

The American Gulag: The Correctional Industrial Complex in America

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Introduction

"More than 200,000 scientists and engineers have applied themselves to solving military problems and hundreds of thousands more to innovation in other areas of modern life, but only a handful are working to control the crimes that injure or frighten millions of Americans each year. Yet the two communities have much to offer each other: Science and technology is a valuable source of knowledge and techniques for combating crime; the criminal justice system represents a vast area of challenging problems."¹

President's Commission on Law Enforcement and Administration of Justice, 1967.

A specter is haunting America and it is not the specter of "communism" that Marx and Engels warned us about over 100 years ago. This is much more threatening. This is the specter of the "criminal justice industrial complex." It is an industry run amok. It is awash with cash and profits beyond anyone's imagination. It needs crime. It needs victims. It needs the blood of citizens, like a vampire does. As the news industry saying goes, "If it bleeds, it leads."

Crime today, as always, is often front page news. It dominates the local nightly newscasts, complete with film footage of the victims and the perpetrators. Prime time television is often similarly dominated by crime - from full-length movies to so-called "live" broadcasts of police in action catching criminals. Millions flock to the movie theaters every week to see the latest episodes of crime and violence. Crime also becomes a hot item during every election year, with opposing candidates typically trying to see who can be the toughest ("Vote for me and I'll send a message to criminals that crime does not pay!") Crime also becomes the subject of hundreds of books, both popular fiction and non-fiction as well as academic discourses.

What is not often realized is that "fighting crime" has become a booming business, with literally hundreds of companies, large and small, itching for a slice of a growing pie of profits.

Employment in this industry offers careers for thousands of young men and women, many with college degrees in "criminal justice" programs at more than 3000 colleges and universities. The criminal justice system alone provides a steady supply of career possibilities, as police officers, prison guards, probation officers and many more. Most of these jobs offer not only good starting pay, but excellent benefits and a promise of future wage increases and job security. Many have formed unions, some of which have become stronger than any union heretofore. A multitude of businesses, ranging from small "mom and pop" security businesses to huge corporations listed on the New York Stock Exchange, have found it profitable to "invest in crime."

We have witnessed in the 20th century the emergence of a "criminal justice industrial complex." The police, the courts and the prison system have become huge, self-serving and self-perpetuating bureaucracies with a vested interest in keeping crime at a certain level. They need victims, they need criminals, even if they have to invent them, as they have throughout the "war on drugs" and "war on gangs."² Only in a profit-seeking, self-serving capitalist society like America could this happen. In short, it is good that we have crime, otherwise billions of dollars in profits would be lost and hundreds of thousands of people would be out of work (including the author)!

While elected officials and many others talk about the need to "turn the corner" on the crime problem, to "make the streets safe" for potential victims, what is ignored is that there is no way crime will be reduced by any significant amount (such as a 50% reduction) because it would have such a negative impact on our economy. Simply put, we cannot afford to really put a large dent in the crime problem. Actually, to be more specific, various special interests (except the average citizen) cannot afford to reduce crime. In fact, the traditional reasons for

putting people in prison - incapacitation, retribution, rehabilitation - may be giving way to another reason: increasing the profits of big business and providing economic uplift in rural communities. (We might also note that in effect, taxpayers are subsidizing private industry in that tax dollars pay for prisons and jails, which in turn contract with businesses for various supplies.)

This report concentrates on one component of the "criminal justice industrial complex," the *correctional industrial complex*. As will be noted shortly, it has been the fastest growing component during the past couple of decades. It has become so large that it is beginning to resemble a "gulag" not unlike those that existed in the Soviet Union.

The American Gulag

One of the first scholars to view the criminal justice system as an "industrial complex" was Richard Quinney in his book *Class, State and Crime*, first published in 1977. In this book he wrote that there is what he termed a "social-industrial complex," of which a "criminal justice industrial complex" is a part. This much larger complex is "an involvement of industry in the planning, production, and operation of state programs. These state-financed programs (concentrating on education, welfare, and criminal justice), as social expenses necessary for maintaining social order, are furnished by monopolistic industries." Large corporations, Quinney suggested, have found a new source of profits in this industry, with the criminal justice industry leading the way. Private industry, in short, has found that there is much profit to be made as a result of the existence of crime.³ In the early 1990s Norwegian criminologist Nils Christie brought up the subject again, but with a much more sinister tone, suggesting that this "crime control industry" was beginning to look like the equivalent of the Russian *gulag*.⁴ A 1996 paper

also used the term *gulag* to describe the modern prison system.⁵

Part of the reason for the growth of the criminal justice industrial complex is that those with power and influence who determine how our society should respond to the crime problem decided that a "technocratic" solution is the best course to take. This perspective, which is almost identical to the perspective taken toward the Vietnam War, suggests that the solution to crime requires a combination of science and technology. Such a position was stated well by the President's Crime Commission 1967 (quoted at the start of this paper).

It is obvious that our society took up the challenge, for since this time the criminal justice industrial complex has become enormous. Many observers have suggested that the criminal justice industrial complex has taken over where the "Military Industrial Complex" left off, since we no longer have many external enemies, so that we somehow must now have internal enemies. The new enemy is crime, especially, incidentally, crimes committed by minorities. During the past 20 years expenditures on crime control have increased twice as fast as military spending.⁶

One can clearly see the size of this complex by first noting the annual expenditures of the three main components of the "criminal justice industrial complex," law enforcement, courts, corrections. Table 1 shows these expenditures covering the years 1982 and 1993. As shown here, total expenditures exceeded \$90 billion in 1993, an increase of 166%. The largest increase was for corrections, which went up by 248% during this period of time. More recent estimates place the total expenditures at over \$100 billion, meaning that since 1982 there has been an increase of over 186%.⁷

Table 1 about here

Employment within the criminal justice industrial complex is growing rapidly, providing

many career opportunities for both college students and high school graduates. The most recent data show that in fiscal year 1990 there were 1.5 million employed within this system, a 40% increase from 1982. The largest increase has come from the corrections component, with an 88% increase from 1982. The U.S. Census reports that the hiring and training of correctional officers is the "fastest-growing function" of all government functions. In 1992 there were 523,000 full-time employees in corrections, which was more than all people employed in any Fortune 500 company except General Motors, according to a *USA Today* article. (At least 70% of a typical prison's operating budget goes to salaries and benefits.)⁸

Table 2 illustrates the amount of money that flows into the coffers of the correctional industrial complex from tax dollars alone. As shown here, the total operating budget for both state and federal correctional institutions came to almost \$30 billion in fiscal year 1996. Total expenditures surpassed \$35 billion. It costs about \$20,000-40,000 per year to house one inmate in the U.S. prison system! And remember, this does not count the costs of building them.

