

Christian Parenti  
Lockdown America:  
Police & Prisons  
in the Age of  
Crisis.

2000

CHAPTER ELEVEN

**BIG BUCKS FROM THE BIG  
HOUSE: THE PRISON  
INDUSTRIAL COMPLEX  
AND BEYOND**

What business enterprise could conceivably succeed with  
the rate of recall of its products that we see in the "products"  
of our prisons?

Chief Justice Warren E. Burger, 1985

I admit that I have a serious drug problem and am no angel —  
but I am *not* an animal that needs to be locked up for the  
rest of his life!

John J., serving life for burglary

It's like a hotel with a guaranteed occupancy.

Ron Garzini, private prison booster

In 1964 a tsunami swept over Crescent City, California, completely destroy-  
ing the downtown. Only nine people died but the town — nestled just below  
the Oregon border — never recovered. It was rebuilt as a shabby imitation  
of southern California's worst planning examples; empty parking spaces and  
sketchy buildings dominate the landscape.

In 1989 another tsunami hit — and this time the tidal wave was polit-  
ical. The California Department of Corrections rolled in, and with little

opposition built the sprawling \$277.5 million Pelican Bay State Prison, one of the newest, meanest super-max lockups in the system. Pelican Bay, an international model of sensory deprivation and isolation, deems half its inmates incorrigible and locks them away in the SHU, twenty-three hours a day. The prison is also Crescent City and Del Norte County's largest employer – and in many ways the region's new colonial master.

The new prison's political and economic clout is all-the-more exaggerated due to Crescent City's extreme isolation and poverty. Only four of the area's seventeen sawmills are still in operation, commercial salmon fishing is dead, and during the mid eighties 164 businesses went under. By the time the CDC came scouting for a new prison site, unemployment had breached 20 percent. Del Norte County, with Crescent City at its heart, was in a seemingly terminal economic torpor. Prison was its only hope.

To clinch a deal with the CDC local boosters found a piece of cheap unincorporated land, fed water, sewer, and power lines to it, and otherwise soothed local anxieties about hosting several thousand criminals. Today in Crescent City the emerging American police state means economic survival; Pelican Bay provides 1,500 jobs, an annual payroll of \$50 million, and a budget of over \$90 million. Indirectly, the prison has created work in everything from construction and pumping gas to domestic violence counseling. Just the contract for hauling away the prison's garbage is worth \$130,000 a year – big money in California's poorest county. Following the employment boom came almost 6,000 new residents: Del Norte's population (including 4,000 prisoners) is now 28,000. In the last ten years the average rate of housing starts has doubled, as has the value of local real estate.<sup>1</sup>

Also cashing in on the action is a huge Ace Hardware, a private hospital, and a 90,000-square-foot K-mart, selling everything from toothpaste to Spice Girl paraphernalia. Across from K-mart is an equally mammoth Safeway. "In 1986 the county collected \$73 million in sales tax; last year it was \$142 million," says County Assessor Jerry Cochran.

On top of that, local government is saving money by using low-security "level one" prisoners in place of public works crews. Between January 1990 and December 1996, Pelican Bay inmates worked almost 150,000 hours on everything from school grounds to public buildings. According to one report, the prison labor, billed at the meager sum of \$7 per hour, would have cost the county at least \$766,300. "Without the prison we wouldn't exist," says Cochran.

## THE PRISON INDUSTRIAL COMPLEX

Little town and big prison: it is a marriage that has been replicated scores of times in recent years. From Bowling Green, Missouri, to rural Florida, economically battered towns are rolling over for new prisons. Nationally, the tab for building penitentiaries has averaged about \$7 billion annually over the last decade; in 1996 alone contractors broke ground on twenty-six federal and ninety-six state prisons. Estimates for the yearly expenses of incarceration run between \$20 and \$35 billion annually, and one report has more than 523,000 full-time employees working in American corrections – more than in any *Fortune* 500 company except General Motors.<sup>2</sup> In the American countryside punishment is such a big industry that, according to the National Criminal Justice Commission, 5 percent of the growth in rural population between 1980 and 1990 was accounted for by prisoners, captured in cities and exiled to the new carceral arcadia.<sup>3</sup>

Is prison building the current delivery system for Keynesian stimulus in a post-Cold War, demilitarized America? Is the emerging prison industrial complex replacing or augmenting that behemoth constellation of civilian government, military power, and private capital that Eisenhower dubbed the "military industrial complex" and which for two generations has been America's *de facto* industrial policy? This is the line argued by a few on the left and, to some extent, by writers in the *Wall Street Journal* and *Atlantic Monthly*. But this analysis begs several questions. First, is the military industrial complex – driven by the Pentagon budget – withering and being transformed piece by piece into a domestic war machine? A glance at the facts suggests not. The 1999 Pentagon budget topped \$297 billion, the greatest in real terms ever, and six to ten times the total annual tab for incarceration. So while Heckler and Koch and other arms dealers may be pushing their wares on America's cops and fomenting a paramilitary culture, and Wackenhut sinks more capital into private prisons, these expansions are not *forced* by a peace-driven Pentagon downswing.

Nonetheless, we might ask: are *specific* corporate interests *driving* criminal justice policy, as is often the case with military policy? This "prison as Pentagon" argument generally cites three ways in which incarceration bolsters capitalism: broad Keynesian stimulus (as in the case of Crescent City), the privatization of prisons and prison-related services, and the exploitation of prison labor by private firms. All of these features of the prison industrial

complex are important, but none of them – alone or together – explains *why* we are headed for what Jerome Miller calls a “gulag state.”<sup>4</sup>

The rest of this chapter will explore each of the crucial points on the prison–business nexus, and then turn to another explanation for the lockdown economy, one based not on *direct* and *specific* corporate interests, but rather on an analysis of punishment and terror as class struggle from above.

### CARCERAL KEYNESIANISM?

As with Pelican Bay and Crescent City, new prisons seem to gravitate towards the terrain of economic devastation. For example in 1994, Rome, New York, lost 5,000 jobs when Griffiss Air Force Base shut down. Exacerbating the crisis was Lockheed Martin’s slow withdrawal of almost 1,000 well-paid jobs from nearby Utica. Chicago Pneumatic Tool Company also decamped to the sunny non-union climes of North Carolina, taking 430 more well-paid manufacturing jobs. But as this industrial base slipped away, new prospects emerged on the economic horizon: some of the best jobs in the region belonged to the 2,612 people employed at four nearby state prisons. And so the local boosters at the Rome Chamber of Commerce started lobbying for new dungeons in the hope of capturing a few more of those \$36,000-a-year jobs.<sup>5</sup> In this case, prison was clearly a local solution to military and defense contractor restructuring; other areas of the country offer similar examples.

Victorville, in southern California’s dry “Inland Empire,” spent most of the nineties in an economic tailspin after George Air Force Base was shuttered in 1992, taking more than 5,000 military and civilian jobs with it. By late 1998 town leaders were aggressively courting the Federal Bureau of Prisons in an attempt to win the right to host a new 1,900-bed, \$60 million prison just outside town. The new lockup promised to deliver anywhere from 250 to 800 jobs and a \$1 to \$2 million annual payroll.<sup>6</sup>

Not far from Victorville is the hamlet of Blythe, the victim of nearly two decades under the yoke of the chronically low price of its agricultural produce. Blythe’s first move toward economic resuscitation was the 1988 arrival of a big new penitentiary. Civic boosters liked the first joint so much they won themselves a second in 1995.<sup>7</sup> Other agricultural areas are also

trying to make the switch from produce to prison. For example, South Bay, Florida, “the town that lettuce built,” is prime incarceration country. Less than sixty miles from moneyed and manicured Palm Beach, South Bay is nestled on the southern edge of Lake Okeechobee. Economically speaking the town is light years away from Florida’s tourist simulacrum: with 3,500 residents, South Bay is the land of trailer parks, cane fields, and unemployment. When there was talk of building a \$32 million prison in the area, the town fathers jumped. Even before South Bay Growers, one of the nation’s largest producers of winter vegetables, fired 1,336 workers and switched from labor-intensive row crops to highly automated sugarcane production, the surrounding area had an unemployment rate of 22 percent. The planned South Bay Correctional Facility – a piece of Wackenhut’s transnational private prison empire – promised up to 400 jobs and an \$11 million annual payroll. To cement the deal the Palm Beach County Commission donated a plot of land worth \$300,000. “This is one of those win–win propositions . . . We’re determined to see that bad people stay in prison a lot longer,” reassured the economically practical Governor Lawton Chiles.<sup>8</sup> While the multiplier effect of prison salaries will staunch some of the economic damage in and around South Bay, it will not create prosperity.

