



400 Years a Slave

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From the Peculiar Institution to Subprime Debt, Black Serfdom and White Terror Remain the Signature Traits of American Kleptocracy

Behind every great fortune, there is a crime.

Honore de Balzac

Set in a small, Georgia town during the Eisenhower administration, Pete Dexter's 1988 novel, *Paris Trout*, pivots on the fatal shooting of a 14-year old black girl by the eponymous white merchant trying to collect a debt. Newly hired by the state to clean "crazy people's shit" off the walls of a local asylum for \$30 each week, Henry Ray Boxer buys an \$800 lemon from Trout, who tacks on another \$227 for insurance. After agreeing to pay weekly installments of \$17.50, the young African American drives off beaming like a lottery winner, only to be promptly rear-ended.

When he is reminded that he just purchased "insurest," he returns the car, demanding that his creditor either repair it, or cancel his debt.

"It ain't that kinda insurance" Trout bellows. "You ask your people about what happens they don't pay Paris Trout."

Convinced that no white jury would ever convict him, Trout visits the shack Boxer shares with his mother and the girl, Rosie Sayers, and extracts his pound of flesh.

Winner of the 1988 National Book Award, *Paris Trout* is an absorbing work of literature, yet it doubles as a parable for the European settlers' 400 year effort to accumulate wealth

through the violent dispossession of African-descended people. Just as an agrarian state terrorized slaves as a means of coercion, so too does a modern financial economy rely on profligate bloodshed to extort from African Americans the debt payments which are the rebar of the post-industrial state. No matter if the nation's principal commodity is cotton, cars or credit, the irreducible constants in American life are the serfdom, and murder black poor and working class.

Consider that when Abraham Lincoln signed the Emancipation Proclamation on January 1st, 1863, blacks owned one-half of one percent of all assets in the U.S; 156 years later, our share has doubled to all of one-percent. Moreover, household wealth for the median black family in the U.S. is roughly \$3,600, or about 2 percent of the \$147,000 median net worth for an average white family, [according to a study of Federal Reserve data compiled by the Institute for Policy Studies](#). Nearly a third of all African-American families have zero or negative wealth, while the typical Black family in Boston has a net worth of \$8.

“If hard work is all it takes to get ahead in America,” a young Stokely Carmichael once said, “Black folks would own this country, lock, stock and barrel.

And yet, for all practical purposes, we own nothing more than did our enslaved ancestors. How is that even possible?

The only plausible explanation for such persistent and near-absolute poverty is a murderous, racialized kleptocracy which reduces African Americans to 42 million automated teller machines from which whites are entitled— nay *encouraged*— to extract as much wealth as is humanly possible. Blacks who don't pony up— or worse, challenge the Ponzi scheme which assigns us the permanent role of laborers, debtors and deadbeats— are blackmailed with preemptive strikes like that which killed the fictional Rosie Sayers or the all-too-real Trayvon Martin or Eric Garner or Philando Castille or Stephon Clark or any number of videotaped lynchings that are seemingly as ubiquitous as Starbucks in a gentrifying city. Compare, for example, Paris Trout's belligerence and barbarity to that of the Phoenix police officers who [threatened to shoot an African American couple](#) after their four-year old daughter walked out of a store with a doll that had not been paid for.

Get your fucking hands up,” one officer shouts at the couple.

“I can't put my fucking hands up,” the black woman responds at gunpoint while the other officer manhandles her husband. “I have a fucking baby in my arms. I can't. I'm pregnant.”

“I don't fucking care,” the officer shouts, “put your hands up.”

The other officer can be heard later barking at the handcuffed husband “When I tell you to do something you fucking do it.”

“I'm sorry, I'm sorry,” the man says, clearly fearful for his life and that of his family.

The exchange shines a light on the white tribes of the Americas and their investment in a criminal enterprise, or racket, in which blacks are the primary vehicle for extraction, and the

desecration of the black body acts as a kind of promissory note, or guarantee to the lender that all debts will be repaid in full, or in blood.

“You ask your people about what happens they don’t pay Paris Trout.”

The problem is that every pyramid scheme has a shelf life and the political economy of the world’s lone superpower is not immune to the laws of the material world. If you owe the bank \$50 grand, the oil magnate J. Paul Getty once said, then you got a problem. But if you owe the bank \$50 million, the bank has the problem. Well, Americans are [\\$13 trillion in the hole](#), which is almost entirely the result of policies designed to undo the New Deal and hollow out the unionized manufacturing sector that empowered black workers and negotiated a fairer wage for employees. Since the national poverty rate reached its nadir in 1973– the same year, coincidentally, that black representation in labor unions peaked– monopoly capital has shifted its emphasis from industrial production to gambits in finance, insurance and real estate, effectively transforming workers into borrowers.

No tribe in America is as highly leveraged, however, as the descendants of chattel slaves. Nearly half of all African Americans have bad credit, according to a [2016 study](#) compared to roughly a quarter of whites. So yawning is the gap in credit scores that whites earning \$25,000 annually are likely to have better credit than blacks earning between \$65,000 and \$75,000.