Table 2 about here

As suggested above, the modern American prison system is becoming to look more like a "gulag" than ever before. Also, it is clear that the prison system is becoming a form of "apartheid" as for the first time in our history African-Americans constitute a numerical majority of prison, as well as jail inmates. The latest figures show that as of December 31, 1997 there were more than 1.7 million people behind bars. The overall incarceration rate (prisons plus jails) at that time was 630 per 100,000 population, which placed the United States second only to Russia! (It is growing more every day so that by the time you read these lines this rate will be even higher, perhaps moving past the 700 mark.)⁹ To give the reader some comparison,

consider that we are way ahead of other industrial democracies, whose incarceration rates tend to cluster in a range from around 55 to 120 per 100,000 population, with some well below that figure, like Japan's rate of 36, with an average incarceration rate for *all countries of the world* of around 80. Thus, America's incarceration rate is almost eight times greater than the average country!¹⁰

For the period between 1985 and 1996, the total number of inmates increased by 121 percent, with the largest increases noted in the federal and state prison system (up 132%). The overall imprisonment rate went up by 96 percent during this period. While these increases were noteworthy during the later 1980s, they were most pronounced during the first half of the 1990s, as you can see from Tables 3 through 5. What Table 3 clearly shows is how the rates in recent years compare over time.

Table 3 about here

Such growth is not uniform throughout the country for there are some states that have experienced a far greater growth in imprisonment. In Texas, for example, the number of prisoners increased by around 80,000 between 1991 and 1996 alone. As a comparison, this number (80,000) is much larger than the *total* prison population of France, Great Britain and roughly equal to Germany's prison population.¹¹

For comparative purposes Table 4 illustrates population changes in other parts of the criminal justice system. Here we find data on the number one probation and parole, in addition to those in prison and jail for the period 1980-1994. Note that while the prison and jail populations were growing rapidly, so too were the two other parts of the system. What is most interesting is perhaps the fact that over 5 million people were in some way under the watchful

eyes of the state.

Table 4 about here

Additionally, the actual *number of prisons* has increased, along with, in some cases, the *capacity within* the prison - some "megaprison" can hold from 5,000 to 10,000 inmates.¹² In 1990 there were a total of 1,287 prisons (80 federal and 1,207 state prisons); by 1995 there were a total of 1,500 prisons (125 federal and 1,375 state prisons), representing an increase of about 17 percent. The federal system experienced the largest increase, going up by 56 percent. Prison construction varied widely by state and region, with the largest increases occurring in the South (adding 95 prisons for an increase of 18 percent), with the state of Texas leading the way - adding 49 new prisons for an increase of 114 percent! Oklahoma adding 17 new prisons for an increase of 74 percent. As of 1995, California had the most prisons, with 102, followed by Florida at 98, North Carolina with 93 and Texas with 92.¹³ More recent figures for Texas reveal that as of 1996 there were 102 prisons, an increase of 155% from 1991. Texas now imprisons one out of every 25 state residents!¹⁴

An Illustrative Example: The Texas, Michigan and California Gulags¹⁵

To give the reader an idea of the "gulag" look of the American prison system, just look at the states of Texas, Michigan and California, three states that have obviously found building prisons a lucrative business to be in. One of the most interesting things about the American prison system is the since the beginning most of these institutions have been located in rural areas. In recent years building institutions in rural areas has become quite a fad, as more and more politicians and businessmen have found that it is popular to support this.

Texas is a classic example, which now boasts of over 100 prisons (most have been built since 1980 and a 80 have been built in the 1990s). An example of the rural nature of most of these facilities can be seen by sampling some of the towns where they are located (population according to the 1990 census): Iowa Park (6,072), Teague (3,268), Dilley (2,632), Brazoria (2,717), Kennedy (3,763), Dalhart (6,246), Marlin (6,386), Rusk (4,366), Richmond (9,801), Woodville (2,636), Woodville (2,636), Navasota (6,296), Fort Stockton (8,524), Childress (5,055), Cuero (6,700). A check of the 1998 Rand McNally Road Atlas reveals that several Texas prisons and other facilities are located in towns not even found on the map! Places like Lovelady, Midway, Tennessee Colony (with three separate prisons each housing over 3,000 inmates!), Rosharon (with no less than *four* prisons housing over 6,000 inmates) and a privately run prison in a town called Venus (with 1,000 inmates). These institutions are found literally in every part of the state, from the far eastern part (Woodville, located a few miles north of Beaumont along US Route 190) to Lamesa (in the Texas "Panhandle" area about 30 miles south of Lubbock where US Route 180 meets 87) and Fort Stockton (about 100 miles southwest of Odessa along Interstate-10).

The Texas prison system has more than 42,000 employees, operates its own health services system (with more than 8,000 personnel, including 200 doctors) and has 35 lawyers working for them. Farming is big business, with control over more than 134,000 acres (about 200 square miles), operating the largest horse and cattle herds in the entire state (more than 10,000 head of cattle and around 1,500 horses). The system also operates 42 factories within 32 prisons under its own "Texas Correctional Industries." In 1995 this system had 575,000 under some form of community supervision, 71,000 on parole, 127,500 in state prisons and 963

in state jails, with a grand total of over 700,000.¹⁶ The most recent figures (December 31, 1997) show that there are just over 140,000 inmates in the state prison system and an incarceration rate of 717 (ranked first in the nation, except for the District of Columbia).

As of 1996, Michigan had 39 prisons and 15 prison camps, the majority of which were built in the 1980s. The rural nature of the prisons in this state is just like Texas. Some examples include: Munising (2,783), Baraga (1,231), Carson City (1,158), Grass Lake (903), Coldwater (9,607), Ionia (5,935), New Haven (2,331), St. Louis (3,828), Newberry (1,873), Eastlake (473), Freeland (1,421), Plymouth (9,560), Standish (1,377), Lapeer (7,759). Kinchebe (not on map, nearest town is Rudyard, pop. 900). It should be noted that there are at least *eight* prisons in the Northern Peninsula alone (Munising, Baraga, Newberry, Kinchebe, and Marquette (pop. 21,900), housing more than 5,000 inmates. Typical of recent trends, there are a total of *four* facilities in Kinchebe alone, one of which is located on an abandoned Air Force Base, purchased by the state in 1978. The facility at Newbury was opened in 1995 on the site of a former state mental institution.¹⁷ As of December 31, 1997, there were 44,771 inmates and an incarceration rate of 457 (ranked 9th in the nation, excluding the District of Columbia).¹⁸

Not to be outdone, California also fits well into the gulag mentality. As of spring, 1996, there were 32 state prisons (in 1980 it had just 12 prisons!) plus 38 forestry camps and a multitude of community facilities. Largely as a result of the recent *Three Strikes and You're Out* laws, it is anticipated that by 2001 the state will have around 250,000 inmates (it had 157,547 as of December 31, 1997 and an incarceration rate of 475, 10th in the nation, excluding the District of Columbia) and around 50 prisons. Some examples of the rural nature of California's

prisons include: Avenal (9,770), Susanville (7,279), Techachapi (5,791), Calipatria (2,690), Baker (650), Imperial (4,113), Chowchilla (5,930), Blythe (8,428), Soledad (7,146), Ione (6,516), Crescent City (4,380), Coalinga (8,212), Jamestown (2,178), Adelanto (8,517).

