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Devolution as practiced in much of the world is decentralization of program authority and responsibility to achieve greater administrative efficiency or program standards. Devolution as practiced by the Bush administration and the Republican Congress is not that, nor is it a diminution of federal power and the strengthening of states' rights. Rather, it is a radical restructuring of government to prevent the expenditure of funds for traditional Democratic programs of the New Deal and the Great Society, and to prohibit states from being either more generous in social programs or more stringent in regulating industry than this administration desires.

Many observers see devolution in the United States as just another expression of America's perennial adaptation of federalism, that balance of powers between federal and state governments, or as the latest stage in the argument held for more than two hundred years about the nature of American democracy. Others, both supporters and opponents, characterize devolution as an issue of states' rights, reversing a trend toward national programs and standards for a large range of social and economic issues.

To view devolution as merely one or the other of these would be a mistake; it would ignore the radical change in governmental roles and responsibilities taking place today, and it would minimize the intent of devolution's proponents to eliminate much of government's support of the poor. It would overlook the states' loss of power and authority through federal preemption, mandates, and cutbacks, and the states' consequent inability to solve local problems in ways they see fit, or to use federal funds in a flexible, locally appropriate manner. This radically different approach to devolution has been forming as national policy during the past twenty years beginning with the election of Ronald Reagan as president, and was begun in earnest with the ascension of Newt Gingrich as Speaker of the House. But until like-minded militants controlled the presidency, Congress, and — increasingly — the

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federal courts, the most radical approaches could not be successfully promoted. Now they can be and are.[1]

The Balance of Powers The structure of our government, with its numerous checks and balances and diffusion of power, erecting barriers to both hasty action and the concentration of power, was based on the founders' fears of both the tyrant and the mob. They feared a despotic executive able to ride roughshod over elected legislatures and immune to the will of the people, and at the same time they dreaded the ease with which the populace could be swayed by appeals to sectarianism or religion, or stirred by fear or hatred. Their worry about the executive they addressed by diffusing power among the three branches of government, preventing unilateral action by any one of them, and by balancing the authority of the central government with that of the states. Their dread of the mob they addressed by removing both the upper house of the legislature and the chief executive from direct popular election, and by requiring super majorities in a lengthy, multi-stepped process in order to achieve structural change. The speedy adoption of the Bill of Rights responded to both their concerns, protecting the people from the excesses of government, and protecting the rights of the minority from the will of the majority. The entire construction was one balance after another: a people's house elected every two years by popular vote, with the primary power over taxes and appropriations, an elite senate, representative of states, to serve as counsel to and as a brake on the executive. But perhaps the greatest balancing act was in the compromises that formed the federal structure.

From before the Constitution was adopted until the present time, the nature of federalism, that balance of power between the central government and the states, has been the most contentious and thorniest issue for American government. Despite the passage of more than two hundred years and a civil war — inevitable, in part, because there was no consensus on this issue — and despite America's emergence as a world power, the essential nature of the American experiment, a federal system of sovereign states in a constitutional democracy, continues to challenge politicians and theorists. This argument over the authority of the federal government compared to that of the states, has been both ideological and concrete, reflecting theorists' views about political philosophy, sovereignty, and law, and practitioners' beliefs about administrative efficiency, innovation, and culture. But it has also been the battleground for economic and social interests, from the battles over slavery and civil rights to those over prescription drug purchases and internet commerce, from environmental protection to banking regulation.

The Social Contract The twentieth century saw continued increase in the power and responsibility of the *federal* government, that had begun with the 1819 decision in *McCullough v. Maryland*, the concomitant growth of *national* economic and social programs. The decisions of the Warren Court, the programs and policies of Roosevelt's New Deal, Truman's Fair Deal, and

