

Wattstax is a story in three acts.

act one is the backstory of how "wattstax" came to be.

- the watts rebellion
 - regina jones/ken jones
 - soul magazine comes in later
- the 5/4 club and the soul music independent community
- stax comes out to los angeles to do tv shows and expose artists
- the independent scene: montague local radio etc
- 1967/68 and how that affects:
 - otis dies
 - atlantic distribution lose all masters
 - mlk, jr assassinated in memphis
 - independence
 - **the kind of music/tenor tone**
 - 30 albums in a year
 - hot buttered soul
- distribution: cbs clive davis
- the harvard business study of soul
- operation push

act two is the story of the making of "wattstax"

- the wattstax festival
- schlitz
- the movie: woodstock
- shaft!/blaxploitation
- clive davis
 - deal
 - bar mitzvah

notes:

Clive Davis was fired from CBS Records on May 29, 1973.

The movie Wattstax: The Living Word was released in the United States on February 4, 1973.

Stax Records filed for bankruptcy on December 19, 1975.

act three is the end of stax and the getting back of rights.

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songs from wattstax play as narration.

the independent scene:

- the system:
 - * music business:
 - independent labels.
 - major labels.
 - * radio:
 - djs.
 - program directors.
 - listeners.
 - * promotion:
 - touring.
 - relationships with djs.
 - relationships with distributors.
 - * distribution:
 - smaller stores.
 - larger stores.
 - rack jobbers.
 - collections.
 - * record making:
 - stax home.
 - big six (+1) producing team.
 - songwriting team.
 - outside studios:
 - * ardent
 - * muscle shoals
 - * others (detroit, malaco)
 - * artists.

The Stax Revue played the 5/4 Club in Los Angeles on August 7 and 8, 1965. The shows were part of a tour of the West Coast that was intended to raise the profile of Stax Records on the West Coast. The shows were a success, and they helped to introduce Stax's music to a new audience.

The lineup for the shows included Booker T. & the MG's, Otis Redding, Rufus Thomas, Carla Thomas, The Mad Lads, The Mar-Keys, and William Bell. The shows were recorded and released as a live album in 1992.

The Watts Rebellion, also known as the Watts Riots, took place from August 11 to 16, 1965, in the Watts neighborhood of Los Angeles, California.

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Operation PUSH (People United to Save Humanity) is a civil rights and economic empowerment organization founded by Jesse Jackson in 1971. In 1972, Operation PUSH signed a "covenant" with the A. Schlitz Brewing Company, Milwaukee, Wis., to promote minority employment and business opportunities. The covenant called for Schlitz to increase the number of African Americans in its workforce, to award more contracts to minority-owned businesses, and to provide more marketing and advertising support to African-American media outlets.

As part of the covenant, Schlitz agreed to be the title sponsor of the Wattstax concert, which was held on August 20, 1972, at the Los Angeles Memorial Coliseum. The concert was a huge success, drawing over 100,000 people and raising over \$1 million for community development projects in Watts.

The Operation PUSH-Schlitz covenant was a landmark agreement that helped to pave the way for greater economic opportunity for African Americans. The covenant also helped to raise awareness of the Watts riots and the need for community development in Watts.

The Operation PUSH-Schlitz covenant was a success in many ways. Schlitz did increase the number of African Americans in its workforce and awarded more contracts to minority-owned businesses. The Wattstax concert was a huge success and raised over \$1 million for community development projects in Watts. However, the covenant was not without its critics. Some people argued that the covenant was not enough, and that Schlitz should have done more to address the underlying causes of the Watts riots. Others argued that the covenant was a form of corporate co-optation, and that it did not do enough to empower African Americans.

Despite its critics, the Operation PUSH-Schlitz covenant was a significant step forward in the fight for economic justice for African Americans. The covenant helped to raise awareness of the need for greater economic opportunity for African Americans, and it helped to pave the way for future efforts to achieve economic justice.

Schlitz beer, popular among black drinkers, had been targeted with a boycott by Jesse Jackson's Operation PUSH; in time for Wattstax, of which Jackson was one of the MCs, Schlitz signed a corporate covenant with PUSH promising that blacks would become 15 percent of its workforce, and that black businesses would receive 15 percent of the company's budget for advertising, construction, and insurance. Then Schlitz also agreed to sponsor Wattstax, allowing the revenues to go to the Watts Summer Festival and the other beneficiaries, which included the Martin Luther King Hospital in Watts, the Sickle Cell Anemia Foundation, Operation PUSH, and the Watts Labor Community and Action Committee. (A percentage of royalties from the film and albums also went to the Watts Summer Festival.) "If only one person steps through those turnstiles," Stax West's Hamilton said, "it represents one dollar of profits."

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On December 19, 1975, an enforcer who worked for Matthews barged into Stax. "He jumped up on the receptionist's desk and said, 'You've got fifteen minutes to get out of the building,'" Al, ready to defuse a situation, remembers. "I said to the federal marshal, a black guy, 'What is this all about?' He said, 'It's involuntary bankruptcy.' I said, 'How much?' He said, 'Nineteen hundred dollars.' I said, 'Well, I've got that much money in my pocket.'" But the process had begun. Al was told to lead the way to the master tapes. "My blood went to my head," Al continues, "but I started on through the building. By this time, as I'm going back to the tape vault trying to make a decision as to whether or not

I'm going to go off on these people, because it was really nasty, really nasty—I stopped and went into the bathroom near studio A and washed my face in cold water just to cool down. As I came out, the black federal marshal had positioned himself by the door so when I opened it, he said, 'Hey man, be cool. They're trying to off you.' I said, 'Oh, that kind of party.' The guys from the bank wanted to kill me that day.

"I walked them all through the place, very diplomatic, and explained every bit so they would understand that I wouldn't be intimidated. I asked them if I could get some

things out of my office and all they would let me take was a little leather attaché case and a little legal pad and my phone book. Nothing else. So we come to the back of the building, toward the guard station. On the outside they had all these black guys with guns—they had recruited them from all the security firms so they'd be all black guys out there. They had an [industrial camera crew](#) outside filming the whole darn thing. They were masterful—I have to say they were masterful in what they were doing.”