One of the saddest attempts at prison-based growth was a case in northern Missouri, where local boosters offered to retrofit the defunct Tarkio College into a minimum security pen. Such schemes to convert bases, factories, or schools rarely come to fruition because contractors prefer building from scratch.<sup>9</sup> After all, most prison builders can get land for free from desperate local governments. In 1989, Florence, Colorado, bought 600 acres of ranch land for \$100,000 and gave it to the Bureau of Prisons, which proceeded to build four major lockups there.<sup>10</sup> In the early nineties this sort of prison-courting-by-way-of-subsidy reached absurd proportions. In 1991, recession-ravaged Appleton, Minnesota, population 1,552, sold \$28.5 million in municipal bonds and built a city-owned, state-of-the-art, medium-security prison on a fallow soybean field. “The world has written us off,” explained a city bureaucrat. “It’s up to us and us alone. Nobody is going to help bail us out.”<sup>11</sup> Fueled by desperate optimism and little else, the Appleton prison found itself unable to fill a single cell nor meet its debt obligation until mid 1993.<sup>12</sup>

Even in the best of situations prison stimulus is often overestimated. In Florence, Colorado, home of those four Bureau of Prisons penitentiaries, the

economic payback and linkages have been less than expected. About 30 percent of the prison's employees live outside the county, commute huge distances, and end up spending and paying taxes elsewhere. While a local firm has the garbage contract, most prison purchasing is done on a regional and national level, thus bypassing local retailers. To top it all off the pens pay no property taxes.<sup>13</sup>

Prison stimulus can also mean economic distortion. In oil-busted Fort Stockton, Texas, two big prisons meant an influx of relatively well-paid construction workers and then guards, all of which triggered a mini real estate bubble and skyrocketing rents. Crescent City, California, suffered a similar housing crunch. In Fort Stockton, even the optimists saw the town's new economic function as bringing only a short-term reprieve: "Growth," said one, "will probably continue for the next two to three years."<sup>14</sup> In the southern end of California's Central Valley, near the prisons of Avenal, Corcoran, North Kern, Pleasant Valley, and Wasco, the incarceration industry has put such a strain on the local schools, sewers, roads, and medical services that the state was recently forced to dole out \$2 million in mitigation funds.<sup>15</sup>

And what of prison building's spin-off effects? After all, the economic magic of military Keynesianism is worked not through the wages of soldiers as much as it is through bomb building's concatenated forms of technological and industrial spin-off. Cold War pork spending and government incubation of defense industries has helped develop the US interstate highway system, state universities, commercial jets, most of telecommunications including the Internet, the microprocessor, fiber optics, and laser surgery. All of these institutions and technologies were hatched with government money in government-subsidized universities; and all were directly, or indirectly, part of the technological race against Soviet socialism. In short, the American high-tech sector is a byproduct of Pentagon spending. No such economic linkages can be attributed to the prison boom. Rather, the best it can offer is the occasional example, such the growth at Pueblo Community College: thanks to the high number of penitentiaries located in the Pueblo to Cañon City corridor, the college's criminal justice program has gone from several dozen students in 1985 to a current enrollment of about 600.<sup>16</sup> In fact, criminal justice and justice administration programs are on the rise nationwide.<sup>17</sup> But this cottage industry, in what amounts to vocational training in the arts of repression and file keeping, hardly compares to the Cold War-inspired high-tech revolution.

Besides the quantitative question of growth, prison stimulus has disturbing qualitative implications. Like prison itself, the incarceration business often advances racist agendas. In the prison economy, people of color are the fodder: two-thirds of all prison admissions are Black or Latino people. Meanwhile, downwardly mobile white working class men are most often the keepers. In most states well over half of all guards are white men. As the guarding profession grows, the demographics of public employment tend to skew towards the profile of the white male turnkey. Due to the rise of rural prisons, white men in Illinois still get more than half of all newly created public sector jobs, while the percentage of white women and people of color employed by the state has declined throughout the 1990s. Former Illinois governor Jim Edgar explained the increasingly pallid complexion of public employment thus: "One of the few areas we've hired people in the last two years has been for prisons in down-state Illinois and, unfortunately, that isn't where you necessarily recruit a lot of minorities."<sup>18</sup> Thus cleavages of race, class, and geography are enlisted to reproduce and manage an unfair economic system.

In conclusion, it is safe to say that incarceration is a small-scale form of Keynesian, public-works-style stimulus. New penitentiaries can revivify economically moribund regions and, acting as anchor industries, can bring in other employers such as medical services and retail chains. But these pockets of pork-driven prosperity remain tiny islands in a vast sea of stagnant agriculture, deindustrialization, and what we might call post-organized, downgraded manufacturing. The gulag provides opportunities for localized growth but it does not and will not assume the mantle of *de facto* industrial policy, because it cannot and will not replace the economic role of military and aerospace spending.

## PRIVATE PRISONS

Another player in the matrix of interests referred to as the prison industrial complex is the fast-growing and powerful private prison industry. Through assiduous cultivation of state officials the private prison industry is increasingly active in shaping criminal justice policy, but its partnership with the state also faces problems: recent events have unveiled private jailers as cheats, liars, and liabilities.

For-profit lockups currently control some 5 percent of all US prison beds; they make huge profits and spend amply to sway politicians and public opinion. The current round of private incarceration began with a Reagan-sponsored experiment to house INS detainees at private detention centers in Houston and Laredo, Texas. The architect of the plan was Attorney General Meese (who now works at a for-profit, pro-privatization think-tank). In response to the federal government's broad invitation to capital, a pair of Tennessee entrepreneurs, using money from Kentucky Fried Chicken and the know-how of several public sector corrections veterans, set up the first private prison company, Corrections Corporation of America. At the apex of this fast-growing empire is a troika of well-connected good old boys: Doctor Crants, CCA's president and visionary; his old West Point roommate, CCA co-founder Tom Beasley, who quite conveniently served a stint as chairman of the Tennessee Republican Party; and finally, providing the technical expertise, is T. Don Hutto, former commissioner of the Virginia and Arkansas Departments of Corrections.<sup>19</sup> Others board members include corrections veterans such as Michael Quinlan, former director of the Federal Bureau of Prisons.

For most of the eighties and early nineties, CCA, like its competitors, concerned itself with cherry-picking: seeking easy-to-handle contracts for minimum security prisons. This was a prudent attempt to prove that private capital could handle society's cast-off populations without any major explosions. But CCA and the others soon set out for bigger prizes. Fifteen years after the first "experimental" incarceration of immigrants, corporate jailers now control roughly 100,000 prison beds nationwide in over a hundred different facilities in twenty-seven different states.<sup>20</sup> CCA's market share is approximately 52 percent of all privatized American prison beds.<sup>21</sup> Globally, its empire includes seventy-eight prisons holding more than 63,000 beds in twenty-five states, the District of Columbia, Puerto Rico, Australia, and the United Kingdom. However, the company's political and geographic stronghold remains Tennessee, where it dumps inmates from Wisconsin, Hawaii, Montana, the District of Columbia, and Puerto Rico into a sprawling, barely regulated private prison system.

Financially CCA has performed handsomely. One investment firm dubbed it "a theme stock for the nineties."<sup>22</sup> In 1995 the company went public at \$8 a share: by the year's end the price had soared 462.5 percent to \$37. However, recent scandals and increasing disenchantment among state

legislators have brought CCA stock down to roughly half its peak value. But the company, capitalized at \$3.5 billion, is still a "secure" investment and growth remains strong.<sup>23</sup> To maintain market dominance CCA does things the old fashioned way: giving generously to politicians and buttering up the press. In recent years Doctor Crants has distributed more campaign money to Tennessee politicians than any other individual.<sup>24</sup> The company also operates a robust lobbying operation in D.C. and in several states where it has investments.<sup>25</sup>

The next largest private jailer is Wackenhut Corrections, with about 17,000 beds at twenty-four facilities. Named after its founder, former FBI agent George Wackenhut, the firm is a subsidiary of Wackenhut's private security service, which made it big more than forty years ago by scooping up contracts to guard America's nuclear waste dumps and testing installations. Wackenhut also did some freelance spooking: by the late sixties the corporation had dossiers on three million American "potential subversives." This was the largest collection of private surveillance files in American history and was later handed over to the FBI. By the 1970s and 1980s the company had expanded into strike-breaking and guarding US embassies. George Wackenhut still runs the business from his castle-like mansion in Florida and from the deck of his yacht, *Top Secret*. Since going public in 1994, Wackenhut's stock price has soared 800 percent and split once.<sup>26</sup> The company's board of directors is, like CCA's, a juice-laden den of far-right political muckety-mucks, including Frank Carlucci, former NSA advisor to President Reagan; Bobby Inman, formerly deputy director of the CIA; and for a long time, the now deceased Jorge Mas Conosa of the Miami-Cuban lunatic fringe and the Clinton inner circle.

