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## A Neo-Althusserian Theory of State Formation and its Applicability to the Contemporary U.S.<sup>1</sup>

### Introduction

Section one of this paper posits that Althusserians formulate that any concrete social formation is composed of various modes of production. Analogously, one may hold that any concrete state formation is composed of various "pure" states in one particular ensemble. The contemporary U.S. state formation may then be fruitfully characterized as composed of three pure states: a Smithian mercantile state, a Laswellian garrison state, and a Galbraithian liberal welfare state. Sections two, three and four describe these types of states. Section five considers the Tea Party/libertarian view of the current U.S. state formation. As is well known, libertarians are for the dismantling of the liberal welfare state, but they are also against the mercantile and garrison parts of the state formation; hence, they are almost anarchists. Section Six considers some of the political implications of the above. These include theoretical and practical reasons for agreement and cooperation between progressives and libertarians.

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<sup>1</sup> I would like to thank the students in my "Libertarian and Anarchist Economic Thought" course at Connecticut College for help in formulating and clarifying the ideas in this paper.

However, in practice libertarians will probably primarily be used to attack the liberal welfare state and to promote "bad" government as long as they remain part of the Republican Party.

#### I. Althusserian Social Formations; State Formations

Althusser and some of his followers characterize a concrete social formation as a combination of various modes of production in one ensemble. So, for example, Balibar, in *Reading Capital* claims that "*Capital*, which expounds the abstract theory of the capitalist mode of production, does not undertake to analyse concrete social formations which generally contain *several* different modes of production, whose laws of coexistence and hierarchy must therefore be studied" (207 fn.). Althusser's student Poulantzas holds that "The mode of production constitutes an abstract-formal object which does not exist in the strong sense in reality. ... The only thing which really exists is a historically determined *social formation*, i.e. a social whole, ... But a social formation, which is a real-concrete object and so always original because singular, presents a particular combination, a specific overlapping of several 'pure' modes of production (as Lenin demonstrated in *The Development of Capitalism in Russia*)" (15). Hence, for Poulantzas, "... a historically determined social formation is characterized by an overlapping of several modes of production" (47), and "... a social formation consists of several modes of production, one of which holds the dominant role ..." (71). Analogously, one may posit a concrete state formation as a combination of various "pure" states in one ensemble.<sup>2</sup> The current U.S. state formation may be fruitfully characterized as a combination of a Smithian mercantile state; a Laswellian garrison state; and

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<sup>2</sup> I do not want to get into the methodological question whether this approach to one understanding of a concrete state formation should be characterized as material, Marxist, idealistic, Weberian or Platonic, or in what sense it is to some extent each of these.

a liberal welfare state. Doing so, I hold, can lead to some keen insights into contemporary U.S. politics and the potential for progressive political alliances and political change. This is particularly true with regard to the so-called Tea Party, and the libertarian economic foundation upon which it often claims to be based.<sup>3</sup>

## II. The Smithian Mercantile State

As is now relatively well known, Smith was against most of the rules and regulations of his contemporary British state because they were largely made by and for the British businessmen, or mercantile interests.<sup>4</sup> Hence, in describing what he viewed as Britain's mercantile government, "It is the industry which is carried on for the benefit of the rich and the powerful, that is principally encouraged by our mercantile system. That which is carried on for the benefit of the poor and the indigent, is too often, either neglected, or oppressed" (WN 644). Smith claimed that "the violence and injustice of the rulers of mankind is an ancient evil, for which, I am afraid, the nature of human affairs can scarce admit of a remedy. But the mean rapacity, the monopolizing spirit of merchants and manufacturers, who neither are, nor ought to be the rulers of mankind, though it cannot perhaps be corrected, may very

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<sup>3</sup> There are other types of "pure" states which could be posited as possibly forming part of a concrete state formation, such as various types of theocratic states, a paternal state, etc. Yet, I think in analyzing the current U.S. state formation, the pure states articulated in this paper sufficiently capture much of contemporary U.S. politics.