Johnson's War on Poverty, had two themes in common: 1) protection of the laws and the rights and basic benefits of being an American citizen should not be dependent on the state in which a citizen resides; and 2) many states could not or would not provide those protections and benefits equally to all citizens. The Great Depression showed the inability of states on their own to provide essential services during economic crises and the failure of government at all levels to regulate business or protect workers. The response to those failures was the adoption of regulatory reforms and the creation of social and economic programs and agencies ranging from the Securities and Exchange Commission and Federal Deposit Insurance Corporation to Social Security Insurance and Aid to Families with Dependent Children. In the 1950s, 1960s, and 1970s, popular movements and legal victories in civil and human rights, and in environmental and consumer protection, led to national minimum standards, uniform policies, and the expansion of joint federal/state programs in health, welfare, education, and social services. They produced funding for highways, water and sewer programs, mass transportation, and environmental quality efforts. Most of these programs provided strong federal financial support along with the requirements of legislation or court decisions. They tended to be partnerships: the federal government required certain actions or programs, such as desegregation of public schools, and then provided resources such as funds and technical assistance in the Elementary and Secondary Education Act, to help the states comply. Aid to Families with Dependent Children, Medicaid, the Older Americans Act, Head Start, Community Action Programs, the Community Employment and Training Act, followed this model; states were required to provide a service or protect citizens' rights, there was federal help to do so. There was a minimum level below which no person or program could sink; that floor reflected the nation's notion of what was a decent minimum — for education, housing, food, healthcare. There have been debates about the appropriateness of those standards and serious, well-intentioned disagreements about the best way to achieve certain goals — one only has to consider George McGovern's guaranteed annual income compared to Milton Friedman's negative income tax, the Humphrey-Hawkins full employment programs compared to Richard Nixon's jobs programs and tax credits for job training — but for the most part, the debate was about means, not ends. The social contract that says government has responsibilities in these areas held sway.

At the same time, there have also been discussions, debates, and battles over the appropriate role of the state and the federal government. "States' rights" are often viewed from the vantage point of civil rights or worker's protection where without federal intervention these rights and protections would not have been guaranteed in many states. But it is equally true that federal preemption has often been used to free business and commercial interests from more vigilant and consumer-oriented state regulators. It has often been said that progressives are centrists when it comes to the expansion of rights and social benefits, and that conservatives are centrists when it comes to business

regulation and taxation. But the policy initiatives from the right during the past twenty years should test whether or not the consensus about a social contract still exists.

The New Federalism It would be a mistake to view policies included under the general rubric of devolution as merely the next stage or another mainstream approach to federalism. Policies pursued since the Reagan administration, and most vigorously since the Republican command of all three branches of the federal government, are not merely a placement or reassignment of power in the states. They are, instead, part of an interesting and complex approach to limiting government's ability to support economic and social programs that benefit workers, or the poor, to weaken those programs that level the playing field between corporations and consumers, and to undercut those that provide non–means tested education and health programs that primarily benefit the middle class. Under the guise of returning power to the states, many of these policies and programs actually prevent states from carrying out popular policies. Federal mandates that used to be accompanied by resources are increasingly under-funded. Federal preemption often makes it impossible for states to regulate activities they find noxious or dangerous, but also prevents them from obtaining needed revenues to fund these mandates. The result has been that responsibility for many programs and for disadvantaged populations has been returned to the states — for the first time since the Great Depression — without the authority to tailor these programs in ways the states find acceptable.

Justice Brandeis used the phrase "laboratories of democracy" to describe the innovation that occurs at the state level. That innovation has led to national policies based on successful state programs that may or may not make sense for other states. The best of these have allowed and incorporated appropriate local responses to different conditions, resources, and capacity. Those that call for greater local control and differences in program design argue that states and localities know more about what works in their own areas and what is culturally appropriate. Increasingly, especially under the administrations of former governors Carter and Clinton, local variations were allowed, even encouraged, so long as the floor was retained. But both former governors Reagan and Bush and the Republican-controlled Congress of 1994 and the present Congress, changed the position. Now, instead of floors, the federal government imposes ceilings. States have flexibility in many government programs so long as they do not do *more* than the Congress or the present administration allow, and they may not do it in ways that offend the sensibilities of the Congressional majority (as compared with the sensibilities of their own constituencies). Utilities and financial regulation are areas where the federal government has attempted to prevent more vigorous enforcement and public protection by the states; welfare, housing, and education programs are ones where the federal government prevents the states from being more generous, more responsive, or more progressive. Compared to traditional

Republicans who were considered "the champions of small government and states' rights, President Bush and his allies in Congress have aggressively pursued policies that expand the powers of Washington in the schoolroom, the courthouse, the home, and the doctor's office.

