

The Plight of Mass Unemployment in America. What are the Causes?

Workhouse Nation: Part Two

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“The people who own the country ought to govern it.” – John Jay, first Chief Justice of the Supreme Court, 1789-1795

“We have to tolerate the inequality as a way to achieve a greater prosperity and opportunity for all.” – Lord Brian Griffiths, Goldman Sachs international advisor, 2009

“The modern conservative is engaged in one of man’s oldest exercises in moral philosophy; that is, the search for a superior moral justification for selfishness.” – John Kenneth Galbraith

[Read Workhouse Nation Part One](#)

In an interview with Detroit Free Press and *USA Today* just before his “jobs summit” in December, President Obama said “It’s just not going to be possible for us to have a huge second stimulus, because frankly, we just don’t have the money.” And “I want to be clear: while I believe the government has a critical role in creating the conditions for economic growth, ultimately true economic recovery is only going to come from the private sector.” This was just two days after he announced a \$30 billion per year escalation of the war in Afghanistan. (emphasis added)

The president opened the summit itself by saying that we had to face the fact that our resources are too limited to finance job creation. But he failed to mention that the \$1.4 trillion deficit tripled last year’s deficit due, in large part, to the bank bailout, which “according to the Inspector General of TARP, was allocated up to \$23.7 trillion (*of the people’s money*) in cash handouts, loans, debt guarantees and other subsidies” to the financial sector. (1) That’s in addition to the loss of \$1.3 trillion in revenue due to the Bush tax cuts that went overwhelmingly to the already superfluously wealthy. (2) (italics added)

The president asked the multimillionaire corporate CEOs assembled for the summit what he could do to get them to hire new workers. They demanded corporate tax cuts. The president told them “that he would propose tax incentives for hiring new employees, the dismantling of business regulations, and other measures that will do next to nothing to put jobless people back to work,” but will, however, boost corporate profits. (3)

The \$100 billion the administration claims will go toward “job creation” is primarily credits to businesses that hire workers or raise wages, extended unemployment benefits, and aid to

state and local governments. But even if the \$100 billion did create jobs, it would be two million jobs paying \$50,000 (or four million jobs paying \$25,000) for a projected 20 million unemployed or underemployed. (4)

In a nod to the jobless, the president asked that the unemployed “be patient” and “keep hope alive” as his administration pays down the deficit with “unprecedented fiscal austerity,” and “sharp cuts in social spending.” This was in addition to his repeated calls for the already poverty-stricken to cut their consumption – *of medical care? of shelter?! of — food?!!* – while funneling trillions to banks and the military, and giving billions to insurance and pharmaceutical corporations as well as looking to institute a national consumption, e.g. sales, tax and slashing spending for social programs.

“At the same time, the labor cost gap with Third World countries must be closed so the US can be transformed into a cheap labor platform to send US exports around the world. This is the administration’s plan for ‘economic recovery.’” (5) (emphasis added)

Once the American people are desperate and groveling for jobs, the “opulent minority” will use us to manufacture the things they were having made so cheaply in China – until China had the temerity to raise workers’ wages to tamp down the threat of rebellion. With nearly eight million jobs wiped out since the recession began, mass unemployment is being used to drive down wages as close as possible to those of the most destitute and desperate of the world’s people.

Wage and job-cutting, speed-ups, and cuts in social programs will allow the export of products made in American sweatshops as a condition of Structural Adjustment Programs (SAPs) imposed by the World Bank and the International Monetary Fund, which has already done a complete audit of the US financial system, something usually reserved for bankrupt “Third” World nations. Cuts in federal “spending must be put in place, in part, to convince creditors, especially China, that the US can get its finances back in order.” (6) This is the “reasoning” behind SAPs. Immiserate citizens to satisfy creditors.

Former Wall Street bank director and Assistant Secretary of HUD for George H. W. Bush, Catherine Austin Fitts, calls what’s happening to our economy “a criminally leveraged buyout.” She says our country is being bought “cheap with its own money.” Using the IMF-World Bank template, a country’s bankruptcy delivers “public assets and resources” to transnational corporations and cancels “national sovereignty.” After a country is “driven to destitution,” its government’s public policy is created by its creditors and not by the people’s representatives. (7)

State and local governments, which may not run a deficit, will be forced to slash resources even further. And to “preserve bond ratings and the rights of creditors,” public assets – water, natural resources, infrastructure – will be sold at huge discounts to global investors in order to “save America,” which will wind up owned by its creditors (much like your house). In other words, social spending programs that promote the general welfare will be frozen, while national “security” spending skyrockets, and there won’t be even a hint of a tax increase for the “opulent minority.” Neither will there be a jobs program or a halt in foreclosures. Wages and living standards will plummet while banks continue to boom.