It's telling that even in this moment of Stax's demise, Al can admire the promotional aspect of his expulsion. It harks back to those grim days in Arkansas, cleaning out dog cages, and enduring the disdainful comments about how blacks “can't do nothing but sing and dance.” Life had been pelting southern blacks with lemons for hundreds of years, and Al had been making sweet lemonade for most of his life. He'd taken the insult and built a place of real opportunity, a place that rewarded talent and hard work, not white skin and cotton money. It was an oasis, and a fragile one, vulnerable to the economic and social climate surrounding it. Al's eyes were on the heights, the dreams to be made, and the vulnerabilities eluded him, an oversight that would reach into the lives of everyone who worked at Stax, whose family depended on Stax for its milk and bread.

Some would call it hubris, but that is the pat analysis of those looking backward, after the crash. That sort of glibness is like bad music. It is safe, the notes are predictable, and it ignores both the risks and the goals. Al Bell was reaching toward that which was yet to be invented. He was shifting the paradigm, breaking the covenant, pursuing the dream. He was riffing, an economic jam session, a socioeconomic symphony. Determined to reach the next eight bars, and the next and the next, he was lost on the melody and missed the notes.

Standing at the Stax back door, the sunlight jolted him from the reverie, the oversights exploding all around him. Behind him was the achievement of middle-class elevation, of maintenance men becoming recording engineers, of

automobile drivers becoming department managers, fan club members inspired to be lawyers. Before him was a frenzied spectacle of police cars, sirens, lights, cameras, weapons, women and men screaming and hollering and crying. This dreaded moment had been barreling toward these stalwart few for months, weeks, and days despite their disbelief, their faith in the forces that averted past disaster.

Al was escorted from the building at gunpoint.

“On one side of me is the federal marshal, on the other side is the guy that's over these security people that are all out here, and on both sides of them there's more

security people," Al continues. "We're walking, I see the camera crew filming and the employees across the street and there's this guy that's standing in front of me so if you're on the street you can't see him and he commands me, 'Stop! Open that attaché case and let me see what you have in there.' I thought, God dawg, this is the moment." The man was asking Al to put his hand into the bag, to take his visible hand and put it where its actions would be concealed. "I instinctively dropped the attaché case and grabbed the fence and just held up on the fence. I said to myself, If he kills me, they'll see that I'll be on this fence, because I knew he wanted me to open up that attaché case so he could say I was reaching for a gun."

Al Bell, six and a half feet of black pride and impeccable taste, searched and seized, led on a perp walk, positioned on the wrong end of many guns, clutched the fence for protection. That fence at once offered safety, but also represented a very ugly resolution to his quest for black autonomy. He'd dealt in the seamy side of business, just as his white peers in New York and Los Angeles had. If his hands weren't clean, they were no dirtier than any other executive's in the record business. But to many people, and certainly in Memphis, a black man with money induced almost as much fear as a black man with a gun. African-Americans, for centuries, had their belongings and achievements wrested from their possession—without recourse of law, with no sense of justice. Black people could not get too high up without being taken down. Okay, Memphis grudgingly acknowledged, sanitation workers were people. Okay, white society finally conceded, blacks could have new textbooks instead of outdated white-school hand-me-downs. But our kids sit with your kids in school together? Slow down, slow down. A multimillion-dollar corporation representing Memphis run by an African-American? No way. The bank had Al where it wanted him, in the glare of fear and misplaced guilt that is inevitably part of a confrontation with the law, when even the innocent are tainted by the accusatory muzzle of a gun pointed their way—a humiliation to bookend this side of his life.

Al saw a burly employee across the way and called for help. As he came toward his boss, it was a drama within the greater drama, a stillness at the core of the mayhem, a rescue making its way through the crowd and the chaos. Al, clutching the chain-link fence, arms akimbo, needed help, and help was coming. "He came all the way around and came right on through these guards," says Al, "and he got me and carried me back out around." The stillness—not a calm, but a tense, floating quietude—continued as the two moved toward the gate in the fence, all eyes looking: "As I walked out of that gate onto College Street," Al says, "I heard myself say, 'Whew.' I felt relief. It was off of me. I still had the other things to deal with, lawsuits and many other things, but all of those pressures associated with keeping Stax open were off of me."

The building was determined to be clear of personnel. The back door was shut. A padlock would be put on the security fence. Stax—the exuberant spirit, the wanton waste, the divine mission, the tumultuous life force, the deep soul, the music, the music!—had ended.

“*Soul magazine was a struggling publication*,” Shaw said. “We financed it on many occasions . . . We helped *Essence*. I would fly to any fledgling magazine that we thought would give us some value.” Stax was building a community, a large-scale, national community that would operate alongside, but not be contingent upon, the established white corporate world.

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“I desired, like Dr. King, to have peace among us as ethnic groups.

But I thought we needed to be in pursuit of economic empowerment and building an economic base for us as a people.

I believed that our natural resource was music and that we could use it like the Irish used whiskey and the South Africans used diamonds and if we built that economic base then we could elect representatives in the local, state and national government to put forth laws that would assure that we had equal rights and we would not be perceived as a liability but as an asset because of the contribution that we would be making to capitalism in this country.”

-Al Bell.

from the Harvard Business School report on black music:

- “Black music is a powerful force in American culture. It has the potential to reach a wide audience, but it is often marginalized and ignored by the mainstream music industry.”

- "The music industry needs to do more to invest in black artists and producers. This includes providing them with the resources they need to create and market their music."
- "The music industry also needs to do more to promote black music on radio and television. This will help to expose black music to a wider audience."
- "The music industry needs to do more to distribute black music in mainstream stores. This will make it easier for people to find and purchase black music."
- "The music industry needs to do more to create opportunities for black artists to perform in mainstream venues. This will help to raise the profile of black artists and their music."

