would be the equivalent of $145. The value of the policy, in the event of a payout, is $8,814 in today's dollars.Slave labor: The Mobile and Girard Railroad, now owned by Norfolk Southern, advertised for slaves in 1856. Corporate records of the time show railroads bought or leased slaves.

Full Text

Special report; See also related articles on 1A and 8A.

Early in the 19th century, insurance companies debated whether to insure slaves as property -- like work animals and buildings -- or as human beings. Increasingly, owners renting their slaves out to mines, railroads and tobacco processors wanted to protect their investments. Insurers eventually began issuing one-year life policies at comparatively pricey premiums that reflected the dangerous nature of the slaves' work.

USA TODAY has obtained a copy of a New York Life policy taken out on a Virginia slave by his master. The original is held by the Library of Virginia in Richmond.

In 1847, the owners of Robert Moody insured his life with Nautilus Insurance, which later changed its name to New York Life. A handwritten note on the policy says he was hired out to work at the Clover Hill Pits, a coal mine near Richmond.

Evidence of 10 more New York Life slave policies comes from an 1847 account book kept by the company's Natchez, Miss., agent, W.A. Britton. The book, part of a collection at Louisiana State University, contains Britton's notes on slave policies he wrote for amounts ranging from $375 to $600. A 1906 history of New York Life says 339 of the company's first 1,000 policies were written on the lives of slaves.

New York Life says it "thoroughly reviewed" its archives to comply with a California law requiring insurers to produce any records tying them to slavery.

It says it won't comment on what it found until the California Department of Insurance makes the records public. That's expected soon.

Deadria Farmer-Paellmann, an independent New York researcher who is documenting corporate slave connections, provided USA TODAY with a copy of an 1854 Aetna policy insuring three slaves owned by Thomas Murphy of New Orleans.

The printed letterhead on the Murphy document reads "Slave Policy," and a hand notation describes it as policy No. 158, suggesting Aetna insured more than a handful of slaves.

Two years ago, Aetna expressed regret for "any involvement" it "may have" had in insuring slaves. Today, it stands by that statement and says it has been able to locate only seven policies insuring 18 slaves. "We stood up; we apologized; we tried to do the right thing," says Aetna spokesman Fred Laberge.

Farmer-Paellmann also has connected J.P. Morgan Chase to slave insurance. Two of the many banks that merged and are part of what is today the USA's second-largest bank are listed in an 1852 circular as the banks behind a London-based consortium raising money to insure slaves.

J.P. Morgan Chase says a "thorough and extensive" search of internal and external archives turned up no evidence its predecessor banks ever did business with the consortium or that the consortium ever actually issued policies on slaves.

"We don't believe there's any basis for liability on the part of the bank," says spokeswoman Charlotte Gilbert-Biro.

In August, New York-based AIG completed the purchase of American General Financial Group, a Houston-based insurer that owns U.S. Life Insurance Co. A U.S. Life policy on a Kentucky slave was reprinted in a 1935 article about slave insurance in The American Conservationist, a magazine.

AIG says it has "found documentation indicating" U.S. Life insured slaves. It says slavery was a "sad and grievous chapter in American history" but won't comment further.

In the book Black Genealogy, historians Charles Blockson and Ron Fry wrote that before U.S. independence, firms that were members of the Lloyd's of London market insured ships transporting slaves from Africa to the colonies.

"Of course" Lloyd's member brokers insured slaving vessels, says Declan Barriskill, a librarian responsible for the Lloyd's archives at the Guildhall Library of London. But the records that prove it would be held by individual companies, he says.

Lloyd's, in a statement, says: "The extent of any potential involvement by Lloyd's, and indeed any financial profit or loss, are now impossible to determine. The businesses which made up Lloyd's market over 200 years ago no longer exist and the vast majority of their records were either destroyed in a fire in 1838 or are incomplete."

Another insurer, Penn Mutual, says a search of its archives turned up two documents with information on rates for slave policies but no evidence that the company actually insured them.

"We are very sure Penn Mutual never wrote policies on the lives of slaves," spokeswoman Pat Beauchamp says.

ACE, a Bermuda-based insurance company, says it has looked through its records as a result of suggestions that one of its divisions may have insured slave ships.

