

and injuries as well. Capitals are, of course, trying to get a foothold in this lucrative market, where 95 per cent of US prisons and jails are now publicly owned and operated. Alternatively, all prisoners might well be required to work in the public sector, both to pay their own costs and to make profit for the state, as was the case in prisons of the US South starting at the turn of the twentieth century. In such an eventuality, wide-scale slavery, under the provisions of the Thirteenth Amendment to the US constitution, could be the big state's answer to tax struggle. We might think of public sector slavery as the 'crime tax', part of the 'surplus labour tax', whose freeworld (non-prison) variation is workfare, or the 'poverty tax'. Thus we return analytically to the class struggle inherent in tax struggle. But this return takes us to a new place, if we understand from the 'surplus labour tax' that prisoners and other dispossessed persons are at the centre (rather than under or marginal to) the contradictions by which the system moves.

In sum, military Keynesianism emerged from the profound crises of the Great Depression, when dislocations and reconfigurations of capital, land, labour and state capacity restructured capital-labour relations and remapped the world, with California, in some key ways, first among first. Military Keynesianism came out of the same objective conditions that had produced Nazism and Fascism. In the current period of globalisation, we see the demise of military Keynesianism, and its successor militarist state rising on a firm foundation of prisons, peopled by the 2,000,000 and more who represent both the demise of golden-age capitalism and the defeat of alternative societies militantly pursued, throughout the golden age, by those who sought to make impossible the future we live today. But, before we're all dead, alternative global activism, matured by thirty years of mortal lessons, might rise to tear down the sturdy curtain of racism behind which the prison industrial complex devours working men and women of all kinds.

Notes

My special thanks to Craig Gilmore,

Liberation

14. Liz Apple, *White Supremacy in the Movement to Abolish the Prison Industrial Complex*

15. Ruth Wilson Gilmore, *Globalization and U.S. Prison Growth: From Military Keynesianism to Post-Keynesian Militarism*

16. Dylan Rodriguez, *Forced Passages*

RUTH WILSON GILMORE

Globalisation and US prison growth: from military Keynesianism to post-Keynesian militarism

Ever since Richard M. Nixon's 1968 campaign for president on a 'law and order' platform, the US has been home to a pulsing moral panic over crime and criminality. The 'law and order' putsch has produced an increase of 1.4 million people in the prison and jail population since 1982: by the time this essay goes to press, there will be nearly 2,000,000 women and men living in cages. But are the key issues underlying carceral expansion 'moral' ones – or are they racial, economic, political? And if some combination of the latter, why did 'the law' enmesh so many people so quickly, but delay casting its dragnet until almost fifteen years after Nixon's successful bid for the presidency?

California is a case in point. In mid-1996 the State's attorney general, who is responsible for prosecuting all serious and violent crimes, circulated a report showing that the crime rate peaked in 1980 and declined, unevenly but decisively, thereafter. However, since 1982, when the State embarked on the biggest prison construction programme in the history of the world, the number in the California Department of Corrections (CDC) prisons rose 400 per cent – to 156,000. African Americans and Latinos (primarily Mexican Americans) comprise two-thirds of the prison population; seven per cent are women of all races. Almost half the prisoners had steady employment, that is, they were working for the same employer for at least one year before arrest, while

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FREE TO PRISONERS



upwards of 80 per cent were, at some time in their case, represented by state-appointed lawyers for the indigent: in short, as a class, convicts are the working or workless poor. At a cost of 280-350 million dollars each, California has completed twenty-two new prisons since 1984. The new prisons, plus the state's twelve previously existing facilities, plus four new prisons being planned, plus internal expansions, plus space contracted with public or private providers, will give the system a lockdown capacity of more than 200,000 by 2001, according to data from the California Legislative Analyst's Office and the CDC.

But California's prison expansion has to be situated in the political-economic geography of globalisation if its full significance is to be understood. A new kind of state is being built on prison foundations in the world's seventh or eighth largest economy. The importance of California is not that it represents the average case of current conditions throughout the US but, rather, that the State stands in as a plausible future for polities within and outside national borders; California has long served as an activist exemplar that others keenly emulate.

Why prisons: dominant and counter explanations

The media, government officials and policy advisers endlessly refer to the moral panic over crime and connect prison growth to public desire for social order. In this explanation, what is pivotal is not the state's definition of crime, *per se*, but rather society's condemnation of rampant deviant behaviour – thus a moral not (necessarily) legal panic. The catapulting of crime to US public anxiety number one, even when unemployment and inflation might have garnered greater worry in the recessions of the early 1980s and the early 1990s, suggests that concerns about social deviance overshadowed other, possibly more immediate issues.

