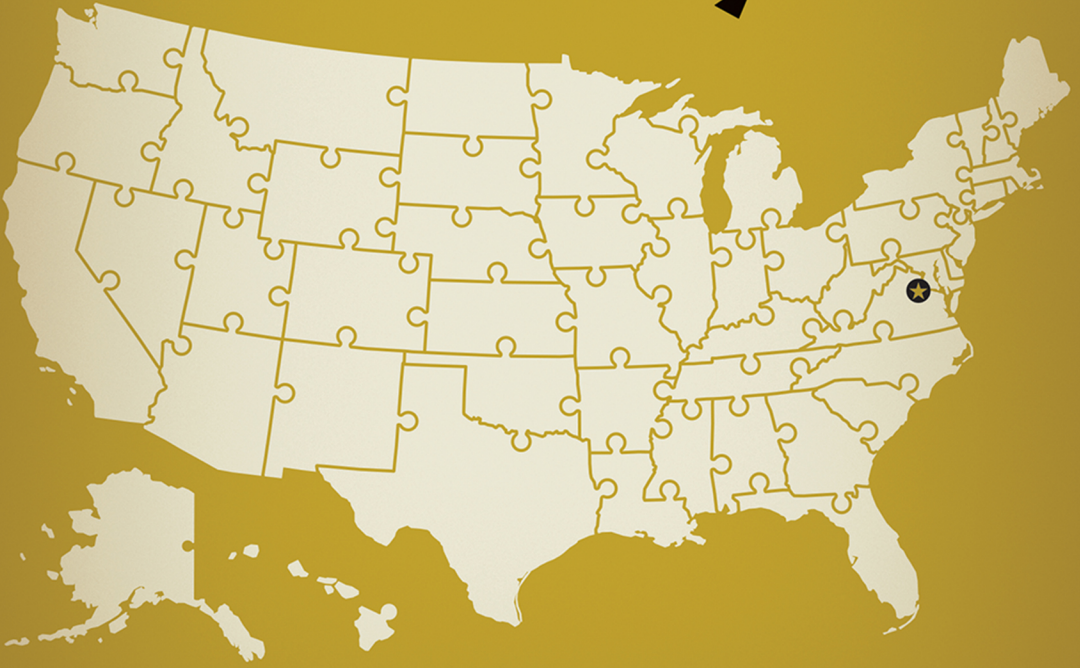


Perspectives on Political and Economic Governance

American Federalism Today



EDITED BY

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Foreword

The following is adapted from Dr. Rice's introductory remarks at the Hoover Institution's Federalism Conference, held September 15, 2023.

In September 2023, Dr. Michael J. Boskin and his colleagues put together an extraordinary conference on a topic of critical importance for the Hoover Institution: the state of federalism. The essential work of augmenting the study of federalism requires an attentive eye toward the challenges of this framework and potential solutions for its improvement.

I was recently in London and was asked a very interesting question by an interviewer, who happened to be Hoover's own Niall Ferguson. Niall asked, "What is it that people around the world do not get about the United States of America?" I replied, "The United States of America is more than Los Angeles, San Francisco, and New York. It's more than Washington, DC." And herein lies the genius of the American system. The framers of the Constitution thought it was awfully important to have most of the power in government reserved for the places that were closest to the people; and they acted on it by enumerating powers for the federal government while leaving all else under the purview of states or the people. As it turned out, it was actually hard to get the framers to stay in the capital that they had created between the swamp-land in Virginia and the swampland in Maryland, for they much preferred their state houses where they thought governing would really happen.

Since our founding, it has been in our DNA that the locus of activity and the real excellence of government should be at the state level. Over the years, the federal government, in size and in function, has grown. The writ of that growth originated from America's role as a global power and the need for a centralized bureaucracy. Consider national defense: it is infeasible to ask the opinion of every state in responding to a nuclear attack. So the presidency

collected more and more power in the federal government, both at the expense of the other branches and to the detriment of the states. The need for states to cooperate with the Interstate Commerce Commission became a critical way to essentially compel cooperation between the states. One of the odd moments I experienced as secretary of state was finding myself signing an agreement between the State of North Dakota and the State of Montana. I asked why I was doing this, and my advisers responded, “Before there was the notion of interstate commerce, this was actually done as a matter of foreign affairs by the Secretary of State.”

We have experienced an evolution from the framers’ vision of the states as the locus for activity to an expanded role and the increasing encroachment of the federal government. The American people have more trust in the levels of government that are closer to them, where they feel that they have some control. Of course, federalism has experienced its share of setbacks, including the recent disjointed patchwork of COVID-19 policies across the country.

I remember going to work for George W. Bush, who had been the governor of Texas. When we arrived in Washington, he was both stunned and a little put out by the fact that he could not do what he had done in Texas, which was to call together the Democratic Speaker of the House and the Democratic Lieutenant Governor and “horse trade” for solutions to fix this or that problem. He learned very quickly that that was not how Washington, DC, worked, and it was a source of frustration. We find that some of the need for bipartisanship that we talk a lot about at the federal level is actually practiced at the state level as a matter of necessity. With the example of practitioners like Mitch Daniels, Jeb Bush, and Jerry Brown, hopefully, not only will we improve federalism and the ability of the states to perform, but we can also apply some of the lessons of federalism to the federal system.

Advancing the study of state and local governance has been a pillar of the Hoover Institution’s research initiatives; the importance of this publication in meaningfully augmenting the work of federalism truly cannot be overstated.

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