The report was a groundbreaking study that helped to change the way the music industry thought about black music. While some may say that the report's recommendations helped to open up new opportunities for black artists and helped to make black music more accessible to a wider audience, the reality is that the major labels now had a blueprint to siphon off the needs of independent labels.

How black music business was in the early 1960s.

Regional. Relationships with labels- independents and bigger labels.

How a regional hit was taken over through national distribution.

It is a business of singles- not albums.

Al comes to Stax.

Al comes to Stax in later September 1965 or early October 1965 to work radio promotion. Atlantic Records and Jerry Wexler agree to pay \$100/week- half of Al's salary- with an incentive agreement for Al to get some ownership...

Even though Stax is the hippest thing around, Stax is in debt. Al changes this.

Stax had distribution agreement with Atlantic Records (Atlantic made a distribution deal with Stax. After costs for promotion and marketing, Stax made 12%. Atlantic made 88%. Atlantic put no money into Stax). Atlantic "loaned" Sam and Dave to Stax. In 1965 Pickett cuts three hits at Stax including "In the Midnight Hour," "634-5789 (Soulsville U.S.A.)" and "Don't Fight It."

The Thermometer.

Stax had made 100 records over five years, is a force in the marketplace, has had many hits, and yet is \$90k in debt. Al drew a thermometer which he placed in the entrance way of the building which charted a goal of selling 3.5 million units in the next year. The top of the thermometer metaphorically exploded into heaven. The company achieved this goal within 9 months. Stax is still very much a mom and pop organization as is evidenced by the fact that Al initially shares a single desk and phone with company owner Jim Stewart. With his background as a disc jockey, he was tailor-made for the job, having already developed a number of relationships over the years as well as understanding the language and psychology of black disc jockeys in the 1960s.

The Memphis River Culture of promotion.

"My attitude," recounts Al, "was to take the middle and force New York and Los Angeles [to play our records]. I felt that I had to do that 'cause I wasn't based in a major metropolitan area." Al felt that Chicago and Memphis were connected by what he termed "Mississippi River Culture." "The people from Mississippi and New Orleans traveled along the waterways from the Gulf up the Mississippi River. That caused us to work the product that was born in Memphis, Tennessee, that was indigenous to the mid-South area, in Chicago, St. Louis, and Kansas City and even Detroit, Michigan. For most of the people in Detroit were people that had left Mississippi, Alabama, or Georgia and had gone to Detroit for jobs in the automotive industry. So, what you really had in those particular cities was Southerners. Chicago may as well have been in the suburbs of Mississippi. By and large, the majority of the African-American population in Chicago was from Mississippi or you could trace their roots back to Mississippi." Once a record began to take hold in Chicago or Detroit, Al could then piggy back on that success and work the product on both the East and West Coasts.

1967/68

Stax and Atlantic.

In January, 1968, a month after Otis' death, Stax is informed that Atlantic is being folded in with Warner Brothers and Elektra Records and being sold to Kinney. Atlantic offers

to buy Stax at a price that Jim Stewart felt was insulting. Stewart then tried to renegotiate the distribution deal with the new owners but at a higher royalty rate.

Dr. King in Memphis.

There was a changing shape of the Civil Rights movement in Dr. King's final two years of life. Dr. King realized capitalism was a root cause that kept African Americans in second class citizenship (it was also the cause of slavery to begin with).

The Memphis sanitation workers strike in February, 1968. Two sanitation workers were crushed to death in a garbage compactor where they were taking shelter from the rain. This, together with many racial and working-class injustices, prompted Martin Luther King Jr. to join a citywide march on March 18 to honor these men, supporting the Memphis sanitation strike, and address the human rights violations that led to their deaths. The march ended with police action, but another was scheduled.

April 4, 1968 Dr. Martin Luther King is assassinated in Memphis, the evening before the second march. The night that Dr. King is killed, Al is in the studio at Stax recording a song by Shirley Walton entitled "Send Peace and Harmony Home."

The assassination of Dr. King had a profound affect on everyone at Stax as well as the city of Memphis and the country. Isaac Hayes said, "It affected me for a whole year. I could not create properly. I was so bitter and so angry. I thought what can I do? Well, I can't do a thing about it so let me become successful and powerful enough where I can have a voice to make a difference. So I went back to work and started writing again."

Stax leaves Atlantic.

Jim Stewart severs the distribution deal effective the first week of May 1968.

When Stax severed their distribution agreement with Atlantic a month after Dr. King was assassinated, Jim Stewart found out that the contract he signed back in May 1965 was a master purchase as opposed to a master lease agreement. That meant that Atlantic retained the rights in perpetuity to distribute any Stax recording that they had distributed up to that date. That effectively meant that Stax lost its entire back catalogue.

Combined with the death of Otis Redding the previous December and Atlantic recalling Sam & Dave who had been on load to Stax, the company found itself effectively gutted and starting from scratch.

"We woke up one day, and Otis was gone, Sam and Dave was gone, and we did not have a catalog. We had nothing," said Al. "It was being written that Stax is dead, Stax is over. The industry was saying we were dead. But I didn't accept that."

The SCLC convention in Memphis, August, 1968.

In August the annual SCLC convention take place in Memphis. Rev. Ralph Abernathy is selected to take over from the deceased Dr. King as the leader of the SCLC. Abernathy delivers the "I Am Somebody" litany that started as a poem written in the early 1940s by Reverend [William Holmes Borders](#), Sr., senior pastor at the Greater Wheat Street Baptist Church and civil rights activist in Atlanta, Georgia. It would later be used as a calling card by Rev. Jesse Jackson including at the Wattstax concert in Los Angeles in August 1972.

Finger Snap: Stax Rebuilds on a Brown Paper Bag Business Plan.

