

CONSTITUTIONAL ECONOMICS: ANCIENTS vs. MODERNS

by William Campbell

The purpose of this speech is to articulate a spirit for the conservative agenda. The proper starting point is an ancient constitutional economics based on gratitude for the gifts of God and our ancestors. Their providential concern for our well-being must be a model for our efforts to transmit the spiritual, moral, and material blessings to our children and fellow citizens. The blessings of creation, the endowment of human beings with reason and responsibility, and the hope for real human liberty entail our obligation to make good use of these gifts.

In the American experience we can see these themes not only in the Declaration of Independence, but in the Constitution itself, which is designed, among other things, to “secure the Blessings of Liberty to ourselves and our Posterity. . . .”

Americans must be especially grateful for the gifts of a constitutional system of federalism that our Founding Fathers bequeathed to us. Specifically, I wish to argue that American federalism provides the proper balance between morality and liberty. In recognizing the importance of character formation, it owes much more to the spirit of ancient constitutional economics than to the spirit of modern constitutional economics.

MODERN CONSTITUTIONAL ECONOMICS

What is meant by constitutional economics today? It sounds like a very delimited term describing the economic problems of money, tariffs, and commerce that one might find as particular parts of the U.S. Constitution. It may include those items, but it is much more ambitious. The phrase “constitutional economics” primarily means a system of fundamental laws or rules which will tie down government in order to promote economic liberty. The free market is the ideal if not always the end result of constitution making. A list of several key books in the classical liberal and libertarian tradition is appended at the end of the lecture for the inquiring reader.

Constitutional economics has derived from several discontents with the piecemeal approach to public policy. For example, in monetary policy, discretionary rules have often led to disastrous results which would have been avoided by a fixed monetary rule. In the area of fiscal policy, the excessive spending of Congress results from legislators looking only to short-run considerations in getting reelected. Balanced budget amendments to the

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Constitution would serve as a constraining rule of the game, one step removed from the concrete policies. In sum, there are problems with unlimited modern democratic institutions.

The strength of modern constitutional economics is its valuable insights on the themes of economic liberty, private property, and voluntary exchange. The whole model is driven by equating social good or betterment with voluntary exchange.

Confronting the Egalitarian Hydra. The weakness of modern constitutional economics lies in the fact that it assumes that the nature of the regime is efficiency, individual liberty, or absolute libertarian rights — depending on the branch it stems from. Chicago school law and economics, Virginia public choice, and libertarian legal theory are some of the different branches. As do most conservatives, they tend to squabble among themselves. If they restricted economics to economics, there would be no problem. But they do not. Economic constitutionalism would be a more descriptive phrase than constitutional economics.

One of the advantages of ancient social science is that it was always aware that there were different regimes that claimed to be the best. Each regime had ruling principles, some of which were similar to the ruling principles of today's regimes or ideologies. A constitution was a *politeia* or way of life and was ultimately to be judged by the kind of character it produced. When they are not squabbling among themselves, modern constitutional economists tend to recognize this only when they confront the egalitarian hydra.

FEDERALISM

The endowment of federalism has not always been used wisely. Federalism has been misunderstood and perverted by both the socialists and the liberals who wish to centralize and increase the powers of the central government. They have a constitution or way of life in mind, but it is a vision that oscillates between the society of no limits, the world turned perpetually upside down, and the perfect security of a padded cell. They go back and forth between the two sides of the famous Brueghel painting of "The Fight between Carnival and Lent."

Federalism also has been truncated by modern constitutional economists. They are sensitive to the attempts to reduce federalism to a computational or administrative problem by mainstream economists. But it still comes down to being an amoral machine, which allows people to refuse consent to government by voting with their feet. They wish to posit the solitary individual holding his trump cards against any social arrangements he does not consent to. The trump cards may be unanimous consent, absolute property rights, or natural rights as defined by libertarians.