ACE says it hired a law firm, along with "leading archivists and historians," to look into the matter.

It also compared its marine insurance records against lists of known slaving ships. The searches turned up an Aetna policy written on the life of a slave but nothing that would implicate ACE's INA division, the company says.

"ACE believes it did not write or carry any life insurance policy written on the life of a slave . . . (and) did not write or carry any policies on known slave vessels," it says.

***

Several media companies own newspapers that were essential to slave economy

Many of the USA's largest newspaper companies own dailies that were vital to the slave economy. Antebellum-era newspapers ran ads that promised reward money for the capture of escaped slaves, offered slaves for sale or sought slaves for purchase.

"Cash for Negroes" proclaimed an 1856 ad in The Sun, today The Baltimore Sun, owned by Tribune Co.

"Stop the Runaway" urged an 1849 ad in The Georgia Telegraph, today Knight Ridder's The Macon Telegraph.

Similar ads were carried by The Memphis Daily Appeal, forerunner of E.W. Scripps' The Commercial Appeal; in The Daily Dispatch, which became Media General's Richmond Times-Dispatch; in The Daily Picayune, today The Times-Picayune of New Orleans, owned by Advance Publications.

Gannett, publisher of USA TODAY, also owns newspapers that carried slave ads. Among them: The Montgomery Daily Advertiser, now The Montgomery (Ala.) Advertiser; and The Louisville Daily Journal, today The Courier-Journal of Louisville.

Freddie Parker, chairman of the North Carolina Central University history department, says newspapers were a key marketplace for buyers and sellers of slaves and were strong voices in support of slavery.

The Hartford Courant, a Tribune newspaper, acknowledged in 2000 that it had run such ads. It apologized for "any involvement by our predecessors at The Courant in the terrible practice of buying and selling human beings. . . . "

Knight Ridder declined to comment on slave ads in its Macon newspaper. Advance Publications referred calls to Ashton Phelps, publisher of New Orleans' Times-Picayune. He refused to comment.

In a statement, Tribune calls slave ads in the Hartford Courant and Baltimore's The Sun "regrettable." It says its flagship Chicago Tribune fought to end slavery, adding that the Hartford and Baltimore newspapers have more recently "worked diligently for civil rights and human dignity."

Media General acknowledges its Richmond newspaper ran slave ads. But "we did not own the Richmond Times-Dispatch at the time these activities occurred. It makes it very difficult to discuss decisions that were made by people who were not involved in anything related to Media General," spokeswoman Lou Anne Nabhan says.

Scripps says only that it came to own many of its current newspapers "beyond the period in question."

In a statement, Gannett says it didn't own newspapers during the slave era. It says shareholders shouldn't be responsible -- "morally or financially" -- for what was published then. "Reparations and apologies present overwhelming practical -- and logical -- problems. The better course is to focus on understanding the lasting effects of slavery and racism on our society. Gannett is justifiably proud of its record in this regard."

***

FleetBoston: Traced to slave-trading merchant

FleetBoston Financial Group traces its beginnings to Providence Bank, chartered by a group led by Rhode Island merchant John Brown in 1791. Brown's bank is described as Fleet's "earliest predecessor" in a Fleet timeline.

Brown was a slave trader. A partial census of slave ships in the book The Notorious Triangle: Rhode Island and the African Slave Trade lists him as owner of several vessels that sailed to Africa and returned with human cargo. A typical entry names him as part owner of the Hope, a 208-ton ship that brought 229 slaves from Africa to Cuba in 1796. Another for the same year names him as part owner of the schooner Delight, which delivered 81 slaves to Savannah, Ga.

It is unclear whether any of Brown's slaving enterprises had a business relationship with the bank he founded.

Fleet spokesman James Mahoney says Brown's Providence Bank was "one of hundreds" that created Fleet. The link between Fleet and Brown is "extremely remote," he says.

In the pre-Civil War cotton trade, the key financiers included Britain's Barings Bros., the Anglo-French Rothschild firm and Baltimore-based Alex. Brown & Sons. They took consignments of cotton from so-called commission merchants, insured them, shipped them to Europe and sold them.