Sometimes over the objections of states — and often at the behest of business — Republicans have passed or are promoting legislation and regulations that make Washington the final arbiter on environmental standards, class-action lawsuits, medical malpractice cases and Internet taxes."[2]

State Responsibility, Federal Authority One might have assumed that a federal welfare policy that purported to help poor women become financially self-sufficient and protect their children from harm would have encouraged states to decide what mix of education, job training, and apprenticeships would help each client achieve independence; such a policy would have provided federal funds for child care services and transportation so that women could learn or work without abandoning their children; it would have continued healthcare coverage for those whose jobs did not provide it; and it would have allowed the states to design their own programs — drawing on federal funds and determining eligibility — so long as no one had less likelihood of becoming financially self-sufficient; such a policy would have had a contingency plan for a downturn in the economy, and it would have held constant the support to the states for programs such as nutrition and housing, that are integral to the protection and well-being of poor children and their families. Such a policy would have tracked those who left the welfare roles to see what worked, how and under what circumstances, and it would have broadly disseminated those findings so that best practices could be identified and adopted. Instead, much of what was called "reform" and "transition" is punitive and limiting. States are required to remove people from the welfare roles based on time in the program and ages of children, not ability to work or to have work; states are rewarded for reduced client roles and punished for not achieving numerical goals, regardless of circumstances. Nutrition, child care, and housing programs essential to the well-being of the working poor have been cut; funding for child care is insufficient to care for children whose mothers have successfully moved into the workplace, and no federal funds are provided to follow families to assess what works and what doesn't. The most recent federal reports of increases in children and families living in poverty, and without health insurance, are only the most obvious indicators. There is also increased dependence on food pantries and charity care.

Dismantling the Network The radical change that is occurring, may be seen through the stages of this devolution. In 1980 when Ronald Reagan took office, federal funds were 22 percent of big city budgets; by the end of his two terms, federal funds made up only 6 percent of those budgets.[3] The Reagan Revolution, much more modest that the Bush one, was disastrous for the poor and for the governments that helped them:

> Overall federal assistance to local governments was cut 60 percent by Reagan's two terms. Reagan eliminated general revenue sharing to cities, slashed funding for public service jobs and job training, almost dismantled federally funded legal services for the poor, cut the anti-poverty Community Development Block Grant program, and reduced funds for public transit.[4]

Reagan was an enormously popular president who reduced taxes thereby starving the government of revenue and increased defense spending beyond the military's requests. Indeed, it was the Democratic congressional leadership under Speaker Thomas O'Neill that prevented the wholesale elimination of the Great Society programs.

President George H. W. Bush added to the huge deficits created by Reagan's tax cuts and military spending through a series of foreign wars. He was notably uninterested in domestic policy, but the Democratic Congress, with weaker leadership, and in the face of record-breaking deficits, was unable to restore funding cuts. President Bill Clinton, with the aid of a Democratic Congress, raised taxes and cut budgets in his first two years in office to begin the largest and longest economic boom in American history. But when his administration lost the House to the Republicans there began a series of negotiations regarding the re-building of the dismantled programs. The huge surpluses of the Clinton years and the skills of the Democratic dean of the Senate, Ted Kennedy, produced some compromises and even program growth, including the largest expansion of medical insurance for the poor since the passage of Medicare and Medicaid in the mid 1960s.

But the loss of the Congress to an increasingly radicalized Republican party meant an increase in federal preemptions that limited state initiatives even within new or expanded programs. It also meant that data-gathering, essential to good policy-making and crucial to prove the worth or harm of programs, was being slowly eliminated by the Congress. Congress required massive administrative expenditures on the part of states and localities in reporting their adherence to the limits set. For example, The Southern Rural Development Center examined how the strict welfare components might be applied in a rural economy. They doubted that states and localities could comply with the 60 month rule when welfare dependency in rural areas was often very high, jobs were scarce, and the voluntary agencies that were to serve where jobs didn't exist were often scarce.[5] They questioned the underlying assumption that "there are enough jobs to absorb the influx of welfare recipients," and that if enough jobs weren't available "a sufficient number of new jobs will be created within the 60 month lifetime limit for welfare recipients."[6] Given the lower pay of the available jobs, the lower education of the recipients, and the seasonal nature of much of the work, they found the Government's assertion

that "the jobs available to welfare recipients will pay enough for them to no longer need public assistance" to be a myth. The requirements of the act, however, meant that "rural local governments will be overwhelmed by the administrative demands of devolution. They typically have few, if any, full-time administrative staff, and many local officials are themselves part-time public servants."[7]

The Welfare example is just one of many:

- Much has been written about the unfunded mandates of No Child Left Behind and the consequent burden on the states. Less has been written about the data from Texas that shows the state law on which the federal law was patterned increased the drop-out rate, and, at best. misled the public about the results of testing since far fewer students were taking the test than before, having been held back, classified as learning disabled, or having their scores discounted for other reasons. Yet, the federal program based on the Texas misadventure continues.