“Increasingly, America is owned by super wealthy foreign interests. ...for example...CIC, the China Investment Corporation”... owns ...”stakes in dozens of major U.S. companies.

...Aetna, Apple, Bank of America, Coca-Cola, Eli Lilly, Goodyear, Johnson & Johnson, MetLife, Visa, and Wells Fargo. ...CIC is funded from China's...\$42.4 trillion...in foreign reserves..." much of which is generated by "... American consumers, businesses, and even governments that keep buying products imported from China. So, CIC is using our exported dollars to buy our domestic corporations and banks. ...For example, last year when Morgan Stanley boasted that it was repaying the Wall Street bailout money it got from us taxpayers, it didn't mention that nearly \$2 billion of the payback came from selling a chunk of itself to CIC." (8)

But: "...if American imperialism is to maintain its position of world domination, domestic politics and social relations within the US must be radically restructured. The resources required to sustain a global military posture and to prevent undue dependence on foreign creditors must be extracted from the American working people through the gutting and effective destruction of the programs which consume the bulk of the federal budget - Social Security, Medicare and Medicaid." (9)

Also headed for the deep freeze are the Departments of Health and Human Services, Housing and Urban Development, Agriculture, Energy, and Justice, which will receive, altogether, \$250 billion in federal funding for 2010. The military, the wars and the Department of Homeland Security will get \$700 billion, almost triple that. This is also more than the "defense" budget of the rest of the world combined. But there's no talk of reductions here. (10)

Exempt also are the bank bailouts and interest on the national debt - \$125 billion in 2010. And trillions over the next ten years will keep going to the same financial corporations that got trillions of our dollars in government guarantees and loans. The administration's own estimate of the money the freeze will save is \$250 billion over the next ten years, or **three percent** of the \$9 trillion estimate of new debt. The \$15 billion the administration claims the freeze will save next year is **one percent** of the Congressional Budget Office's budget deficit projection. (11)

The freeze barely touches the deficit. Economist Paul Krugman estimates that without the freeze, total public debt would be 78.7% of US GDP by 2020. With the freeze the figure, according to the administration, would be 77.2%, **a difference of one point five percent!** (12) That's all it takes to justify the destruction of necessary social programs. In other words, once bankers and generals get their cut of our money, we won't even get crumbs. The plan is to sacrifice millions of our livelihoods via mass unemployment to please the bond market. (13)

The 2,585-page, \$3.8 trillion 2011 budget allocates a mandatory 59% for programs like Medicaid, Medicare, Social Security, Unemployment and Pell Grants. Another 34% is "discretionary" spending on programs such as education, transportation, housing, the environment, energy, science and the military. The last 7% pays our national debt service. (14)

Let's look at that "discretionary" spending. Two-thirds of it, according to the National Priorities Project (NPP), will go for national security. Only 11% of our tax dollars dedicated to "discretionary" spending will be spent on non-security concerns. In other words, President Obama's plan leaves 89% of the budget untouched. Only domestic social service plans are eligible for cuts. NPP estimates military spending over ten years will increase more than \$500 billion, **twice** the \$250 billion savings predicted from cuts in non-security discretionary

spending over ten years. But the Defense Department already has \$295 billion in cost overruns in 96 major weapons programs. This, all by itself, will wipe out any savings from a non-security discretionary freeze. (15)

The Air Force's C-17 cargo planes alone, at \$330 million each, with a total program cost of \$65 billion, got \$2.5 billion from Congress in 2010 for ten of these planes that the Pentagon **didn't even ask for!** That \$2.5 billion, in 2010, could provide health care for 141,681 people, pay 6,138 public safety officers, 4,649 music and art teachers, and 4,568 elementary school teachers. There would still be enough left for 22,610 college scholarships, 46,130 Pell Grants, 1,877 affordable housing units, renewable electricity for 382,679 homes and 29,630 free Head Start programs – all for the cost of ten, unasked for C-17s. (16)