<sup>4</sup> See e.g. Pack (1991; 2010, Chapter 7, "Adam Smith on Government and Change": 88-106). Whether Smith would have necessarily been against rules and regulations put forward by a more pure liberal welfare state is a difficult speculative question with various possible answers. Suffice it to say Smith did not consider what is now known as a liberal welfare state to be within the realm of possibilities in his time.

easily be prevented from disturbing the tranquility of anybody but themselves" (493).<sup>5</sup> Yet again, "it cannot be very difficult to determine who have been the contrivers of this whole mercantile system; not the consumers, we may believe, whose interest has been entirely neglected; but the producers whose interest has been so carefully attended to; and among this latter class our merchants and manufacturers have been by far the principal architects" (661). Or again: "Of the greater part of the regulations concerning the colony trade, the merchants who carry it on, it must be observed, have been the principal advisers. We must not wonder, therefore, if, in the greater part of them, their interest has been more considered than either that of the colonies or that of the mother country" (584). These powerful business, mercantile leaders have both the economic incentive and socioeconomic and political power to mislead the general public for their own private pecuniary interests. Hence, "The proposal of any new law or regulation of commerce which comes from this order, ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men, whose interest is never exactly the same with that of the publick, who have generally an interest to deceive and even to oppress the publick and who accordingly have, upon many occasions, both deceived and oppressed it" (I.xi.p.10; these are the two concluding sentences of Book I of WN).

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<sup>5</sup> Actually, over 200 years after Smith wrote *The Wealth of Nations*, it is not so clear how capitalist countries can keep the mean rapacity of our business leaders from disturbing everybody's tranquility. Consider, for example, the crucial role of our financial leaders in causing the 2007-2008 financial crisis, the effects of which are still with us (see, e.g. the movie *Inside Job*).

The rules of the mercantile state could be mean and malignant: "The monopoly of the colony trade, therefore, like all the other mean and malignant expedients of the mercantile system ..." (610). They could also be cruel, so that "the cruelest of our revenue laws, I will venture to affirm, are mild and gentle, in comparison of some of those which the clamour of our merchants and manufacturers has extorted from the legislature, for the support of their own absurd and oppressive monopolies. Like the laws of Draco, these laws may be said to be all written in blood" (648). Their restrictions on movement may also be violent (653).

The businessmen designing the rules of the mercantilist state frequently get their way through trickery and dupery. Hence, "that it was the spirit of monopoly which originally both invented and propagated this doctrine, cannot be doubted; and they who first taught it were by no means such fools as they who believed it" (493). The proposed rules, powers, and regulations of this state "were addressed by merchants to parliaments, and to the councils of princes, to nobles and to country gentlemen; by those who were supposed to understand trade, to those who were conscious to themselves that they knew nothing about the matter. ... The merchants knew perfectly in what manner it enriched themselves. It was their business to know it. But to know in what manner it enriched the country, was not part of their business" (434). So, in pursuit of their own gains, business leaders lie and mislead most everyone else. Thus, "the interested sophistry of merchants and manufacturers confounded the common sense of mankind. Their interest is, in this respect, directly opposite to that of the great body of the people" (494), i.e. they want to constrict output, raise prices, and increase profits. Smith writes and warns of "... the sophistry of merchants and manufacturers, who are always demanding a monopoly against their countrymen" (467).

The power of the business interests is great, and indeed dangerous. Hence, it happens that "... the monopoly which our manufacturers have obtained against us. This monopoly has so much

increased the number of some particular tribes of them, that, like an overgrown standing army, they have become formidable to the government, and upon many occasions intimidate the legislature. The member of parliament who supports every proposal for strengthening this monopoly, is sure to acquire not only the reputation of understanding trade, but great popularity and influence with an order of men whose numbers and wealth render them of great importance. If he opposes them, on the contrary, and still more if he has authority enough to be able to thwart them, neither the most acknowledged probity, nor the highest rank, nor the greatest public services, can protect him from the most infamous abuse and detraction, from personal insults, nor sometimes from real danger, arising from the insolent outrage of furious and disappointed monopolists" (471). So the mercantile state is one in which the powerful rich businessmen use the state as an instrument to further their economic interests to the detriment of the rest of society.

The businessmen, the mercantilists, could also incite the country to war with other countries. In Smith's time, "mercantile jealousy is excited, and both inflames, and is itself inflamed, by the violence of national animosity: And the traders of both countries [Britain and France ] have announced, with all the passionate confidence of interested falsehood, the certain ruin of each, in consequence of that unfavourable balance of trade, which, they pretend, would be the infallible effect of an unrestrained commerce with the other" (496). The proclivity of businessmen to lure their country into war, leads to consideration of another type of pure state; what Laswell referred to as the garrison state.

