

Who Sank Detroit - the “Hip Hop Mayor” or Wall Street?

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“The Times might as well have run a riff on the old Dixie headline: ‘Black Buck Runs Amuk: Major City Destroyed by Negro Rule.’”

Kwame Kilpatrick, Detroit’s former “Hip Hop Mayor,” emerged from behind bars last week, just long enough to be re-embedded in the public mind as the burly, 6’4” personification of all that is wrong with “urban” – i.e. Black – America. The judge sentenced him to [28 years \[11\]](#) on two dozen counts of racketeering, extortion, bribery and fraud that may have cost the city some tens of millions of dollars during his eight years in office. Yet, the mega-swindle of his career, the \$1.4 billion derivatives deal that that could cost Detroit twice that much over the next two decades and represents one-fifth of the city’s total obligations to creditors, appears nowhere in the indictment or sentencing.

In the twisted world of finance-dominated, late-stage capitalism, the 2005 ultra-complex interest rates swap-plus-loans monstrosity that Kilpatrick arranged with Wall Street banks was perfectly legal – as is the convoluted derivatives scheme that Emergency Financial Manager Kevyn Orr plans to submit to a bankruptcy court on behalf of Detroit’s unwilling residents, next week – a formula for the banks to swallow Detroit’s assets whole.

Kilpatrick’s greatest crime against the people of Detroit was committed in league with – or rather, under the detailed and exquisite direction of – Wall Street, and was, therefore, not deemed to be a crime, at all. But the resulting insolvency of a major city requires a Black villain – a Wanted Poster Child, if you will. Kilpatrick fits the bill, the self-made stereotype of Black political venality, perfectly crafted for white supremacist consumption.

“The insolvency of a major city requires a Black villain.”

On the day of his sentencing, the *New York Times* ran an article that skillfully blurred the relatively more minor crimes for which Kilpatrick was convicted, with the fiscally fatal 2005 derivatives deal, for which he and his Wall Street co-conspirators remain legally blameless. The *Times* might as well have run a riff on the old Dixie headline: “Black Buck Runs Amuk: Major City Destroyed by Negro Rule.” The story gives the impression that Kilpatrick was finally facing the music for his interest rate swap sins in “a corruption scandal so vast that prosecutors say it helped accelerate Detroit’s march toward bankruptcy.” Nothing could be further from the truth. The ex-mayor won’t serve a day for his financial instruments chicanery (for which he was feted on Wall Street and given an award – see the picture at top). Eight years later, Kilpatrick’s derivatives pact with the devils of Wall Street is slated to morph into Kevyn Orr’s derivatives deal and payout to the same parties – leaving a foreign bank in line for possession of everything of value in the city.

In the United States, racism has always been the bankers' best friend. Mass white supremacism is what put Euro-Americans to "flight" from perfectly good housing in places like Detroit, two generations ago, creating vast "economic development" possibilities in the farmlands surrounding the urban core. The advent of (white) suburbia changed the relationship of housing to the overall economy in the United States, with the banks as the primary beneficiaries.

White racism also allowed Wall Street to impose a subprime mortgage regime on virtually every Black neighborhood in the United States, across the whole spectrum of African American income earners. Years before the housing bubble finally burst, Detroit, by far the Blackest big city in the country, had been irreversibly stripped of its tax base. The Black Buck didn't run amok - white men in lower Manhattan and the City of London did.

However, the Black Misleadership Class are perfect foils for the Lords of Capital. Deeply in thrall of power and money, they become helplessly drunk in the presence of banksters. Jefferson County, Alabama, commission president Larry Langford, the former mayor of Birmingham, sank the county in a cesspool of derivatives deals, finally resulting in bankruptcy in 2011. Langford was sentenced to 15 years in prison, not for his scheming with the likes JP Morgan, but for other scams involving criminals of only middling wealth.

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Langford and Kilpatrick were no more capable of fashioning the fiscal time bombs that blew up their jurisdictions than were Miami's Liberty City Seven capable of bringing down the Sears Tower. Derivatives are creatures of Wall Street, designed by the bankers that market them for sale to other bankers or to whatever non-banking fools that can be lured into the instruments' deadly coils, where the victims marinate. The Lords of Capital are preparing for a feast, such as the nation has never seen. But the feeding frenzy cannot begin in earnest until the supporting political narrative is firmly in place. This being America, the justification is ready-made: The irresponsible, profligate, corruption-prone Blacks, with their ghetto pathologies, are the problem. Austerity is the answer - especially in those localities where African Americans are too tightly concentrated - under the firm fiscal management of Wall Street.

A specially selected Negro corporate lawyer, Kevyn Orr - who craves the good life as much as Kwame Kilpatrick and lives in a \$5,100 a month penthouse; a gift, he claims, of a rich admirer - will next Wednesday submit to a bankruptcy judge a proposal to restructure Detroit's debt. The \$350 million scheme, financed by Britain's giant Barclay's bank, would pay off the Wall Street banks that ensnared (a very willing) Kilpatrick and other Detroit leaders in a web of derivatives and loans. With the original corporate conspirators now made whole, the Brits would then "move to the head of the line," as people's lawyer Tom Stephens explains, as Detroit's super-priority creditor - meaning, Barclays gets paid first when the city's assets are liquidated or otherwise dispensed.

This is the real crime against the people, and only the people can stop it.

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