Keeping Man in Solitary. If the liberals and collectivists wish to keep man in solitary in his padded cell, the modern constitutional economists wish to keep him in solitary out of his padded cell. He may be as convivial as he can be, but any entangling alliances are purely of his own making. At the beginning of the game of creating a social contract or at the level of constitutional choice, he has no natural obligations to anyone else except for the libertarian duty of not invading someone else's property.

Let me illustrate the idea of constitutional economics by comparing three different approaches, which we can call the home making, the home breaking, and the home constructing models.

The home making and household management of the Great Tradition correspond most closely with modern conservatism. The home breaking communism of Lycurgus in Sparta is very close in spirit to modern communism and liberalism. Finally, there is the home construction analogy used by James Buchanan in his modern constitutional economics.

HOME MAKING

The ancients understood the essential task of economics to be household management, which included the proper ordering of the material side of life as well as its proper end, character formation. Because of certain limitations of the family in achieving its natural end, politics was required. But politics and constitutions flowed from the family and not from abstract, autonomous individuals. There were natural limits to the size of the *polis* or city-state if it was to hope to achieve its moral ends. This was the beginning of small republics and the fear of empire.

American federalism with its reliance on state and local self-government married virtue to the economic freedom of the extended commercial republic. The science of American politics was improved by holding to these principles simultaneously, even though they are in a state of tension.

HOME BREAKING

In both the ancient and modern world there has existed an egalitarian constitutional economics. Because of the fact that its adherents are disdainful of economic liberties, they are not usually included among the constitutional economists. But they have been the dominant influence in 20th century jurisprudence.

The modern liberal-socialist-communist view is built on the desire of bringing down the house. No matter how solid the construction, if the world is turned upside down, no house can stand. The liberal view is that the family who built the house is simply an obstruction because it is the perennial cause of inequality. The family needs to be destroyed and replaced by the omniscient state who will not allow such inequalities to be created. Incompetent parents must surrender the education of their children to the experts, whether in public schools or day care centers.

Public Virtue to the Point of Fanaticism. It is for these reasons that Sparta and its great lawgiver, Lycurgus, have been the prototypical communists. He understood that to bring about an egalitarian society, the springs of motivation that existed in the family must be replaced by other motives such as public virtue or enthusiasm to the point of fanaticism where they would gather about him like bees.

The modern liberal view might also be called the federal bulldozer approach. Wherever inequalities exist, they are evil and have to be leveled. Egalitarianism says knock down the imperfect states and communities as we know them and replace them according to new egalitarian blueprints.

HOME CONSTRUCTING

Our last homey image is James Buchanan's comparison of the process of making a social contract or constitution to the process of making a home construction contract; we are to assume the builder is a moral reprobate, a shirker, who will engage in acts of postcontractual opportunism. The goal of all this is self-protection from the Leviathan state and not the literal creation of good households.

Realism does not demand quite such a gloomy outlook. *The Federalist* Number 55 hits the proper balance: "As there is a degree of depravity in mankind which requires a certain degree of circumspection and distrust, so there are other qualities in human nature which justify a certain portion of esteem and confidence. Republican government presupposes the existence of these qualities in a higher degree than any other form."

Elaborate edifices are built around private property rights and gains from exchange. The public choice variant of constitutional economics builds these structures *ex nihilo* if not *ex nihilism*; the legal variants simply attribute libertarian ideas to the Founding Fathers on the basis of a few legal maxims or statements commending private property. But at its normative core, modern constitutional economics is built around the autonomy or liberty of the individual, who has no natural obligations to anyone else. The free man, defined only in terms of the absence of coercion, becomes the autonomous man.

James Buchanan, as usual, is clearer and more explicit than most: "If we remain within the presuppositions of methodological individualism, the state or the polity must ultimately be justified in terms of its potential for satisfying individuals' desires, whatever these might be. The state is necessarily an artifact, an instrument that has evolved or is designed for the purpose of meeting individual needs that cannot be readily satisfied under alternative arrangements. In this sense, the great game of politics must be a positive-sum game. If this fact is recognized while also acknowledging the potential for conflict among differing individual interests, the basic exchange model of the economist is immediately suggested."