As the sun arose in Memphis on May 6, 1968, Stax had been effectively gutted. For all intents and purposes it was a new record company poised to issue its first few records.

The rebirth of Stax, as it were -- began with a business plan Bell wrote out on a brown paper bag. He soon managed to strike a deal with corporate entertainment giant Gulf & Western, and began planning an audacious relaunch campaign.

"We got enough cash to announce we're gonna release 28 albums (simultaneously)," said Bell. "We had to step out strong."

Bell had everyone working overtime to meet the rollout, hiring multiple studios in Memphis, Muscle Shoals and Detroit to complete the projects, which were unveiled during a sales meeting in Memphis in 1969. "That was to say to these wholesalers, 'Dead? We're not dead. We are the most powerful thing out here,'" said Bell.

The legacy of black pride, black power, black culture and black economic empowerment was something Al felt a responsibility for.

Stax's next wave of music would reflect this responsibility.

The Staples Singers.

The Staple Singers were signed to Stax by Al whom they had known since the mid-'50s, when he used to play their records on his gospel radio show out of Little Rock; Al also occasionally booked the band for a week at a time in the surrounding area.

"Ever since I've been in the record business," muses Al, "one of my hidden desires was to record the Staple Singers. I was just so in love with their singing style. I used to play their music on the air a lot as a jock when I was in Little Rock. The minute I got to Stax and got an opportunity to reach out for them I did. I always believed that the Staple Singers could be one of the biggest acts in the world."

"The songwriters at Stax knew we were doing protest songs," recounts Mavis. "We had made a transition back there in the '60s with Dr. King. We visited Dr. King's church in Montgomery before the movement actually got started. When we heard Dr. King preach, we went back to the motel and had a meeting. Pops said, 'Now if he can preach this, we can sing it. That could be our way of helping towards this movement.' We put a beat behind the song. We were mainly focusing on the young adults to hear what we were doing. You know if they hear a beat, that would make them listen to the words. So we started singing protest songs. All those guys were writing what we actually wanted them to write. Pops would tell them to just read the headlines and whatever they saw in the morning paper that needed to be heard or known about, [they would] write us a song from that."

Another early Cropper-produced Staples Singers' recording was a Randy Stewart song called "When Will We Be Paid." The song addresses the issue of reparations and later became a Prince concert favorite in 1999 and 2000.

Stax Fax.

Stax Fax was a fan magazine designed to promote the company. Each issue contained record release information, general artist news, a profile of the artist of the month, and an executive message,

Stax Fax also contained articles on topics such as black identity and struggle, college students cheating, the National association of Television and Radio Announcers (NATRA), sex education, racism, smoking, the lack of exposure for R&B artists on television, Reverend C. L. Franklin, black reporters leaving black newspapers for white media jobs, abortion counselors, Operation Breadbasket, and so on.

The first issue came out in early fall 1968; the eleventh and final issue was mailed out just over a year later. During that period, the magazine grew from four to forty pages

with a glossy cover. Originally designed as a tool to develop a national fan club for Stax, Stax and Stax Fax grew at such a rate that a national fan club quickly became a non-viable proposition.

Stax Fax even regularly printed articles on other label's artists. It was clearly a unique publication.

Al Becomes an Owner and Gettin' It All Together.

In early 1969, Jim and Al buy Estelle Axton out and Al assumes a 50% ownership of Stax Records.

In the meantime, Al and everyone else at Stax were in an absolute frenzy attempting to ready 27 albums for simultaneous release in May. This audacious move was orchestrated by Al with the singular purpose of creating an instantaneous catalogue to replace what had been lost in the termination of the Atlantic distribution deal.

To put the size of this release in perspective, the company had issued only 43 albums in total from inception through the dissolution of the agreement with Atlantic.

Hot Buttered Soul.

No single album had a greater impact on the direction of black music in the first half of the 1970s.

With Al, Marvell Thomas and Isaac Hayes producing the record at Ardent Studios instead of Stax, only four songs were cut, an 18-minute version of Glen Campbell's 1967 hit "By the Time I Get to Phoenix," a 12-minute version of Burt Bacharach and Hal David's "Walk On By," a nine minute track Al called "Hyperbolicsyllabicesquedalymistic," and a relatively short five-minute take on Memphis songwriters Charlie Chalmers and Sandy Rhodes's "One Woman." The length of the songs, the arrangements, the long rap that preceded "Phoenix," and Hayes's vocal style were all radically different from what was going on in mainstream R&B at the time.

Larry Shaw.

Jan 1970 Larry Shaw comes to the company bringing a psychographic approach that mixed sales and black empowerment. Shaw, in sync with Al's philosophy of community, black consciousness and profit changes the company's finger snapping logo from a white to a brown hand.

In February 1970, Stax moved their office staff from the McLemore studio location to a 6900 square foot facility on North Avalon in mid-town Memphis.

The Isaac Hayes Era.

Isaac Hayes had become the symbol of Stax, and the symbol for black America. Al had believed in Isaac- who had transformed the genre of black music from the three minute single into the double album.

Important to this, **Stax became a label of albums as well as singles**. Album sales meant much more money than singles, and Al's bet of 27 albums had led to incredible success.

Isaac also became the first black person to win an Academy Award Hayes on April 10, 1972 for the "Best Song" category. It was a victory for all of black America.

I Am Somebody: Jesse Jackson.

Al was turning Stax into not only product, but messages. Al grasped the importance of the media, and understood how to manipulate it to suit his needs, which was uplifting (social) messages and strong economic incentive.

In 1971 Al establishes the RESPECT label as a vehicle to release politically oriented material. The first release is an album called The Country Preacher Jesse Jackson: I Am Somebody.

The partnership between Al, Jesse and Stax is the furthering of the mission of the civil rights and black power movements of the preceding decade. Jesse and Al were like minds and the furthering black economic empowerment was at the heart of the partnership that Al and Jesse's leadership of a new generation.