- For section 8 housing for the poor, the Reagan administration cut budget authority in half and raised rents 20 percent. The second President Bush proposes cutting section 8 funding by one-third, when housing is taking more and more of a bite from low-income families. Many units of subsidized housing, built previously through programs providing incentives to private developers, have now become unsubsidized, market-level units.[8]

- This Administration and Congress have cut funds for the disabled, increased co-pays and premiums for the elderly on Medicare, reduced labor protections, cut back on environmental protections, reduced occupational safety and health inspections, slashed services and benefits to veterans, and cut nutrition programs for the poor.

- Even a centerpiece of the administration's achievements and the program it calls vital to the success of anti-terrorism efforts is burdening local government and becoming impossible to implement: States and municipalities have huge requirements under the Homeland Security Act, but the aid to local governments for those functions is underfunded by $29 billion dollars a year.[9]

How is this different?

What does all or any of this have to do with devolution? Why should we not view it as another in a series of cuts by government minimalists to programs that government expansionists have put in place? Isn't it just another instance of weighting the equation toward states' rights? There are reasons to think not:

1. ***The permanent deficit*** Like Ronald Reagan, George Bush has enacted massive tax cuts, only on a larger and more extensive scale and he has targeted them disproportionately to the wealthiest individuals and corpo-

rations. The Republican Congress has abetted him in deficit spending to support the tax cuts and to engage in two wars. There is no Republican talk of reducing or suspending the tax cuts to support the war expenditures. The industries and individuals who receive these tax breaks are also able to use their money and influence to maintain and even increase their hold on federal tax and economic policy and on government regulations and spending. The deficit eliminated under Clinton is reaching record levels again, much of it held by foreign interests. There is no economic stimulus or job creation policy other than relying on the tax cuts; indeed the tax benefits for moving jobs overseas and the lenient policies for American multinational corporations make it hard to imagine any of the favored industries investing in the United States, except where they have no choice.

2. ***Crippled state budgets*** States have lost revenue not only because the country is in a recession, but also because many have tax policies tied to those of the federal government. When the national government cut taxes to the rich those "coupled" states automatically lost revenue; when the Congress passed the Bush administration's accelerated depreciation bonus for businesses, states lost $14 billion before many of them de-coupled; when the national government cut the estate tax for the wealthy, state treasuries lost more.[10] The Supreme Court has ruled that *current* law prohibits states from taxing certain catalog and internet sales, but such taxes would be allowed if Congress enacted an appropriate law. Congress has refused to do so and it is estimated that the states are foregoing $61 billion in revenue.[11]

3. ***State governors – Bush lite*** The political dynamic that has made a majority of politicians unwilling to raise a tax (unless it can be disguised as a fee) and that has crippled the Congress, exists in the states. The same ideology, or campaign strategy, and many of the same financial supporters that fueled the Reagan and Bush advances have been active in the states, spearheading initiative petitions to make it impossible for elected government to raise or spend money. Barbara Anderson in Massachusetts who led the successful property tax limitation effort, Proposition 2½, and has forced tax rebates in bad economic times, is the leading proponent for virtual elimination of the rainy day fund that the state has in reserve against recession or catastrophe.[12] The Federal Reserve Bank of St. Louis found that "fewer states have implemented or are considering rate hikes than during the 1990–91 recession, despite the fact that state budgets are in greater trouble now than a decade ago."[13] States are relying on more regressive taxes, fees, and charges for public services, and increasingly on legal gambling, all of which disproportionately tax the poor.[14]

4. ***Federal preemption*** The Bush administration and the Republican Congress have made it impossible or illegal for states to solve some of their prob-

lems, whether caused by or independent of federal action. For instance, the federal government prohibits states from using the Indian Health Service or the Veterans Administration drug purchase plans, which purchase pharmaceuticals at lower rates than can state Medicaid agencies. They have made it illegal for states to import FDA-approved and U.S.-manufactured drugs from Canada or any other country.[15] Since they have also prohibited the negotiation of discounts with pharmaceutical companies for the drug benefit under the Medicare program, state governments will be required to pay whatever the drug companies choose to charge.[16] States not only lose new revenue, but lose existing revenue when internet sales replace in-store sales. In addition to lost revenue because the Congress won't act on catalog or internet sales, the untaxed competition endangers retail businesses, the loss of which is another blow to the states. "The extent to which this administration has subordinated states' rights in carrying out its political agenda is 'somewhat breathtaking,' said Michael Greve, who heads the Federalism Project at the conservative American Enterprise Insititute."[17]