However, by the time the great prison round-ups began, crime had started to go down. Mainstream media reported the results of statistics annually gathered and published by the Federal Bureau of Investigation (FBI) and the Bureau of Justice Statistics (BJS). In other words, if the public had indeed demanded crime reduction, the public was already getting what it wanted. State officials could have taken credit for decreasing crime rates without producing more than a million new prison beds. But the beds are there.

Another explanation for the burgeoning prison population is the drug epidemic and the threat to public safety posed by the unrestrained use and trade of illegal substances. Information about the controlling (or most serious) offence² of prisoners supports the drug explanation: drug commitments to federal and state prison systems surged 975 per cent between 1982 and 1996. Therefore, it is reasonable to conclude that widening use of drugs in the US in the late 1970s and early 1980s

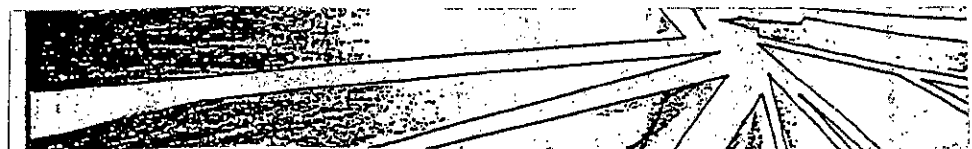
adds new stresses to the everyday life of the working and workless poor. And once in the industrialised punishment system, it is hard to stay out; administrative parole violations are now used so frequently that annually more than half the state's 110,000 parolees go back into cages without being convicted of new crimes.

The State has used its enormous capacity to raise money, buy land and build and staff prisons. It also makes new laws that guarantee incarceration for more and more kinds of offences, old and new. In fact, the flurry of law-making caused the California legislature to establish permanent committees (the Committees on Public Safety, or 'COPS') whose entire charge is to review and recommend new criminal statutes. Nearly two thousand pieces of criminal law have been enacted in the past decade, and legislators from the dwindling Left to the firmly ensconced Right have all taken the lead on some piece of the new social product. Legislated justice micro-manages the courtroom, and speeds up convictions and incarcerations (and the death penalty) by deskilling judges who otherwise might render different decisions than those mandated. Thus the state produces, and is produced by, the industrialised punishment system which is the core of the prison industrial complex.

In the long run, we're all dead

As I have already noted, California's State budget has grown since the 1970s, while voters have reduced their participation. An enormous, and growing, portion of revenue flows into the prison system, at a level nearly equal to general fund appropriations for the State's two university systems. One explanation for California's budget expansion is that the underlying conditions leading to the waves of tax revolts on the part of capital, labour, and the federal state have continued to be in flux, and therefore the state's definitive task – maintaining a general balance of power – has required big spending at the State level. This would suggest that the new power bloc's intervention, in the name of a small state apparatus, has not achieved hegemony and therefore, if and when relatively uncontested consent is secured, the State's apparatus might shrink. But an equally plausible explanation is that the new power bloc cannot rejig power in the form of the state with any greater cost-efficiency than it has already exhibited. The 'big stick' approach used by US capital to discipline labour requires an enormous, expensive industrial bureaucracy, as David Gordon has shown; the same appears to be true for the capitalist state in crisis.

How can the big state pay its way? Perhaps by selling off assets, such as public utilities and prisons. Many rightly worry that the privatisation of prisons will further the civil deaths of those in custody and present grave dangers that might result in greater numbers of physical deaths



solution and therefore voter approval of public debt was the means to the end. Voters did approve debt to start the building programme, and several rounds thereafter. However, the problem remained that those very voters had given themselves an enormous tax break in recent electoral memory, and had since secured their residential perimeters by rejecting broad obligations and voting for taxes and debt that would improve their exclusive locality. Therefore, State officials (both of the New Right and of the lapsed New Deal sort), guided by entrepreneurial California-based finance capitalists, figured out how to go behind taxpayers' backs. The California Public Works Board, an eminently Keynesian institution, was used to borrow money to build prisons. Previously, the Board's borrowing capacities were used only to raise money for housing, schools, hospitals and other goods that would pay for themselves from homeowners' mortgage payments, local tax revenues, or fees. Prisons produce no income... yet. And then they hired a technocrat from the State's welfare agency to run the expanding prison apparatus.

California's new prisons are sited on devalued rural land, most, in fact, on formerly irrigated agricultural acres. The State intended to put all the new prisons in the southern counties (the Southland) that produce nearly 70 per cent of prisoners. However, political opposition, led by mothers of actual and potential prisoners, kept the State from putting a prison in Mexican American East Los Angeles. Landowners from the agricultural valleys spied an opportunity to unload sinking assets, and politicians from the area (which serves as the great tie-breaking region between the more 'progressive' San Francisco-Oakland area and the conservative Southland) saw advancement if they could deliver the dollars to the agribusiness power brokers. The State bought land sold by big landowners. And the State assured the small, depressed towns now shadowed by prisons that the new, recession-proof, non-polluting industry would jump start local redevelopment, but in fact prisons have not produced the jobs or related improvements projected by prison boosters.