Behind CCA and Wackenhut is a hungry pack of some sixteen other firms that run local jails, private prisons, and INS detention centers. Underwriting the growth of both public and private prisons are a battery of mainstream financial houses. It is estimated that giant Wall Street firms such as Goldman Sachs, and Merrill Lynch write between \$2 and 3 billion in prison construction bonds every year.<sup>27</sup> And like any self-preserving "industrial complex," the private prison sector is cultivating a coterie of paid opinion makers. Most notable is the Private Prisons Project at the University of Florida, Gainesville, which receives over \$60,000 in grants every year from private jailers. The project's staff of researchers focuses on tutoring journalists and churning out predigested policy briefs which are spoon-fed to state and

federal lawmakers. The center's director, Charles W. Thomas, has been quoted literally hundreds of times as a non-partisan expert, despite the fact that he personally owns stock in CCA, Wackenhut, and a slew of other for-profit dungeons. Private prison firms have also flown journalists to plush overseas hotels with limousines on call.<sup>28</sup> Swimming alongside the big fish of incarceration are schools of for-profit caterers, prison HMOs, private transport companies, architecture firms, and other subcontractors that feed at the margins of the prison industrial complex.

So clearly we have the formation of an "industrial complex" in the original sense of the word, a government-backed juggernaut of mutually reinforcing corporate interests. These companies are led by people – powerfully connected men – with sophisticated political agendas and who are positioning for long-term growth and political influence.

### A MORE EFFICIENT GULAG?

But what of the great savings so loudly and frequently proclaimed by the private jailers' academic and journalistic claque?<sup>29</sup> The most definitive test of such assumptions was a broad 1996 study by the General Accounting Office, which reviewed and compared all the major studies of private prisons' cost and quality conducted since 1991. The GAO was less than enthusiastic in its appraisal of private lockups: "These studies do not offer substantial evidence that savings have occurred."<sup>30</sup>

Generally, the GAO found that public and private prisons cost taxpayers roughly the same. For example, a study from Louisiana found that "average inmate costs per day for the two private facilities studied were \$23.75 and \$23.34, respectively, and the comparable daily operational costs for the public facility studied were \$23.55 per inmate." Most studies reviewed by the GAO did not address quality of service, as calculated by rate of assault, injury, or inmate and staff satisfaction. The two studies that did address such criteria reported "equivocal findings."<sup>31</sup>

To the extent that private prisons do save on expenses, most of the surplus goes not to the state but, rather, takes the form of corporate *profit*. That is after all the private jailers' *raison d'être*. And the drive towards lower costs – that is, the drive toward greater profit – engenders various other problems. Private prisons make money by cutting corners, which means skimp-

ing on food, staffing, medicine, education, and other services for convicts. It also means fielding poorly trained, ill-equipped, non-unionized, and often brutal guards. Exploitation of staff leads to high turnover rates, while the drive to keep overhead low means that many open positions remain vacant for months on end. One private prison in Florida, according to state audits, had an annual staff turnover rate of 200 percent.<sup>32</sup>

Private prisons also achieve economies by eliminating labor through specially designed, automated "hands-off" prisons. Eric Bates describes what happens at new private prisons when the panopticon meets the bottom line:

The design of the "control room" will enable a guard to simultaneously watch three "pods" of 250 prisoners each. Windows in the elevated room afford an unobstructed view of each cell block below, and "vision blocks" in the floor are positioned over each entranceway so guards can visually identify anyone being admitted. The high-tech panel at the center of the room can open any door at the flick of a switch.<sup>33</sup>

Such futuristic profit pens are built to function with no more than five guards controlling 750 inmates, or at least that is the plan. "It was bizarre," explained a former guard from one such joint. "One time I was working central control and there were 200 to 300 inmates wandering the halls."<sup>34</sup>

### PRIVATE HELL

Private prisons produce a unique set of "externalities." The first political rumbling from within the bowels of the CCA empire came borne on clouds of pepper spray and smoke in the summer of 1995. Prisoners from North Carolina – homesick, ill-treated, and packed into a Tennessee house of corrections – trashed and burnt two of their dorms. The riot lasted several hours and was only put down when CCA's overwhelmed guards finally handed over operations to local SWAT commandos.<sup>35</sup> Another dent in the image of for-profit prisons was the riot at an INS detention facility run by Esmore Correctional Services, which housed non-criminal, would-be migrants awaiting immigration hearings. The "facility" in question was actually nothing more than a Motel 6, retrofitted with bars, bunks, and fences. Packed into tiny

rooms with no access to exercise or other activities, the detainees endured months on end of stultifying boredom, bad food, smelly toilets, and humiliation at the hands of Esmore rent-a-cops. On June 18, 1995, desperation peaked; the three hundred detainees finally exploded, trashing their rooms, smashing up toilets and burning mattresses. After the riot was suppressed, twenty-five immigrants were transferred to the Union County jail, where guards administered methodical punishment beatings.<sup>36</sup>

Since these first conflagrations, private prisons have become known for their lack of services, brutality, frequent escapes, and inmate violence. But the industry's reputation reached a new nadir on July 25, 1998, when six Washington, D.C., prisoners busted out of the CCA-owned Northeast Ohio Correctional Center in Youngstown, Ohio. Built to house 1,700 medium security prisoners from D.C. and other jurisdictions the Youngstown joint (Ohio's only private dungeon) was plagued with problems from the moment it opened in May 1997. Poorly constructed, understaffed, and immediately filled to capacity with both medium *and* maximum security convicts, the CCA prison became a chaotic gladiator's pit where nonviolent burglars and crack addicts were haphazardly thrust into cells with seasoned rapists, habitual killers, and other high-security predators. The fifteen months of operations preceding the escapes saw forty-four assaults, sixteen stabbings (including one guard), and two murders. When state inspectors finally did arrive, they were turned away at the gate.<sup>37</sup>

But it was the news that six very angry young men from Washington, D.C., had cut open CCA's chain-link fence, crossed an electrified barrier, plowed through yards of razor wire and were now at large among the good people of Youngstown that really sent shock waves of fear throughout Ohio, and, for different reasons, throughout the ranks of CCA investors.<sup>38</sup> For almost a week regular police, tactical squads, canine teams, and helicopters combed an ever widening circle around the prison in search of the runaways. One by one cops busted the desperate, exhausted escapees, some of whom had been badly wounded by the razor wire. The last escaped inmate, Vincent Smith, was finally taken down in the backyard of Susie Ford's house. A 54-year-old grandmother of three living on the outskirts of Youngstown, Ms. Ford got the news live – when her frantic sister telephoned telling her to turn on the television: “That’s our building! That’s our building!” Indeed it was. And the Ford sisters watched their screens in amazement as police swarmed through the shrubs out back.<sup>39</sup>

The next months brought a cascade of revelations and inquiries. It seemed CCA's rent-a-cop security force was not only ill-equipped and poorly trained, but battered by employer racism and reckless penny-pinching. The new prison was so unsafe, staff were soon deserting in droves. “I stopped counting at seventy,” said Victoria Wheeler, a former CCA guard. Another former CO, Linda Carnahan, recalled how she was sent, completely untrained in the use of firearms, to patrol the perimeter with a shotgun. “I told my captain that if we had an escape, I didn’t know how to pick up a gun and shoot it. He said go out there anyway.” CCA had deliberately passed on firearms training because state certification costs up to \$3,000 per person.<sup>40</sup>

A later report by the GAO found, among other things, that 80 percent of the CCA guards had no corrections experience; many of the guards were only eighteen or nineteen years old; prison medical records went unaccounted for while more than 200 chronically ill inmates were left untreated in general population; and almost no effort was made to separate violent psychos from peaceful convicts. Later inmate civil rights suits alleged that guards violated regulations by using tear gas inside; that prison tactical teams dragged inmates naked and shackled across floors; and that during cell searches convicts were forced to strip, kneel, and were shocked with stun guns if they moved. One female clerical worker – made to inventory inmate processions during such a cell raid – summed it up thus: “I told my roommate that the guards here are like people who got beat up in high school and this was their way of getting back at the world.”<sup>41</sup>

