

Privatizing the prison system: 'maquiladoras' in the United States

by Marianna Wertz

America's rapidly growing prison system is now threatening to become a full-fledged domestic *maquiladora* zone—a cheap-labor haven for American free-enterprisers, who won't have to go across the border or overseas to find a ready pool of labor, cheaper even than Mexico's slave-labor plantations. U.S. Rep. Bill McCollum (R-Fla.), who got his job as a result of the FBI's ABSCAM sting operation against incumbent Rep. Richard Kelly in 1980, has introduced "The Free Market Prison Industries Reform Act of 1998," H.R. 4100, which is designed to throw open the Federal and state prison work programs in the United States to private control and profit-making.

McCollum's bill will eliminate every protection of existing American law that prevents prison labor from being used to drive down wages and working conditions for this nation's free labor force. It means that the 1.8 million Americans in Federal and state prisons—the result of the highest rate of incarceration in the world outside of Russia—will become the domestic equivalent of the Mexican *maquiladora* workers, working for pennies an hour. They will produce goods of every variety in open competition with the free labor force, saving their employers not only wages, as well as workmen's compensation, unemployment compensation, and unions to deal with—as *maquiladora* labor does—but also saving the cost of setting up shops south of the border or in Asia.

This is the ultimate in human "labor recycling," as Lyndon LaRouche called it over two decades ago, when he warned of the coming financial crisis and its expected effects on the labor force, especially, then, in the use of welfare recipients in workfare programs.

Indeed, when McCollum introduced H.R. 4100 on June 19, he called on American business to stop sending jobs overseas and put them instead into American prisons, where the labor is cheap, young, and plentiful. And, it is already happening.

In 1997, a U.S. company operating in Mexico's *maquiladora* zone shut down its data-processing shop and moved it to the San Quentin State Prison in California. While the

United Auto Workers (UAW) union has been rightly protesting the loss of thousands of jobs to the *maquiladoras*, in 1992, the Weastec Corp. in Ohio hired prison inmates to assemble parts for cars made at the non-union Honda plant in Marysville, Ohio. The company paid the state \$1.05 an hour for inmate labor. From that, the prisoners got 35¢ an hour—less than *maquiladora* workers, who average about 90¢ an hour! In this case, the UAW caught on to the scheme and created enough public pressure to shut it down. But, if McCollum's bill goes through, that kind of scheme will spread like wildfire.

A return to slavery

Lyndon LaRouche has denounced both the growing use of prison labor for profit-making and the rapid spread of privately run prisons—many of which also employ their inmates for profit—as a gross violation of human rights. Politicians such as Rep. Frank Wolf (R-Va.) and Rep. Chris Smith (R-N.J.) score political points by denouncing the Chinese use of prison labor for making goods which are then sold in the United States. But, what about the goods that U.S. prisoners make, at near-nothing wages? LaRouche asks. If it's not good for China to be doing this, what about America, the so-called "bastion" of human rights?

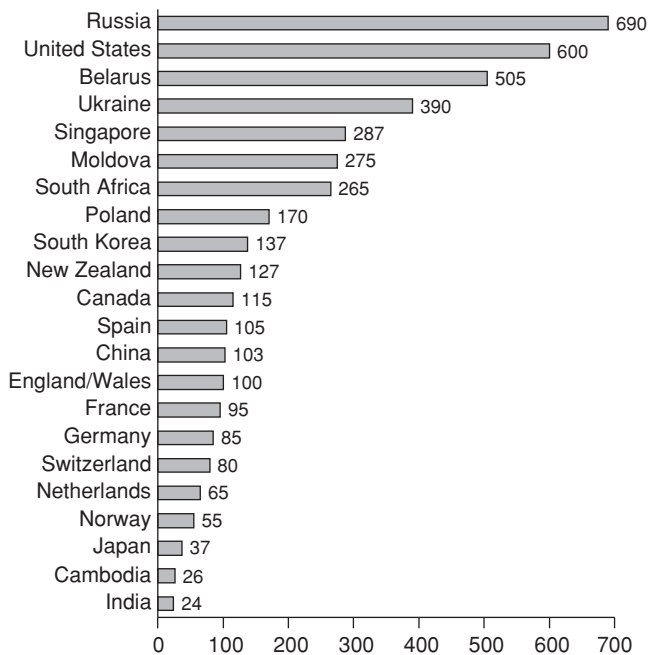
In America, the privatization of prison labor and prison management is in fact a return to the saddest period of human rights violations in our nation's history, to which President Clinton himself pointed, during his recent trip to China, when students at Peking University asked him about America's human rights record. It is a return to slavery.