The Southland is an enormous area comprising eight of the State's fifty-eight counties. The greatest number of prisoners come from Los Angeles County, where they have been convicted in nearly two out of three cases of property or drug possession offences. David Grant and his colleagues note that between 1985 and 1990, fully 25 per cent of African American men who moved out of Los Angeles County were involuntary migrants in the prison system, as were 10 per cent of the Black men who moved into the county. While the percentage of women in prison is relatively small, the rate of increase in the number is actually higher than that for men, with again, drugs as the principal 'controlling' offence. The ongoing destruction of post-war labour markets pushes people into new relations of competition, while the dismantling of the welfare state

provoked prison expansion. According to this scenario - as news stories, sensational television programmes, popular music and movies and politicians' anecdotes made abundantly clear - communities, especially poor communities of colour, would be more deeply decimated by addiction, drug dealing and gang violence were it not for the restraining force of prisons. The explanation rests on two assumptions: first, that drug use exploded in the 1980s and, second, that the sometimes violent organisation of city neighbourhoods into gang enclaves was accomplished in order to secure drug markets.

In fact, according to the BJS, illegal drug use among all kinds of people throughout the United States declined precipitously, starting in the mid-1970s. Second, although large-scale traffic in legal or illegal goods requires highly organised distribution systems - be they corporations or gangs - not all gangs are in drug trafficking; for example, according to Mike Davis, in Los Angeles, an area of heavy gang and drug concentration, prosecutors in the late 1980s charged only one in four dealers with gang membership.³

A third explanation blames structural changes in employment opportunities; these changes have left large numbers of people challenged to find new income sources, and many have turned to what one pundit called 'illegal entitlements'. In this view, those who commit property crimes - along with those who trade in illegal substances - reasonably account for a substantial portion of the vast increase in prison populations. Controlling offence data for new prisoners support the income-supplementing explanation: the percentage of people in prison for property offences more than doubled since 1982. But, at the same time, incidents of property crime peaked in 1980; indeed, the decline in property crime pushed down the overall crime rate.

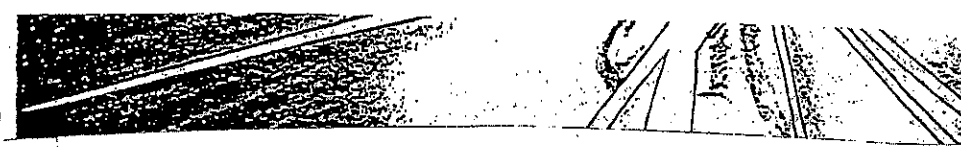
More recently, as both print and electronic media have started again to headline annual federal reports about long-term drops in crime (still falling since 1980) and as elected and appointed officials have started to take credit for the trends, the explanation for bulging prisons centres on the remarkable array of longer and stiffer sentences now doled out for a wide range of behaviour that used to be punished differently, if at all. This explanation, tied to but different from the 'moral panic' explanation, proposes that while social deviance might not have exploded after all, active intolerance pays handsome political dividends. The explanation that new kinds of sentences (which is to say the concerted action of lawmakers) rather than crises in the streets, produced the growth in prison, is a *post facto* explanation that begs the question. Where did the punitive passion come from in the first place? While all the dominant accounts carry some explanatory power, there is a huge hole at their centre. Who is being punished, for what, and to what end? If crime rates peaked before the proliferation of new laws and new cages, what work does prison do?



There are two major counter explanations for prison expansion. The first charges racism, especially anti-Black racism. The second focuses on the economic development and profit-generating potential that prisons promise, suggesting that *military Keynesianism* is giving way to, or complemented by, *carceral Keynesianism*. As with the dominant explanations, there is a great deal of truth in these claims. The statistical inversion, by race, of those arrested (70 per cent white) to those put in cages (70 per cent persons of colour) quantitatively indicates that the system punishes different kinds of people differently; qualitatively, the stories of individuals and families caught up in the system graphically illustrate this uneven development. It is also true that communities and industrial sectors are increasingly dependent on prisons for governmental, household and corporate income. But these explanations do not show us how prison – and the industrialised punishment system that is the heart of the prison industrial complex – achieved such a central place in structuring the state and shaping the landscape, nor do they show us whether the state is a variation on the Keynesian theme or something new to globalisation.