And while the freeze exempts the Pentagon, the payment of existing debt, Social Security, Medicare and Medicaid, the president has plans for those three social programs. He's created a "bipartisan" commission that the Wall Street Journal calls the "Political Cover Commission." "A gang of ten Democrats and eight Republicans would be charged to come up with ways to reduce the deficit. The idea is for everyone to hold hands and agree to raise taxes and cut entitlement spending together (Medicare, Social Security, etc.) so neither party gets the blame." (17)

Obama picked Democrat Erskine Bowles, a banker and former Clinton chief of staff, and Republican Alan Simpson, a retired Wyoming senator, to head the commission. "In an interview with the Washington Post...Simpson virtually spat out his hatred of any government program that guarantees basic necessities. 'How did we get to a point in America where you get to a certain age in life, **regardless of net worth or income**, and you're 'entitled'?" (emphasis added) Former investment banker Erskine Bowles is currently on Morgan Stanley's board. He was also a General Motors director from 2005 until its bankruptcy last year. Both companies were big beneficiaries of the administration's bailouts. (18)

The "opulent minority" is demanding measures that can't be put into place by democratic means because the majority of the American people oppose them. The insistence on bipartisanship means that both the Republican and Democratic halves of the Money Party must stop their political dog and pony show and close ranks against the majority of the American people.

Still, the president's healthcare summit ended without an agreement between Republicans and Democrats just a day after he appeared at the Business Roundtable and pledged allegiance to the free market while reassuring the assembled CEOs that his plan would improve the competitiveness of their corporations. "I believe businesses like yours are the engines of economic growth in this country. You create the jobs. I firmly believe that America's success in large part depends on your success." **Not!!!** US corporations cut millions of jobs since 2007, and just the past year alone makes it clear that corporate success has nothing to do with promoting the general welfare.

The healthcare plan itself mirrors the one that passed the Senate. And while it doesn't say just where most funding will be cut, hundreds of billions of dollars will likely be slashed from Medicare. The plan doesn't mention universal health coverage or a public option, or a national insurance "exchange." Employers won't have to provide insurance for workers, and insurance and pharmaceutical corporate profits won't be constrained.

But individuals as well as families will be forced to buy insurance or pay a penalty, and over twenty million people will still have no healthcare coverage at all. The only differences from the Senate plan are tweaks in the amount of the fines, and the point at which exemptions from penalties kick in. The result is the same, billions funneled to insurance companies. (19)

The president called healthcare, and not the insurance and drug corporations' unconscionable prices, an "undeniable drag on our economy." He wants "a health care system that is not a drag on business," in which reduced labor costs equal increased profit. He explained that his plan is just the opposite of a government takeover, and that it would deliver "more customers to insurers."

He did refer to the Wall Street bank bailout as the reason for defunding social programs. "The steps we took to save the economy from depression last year have **necessarily** added to the deficit. But I've also said that we intend to *(make the people)* pay for what we added" *(when we gave trillions, no questions asked, to Wall Street)*. (italics and emphasis added)

He said his administration has "identified more than 120 programs for elimination." He repeated his State of the Union goal of doubling US exports *(Of what?!)* in five years by pursuing a "more strategic and aggressive effort to open up new markets for our goods," and "send(ing) more products overseas" and "borrow(ing) less and produce(ing) more."

But "The US now has a trade deficit with every part of the world. ... What is striking about US dependency on imports is that it is practically across the board. Americans are dependent on imports of foreign foods, feeds, and beverages... Americans are dependent on imports of industrial supplies and materials...more than three times US dependency on OPEC. ... Americans can no longer provide their own transportation. They are dependent on imports of automotive vehicles, parts, and engines...1.5 times greater than US dependency on OPEC. ...Americans are 3.4 times more dependent on imports of manufactured consumer durable and non-durable goods than they are on OPEC. ... Americans no longer can produce their own clothes, shoes, or household appliances... The US 'superpower' even has a deficit in capital goods, including machinery, electric generating equipment, machine tools, computers, and telecommunications equipment." (20)

So, what are we capable of exporting, and how could we afford to manufacture it here? And while the president talks about doubling the export of products made in the USA, he also said he'd modified his proposal to eliminate loopholes that allow US corporations to make money overseas so they can avoid paying taxes. This proposal was originally designed to raise up to \$210 billion, but after listening to corporations complain that these loopholes let them do better against overseas competition, the president changed his mind. (21)

The record-breaking profits of insurance and pharmaceutical corporations in 2009 barely got a mention. Instead the president re-committed himself to defending for-profit insurance and touting a market-based, rather than a government-administered approach. And he went out of his way to emphasize that his priorities were controlling government spending and reducing the deficit.