The ongoing pandemonium in the Youngstown joint was a product of CCA's greed. So eager were the boys in Tennessee to start counting ducats that they rushed to fill the new prison by importing 150 convicts per day until the prison was full. Normal procedure in opening a new penitentiary is to process only 80 to 100 inmates *per week*, so as to check for security flaws.<sup>42</sup> But CCA was reimbursed per day, per inmate. Adding insult to injury, CAA had won handsome concessions from Youngstown just for building the penitentiary. Ravaged by deindustrialization, with an official unemployment rate of over 10 percent, the city had supplicated itself in the usual fashion: fawning civic boosters gave CCA a hundred acres of prime real estate (much of it aggressively annexed from a smaller town) and an \$11 million tax break.<sup>43</sup> Coincidentally, the tax abatement was directly proportional to that year's Youngstown City School District budget deficit. In fact the city's public schools – which had just eliminated 149 jobs and *closed* six

schools — were in such horrible condition that Ohio State Auditor Jim Petro declared a fiscal emergency.<sup>44</sup>

Even before CCA inmates had “hit the fence,” local police and democratic lawmakers were having second thoughts about the efficacy of hosting scam artists from Tennessee and their captives from the District of Columbia. For one thing, neither the city nor the state had any regulatory control over CCA, in part because none of the convicts was from Ohio. When a state legislative bill designed to impose limited control on CCA was set to become law, the company’s president David L. Myers killed it with a lobbying blitzkrieg that included personally calling lawmakers at home with threats to abandon the Youngstown prison and take its 400 jobs elsewhere.<sup>45</sup> Nonetheless the breakout caused a change of heart among legislators, and all further moves to expand private prisons in Ohio were blocked. In response to this and other political heat, CCA began experimenting with PR retailing in the form of “fuzzy” TV commercials intoning, “CCA. Quietly going about the business of public safety.”<sup>46</sup>

The Youngstown debacle was not particularly unique, just well publicized. And despite the fact that for-profit jailers try to keep their captives away from the press (in Youngstown CCA put a gag order on prisoners), the bad publicity is mounting. For example, at Brazoria County Detention Center in Angleton, Texas (a Capital Correctional Resources Incorporated facility), guards made a “training video” of themselves beating, stun-gunning, and siccing dogs on naked prisoners from Missouri. Injured inmates were dragged, face down back to their cells. After the screws’ rampage, cell block telephones were cut off, preventing the Missouri captives from calling home.<sup>47</sup> The video was later obtained by lawyers and broadcast nationally. On it a guard taunts: “Gentlemen, you might not like it here, but this is the way it is. Do what you’re told.”<sup>48</sup>

The sadism of Brazoria was the hybrid result of power-tripping guards and institutional greed: CCRI paid its bulls only \$8 an hour, gave them little training, and hired convicted felons. One of the video’s star performers, the CO Wilton David Wallace, had served six months in federal prison in 1984, for abusing inmates while employed as a Texas state prison guard. The CCRI-leased jail/prison was also abusing its charges in less dramatic ways: a typical menu revealed endless lunches of black-eyed peas, corn bread, and water. The punishment diet was peanut butter sandwiches and water.<sup>49</sup> In 1996, fourteen convicts and two guards were injured at a CCA prison in

Texas when convicts rioted to protest at poor food, inadequate recreation, and other problems.<sup>50</sup>

At a Wackenhut facility in New Mexico, a supervisor ordered his subordinates to beat a verbally belligerent prisoner. According to a state investigation, inmate Tommy McManaway was restrained and repeatedly kicked in the groin while lying face down on the floor. When the assault was exposed the supervisor told two lieutenants and a sergeant to “stick to their stories and he would back them up.”<sup>51</sup> Most of the time, abuse in private pens is kept hidden by just this method.

Not long ago, more bad news emerged from a CCA joint in Tennessee which housed exiles from Wisconsin. The trouble began when a CCA screw was attacked, beaten, and left in a coma. The following “investigation” took a brutal and arbitrary form. A seven-member “SORT” team — these are CCA tactical units, based outside the prisons and called in to do the heavy lifting — tortured between fifteen and twenty prisoners with beatings and electric shock.<sup>52</sup> At first both CCA and Wisconsin officials dismissed inmate complaints and suits, but as evidence mounted, and family members protested, the cover-up collapsed. Wisconsin State officials and the FBI began investigating and several CCA staff were canned.<sup>53</sup> Overall, Tennessee officials say the rate of serious incidents at CCA prisons is sometimes as much as 28 percent higher than in state prisons.<sup>54</sup>

Private juvenile facilities have also been exposed as abusive. One such outfit in Colorado, operated by Rebound Corporation and housing 184 teenage felons, was shut down because it overused restraints, allowed sex between staff and inmates, and in other ways physically abused its wards — all of which culminated in the preventable suicide of a thirteen-year-old boy. In 1998, South Carolina canceled a juvenile contract with CCA after numerous escapes, allegations of excessive force, and documentation of torture by claustrophobia in which as many as eighteen boys were packed into a one-person cell with only cups for toilets.<sup>55</sup>

News of such abuse and growing opposition from organized labor has begun to hamper the expansion of private prisons. Even Tennessee Governor Don Sundquist, an ardent supporter of for-profit incarceration, was moved to propose a ban on private prisons that release out-of-state inmates in Tennessee or house out-of-state sex offenders and habitual escapees. He also called for private prisons to reimburse the state for the costs of post-escape manhunts and riot suppression.<sup>56</sup>



## SCREWS, BULLS, AND COMPLICATED AGENDAS

Interestingly, the most important check on the private gulag's expansion is the growing political muscle of unionized prison guards. As incarceration in general booms, so too do the ranks, assets, and raw power of organized COs. In recent years guards have taken tentative steps to check the expansion of for-profit jailers. The union that set the model and still leads the fight against privatization is the California Correctional Peace Officers Association (CCPOA).

Originally little more than a moribund social club, the CCPOA has become one of the most fearsome political machines in Californian history. Since 1983, the number of COs in California has ballooned from 1,600 to more than 28,000 and their real salaries have more than doubled to an average of \$41,000. The CCPOA now commands a budget of \$17 million, an assault force of twenty-two in-house lawyers, and a huge political war chest. In just the first half of 1998 the guards doled out over \$1 million in political contributions.<sup>57</sup>

The CCPOA's chieftain is the fedora-wearing, savvy and pugnacious Don Novey, who cut his teeth as a rank-and-file bull, walking the tiers in Folsom from 1971 through 1986. Fluent in Polish and German – thanks to stints at the Defense Language Institute and the Counter Intelligence Institute in Washington, D.C. and service with the Army's 503rd Counter Intelligence Division in Europe from 1969 to 1971 – Novey took control of the union presidency through a contested election in 1980. It was the eve of the great incarceration boom, and through serendipity, hard work, and prudent public relations, the CCPOA was set to expand apace. Priority number one was remolding the turnkeys' public image: Novey started cultivating friends in the press corps, sent guards (whom he insists on calling corrections officers) to give toys to hospitalized children, and dubbed the COs' mission inside "the toughest beat in the state."<sup>58</sup> He also increased guard training, improved their uniforms and weaponry, and established a formidable legal machine to defend the rank and file against suits and disciplinary hearings. Most important of all, Novey bought politicians.

While the CCPOA has lavished lawmakers with cash, giving former California governor Pete Wilson almost \$1 million to win the election in 1990, its power is disproportionately larger than its war chest. The California

Teachers Association gives almost as much as the CCPOA and its membership outnumbers the CCPOA's ten to one, but the teachers get very little for their cash.<sup>59</sup> Along with money and organization the CCPOA has commanded the ideological high ground issue of the 1990s: crime. Being tough on crime has become a right-wing litmus test. The issue of crime, unlike education, has a visceral power rivaled only by the once mighty anti-communist hysteria. The CCPOA has assiduously courted this public fear and pandered to desires for strong and simple solutions.