### III. The Lasswellian Garrison State

In a classic article published during the Second World War, the American political scientist, Harold Lasswell, in clinical academic jargon, described what he called the garrison state (1941). It is basically a military state run by and for the interests of the military/political elite, and where the

specialists in violence are the most powerful group in society (455). The garrison state will have a proclivity to be always at war, or under the threat of war. It needs and benefits from a fearful populace. The leaders in this state will try to skillfully guide people's minds. This can be done "by the universal fear which it is possible to maintain in large populations through modern instruments of warfare. The growth of aerial warfare in particular has tended to abolish the distinction between civilian and military functions" (459). In the 21st century, more or less random acts of terror directed at civilians could also usefully fulfill this function. The garrison state will use propaganda to encourage popular morale and support. In Lasswell's view, "... in some periods of modern warfare, casualties among civilians may outnumber the casualties of the armed forces. With the socialization of danger as a permanent characteristic of modern violence the nation becomes one unified technical enterprise"; (459) and, this shared danger can help keep up a "deep and general sense of participation in the total enterprise of the state" (458). Danger and mass fear are functional to the needs and goals of the garrison state.

Of course, in the 21st century, specialists in violence would include not just traditional forms of violence (experts in the use of knives, guns, tanks, battleships, submarines, warplanes, etc.) but also spies and intelligence gatherers who can expertly keep track of the thoughts, actions and whereabouts of potential domestic and foreign enemies of the state (e.g. computer experts, hackers, various information services personnel, etc.). Lasswell also describes a pure garrison state where "for those who do not fit within the structure of the state there is but one alternative - to obey or die" (459); yet this, I think, is too strong a characterization. As Lasswell notes, there is a third alternative: send them to jail. Hence, Lasswell writes of "the spectacle of compulsory labor gangs in prison or concentration camps" (*ibid*). Thus, a garrison state should be marked by a very large prison population (such as one will easily find in the United States of America).

Lasswell writes that "the rulers of the garrison state will depend upon war scares as a means of maintaining popular willingness to forego immediate consumption." And since "War scares that fail to culminate in violence eventually lose their value; this is the point at which ruling classes will feel that bloodletting is needed in order to preserve those virtues of sturdy acquiescence in the regime ..." (465). With the "preoccupation of the military state with danger" (465) it would no doubt be functional to a garrison state to be in a state of more or less permanent war. This function in the 21st century is being usefully served by the so-called "war on terror". A war on terror can never be won, since most anyone at any time for most any reason can become a "terrorist". So a war on terror is both unwinnable and permanent; victory can never be declared. A putative war on terror takes what is essentially a law and order issue, a question of people or corporate bodies, breaking various laws through the use of psychological or physical force, and turning law-breaking into a military issue. It is another form of militarizing society and supporting the garrison state. Hence, to paraphrase Adam Smith, those political and military leaders in a garrison state who propose and teach that we are necessarily involved in a putative patriotic war on terror, are by no means such fools as those who believe it.<sup>6</sup>

Lasswell also points out that "the elite of the garrison state will have a professional interest in multiplying gadgets specialized to acts of violence"(465). Again, we see this in the 21st century with the use of drones to kill suspected enemies, and other exciting new tools of physical destruction or surveillance.<sup>7</sup> Moreover, as our supply side economists never tire of [mis]informing the public, supply

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<sup>6</sup> Hence also, from this point of view, the appropriately named U.S. Patriot Act; appropriate, that is, for those who want to further the goals and interests of the garrison state.

<sup>7</sup> Notice how George Orwell's dystopia *1984* (1949) could also be used as a paradigmatic exemplar of a pure garrison state.

creates its own demand. While most economists would argue that this is not always true, that supply does not always and necessarily create a demand for its use; it is probably true often enough that the supply of a good would have a tendency for it to be used. Thus, we should not be surprised, indeed we should expect to see drones, new forms of surveillance, etc., to be used by a garrison state; as indeed we do.

