

Anti-affluence: the debt-ridden society

Writing to the newspapers in protest against the receipt of unsolicited credit cards is an honourable as well as a popular occupation. Implicit in the nuisance is a degree of social flattery: those selected to be pestered in this way are the cream of shopping customers, whose bills are paid promptly and whose credit is worthy. There has been no stream of complaints and Questions in the House from the scores of thousands who, ask as they may, will get no credit cards or hire-purchase terms. These are the sometime defaulters whose failures, and a great deal more about them, are recorded in the finance companies' registers of debtors.

Once in those files, you never come out. Capitalism drives and presses us all to buy to the limits of our means, and offers devices by which those limits may be apparently stretched. But the pressure must never be yielded-to by an inch beyond the limits. The point of marketing, after all, is not that goods shall be distributed but that they be paid for. He who, lured and compelled by deferred terms or slashed deposits or simple needs, fails to meet his money commitment is as far as possible prevented for the future from buying on those terms again. Morally condemned as well, for violating the golden capitalist rule that everything has its price.

Recording and Collecting

There are about 3 million registered defaulters in Britain. The most common ways of getting listed are by irregularity or failure in payments to one of the companies which finance trading credit, and through a County Court judgement. It does not follow, however, that the absence of such a record means credit granted automatically. An application for hire-purchase or the opening of an account always means an enquiry being made. One widespread practice is to send forms to local officials likely to know something about the applicant, asking for an estimate of what he is worth and any useful information regarding him. The car-finance companies keep detailed records in which procrastination over payments is noted for future reference, even if there is no actual failure to pay.

When a debt occurs, the usual first step is a warning letter—from the legal department if the firm is big enough, from a solicitor if it is not. Some traders employ debt-recovery agencies, which work on a percentage of money collected and aim, generally, to scare or embarrass the defaulter into paying up. One technique is to send a notice on blue paper, looking remarkably like a summons, with words like “Bailiff”, “Distrain on Your Goods”, “Appear in Court”, etc., printed in capitals and underlined. In other cases, collectors call on the debtor repeatedly and make themselves objectionable. No doubt there are laws against much of what goes on, but a debtor is likely to feel he is hardly in a position to shout. Car-finance firms, for instance, are known to employ men who stand on defaulters' doorsteps jingling keys and announcing their intention to take the car away—despite the fact that this cannot be done without a court order.

Penalties

If all the threatening is ineffective, a summons follows. There are two kinds, the common one being the default summons. No-one goes to court over it: the defendant has ten days to settle his debt, dispute it, or offer to pay by instalments. If he fails to do any of those, a judgement summons (the other sort) is served; he must attend the court to answer questions about his means, and the normal outcome is an instalment order. And if the instalments are not paid, a “warrant of execution” is issued for each as its due date passes. This is simply a distraint order—the County Court bailiffs call and arrange to take enough belongings to cover the amount owed plus the Court costs. The costs are standard fees charged at each step in the proceedings, so that the repayment of a debt in these last-resort circumstances is itself an extra expense.

Until a year ago debtors could be imprisoned instead of distrained upon, by order of the court. The purpose of “committal orders” was to deal with people who supposedly could pay but were reluctant to do so. However, County Court judges were in the habit of making the orders almost automatically, and an impoverished defaulter was liable to be hauled to prison by the bailiff. What good was thought to be done by it, no-one knows; though its abolition aimed at reducing the pressures on prison resources, not at sense

or humanity. Imprisonment orders are still made for one common class of debts, non-payment of rates to local councils. Since rates are levied under statute law, defaulters over them are summoned not to the civil courts but to magistrates' courts which continue to make committal orders.

Hard Cash

One other course of action against a debtor is the High Court writ. This is more attractive to creditors than County Court proceedings because the outcome is swifter and more relentless. The debtor has ten days following the service of the writ to file an "appearance". Unless he has (and is prepared to pay for) a defence, the plaintiff may then "take judgement". The High Court does not deal in instalment plans, and very shortly after the judgement the debtor will be called-on by a Sheriff's officer — i.e. a licenced bailiff—with a view to distraint on his possessions. However, High Court proceedings are for larger sums. The County Courts are intended to deal with actions for debts up to £700; though claims for smaller amounts can and do go to the High Court, they are not encouraged there.