Pitfalls of Methodological Individualism. At the end of his Nobel lecture, he expressed the heart of his constitutional endeavors: "How can we live together in peace, prosperity and harmony, while retaining our liberties as autonomous individuals who can, and must, create our own values?" There is a fundamental conflict between the religious view of man as created in God's image and this autonomous view of man. My experience leads me to Christian beliefs. I know that there are some, perhaps even many, constitutional economists who do not share the Enlightenment view of man's autonomy. I wish to persuade them and warn others, who are just starting their journey, of the pitfalls of a methodological individualism that does not stick to its business but attempts to become a complete political philosophy.

To reject these extreme normative formulations of the public choice approach to economic constitutionalism is neither to reject the positive analysis of how the world works if it is found useful nor to reject the free market. Preserving the free market is a proper concern of American conservatives.

But instead of continuing to dwell on the limitations of modern constitutional economics and public choice in a full-blown abstract way, let me “accentuate the positive.”

THE GIFT OF REASON IN THE GOSPELS

Let me begin by embellishing the Gospel account of Jesus and the Gadarene Swine. I wish to paint an imaginative picture to capture the themes of substantive reason, voice, and gratitude. A painting of pigs voting with their feet down a steep hillside will stick in your mind much longer than many thousands of my abstract words.

A careful reading of the story will permit me to touch briefly on Plato, Aristotle, and Edmund Burke, who are key figures in the economy of gratitude that I do not have sufficient space to deal with here. The Great Tradition is based on the rock of reality, and is not true because it has been handed down, but is handed down because it is true. The Greek, Jewish, and Christian understandings of human nature are based on the same realistic experiences of human ingratitude and foolishness. One does not become an optimist about the plasticity of human nature from reading Greek philosophy, the Old Testament, or the New Testament, as we shall see. But there are exceptions, and there is hope.

The story of the Gadarene Swine in the Gospels is significant for helping us think through the connections between the problems of God’s gifts, family and community, our feelings of gratitude and ingratitude, and the nature of human reason. It is also a cautionary tale about the nature of modern democracy which has lost its moral bearings.

The Man Possessed by Demons. The description of the man possessed by demons in Luke sounds like a ringer for the present homeless: “a man from the city who had demons; for a long time he had worn no clothes, and he lived not in a house but among the tombs.” If you live in Washington, D.C., the Metro stops often take on the feeling of a great tomb. Accosted by the homeless at the top of the escalator, one often feels as though “Abandon all hope ye who enter here” should be emblazoned on the portal.

The demoniac’s problem was of long standing. He had been seized by unclean spirits many times before and had previously been kept “under guard, and bound with chains and fetters, but he broke the bonds and was driven by the demon into the desert.” Notice the oscillating extremes are similar to those of modern liberalism.

The problem is not dissimilar to the origins of many of the homeless today. We still need to separate out those who are truly possessed with demons, i.e the insane, and those who are shiftless. In our society, many of the madmen were freed by the American Civil Liberties Union rather than by their own native strength.

Edmund Burke's response to a similar problem in the 18th century is still relevant: "Should I felicitate a madman who has escaped from the protecting restraint and wholesome darkness of his cell on his restoration to the enjoyment of light and liberty? Am I to congratulate a highwayman and murderer who has broke prison upon the recovery of his natural rights?"

Jesus then asks the demoniac the primary question: "What is your name?" If a man knows his name, he remembers his family, where he came from, and has his bearings. He knows who he is. But the demoniac has many demons, and his name is Legion. He has forgotten his family and who he is. The change of identities, life as a perpetual costume ball, is similar to the behavior of the crowd in Plato's description of democracy.