Nine of every ten black college students enrolled in four-year public universities rely on federally-subsidized student loans compared to six-in-ten white students, and [African American who earned their bachelor’s degree from a four-year public university in 2012 owed an average of \\$3,500 more in school loans than white graduates that year](#). The default rates widen, rather than narrow, over time, as blacks who tend to bring home less pay than whites struggle to keep up with their payments. Regulators have fined lenders such as Toyota, Fifth Third Bank and Ally for [overcharging black and Latinos for car loans and African Americans, on average, pay between \\$300 and \\$500 more for an auto loan than do white borrowers](#). One-in-three [blacks between the ages of 18 and 64 have past due medical bills compared to one-in-four whites](#) in the same cohort. African Americans are [twice as likely to be in arrears on bills including water or utility bills and more likely to have their service disconnected or even lose their home](#) as a result of a lien. And payday lenders [absolutely feast on black women](#).

But to fully understand the larceny that undergirds the twin scourges of racism and monopoly capitalism, you need only interrogate the proliferation of high-interest home loans, or [subprime mortgages](#), which triggered the collapse of the global real estate market in 2008. An analysis by [the Economic Policy Institute](#) of data compiled at the zenith of the real estate boom found that 53 percent of all black borrowers were issued subprime loans, compared to 47 percent of Latinos and a quarter of white borrowers. In New York City, African-American home buyers in 2006 were four times more likely than whites to be saddled with a subprime mortgage, wrote Columbia University sociologist Saskia Sassen in the book *White Collar Criminals and the Financial Meltdown*, citing data compiled by New York University’s Furman Center for Real Estate and Urban Policy.

Meanwhile, [another study](#) found that between 2004 and 2008, only 6.2 percent of white borrowers with a credit score of 660 or higher received a subprime loan while the rate for

black borrowers with similar credit scores was 21.4 percent. In fact, the lending disparities actually widened when households with *higher* incomes were compared, meaning that an African-American family earning more than \$200,000 a year was more likely to be given a subprime loan than a white family making less than \$30,000 annually, leaving [New York University Sociology Professor Jacob Faber](#) to conclude that borrowers of color were targeted not because they were credit risks, but because they *weren't*.

The difference is this stark: In the nation's most [prosperous majority-black community](#), the Washington, D.C., suburb of Prince George's County, Maryland, [one in every 624 homes is in foreclosure](#), while across the Potomac River in [Fairfax County, Virginia](#), where [two of every three residents is white](#), the ratio is one in every 5,189 homes.

Good-faith actors can certainly debate the scale of government redress, but historically, policymakers internationally have responded to debt crises of the magnitude of the 2008 contraction by forcing big [creditors to accept a reduction](#), or "haircut" on their [loan](#) portfolios, freeing up consumers' cash and restoring the buying power that is the fuel source for any capitalist economy. Secondly, government regulators indict, prosecute and ultimately jail lenders for fraud and other white-collar crimes in an attempt to discourage repeated wrongdoing or "moral hazard" in the future. During the [savings and loan crisis](#), for example, the Department of Justice, under the Republican administrations of Ronald Reagan and George H.W. Bush, jailed hundreds of them, including Charles Keating, whose [Lincoln Savings and Loan scandal](#) cost taxpayers \$3.4 billion.

The failure of Lehman Brothers in 2008 cost taxpayers nearly [10 times that amount](#), and yet the Obama administration [did not prosecute](#) a single Wall Street executive for malfeasance. Indeed, the nation's first black president instead applied moral hazard to borrowers rather than their creditors, bailing out everyone except the very people who were swindled out of their homes and life-savings, purchasing toxic paper from unscrupulous lenders for [100 cents on the dollar](#), repaying the investors who purchased the liar's loans and other fraudulent financial instruments, and showering the big banks and corporations with trillions in cheap money in a bid to effectively re-inflate the speculative bubble and send the stock market soaring. Government largesse even extended to foreign banks with especially large stakes in the subprime mortgage game.

Get it? Everyone got a bailout but your black ass, while the nation's central bank essentially printed money in an effort to encourage Wall Street con men to play you for a sucka yet again.

What you got, on the other hand, was a feckless black president and an offer you can't refuse, codified in the 33 states that have conveniently passed Stand-your-Ground laws since the height of the subprime market in 2006. Why that year? Economists were warning of a housing bubble as far back as early 2002 and by 2006, it had become abundantly clear that the real estate market was propped up by fraudulent loans—targeting "mud people" as some bankers referred to us— that far outstripped borrowers' ability to repay. What if millions of African Americans had begun to get ideas like the one espoused by the defiant Henry Ray Boxer?

Well, if you're the white settler, you don't even consider giving the money back or anything resembling justice. Instead you pass a state law allowing you to shoot African Americans practically on sight, if he is found sufficiently menacing, which he may very well be if he has just lost everything he owned to the same people who raped, murdered and tortured his ancestors. Hence, this apparent surge of violence against African Americans since the onset of the Great Recession— which is equal parts debt collection and equal parts shock and awe— is intended to reassure whites that their capital, and privileged position in society, are safe, and to warn blacks considering a revolt that they are decidedly *not*.