Al helped make Jesse a transformational national figure. Jesse was young, energetic and a great speaker. His association with Stax was not unlike a recording artist, and Jesse's star ascended and was solidified with his association with Stax. Jesse was throughout the 1970s introduced as "the country preacher"- a name give ny Al.

In 1966, Dr. King appointed Jesse to serve as the first director of Operation Breadbasket in Chicago. Operation Breadbasket sought to combine theology and social justice, and to effect progressive economic, educational, and social policy in America.

In 1969, Jesse starts Black Expo,

In December 1971, Jesse resigned from Operation Breadbasket after clashing with Ralph Abernathy and founded Operation PUSH- People United to Save Humanity (later changed from "Save" to "Serve"). PUSH, was an organization dedicated to improving the economic conditions of black communities across the United States.

In the 1970's, PUSH expanded into areas of social and political development using direct action campaigns, a weekly radio broadcast, and awards that honored prominent blacks in the U.S. and abroad. Through Operation PUSH, Jesse established a platform from which to protect black homeowners, workers and businesses.

Union Planters.

Nov. 1971--Al and Jim Stewart were in the process of borrowing \$2.5 million from Union Planters National Bank for the purpose of buying out the 45 percent of Stax stock still owned by Deutsche Grammophon through their American paper company, Music Ventures. The actual cost of buying DG out was \$4.8 million. Al and Stewart paid the remaining \$2.3 million in cash. The Union Planters loan was executed November 10, 1971. **Stax was so hot at the time that Al and Stewart paid the complete debt off by June 27, 1972**, several months ahead of schedule. It was Stax's ability to pay off such a large loan so quickly that made both Stax and the expansion-oriented Union Planters Bank so eager to negotiate future large-scale loans. Both corporations would end up regretting this decision.

I'll Take you There.

In 1971, Bell made his way back to North Little Rock to bury his brother, who was shot to death. "I was here for four or five days doing nothing but looking for his murder," Al said.

After the funeral, Al sat on an old school bus that was in his father's backyard and started to reflect. "I started crying. All I could do was cry," Bell said. "And then I heard, 'bum bum bum bum,' in my head." In February, 1972, Al writes and produces the Staple Singers' "I'll Take You There."

The lyrics and message of the song are hopeful, energetic, enthusiastic, and contagious. This is the song from a leader. This is a song that could not have been written without the information of Dr. King or the currency of Jesse Jackson or the immediacy of Al's brother's passing.

I know a place

Ain't nobody crying

Ain't nobody worried

Ain't no smiling faces, lying to the races.

I'll take you there.

The message of Al Bell was a #1 pop and R&B hit.

Reparations... electoral politics... black economic independence... these were now not only issues that were in the consciousness... they were now on the radio gently reminding the world of a responsibility to the greater good of mankind.

For Al, he has ascended to a unique place in the record making pantheon- worthy of the greatest of the greats- and unique as a black man who . He is a writer, producer, record man... and a leader.

--- FILM

Al Bell saw that between the growing black independent film scene and the success of "Woodstock," there was an opportunity to define Stax in film.

Black independent films were a furthering of black independence.

Shaft was of course the first giant hit- and Stax's Isaac Hayes success had changed the game.

Sweet Sweetback's Baadass Song had come out in April, 1971, and Stax's soundtrack album featured the then unknown Earth, Wind & Fire (high school class mates with Booker T.) The Stax soundtrack was released before the movie; it performed well, reaching No. 13 on the Billboard Top R&B Albums chart.

Initially, the film was screened in only two theaters in the United States. It went on to gross \$15.2 million at the box office (\$100 million adjusted for today).

Huey P. Newton celebrated and welcomed the film's revolutionary implications, and Sweetback became required viewing for members of the Black Panther Party. According to Variety, it demonstrated to Hollywood that films which portrayed "militant" blacks could be highly profitable, leading to the creation of the blaxploitation genre.

"A Study of the Soul Music Environment Prepared for Columbia Records Group"

CBS and President Clive Davis were interested in Stax. Proving the concept to Davis' corporate bosses was the first step.

In late 1971 Logan Westbrook, a six-year industry veteran most recently employed at Mercury Records as National R&B Promotion Manager, was appointed as Director of Special Markets (a CBS euphemism for R&B). Westbrook's mandate, as he articulated it in his 1981 book *The Anatomy of a Record Company: How to Survive the Record Business*, was to "create a black marketing staff to penetrate the black market."

Leaving no angle unexplored, CBS executive Larry Isaacson commissioned his alma mater, the Harvard Business School, to conduct a study and make recommendations as to whether CBS should, and how they might best, become a dominant force in soul music. Submitted to CBS on May 11, 1972, and formally titled "A Study of the Soul Music Environment Prepared for Columbia Records Group," this report has since become known simply as *The Harvard Report*.

The report, in hindsight, is a corporate manifesto on breaking the backs of independents. The report said that Stax and CBS were "soul foes" for the lucrative black music marketplace.

The report included, "Especially dangerous to CBS is the expansion of such companies as Motown, Atlantic and Stax into the pop field because a dominant position in soul has provided these companies with the financial and management resources, and the consumer visibility to broaden their product line and move into other and related markets."

Unbeknownst to Al, CBS was putting through a corporate mandate that would limit the growth potential of Stax at the same time they were going to distribute Stax.

WattStax.

The remembrance of the Watts Riots and the 5/4 club, led Al to create Wattstax. On August 20, 1972 the Wattstax Summer Festival was staged at the Los Angeles Coliseum.

Tickets were \$1 so as to be affordable to the community. The show featured virtually every artist on the Stax label and was also designed to help Stax gain a greater presence on the West Coast, to create the first major product for Stax films and to benefit the Watts community still reeling from the impact of the Watts rebellion from 1965.

Motown had moved the company to Los Angeles at this time and was diversifying into film also, albeit in a much more traditional way by working through the existing studio system.

All together, Wattstax was a perfect example of Al combing community good, marketing acumen and expansion of Stax as a company.