LaRouche, in 1994, when the prison privatization rage was just getting under way, explained this history in an Oct. 6 radio interview with "EIR Talks": "I can tell [the privatizers] about two experiences with privatization of prisons. One was right after the Civil War, when imprisonment was used to replace black slavery, as a form of black slavery; and that was private prisons, largely. I can tell them of another case, which came to the fore in 1934 in Europe, under Adolf Hitler, when they created concentration camps, and they used the slaves in

FIGURE 1

Incarceration rates for selected nations, 1995

(rate of incarceration per 100,000 population)



Source: The Sentencing Project.

the concentration camps, the prisoners, as slave labor until they were worn to death by overwork and undernourishment and sent to die and to be buried.”

Auschwitz was, in fact, a privately run prison, operated by the IG Farben company to make synthetic rubber for Hitler’s war effort.

Right now, only about 18% of Federal prisoners and 6% of state prisoners are employed in prison industry programs, largely because of the restrictions imposed in opposition to prison labor. If the McCollum bill is passed, those figures will rapidly change. The “fat cow” of cheap labor will be milked dry by increasingly desperate businesses, looking for the nearest looting source as the financial crisis continues to deepen.

It can be stopped

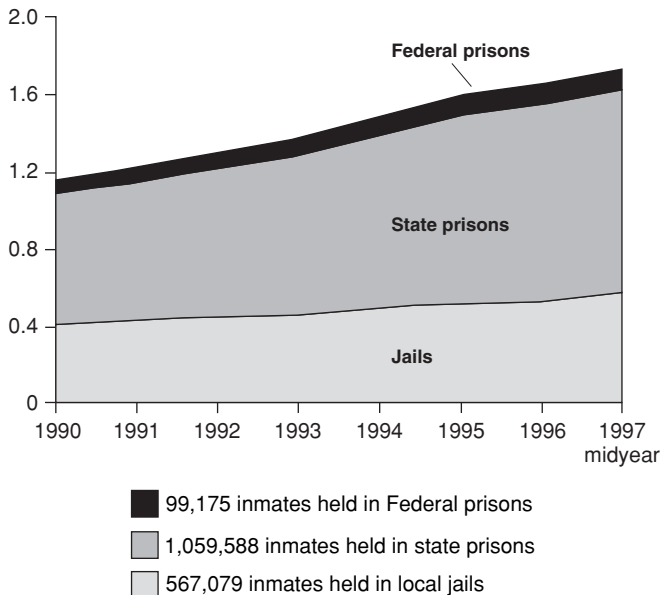
This can be stopped. The LaRouche political movement has spearheaded an effort among African-American state legislators, which has stopped the privatization of state prisons in Tennessee—the home of Corrections Corporation of America (CCA), the largest company in the world involved in building and running privatized prisons.

Trade unions, fighting for the survival of their members’

FIGURE 2

Number of inmates in custody

(millions)



Source: Private Corrections Project, Center for Studies in Criminology & Law, University of Florida.

jobs, have also been organizing aggressively to stop privatization. The AFL-CIO testified against H.R. 4100; and in May, the American Federation of State, County and Municipal Employees (AFSCME) launched a nationwide fight to stop the running of prisons by private companies. Many industry associations, particularly in those areas, like textile and wood products, which compete directly with prison industries, are also opposed to McCollum’s bill, fearing that widespread use of prison labor will wipe them out of business.

The key to defeating this, however, is a change in Americans’ thinking. In order to win, Americans will have to stop their blind submission to the Conservative Revolution’s drumbeat about “criminals,” and begin to realize who the real criminals are. While not condoning either crime or drug use—the most common felony resulting in prison time—Americans must begin to think about *why* so many people are behind bars. Who is getting ready to make a fortune from this unprecedented level of incarceration? Who is killing the budget outlays for rehabilitating and detoxifying and reforming those prisoners so they can get out and be productive citizens?

The next time you hear about a CCA lobbyist pushing for tougher jail sentences for criminals, ask yourself, just what is his motivation? And, whose job are they going to take?