In my view, the expansion of prison constitutes a geographical solution to socio-economic problems, politically organised by the state which is itself in the process of radical restructuring. This view brings the complexities and contradictions of globalisation home, by showing how already existing social, political and economic relations constitute the conditions of possibility (but not inevitability) for ways to solve major problems. In the present analysis 'major problems' appear, materially and ideologically, as surpluses of finance capital, land, labour and state capacity that have accumulated from a series of overlapping and interlocking crises stretching across three decades.

The accumulation of surpluses is symptomatic of 'globalisation.' Changes in the forces, relations and geography of capitalist production during the past thirty years have produced more densely integrated 'sovereign' (nation state) political economies, exemplified by supra-national trade regions such as NAFTA and supra-national currencies such as the Euro. However, interdependence is not a precursor to universal equality. Quite the contrary, as Neil Smith argues, the trend towards equalisation rests on a deep foundation of differentiation: if the whole world is available as site or resource for capitalist production, intensive investment in some places to the detriment of others is caused by and produces 'uneven development'. The disorderly effects of 'globalisation' are part and parcel of uneven development, and the expansion of prison in the US is a logical, although by no means necessary, outcome of dynamic unevenness. But if economics lies at the base of the prison system, its growth is a function of politics not mechanics.



surplused from the state: how absolutely would they be abandoned, and would their regulation take new forms?

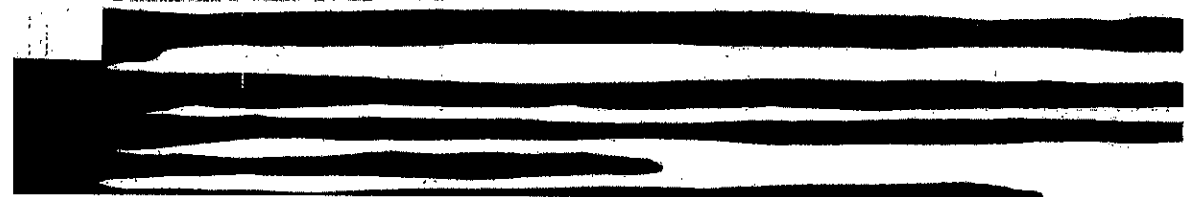
The post-war pragmatic care once unevenly bestowed on labour was transferred, with an icing of solicitude, to capital. The state at all levels focused on capital's needs, particularly on how to minimise impediments and maximise opportunities for capital recruitment and retention. However, having abandoned the Keynesian full employment/aggregate guarantee approach to downturns, the power bloc that emerged from the 1980s onward faced the political problem of how to carry out its agenda – how, in other words, to go about its post-Keynesian state-building project in order to retain and reproduce victories. Capital might be the object of desire, but voters mattered. The new bloc, having achieved power under crisis conditions, consolidated around a popular anti-crime campaign that revived Richard Nixon's successful law and order pitch. Thus the state rebuilt itself by building prisons fashioned from surpluses that the emergent post-golden-age political economy was not absorbing in other ways.

The prison fix

A final blow to 'golden-age' activism was the end of prisoners' rights movements. In concert with their counterparts elsewhere, California's radical prisoners framed their activism in terms of their economic, political and racial lack of power, and challenged the class nature of the state's cage-based social control. But, at the same time, many prisoners fought in federal courts for reform; they used constitutional law to compel the State to improve prison conditions and to stop giving people indeterminate (i.e., one-year-to-life) sentences. Federal court-ordered successes formed the basis on which California began to revise the purpose and design of the system. However, by changing its sentencing structure and pledging to remedy overcrowded and decrepit facilities, the State paved the way for expanding, rather than surplus-ing, its capacity to put people in cages.

The limit to any reform, as Angela Y. Davis and others consistently argue, is the system itself: reform tends to strengthen institutions, especially those geared to social control. At first, California planned simply to replace decrepit facilities with small (500 person) new ones. However, that plan never materialised. Instead, new power blocs (which took office in 1982 using a strategy similar to Nixon's 1968 'law and order' campaign) used the improvement plans as a template for the 'megaprisons' that have since been built.

Once the State embarked on the prison construction project, the problem of funding surfaced immediately. In the flush of victory, the newly ensconced post-Keynesian power bloc persuaded voters that if crime was the problem (as electioneers had promised) prison was the



number of unemployed persons, plus the average annual number of prisoners, is about one million. These million constitute the empirical minimum of California's relative surplus population, or surplus labour.

