

Student Debt Solved -- Indentured Servitude

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Prior to the American Revolution most people living in the UK who desired to better their condition by moving to the colonies had only one means for doing so -- selling their services to someone in need of them for the cost of transportation. They would toil for one or more masters for up to seven years. Besides pre-paid transport they received maintenance of their personal needs, and on completion, some form of payment, usually in goods and/or a tract of land.

Credit, or derision, must be extended to today's investors for their relentless search of new ways to extend and enhance wage slavery into every nook and cranny of American life under capitalism. Now students in need of funds for their college education have a new way to cover its expense. Instead of a straightforward loan, the payment of which following graduation is at the discretion of the former student, the investor/loaner will graft themselves to the lives of the debtor prior to delivering the cash.

The way it works is that a firm (one being Vemo Education Inc cited in a Businessweek article) created for the matching of students to investors will evaluate those wishing to sell their services in advance for a college education. If they have already shown themselves to have a good work ethic, educational competency, and the evident willingness to abase themselves to the dictates of capitalism because of their seeking out the sale of themselves, they are good candidates for a profitable investment opportunity.

To obtain the loan they must permit the creditor to deduct a certain monthly percentage of their future income for a set numbers of years. Careers in high paying fields like anything tech related are favored. An English or History major less so. The years of payment are roughly the same as indentured servitude, between two and ten years, after which they will be free of this particular burden on their lives. But in one respect indentured servants were better situated; they had recourse to the courts for disputes with their masters. Indentured students will not have that opportunity because they have signed away their legal rights for the master-dominated alternative of arbitration. Gaudeamus Igitur.

China's Ongoing Transition to Capitalism

China is a vital history lesson in the making. Much nonsense has been written about how the system we call capitalism came to be. Over the past forty years we have seen how China, a country with an anti-Marxist version of 'communism' known as Stalinism, has crossed the threshold and will in another decade or so

complete the metamorphosis from dessicated communist to crisis ridden capitalist. And we all have a wonderful opportunity to observe this entertaining learning experience.

At this point the Chinese people have had most of their social wealth, means of production and state supplied social services, expropriated from them and transferred to the new bourgeoisie and petite bourgeoisie for exploitation and profit.

The SCMP had a piece about how the new capitalist middle class is spending from 20 to 50 percent of their disposable income to further their children's education. Public education, now only fit for the hoi polloi, is being rejected by the nouveau riche middle class who according to the National Bureau of Statistics now number 400 million. The movement is still in its infancy but is expected to be worth \$744 billion by 2025. The number of international schools doubled 734 between 2010-2017. Soon they will have their own Phillips, Choate, Milton, etc. boarding schools so that the children of the elite will no longer suffer the sight or breath of poor kids.

Additional Chinese Factoids

The Chinese pseudo communist leadership has been jumping through hoops to keep economic conditions positive, or at least making them seem that way. Growth has slowed to a decades long degree, but then out of the blue, after 55 months of growth not surpassing 8% they suddenly declare growth in the first quarter to be 8.5%, this even after the 4th straight month of import negatives. Much of this is from stimulus. The government had been trying to cut back on its gifts to the rich because foreign investors have become very worried about its huge debt to GDP ratio.

It's one thing for those living under capitalism for a couple hundred years to experience a recession or depression, but after leaving behind the 'iron rice bowl' and then experiencing hardships under a new and already failing capitalism, the Chinese people are not as likely to be as accepting. Thus the cut in taxes to free up cash for stimulus (and making the debt worse). Then there are rumors of additional stimulus for spot marketing.

-- The Chinese local debt (\$2.74 trillion) was officially only 20% of nominal GDP at the end of 2018 making total national and local debt 37% of GDP. This is clearly fictitious. The deputy director of a government think tank reported true debt at 92%, and if the sneaky debts incurred by local governments, and state industry debt, the total debt to GDP is 140%. The big scare is coming from local governments. Like a Ponzi scheme that must keep bringing in cash to keep from collapsing, local governments are borrowing and using the cash to pay off debt.

China has its Golden Week as a handy vehicle to pass along false positive economic reports. The US has its holidays (along with hurricanes, cold weather, hot weather, blizzards, etc.), but making a big deal out of a late Easter is a bit of a stretch. Great monthly retail figures would be 6% or more. 3% skirts a recessionary level. Since the Great Slump its rarely been above 3%, so what a surprise that the Census Bureau reported March to be 3.6% year over year. Unfortunately most of it is due to a seasonal anticipation of something big happening in April (Easter). Without that 'adjustment' retail sales for March would be only 1.5% year over year. Unadjusted that would be the 4th consecutive bad retail sales month. There's never a shortage of make believe.

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