PUSH.

In the last week of September, 1972, Isaac Hayes, the Staple Singers, Luther Ingram, and Johnnie Taylor gave concert performances (donating their usual fees) at Jesse Jackson's annual PUSH EXPO at Chicago's International Amphitheater, around the year's theme, "Save the Children." Black Expo's goal was to dramatize black business, culture and consumer power. The five-day exposition consists of exhibits set up by 500 black and white businesses, daily workshops on education, politics and economics, and nightly entertainment.

At PUSH EXPO '72, the Stax booth continuously showed excerpts of Wattstax.

The 1972 Black Expo was to have been the fourth annual event sponsored by the Southern Christian Leadership Conference. Instead, it is the first annual black business and cultural trade exposition under the auspices of Operation PUSH, and Stax and Al's personal and financial support of the expo.

PUSH was designed to execute boycotts and picketing to obtain what it called covenance with companies for increased hiring and promotion of blacks, addition of blacks to business boards, deposits of funds in black banks and purchases of supplies from black suppliers.

The New York Times reported, "Mr. Jackson said the group had succeeded in negotiating more than \$100-million in benefits for blacks with some major American companies. He listed several other corporations and industries that he said would become the objects of drives by PUSH in the next year."

"The immediate goal is acceptance by the major corporations of the quota system as a principle," Mr. Jackson said. "Instead of a quota zero, which was the quota by which we were excluded from job opportunities," he said, "we are insisting that as a matter of principle, that a very minimum hiring policy should be determined in relation to the size of the black population—the importance of our consumer purchasing power to a particular industry."

The Times continued: In an interview, Mr. Jackson, who is constantly introduced at meetings as "the country preacher," said that as part of the economic thrust of PUSH the organization was trying to establish a data bank on one million black consumers detailing their buying habits. Such a system, he said, could also be used to assist in black boycotts of a company's products.

Hundreds of thousands visited the Expo at the International Amphitheater on the city's South Side.

CBS.

Al's vision: CBS provided a vehicle to allow Stax to reach white record buyers in department stores such as Macy's and thereby start selling a greater number of albums as opposed to singles. Al also saw this deal as facilitating the company expanding further into the areas of rock, country and pop.

Black music had been, up until Hot Butter Soul, a business dependent on singles, which were not nearly as profitable as full-length albums.

Davis was also cognizant of the blaxploitation phenomena and the subsequent success of black soundtrack albums such as Shaft. Davis saw Stax as a means for CBS to fully break into the African-American market and successfully compete with Motown. Al had originally proposed that CBS buy 50% of the company, but Davis discussed it with CBS's corporate attorneys, who saw anti-trust problems, so a national distribution deal was worked out instead.

gh album That Nigger's Crazy.

1973.

On February 9, 1973, Stax had been informed that it was under investigation by the US Attorney's Office and the IRS in Memphis in regards to Johnny Baylor's association with the company.

Clive's son's bar mitzvah.

Davis was fired by the company shortly after signing the Stax distribution deal because of reports that he used funds from CBS for personal expenditures, including an expensive bar mitzvah of his son.

In addition to this untidy mess, CBS was in a near panic over rumors that a Federal Grand Jury probe, operating under the moniker "Project Sound," suspected that the

giant corporation might have been involved in payola with a number of black radio stations.

If this proved to be true, CBS's valuable television and radio licenses could be in jeopardy. Leaving no stone unturned, while cleaning out Wynshaw's office, CBS uncovered papers that led them to conclude that Clive Davis had also engaged in unscrupulous activities.

On May 29th, CBS shocked the music industry by terminating Davis. Wasting no time, Davis was immediately and unceremoniously escorted by company security first to his office to pick up his personal effects and then out of the building.

Without Clive Davis, CBS kills Stax.

The deal with CBS was highly unusual by industry standards at the time and was only truly understood by Al and Clive Davis. Davis's successors were not happy with the deal and felt that CBS was paying Stax way too much for their product. They wanted to re-negotiate the contract. Al was adamantly opposed to this.

CBS developed national campaigns for their releases and if a record did not show strong potential after an initial period of time, the company ceased working the record.

In contrast, independent labels in the black record business such as Stax responded in a targeted fashion to regional radio play on its releases, responding often over months to activity in different parts of the country. Independent labels in the black record business also served Mom and Pop record stores in the inner city directly, selling singles in small quantities to each shop on a repeated basis.

Payola Investigation.

In August 1973 Stax found itself the subject of another investigation. Summer 1973 IRS officer visits Al as part of the IRS investigation into Stax that was triggered by Johnny Baylor being discovered with \$180,000 at Birmingham airport November 1972. The IRS agent uses racist comments by FBI investigator re: "how does a nigra make so much money"

1974

January 1974 Stax began to realize CBS wasn't getting their product into stores

Feb 1974 Jim Stewart pledges his personal property to secure UP loan—Stax executives take a 50% pay cut

April 1974 CBS begins withholding 40% of all monies due Stax, naturally leading to severe cash flow problems. This, in turn, led to Stax borrowing large sums from Union Planters National Bank using their publishing companies, East Memphis Music and as collateral

Summer 1974—CBS tries to get Al to let them take Stax's top artists and Al could have an exec job at CBS—would be the company's house Negro. Gerald Truman, Chairman of the Board of Portman, was scheduled to be in Memphis on July 8-9. "It is very possible," wrote Malone, "that Portman will advance funds for Stax to pay their CBS debts in full." Malone's memo also mentioned Stax's "newest star" Lena Zavaroni, claiming that her record sales were steadily increasing. On July 17th Malone sent a memo to two other UP executives, Crawford Irvine and Tim Cook, which concluded that although all loans to Stax, East Memphis, and Lynn were "off program . . . we do not believe there will be any loss on these loans and feel they should be classified as standard."