The administration is narrowly focused on the interest payments on the national debt, which

go primarily to the “opulent minority” of Americans and to foreign creditors. In other words, **we’re** paying interest to this “opulent minority” for borrowing to finance the cost (among other things) of their Bush tax cuts. (22) This means that “...America will always have a deficit. Our deficit will **never** go away because our ruling class **lives off the interest from the deficit**. They **love** the deficit. They appear to be wringing their hands about having a deficit – but the real reason that we have a deficit is to keep the ruling class wealthy.” (23) (emphasis in original)

So the president’s healthcare plan is essentially the status quo, except that insurance corporations will see their profits rise even further, though last year the largest US health insurance corporations set new profit records. As millions of Americans lost their jobs and their homes, the top five insurance corporations averaged an increase of 56% over 2008. (24)

Wellpoint profits increased 91% over 2008, setting a new record for annual income, while total enrollment dropped by 1.4 million. Cigna profits skyrocketed 346% in 2009, another new record, even as enrollment dropped by 639,000. Profits at Humana were up 61% over 2008. United Health Group profits were up 28% over 2008, while enrollment dropped by 680,000. And at Aetna, profits shrank by 8% as enrollment increased 1.2 million, or 6.9%. (25) This proves that increasing coverage can negatively effect an insurance corporation’s bottom line.

“If we have to chose between achieving our membership goals and achieving our profitability goals, profits will win every time.” – Humana CEO Michael McCallister, 2003
“We will not sacrifice profitability for membership.” – Wellpoint CEO Angela Braly, 2008

Could it be any clearer? Our health is a commodity to be bought and sold, numbers on a corporate spread sheet, a mere means to create profit and a life of luxury for a parasitic “elite” of shareholders who sit atop the rest of us as if we were a throne.

In his interview with Bloomberg Business Week, the president even made a point of explaining that everything he’s done and intends to do is in the interest of corporations. “...if you actually look at our policies, everything that we have done over the last year, and everything we intend to do over the next several years, I think is going to put American business on a stronger footing.”

He explained that his administration’s policies, which consist primarily of a multi-trillion dollar, no questions asked, giveaway to banks, have restored the country to economic health. “We had an economy that was contracting at 6%. It is now growing by 6%. We had a **market** that people had no idea where it would bottom out, and that **market** has now stabilized. We had a **banking system** that was on the verge of meltdown that is now showing significant health, at least **in terms of their bottom lines**. And so the steps we have taken, I think, created an environment in which **business can be profitable**.” (What about stabilizing the well-being of American citizens now in meltdown?) (emphasis added)

He didn’t mention the fact that “business,” e.g. corporations, “disappeared” millions of people’s jobs, many of them overseas to other countries’ economies via our Free Trade Agreements (FTAs), or that his administration has done next to nothing to address the situation but cut taxes for corporations.

He worried about mass opposition building toward Wall Street and the corporate elite, but the important message he had for the corporate community, which he stresses during his lunches with corporate CEOs, and he has **lots** of lunches with corporate CEOs, was that "...we have every interest in you succeeding...we want and need more input from the corporate community just so we can communicate to the corporate community the fact that, if you look at our actual policies, as opposed to the speculation around our policies, they have been fundamentally business friendly." (When was the last time **you** had lunch with your president to provide him with some input? And when did your community last meet with your elected representatives?)

The president also announced future corporate tax cuts. "This year I will sign legislation that will cut corporate taxes by about \$7 billion... This notion, somehow, that we have been putting this enormous tax burden on business is just not true. It is not supported by facts."