5. ***Unfunded mandates*** In addition to the uncovered costs of welfare reform and the Medicaid portion of the pharmaceutical benefit for the elderly poor, there are numerous other unfunded mandates that the federal government requires states to provide. No Child Left Behind and the education of disabled children are among them. But Homeland Security rules and regulations and bioterrorism prevention and response programs require increased state and local expenditures. Election reform rules and regulations, many of which will be challenged in court, must be implemented and then defended by the state. Sentencing guidelines and minimum sentences have already made prison construction and maintenance a budget buster for many states. Other programs begun by the federal government or promises publicly made to support local efforts, are then underfunded, or not funded for the duration or need of the projects. A glaring and very sad example is the lack of funds for the New York City clean-up of the ground zero site, after public and high profile media events promising support. Another case is the requirement that the states return to the federal government the majority of savings from the new senior drug plan, even though they will need those savings when costs increase subsequently.[18]

6. ***Destroy the ammunition*** The administration has ended or restructured data gathering, statistical analysis, reporting, and independent review of information that would discredit, contradict, or question their policies. Just as the Congress attempted to prohibit the Centers for Disease Control from gathering and publishing data on gun deaths, and the administration redefined job classifications to camouflage the replacement of manufacturing jobs with low-level service jobs, so, too, have they reduced inspections

and audits of programs whose worth they want to denigrate or enhance. The examples range from measurements of toxicity and environmental damage to the true costs of the Medicare prescription program; from the numbers and types of workplace accidents to the availability of body armor in Iraq. Mid-level career civil servants have had to become whistle-blowers on their own agencies as staff reports have been re-written to comply with the already determined policy of the Administration. This has been the practice as much in the departments headed by supposed moderates, such as Christie Whitman at EPA, as in those headed by perceived hard-liners. Without adequate data, states, advocates, analysts, and the media are not able to make comparisons or evaluate programs or policies. When the only source of data can withhold it, refuse to gather it, or present incomparable sets of information, there can be no honest discussion or debate. The range of reports massaged for political argument goes from heavy science to military intelligence to test scores to capital punishment.[19]

7. ***Creating permanent need, permanent demand, or a permanent underclass***
States have lost federal funds and reimbursements for a myriad of programs and will lose more in subsequent years unless policies are reversed. Federal preemption, such as the gag rule prohibiting funds to programs that counseled on abortions, abstinence-only education, regulations prohibiting states from requiring higher environmental standards on utilities or reporting requirements on financial institutions, and bans on stem cell research, not only preclude revenue, but in some states will transfer costs of programs previously borne by the federal government to the states. With the added costs of unfunded federal mandates, and the inability to deficit fund, states are forced to cut programs regardless of how popular or how cost-effective. Proven programs in teen pregnancy prevention, housing programs that *prevent* homelessness, screening for diseases, after school and basic education programs are among those that have been cut. We know that what has been cut includes a great many programs that work, that save money, that produce healthier, better educated people, safer neighborhoods, and a more productive work force. They also save people from violence, crime, and lives of despair.

The majority of states cut eligibility for public health insurance programs, capped expenditures, or limited enrollment; the majority of states reduced funding for elementary and secondary education and increased fees or charged for supplies.[20] Homeland security requires more law enforcement and fire prevention staff and training, yet states have cut their prevention and enforcement personnel. A study of six big cities showed that in many instances states pass on the costs of unfunded mandates to their cities.[21] So we know that states, with fewer resources than the federal government, and cities with fewer still, will have to pick up the costs for many of these programs. Private busi-

nesses will also have added costs as shared responsibilities now are shifted to them and they must provide more formerly public services.

When programs that prevent disease, school dropout, homelessness, violence, disability are cut, the problems do not disappear, and the conditions worsen. When funds are cut for infrastructure maintenance, environmental clean-up or protection, job training, and education, costs are delayed and usually increased by the time they come due. *All of this begs the question of what this radical leadership wants or expects to see.* Sick people whose illness is untreated tend to end up in hospitals at greater expense and with more disability that those who are cared for early; uneducated children don't succeed in a global economy; children born to teen mothers are more likely to suffer illness, educational deficit, and violence; environmental contaminants cause disease and disability, which must be paid for somewhere. So we know that these are not cost savings, they are cost shiftings. And to whom are the costs being shifted?