Further arguments supporting a garrison state and the functionality of perpetual war can be found in Leonard Lewin's parody, *Report from Iron Mountain on the Possibility and Desirability of Peace* (1967). Indeed, the parody is so precise, that if one did not know the publication dates, it would be quite difficult to know whether Lewin was parodying Lasswell (among others), or Lasswell was parodying Lewin. Indeed, many believed that Lewin's work was not a parody at all but a real "secret" government study; and no doubt continue to believe to this day (see the 1996 edition, and the "customer reviews" on Amazon's web page). In any event, as the U.S. has become more of a pure garrison state, the last line of its national anthem, *The Star Spangled Banner*, could be usefully changed from "land of the free and home of the brave" to "the land of the spied upon; home of the scared" - to more accurately reflect the contemporary state of affairs.<sup>8</sup>

#### IV. The Galbraithian Liberal Welfare State

There are many descriptions and accounts of the rise of the modern liberal welfare state. We may take as our paradigmatic exemplar, the functions of the state described in one of John Kenneth Galbraith's last books, *The Good Society: The Humane Agenda* (1996). In this short work, Galbraith

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<sup>8</sup> See Orwell's *Animal Farm* (1946) for an excellent example of changing a state's sacred text to better reflect contemporary reality.

describes what he thinks could be done "right" in a good society (1). His approach is to describe the achievable, not the perfect; hence, he strives to be pragmatic, not utopian (3).<sup>9</sup>

Firstly, the liberal welfare state should provide a safety net for the less fortunate in society. There should be medical care as well basic support to those between jobs and temporarily without income. Moreover, even with "... adequate employment being ensured, there must still be a safety net for all. That some will choose not to work must be accepted" (28). Galbraith calls for unemployment compensation, the indexation of pensions, disability insurance, and a "socially adequate minimum wage" (67).

To finance the social welfare state and to promote equity, there must be progressive, not regressive taxation. Hence, "in the good society there is, must be, a large role for the state, and especially on behalf of the less fortunate of the community. This need must be met and paid for in accordance with ability to pay. Basic justice and social utility are here involved" (21); thus, "... a more equitable distribution of income must be a fundamental modern policy in the good society, and to this end progressive taxation is central"(65).

The state should be responsible for the provision of various public works; hence the need for state financing of highways, airports, postal services, and urban infrastructure; (21) also investment in health care. Particularly important is state support for education. The goal of this education is not only to promote economic development and increase labor productivity, but "most of all, for the enlargement and the enjoyment of life"(72).

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<sup>9</sup> Written at the end of the 20th century, and possibly near the end of the liberal welfare state (if current post 1996 trends continue), future historians and social theorists may regard this as an example of Hegel's owl of Minerva spreading "its wings only with the falling of the dusk" (1967:13).

Business enterprises need to be regulated, for the health, welfare, and safety of workers and consumers, as well as for the preservation of the environment. Hence the need to protect the "vulnerable among those employed in the productive apparatus from the adverse effects of the economic machine" (76). Consumers need to be protected from false advertising, especially in health and medicine. Investors also need to be protected from "false or misleading reporting as to business performance and earnings and as to investment prospects" (79). The natural environment needs to be protected through the control of air and water pollution, waste disposal, also visual pollution (86). There needs to be the protection of wild life, hence the ownership of public lands and parks which need to be kept from aggressive commercial invasion.

The business cycle needs to be controlled. Thus, the need for "reasonable stability in economic performance; the economic system cannot recurrently deny employment and aspiration because of recession and depression" (30). After speculative excesses, there will be recessions. This calls for state countercyclical deficit spending. In recessions, public capital investment and employment should increase (57). Moreover, some modest inflation should be accepted as a result of this demand side management of the economy by the state. Hence, we should not use the government "deficit as an instrument against enlightened public purpose" (58); neither should we have price stability by having much unemployment to keep down wages and the price level (49).

To counteract the power of big business, the government should promote the rights and ability of workers to organize and form unions. "The right of workers to join together and assert a countervailing authority must be central and accepted"; and to reverse the decline in trade union power would be "a major civilizing factor in modern economic life" (66). Moreover, there should also be price supports for farmers "because of the uniquely rigorous character of free-market competition in their industry" (112).