His long term strategy for increasing corporate profits is increasing exports by decreasing US labor costs and pressing China to increase the value of its currency. He "referred to government-sponsored loans for General Motors and Chrysler which were **conditioned on massive pay and benefit cuts for auto workers, along with the destruction of thousands of jobs.**" (26) In effect, he gave corporations loans and made the workers pay for them. (emphasis added)

That was "an example of a very hard decision and a very politically unpopular decision that from my vantage point is pro-business," the president said. This attack echoed that of his idol Ronald Reagan's firing of PATCO, and signaled corporations that cost-cutting and wage reductions could be used to fatten their bottom line. "You would be hard-pressed to identify a piece of legislation that we have proposed out there that, net, is not good for business." "We are pro-growth. We are fierce advocates for a thriving dynamic free market." (27) (How about something that is, net, good for the majority of tax-paying citizens and not offshoring, tax-evading, job-destroying transnational corporations?)

And when asked what he thought about multi-million dollar Wall Street bonuses, the president said "(And) I like most of the American people, don't begrudge people success or wealth. That is part of the free market system." (But is such grotesque inequality part of democracy?)

Obama essentially used his health care summit, his Business Roundtable speech and the Bloomberg Business Week interview to showcase Democratic reform as the pinnacle of fiscal responsibility and austerity. But what it is is cost-cutting and rationing healthcare for the majority of Americans while blatantly defending insurance company profits. The president made it clear where he stands. "There are some who have suggested scrapping our system of private health insurance and replacing it with government run health care. Though many other countries have such a system, in America it would neither be practical or realistic."

He neglected to say why, but all the usual suspects attended the healthcare summit - UnitedHealth Group, WellPoint, Aetna, Humana, and Cigna Corp - and the president reassured them that drastic cutbacks would not affect their bottom lines. "The rising cost of Medicare and Medicaid will sink the government deeper and deeper in debt. On this we all agree." (*Not the bank bailout, the military, the Bush tax cuts, or corporate welfare?*) "The bottom line is, our proposal is paid for." (*on the backs of the American people, just like the*

bank bailout, the wars, the tax cuts for the embarrassingly wealthy and giveaways to corporations.)

The president has said, that “For far too long, Washington has avoided the tough choices necessary to solve the financial crisis.” “Everything is on the table.” But one of the most obvious solutions, taking the profit out of health care, was never really allowed on the table, let alone seriously considered. The “debate” was dominated by an “opulent minority,” economically parasitic and rapacious in its social outlook, which accrues to itself ever more of the national wealth.

The continued growth of profits is becoming increasingly incompatible with a decent standard of living for the workers who create the real wealth of society. As American global economic hegemony declines and the vast polarization of our society increases, past democratic reforms can’t continue if profits are to keep growing. The general welfare of the majority is now an intolerable drain on corporate profit and the personal fortunes of the “opulent minority.” (28)

Though corporations, aided and abetted by union management as well as Congress, “have been able to drive down wages and increase productivity, they have not been able to put a brake on spiraling medical costs for employee insurance coverage...” (29) “Reform” will allow both the government and the corporations to jettison any responsibility whatsoever to fund healthcare, forcing the working population to pay for the cost of insurance corporations’ profits so other corporations won’t have to.

Robert Reich, Clinton’s Labor Secretary, has posited that there’s a “radical restructuring of the economy that is going on behind the scenes.” In other words, behind the people’s backs. “...people who lost their jobs were pushed into lower paying jobs...” And those who had lower paying jobs were pushed out entirely, while bank, and other corporate profits, continue to escalate. Corporations continue to consolidate, further concentrating power in the hands of their shareholders, as real property/wealth is distributed upward to the “opulent minority.”.

And now all of us freeloading, entitlement-grasping working people on whom they not only depend, but whom they themselves have immiserated, must be made to pay for the “opulent minority’s” good times via a present-day version of the Victorian workhouse.

The Enclosure Acts in Britain forced people off the land they’d worked by right for centuries, fencing them out, driving them into the “great dim sheds” of the Industrial Revolution (1700-1800). Though Britain amassed natural and financial resources from its colonies and profits from its slave trade, this made up only 5% of Britain’s national income during the Industrial Revolution. Britain’s dense population for its small size, and the Enclosure of common land created a readily available labor supply. And it was through the Enclosure movement, in large part, that the peasantry was destroyed as a meaningful resistance and removed the obstacles to Britain’s mandate of capitalism.