- When school programs are cut, families will do everything they can to provide those services to their children; so the great middle class will pay out of pocket for sports, music, art, school trips, and enrichment. If they are cut sufficiently, families may opt for private education at extraordinary cost. The poor will not be able to.
- When child care programs are cut, those that can will manage, and those that can't may not be able to work or may not be able to provide a safe secure environment for their children while they work. They and their families suffer, but so does the society as a whole.
- When the elderly, families, states, and industry pay 20 percent to 50 percent more for pharmaceuticals than most of the rest of the world because the Bush administration and the Congress will not allow negotiating on price, it is the public who pays, either out of pocket, in their lost wages, or in illness.
- Weakened environmental protection means that individuals, not polluters, pay for clean-up or illness.
- Because two-thirds of all tax cuts are being given to only the richest fifth of the population, and because the program cuts disproportionately affect the middle class and the poor, the costs and responsibility for a whole host of programs are being shifted from the commonwealth to the individual.

The displacement of responsibility from the collective good to individuals is a policy and ideology of another century.

This administration is eliminating or reducing most middle class benefits at the same time it reduces programs for the poor. Labor protection and the guarantee of overtime, fine public schools, reasonable costs for medicine, protection of pensions, guarantee of social security and Medicare benefits,

protection from avaricious businesses and dishonest industries; these are among the New Deal and Great Society programs this radical movement is unabashedly dismantling. It is hard to imagine the world they envision, the world they want to see. Some of their theorists talk about survival of the fittest and laws of the jungle. Many believe in unfettered markets and unlimited capitalism. Most make clear they don't believe that government's function is to serve people and to organize joint action and services. Government's purposes are to serve industry, promote commerce, govern behavior, and to get out of the way of individuals.[22]

Revolution, not Devolution This devolution is not about states' rights or state authority. The processes and programs limit, hamper, burden, and control the states more than they free them. The Federalist Papers included and prompted serious and passionate discussion of the proper roles of states, judiciaries, legislators, and governments. There were many agendas, and many of the Founders' concerns included the protection of commerce and the promotion of trade. But they were honest about their concerns and did not pretend that they had no interest in the outcome of the debate. Madison in Federalist #46 argued that "the federal and state governments are in fact but different agents and trustees of the people," and therefore one could imagine different outcomes for the discussion. In all of this, as De Tocqueville observed, there existed a sense of community and shared responsibility, lacking in present policies and programs.

The revolution being promoted returns the country, *at least* to where it was before the New Deal. The theorists and funders of this revolution are not shy about that, even if the practitioners hide it.

Grover Norquist, one of the premier architects of this revolution, is famous for his pronouncements: "I don't want to abolish government. I simply want to reduce it to the size where I can drag in into the bathroom and drown it in the bathtub."[23] But the thoughtful scholar Michael Greve is no less radical, if more diplomatic in his language:

> To advance a federalism that is worth having, the Supreme Court must move from protecting the states to limiting Congress. Building on its enumerated powers cases, the Court must confront federal entitlements head-on, thereby allowing us to pick and choose among the regulatory packages the various states or localities would create in their stead. To the extent that the Court follows this path, it will approximate federalism's purpose of mimicking in the government sector, the advantages of private markets — variety, consumer choice, and competition.[24]

Governments seen as vendors, selling social and economic programs to mobile and independent, equal buyers is a vision worthy of Jonathan Swift, and the results are more likely to be those of the Irish Potato Famine than of a utopian community of "competing sovereigns."

This notion of wooing interests — it is not clear if it is citizens, residents, investors — like vying for customers, is a common theme among the new right; even those whose demeanor and position on some of the divisive social issues is seen as more progressive. Former Massachusetts Governor William Weld's Plan for Downsizing State Government released in November 1995 had a cover page quotation from Henry Hazlitt's *Economics in One Lesson:* "Government's main function is to encourage and preserve a free market;" this is certainly not the soaring rhetoric or vision of a Lincoln or a Roosevelt, nor does it reflect the simple decency of a Truman or Eisenhower. The present governor of Massachusetts, also perceived as something of a moderate (since the center moves to the right with every election, his moderation appears to be to the right of Weld's, Cellucci's, and Swift's, his "moderate" predecessors) has spoken publicly of "givers and takers" of government programs, has been decimating successful state programs, creating waiting lists of eligible poor children, reducing access to food for the needy, while campaigning throughout the country promoting tax cuts as "reform."