In their excellent book, *American Exceptionalism and American Innocence*, the authors Roberto Sirvent and Danny Haiphong, noted this tendency in no less an authority on white settler psychopathy than Thomas Jefferson who wrote:

“Blacks being unable to forget the terrible wrongs done to them would nurse murderous wishes . . . while whites would live in a state of anticipatory fear that urged preemptive violence.”

Many intellectuals of the African diaspora have remarked upon the European settlers' homicidal reflexes, including most recently, the best-selling author, and University of California-Irvine Professor of African American studies, Frank Wilderson, whose theory of Afro Pessimism asserts that Marxism and feminism are inadequate in addressing the fundamental nature of black subjugation which is neither exploitation or alienation but murder. While neither Paris Trout nor the Phoenix officers who threatened a black family at gunpoint is likely to be familiar with the tenets of Afro pessimism, most white Americans recognize, at least subconsciously, that they occupy a privileged position in the world relative to people of color, generally, and blacks specifically. Whites are therefore largely indifferent when confronted with videotaped evidence of police brutality: they have skin in the game, and the awful truth is that each black corpse reassures whites that a political economy which is rigged in their favor remains, gruesomely intact.

Furthermore, the relationship between white settler colonialism and financial engineering dates back at least to 1804 when a slave rebellion liberated Haiti from France, which demanded that the newly independent nation reimburse the government and slave owners for the loss of their land and capital, which was, in fact, the slaves themselves. Financed by French banks and the predecessor to Citibank, that debt, which would be valued at \$21 billion today, was only repaid in 1947.

The end of the Cold War, however triggered a period of financial annexation around the world, creating what Columbia University Sociology Professor Saskia Sassen refers to as “extraction zones” in the global urban sphere. One example is South Africa's booming payday loan industry.

Legally prohibited from owning property under the apartheid government, South Africa's black majority surfaced from white settler rule in 1994 with an appetite for all the material comforts they'd been denied for 46 years, but no collateral. Into the breach stepped the payday loan storefronts which proliferated in cities like Johannesburg, Durban and Capetown, plunging the country's indigenous population into historic levels of debt by

charging monthly interest rates of as much as 40 percent. Similar to African Americans, South Africa's blacks are no better off materially than they were during apartheid.

The poisoning of the water supply in the majority black city of Flint, Michigan, is another example. Under state law, emergency managers appointed by the governor can unilaterally rewrite all city contracts save one: the financial terms between the city and Wall Street bondholders who purchased municipal bonds often invest surplus cash that accrues from neoliberal policies like regressive tax cuts. Since 2013, as [much as 56 percent of Michigan's black population has been disenfranchised by the emergency manager law](#), and similar to the subprime fraud, no Michigan officials have been held criminally liable for the decision that led to the contamination of Flint's drinking water.

The normative suffering of African Americans should be the starting point for any public conversation about reparations. Is it possible to repair a wound that is constantly being ripped open? Should we continue to do business with people who mean us harm? Or should we heed, finally, Maya Angelou's admonition to believe those who have told us who they are, time and time again?

"You ask your people about what happens they don't pay Paris Trout."

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Adrea Tejada • 2nd

Humanitarian | Global Goodwill Ambassador | United Nations Peacekeeper | Brand Manager | Contributing Writer

Great article. It totally describes my experience. It's really disgusting the system we live under - the only way to change is revolutionary actions starting in the mindset of our own people - we cant demand something from the "i don't see color" people to give us anything - they can't even see us... we have to create our change within our own homes and communities -creating our own jobs with our specific talents, employing people of color and supporting each other. I am soon to joir ...see more

1mo ...

Like Reply | 2 Likes



Todd Beamon • 2nd

Editor in Chief at Magnusson Institute

Hi, Jon: This photo is from a lynching in Duluth, Minnesota, in 1920. I wrote about this in a package I did for The Duluth News-Tribune, my first job out of college, for what I called "The Black History Project" that ran in the February 1982 Sunday edition of the newspaper. The picture's made the cover of many books and reports on the issue. Glad to see that all's well, Jon. Be well. Thanks, Beamon.

6mo ...

Like Reply | 1 Like · 1 Reply



Adrea Tejada • 2nd

Humanitarian | Global Goodwill Ambassador | United Nations Peacekeeper | Brand Manager | Contributing Writer

My grandmother's great grandfather was lynched in Georgia. Every time I see these type of photos I unconsciously picture his face as the person. I feel instant pain for the person in the photo, their family and my own family's loss [#generationaltrauma](#)

1mo ...

Messaging



Andrew Penny

This was a terrible stain on these Ununited states!

1mo ...

Like Reply | 1 Like · 1 Reply



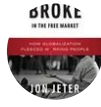
Adrea Tejada • 2nd

Humanitarian | Global Goodwill Ambassador | United Nations Peacekeeper | Brand Manager | Contributing Writer

This and the mass genocide of over 100 million native peoples at its founding

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