It is true, of course, that proceedings for debt can be expensive to the plaintiff. The cost of solicitors' letters, and representation in court for the hearing of a judgement summons, is not recoverable. Proceedings to get back, say, £50 can well cost that amount and so have their success nullified. Many traders acknowledge this, and either write off small debts when the threats have failed or try the percentage collecting companies. Larger firms can afford the proceedings, but the fact remains that much debt-recovery is sterile: the real object is to make default an unpleasant experience, to brand the defaulter and let it be known that this sort of thing will not be tolerated.

A Dirty War

"Unpleasant" is a mild word. For those who have got into debt through adversity, over-optimism or simple inadequacy in dealing with everyday matters, the consequences are harrowing and humiliating. Threats; the bailiff (or, for rates, a policeman) on the doorstep; the possibility of an auctioneer's van come to take one's belongings away, and even of being taken to prison. One wonders what future generations will think of a society in which such miseries were commonplace. There is the thought, too, what kind of people are prepared to treat other human beings like that. For judges, the question need hardly be asked. Bailiffs generally are either men who got into it through the accident of starting in associated employment when they were young, or retired policemen and the like. Loathsome as their functions are, it ought to be remembered that they are wage-workers—only daubed with more of capitalism's dirt than most of us. Certainly they suffer a penalty in social isolation: it is not uncommon for bailiffs' wives to have been in the same line of business, leaving one with the thought that most women draw the line at living with that.

Since debt is a struggle, it produces its own strategies. A debt is personal; the desperate defaulter becomes a dodger. A wife may stave off the pressures by saying her husband has gone away and left her, though bailiffs are likely to keep an eye on the house and make neighbourhood enquiries. A High Court writ has to be put actually in the defendant's hand and proceedings can start only when this has happened, making elusiveness desirable (process-servers usually are young smart-alecs ready to find fun in the chase). Likewise, when distraint is proposed a husband may claim that all the household belongings are his wife's or someone else's and therefore not seizable for his debt. This can be challenged by a creditor—the action is called "interpleader"—but the difficulty of proof make the cases rare and seldom successful.

States of Mind

Whatever the reasons for which people get in debt, it is likely to become a spiral from which extrication is hard: continually half-robbing Peter to half-pay Paul, with the result that both remain hot-breathing creditors. One of the attractions of the "second mortgage" is that it offers the exchange of a lot of small debts for a single large one, an apparent fresh start which also can take a haunted person from the realm of County Courts to that of the High Court. But if an even keel is reached, the record of money troubles remains as a permanent disability. It is permissible for a small fee to have past judgements erased from the court registers, but they are never deleted from the credit companies' records. Extenuating circumstances

are not allowed: a defaulter is marked for the rest of his life. It is possible for defaulters to be victimized through their records. Two or three years ago someone circularized several thousand householders offering highly favourable mail-order terms. They were all in fact selected from registers of defaulters, their readiness to jump at the prospect of being allowed to buy on a credit system obscuring more rational doubts such as how the advertizer was financing his generous activities. Orders with deposits rolled in, for the money to be pocketed by an adventurer whose chief asset was a little comprehension of the states of mind that debt produces.

Must it Continue?

Looking at all this: what a way to live! Yet it is part of how a very large number of people do live. Statistics about it tend to appear unbelievable because people will admit to other problems but not this one—disgrace in money matters is the deepest kind of disgrace in a money-dominated society. Nor is it anything new. The 18th-century *London Spy* describes women in the debtors' prisons through default to tallymen. Spike May's account of pre-1920 village life, *Reuben's Corner*, refers to the village postman "walking many miles round the scattered community pushing bills and debt-summons into letterboxes" (a different picture from the romantic one of rosy-cheeked rural bliss).

Most people under capitalism exist in "quiet desperation", hair-breadths away from this sort of calamity. To talk of the proliferation of debt as a consequence of irresponsibility, of failing to cut coats according to the cloth, is beside the point. For the great majority, there chronically isn't enough cloth to keep out the cold. The respectable with credit cards and no histories of default are in debt just the same, paying monthly for what they cannot otherwise afford. Debt is a demonstration of the inescapable poverty problem of the working class. The slogan of the latest credit card is that it "takes the waiting out of wanting"; but the only way wanting and waiting will be ended is by the abolition of capitalism.

(December 1972)