But there is more to this system than merely prisons! According to the 1997 Directory of the American Correctional Association (itself a rather large part of this "industry," of which we will have more to say later), there are many different kinds of facilities that house those sentenced by the courts. There are "Diagnostic/Reception Centers," "Work Release Centers," and "Boot Camps" to name just a few. Table 5 shows a listing of these for both adults and juveniles. As shown in this table, as of fiscal year 1996, there were 2,499 state facilities and 385 federal, for a total of 2,883. For juveniles, there were a total of 2,297 state facilities and 98 federal facilities, for a total of 2,395. All together there were 5,278 correctional facilities. And this number does not include local jails!

Table 5 about here

How do we explain this phenomenal growth? In a word, *drugs*! Indeed, the "war on drugs," which really "took off" during the mid-1980s, began to have its effects on jail and prison populations by the late 1980s and early 1990s.¹⁹ Indeed, a recent estimate is that convictions for drugs accounted for almost *one-half* of the increase in state prison inmates during the 1980s and early 1990s.²⁰ As noted in Table 6, in the period between 1988 and 1994 the number of prison inmates who had been convicted of drug offenses went up by 155.5 percent! By comparison, only modest increases were seen for violent and property offenders. Between 1980 and 1992, court commitments to state prisons on drug charges alone increased by more than one thousand percent! Figures from U. S. District Courts (federal system) show that whereas in

1982 about 20 percent of all convictions were for drugs, by 1994 this percentage had increased to about 36. During this same period of time the proportion of those convicted on drug charges who were sentenced to prison increased from 74 percent in 1982 to 84 percent in 1994, and their actual sentences increased from an average of 55 months in 1982 to 80 months in 1994; the average sentences for murder during this time period actually *decreased* from 162 months to 117 months, while for all violent offenses the average sentence declined from 133 months to 88 months.²¹ Incidentally, on any given day, almost 60 percent (58.6%) of all federal prisoners are serving time for drug offenses; of these 40 percent are African-American.²²

Table 6 about here

The "Correctional-Industrial Complex": Cashing in on Crime

Many have dubbed this system the "correctional-commercial complex," which they describe as a sort of "sub-governmental policy-making" system consisting of an alliance between government and private enterprise. As already suggested above, this system is quite similar to the "military industrial complex," since it consists of patterns of interrelationships known variously as "policy networks," "subgovernment" or the "iron triangle." Such a system may not be legally a form of government, but that nevertheless may exert greater influence than more formal structures of the government. In comparing this system to the military equivalent, we find that within the military subgovernment there is an "iron triangle" of the Pentagon, private defense contractors, and various members of Congressional committees (e.g., armed services committees, defense appropriations committees). The decision-making within any given policy arena "rests within a closed circle or elite of government bureaucrats, agency heads, interest groups, and private interests that gain from the allocation of public resources."²³

Aside from firms who build and operate correctional systems (discussed below), there are several types of businesses that benefit directly from the imprisonment of offenders. These are firms that provide several different kinds of services, such as food, vocational training, medical services, drug detecting, personnel management, architecture and facilities design, transportation, etc. (Examples include Hopeman Correctional Systems, Bevles Correctional Food Service Equipment, and Szabo Correctional Services.) There are also companies that sell a variety of products, such as protective vests for guards, fencing, furniture, linen, locks, and many more. Two specific firms that have greatly profited from the growth of prisons and jails are Adtech Incorporated (specializing in electronic locking devices and security doors) and Space Master Enterprises (specializing in modular buildings used for minimum security facilities). In 1989 Adtech had revenues of \$21.6 million, a 110 percent increase from 1987. Space Master's revenues increased by a whopping 500 percent from 1982 to 1987!²⁴

Among the federal agencies include the *Law Enforcement Assistance Administration* (established in 1968 as a result of the passage of the Omnibus Crime Control and Safe Streets Act). During the 1970s it gave more than \$8 billion to state and local agencies, mostly for crime control hardware (e.g., riot gear, tanks, police helicopters). In 1982 the *Office of Justice Programs* was created, with five branches: Bureau of Justice Assistance, Bureau of Justice Statistics, Office of Juvenile Justice and Delinquency Prevention, Office for the Victims of Crime and the National Institute of Justice. Then there is, of course, the Federal Bureau of Investigation and the Department of Justice itself.²⁵

Finally, there are several professional organizations that comprise the third portion of the "corrections-commercial triangle." These include the American Bar Association (ABA) and the

American Correctional Association (ACA). The ACA has become an active lobbyist for the correctional system, sort of analogous to what the American Medical Association does for the medical profession.

Researchers note that there is a "pattern of interaction among the participants in the correctional-commercial complex." They do this in the following specific ways: (1) each shares a close relationship with a constant flow of information, money and influence; (2) there is an "overlap of interests," including a "flow of influence and personnel" (e.g., "heads of private firms are often former government officials or corrections administrators who have left public service for private interest"); (3) it operates without public scrutiny and exerts tremendous influence over policies; (4) it is becoming a permanent fixture in national policies and they define their activities as "in the public interest."²⁶

The money involved in this system is huge, exceeding \$25 billion in 1990 (the latest numbers available - no doubt it is more today), with more than a half a million people employed. Private business interests are constantly on guard for opportunities to make a profit. Here is one interesting example. In 1987 the Texas legislature passed a bill to add 2,000 more prison beds and during the hearings "salesmen wearing strange polyester suits and funky perfume descended on the state capital to hawk corrections products." Another example comes from a company that supplies health care, Prison Health Services Incorporated, which had revenues of \$19 million in 1988, up from only \$5.5 million in 1983. Also, prison food services is a billion dollar enterprise that is growing by between 10% and 15% per year. Even the Campbell Soup Company is getting in on the action, noting that the prison system is the fastest growing market in food service! The list does not include leasing companies, brokerage houses, and banking

firms, such as E.F. Hutton and Merrill Lynch, of which more will be said below.²⁷

A good illustration of how companies are "cashing in" on the boom in corrections is found in the amount of advertising done in journals related to this industry. One example comes from two major journals serving the correctional industry, *Corrections Today* and *The American Jail*, plus the American Correctional Association's annual *Directory*.²⁸ (*Corrections Today* is the leading prison trade magazine and the amount of advertising in this magazine tripled in the 1980s.) We have sampled a few issues of these two journals and found advertisements everywhere. Among the companies whose products are advertised here include the following:

Prison Health Services, Inc. (noted in the previous paragraph), a company that has, since 1978, "delivered complete, customized healthcare programs to correctional facilities only. The first company in the U.S. to specialize in this area, we can deliver your program the fastest, and back it up with services that are simply the best"; Southwest Microwave, Inc., manufactures fence security, with their latest invention known as "Micronet 750" which is "more than a sensor improvement," it is "a whole new paradigm in fence detection technology"; Acorn Engineering, Inc., with their stainless steel fixtures known as "Penal-Ware" (lavatories, toilets, showers, etc.) and "Master-Trol" electronic valve system; Rotondo Precast, Inc. boasting "over 21,000 cells...and growing"; Nicholson's BesTea" with "tea for two or...two thousand"... "Now mass-feeding takes a giant stride forward..."; Northwest Woolen Mills, manufacturing blanket with the slogan "We've got you covered"; and, "Prison on Wheels" from Motor Coach Industries, with their "Inmate Security Transportation Vehicle."