And what precisely is the character of the many? They did not wish to be tormented and "they begged him not to command them to depart into the abyss." The language here takes on the tone of the fear of last judgment. The multitude finds it difficult to live in the shadow of that.

The Time of Judgment. The version of the story in Matthew reinforces this interpretation. There were two demoniacs in that version and they cried out, "What have you to do with us, O Son of God? Have you come here to torment us before the time?" They may have been crazy, but they weren't dumb. The time, the crucial time, is the time of judgment. The last (value) judgment has no time for values clarification.

The Gospel account then tells us that a "large herd of swine was feeding there on the hillside." The many demons begged Jesus "to let them enter these." The many can think of no more than living a pleasant existence filling their bellies like grazing pigs. Mere existence rather than human existence is the goal for the many. Plato's and Aristotle's understanding of the many is not significantly different.

According to Aristotle, the life of pleasure is mistakenly identified as the good by the common run of people. They betray their "utter slavishness in their preference for a life suitable to cattle; but their views seem plausible because many people in high places share the feelings of Sardanapallus" (*Nicomachean Ethics* 1095b).

Voting With Their Feet. Jesus gave them what they asked for: "He gave them leave." One is reminded of the proper prayer, which says in effect, "Give me Lord not what I ask for, but what is good for me." The demons left the man, entered the herd of swine, and "the herd rushed down the steep bank into the lake and were drowned." They voted with their feet. Remember that H.L. Mencken once defined democracy as the theory that the people know what they want and deserve to get it good and hard.

John Stuart Mill once asked if you would rather be a pig satisfied or a Socrates dissatisfied. The obvious answer seems to be a pig satisfied. At least he fulfills his nature. But here we find the natural end of those humans who try to live like pigs: a suicidal plunge toward death.

The herdsmen fled and proceeded to tell everyone in sight what had happened. If they had told any economic libertarians, they were probably upset with the destruction of private

property involved. The people were amazed and wanted to know what had happened. When they found Jesus, they also found the man who had been healed, "sitting at the feet of Jesus, clothed and in his right mind; and they were afraid." They were afraid? Shouldn't they have been happy that this madman would no longer bother them with his bellowing and shouting?

But they had been told by those who had seen it, "how he who had been possessed with demons was healed." The many are indeed many. They do not wish to give up their divided spirits and their animal appetites. Some problems are intractable when people do not really wish to be cured. Just let them graze on the hillside and leave them alone.

Fear of Good News. As so often happens in the Scriptures when good news appears: "All the people of the surrounding country of the Gerasenes asked him to depart from them; for they were seized with great fear. . . ." Jesus gives them what they ask for, gets in his boat, and returns.

The natural condition of man is to be ungrateful. He is wary or suspicious of gifts because he knows that the freest gift still has strings of obligation or proper response attached to it. Milton Friedman's law of Tanstaafl, "There ain't no such thing as a free lunch," was refuted by the arch-empiricist George Stigler, who modestly added a corollary, "But there are a lot of people eating them." Campbell's law is more universally true: "There ain't no such thing as a free gift." I would only add as a corollary, "But there are a lot of people trying to receive them."

The demoniac wanted to be able to go with Jesus, but Jesus tells him to "Return to your home, and declare how much God has done for you." The ex-demoniac goes away "proclaiming throughout the whole city how much Jesus had done for him." Think of how difficult that must have been in an environment so hostile to the good news. We all know that prophets do much better in foreign lands.

Not only does the story of the Gadarene Swine provide a searing indictment of modern constitutional economics and relativist democracy, but it provides the goals of sanity, right reason, family, homes, friends and one's own community as the context for dealing with the problems of tyranny and isolation in the modern world. These are the natural bases for dealing with the elderly, the young, and the homeless.