Despite similar statements from John Burton, Al had been skeptical until now. "That one hit home," continues the charismatic record company owner. "It was the first time it had been brought to me where I could see it from an international perspective. I had been offered this money [by CBS] to make this deal and to really just front Stax off and take a little override and become a corporate VP [of CBS]. I would have had the job that LeBaron Taylor has today (Senior Vice-President of Corporate Affairs). When I refused this deal is when they really started raising hell. That's when they started squeezing my vital organs.

"They wanted [Stax]. They would have paid the artists, paid the producer and given me an override. I'd have become a corporate VP, fly all over the place and speak on behalf of CBS and tell folk how great CBS was. They wanted me whenever they got ready to negotiate with these artists, as these terms and conditions were whispered to me, to come in on those negotiating sessions and explain to these artists that CBS would be good to them and they shouldn't be in there asking CBS for all of these ridiculous amounts of money and things. I should help them negotiate on behalf of CBS and let [the artist] know they should be grateful and all that kind of good stuff. That was gonna be my role. I'd be the house nigger. I would have the full support of their television network and everything else to support me in my continued evolution as a leader.

"I would have been the biggest nigger in America. That's what Gerald Truman was telling me. He saw me not reading what was going on . . . He banged that away

as he stood on my desk beating the drum--'Hey big chief, hold them down, keep them down.'"

July 1974 CBS ceases remitting any funds to Stax

Although UP was attempting to help Stax with its problems with CBS, Al was growing increasingly wary of its president, Bill Matthews. His suspicions were born out one summer's evening when Matthews asked Al to meet him after hours at the bank's headquarters. "We were sitting there," recounts Al. "He says, 'Listen, I have to get some cash flow into this bank.' Something had been done where some kind of music foundation thing had been set up there [the Beale Street Development Foundation], and the bank was going to be the repository for the funds. He wanted me to put together a blues album and bring it to him. I got excited. I said, 'Oh yeah and we can do this and that, a television special [and so on].' I went on with this whole Beale Street thing. He said, 'Nah, nah, nah, just get some master tapes, put them together and bring that down to me.' He was going to give me 'x' amount of dollars and he wanted me to put '1x' in the bank and take '1x' and get it back to him. I said, 'What are you talking about man? I can't do any mess like that. That's illegal!' He said, 'Nigger, I didn't ask you to do it, I told you to do it!' I just wasn't going to be what he wanted me to be. He wanted me to be his boy. I think somewhere in there he actually said that."

A short while later Al and Matthews met for breakfast at Shoney's Restaurant. "He says," continues Al, "'I want to let you know that the things that I want you to do, I want you to do because I want you to be my man. But, you just know I don't have no problem busting a black company.'" From Al's vantage point, this was a direct threat, the import of which was not lost on him.

Sept 1974 have to let Isaac Hayes go as cannot pay him what is owed under his contract.

Sept 1974—Al licenses the soundtrack album for Ipi'm Tombia (a South African stage production). This was part of Al's pan-African vision. Al was several years ahead of the game in terms of world music.

Woman to Woman.

Released outside of CBS, Stax has a #1. In the midst of all these financial and legal problems, there was one bright moment for the label. In May, Jim Stewart signed Shirley Brown, a singer with a set of vocal chords that could challenge Aretha Franklin. It was Stewart's first active signing of an artist to the company in several years, part of

Jim's general renewed level of activity occasioned by his decision in February to personally guarantee to UP Stax's debts.

Born in West Memphis, Shirley Brown moved to St. Louis at the age of nine. As a young adult, she sang with most of the bigger names on the St. Louis R&B scene including Oliver Sain, Little Milton, and Albert King. Through Sain, Brown released a record on A-Bet, a subsidiary of Nashville's Nashboro label. After that flopped, King brought her to Stax. Jim Stewart was so impressed by her version of Lorraine Ellison's "Stay With Me" that he not only signed her to a contract but decided to produce her himself. It was the first time he had been in the studio in a couple of years.

"I went back into the studio," smiles Stewart wanly, "hopefully to start some sort of a revival of the company as a small-scale kind of situation. It worked pretty good but, of course, the bank had other things in mind and was not going to allow us to regroup and do that. So, they [eventually] shut us down."

The first song Brown recorded at Stax was a James Banks-Henderson Thigpen-Eddie Marion composition that had already been rejected by Inez Foxx.

Arthur Taylor.

"Arthur Taylor said to me, 'We won't argue with you about the merits of your anti-trust suit Al. We just have more time than you and more money than you.' That's the head of a major corporation making that statement! They were very careful with how they dealt with this situation. A lot of this stuff was oral. It was over dinner, walking down a street."

The story...

October 8, 1974 CBS files a restraining order against Stax selling its product on the new Truth label through independent distributors. It was no apparent that CBS was attempting a hostile takeover of Stax. Stax countered on October 25th with a \$67 million antitrust suit that, in effect, charged CBS with attempting a hostile takeover. Stax's counter-complaint and a supporting affidavit from Al stated that CBS had violated the distribution agreement on a number of occasions in a number of ways. In late winter or early spring in a meeting with Irwin Segelstein, Goddard Lieberman, Ron Alexenburg, and Bruce Lundvall, CBS had insisted that Stax "reduce the number of recording artists and record producers then under contract to Stax to those recording artists and record producers who had achieved so-called 'national acclaim' and release, transfer, and assign certain recording artists ('cotton patch artists') and record

producers to the new 'Truth' label." Al's affidavit further contended that, in late July or early August 1974, he met with Ron Alexenburg and Walter Dean (executive vice-president of the CBS Records Division) in Los Angeles. At that meeting Alexenburg "insisted that Stax reduce its full-service record company to a 'label' or production company."