We found more than 200 different companies listed in these sources! But this is a mere sampling, for there is now a web site on the Internet known as "corrections yellow pages" (<http://www.correctionsyellowpages.com>; see also <http://www.corrections.com>). There are at least 1000 different ads on this site!

A more detailed look at the "correctional-industrial complex" comes from a study of the California system by the Center on Juvenile and Criminal Justice. This study notes that, as of

1993, the state prison and jail population exceeds 200,000, with a rate of 626 per 100,000 population (this ranks California highest in the world, ahead of the U.S. as a whole and both South Africa and the Soviet Union); this rate was only 228 in 1970. (The report also notes that during the same period of time the violent crime rate increased by 125 percent.) California spends about \$4 billion per year just to maintain this system, which will no doubt increase since plans are under way to build at least six more prisons through the end of 1996. The report also notes that California also ranks higher in both its incarceration rate and the rate of violent crime than the nation of Singapore, which recently was the subject of much discussion, following the "canning" of a young American for painting graffiti. Little wonder the authors titles this report "Singapore West."²⁹

The Center on Juvenile and Criminal Justice, in another report, note that the budget for the state of California for the first time ever showed (for 1994/95) that just as much money would be spent on the state correctional system as on the state's university system. The report also notes that between 1984 and 1994 the state constructed 19 prisons, but only one new state university. The recent "three strikes" legislation will require an estimated building of at least 20 new prisons to house 275,621 new inmates projected to be sentenced, which will increase the annual costs by \$6.7 billion. It is not surprising to note that the number of employees within this vast correctional system increase by 169 percent between 1984 and 1992, while there was an 8.7 percent *decrease* in the number of employees in higher education. The report also notes that working for the prison system is very rewarding, since prison guards earn about 58 percent more than the average guard nationally. It is estimated that by the year 2000 there will be roughly an equal number of prisoners as undergraduate students within the California state

university system.³⁰ One report noted that the California Correctional Peace Officer's Association (the union representing prison guards) has become a potent political force in that state. In 1992 alone this group was the second largest contributor to Political Action Committees, as they contributed just over \$1 million to various candidates. In 1990 they gave almost \$1 million to Pete Wilson's successful campaign for governor. The total contributions given in 1990 was 10 times that given by the California Teachers' Association.³¹

The Privatization of Prisons: More Profits for Private Industry

A recent development in the criminal justice field, related specifically to the prison system, is the trend toward what is known as *privatization*. This is where a private corporation takes over the operation of a jail or prison. Several years ago researchers warned about the tremendous growth in privatization in general, especially within the private police industry. They quoted one source that called this phenomenon "creeping capitalism" or the transfer of "services and responsibilities that were once monopolized by the state" to "profit-making agencies and organizations."³² It should be noted that "privatization" is a trend that includes more than the criminal justice system. This "contracting out," as it is often termed, involves a number of services formerly provided by state and local governments, such as public education, health care, waste collection and many more. One researcher points out that "at least 18 categories of government services" saw an increase in private-sector involvement between 1987 and 1995.³³ The extent of privatization is not known, nor do we have any estimates of the amount of money involved. However, we have a copy of the annual report of one such corporation, *Corrections Corporation of America (CCA)*. Their 1995 annual report is quite revealing. We are told, first, that CCA is the "leading private sector provider of detention and

corrections services to federal, state and local governments." There is also a subsidiary, CCA International, which provides similar "services" in foreign countries. Still another subsidiary is TransCor America, which "is the nation's largest and most experienced prisoner extradition company." CCA is a big corporation, with its stock trading on the New York Stock Exchange. It presently operates 46 correctional facilities, including one in England, two in Australia and two in Puerto Rico. It is a growth corporation, indicating an obvious vested interest in a relatively high rate of incarceration. Revenues have gone from \$13 million in 1986 to \$207 million in 1995 (an increase of 1492%), while assets increased from \$8 million to almost \$47 million (an increase of 488%) and stockholders equity has gone from \$24 million to \$96 million (up 300%).

A number of serious problems have occurred with respect to the privatization of prisons and jails. Perhaps the most serious issue is the fact that private profit is the driving force in the privatization of the correctional system. A report by Equitable Securities in March, 1996 called "Crime Can Pay" included a "strong buy" advice to investors. The report concluded: "We consider the industry very attractive. There is substantial room for continued private-prison growth." The potential for profits has not escaped Wall Street. Ted Goins, of Branch, Cabell and Co., Richmond, Virginia, has compiled a list of "theme stocks" for the 1990s. His highest recommendation was for Corrections Corporation of America. A Prudential Securities vice president, who is part of a "prison-financing team," is quoted as saying that "We try to keep a close eye on all the crime bills." Wall Street is indeed eager to back the growth in "crime control stocks" with such companies as Merrill Lynch, Prudential Securities, Smith Barney Shearson and Goldman Sachs among the leaders in support of privatization. One writer noted:

"Between 1982 and 1990 California voters approved bonds for prison construction totaling \$2.4 billion. After interest is paid to lenders, the total cost will be \$4.1 billion. Now the big investors are bullish on private prisons." The firm of Raucher, Pierce and Refsnes of Dallas, Texas are the underwriters and investment bankers for Wackenhut Corrections. This company is reportedly doing about \$5-7 million worth of business each year, mostly "buying bonds and securities from the private prison companies or the state entities which issue them and reselling them to investors. That securities market is now a 2-3-billion dollar industry, up from nothing eight years ago..." So enthralled about the profits, such securities firms have already launched the "next phase" of such development. This next phase will have private companies financing their own construction, with help from securities firms. Such an industry obviously depends upon a steady supply of prisoners and they just as obviously do not have a vested interest in reducing crime and protecting victims. After all, profits must keep rising!³⁴

As noted in a *Wall Street Journal* story some of the same companies that produced the technology used in the Vietnam War are manufacturing and selling high-tech weaponry to fight the "war on crime." A new "iron triangle" (consisting of politicians, small communities and businesses) similar to the one used in fighting the Vietnam War has been forged and businesses, large and small, are lining up to reap the enormous profits. Wall Street financial giants such as Goldman Sachs, Merrill Lynch, Prudential, etc. are competing to underwrite prison construction with private, tax-exempt bonds that require no voter approval. Such defense industries as Westinghouse Electric Corp., Minnesota Mining and Manufacturing Co., and GDE Systems, Inc. (a division of the old General Dynamics) are among those competing for a piece of the action. Such lesser-known companies are also cashing in. Among them include Esmore

Correctional Services, which is the largest U.S. maker of police electronics; they cashed in on a contract to build and manage a 1,000 bed prison in Eloy, Arizona. Eloy is a town with a population 7,200 located between Phoenix and Tuscon which will no doubt reap many benefits of having a prison located there.³⁵

Like the Cold War, the war on crime requires huge amounts of technical research and (as Quinney noted over 20 years ago) researchers, especially those seeking grants from the Department of Justice, are eager to reap the financial benefits of such state-supported research. And dozens of private corporations are also eager to cash in on the technology needed to fight the "domestic enemy" of crime.