And while prior to the Protestant Reformation (1517-1648), it had been a Christian’s duty to undertake the seven corporal works of mercy: feed the hungry; give drink to the thirsty; welcome the stranger; clothe the naked; visit the sick; visit the prisoner; and bury the dead, after the Reformation, “outdated,” other-directed values became inconvenient. Moral expectations and noblesse oblige disappeared and it became necessary to regulate poor

relief by law.

The moral economy was replaced by a political economy in which the well-off had no moral obligation to help the ill, the aged, the widowed, the orphaned or the unemployed. Such obligations were replaced with a cash payment which destroyed both the human link between the haves and the have-nots, as well as the right of the poor to claim relief in times of hardship, like illness, a hard winter or trade depressions. And with the appearance of laissez-faire economic theory, poverty came to be seen as the result of self-chosen immorality, irresponsibility, or idleness, or an inherent weakness or inferiority – all of which were used to justify leaving the destitute to their destitution at the “invisible hand” of the “free” market.

At approximately the same time, Thomas Malthus was expounding his theory that the relief of poverty itself created poverty. In other words, those who could not work should, if necessary, starve rather than have government provide any kind of relief because it “distorted” the “free” market that determined the “natural” level of wages and prices. The “law” of supply and demand had to be allowed to operate freely without acknowledging that the “free” market was often the cause of unemployment/idleness. This “natural law” assumed that people would work for any wage offered rather than starve themselves and their families (which was exactly the point) and in order for wages to rise, the labor supply had to become scarce through starvation, disease and/or exposure to the elements.

There’s a modern version of this theory at work today in South Carolina, where “Lt. Gov. Andre Bauer has compared giving government assistance to ‘feeding stray animals.’ ‘My grandmother was not a highly educated woman, but she told me as a small child to quit feeding stray animals. You know why? Because they breed. You’re facilitating the problem if you give an animal or a person ample food supply.’ ‘How do you fix it? Well you say, look, if you receive goods or services from the government, then you owe something back.’ “We can’t afford to keep just giving money away.” He said that government continues to reward bad behavior by giving money to people who ‘don’t have to do a thing.’ (30)

He failed to mention Bush’s \$1.3 trillion tax cut for the disgustingly wealthy. Nor did he touch on tax breaks, abatements and subsidies to our largest corporations. He seems to have forgotten the more than \$23 trillion allocated to the banks, no questions asked, or the onerous workfare obligations imposed on those who receive public assistance and the tax on unemployment benefits.

Britain’s remedy for fixing the problem of giving money to people who “don’t have to do a thing” was workhouses. Workhouses had appeared in Britain in the 1600s as places for people to live and work when they couldn’t support themselves. The unemployed, able-bodied poor could only get relief by going into these workhouses, even if trade depressions had caused their “idleness.” The work, like factory work, was continuous, boring, hard and degrading. They crushed bones, broke stones and “picked” oakum, e.g. unbraided bits of used, tarry rope, the fibers of which were then used as caulk for sailing ships. The workhouse, like workfare, was used as a deterrent. And as they are for welfare, conditions were made as harsh and degrading as possible so only the truly desperate would apply to “the house.” And once poor parents entered a workhouse, they were held to have forfeited responsibility for their children, enabling landlords to take them as unpaid “apprentices” until they came of age, 18 for girls, 24 for boys.

At the same time, debtors could be locked up “until their families paid their debt. Some debt prisoners were released into debt bondage to become indentured servants until they **paid off their debt in labor.**” (31) (emphasis added)

And in fact, two to three Europeans who came to the American colonies were debtors when they got here. Some colonies, like Georgia, were supposed to be debtors’ asylums. In 1789, the Society for the Relief of Distressed Debtors determined that of 1,162 debtors in New York’s debtors’ prison in 1787 and 1788, over half, 716 of them, owed less than 20 shillings. In 1831 imprisonment for debt was abolished in New York, and in 1841 Congress passed a law that offered bankruptcy to everyone. Debtors’ prisons all over America were finally abolished and bankruptcy laws liberalized as Americans realized that most people do not fall into debt of their own choosing – or as a result divine retribution. (32)

But in 2009 in Georgia, people who couldn’t pay their fines – plus the monthly fee to the private corporation that collects the payments – were often sent to jail, according to Stephen Bright, President of the Southern Center for Human Rights. And in 2006, the center sued on behalf of a woman locked up for eight months in Atlanta because she couldn’t pay a \$705 fine. And until a few years ago in Gulfport, Mississippi, defendants who couldn’t pay their fines were put in jail ‘til they “sat off” their fines. (33)

