

The Consequences of Debtors' Prisons

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Good evening.

As time goes on, we see a change in our policies. Institutions which once dominated may no longer exist. We see this especially in regards to institutions dealing with debt.

The institution of debtor's prison once was prominent and dominant, but now it is defunct, obsolete, archaic, and vanished [Common Knowledge]. Very interesting.

I seek to answer why do people get poor in the first place? What were some of the uses and functions of debtor's prison? Also, how we handle debt today.

The couple main ways people become poor:

1. One main way is through the way people handle money. Some people lack financial skills. Sometimes they don't have financial know-how. They don't understand how to manage their money. They may want to, but they just can't. They may not be aware of proper saving and spending habits. They may not realize what budgeting is. Financial planners often say you need to plan if you are going to be secure. Thus, if you don't, you are in trouble. You may even get to the point where they take you away to the debtor's prison. [Financial experts say what this paragraph said]
2. Other people may know how to handle their money. They may have the knowledge and skills. They just don't have the willpower. Impulses may guide them away. They may realize it's prudent to save, but urges overwhelm them. Urges cause them to spend on frivolous or the unnecessary when they should be saving instead. Thus, these people can get themselves in traps because it has been said by some, spending and buying is an addiction like other addictions. [Financial experts say what this paragraph said]

Gambling surely is a way to lose money very quickly. One man named Jeff Ebel says gambling is a tax on people with poor math skills. This quote refers to the fact that gambling is a foolish endeavor, because it causes you

to lose money real quickly. One of my professors said “he doesn't like to gamble because it's just like lying money down on the floor that leaves.”

Gambling can cause you to part from your money very quickly. [Financial experts say] Statisticians have noticed how the casinos have the edge, not the patrons. Gambling is also very addictive; once you get going, you can't stop. [Common Knowledge] We have heard horrible stories of people losing enormous sums at gambling casinos. When you lose enormous sums, you can acquire debt very quickly. [Common Knowledge] We have heard people losing their farm at casinos. The potential to accumulate debt while gambling greatly exceeds the other types of poor use of money. [Financial experts say]

The second main way one can acquire debts is not through poor money management, but instead because they lack sufficient income in the first place. If you make only pennies an hour, you're not going to be able to keep up with all your bills. If you can't keep up with all your bills, you may get to the point where a debtor's prison is your fate. We have to remember back in the day, they didn't have the same social controls over wages that we have today. . [Common Knowledge] There weren't minimum wage laws. [Sociologists say] When you had to work 12 hours a day just to make ends meet, you were seriously, seriously in trouble. [Sociologists say] When one doesn't have income, one is essentially paralyzed. They can't get by, especially in a major calamity. [Observers note] If you already had debts, you would be in a hole you could get out of.

It's important to point out, debtor's prisons essentially were a form of social control. [Sociologists say] This social control was exercised by the creditors. [Sociologists say] The creditors had debtor's prisons there to get debtors in line. [Sociologists say] Debtors didn't comply, they may end up in prison. [Sociologists say] Thus, debtor's prisons became excellent deterrents. [Sociologists say] They became a way for creditors to exert their power, their dominance and influence over the debtors. [Sociologists say] When someone's being taken away in prison, you can see real quickly which side the power is on. The power was on the side of the creditor. [Sociologists say]

Today, of course, we don't have debtor's prisons. [Common Knowledge] We don't consider debt a matter for the prison system. [Common Knowledge] Instead, today, we consider it a matter for the civil justice system.

[Common Knowledge] The civil matter today. [Common Knowledge] The civil justice system is based on the concept of torts, which are essentially wrongs. You can't be imprisoned for these torts, but you can be required to pay money.

Before many cases even get to the courts, there are often other techniques. While the only way today you can end up in the prison system through acquired debt is if you happen to violate some other law in the process, maybe some fraud law. [Common Knowledge] Today, we have techniques such as:

- Garnishing wages, [Common Knowledge]
- Repossessing merchandise. [Common Knowledge]

People can be sued in court. A lot of people have claimed our society incredibly desirous of litigating. [Common Knowledge] It is very true. Today's laws are completely formed from the old ways. We have separated the two: prison for crimes, civil justice for debts, other financial, strictly financial matters. [Sociologists say]

There's a couple reasons, a few reasons why this happened. [Sociologists say]

One was the notion of humaneness. [Sociologists say]

Some believed it was completely cruel to not only imprison people in general, but to imprison people because of debt. [Sociologists say]

These people said, these aren't criminals, they just owe debt. [Sociologists say]

They shouldn't be in prison. [Sociologists say]

They also thought it was very cruel to throw these people in prison with the other criminals. [Sociologists say]

These people suggested that we are blaming the debtors when we should be blaming them as we are. [Sociologists say]

Liberals especially say people are poor because of how they live. How society is not their own creation quality. Liberals say we shouldn't blame them because society organized in a way which is an obstacle to them. Some others say, "it doesn't help anybody by throwing them in jail." Some say "just reforming them doesn't make them better at debt." Others say "when they're in prison they're removed from their jobs in the community and therefore they can get debts much easier." Others say "there is a stigma attached to criminalizing debt which happens to be greater than the actual

act of imprisoning them because the stigma stays with the person for a long time.”