THE DECLARATION OF INDEPENDENCE

Let us now return to the early days of the Republic to see how these themes we have discussed set the stage for the later developments of substantive due process and police powers. We can compare and contrast the way in which the Declaration of Independence handles certain concepts and the way modern constitutional economics would treat the same concepts. The roots of the Declaration are in the ancient traditions and not a product of the rationalist enlightenment.

Consent of the Governed

Voice, rational discussion, and consent are an essential part of the American regime. Public choice dismisses voice and rational discussion as epiphenomena designed to take in the gullible. All people pursue self-interest, so let us have no foolishness about a disinterested public good. Don't listen to what people say, only observe what they do. Iron triangles replace golden triangles. But it would be interesting to know the number of successful deregulation efforts actually predicted by public choice theories in advance. How well did they predict the behavior of such government bureaucrats as Jim Miller, Alfred Kahn, and Dan Oliver?

The consent required is not just a mere act of will, but a rational, informed consent. The Declaration of Independence indicates this in its own language and procedures: self-evident truths, decent respect to the opinions of mankind, and submitting facts to a candid world. All of these require rationality and freedom of speech to make and to appreciate. The calculus of consent was not enacted by Mr. Jefferson's Declaration of Independence. There is neither a mathematical calculus nor a mere affirmation of raw will with individual veto power to drop in and drop out at random.

The signers said, "We. . . appealing to the Supreme Judge of the world for the rectitude of our intentions, do, in the Name, and by Authority of the good People of these Colonies solemnly publish and declare. . . ."

Endowed by our Creator

In economics we like to refer to an "initial endowment" which is the same as talking about the "status quo." Each household (when we really should say "individual," but habits of the older tradition of household economics die hard) has a stock of wealth and resources, which we do not feel obligated to explain or justify. We certainly do not attribute them to the providence or goodness of our Creator or even our ancestors. But the Declaration treats these as gifts given to us for good uses for which we should be grateful.

Jefferson states in his *Notes on Virginia*: "And can the liberties of a nation be thought secure when we have removed their only firm basis, a conviction in the minds of the people that these liberties are the gift of God?" Walter Berns goes on to point out that modern libertarians would not accept such a gift because of the strings of right usage which might come with it.

Equality

The constitutional status of the idea of being created equal in the Declaration of Independence is the most fiercely debated topic in American history among conservatives. Following hard on its heels is the status of the 14th Amendment to the Constitution.

Although I am quite willing to allow the gnostic utopian nature of modern liberalism and its egalitarian drives, I am not willing to admit that that is what the writers of the Declaration intended. There is no reason to give to the liberals equality of result for any

purpose. They may claim it, they may have imposed it on modern jurisprudence, but why let them keep it?

I have much further thinking to do on this complicated issue, but I would affirm that, on the level of constitutional economics, substantive due process jurisprudence was not illegitimate judicial activism, but was the proper reading of the original intent of the 14th Amendment. The right of labor, both black and white, to freely enter trades, own property, and establish contracts meant that state and local legislation was subject to legitimate judicial review.

Unalienable Rights

The idea of unalienable rights in the Declaration refers to moral categories of good and evil that are not fit items of commerce. Inalienable means something that cannot be detached from something else. It is not a thing to be sold on the marketplace. All cultures and societies have prohibited certain types of things from appearing on the marketplace.

Commerce was subjected to “lawful commerce” in the same ways as callings were subjected to lawful callings — that is, within the purview of the police powers of state and local governments. The doctrine of “entrepreneurial freedom,” as it has been labeled by its critics, was always hedged in by the concept of “lawful callings.” The 14th Amendment assumed this police power for slavery on the national level. This was no longer a tolerable “domestic” institution.

Campbell and Justice Field argued their case and dissent respectively in the *Slaughter-House Cases*, 16 Wall. 36 (U.S., 1872), in terms of the relationship between the 14th Amendment and the Declaration of Independence. Field quoted from Adam Smith about the right of free labor, but stressed that the amendment was “intended to give particular effect to that declaration of 1776 of inalienable rights, rights which are the gift of the Creator, which the law does not confer, but only recognizes.”