The reorganisation of labour markets has expelled from the workforce modestly educated people in the prime of life who once might have gained their wages making and moving things. African American men are first among the dispossessed in this regard, although many kinds of workers are experiencing something close to permanent redundancy. Underemployment and worklessness are higher among men than women of similar demographic profile. The lower a person's income, the more likely she or he is to have been unemployed. In urban space, high unemployment rates correspond to areas with the greatest school dropouts, which in turn map onto areas that industries have abandoned, taking along their own jobs and local jobs dependent on the dollars circulated by the bigger firms. Of course, these dynamics are not simply the residual outcomes of 'market forces' but, rather, the predictable results of capital abandonment facilitated by what Michael Tony calls the State's 'malign neglect'.

• *State capacity* As stated earlier, the Keynesian state came under sustained attack from powerful economic and political critics. Marx observed that tax struggle is the oldest form of class struggle. The tax revolt staged by California capitals in the late 1960s was answered by the legendary homeowners' (i.e., labour's) tax revolt of 1978. And finally, starting in the early 1980s, the federal government reduced its participation in State and local government funding of social programmes, thereby passing along to lower-scale jurisdictions the task of making up for federal tax cuts that had been granted to capitals and rich individuals. California was left with the *technical* ability to do all kinds of things: raise money and spend it, pass laws and enforce them. But it lacked the legitimacy to renovate the old military Keynesian projects by, for example, putting inner-city and rural youth to work, or expanding and improving educational opportunity, or buying firms that threatened to leave and making them community-owned co-operatives.

In this historical context, old markets for certain fractions of finance capital, land and labour were dying, while new ones had not yet been born that might absorb the surpluses. For California, the outcomes of tax struggles translated into delegitimation of programmes the state might have used to put surpluses back to work, while at the same time the state retained bureaucratic, fiscal and legal apparatuses from the golden age. In other words, the massive restructuring of the state's tax base in effect surplused the Keynesian state's capacities. However the state did not disappear, just as surplus workers or land or other idled factors of production do not disappear. Rather, what withered was the state's legitimacy to act as the Keynesian state. The state's crisis, then, was also a crisis for persons, whose rights and entitlements would be

Why 1968? Historicising crime, Keynesianism, and crises

I have said that the 'moral panic' underlying prison growth achieved formal US-wide recognition in Nixon's 1968 'law and order' campaign. Mid-sixties radical activism, both spontaneous and organised, successfully produced widespread disorder throughout society. The ascendant Right's effort to gain the presidency used the fact of disorder in persuading voters that the incumbents failed to govern. The claim was true insofar as it described objective conditions. But in order to exploit the evidence for political gain, the Right had to interpret the turmoil as something it could contain, if elected, using already existing, unexceptionable capacities: the power to defend the nation against enemies foreign and domestic. And so the contemporary US crime problem was born. The disorder that became 'crime' had particular urban and racial qualities and the collective characteristics of activists (whose relative visibility as enemies was an inverse function of their structural lack of power) defined the face of the individual criminal.

A broad-brush review of some major turning points in political radicalism highlights who became the focus of moral panic. Given that criminalisation is most intensely applied to African Americans, it makes sense to start with the Black Power movement. Black Power became a popularly embraced alternative to assimilationist civil rights struggle in 1964, after the Democratic Party publicly refused to seat the Black Mississippi Freedom Democratic Party (MFDP) at the national convention. The delegation represented women and men who had engaged in deadly struggles with white power southern elites in order to gain the vote. While antisystemic bullets did not replace reformist ballots with the emergence of Black Power, the MFDP experience convinced many activists who had worked within legal and narrowly (electoral) political systems that tinkering with the racial structure and organisational practices of the US state would not make it something new. In response to the plausible impossibility that Black or other subordinated people could ever sue for equality within the framework of constitutional rights, below-surface militancy popped up all over the landscape.

Until the 1960s, virtually all riots in the US were battles instigated by white people against people of colour, or by public or private police (including militias and vigilantes, also normally white) against organising workers of all races. But, from the 1965 Los Angeles Watts Riots forward, urban uprising became a means by which Black and other people held court in the streets to condemn police brutality, economic exploitation and social injustice. Radical Black, Brown, Yellow and Red Power movements⁴ fought the many ways the state organised poor peoples' perpetual dispossession in service to capital. Radical white activists – students, wage workers, welfare rights agitators



– added to domestic disorders by aligning with people of colour; they also launched autonomous attacks against symbols and strongholds of US capitalism and Euro-American racism and imperialism.

Indeed, growing opposition to the US war in Vietnam and Southeast Asia helped forge one international community of resistance, while an overlapping community, dedicated to anti-colonialism and anti-apartheid on a world scale, found in Black Power a compelling renewal of historical linkages between 'First' and 'Third World' Pan-African and other liberation struggles. At the same time, students and workers built and defended barricades from Mexico City to Paris: no sooner had the smoke cleared in one place than fires of revolt flared up in another. The more that militant anti-capitalism and international solidarity became everyday features of US anti-racist activism, the more vehemently the state and its avatars responded by, as Allen Feldman puts it, 'individualizing disorder' into singular instances of criminality, that could then be solved via arrest or state-sanctioned killings rather than fundamental social change. With the state's domestic war-making in mind, I will briefly examine another key aspect of the legendary year.