A boom in prison construction in rural areas has resulted in one interesting fact: five percent of the population increase in rural areas during the 1980s was accounted for by the growth in inmates. In those rural counties that built a prison or jail, the new inmate population accounted for almost half of the population growth in the 1980s! Incidentally, a total of 213 new rural prisons were built in the 1980s, up from only 40 built in the 1970s; in fact, between 1900 and 1980 only 146 new rural prisons were built in the entire country! Many rural towns have begun to solicit state governments to build a prison nearby. In Texas some towns "bombardeed the [Texas Department of Prison] with incentives that range from country club memberships for wardens to longhorn cattle for the prison grounds."³⁶

Politicians often seek assistance from private enterprise when it comes to building prisons. Faced with severe overcrowding in the 1980s, liberal New York Governor Mario Cuomo found that real estate prices far too high near the city of New York, where the majority of inmates are from. So he received help from a Republican state senator from the northern

part of New York, who in turn arranged for low prices on land for prisons. The result? While 25 years ago this area had only two prisons, today it has 18, with one under construction. One prison now occupies land formerly used for the Olympic Village at Lake Placid, while others have opened in abandoned factories and sanatoriums. This recent prison boom "has provided a huge infusion of state money to an economically depressed region." These prisons bring in about \$425 million in annual payroll and operating expenses - in effect, an annual "subsidy" of more than \$1,000 for each person in the area! The annual salary is around \$36,000 for a correctional officer in this area, more than 50% higher than the average salary.³⁷ Indeed, prisons are good for business and for job creation! One downside, however, is the fact that hundreds of families of inmates have to make the long bus ride in order to visit their relatives.³⁸

The construction industry is also experiencing a boom from the crime problem. An article appearing in the weekly construction industry bulletin, *ENR News*, is instructive. Here it is noted that the Federal Crime Bill, signed into law by President Clinton, was a \$30-billion package, which included \$8.3 billion in grants to the states for prison construction. About \$6.5 billion would be financed from a Violent Crime Reduction Fund (which is very ironic, since there is no evidence that building more prisons reduces violence - in fact, just the opposite is true). This money would come from a reduction of the federal payroll by 235,000 people. Commenting on the bill, Thomas G. Pinkerton, national director for prison builder Hansen Lind Meyer of Iowa City, Iowa, said "I think the challenge is to be sure that the facilities that are built are as efficient to operate as possible." He noted that operations account for 90% of a prison's 30-year costs. Jack Rizzo, of Perini Corp., noted that the states have held back on prison construction in recent years, but "we're now starting to see that market segment come

back." Spending on state prisons increased four times faster than spending on education during the 1980s. In many states it is now one of the largest budget items. During the previous ten years, states have spent \$30 billion on prison construction. Following Medicare, corrections is the fastest-growing item in most state budgets. While the inmate population now exceeds 1 million, experts estimate that this will double in the near future, with the cost of around \$40 billion for more cells. Currently operating and capital expenses for prisons and jails exceeds \$1 billion each year. These private corporations, like CCA and Wackenhut, can usually operate a prison for around 10-15% lower than state and local agencies, and construction times are often halved. And it is within the state system that private corporations can find the most business since, after all, the majority of criminal offenses are violations of state, rather than, federal law. Further, states now spend about \$20 billion per year on corrections-related expenses, which represents an average of 6% of their total budgets; this figure was less than 2% in 1980. California seems to be the leader, with total annual expenditures of \$3.6 billion. It is anticipated that, largely because of "Three Strikes and Your Out" legislation, the prison population of this state will increase from 125,000 in 1994 to an astounding 211,000 by 1999!³⁹

Another method of "cashing in on crime" is through court fees and charges leveled against inmates. For example, in 1995 the state of Virginia collected \$36 million in court fees just for trials alone. Michigan collected in 1994 \$400,000 for inmates' bank accounts and pensions. Each year the Michigan Department of Corrections collects as much as \$1 million in rent from inmates of halfway houses and prison work camps. That state passed a law in 1994 that will charge inmates up to \$60 per day and prisoners will begin to pay for doctor visits. A new Missouri law will make failure to pay incarceration-related debts a violation of parole. This

will no doubt increase the recidivism rate! A county in Kentucky began to charge inmates for doctor's visits and monthly visits dropped from 1,125 to 225! A similar program in Mobile, Alabama reported similar results. Nevada collects between \$800,000 to \$1 million per year in room and board. A good question to ask is: where does all this money go exactly?⁴⁰

A variation of this general theme is found in so-called "joint ventures" between private companies and the state prison system which have made millions in profits through prison labor. It is especially tempting for the state of California which, because of "Three Strikes You're Out" legislation will see prison costs exceed \$5.5 billion annually. Convict labor is alive and well again! Many private companies are taking advantage of cheap inmate labor and the tax breaks provided by California's Joint Venture Program. With the passage of Proposition 139 in 1990, private companies were allowed to use inmates to make products to be sold on the open market. One company employs 18 inmates at San Quentin to do data entry work for firms such as Chevron, Bank of America and Macy's. Inmates in Ventura make phone reservations for TWA at \$5 an hour; on the outside with unionized labor, this would pay \$18 per hour. Low wages are common. In Arizona, 10% of the inmates work for private companies and make less than the minimum wage. Many benefits accrue to private companies, including the fact that they don't have to pay benefits. In Oregon, \$4.5 million worth of "Prison Blues," a line of jeans, were sold.⁴¹

Among the more recent developments in the prison industry has been the entrance of long-distance phone companies. Such industry giants as AT&T, Bell South and MCI have found prisons to be an excellent market for long distance business. Indeed, this makes sense because inmates all over the country spend countless hours on the telephone talking with relatives. Of

course this requires a collect call, which brings these companies into prison for the huge profits to be made. AT&T has an ad that reads: "HOW HE GOT IN IS YOUR BUSINESS. HOW HE GETS OUT IS OURS." MCI, not wanting to miss out, went so far as installing, for free, pay phones throughout the California prison system. They levy a \$3 surcharge for each phone call made, the cost of which is paid for by the inmates relative. MCI offered the Department of Corrections 32 percent of the profits!⁴²

Finally, there are people known as *bed brokers*. These individuals act like travel agents, only in this case they *help locate jail and prison beds*, rather than hotel rooms! An example is a company known as Dominion Management, of Edmond, Oklahoma. They will search for a correctional facility with an empty bed for a fee, a sort of "rent-a-cell" program. Areas suffering from overcrowding are often in desperate need for additional space, the cost of which can run between \$25 to \$60 per "man-day." These bed brokers will earn a commission of around \$2.50 to \$5.50 per man-day.⁴³

Taking advantage of prison inmates for profits is nothing new in the history of prisons. As we noted in the last chapter, throughout the 19th and well into the 20th century several forms of inmate labor has been practiced, including the notorious "convict lease" system and the "chain gang," the latter of which is making a comeback in certain areas.