Barbara Ehrenreich points out that while debtors’ prisons no longer exist, a creditor can petition a court to issue a summons for nonpayment of a bill. If you fail to appear you’re in contempt of court, which lands you in jail – where you can run up more debt. An increasing number of prison systems charge their inmates for room and board. Taney County, Missouri charges \$45 a day, Springfield, Oregon charges \$60, and New Jersey is considering a \$10-15 day fee. Nobody knows what happens if an inmate can’t pay. More time in jail to “sit it off?” (34)

Prisoners’ rights advocates worry that as government budgets come increasingly under pressure, courts and prisons will get even tougher about forcing indigent defendants to pay cost and fees, and will imprison more of them if they can’t come up with the money, in effect imprisoning them for poverty. (35)

In America prior to the 1930s and Social Security, destitute elderly poor people went to the poorhouse, or workhouse. Such “houses” were widespread in America. Poorhouses were often on “poor farms,” where any able-bodied residents were made to work. These could be part of the same economic complex as a prison farm, and most produced at least some of the produce, grain and livestock they consumed, like serfs working on a medieval manor, or Victorian residents of a workhouse. “Residents” (inmates) were expected to provide labor to the extent that their health would allow, in the fields as well as providing housekeeping and care for other residents. Rules were strict and accommodations minimal. (36)

Now the “opulent minority” is instituting another set of Enclosure Acts. This time, rather than fencing us out, they’ve built a fence to keep us in. The wage slave system wasn’t escape-proof enough, so we’ve been enclosed within a fence of debt from which there is no escape. To that end wages will be halved – again. Foreclosures strictly carried out. Insurance for health, like that for cars, will be mandatory. Unions have already been neutralized, reduced to shells of their former selves. Free speech is relegated to zones behind barbed wire fences policed by minions of mammon armed with gas, guns and

tasers. And now that Obama's healthcare "reform" has become law, the workhouses of Victorian England will pale by comparison with the "great dim sheds" of our new plantation-poor farms constructed by Halliburton.

"For in every city these two opposite parties (people v. aristocracy) are to be found, arising from the desire of the populace to avoid oppression of the great, and the desire of the great to command and oppress the people.... For when the nobility see that they are unable to resist the people, they unite in exalting one of their number and creating him prince, so as to be able to carry out their own designs under the shadow of his authority." Machiavelli, *The Prince*, Chap IX.

"Do not put your trust in princes..." - Psalm 146:3

"We have stricken the shackles from 4,000,000 human beings and brought all labourers to a common level, but not so much by the elevation of former slaves as by reducing the whole working population, white and black, to a condition of serfdom. While boasting of our noble deeds, we are careful to conceal the ugly fact that by our iniquitous money system we have manipulated a system of oppression which, though more refined, is no less cruel than the old system of chattel slavery." - Horace Greely

Notes

- (1) Barry Grey, "Obama's jobs summit: 'No money for jobs'" wsws 12/5/09
- (2) Lee Sustar & Alan Maass, "A budget only Republicans could love" SocialistWorker.org, 2/3/10
- (3) Barry Grey, *ibid.*
- (4) Patrick Martin, "Obama Budget: war, debt and cuts in social services" wsws 2/2/10
- (5) Jerry White, "Obama announces fraudulent 'jobs' summit," wsws, 11/13/09
- (6) Wall Street Journal 1/4/10)
- (7) Mike Whitney, Counterpunch , 4/2005
- (8) Jim Hightower, "Buying America - With Our Dollars," jimhightower.com, 3/5/10
- (9) Peter Martin, "Obama's budget reveals the bankruptcy of American capitalism," wsws 2/3/10
- (10) Tom Eley, "Obama to impose freeze on social spending," wsws, 1/27/20
- (11) Tom Eley, *ibid.*
- (12) Lee Sustar & Alan Maass, "A budget that only Republicans could love," wsws 2/3/10
- (13) Lee Sustar & Alan Maass, *ibid.*
- (14) Jo Comerford, "A Titanic Budget in an Ocean of Icebergs," TomDispatch.com, 2/28/10
- (15) Jo Comerford, *ibid.*
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