Reaction, not reform From 1789 through the 1960s, progressives and centrists found it possible to protect rights and promote commerce; the expansion of both of these did sometimes create conflict, but both continued in a relatively steady way. Direct elections of senators, giving blacks and women the vote, abolishing slavery and extending civil rights to all, proceeded along with the creation of an interstate highway system, multi-state water and sewer projects, the break-up of monopolies and regulation of utilities. Fair labor standards, unemployment insurance, and the business regulation of the New Deal created predictable bases for finance, credit, and commerce. The floor provided by Aid to Children and Old Age Insurance, along with federal mortgage programs and the G.I. Bill, helped create the great middle class, and the War on Poverty largely succeeded in lifting at least the elderly poor out of poverty. Food stamps, legal services, WIC, housing subsidies, and Medicaid were all ways to make sure that Americans didn't starve, die of avoidable illness, sleep in the streets, or get cheated by the more powerful, and that their children would have a chance to better their condition.

This is not to argue that all of these programs are sacred, or perfect. It is to say that the attacks on programs that support the non-rich, the 80 percent of Americans, and the destruction of government funding for anything that business doesn't support, is dangerous to the nation. Present federal policy gives more money, power, sway, and public resources to the already very rich and powerful. To view that as a better investment than guaranteeing to the great majority, through their government, the means to educate themselves and

their children, to live productive and safe, healthy lives, and to be protected from both events beyond their control and the avarice of those far more powerful, seems foolish. The combination of program cuts, soaring deficits, unfunded mandates, and federal preemption, not to mention the attack on civil liberties, dissent, and civil discourse, makes the present new federalism look like something out of Victorian England with its poorhouses and overflowing prisons.

Notes

1. There are several interesting articles on devolution and states' rights/mandates. See: John Donahue, "The Devil in Devolution," *The American Prospect,* 8, no. 32, (May 1997); Lenny Goldberg, "Come the Devolution," *The American Prospect,* 7, no. 24, (December 1996); Michael W. Greve, "Washington and the States: Segregation Now," *Federalist Outlook* (AEI Online: American Enterprise Institute for Public Policy Research, May 1, 2003) www.aie.org/publications/pubID.17053/pub_detail.asp; Scott Loveridge, "The Origins of Devolution: A Speculative Note," a paper presented at the Southern Regional Science Association Meeting, Richmond, Virginia, April 17, 1999, www.rri.wvu.edu/pdffiles/Devolution.PDF ; Pietro Nivola, "Does Federalism Have a Future?" *The Public Interest* (Washington, D.C.: The Brookings Institution, Winter 2001).
2. Jim Abrams, "As Republicans Gain Power, Enthusiasm for States' Rights Wanes," Associated Press, in *The Detroit News* online service, www.detnews.com/2004/politics/0401/03/politics-25195.htm January 3, 2004.
3. Peter Dreier, "Reagan's Homeless," *Albion Monitor*, June 11, 2004.
4. Ibid.
5. Lori Garkovich, "The New Federalism: Confounding Effects of Devolution," Southern Rural Development Center, Mississippi, 37962, Welfare Reform Information Brief #4, Mississippi State, August 1998. See also Pietro Nivola, Jennifer L. Noyes, and Isabel V. Sawhill, "Wave of the Future? Federalism and the Next Phase of Welfare Reform," Welfare Reform and Beyond Brief, no. 29, The Brookings Institution, March 2004.
6. Ibid.
7. Ibid.
8. For an excellent discussion of federal housing policy's effect on nonprofit housing, and a comparison with that of Canada, see Peter Dreier and J. David Hulchanski, "The Role of Non-Profit Housing in Canada and the United States," in *Housing Policy Debate* 4, no. 1 (Washington, D.C.: FannieMae Foundation, 1993).
9. Dan Blue, Jr., President, National Conference of State Legislatures, Statement before the Committee on Government Affairs of the United States Senate regarding Federalism and Preemption of States Laws, May 5, 1999, Washington, D.C.; see also Marcella Ridlen Ran and Timothy Conlan, "At What Price? Costs of Federal Mandates Since the 1980s," *State and Local Government Review,* 28, no. 1 (Winter 1996): 7–16.
10. Iris J. Lav and Andrew Brecher, "Passing Down the Deficit: Federal Policies Contribute to the Severity of the State Fiscal Crisis" (Washington, D.C. : Center on Budget and Policy Priorities, May 2004). Over the past three years, state deficits have added up to $190 billion. Most of that, $175 billion, is attributable to increased state costs and forgone revenues because of federal policies.
11. Ibid.