In this report some preliminary sketches of the vastness of the correctional industrial complex. The key question, however, is why is this happening today and what functions does such an industry serve? First, it is necessary to consider the social context within which the growth of this complex has occurred.

The Social Context

During the past couple of decades the gap between the rich and the poor has widened, mostly as a result of social policies begun during the Reagan administration and continuing during the Clinton administration. As this gap has widened, the social conditions of the most disadvantaged sectors of society have worsened. Massive cutbacks on social spending for programs for the poor have been especially devastating to children. Indeed, one of the most striking facts is that more than one in five children (and over half of all African-American children) now live in poverty. Millions more live under near poverty conditions. (The definition of "poverty" is based upon a certain amount of money needed for a "low" standard of living - typically a very bare-bones minimum level, for instance, \$11,522 for a family of three as of 1993.) Clearly the percentage of children living in poverty-like conditions is quite a bit greater than the current 22%.⁴⁴

The growing inequality also originates from policies in the past 15 years have favored the very rich so that presently the top 5% receive about 21% of all income and the top 1% own over 40% of all the wealth, percentages that increased during the 1980s.⁴⁵

The results should not be too surprising: a continuously high rate of crime, more violence, especially among teenagers, an increase in the number of youths in "gangs" and other social problems. As cutbacks in welfare continues and as wages (and jobs with good wages) decline, drug selling and other forms of criminal activity have increased dramatically in the most impoverished areas of our society. Growing numbers of inner-city youth have given up any hope of achieving the "American Dream" via conventional methods. However, their desire to be consumers has not diminished and so they engage in various forms of crimes in order to

purchase various commodities that are supposed to enhance one's self-esteem (e.g., \$100 "Air Jordan" Nike shoes). This has been one result of the tendency to reduce the disadvantaged to rely almost solely upon "market forces." Indeed, arch-conservative Charles Murray recommended the *complete elimination* of the "entire federal welfare and income-support structure for working-age persons, including AFDC, Medicaid, Food Stamps, Unemployment Insurance, Worker's Compensation, subsidized housing, disability insurance, and the rest." Such draconian measures, he argues, "would leave the working-aged person with no recourse whatsoever except the job market, family members, friends, and public or private locally funded services."⁴⁶ Well, for many among the disadvantaged, the "market" has been their only recourse, in this case, the "market" for such "goods and services" as illegal drugs, sex, guns, etc. After all, there is the law of "supply and demand" operating here.

The population most adversely affected are those Marx once called the "surplus labor force" or what modern writers have often called variously the "underclass," the "rabble", the "truly disadvantaged," etc.⁴⁷ The "problem" (*from the perspective of those in power*) is how to "control" or "contain" this population, for indeed they must be controlled in some fashion. While the extent of inequality has grown, so too has society's response via the "criminal justice industrial complex." Among all of the industries in the U.S. labor market, this one has been among the fastest growing. Karl Marx's analysis of the "usefulness" of crime written more than 100 years ago seems to be even more relevant today.⁴⁸

Controlling the Surplus Population

It is obvious from the examination of arrest and prison data that the groups being targeted by the criminal justice system and those whose crimes are the subject of various

preventive techniques (e.g., private security and home security devices) are disproportionately drawn from the most marginalized populations. African-Americans, particularly males, are especially vulnerable. For example, according the Sentencing Project in Washington, D.C., about one-third of all African-American males between the ages of 20 and 29 are, on any given day, either in jail, prison, on probation or on parole, a percentage that is up from 25% five years ago. In some cities these percentages are even higher, such as Washington, D.C., where the figure is about 60%.⁴⁹ For comparison purposes, African-American males are far more likely to be imprisoned than in college! (The reader is encouraged to a simple count of those housed in their local jail and compare this figure to those attending one of their local colleges or universities.) In California African-Americans are imprisoned at a rate of 1,951 per 100,000, compared to only 215 for whites. Stated somewhat differently, while African-Americans constitute less than 7 percent of California's population, they comprise about one-third of the prison population; Hispanics make up 24 percent of the state's population, yet constitute 34 percent of the prison population.⁵⁰

Part of the methods of controlling the surplus population is through legislation, which defines what is a "crime" and, moreover, through sentencing structures, define what crimes are "serious." Many sentencing structures have a built-in class and racial bias. Jeffrey Reiman argues that "the criminal justice system effectively weeds out the well-to-do, so that at the *end of the road in prison*, the vast majority of those we find there come from the lower classes." He further asserts:

This "weeding out" process starts before the agents of law enforcement go into action... our very definition of crime *excludes* a wide variety of actions at least as dangerous as those included and often worse... Even before we mobilize our troops in the war on crime, we have already guaranteed that large numbers of

upper-class individuals will never come within their sights...At each step, from arresting to sentencing, the likelihood of being ignored or released or lightly treated by the system is greater the better off one is economically.⁵¹

A case in point are the drug laws, especially "crack" cocaine. The penalty for possession and/or sale of crack cocaine is far greater than for the powdered variety of cocaine. It just so happens that crack is far more likely to be associated with African-Americans. Little wonder that the enforcement of drug laws have been one of the major reasons the prison population has increased so rapidly in recent years. According to Irwin and Austin, the proportion of admissions to prisons that were racial minorities went from 42% to 51% between 1981 and 1991, while the proportion that were sentenced because of drug law violations went from 9% to 25%!⁵²

Indeed, a most persuasive argument can be made suggesting a close correlation between the "war on drugs" and the growth of the criminal industrial complex. This "war" was officially launched by President Reagan in the mid-1980s when he promised that the police would attack the drug problem "with more ferocity than ever before." What he did not say, however, was that the enforcement of the new drug laws "would focus almost exclusively on low-level dealers in minority neighborhoods." Indeed, the police found such dealers in these areas mainly because *that is precisely where they looked for them*, rather than, say, on college campuses. The results were immediate: the arrest rates for African-Americans on drug charges shot dramatically upward in the late 1980s and well into the 1990s. In fact, while African-Americans constitute only around 12% of the U.S. population and about 13% of all monthly drug users (and their rate of illegal drug use is roughly the same as for whites), they represent 35 percent of those arrested for drug possession and 74% of those sentenced to prison on drug charges. The evidence of racial disproportionality in the drug war is overwhelming. For instance, arrest rates for

minorities went from under 600 per 100,000 in 1980 to over 1500 in 1990, while for whites they essentially remained the same. As far as prison sentences go, studies of individual states are telling. As Tonry reports that in North Carolina between 1980 and 1990, the rate of admissions to prison for nonwhites jumped from around 500 per 100,000 to almost 1,000, while in Pennsylvania, nonwhite males and females sentenced on drug offenses increase by 1613% and 1750% respectively and in Virginia the percentage of commitments for drug offenses for minorities went from just under 40 in 1983 to about 65 in 1989, while for whites the percentage actually *decreased* from just over 60% in 1983 to about 30% in 1989.⁵³