They also gave credit to cotton brokers and other middlemen.

Holland's ING Group bought Barings in 1995 and renamed its investment banking arm ING Barings. It says the original Barings Bros. went bust in 1891 and that it acquired a successor firm with no liabilities from the defunct Barings.

Deutsche Banc bought Alex. Brown in 1999 and changed its name to Deutsche Banc Alex. Brown. It declines comment.

Rothschild archivist Victor Gray says his firm bought and sold "bills of exchange" used as payment in various industries but was not active in the cotton trade itself.

***

Brown Bros.: Loans gave planters cash to buy slaves

The outbreak of the Civil War prompted New York financier James Brown to rage against the South in a letter to his brother, William. "As terrible and disastrous as it is," James wrote in July 1861, the war "had to come." The South's "insolence" over slavery and demands for return of runaway slaves were to blame. This from a man whose firm owned hundreds of slaves, operated plantations and financed the cotton economy.

Records and letters at the New York Historical Society show James and William Brown built their merchant bank -- today's Brown Bros. Harriman -- by lending to Southern planters, brokering slave-grown cotton and acting as a clearinghouse for the South's complex financial system. The firm earned commissions arranging cotton shipments from Southern ports to mills in New England and Britain. It also loaned millions directly to planters, merchants and cotton brokers throughout the South.

Company records show Brown Bros. loaned to plantation owners who told the firm that they needed the cash to buy slaves. When those planters or their banks failed, Brown Bros. took possession of the assets. It used its local agents to run repossessed plantations and manage the slaves working there.

The fullest picture of the Browns as slaveholders comes from 1840s and 1850s Louisiana court records affirming Brown's claim to three Concordia Parish cotton plantations totaling 4,614 acres, and the plantations' 346 slaves, each named in court records.

Brown Bros. & Co. merged with two other firms in 1931 to create Brown Bros. Harriman.

Donald Murphy, a partner, says the investment bank has no pre- Civil War records and sees no need to go through its records. "As an institution, I and my partners could look you in the eye and say we abhor that slavery ever existed in this or any other country. And yet I don't feel qualified to comment on practices and actions of a different society . . . of 175 years ago," he says.

***

Lehman Bros: 1 brother owned 7 slaves in 1860

Lehman Bros.' founder Henry Lehman started as an itinerant peddler in Alabama in 1844. Shortly after he arrived in the USA from Germany, he was joined by his younger brothers, Mayer and Emanuel.

The Lehmans grew wealthy as middlemen in the cotton trade. They stored Alabama cotton, often paying planters for it in hard currency and bartered goods, then sold the bales to other brokers or banks in New York and Liverpool, England.

The U.S. Census of 1860 lists Mayer Lehman as the owner of seven slaves -- three males and four females -- ranging in age from 5 to 50. "Some of these were household slaves. Others may have been used in the firm," notes a family history, The Lehmans: From Rimpar to the New World.

In the collection of Lehman family and business memorabilia at Columbia University is a photograph of a receipt for the purchase in 1854 of a 14-year-old slave girl named Martha. The buyer is listed as H. Lehman & Brother, the name of the firm before Emanuel's arrival.

The Columbia collection also contains a private, unpublished history of the Lehman Bros. investment bank that details the brothers' purchase of a male slave for $900 and their ownership of other slaves as early as 1850.

Henry Lehman died in 1856, but his brothers worked for the Southern cause during the Civil War, according to several histories of the family. They left the South after the war to become commodity traders in New York. Lehman Bros. began dealing in cotton, oil, sugar and coffee, then took a seat on the New York Stock Exchange in 1887.

Lehman spokesman Bill Ahearn said it was "news to me" and "fascinating" that the firm's founders owned slaves in the 1850s. He promised Lehman would look into the matter, but he did not respond to several follow-up phone calls to his office.

***

Railroads: Slaves 'formed the backbone of the South's railway labor force'

North America's four major rail networks -- Norfolk Southern, CSX, Union Pacific and Canadian National -- all own lines that were built and operated with slave labor.

Historians say nearly every rail line built east of the Mississippi River and south of the Mason-Dixon line before the Civil War was constructed or run at least partly by slaves.