12. In a bitter political irony, in the same period that Franco Modigliani of MIT won the Nobel Prize in Economics for developing the theory and body of data that demonstrate that governments and corporations, like families, should put money aside in good times so they could spend in lean times (a lesson our Judeo-Christian tradition should have taught us from Joseph's accurate interpretation of Pharaoh's dream), Barbara Anderson and Citizens for Limited Taxation in Massachusetts pushed through a tax cut that produced paltry return to taxpayers, but deprived the Commonwealth of funds needed during the economic downturn the following year.
13. Thomas A. Garret and Gary A. Wagner, "State Government Finances: World War II to the Current Crisis," Working Papers Series, The Federal Reserve Bank of St. Louis (November 2003), 21.
14. Ibid. 38 states have government-run lotteries. John Donahue writes that $500 billion is gambled legally in the United States each year.
15. For extensive analyses of federal pharmaceutical polices, see the reports of Alan Sager and Deborah Socolar, Directors of the Health Reform Program at the Boston University School of Public Health, and their previous work for the Access and Affordability Monitoring Project. www.healthreformprogram.org See their "Poor States Face Much Heavier Prescription Drug Cost Burdens," Boston University School of Public Health, July 14, 2004, for an explanation of the disproportionate burden on poor states.
16. Lav and Becker, "Passing Down," estimate that the pharmaceutical cost to the states for the dually Medicare/Medicaid eligible, 43 percent of the cost, is $28 billion.
17. As quoted by Jim Abrams, "As Republicans Gain Power."
18. Andy Schneider, "The 'Clawback': State Financing of Medicare Drug Coverage," Kaiser Commission on Medicaid and the Uninsured Issue Paper, June 2004. www.kff.org/medicaid/loader.cfm?url
19. Almost every watchdog and good government group has reported on the Administration's withholding of data, massaging of reports, and giving credence to the least supportable scientific evidence. "Secrecy in the Bush Administration" lists the types of data being withheld and describes the abrogation of long-standing agreements with other branches of government; the report was prepared for Congressman Henry Waxman by the Minority staff of the United States House of Representatives Committee on Government Reform, Special Investigations Division.
20. Lav and Becker, "Passing Down." Although all states' budgets are stressed, some states exceeded others in their own tax cuts and the concomitant cuts in services, programs, and eligibility. Among the most egregious has been Massachusetts, which cut state program staff and services more than others. Governor Mitt Romney seems to be following the successful path of former Governor Bush.
21. Kim Brockway, "Big Cities Are Found at Risk under Federal Welfare Reform," Record, Columbia University, 23, no. 24, June 12, 1998. New York City.
22. A common policy objective of Presidents Reagan and Bush, as well as of several governors, has been to cut or eliminate funding for legal services programs, or to accept second or third-class legal representation for the poor, thereby making a mockery of the notion of "equal justice under the law." The present President Bush, while governor of Texas and a candidate for president, defended an indigent legal services program for capital crimes, notorious for its flaws.
23. As quoted by Garrison Keillor, *Not in Lake Wobegone Anymore*, adapted excerpt from Garrison Keillor, *Homegrown Democrat* (New York: Viking Press, 2004).
24. Michael Greve, "Federalism is More than States' Rights" report from the American Enterprise Institute, July 21, 1999. See also his *Real Federalism: Why it Matters, How it Could Happen* (Washington, D.C.: American Enterprise Institute Press, 1999).

It's different here. When you think of poverty, what images come to mind? For most people, those images are urban. This was certainly true for me when I was hired to run Franklin Community Action Corporation in Massachusetts's most rural county in the Pioneer Valley just south of Vermont. I had spent almost twenty years working in cities and learned that things are different here.

Poverty in rural areas is often invisible. More than one out of four of those who live in poverty in Massachusetts live outside of cities and suburbs. Nationally, poverty rates are higher in rural areas than in metropolitan areas. The child poverty rate in 1999 was 21 percent in rural areas and 16 percent in urban areas. Rural adults have less formal schooling and a greater share derive their livelihood from low-skill, low-wage jobs in manufacturing and service industries. Jobs in rural areas tend to be minimum wage and part-time. When there are fewer jobs in an area, job skill levels and wages are depressed. Lower population densities in rural areas mean it's more difficult to make support services such as transportation, education, job training, and child care, available. Without real economic opportunity, young people move, leaving those who are older and those with fewer skills behind.

In other words, the problem for many who live in rural areas is not finding a job but finding a job that pays a living wage and having the means to get to that job. Underemployment, something that is not officially measured, is the real problem here. People work full time at low wages or piece together two or three part-time jobs with no health insurance. Almost 40 percent of Franklin County residents cannot afford basic expenses such as housing, food, and child care. It's no wonder so many are using our food pantries and qualifying for programs like fuel assistance, Head Start, and WIC!

Jane Sanders
Franklin County Action Corp.