The rate of incarceration for African-Americans exceeds that for whites by a ratio of 8 to 1; the odds of an African-American male going to prison is more than one in four (28.5%), compared to about one in twenty-five for white males! Moreover, a recent study found that while two percent of *all* adults have been disenfranchised because of a felony conviction (mostly drug convictions), *about 13% of all black men have been!* In six states the percentage of black men disenfranchised is 25% or more, *going higher than 30 percent in Alabama and Florida!*⁵⁴ It is interesting to note that a recent Associated Press report noted that in South Africa the highest court (the Constitutional Court) ruled that prisoners should be allowed to vote. According to AP report "provisions must now be made for the country's 146,000 prisoners to register and vote in the June 2 election, which they previously were barred from doing."⁵⁵ Ironic that South Africa, under its official Apartheid policies, never allowed prisoners to vote, while the United States, ostensibly not under an official Apartheid rule, not only prohibit prisoners to vote, but goes even further and prohibits them from ever voting again! Further evidence in support of the claim that current crime control policies in the United States reflects

a new form of apartheid.⁵⁶

We need not elaborate the obvious any further, for the fact remains that the "war on crime" and the "war on drugs" targets disproportionately racial minorities, who find themselves in alarmingly increasing numbers behind bars and generally subjected to the efforts of the "crime control industry."⁵⁷ The situation is not likely to improve, especially as long as federal, state and local governments continue to increase the money used for the crime control industry, instead of for prevention. With increasing attention given to our *reaction* to crime, the attention given to the ultimate *sources* of crime will decrease, only exacerbating the problem further.

Some Concluding Thoughts

Some of the writings of Noam Chomsky seem relevant here, as he has focused much of his work on an examination of the attempt by the American government to build up a global economy that is dominated by big business.⁵⁸ The principle behind this is what is known as "economic freedom" - meaning that big business is "free" to invest, sell, and keep all the profits. To do this it needs a "favorable business climate" and a stable local environment (meaning free of political turmoil, such as citizens trying to seek some form of democracy).

Getting support from American citizens has been of vital importance. To do this the state has used the threat of an external enemy - for about 40 years it was "Communism" and the Soviet Union via the "Cold War." With external enemies diminishing, the state has been forced to invent new, internal threats, such as "crime," or more specifically, "gangs" and especially "drugs." Just as anticommunism helped mobilize the American people to support the massive war expenditures to guarantee a "stable business climate" overseas, the anti-crime, anti-gang and anti-drug hysteria has helped mobilize a frightened public to support massive, almost military-

like expenditures for the "war on crime." The main targets for this war continue to be those groups deemed "superfluous" to the creation of wealth and profit as we move from a manufacturing to a service/information economy. As Marx noted, capitalism creates a "surplus labor force" and the state in turn has to figure out ways to control this population.

As big business continues to reap enormous profits, and as more and more people are inevitably relegated to the surplus population (especially inner-city minorities), the potential for the disruption of "normal business activities" increases, whether through radical democratic grass-roots activities or through criminal activity. As long as such a potential exists, so will the potential for the increase in the "criminal justice industrial complex."

Table 1. Criminal Justice Expenditures, Fiscal Years 1982 and 1993 (thousands of dollars)

	1982	1993	% Increase
Total	\$35,839,477	\$97,541,826	172
Police	19,022,184	44,036,756	131
Courts	7,770,785	21,558,403	178
Corrections	9,046,508	31,946,667	253

Source: McGarrell, E. F. and T. J. Flanagan (eds.), *Sourcebook on Criminal Justice Statistics - 1985*. Washington, D.C.: Department of Justice, Bureau of Justice Statistics, 1986, p. 2; Maguire, K. and A. L. Pastore (eds), *Sourcebook on Criminal Justice Statistics - 1994*. Washington, D.C.: Department of Justice, Bureau of Justice Statistics, 1995, p. 4.

Table 2. State and Federal Correctional Operating and Capital Expenditures Budgets, Fiscal Year 1996 (in billions of dollars).

	State		Federal		Total
	Adult	Juvenile	Adult	Juvenile	
Operating	\$21.7	\$2.9	\$4.9	\$.1	\$29.6
Capital Expenditures	1.2	.1	.8	0	2.1
Bond money	1.1	.2	0	0	1.3
Other	1.0	.03	0	0	1.03
Funds from previous years	1.1	.1	.004	0	1.1
Total	26.1	3.3	5.7	.1	35.13

Source: American Correctional Association. *1997 Directory*. Lanham, MD; American Correctional Association, 1997, pp. xiv-xv.

Table 3. The Growing Prison Population, 1925-1995 (rates per 100,000 in state and federal prison).

Year	Number	Rate
1925	91,669	79
1935	144,180	113
1945	133,649	98
1955	185,780	112
1965	210,895	108
1975	240,593	111
1985	480,568	202
1995	1,085,363	411

Source: Maguire, K. and A. L. Pastore (eds), *Sourcebook on Criminal Justice Statistics - 1997*. Washington, D.C.: Department of Justice, Bureau of Justice Statistics, 1997, p. 518

Table 4. Adults on Probation or Parole, in Prison or Jail, 1985-1994.

Year	Total	Probation	Parole	Jail	Prison
1980	1,832,350	1,118,097	220,438	163,994	329,821
1985	3,011,500	1,968,712	300,203	254,986	487,593
1990	4,348,000	2,670,234	531,407	403,019	743,382
1994	5,196,505	2,962,166	690,159	490,442	1,053,738
% Increase (1980-1994)	184	165	213	199	219

Sources: Maguire, K. and A. L. Pastore (eds.), *Sourcebook on Criminal Justice Statistics - 1995*. Washington, D.C.: Department of Justice, Bureau of Justice Statistics, 1996, p. 540; Irwin, J. and J. Austin, *It's About Time: America's Imprisonment Binge* (2nd ed.). Belmont, CA: Wadsworth, 1997, p. 3.

Table 5. Correctional Facilities for Adults and Juveniles, 1997.