Something else about 1968

If 1967-68 marks the domestic militarist state's contemporary rise, it also marks the end of a long run-up in the rate of profit, signalling the close of the golden age of US capitalism. The golden age started thirty years earlier, when Washington began the massive build-up for the second world war. Ironically, as Gregory Hooks has demonstrated, the organisational structures and fiscal powers that had been designed and authorised for New Deal social welfare agencies provided the template for the Pentagon's painstaking transformation from a periodically expanded and contracted Department of War to the largest and most costly bureaucracy of the federal government. The US has since committed enormous expenditure for the first *permanent* warfare apparatus in the country's pugnacious history.

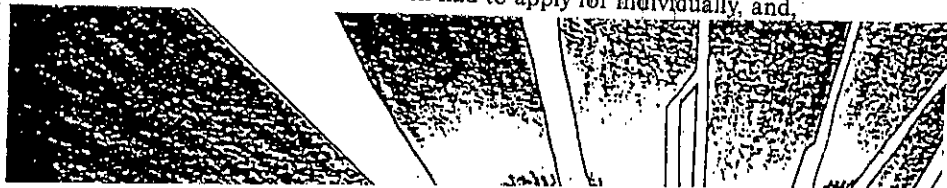
The wealth produced from warfare spending underwrote the motley welfare agencies that took form during the Great Depression but did not become fully operational until the end of the second world war. Indeed, the US welfare state bore the popular tag military Keynesianism to denote the centrality of war-making to socio-economic security. On the domestic front, while labour achieved moderate protections and entitlements, worker militancy was crushed and fundamental US hierarchies remained intact. The hierarchies map both the structure of labour markets and the socio-spatial control of wealth. Thus, white people fared well compared with people of colour, most of whom were deliberately excluded from original legislation; men received automatically what women had to apply for individually, and

in general. The recession of the 1970s overlapped with a drought, huge increases in farm debt (taken on in part to irrigate land) and suburbanisation brought on by the combination of white flight and the inability of wage earners of all kinds to afford houses in desirable urban areas.

Agribusinesses of varying sizes were forced out by debt – whether because their commodities were destroyed by early 1980s floods, or priced out of global commodity markets due to the then-surging dollar – or quit in anticipation of adversity or an advantageous sale. Indeed, for some owners the surplus of lands converted into cash because developers bought the farm: portions of inland counties once used almost exclusively for irrigated agriculture were developed into vast residential and commercial areas. However, there was not an acre-for-acre trade-off between farm disinvestment and suburban development. For other owners, whose lands lay outside the path of development, the surplus constituted crisis, in the form of both 'fictitious' costs⁷ and real costs (taxes, insurance, maintenance) necessary to maintain an under-producing asset. And finally, for rural monopolies or oligopolies, the crisis consisted of how to maintain unequal relations of power and control in places where increased productivity due to mechanisation surplused both marginal land and many many workers, with the rural proletariat, rather than the long-disappeared small farmer, bearing the principal brunt of displacements. Indeed, surplus land and high unemployment can be guides for locating each other because in tandem they indicate that capital has reorganised in, or withdrawn from, an area. Such is the case with large areas of urban California.

* *Surplus labour* California's restructuring since the early 1970s included the reorganisation, or the termination, of many capital-labour relationships that had been hammered out through struggle during the golden age. All kinds of workers experienced profound insecurity, as millions were displaced from jobs and industries by capital flight, by outsourcing and by mechanisation. Racist and nationalist confrontations heightened, driven by the common-sense perception that the state's public and private resources were too scarce to support the growing population and that therefore some people had to go. But actually people came, as immigrants reconfigured the state's demographic composition. These twin movements of capital and labour produced a growing relative surplus population; workers at the extreme edges or completely outside restructured labour markets.

During most of the 1970s, California's increase in the labour force was roughly commensurate with the increase in available jobs, even though unemployment hit extremely high levels in the recession. But from 1980 onward, employments stopped keeping pace with the labour force – shortly before the number of prisoners started to shoot off the chart. The overall trend is for labour force growth to exceed employment growth by about 4 per cent. The sum of the state's average annual



Throughout the golden age of capitalism, California functioned as what Dick Walker calls a 'principal engine of US economic growth', and used resources from defence-dependent prosperity to provide state residents with broadening opportunities. An indicator of change to come was the 25 per cent increase in children's poverty between 1969 and 1979. This abandonment of the least powerful members of society presaged the State's future broadening abdication of responsibility to remedy adversity and inequality. And, in fact, the child poverty rate jumped again, rising 67 per cent between 1979 and 1995, to shape the future chances of one in four of the State's kids.