The potential autonomous military power side of the state, (or what we are calling the garrison state part of the contemporary state formation) needs to be controlled (97-103). In sum, under a liberal welfare state, "there is no divine right of free enterprise, of free choice, for the producing firm. Or for its consumers. The larger community interest must be protected ..." (87). Finally, "capitalism in its original eighteenth- and nineteenth-century design was a cruel system, which would not have survived the social tension and the revolutionary attitudes it inspired had there not been a softening, ameliorating response from the state" (113).

Note several points. For Galbraith (and others) the liberal welfare state he describes came about partly as a response from the revolutionary attitudes, and indeed actions, which the earlier laissez-faire capitalism engendered. With the contemporary perceived decline in the appeal and reality of revolutionary international socialism as a threatening alternative to "capitalism in its original ... cruel system", one might also see (or forecast) the decline of any sort of liberal welfare state. Lack of fear of communism by the wealthy is leading to attempts to dismantle the liberal welfare state side of contemporary state formations.

Also, note that more traditional Marxist theorizing about the state in capitalist society tends to fall along one of three approaches. One stresses the functions of the capitalist state: what functions must a state adopt to reproduce the capitalist system (e.g. Poulantzas (1973); also along these lines see e.g. Reuten and Williams (1989)). Another approach stresses that the state is largely an instrument or tool used to further the interests of the capitalist class (see Miliband (1969)). Finally, following the work of the young Marx, the state may also be viewed as alienated power in general. Although these views may and have been interpreted as conflicting, I think they may be more usefully seen as complementary - the state has certain functions to fulfill, is a tool or instrument, and is alienated power (see Pack 2010: 143-149). In any event, in what I am here calling a neo-Althusserian theory of state formation, Smith's

mercantile theory of the state is one where the state is largely a tool or instrument used to further the narrow interests of the leading mercantilists and business leaders. Lasswell's garrison state is clearly a case of political power alienated, run amok to further the perceived interests of the political/military elite. What I am calling a Galbraithian pure liberal welfare state is one that has certain functions to fulfill to reproduce the capitalist society during the historical period when capitalism has been viewed as seriously threatened by the alternative of world-wide revolutionary socialism. Hence, there are complex linkages and connections between the different pure theories of the state in state formation and more orthodox traditional Marxist theories of the state.<sup>10</sup>

#### V. Paul's Tea Party/Libertarian View of the Current U.S. State Formation

It is well known that the rise of the so-called Tea Party in the U.S., (whose economics is largely based upon libertarian thought), can be viewed as the far right wing of the Republican Party, and is against, or would like to dismantle the 20th century liberal welfare state.<sup>11</sup> This clearly pits it against most progressives. However, the Tea Party is also against the pure mercantile state, as well as the garrison state; here the Tea Party is largely in agreement with progressives. Thus, if we consider the concrete U.S. state formation as composed of three pure states, a liberal welfare state, a mercantile state and a garrison state, then it is clear that there is room for alignment between the Tea Party and progressives in the U.S. Both are against the mercantile and garrison state parts of the current U.S. state

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<sup>10</sup> Linkages which may be fruitfully explored in future work by myself or others.

<sup>11</sup> See e.g. DiMaggio (2011). For introductions to and paradigmatic examples of current libertarian economic thinking see Block (2008), Brown (2001), Friedman (1989), Rothbard (1991, 2006 [1978]), and Schiff (2014). Schiff was an economic advisor to Ron Paul's 2008 presidential campaign.

formation. This concordance may become clearer if we consider Ron Paul's *The Revolution: A Manifesto* (2008). Paul, the 1988 Libertarian candidate for President, ran for President in the Republican primaries in 2008 and 2012. He is also the father of Rand Paul, a supporter of the Tea Party who is running in the next round of Republican Presidential primaries.<sup>12</sup>

Paul's (and libertarian economists') strictures against the liberal welfare state are too well known to necessitate repetition here. Yet, Paul is also against the mercantile state, for he also opposes "corporate welfare, which I can never support" (34). He argues that "the rich are more than happy to secure for themselves a share of the loot - for example, in the form of subsidized low-interest loans (as with the Export-Import Bank), bailouts when their risky loans go sour, or regulatory schemes that hurt their smaller competitors or make it harder for new ones to enter an industry" (70). Paul claims that "the politically influential and well connected -neither of which includes the middle class or the poor - are the ones who tend to win privileges and loot from government "(76) and that "businessmen as a class are ... just as likely as anyone else to favor government intervention on their behalf" (77). So the dismantling of the mercantile state part of the current U.S. state formation is a source of agreement between both Paul and progressives.