Adult Facilities	State	Federal	Total
Institutions	817	188	1005
Diagnostic/Reception Centers	104	13	117
Community facilities	300	37	337
Prerelease centers	117	1	118
Work release centers	253	16	269
Farms/camps	257	53	310
Boot camps	56	5	61
Medical facilities	105	19	124
Vocational training centers	110	9	119
Other programs	380	43	423
Total	2499	384	2883
Juvenile Facilities			
Institutions	241	13	254
Diagnostic/Reception Centers	38	1	39
Community facilities	562	34	596
Detention centers	222	1	223
Psychiatric facilities	121	1	122
Medical/group homes	953	41	994
Camps	97	7	104
Other	63	0	63
Total	2297	98	2395
Total adult and juvenile	7191	482	7673

Source: American Correctional Association. *1997 Directory*. Lanham, MD; American Correctional Association, 1997, pp. xxii-xxiv.

Table 5. Inmates in State Prisons, by Offense, 1988-1994.

Offense	1988	1994	% Increase
Violent	282,700	429,400	51.9
Property	161,600	209,800	29.8
Drugs	79,100	202,100	155.5

Source: Mauer, M., "Racial Disparities in Prison Getting Worse in the 1990s." *Overcrowded Times* 8, 1 (February, 1997), p. 11.

Endnotes

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6. Donziger, pp. 85-98; see also Lilly, J. Robert and Paul Knepper, "The Correctional-Commercial Complex." *Crime and Delinquency* 39 (1993), pp. 150-166.
7. McGarrell, Edmund F. and Timothy J. Flanagan (eds.). *Sourcebook of Criminal Justice Statistics - 1985*. Washington, D.C.: U.S. Department of Justice, 1986, p. 2; Maguire, Kathleen and Ann L. Pastore (eds.). *Sourcebook of Criminal Justice Statistics - 1994*. Washington, D.C.: U.S. Department of Justice, 1995, p. 4; Donziger, Steven. *The Real War on Crime*. New York: Harper/Collins, 1996, p. 85.
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14. Rush, George. *Inside American Prisons and Jails*. Incline Village, NV: Copperhouse Publishing, 1997, p. 157.
15. Information about these prison systems is from: American Correctional Association, 1997 *Directory*. Lanham, MD: American Correctional Association, 1997 and George Rush's book, *Inside American Prisons and Jails*, cited above.
16. Rush, p. 157.
17. It is ironic that many state mental institutions were closed in the 1960s and 1970s as part of a "deinstitutionalization" movement, only to have many of the same buildings now housing prison inmates. It has been estimated that as many as 70% of prison inmates suffer severe mental problems (Eric Schlosser, "The Prison Industrial Complex," *The Atlantic Monthly*, December, 1998; interviewed by Terri Gross, "Fresh Air," National Public Radio, December 3, 1998).
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22. *Ibid.*, p. 576.

23. Lilly, J. Robert and Paul Knepper, "The Correctional-Commercial Complex." *Crime and Delinquency* 39 (1993), p. 152.
24. Lilly and Knepper, p. 155.
25. Lilly and Knepper, pp. 155-156. For a more detailed description of federal "crime control bureaucracies" like LEAA, especially their origins and functions in preserving the capitalist order, see Quinney, Richard. *Critique of Legal Order: Crime Control in Capitalist Society*. Boston: Little Brown, 1974, chapter 3.
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35. Thomas, Paulette, "Making Crime Pay: Triangle of Interests Creates Infrastructure to Fight Lawlessness," *Wall Street*

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36. Donziger, p. 94.

37. Schlosser, Eric. "The Prison Industrial Complex." *Atlantic Monthly* (December, 1998), pp. 57-58.

38. Ironically, this fact has created yet another business, begun in 1973 by an ex-convict, who founded Operation Prison Gap, which operates a bus service for these families. They now have 35 buses and vans traveling on weekends and holidays (Schlosser, 1998: 58).

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47. For a summary some of Marx's classic statements on the "surplus labor force" see, for instance, Smelser, Neil J. (ed.). *Karl Marx on Society and Social Change*. Chicago: University of Chicago Press, 1973, pp. 105-123. For discussions of the "truly disadvantaged" and the modern "underclass" see Wilson, William Julius. 1987. *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy*. Chicago: University of Chicago Press, 1987. See also Massey, D. and N. Denton. *American Apartheid: Segregation and the Making of the Underclass*.

Cambridge: Harvard University Press, 1993.

48. Marx stated as follows: "The criminal produces not only crime but also the criminal law; he produces the professor who delivers lectures on this criminal law; and even the inevitable text-book in which the professor presents his lectures as a commodity for sale in the market...Further, the criminal produces the whole apparatus of the police and criminal justice, detectives, judges, executioners, juries, etc...Crime takes off the labour market a portion of the excess population, diminishes competition among workers, and to a certain extent stops wages from falling below the minimum, while the war against crime absorbs another part of the same population. The criminal therefore appears as one of those natural 'equilibrating forces' which establish a just balance and open up a whole perspective of 'useful' occupations" (Marx, Karl. "The Usefulness of Crime." In Greenberg, David (ed.), *Crime and Capitalism* (2nd ed.). Philadelphia: Temple University Press, 1993,, pp. 52-53).

49. See Donziger, Stephen. *The Real War on Crime*. New York: Harper/Collins, 1996, ch. 4; Miller, Jerome. *Search and Destroy: African-American Males in the Criminal Justice System*. New York: Cambridge University Press. 1996.

50. Koetting, Mark and Vince Schiraldi. *Singapore West: The Incarceration of 200,000 Californians*. San Francisco: Center on Juvenile and Criminal Justice (July, 1994).

51. Reiman, Jeffrey. *The Rich Get Richer and the Poor Get Prison* (5th ed.). Boston: Allyn and Bacon, 1998, p. 101.

52. Irwin, John and James Austin. *Its About Time: America's Imprisonment Binge*. (2nd ed.) Belmont, CA: Wadsworth, 1996.

53. Donziger, *The Real War on Crime*, p. 115; Tonry, Michael. *Malign Neglect: Race, Crime, and Punishment in America*. New York: Oxford University Press, 1995.

54. Fellner, J. and Marc Mauer. 1998. "Nearly 4 Million Americans Denied Vote Because of Felony Convictions." *Overcrowded Times* 9, 5 (October, 1998).

55. "Court rules South African prisoners can vote in elections." Associated Press, April 1, 1999,

56. See Randall G. Sheldon and William B. Brown, "The New American Apartheid: the Incarceration of African-Americans." Paper presented at the annual meeting of the Northeastern Association of Criminal Justice Sciences, June, 1998.

57. For a more detailed elaboration of the racial effects of the growing correctional system see the following: Sheldon, Randall

G. and William B. Brown, *The New American Apartheid: The Incarceration of African-Americans*. San Francisco: Justice Policy Institute (forthcoming).

58. Chomsky, Noam. *Keeping the Rabble in Line*. Monroe, ME: Common Courage Press, 1994; *Powers and Prospects: Reflections on Human Nature and the Social Order*. Boston: South End Press, 1996.