California's phenomenal rise in family and child poverty is a dynamic symptom of the displacements characterising the 1970s, 1980s and 1990s recessions – dynamic because the negative effects have compounded even in boom years. The surplusings of California's children goes hand in hand with the accumulation of other surpluses.

- *Finance capital* California experienced a dual shift in income. First, property income increased as a share of total income, the other principal components of which are wages and salaries. Second, interest income increased as a share of property income, the other components of which are dividends, rent and profits. Productive capitals in the State started paying for equipment or factory expansion out of retained earnings (profits not paid out to shareholders as dividends). In these circumstances, finance capitals had to scramble for new profit-making opportunities, and increasingly looked to money itself, rather than steel, cars or aircraft, to do the job.

As a category of capital, finance capital is the most mobile, but the actual firms that specialise in matching borrowers with funds operate in particular political economic geographies.⁶ Spatial constraint is abundantly clear in the US realm of public debt: all borrowing done at the State or municipal level is, by federal law, State-regulated. For California firms specialising in public sector finance, the challenge to find governmental borrowers was further complicated because traditional infrastructural investment (school buildings, highways and roads) had been deferred during the long 1970s recession, while thereafter both State and local officials depleted reserves rather than ask short-tempered, wage-frozen taxpayers to approve new debt obligations. In sum, public sector financiers had a crisis – growing pools of investable cash but shrinking outlets – that could only be resolved in the political arena, where decisions about the legitimate uses of public debt are made by voters, legislators and clever interpreters of existing statute.

- *Land* California's patterns of land use have changed significantly during the past thirty years. Most notably, since 1978 about 100,000 acres per year of irrigated farmland have been taken out of production. The fate of these idled farmlands stands as proxy for rural restructuring

normatively, urban, industrial workers secured limited wage and bargaining rights denied household and agricultural field workers.

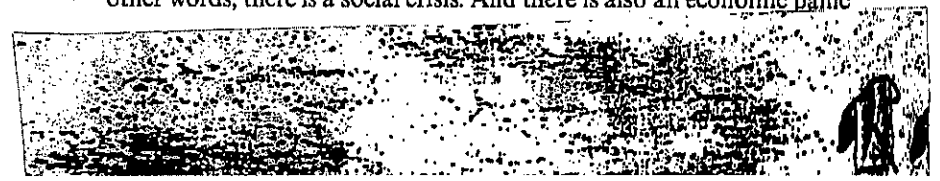
The military Keynesian or 'warfare-welfare' state (to use James O'Connor's term) was first and foremost, then, a safety net for the capital class as a whole in all major areas: collective investment, labour division and control, comparative regional and sectoral advantage, national consumer market integration and global reach. And, up until 1967-68, the capital class paid handsome protection premiums for such extensive insurance. However, at the same time that Black people were fighting to dismantle US apartheid, large corporations and other capitals, with anxious eyes fixed on the flattening profit-rate curve, began to agitate forcefully and successfully to reduce their contribution to the 'social wage'. Capital's successful tax revolts, fought out in federal and state legislatures, provoked the decline of military Keynesianism.

Put broadly, the economic project of Keynesianism consisted of investments against the tide, designed to avoid the cumulative effects of downward business cycles by guaranteeing effective demand (via incomes programmes, public borrowing strategies and so forth) during bad times. The social project of Keynesianism, following from the central logic that full employment of resources enhances rather than impedes the production of new wealth, was to extend to workers – unequally, as we have seen – protections against calamity and opportunities for advancement. In sum, Keynesianism was a capitalist project that produced an array of social goods that had not existed under the preceding liberal (or laissez-faire) capitalist state form.

Keynesianism's economic project, severely weakened by capital's tax revolt, encountered its first round of dismantling in the early 1970s, but the social project took the rap for all the anxiety and upheaval that ensued. Part of the post-war civil rights struggle had been to extend eligibility for social welfare rights and programmes to those who had been deliberately excluded. The individualisation of *this* disorder (from the 1965 Moynihan report on the pathological Black family, through the 1980 Reagan presidential campaign) increasingly starred an unruly African American woman whose putative dependency on the state, rather than a husband, translated into criminality.

Crisis and surplus

To sum up: there is a moral panic over 'crime' – civil disorder, idle youth on the streets, people of colour out of control, women and children without husbands and fathers, students who believe it is their job to change the world (not merely to understand it) and political alliances among organisations trying to merge into full-scale movements. In other words, there is a social crisis. And there is also an economic panic



– capital disorder, or the profits crisis. These crises collide and combine into the crisis that prison 'fixes'.