No strategy illustrates this better than CCPOA involvement with the victims' rights movement, a right-wing form of political "astro-turf" – that is, a bought and paid for pseudo "grassroots" activism. More than fourteen crime victims' groups – at least five of them formed since the election/riot year of 1992 – are active in legislative politics. Novey's CCPOA fertilizes much of this law-and-order populism by channeling funds – about \$60,000 a year – to the movement through a CCPOA-controlled political action committee called Crime Victims United. Like the guards' other lobbyists, the CVU pushed hard for passage of California's "three strikes" legislation. Another group, the Three Strikes You're Out Committee, used more than \$100,000 of CCPOA money to launch the infamous sentencing law in 1994. Such spending also pays off in the form of political appointments: Republicans funded by the CCPOA have given luminaries in the victims' rights lobby crucial policy appointments. These appointees in turn pressure to keep sentences long, cut down on parole, and recommend the creation of new criminal statutes.<sup>60</sup> A so-called "victims' rights day" even serves as the CCPOA's annual political gala. There, surrounded by empty coffins symbolizing the multitude of murder victims, Novey bequeathes the CCPOA's official favor upon that season's political darling. For a long time that was Republican Attorney General Dan Lungren, but in 1998 he was snubbed for the Democratic governor-to-be Gray Davis.<sup>61</sup>

## OPPOSING PRIVATIZATION

Despite being a solidly right-wing organization that would cannibalize most social spending to advance the cause of prison building, the CCPOA still represents workers – even if they are salaried, paramilitary, state functionaries. Thus it viciously opposes privatization. "We call them dungeons for dollars

because their allegiance is to stockholders, not to the public," says CCPOA spokesman, Lance Corcoran. The CCPOA even draws on left-liberal sources in its fight against Wackenhut, CCA, and the rest. For example, its magazine *Peacekeeper* reprinted an article with an anti-privatization spin from the *Village Voice* by the well-known progressive journalist Jennifer Gonnerman.

But while the might of the CCPOA has kept private prisons at bay for a decade and a half (there are private jails, federal prisons, and half-way houses in California), it is not clear how much longer that situation will prevail.<sup>62</sup> In what lobbyist Jeff Thompson called "our Gettysburg," a CCA hireling and Democratic state senator, Richard Polanco, has pushed through legislation to build a 2,000-inmate private prison in California City, a dusty hamlet in the Mojave desert. "Build and they will come," says Polanco, echoing the standard refrain from CCA flacks. As yet it is not clear whether the inmates to fill the CCA foothold will be from California or elsewhere.<sup>63</sup> Despite this setback, other guards around the country are finally beginning to follow the CCPOA example.

In most states the COs' road to political power leads through the American Federation of State, County, and Municipal Employees (AFSCME), whose Corrections United subdivision represents 100,000 publicly employed prison guards. Calling private prisons "a threat to public safety" and "a taxpayer rip-off," AFSCME president Gerald McEntee has stepped into the fray, producing a sixteen-page report and a video on problems associated with private pens.<sup>64</sup> But the more interesting AFSCME actions against the for-profit jailers are happening on the ground, at the local level. In Pennsylvania, for example, three hundred guards marched outside the Pennsylvania Department of Corrections shouting "Death to privatization." This, and intensive lobbying, forced free-market-loving Governor Tom Ridge to kill plans for leasing the state's newest lockup to a private company.<sup>65</sup> In Wisconsin, the State Employees Union, led by Green Bay prison guard Gary Lonzo, has effectively blocked privatization. "These privateers come in, and they're only in it for one reason," says Lonzo. "They're not going to build a prison in Wisconsin unless they make money. And to make money, they have to pay generally substandard wages, [and provide] less training and less programming."<sup>66</sup> Privatization in Virginia, with one for-profit dungeon, has also run into opposition from angry AFSCME guards. And when Nebraska guards flexed, state legislators shut the door on Wackenhut, which had been trying to grab a piece of that state's prison

system. Privatizers in Iowa are also facing well-organized COs who decry privatization as a "prescription for disaster" and use their weight with the Board of Corrections to shut out for-profit jailers. "This isn't for rent-a-cops," explained prison guard Wade Erickson.<sup>67</sup> Even before the Youngtown escape, four hundred Ohio guards protesting any further privatization converged on the statehouse. "The next thing you know, they're going to want to privatize another, then another one, then another," said a guard in a skunk-skin hat which, as he explained, signified the odor of CCA.<sup>68</sup>

Perhaps the most dramatic campaign against prison privatization occurred in Tennessee, CCA's own gently rolling Siberia. In 1997 the company launched plans to take over the state's *entire* prison system. For a moment, CCA-drafted legislation was teetering on the brink of passage; it even seemed that the company had won the consent of union leadership. But a counteroffensive, involving churches, student groups, and the 2,000 rank-and-file prison guards of the Tennessee State Employees Association tipped the scales. Using the Internet to link forces and disseminate information (much of it leaked by CCA prisoners and disgruntled employees), the coalition forced the pro-privatization politicians and waffling union leaders to back down. By October 1998 there was another attempt at total privatization, which triggered a protest by some 2,000 guards at the governor's office and the nearby CCA world headquarters. As political backdrop the COs had the spectacle of yet another big escape: four inmates had just busted out of CCA's South Central Correctional Facility in Clifton, Tennessee, and were still at large.<sup>69</sup>

The politics of guard unionism are wrought with contradictions: they have been instrumental in creating and shaping the prison industrial complex by bolstering hawkish anti-crime politicians and lobbying for get-tough legislation like three strikes. And the CO unions, in California and elsewhere, have protected their rank-and-file members against any and all disciplinary procedures. However, in their fight against privatization the guards defend not only their own interests but inadvertently the larger agenda of public accountability and democratic control over state functions. As bad as public prisons are, private one are worse, both in fact and in principle.

## PRISON LABOR: SAVIOR, DEMON, OR DUD?

Another important piece of the prison industrial complex is the exploitation of prison labor by private and state-owned companies. Convict labor, seen as efficient economics and moral just deserts, has developed many powerful champions in recent years, among them Senator Phil Gramm, who said he wants "to turn every federal prison in this country into a mini industrial park." Edwin Meese, former US attorney general and architect of the Reagan-era war on drugs, has also taken up the cause, editorializing in the *Wall Street Journal* that "the time is ripe to reduce the cost of incarceration by expanding inmate work programs." As early as the 1970s, the conservative Supreme Court Justice Warren Burger was calling for prisons to become "factories with fences." Are we poised for a mass expansion in convict labor? Is prison labor driving the big round-up?

Already American convicts toil for private firms making copper faucets, blue jeans, circuit boards for nuclear power plants, and stretch limousines. In San Diego prisoners working for CMT Blues were employed tearing "made in Honduras" labels off T-shirts and replacing them with labels reading "made in USA." Other convicts take reservations for TWA, work at telemarketing and data entry, and slaughter ostriches for export to Europe. In Washington State, *Prison Legal News's* Paul Wright uncovered evidence that a company called Exmark uses a "flexible" pool of prison laborers to package everything from Microsoft Windows 95 to Starbucks Coffee products to JanSport gear and undertakes "literature assembly" for telecommunications giant US WEST. Subcontractors for Eddie Bauer and Victoria's Secret have also used inmate workers. Meanwhile, in Louisiana CCA has teamed up with the work-clothes manufacturer Company Apparel Safety Items (CASI) in the nation's first partnership between a private prison and a private manufacturer.<sup>70</sup>

This current wave of prison labor began with the Federal Prison Industries Enhancement (PIE) Act of 1979, which allowed private corporations to enter "joint ventures" with state prisons for the first time since the New Deal. During the 1930s, labor militancy and the moral scandal of Southern convict leasing inspired Congress to pass the Hawes-Cooper Act and then the more stringent Ashworth-Summers Act, which imposed local regulation on convict leasing and made it a felony to transport or sell prison-made goods across state lines. But in the two decades since the advent of the PIE

program, over fifty different joint ventures have begun in thirty-two states.<sup>71</sup> According to PIE rules, a joint venture must consult local unions before starting up, pay "prevailing wages" (which in practice usually means minimum wage), and must not displace existing employment. Most work in prison pays only pennies per hour, but even in PIE joint ventures 80 percent of the convict's remuneration is taken by the state in the form of taxes, room and board, victim restitution, court fines, and mandatory savings or family support payments. So while PIE inmate workers are "paid" minimum wage they usually only receive between 65 cents and \$1.50 an hour.

More numerous than these PIE joint ventures are the state-owned "prison industries" which make everything from furniture and clothing, to food, road signs, and computers. Unlike the public-private joint ventures, the state-owned prison industries can only sell to other government agencies. Some state-owned firms, unable to sell to the private domestic market, can pitch their products internationally: one of the few that does is Oregon's UniGroup which sells convict-made jeans called "Prison Blues" in Japan and Italy.<sup>72</sup>

The largest single employer of prison labor – with 18,000 convicts making 150 different products – is Federal Prison Industries, also known as Unicor. The company is state-owned and can sell only to other federal agencies, but those markets are guaranteed, carved out for Unicor by law. Currently Unicor makes everything from safety goggles and wiring for Air Force fighter jets to body armor for the Border Patrol and road signs for the Park Service; in 1998 the firm produced \$512 million in goods and services.<sup>73</sup>

Given all this hard work going on in the big house it would appear that America's 1.8 million prisoners are becoming a Third World within, a cheap and bountiful labor reservoir already being tapped by big business and Uncle Sam alike. Some observers even imply that the corporate desire to harness prison labor is driving prison expansion. But closer examination complicates this picture.