I believe there was another reason which is ultimately more persuasive than the humane reason. I believe this reflects upon our society, maybe upon human nature itself. I believe debtor's prisons were largely abandoned due to reasons of efficacy [observers note]. They didn't work. [observers note]. They didn't solve the problems they had sought. [observers note].

In one sense you could say they did encourage people to pay their debts. If one debtor saw another debtor being taken to prison that needed to tear them from their debts. The problem was if you imprisoned someone for debt that didn't necessarily solve your creditor's problem. The creditor wants their money back. Sure, these creditors probably have spite like a lot of people. They probably like throwing someone in prison for not paying their debt. But it doesn't do much good. Certainly a creditor would rather have their money back.

There's also this issue of the state of our criminal justice system today. Critics have often contended our criminal justice system has way too many prisoners in the first place. They say non-violent people have to deal with violent criminals. It would be worse to put non-criminal section debtors in prison too.

Another problem is the fact that everyone knows our criminal justice system is way overflawed, way overburdened [observers note]. It's back, it's breaking, almost broken already. [observers note]. This is why it has been pointed out by folks that we once would send certain crimes to prison but we can't anymore because we need to save the prisons “for the worst of the worst.” These are good for petty criminals because they don't end up in prison.

Just imagine if we added everyone that owed substantial debt to be eligible to be thrown in prison. There is no way on earth we could handle that. Thus, it simply isn't feasible to throw all debtors in prison. Today, population has proved with the advent of credit there's even more debt today. Tons of us would be in prison if we still had debt. A lot of us would be in prison if we still had that just privilege. It just... There is a problem with the new age. The new age problem is it lacks force. It's actually a paper title. It's especially troublesome from the perspective of the creditor. We

don't have the threat of prison hanging over debtors' heads anymore. Therefore, there's less incentive for them to pay debt. In some cases, there's little incentive.

One of the harshest ways to control debtors today is through the use of credit ratings. [Common Knowledge] "If you owe debt, you can't pay back your loans, you will get a bad credit rating, which in the future may make it difficult for you to borrow money again." [Common Knowledge] Don't plan on buying houses or cars if you have that credit. [Common Knowledge] This record goes a long time. [Common Knowledge] Some people really don't care. Some people have such bad debt anyway, not paying another debt really is not going to matter much. [Common Knowledge] Thus, this action by creditors isn't much.

Today, what usually happens before it even gets where the courts get involved, the use of credit agencies, credit agencies, take over from whatever institution, organization, business, or company had your debt in the first place. [Common Knowledge] They try to persuade you to pay. Sometimes they start out nice, then they get a little more harsh. One I saw said, "You made a promise to pay. This reflects badly on your character. You're either honest or dishonest. You can't be both." Very heavy handed from a moral appeal standpoint. My one friend said, "That's a false dichotomy by saying you are either honest or dishonest."

Sometimes they can be very persistent. If you don't mind being harassed by telephone calls, it may not make much of a difference. In regards to reparstacian, in regards to wages, it depends on your circumstance. If you are a well-off person who's just not paying their debt, then they can take a lot away from you. They can take away your fancy cars, they can take away your fine yacht, they can even repossess your house. But if you're well-off, if you choose you more than anyone else to pay your debt, you don't have anything, it becomes much more difficult. My mom said, "you can't squeeze blood out of a turnip." Therefore, if all you have is rags, there's not much they can get out of you. They can't tell you to drive if you have no mouth in the first place.

When you owe \$500,000 in debt, you have \$5 in your account, there's not much they can do. If you earn something, even the garnishing wages, they still have all I hear, they have to go through lots of hoops to get to the garnishing state. Also here, in most states, you actually can keep lots of

your money if it's going for the essentials, such as food, rent, utilities. [Common Knowledge] Don't expect luxuries if creditors are vigilant in pursuing you.

As a debtor, there's one type of debt you really need to pay. That is a current service or product they're providing you. If they're providing you with electricity or water, you don't pay, they will cut it off [Common Knowledge]. Thus, that is something, even if you're dirt poor, they can take away from you. [Common Knowledge] Basically, what you need to ask yourself is... when you're deciding whether to pay a debt or not is: do they have any leverage over me? I'm not suggesting you should avoid debts if you're wealthy. In fact, as I said, it's probably more foolish if you're wealthy.

If you can't pay at all, then what can you do? Putting it in perspective also helps you prioritize.

- You can't pay, then don't pay.
- If they have leverage over you, then perhaps that's the type of payment you need to make.
- If you don't have leverage, then if there's nothing you can do, don't do anything.
- Work on getting by.

Of course, if you can't pay, then it's kind of hard to do so. During time, we have seen a major change in the way debt is handled. This reflects a major shift in social control. It also reflects a shift in our notion of what should constitute an action worthy of prison.

Will we ever go back to debtors' prison? I doubt it, but I suppose it's possible. We'll be in the future adopting an even different way of handling debt. A way that serves the advantages of debtors' prison, taking away the disadvantages, while serving the advantages of today, taking away the disadvantages of today. Only time will tell.

Goodnight.