The new state emerging from the crises, and materialised as the integument of the prison industrial complex, is neither unexpected nor without roots. Rather, the US state (from the local to the national) can claim permanent ideological surplus in the realm of 'defence'. Indeed, from the genocidal wars against Native Americans to the totalitarian chattel slavery perpetrated on Africans, to colonial expansion, to the obliteration of radical anti-racist and anti-capitalist movements, the annals of US history document a normatively aggressive, crisis-driven state. Its *modus operandi* for solving crises has been the relentless identification, coercive control, and violent elimination of foreign and domestic enemies.⁵

Crisis and surplus are two sides of the same coin. Within any system of production, the idling, or surplusing, of productive capacities means that the society dependent on that production cannot reproduce itself as it had in the past, to use Stuart Hall's neat summary of Marx. Such inability is the hallmark of crisis, since reproduction, broadly conceived, is the human imperative. Objectively, crises are neither bad nor good, but crises do indicate inevitable change, the outcome of which is determined through struggle. Struggle, like crisis, is a politically neutral word: in this scenario, everyone struggles because they have no alternative.

The economic panic deepened in the early 1970s, at the same time that radical political activists were assassinated, went to prison, disappeared underground, or fled into exile. In 1973, the federal government finished its five-year plan to decouple the dollar from gold and immediately thereafter devalued the dollar, shoving the US into the 1973-7 global recession. The 1973 wage freeze was prelude to a twenty-five year decline in ordinary people's real purchasing power, made instantly harsh as workers tried to buy necessities at inflated prices with devalued greenbacks. During the same period, of course, money began its spectacular rise as *the* contemporary commodity (to echo Paget Henry's inflection), and interest brokering displaced productive investment as the means to make money make more of itself.

The mid-1970s recession produced many other kinds of displacements, related to the movement of dollars away from gold and capital away from production. Steep unemployment deepened the effects of high inflation for workers and their families. Big corporations eliminated jobs and factories in high-wage heavy industries (e.g., auto, steel, rubber), decimating entire regions of the country and emptying cities of wealth and people. Even higher unemployment plagued farmworkers and others who laboured in rural extractive industries such as timber, fishing and mining. Landowners' revenues did not keep up with the cost of money for a variety of reasons related to changing

production processes and product markets, as well as seemingly 'natural' disasters. Defaults displaced both agribusinesses and smaller growers and other kinds of rural producers from their devalued lands, with the effect that land and rural industry ownership sped up the century-long tendency to concentrate.

Urban dwellers left cities, looking for new jobs, for cheaper housing (given the inflated cost of houses and money), or for whiter communities, and suburban residential and industrial districts developed at the same time that city centres crumbled. Those left behind were stuck in space, lacking the social or financial mobility to follow capital, while at the same time international migrants arrived in the US, pushed and pulled across territory and state by the same forces of equalisation and differentiation that were producing the US cataclysm.

The sum of these displacements was socialised, in a negative way, by the state's displacement from its Keynesian job to produce equilibrium from profound imbalances. No central, strategic plan emerged to employ the state's capacities and absorb the national surpluses of finance capital, land or labour. And why would there be, since the scale at which military Keynesianism operated – that of the nation state – was approaching political-economic obsolescence in the late twentieth century round of globalisation. Make no mistake: I do not mean 'the state' was withering. Quite the contrary, the nation was being 'prepped' for global developments by operators firmly ensconced in state institutions, such as the Federal Reserve Bank governors who, as Edwin Dickens argues, powerfully insisted that the state's capacity to discipline labour was politically and economically more important than the state's capacity to guarantee labour a decent share of surplus value. The unabsorbed accumulations from the 1973-7 recession laid the groundwork for additional surpluses idled in the 1981-4 recession and again in 1990-4, as the furious integration of some worlds produced the terrifying disintegration of others.

Dateline California

California passed the trillion (million million) dollar Gross State Product (GSP) mark in 1997, a level nominally equal to the GDP of the entire United States in 1970. However, the wealthy and productive State's family poverty rate more than doubled between 1969 and 1995, rising from 8.4 per cent to 17.9 per cent of the growing population. Indeed, in 1995, California's national poverty ranking was eighth from the top, in company with historically poor states such as Louisiana, New Mexico, Mississippi, West Virginia and Kentucky; with rich New York and Texas, where prisons have also expanded significantly, and with the classically bifurcated District of Columbia, that has both the highest per capita income and second highest poverty in the country.

OPPRESSION BREEDS REVOLUTION