As of March 1998, after almost twenty years in operation, all of the nation's PIE joint ventures combined still had only 2,539 convicts working for private firms. Adding in Unicor workers and all the inmates who work in state-owned industries and local jail industries, and the total number of working inmates swells to 72,000. That is a big number, but it is still less than 5 percent of the entire incarcerated population; and proportionally

fewer inmates work today than in 1980.<sup>74</sup> In other words, prison labor, while expanding, is not keeping pace with booming incarceration rates. Thus it is not driving the lockup binge. Add together the small number of inmates working and the wide array of products they make, plus the massive amount of press the subject receives (the Internet is filled with hundreds if not thousands of stories about “the new slavery”), and the prison labor boom appears to be a mile wide and only an inch deep.

This is not to suggest that prison labor is unimportant; politically and ideologically it is quite pernicious. And for the inmates who do the work, issues of fairness and safety are absolutely paramount. But in terms of explaining *why* the state, at every level and in every place, is so eager to plow people into prison, prison labor is a sideshow. Nor is prison labor a great source of profit. For example, in the state sector most prison industries end up *costing* the government money, or at best break even. This is surprising considering that public prison industries usually pay wages as low as 15 cents to \$1.12 per hour. Despite these Third World wages penitentiary work programs – from Unicor to the California Prison Industry Authority (PIA) – almost always require hidden state subsidies and elaborate protections like guaranteed contracts and preferential bidding rules. For example, Unicor’s contract “set asides” with federal agencies ensure it up to 50 percent of the market for federal office furniture. In this respect and others, Unicor operates under *ideal* business conditions; it is guaranteed a labor supply at absurdly low wages, is given direct subsidies, and has a guaranteed market. Yet Unicor is an economic basket case. If forced to compete with the private sector, it would collapse in a matter of months. Unicor products provided to the Department of Defense, on average, cost 13 percent more than the same goods supplied by private firms.<sup>75</sup> Navy officials say that, compared to the open market, Unicor’s “product is inferior, costs more and takes longer to procure.” The federal prison monopoly delivers 42 percent of its orders late, compared to an industry-wide average delinquency rate of only 6 percent. A 1993 report found that Unicor wire sold to the military failed at nearly *twice* the rate of the military’s next worst supplier. “The stuff was poor quality,” said Derek Vander Schaaf, the Pentagon’s deputy inspector general, adding: “If you can’t compete at 50 cents an hour for labor, guys, come on.”<sup>76</sup>

At the state level, 25 percent of correctional industries reported net losses in 1994.<sup>77</sup> But this unflattering number is actually unrealistically low, because many industries that boast of profits in their annual reports fail to

disclose the massive subsidies they receive. For example, California’s PIA claims to be in the black, but state auditors tell a different story. In 1998 the PIA employed 7,000 of the state’s 155,000 prisoners in everything from dairy farming to computer refurbishing, and operated with the usual pampering of guaranteed markets and obscenely low wages; and like Unicor, the PIA was unable to meet its costs. In fact the PIA is kept on life support, with operating subsidies and handsome capital outlay funding from the state worth more than \$90 million.

Nor can the PIA offer savings to other state agencies. The California Legislative Analyst Office found that “state agencies could save \$12 million annually if they were free to make purchases from other sources instead of the PIA.”<sup>78</sup> Virginia’s prison industries, which have become PIE-certified but cannot maintain many contracts, have also been blasted by state auditors for inefficiency and corruption. The financial hemorrhaging of Virginia Corrections Enterprises reaches mind-boggling proportions. VCE made pants at an average of \$28.19 per pair, but was contracted to sell them to a private firm for \$2.50 each. VCE made similar losses on numerous other products.<sup>79</sup> The company that purchases the finished pants did quite well but in this case it was taxation, not convict labor, that provided the subsidy.

Even in Texas – where all prisoners must work *and none gets paid a cent* – subsidies are the name of the game: the Texas Corrections Industries, with 8,000 convict laborers, is unable to pull its own weight and depends on financial reinforcement from the state. Nor can state prison industries which have sidestepped the PIE program lure in many private partners.<sup>80</sup> In short, prison industries are inefficient.

Such schemes can make money for the private firms that dare to venture inside but returns are rarely generous enough for many businesses to want to stick around. It remains easier and more profitable to do business on the outside. At first this seems puzzling. Decried as slavery by the left, boosted as super-efficient tough love by the right, and exaggerated in scale by both, prison labor is actually a small, not very profitable, part of the American gulag.

There are several concrete reasons why capital avoids the penitentiary. The first is lack of space. In many states day rooms and gymnasiums are filled with bunks, while the yards are full of prefab-dorms, so finding space for business workshops is difficult. Another hurdle is the morally tainted nature of prison-made products. For large corporations with retail profiles, the

economies that might be gained in using prison labor are outweighed by the risk of generating bad publicity. Montgomery Ward, for example, has a company charter prohibiting the use of child, slave, or prison labor. Thus most firms that do exploit prison labor are small startups or subcontractors. But even these little fish find that the stigma of using captives as labor can blow up in their faces. One example of this was the short-lived, poorly conceived apparel company "Inkarcerated," which tried to market prison-made sportswear bearing the slogan "fitness is a life sentence." Unfortunately for Inkarcerated, few retailers cared to be associated with convict labor. The only business to sell the prison-besmirched merchandise was 24 Hour Fitness, the West Coast McDonald's of exercise salons. Eventually, Inkarcerated collapsed due to disinterest in its "controversial product."<sup>81</sup>

Fear of lawsuits also keeps business away from prisons; inmates are seen as aggressive and vexatious litigants. Another obstacle blocking capital's path into the big house is the CO. In California, business lobbies and the CCPOA often find themselves on the same side of the legislative battlefield. But at the level of specific businesses conducting day-to-day operations in actual prisons, this unity breaks down. Entrepreneurs with manufacturing and tele-marketing operations in prison – especially small firms in emerging industries – need flexibility, mobility, and speed. They must move materials and equipment quickly without being searched. Likewise, laborers need to operate in a flexible yet punctual fashion. Prison provides none of this. Instead, it offers the exact opposite: a world where bureaucracy, hierarchy, delay, snafus, searches and more searches, and the surly centralization of power define every detail of daily life. Guards are in large part responsible for this culture: they want total control of everything, all the time. As one CCPOA representative put it: "We want to help defray costs and keep inmates busy, but it's our backs that get stuck with the homemade knives when things get out of control."<sup>82</sup>

Thus work in prison is punctuated by frequent pat-down frisks, strip searches, long delays for "count," and arbitrary periods of lockdown in which inmates are confined to their cells for days or weeks at a time. Forget overtime shifts running until midnight; the screws have a schedule all their own.

There are other safety-oriented problems getting in the way. In California, for example, many prisons have at least two gates, but CO-supported rules prevent both gates from ever opening simultaneously. This means firms doing business in prisons can never ship products or materials in long tractor trailer

trucks, and instead must use smaller delivery trucks. This automatically drives up production costs. Location is also a factor. Many new prisons are in isolated rural areas far from metropolitan markets and transportation hubs. Doing business in such a place means higher transportation costs and greater difficulty providing oversight. Even the weather can be a crisis in prison. In California, when it rains hard, drowning out sound, or thick fog rolls in, obscuring vision, all activity on prison grounds halts.

Many of these picayune and invasive rules are standard prison procedure, but they are exacerbated by the guards' security obsession. And the prison culture of control can become self-amplifying: control for safety's sake soon breeds control for its own sake. For example, a San Francisco firm called DPAS, after a long and arduous cooperation with the CDC, finally abandoned its data processing and "literature assembly" operations in San Quentin State Prison when COs refused to allow the convict workers to collate slightly pornographic material.

