Note on post revolutionary Haiti, received wisdom and false accounting
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'By the 1780s, nearly 40 percent of all the sugar imported by Britain and France and 60 percent of the world's coffee came from the small colony. For a brief time, Saint-Domingue annually produced more exportable wealth than all of continental North America. (1)

The once-booming sugar-based economy was now seriously crippled and the newly-freed Haitians were faced with the difficult task of rebuilding the country they had won. (2)

In a broadcast of his show The 700 Club, Robertson attributed Haiti s earthquake to a "pact to the devil" supposedly made by the slaves during the Haitian Revolution, saying that as a result, "you know, the Haitians revolted and got themselves free. But ever since, they have been cursed by one thing after the other." (3)

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It is a widespread received wisdom (as above) that Haiti produced wealth. This suggestion is quite extra-ordinary and is largely a myth to conceal the truth and to set the stage for a blame game against the people of Haiti.

Some facts are undeniable and one of them is that France extracted a spectacular surplus from this small colony. But there is in the received version a deliberate elision between surplus and wealth.

WHAT IS WEALTH?

In formal accounting a profit is arrived at AFTER all factors have been adequately paid. Where factors have not been paid what is produced is a surplus NOT a profit. In this term blackmailers, robbers, swindlers and crime in general creates a surplus not a profit. This is a surplus matched by a loss on someone else's account. In economic terms this is a 'transfer' not wealth creation.

When the King of Belgium became enormously wealthy by enforcing the most cruel conditions upon the inhabitants of The Congo, wealth creation in any formal term was not in point. When Ford created wealth he was able to pay his workers extremely well AND become wealthy himself.

The Quaker tradition is well known:
"The Cadburys of Birmingham, Rowntrees of York, and Frys of Bristol, are perhaps the best-known of all Quaker businesses. Pioneering industrial practice which combined philanthropy and charitable trusts, the chocolatiers broadened the reach of their businesses to provide accommodation for their workers, politically campaign for improved labour laws, and established businesses which united profit and ethical practice. These businesses are no longer Quaker-owned but the legacies of these Quaker families continue.'

Here we have wealth creation that does not require the immiseration of the labour force.

This raises the first major question: if Haiti was genuinely producing wealth why would the plantation owners not pay their workers well and house them well like the Quakers or Ford and still have plenty left for themselves? This would have eliminated the risk of slave revolts.

If however they were only extracting by violence a surplus from the blood sweat and tears of the Africans there would not be a possibility of sharing the wealth.

If person A runs a successful business he should be able to bid higher for factors of production. Successful banks and software companies are famous for the generosity of their pay scales. Neither Goldman Sachs nor Microsoft in its heyday were known for low pay rather than for their mouth watering bonuses/share option plans. In economic theory a wealth creating entity attracts resources because it can bid high for them. If Haiti was producing wealth the country should have had a white immigration problem on the scale of the gold rush to California.

If Haiti was not producing wealth but an economic transfer how do we account for this, as the ledger books must balance! Actually it is quite simple. On one side is a fabulous surplus transferred to France, on the other side is an equally fabulous deficit made up of the death, blood and suffering of the Africans in Haiti.

There are two important implications: if Haiti was not wealth creating then once the option to inflict huge losses on the African population was eliminated by the revolution the country would enter into its true economic state of poverty. The elision of surplus and profit allows Western commentators to suggest that once the slaves took hold of this great wealth creating engine they spoilt it and turned Haiti into a poor country. Similar arguments are being made about South Africa, but similar issues arise there. If South African mines were genuinely so profitable why could they not pay their workers fabulously by local standard given they were selling into international markets, and more to the point why should their profits decline so much once they had to pay their workers more reasonably and abide by more standards such as proper health and safety? Mining in UK used to be a well paid industry.

A second issue is that this academic narrative is not an accident but is as deliberate a falsification of true accounting as Rothschild's Bank destruction of the records of their involvement in the slave trade (4), of history as Yale's concealment of its slave donation origins (5), or of business history as Harvard/Chandler concealment of the slave plantation origin of management accounting (6). This narrative is so calculated and dominant that even Caribbean scholars have bought into it and seek to explain the poverty of post revolutionary Haiti in these terms:

'The problem was further compounded by the expulsion of whites from Haiti who possessed expertise in terms of the management of the economy. ...

Immediately after the post-war epoch, Haiti was plagued with economic catastrophe. The revolution had destroyed the very foundation of Haiti's wealth: the agricultural production of coffee, spices, indigo and ultimately, sugar. Colonies that had undergone emancipation subsequently experienced the loss of their main export product, which was commonly sugar cane. Their position was that, economic loss came as a result of the decreased demand for the product. In Haiti's case, sugar was still extremely profitable but had come to ruins after the war.' (7)

The above is simply untrue.

Economics of slavery:

This analysis also affects our reading of works in the field of the economics of slavery. Most of the studies conflate surplus and profit . Eugene Genovese seeks to avoid the consequences of this without quite hitting the nail on the head. As he was aware 'own consumption' did not enter the formal economic analysis but in any modern study of business what are called 'benefits in kind' would not be so cavalierly excluded. For example, in a formally capitalist economy access to a woman's body is achieved through a price mechanism, in a surplus generating plantation this access is achieved through violence and is not remunerated. As 'own consumption' is not priced the services provided to the Big House become invisible.

A key theoretical error created by the model of profit analysis is that the cost cannot go below zero. The slaves were not paid a salary. But once we realise this is about extracting a surplus the slaves were not only not paid they suffered an enormous deficit which is deliberately concealed by the false discourse of profit making. This elision then allows the discussion to go into Alice in Wonderland territory that the slave must have been well treated because that would increase profits. This absurdity becomes plainly apparent when we allow the pay to become negative. If the wages of slaves cannot be negative then there can not be any positive return on brutality - a result that simply beggars belief. Once we factor in negative pay then the incentive of someone seeking to increase a surplus will be to increase the negative pay factor by extreme brutality and cruelty such as practiced by King Leopold of Belgium in the Congo.

Much of Western academia's narrative on Africa and its diaspora constitutes a barely concealed war on Africa and Black people. Haiti is simply an easily demonstrated example.

Notes

1. 'http://www.nationsonline.org/oneworld/History/Haiti-history.htm

2. http://study.com/academy/lesson/effects-impact-of-the-haitian-revolution.html

3. Marlene Daut: Source: American Quarterly, Vol. 63, No. 2 (June 2011), pp. 375-389
Published by: The Johns Hopkins University Press Stable URL:
http://www.jstor.org/stable/41237552

4. Marika Sherwood 'After Abolition'.

5. http://digitalhistories.yctl.org/2014/11/01/elihu-yale-was-a-slave-trader/

6. http://hbswk.hbs.edu/item/the-messy-link-between-slave-owners-and-modern-management

7. 'Did slavery make economic sense'
http://www.economist.com/blogs/freeexchange/2013/09/economic-history-2

8. http://www.trinidadandtobagonews.com/forum/webbbs_config.pl?md=read;id=1638.

9. The economics of Slavery – Christopher Harress
http://www.ibtimes.com/economics-slavery-centuries-old-debate-surfaces-again-economist-1412802

10. Eugene Genovese: 'The Slave economies in Political Perspective'
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