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J.P. Morgan Says Two Precursor Banks Held Slaves

The Nation

The company, which ultimately assumed assets of the Louisiana lenders, has set up a college scholarship for blacks in response.

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NEW YORK — J.P. Morgan Chase & Co. on Thursday filed a disclosure statement with the city of Chicago acknowledging that two of its predecessor banks had received thousands of slaves as collateral prior to the Civil War.

J.P. Morgan, the country's second-largest bank, apologized for contributing to "a brutal and unjust institution" and said it was setting up a special scholarship fund in Louisiana to try to make amends.

Company officials said the bank, which is based in New York, undertook the study after Chicago passed an ordinance in 2003 requiring companies that do business with the city to research their history to determine any links to slavery.

J.P. Morgan's disclosure was outlined in a letter to the bank's employees that was signed by William B. Harrison Jr., the bank's chairman and chief executive, and Jamie Dimon, the president and chief operating officer.

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The bank said that historical researchers had found that two now-defunct predecessor banks -- Citizens Bank and Canal Bank, both based in Louisiana -- served as banks to plantations from the 1830s until the Civil War.

Collateral for mortgages and other loans "included land, equipment and/or enslaved individuals," the statement said.

The bank estimated that the two banks "accepted approximately 13,000 enslaved individuals as collateral and that the banks came to own approximately 1,250 enslaved individuals as a result" of defaults.

The two Louisiana banks merged in 1924 but failed in March 1933 during the Depression. In May 1933, a federally chartered bank assumed some of the failed bank's assets, and that institution -- the National Bank of Commerce in New Orleans -- was a precursor of Bank One Corp. Bank One was purchased last year by J.P. Morgan.

"We apologize to the African American community, particularly those who are descendants of slaves, and to the rest of the American public for the role that Citizens Bank and Canal Bank played," Harrison and Dimon said in their statement. "The slavery era was a tragic time in U.S. history and in our company's history."

They added: "We are committed to creating opportunities for African Americans and to building communities through economic empowerment and education, as well as workforce diversity."

J.P. Morgan said it was setting up a program called Smart Start Louisiana. The bank will provide \$5 million over five years for full-tuition undergraduate scholarships for African American students from Louisiana to attend college in the state.

Students "will have the opportunity to intern at the firm during the summer with the goal of being hired upon graduation," the statement said.

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