And if such overbearing and puritanical interventions were not enough, there is simply too much cheap, militarily disciplined labor on the outside to make the hassles and irrationalities of doing business in prison worthwhile. With wages as low as 40 cents an hour in Honduras, and generous tax breaks to boot, why open a sweatshop inside some bureaucratic hellhole where you have to pay minimum wage?<sup>83</sup>

The final nail in the coffin of profitable prison work is the poor quality of slave labor. Or conceived another way: the high price of convict resistance on the shop floor. True, many joint ventures can skim the demographic cream and get highly motivated, skilled workers inside prison, but there are just as many malingerers and saboteurs who aren't impressed by 15 cents to \$1.50 an hour and who, with some justification, waste their time, steal materials, break equipment, and occupy themselves with their own little side projects on company time. This is particularly true in the state sector, where wages and job site safety are abysmal. On the outside we only catch glimpses of convict dissatisfaction in the form of suits for minimum wage, strikes, and criminal scams run over business phones.<sup>84</sup>

## OUTSIDE OPPOSITION

Prison labor also faces challenges from outside the walls. Some of the very business people who could be using convict labor instead find themselves literally walking picket lines with union members to protest economic encroachment by state-owned prison industries. "How often can labor and management be on the same side?" asked Tom Tabaska, a manager at John Deere & Co., as he marched with unionized machinists to condemn Unicor's plans to make lawn mowers. "No way was I going to pass up this."<sup>85</sup>

Furniture manufacturers organized in the Business and Institutional Furniture Manufacturers Association (BIFMA) are also going after Unicor's "monopoly."<sup>86</sup> In the realm of apparel the Federal Glove Contractors Coalition and the Union of Needle Trades, Industrial and Textile Employees (UNITE) have teamed up to target Unicor's dominance of the military glove market.<sup>87</sup> Such struggles have even brought together the likes of conservative Representatives Peter Hoekstra and liberal Democrat Barney Frank, to craft legislation that would end the federal government's "mandatory purchasing" agreement with Unicor. The anti-Unicor bill had the ardent support of both the AFL-CIO and the US Chamber of Commerce. At the same time the conservative crime hawk Congressman Bill McCollum proposed a bill that would have left intact Unicor's privileges and would have allowed federal prison industries to sell on the open market. Both these bills, and others proposing the elimination of minimum wages for joint venture inmates, have so far gone nowhere. But in the last instance, it seems likely that the combined muscle of business and organized labor will keep the new convict leasing to a minimum.<sup>88</sup>

It is important to note that business and unions find themselves on the same side for different reasons. Unions oppose expansion of prison labor because workers don't want to compete against slaves. Business is split over the issue; a few firms, generally low-margin subcontractors, are drawn to the joint ventures because they promise subsidies, low wages, and the illusion of a steady work force. But businesses with substantial fixed capital in the free world are threatened by the idea of facing state-subsidized competitors. Nor are big businesses attracted by the prospect of entangling their operations in the treacherous ganglia of correctional bureaucracies. The government may be a generous, docile, bovine-like partner when it comes to buying new bombers and paying for endless R&D on missile defense systems

and other boondoggles, but involving this same beast in the actual production process is a capitalist's nightmare.

## THE SEMIOTICS OF CONVICT LABOR

What, then, is the function of prison labor? The state would save money by closing most prison industries, private capital does not seem eager to jump inside prison walls, and prisoners, though desperate for money, do not appreciate being exploited. What interests are served by convict labor?

The real service of prison labor is ideological. Working convicts make prison look efficient, moral, and useful. The right wing loves the trope of the toiling convict; it is the perfect hybrid between moral revenge and economic efficiency. Let the imagination drift rightward: the bad, lazy, evil, racially "otherized" convict busting ass under the gunsights of a good-old-boy CO, so as to pay taxes, victim restitution, rent, and family support while simultaneously turning a profit for some well-meaning, innovative entrepreneur. And if that is not enough we can pretend that prison labor rehabilitates. Thus convict labor becomes the ultimate conservative revenge fantasy.

A particularly good example of the ideologically freighted nature of convict labor is the PIE program, which in a fantastical way attempts to please every possible constituency (the state, victims, the feds). With so many symbolic causes getting a piece of the convict-produced surplus-value, none ends up getting much at all. Between 1979 and 1996 all PIE-employed prisoners were paid a total of \$75 million, from which \$5.5 million was paid for victim restitution, \$16 million went for room and board, \$4.4 million for "family support," and \$8.9 million for federal, state, and local taxes.<sup>89</sup>

Political symbolism also causes the left to fixate on prison labor. In a weird symbiosis the left hates prison labor for the very same reason the right loves it: both use prison labor as a political symbol in the same way, but for diametrically opposed ends. The flipside of the right-wing fantasy sketched above is the left-wing nightmare of the gulag state providing Black and Latino bodies for exploitation by corporations. This vision, glimpsed in the new convict leasing, is the ultimate condemnation of the business system and links it directly to the history of American chattel slavery.

Prison labor programs can also be seen as the institutional artifacts of the bygone era of rehabilitation. From its radical Protestant-inspired birth

onward, work has been central to prison's modernist/Calvinist project of reforming and remaking the criminal. The Dutch Rasphus, the Quaker treadmills, the Auburn system, and the Southern chain gangs all traded on the idea of labor's spiritual, political, and culturally salubrious effects. Likewise, Unicor and the state prison industries – arriving at the present, after a sojourn in the rehabilitation era – are propelled by the American cult of work as panacea; work as socio-cultural medicine for the slothful classes. This ancient sentiment is still played on by prison labor's biggest boosters. Senator Phil Gramm explained the moral function of convict labor thus: "If we can get some value out of it, I view that as God's work."<sup>90</sup>

### CRISIS AND CONTROL

Much of the current critique of the prison industrial complex relies on showing the *direct involvement of specific economic interests*.<sup>91</sup> This "interest group model," the preferred style of muckraking journalists, borrows heavily from the accurate left critique of how the arms lobby created the military industrial complex. Making direct causal links and finding proverbial "smoking guns" is a powerful path of argument. But interest groups go only so far. Ultimately the whole of capitalist society is greater than the sum of its corporate and non-corporate parts. To really understand America's incarceration binge and criminal justice crackdown, we need to move from a narrow interest-group-based model to a more holistic class analysis that looks at the needs of the class system and class society in general.<sup>92</sup>

Even if prison building created no Keynesian stimulus, and there were no private prisons to profit from locking up the poor, and if prison labor were abolished – in other words, if all directly interested parties were removed from the equation – American capitalism would still, without major economic reforms, have to manage and contain its surplus populations and poorest classes with paramilitary forms of segregation, containment, and repression. At the heart of the matter lies the contradiction discussed earlier: capitalism needs the poor and creates poverty, intentionally through policy and organically through crisis. Yet capitalism is also directly and indirectly threatened by the poor. Capitalism always creates surplus populations, needs surplus populations, yet faces the threat of political, aesthetic,

or cultural disruption from those populations. Prison and criminal justice are about managing these irreconcilable contradictions.

Consider once more the numbers: while it is true that the recovery of the late nineties drove down official African American male jobless rates precipitously (from 13.6 percent in 1992 to 8.5 percent in 1997) there remains a barely concealed stratum of suffering below this green statistical turf. After all, "official statistics exclude from the labor force millions of people who don't have jobs, say they want jobs, but are not actively searching for work (according to the government's definition of searching). And if they are not part of the labor force, they are not considered unemployed."<sup>93</sup> When "discouraged workers" who have given up the quest for employment and the incarcerated are added to the equation, the real unemployment rate for African American men emerges as a brutal 25.2 percent.<sup>94</sup> Among Black youth during the mid nineties unemployment was twice as high as among white youth.<sup>95</sup> And overall African American and Latino *poverty* rates are even higher. These two major American ethnic groups together make up 22.8 percent of the US population "but account for 47.8 percent of Americans living in poverty."<sup>96</sup> Overall, 35.6 million Americans – 40 percent of whom are children – are impoverished. Despite a momentary buoyancy in the economy, Black and brown poverty has been increasing steadily since the mid seventies.<sup>97</sup> The trend towards immiseration and isolation accelerated during the eighties and throughout much of the nineties.