Nov 1974 Union Planters' finances are out of control—US Comptroller of Currency issues a "Cease and Desist" order to UP. . Frightened that CBS's claims against Stax would ultimately lead to the New York behemoth seizing the label's assets, leaving UP holding the bag regarding their own considerable stake in Stax, UP president Bill Matthews decided that immediate action was necessary. On a number of occasions he suggested to Al that UP take over Stax's antitrust suit. Much to Matthews's chagrin, Al was having none of it. So, in the first week of November, Union Planters further tightened the noose around Stax's neck. Due to Stax's inability to meet the payment requirements on their East Memphis loans, the bank acquired the right to vote the 100 shares of East Memphis stock that they held as collateral on those loans. Pursuant to that right, Union Planters elected Shellebarger as chairman of the board of the publishing company. In plain English, they took over East Memphis, subject to a repurchase agreement whereby Stax could regain control of it if they paid off their complete debts to the bank. As it was now transparently obvious that Union Planters was the enemy, in December UP ceased to be the main depository for Stax's money, and Ed Pollack opened up a number of accounts at the Commercial and Industrial Bank branch located next door to Stax's Union Avenue offices.

Al began to believe that it had been Matthews and Roger Shellebarger's goal all along to take over Stax; acquiring East Memphis was simply their first step in a much more sweeping plan.

UP files suit against both Stax and CBS

End of 1974 Stax was cut off from all of their regular pressing plants as they were unable to pay off their accounts since CBS had not been paying them. To circumvent this very serious hurdle, a month after "I Got a Reason to Smile (Cause I Got You)," they borrowed \$210,000 to buy a funky old pressing plant located in Northeast Arkansas that had once been owned by country singer Wayne Raney. One small pressing plant filled with outdated equipment could hardly fulfill the needs of a company like Stax. Unfortunately, they had no alternative. Very few copies of any given Stax release were being pressed at this point in time.

1975

Jan 1975 Stax was unable to meet its payroll. Started paying its employees every other week.

Feb 28, 1975 Stax settled its differences with CBS, under extreme duress, out of court. CBS agreed to relinquish its rights to distribute Stax product if Stax repaid its debt to CBS by August 31, 1976. The exact total of the debt was undisclosed, but it exceeded the original \$6 million loan CBS had made to Stax in 1972. CBS agreed to cut the loan in half if it was paid by the agreed upon deadline. Stax, in turn, agreed to let CBS keep \$4.26 million worth of record inventory that was currently stored in CBS' warehouses. Finally, if Stax failed to pay the debt by the agreed upon date, CBS could once again decide to exercise the right to distribute Stax product, although they were not obligated to do so.

March 1975--Leaving no stone unturned, they came very close in March to connecting with a very unlikely sugardaddy, Jordan's King Faisal.

Working through intermediaries, Al and Burton had initiated dialogue with representatives of the king, and a tentative agreement had been reached whereby Faisal would make available to Stax an astronomical amount of money. King Faisal's motivation was his interest in supporting African-American economic empowerment in the most general sense. In the third week of March, John Burton boarded a plane heading to Beirut.

"All it required at that time," sighs Al, "was just an eyeball meeting and the deal would have been done. I remember talking to him from Beirut while we could hear gunfire on the outside."

Burton never met the king, because--in an incredible twist of fate, as far as Stax was concerned--Faisal was assassinated by his nephew [check] on March 25th! Back in Memphis at 2693 Union Avenue Extended, the disappointment was so thick that it could be cut with a knife.

By April 1975 the company had lost Isaac, the Emotions, the Dramatics, the Staple Singers and Richard Pryor

In August 1975 Stax lost Johnnie Taylor.

John Burton was drafting a plan to raise \$25 million through the private placement of Senior notes with a 15-year maturity. Unfortunately, nothing came of this plan.

July 1975 Al's father, Albert Isbell, contributes \$50,000 of his own money to try to keep the company going

Same time effort to get a Chicago investment group to put in \$10 million, talk of Stax moving to Gary, Indiana

Late August company's phones disconnected for a few days

Same month Al indicted on 14 counts of fraud

Al Bell Defense Fund chaired by E. Rodney Jones—claims Al is being “legally lynched”—being administered by the Guaranty Bank and Trust Company in Chicago

Jim Stewart tried yet one more route to raise the money that Stax so desperately needed to weather the storm. Stewart wrote a letter to one Allan Weston in Memphis. The letter proposed that Mr. Weston arrange a \$50 million loan for Stax. The repayment scheme was rather complex. Stewart suggested that the loan would be repaid via a pledging of U.S. Treasury Bonds that would mature each year between 1994 and 2005. Stewart wrote, “Upon notification that \$50,000,000.00 in U.S. dollars has been deposited in Manufacturers Hanover Trust, NYC, c/o a stated trust number, we will arrange for Manufacturers Trust to act as an escrow agent and coordinate the simultaneous transfer of the \$50,000,000.00 for Stax’s use, and in pledging \$41,000,000.00 in U.S. Treasury Bonds to any account designated by the depositor of the funds. Bonds will remain in Stax’s name for income tax purposes.” According to Stewart’s letter, the bonds would have a value of over \$92.5 million in ten years. Unfortunately, Weston did not, or could not, arrange such a loan.

Late September late September Stax closed the studio down for a couple of weeks, and Al, Stewart, and John Burton travelled to Switzerland where they spent a month attempting to raise funds. “We were there with Dr. Mustapha Samy, a personal secretary to Anwar Sadat,” recalls Al. “He was trying to pull together some of his international connections to raise moneys for us at that time. We came really, really close on a couple of occasions but nothing ever materialized. I got a great education in international dealings with Dr. Samy.”

Oct 1975 Al Jackson murdered in his home.

Late Nov UP starts foreclosure proceedings on East Memphis Music

Dec 19, 1975 Stax padlocked

Jan 12 1976 declared bankrupt

August 2, 1976 Al Bell found innocent in his fraud case

At the conclusion of the trial, Al's attorney, James F. Neal, told the vindicated executive, "Al, I just want to be your friend for the rest of my life. I have prosecuted and defended a lot of people in my life but I've never prosecuted or defended anybody that I didn't see some criminal tendencies in them and I fine none in you. I just want to be your friend for the rest of my life."