So too are Paul and progressives largely in agreement on the need to dismantle the garrison state. Paul complains that the U.S. has troops station in 130 countries around the world (x) and engages in "wars that have more to do with imperial ambition than with American security" (178). Indeed Paul approvingly quotes an author who uses the term "garrison state" (32) and states that the U.S. now has "undeclared wars without end, more and more police-state measures"(67). Paul claims that "the war on

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<sup>12</sup> It is widely believed that Rand Paul was named after the Russian novelist and founder of the Objectivist movement Ayn Rand.

terror has awakened more Americans than ever to the way government exploits fear, and even its own failures, to justify eroding our civil liberties" (109). Paul criticizes the Orwellian use of language by the garrison state, stating that "The misnamed Patriot Act, presented to the public as an antiterrorism measure, actually focuses on American citizens rather than foreign terrorists. The definition of 'terrorism' for federal criminal purposes is greatly expanded, such that legitimate protest against the government could someday place under American under federal surveillance. Similarly, your Internet use can be monitored without your knowledge, and your Internet provider can be forced to hand over user information to law enforcement without a warrant or subpoena" (114). Further, "most of the provisions have been sought by domestic law enforcement agencies for years, not to fight terrorism but rather to increase their police power over the American people ... The Patriot Act violated the Constitution by allowing searches and seizures of American citizens and their property without a warrant ... may issue warrants for individual records, including medical and library records. It can do so secretly, and the person who turns over the records is muzzled and cannot even speak of the search" (115). Hence, "'terrorism' could simply be defined as activism on behalf of a cause the current administration in Washington disapproved of" (117). Furthermore, "the Military Commissions Act of 2006 gives the president the power to detain people indefinitely and to deny the accused any real opportunity to answer the charges against them. It is anti-American at its core" (120). For Paul, "It is time for us to wake up. We have allowed the president to abduct an American citizen on American soil, declare him an 'enemy combatant' (a charge the accused has no power to contest, which is rendered by the president in secret and is unreviewable), detain him indefinitely, deny him legal counsel..." (123). These are all aspects of the garrison state that both followers of Paul and progressives can agree need dismantling.

## VI. Some Political implications of the Contemporary U.S. State Formation

If we construe the concrete U.S. state formation as consisting of a combination of pure mercantile, garrison, and liberal welfare states, then it is clear that the Tea Party and Libertarians are basically against all 3 parts of the U.S. state formation. That means they are basically almost anarchists; they want a very minimal state. In practice, that also means that they are basically for bad government. If they cannot close down or dismantle the government, then they have an incentive to make it function as poorly as possible. The poorer or the worse they can make the government function, the more they will convince people in the long run that the government is incompetent, ineffective, and should be dismantled. Making the government function poorly furthers their long-run libertarian goals. That also means then that the greater the extent the Republican Party is influenced by the libertarians, the more the Republicans will also want bad government. Hence, the Republican Party, which has historically considered itself the party of limited but good government, is more and more becoming the party of limited and bad, poorly administered government, to further the libertarian cause of eventually dismantling most parts of the government. Furthermore, in many parts of the U.S., there are really for practical purposes three parties: Democratic, Republican, and Tea Party/Libertarians. Moreover, if you are a typical Republican federal legislator, due to gerrymandering and regional differences in the U.S., your state or congressional seat is frequently relatively safe if you can secure the Republican nomination; you probably will not lose your state or seat to the Democratic opponent. Your biggest threat to staying in office rather is losing the Republican primary to a libertarian, since if you can get the Republican nomination then you will most likely win the general election against your Democratic opponent. Hence, the dynamics of the U.S. electoral politics has a tendency to increase the influence of the libertarian, almost anarchistic, bad government wing of the Republican Party.