Now compare this statistical sketch of the "surplus population" to the numbers on incarceration. According to the Sentencing Project, nearly one-third of all African American men between the ages of twenty and twenty-nine are "under criminal justice supervision on any given day." In other words they are in prison or jail or on probation or parole. Drug "offenders" make up the bulk of this jailed and semi-jailed population. And while African Americans constitute only 13 percent of all monthly drug users, they represent 35 percent of all drug arrests, 55 percent of all drug convictions, and a staggering 74 percent of drug prisoners. While Black women are not incarcerated at the same rate as Black men, their rate of incarceration on drug charges is accelerating exponentially: the number of Black women in prison rose by 828 percent from 1986 to 1991.<sup>98</sup>

To reiterate how this buildup occurred, recall that politicians in the age of restructuring face a populus racked by economic and social anxiety. The political classes must speak to and harness this anxiety, but they cannot blame

the US class structure. So they invent scapegoats: the Black/Latino criminal, the immigrant, the welfare cheat, crackheads, super-predators, and so on. These political myths are deployed, first and foremost, to win elections. But the eventual *policy byproducts* of this racialized anti-crime discourse are laws like three strikes and mandatory minimums. Most important, of course, are the drug laws. Drug offenders constituted more than a third (36 percent) of the increase in state prison populations between 1985 and 1994; in the federal system drug offenders make up more than two-thirds (71 percent) of the prison population.<sup>99</sup>

The question still remains: if capitalism always creates a surplus population, why did it not use criminal justice to absorb, contain, and isolate these groups in the past? To some extent it did. But in each epoch and place capitalist societies have developed specific and unique combinations of co-optation, amelioration, and repression to reproduce the class structure and deal with the contradictions of inevitable poverty. In the nineteenth century in the US, westward expansion offered a way of harnessing and alleviating the social pressure of poverty; racism directed other pressures, and whatever class struggle was left over was managed with bayonets. Early in the post-war era, profits were high enough to afford an ameliorative compromise: capital bought relative peace with labor in the form of an incipient welfare state and cooperation with organized labor. And in Europe, working class power, democratic political structures, and a cultural ethos of reform have maintained many strong welfare states. But in the US, the international crisis of over-production, declining profits, and the domestic challenge of racial and class rebellion required a move away from a politics of the carrot towards a politics of the stick.

To restore sagging profit margins capital launched a multifaceted domestic and international campaign of restructuring. Though the cause of the profit plunge was multifaceted – the rising organic composition of capital, and general over-production and saturation of global markets – *class struggle was also a key part of the equation*. Some on the left wish not to “blame” labor for the profit crisis. But the distribution of surplus-value is, at a certain level, a zero-sum game. And by the 1960s popular forces had exacted heavy concessions from capital in the form of an expanded social wage and increased regulation on business. Regardless of the real etiology of the crisis, capital’s solution has focused heavily on disciplining labor: that is, on assaulting the living standards and general power of working people.

In the US this has meant that older forms of absorbing and co-opting the poor and working classes with welfare and employer concessions had to go. These forms of social democratic and Keynesian intervention – while keeping class struggle contained, providing stimulus, and legitimizing the market system – had the unfortunate side-effect of *empowering* the laboring classes in ways that were destructive for business profits. Recall Juliet Schor’s “cost of job loss” discussed in the second chapter of this book. With strong unions, inexpensive higher education, and ample welfare, the classes that sell their labor had less reason to take poorly paid, dangerous, or dirty work. To truly discipline labor, *all* alternative avenues of sustenance had to be closed. Thus we had the Reagan-Bush-Clinton welfare enclosures, the assaults on environmental regulation, the rights of labor, consumers, and the poor; in short, the near total evisceration of all New Deal and Great Society forms of downward redistribution.

The great business counteroffensive of the eighties and nineties has helped restore profits, but it has also invigorated the perennial problem of how to manage the surplus, excluded, and cast-off classes. This then is the mission of the emerging anti-crime police state. As the class structure polarizes in the interests of restored profitability, the state must step in to deploy and justify police terror, increase surveillance, and overuse incarceration. This politics of punishment works in two ways: it contains and controls those who violate the class-biased laws of our society, but prison also produces a predator class that, when returned to the street, frightens and disorganizes communities, effectively driving poor and working people into the arms of the state, seeking protection. Thus both crime control and crime itself keep people down.

This emerging anti-crime police state, or criminal justice industrial complex, though not necessarily planned as such, is the form of class control currently preferred by elites because it does not entail the dangerous side-effects of empowerment associated with the co-optative welfare model. The criminal justice crackdown, and its attendant culture of fear, absorbs the dangerous classes without politically or economically empowering them. The war on poverty and the raft of social democratic reforms associated with it also absorbed surplus populations, but this model of social control ran the risk of subsidizing political rebellion, or at least economic disobedience in the form of proletariat “slacking.” Recall the case of the young Ford worker discussed in chapter two who refused to work a full week because he did not need to. Or consider the radical welfare rights movement of the early



seventies. Problems like those cause business profits to decline, especially when part of a general crisis of over-production.

Criminal justice also reproduces racism in a coded and thus ideologically palatable fashion: this updated version of hate has massive retail appeal. In a system of haves and have-nots, divisive infighting among society's lower ranks is preferable to clearly defined struggle between the major classes.

### RECOMMENDATIONS

Most books on criminal justice end with a coda earnestly enumerating what new and better things those in charge might do. My recommendations, as regards criminal justice, are quite simple: we need less. Less policing, less incarceration, shorter sentences, less surveillance, fewer laws governing individual behaviors, and less obsessive discussion of every lurid crime, less prohibition, and less puritanical concern with "freaks" and "deviants." Two-thirds of all people entering prison are sentenced for non-violent offenses, which means there are literally hundreds of thousands of people in prison who pose no major threat to public safety. These minor credit card fraudsters, joyriders, pot farmers, speed freaks, prostitutes, and shoplifters should not rot in prison at taxpayers' expense.

There are other reasons we need to demand "less": There is already an overabundance of good ideas on how to handle troubled youth, drug addicts, impoverished streetwalkers, and wife beaters. Some of these alternatives to incarceration have proven expensive failures, but many are quite inexpensive and effective. Academic criminology is replete with studies of what works and what does not, the best and latest iteration being Elliot Currie's excellent *Crime and Punishment America: Why the Solutions to America's Most Stubborn Social Crisis Have Not Worked — and What Will*. Currie, with typical patience and precision, exposes the so-called "commonsense" theories about the deterrent effect of repression, and then methodically enumerates alternative programs that will help reduce violence. We need not retrace that same terrain here.

Rehearsal of the workable alternatives to jailing ever more people of color and poor whites can become a self-deluding project. The discourse of the liberal policy wonk operates on the assumption that rational plans will

displace irrational ones. But in reality any soft form of control can easily be grafted on to the most repressive police state. One could conceive of a regime that routinely uses capital punishment, genetic fingerprinting, militarized police *and*, for the barely deviant, ladles out endless hours of anger management, therapeutic probation, public shaming, and elaborate forms of restitution. Therapy and the gas chamber are by no means mutually exclusive. Newer, softer, more rational forms of control do not automatically displace repression, surveillance, and terror. Until there is a real move towards *decarceration*, any accretion of humane forms of intervention will not displace the criminal justice crackdown and prison industrial complex. We need a commitment to limiting incarceration and then a policy of "harm reduction" in which we could decriminalize drugs, give junkies their dope, decriminalize sex work, and subsidize prostitute organizing efforts; we could cut off the retail supply of cheap guns and tax other firearms at 500 percent, while at the same time eliminating draconian gun penalties like "sentencing enhancements," which mete out excessive punishment for firearms possession and use. And since the need for work is at the heart of any real war on crime, we could create jobs that pay a living wage and meet human needs.

To achieve anything like this we need more popular resistance and more economic justice. This book has been short on tales of protest and long on the story of repression, but there is opposition to the emerging anti-crime police state in many quarters. Even in the level four HIV unit of Corcoran State Prison, inmates are filing joint grievances against abusive staff, building alliances with outside activists, and, when they can't stand the torment any longer, attacking COs. Across the country there is an incipient police accountability movement, struggling to subordinate police departments to civilian oversight and keep violent officers in check. The murder of Amadou Diallo has sparked a broad-based and committed movement for police accountability in New York City. In D.C., and many state capitals as well, the tenacious lobbyists and grassroots activists of Families Against Mandatory Minimums (FAMM) and similar groups toil on because they must. Meanwhile, from Chicago to St. Louis to Watts and East L.A., veteran gang-bangers like Dwayne Holmes labor without recognition and despite police sabotage to maintain the truce movement that started in the wake of the Rodney King riots. In Texas and California, Latino youth, shaken awake by the immigrant bashing of the mid nineties, are organizing walkouts and protests to demand more school funding and less policing. All over the

country there are small pockets of dedicated activists fighting against tremendous odds and the deafening silence of the mainstream press. These are the people pointing the way out, the way forward, away from the waste, terror, and abuse of America's criminal justice lockdown.

## 11 BIG BUCKS FROM THE BIG HOUSE: THE PRISON INDUSTRIAL COMPLEX AND BEYOND

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