

Americans re-learn how competition (federalism) acts as a check on government

We're now past the midpoint of Bill Clinton's presidency. No matter what happens in his second term, we can already define the Clinton era: It will be remembered for petty scandal and for the end of Democratic hegemony in Congress. There will be nothing in the way of permanent achievement. Mr. Clinton is presiding, reluctantly, over a loss of faith in limitless government, even among liberals.

Garry Wills, writing in *The New York Times Magazine*, tries to define the President in terms of a belief. Belief in what? "Government." He is careful to say that Mr. Clinton doesn't believe in "big government" — just "government." (Query: How did a government run up a \$7 trillion debt without being "big"?)

Mr. Wills implies that Mr. Clinton's opponents are "against" government. Are they all anarchists? That hardly seems a precise way to describe the situation. Nearly everyone believes that government should exist. As a matter of fact, even some philosophical anarchists believe in government, provided that every individual has the right to secede.

As Edmund Burke observed, power of some descrip-

It means that if one state gets too oppressive, you can move to another one.

tion will always exist. Government is probably impossible to get rid of, and the best you can hope to do, as a practical matter, is to keep it on a short leash, with as many checks as possible.

The most effective check, on governments as on rapacious capitalists, is competition. Governments, as a matter of fact, have killed a lot more people than capitalists — by several tens of millions — but people who prefer slogans to facts more often warn us against the 19th-century "robber barons" than against the bloody record of the modern state. Such people seem not to notice that large numbers of other people consistently migrate to countries with a maximum of capitalism and a minimum of government — which is why the peak of immi-

gration to the United States occurred during the period of those notorious robber barons.

We are now witnessing a vivid case of direct competition between two states: New York and New Jersey. New Jersey exempts clothing from its sales tax, and Mayor Rudolph Giuliani of New York City, where the combined state and city sales tax is 8 percent, estimates that the Big Apple loses a billion dollars a year to shoppers who cross the Hudson to buy clothes in Jersey. So, with the cooperation of the state legislature, Mr. Giuliani has suspended sales taxes on clothing for a week.

In the first two days of the suspension, New York's merchants reported a phenomenal boom in clothing sales — ranging from 20 percent to 250 percent over the same period last year. "I expected a huge increase, but I didn't expect it to be as good as it was," one store manager told *The New York Times*.

It's called federalism, class. It means that if one state gets too oppressive, you can move to another one. Businessmen move where taxes are lowest; even many slaves who never heard the word "federalism" managed to find their way to free states.

Of course if you believe in "government," and espe-

cially if you depend on government for your income, such competition between states may appear more alarming than the robber barons. What if the states got into a bidding war on taxes? Your government job or subsidy or research grant might be eliminated.

In that case, you'll quite rationally prefer a single concentration of government power, with no competition between the states. You'll speak warmly of "the public sector" that takes care of you, and you'll get nervous when rogue mayors and governors start slashing taxes. After all, you need those taxpayers to support you. So you'll want Washington to impose the same taxes everywhere.

The same people who denounce monopoly capitalism usually want monopoly government. And they want it for exactly the same reason capitalists want monopolies: They're greedy.

Federalism, the original constitutional plan, is an antitrust act for government. It keeps government small and local — when it's honored. There are hopeful signs that most Americans are ready to honor it again.

Joseph Sobran is a syndicated columnist.