Ted Kornweibel, a professor of Africana studies at San Diego State University, has documented use of slaves by 94 early rail lines. By his count, 39 now belong to Norfolk Southern, based in Norfolk, Va.; 36 are owned by CSX of Jacksonville, Fla.; 12 are part of Omaha- based Union Pacific; seven belong to Canadian National, headquartered in Montreal.

Corporate records of the time show railroads bought slaves or leased them from their owners, usually for clearing, grading and laying tracks. Enslaved workers frequently appear in annual reports as line-item expenses, referred to variously as "hands," "colored hands," "Negro hires," "Negro property" and "slaves."

The president of Union Pacific's Memphis, El Paso & Pacific Railroad wrote to stockholders in 1858 that slaves were the "cheapest, and in the main most reliable, most easily governed" laborers.

Railroad records contain thousands of lease agreements with slave owners. A single volume of records for the Richmond, Fredericksburg & Potomac Railroad, now owned by CSX, covering just two months in 1850 contains 47 agreements with slave owners.

Slaves "formed the backbone of the South's railway labor force of track repairmen, station helpers, brakemen, firemen and sometimes even enginemen," wrote University of Pennsylvania historian Walter Licht in the book Working for the Railroad.

Norfolk Southern declines to confirm ownership of individual rail lines from the 19th century but says it owns "80% or more" of the 39 identified by Kornweibel. It won't comment on whether the lines were built and run with slave labor or related questions.

CSX says it can verify the names of only a handful of the 19th- century rail lines that make up its network. "As to the basic issue of reparations, we're not going to discuss that," spokeswoman Kathy Burns says.

In a statement, Canadian National said it "takes very seriously claims that slave labor" was used to build some of its early rail lines. "We are actively researching the issue. We invite any party to share with CN any relevant information or documentation."

Union Pacific says it owns nine of the 12 railroads Kornweibel identified as UP lines that owned or leased slaves. Ownership of the lines today has "no relevance" to how they were built, UP spokesman John Bromley says.

"We have no way of knowing, and we have no intention of researching that issue," Bromley says.

***

WestPoint Stevens: Textile firm linked to rough 'Negro cloth' slaves had to wear

Textile maker WestPoint Stevens can trace its roots to the pre- Civil War era through Pepperell Manufacturing, a company founded in 1851 and bought by WestPoint in 1965.

Two Pepperell histories describe the company's ties to Southern planters, who supplied Pepperell with cotton and were among the buyers of its rough milled fabric, called "Negro cloth."

Pepperell's Rock River fabric brand was "a sturdy cloth heavily bought by Southern plantation owners as clothing for their Negro slaves," says The Men and Times of Pepperell, a book published by the company in the 1940s to celebrate its history.

In the mid-19th century, many Northern mills concentrated on making cheap fabrics, fearful they couldn't compete with British mills making finer grades.

In Rhode Island alone, 84 mills made Negro cloth or other coarse clothing for slaves, historian Myron Stachiw says.

The importance of Negro cloth went beyond its utility. It was used to remind slaves of their place in society.

In 1822, a South Carolina grand jury said, in response to complaints about slaves wearing ordinary clothing: "Negroes should be permitted to dress only in coarse stuffs. . . . Every distinction should be created between whites and the Negroes, calculated to make the latter feel the superiority of the former."

Today, WestPoint Stevens is the USA's largest producer of bed and bath textiles. It is a leading supplier to many of the nation's largest retailers. It makes towels, linens and other goods for major designers and other companies. The company's Lady Pepperell brand remains one of its strongest labels.

WestPoint declined comment on its history.

Illustration

PHOTO, B/W; PHOTO, B/W, Swann Galleries; Caption: A slave policy: New York Life, then called Nautilus Insurance, charged a Virginia slave owner a $5.81 premium plus a $1 policy fee to insure slave Robert Moody for one year in 1847. The company agreed to pay Moody's owner $412 if he was killed. Today, the premium and policy fee would be the equivalent of $145. The value of the policy, in the event of a payout, is $8,814 in today's dollars.Slave labor: The Mobile and Girard Railroad, now owned by Norfolk Southern, advertised for slaves in 1856. Corporate records of the time show railroads bought or leased slaves.