Note also that in practice it may not always be easy to distinguish between the different types of pure states in a state formation. Consider for example, the Affordable Health Care Act, also called (generally by its opponents) Obamacare. On the one hand this act has been sold by the Obama administration as basically an expansion of the liberal welfare state, supposedly by giving subsidies and issuing regulations to help the poor and chronically ill to purchase health insurance. On the other hand, everyone is forced to purchase health insurance or face a fine from the government. This effectively increases the demand for health insurance. This also means that in the absence of strict regulations, economic profits for the health insurance industry should increase dramatically.<sup>13</sup> This suggests then that the Affordable Care Act is really an expansion of the mercantile state. Here, as elsewhere the devil is in the details: it is not entirely clear how to view the Act, as an expansion of the liberal welfare state or the mercantile state.<sup>14</sup>

It was noted above that there is room and potential for cooperation and agreement between Tea Party/Libertarians and left wing progressives on the need to control and dismantle the mercantile and garrison state aspects of the current U.S. state formation. Yet, to the extent this party stays part of the Republican Party, a Party of Big Business, then one should expect the Tea Party in practice to be relatively ineffective and timid in rolling back the mercantile and garrison aspects of the state. They will tend to compromise and be compromised on these issues. After all, big business benefits from these

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<sup>13</sup> Just imagine if only the government would pass an Act requiring under threat of fine that every American must take an economics course from a qualified heterodox economist; would not that be profitable for us!

<sup>14</sup> The sheer length and complexity of this Act is itself a source of political controversy.

aspects of the state.<sup>15</sup> What big business does not directly benefit from is the liberal welfare state. Here one will see agreement between the Tea Party/libertarians and the Republican establishment in attacking the liberal welfare aspects of the U.S. state formation; and disagreement and conflict with progressives.

Finally one could also take a left wing Galbraithian position on this. John Kenneth Galbraith saw the need and reality of big business in modern society. This big business needed to be counteracted by the countervailing powers of big unions and a large liberal welfare state. In the 21st century in the U.S. big business has been largely successful in demolishing big unions as a countervailing power. Big business is now setting its sights on crushing the Galbraithian liberal welfare state as well.<sup>16</sup> The mercantile and garrison state aspects of the U.S. state formation they are more than happy to leave alone; or reinforce.

## VII. Conclusions

This paper argued that just as a concrete social formation may be viewed as composed of various modes of production, so a concrete state formation may be composed of various "pure" states. Also, the contemporary U.S. state formation may be usefully conceived as three pure states - a mercantile, garrison, and liberal welfare state. The Tea Party/libertarian view is against all three parts of

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<sup>15</sup> The garrison state could also be fruitfully characterized as part of or supporting the military industrial complex; with the military now including spying and information gathering activities supported by the government. On the military industrial complex see e.g. Mills (1956). President Eisenhower popularized this expression when he used it in his farewell address in 1961.

<sup>16</sup> See Pack (2009).

the contemporary state formation, leading to some interesting political considerations. There is room for political cooperation between the Tea Party and Progressives to the extent that both are opposed to the mercantile and garrison state parts of the contemporary U.S. state formation. However, this cooperation may be limited in practice to the extent the Tea Party stays as part of the Republican Party. In that case, the Tea Party will most likely be used to help dismantle the liberal welfare state. Note also: historically the Republican Party has prided itself as the party of limited but good government. However, to the extent the Republican Party is influenced by the Tea Party, they will become the party of "bad" government. Since the Tea Party is against all aspects of the current state formation, they are almost anarchists. Therefore, it is in the interest of the Tea Party to administer the government as poorly as possible, to discredit government in general.

Finally, one may take a left-wing Galbraithian point of view of the current state formation. Galbraith held that big business is a necessary part of the modern economy in the latter half of the 20th century. It needed to be controlled by the countervailing powers of big unions and big government. In the 21st century, big business in the U.S. has largely succeeded in dismantling and destroying the countervailing power of big labour unions. Now, big business is attacking the countervailing power of big government. However, in practice this means big business is interested in attacking the liberal welfare state of the state formation, which does not directly help big business (particularly in view of the decline of the threat of a communist revolution). The mercantile and garrison state parts of the state formation is not so opposed by big business. In fact, parts of big business benefit from the mercantile and garrison state. So that part of the contemporary U.S. state formation is allowed by big business to remain; or grow.

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