The Pursuit of Happiness

Did the Founding Fathers equate the pursuit of happiness with doing your own thing or some other modern vulgarity? Was happiness defined purely subjectively? The whole tradition of public choice and many libertarians is firmly based on the privatization of happiness that one finds in Hobbes and Locke.

Among political philosophers Walter Berns makes the same point. The government “they are instituting will have the limited purpose of securing their rights — including emphatically their right to pursue a happiness each of them defines for himself — and otherwise leaving them alone.” But nowhere does he give justification for the crucial phrase “each of them defines for himself.”

It has been suggested by E.S. Corwin that the phrase “pursuit of happiness” was indebted to Blackstone’s statement that the law of nature boils down to “one paternal precept, that man should pursue his own true and substantial happiness.” Paternal precept? True and substantial happiness? Does this not suggest that Blackstone is no friend of license? Could

one imagine Blackstone saying that happiness is defined subjectively by each individual in a do-your-own-thing kind of fashion?

The spirit of ordered liberty is what permeates Blackstone. He defines "natural liberty" as "the power of acting as one thinks fit, without any restraint or control, unless by the law of nature." It is "inherent in us by birth" and is that gift of God which corresponds with "the faculty of free will." Yet every man, he continues, "when he enters into society, gives up a part of his natural liberty as the price of so valuable a purchase," receiving in return "civil liberty," which is natural liberty "so far restrained by human laws (and no further) as is necessary and expedient for the general advantage of the public." Although we do not have the time to consider the Constitution in depth, in the light of our discussion above about Blackstone, we must wonder what Richard Epstein means when he argues that "The Lockean system was dominant at the time when the Constitution was adopted. His theory of the state was adopted in Blackstone's *Commentaries*, and the protection of property against its enemies was a central and recurrent feature of the political thought of the day." If you wish to take Blackstone, take all of him and not just a fragment.

WHAT CAN BE SALVAGED?

The legal wing of the constitutional economics movement has much that can be salvaged from its libertarian political philosophy. The attempts of Siegan, Epstein, and others to ground the protections of property rights, economic liberty, and freedom of competition in the Constitution are not vitiated by their oversimplification of the American political tradition.

Principled judicial activism and the "old" substantive due process tradition cut down laws restricting individuals' civil rights to own and use property. The affirmation of economic liberties and freedom of entry, the skepticism of the misuses of licensing and zoning are bringing together such powerful thinkers and activists as Thomas Sowell, Walter Williams, Robert Woodson, and most recently Clint Bolick. These should be a part of the conservative agenda. They offer hope and opportunity for the poor and minorities to lead productive lives and escape the poverty trap created by the liberal victim mentality. Activity should take place at both the legislative and judicial levels to promote economic freedom.

Dividing the Pie. But the substantive due process tradition is not the whole of American jurisprudence. American federalism also saw state and local governments with major responsibilities for their domestic institutions. Certainly the key to the Constitution is the complicated structure of federalism. The delegation of limited, restricted powers to the federal government and the retention of fairly broad, extensive powers to promote the general good at the state and local level was the original intention and the one to which we ought to return. In the Declaration of Independence the several states were given the full "Power to levy War, conclude Peace, contract Alliances, establish Commerce, and to do all other Acts and Things which Independent States may of right do." In essence the Constitution divides up the pie and delegates the former to the national government and the "all other Acts and Things" to the state and local governments.

The legitimate and prudential use of police powers establishes the distinction between liberty and license. Pure laissez-faire doctrine must occasionally be restricted by substantive morality. The common sense of a John Howard and the Rockford Institute were recently echoed by George Gilder in *Crisis* magazine: "To the extent capitalists produce depraved goods, they destroy the moral conditions of capitalist progress, they undermine the families from which all true natural resources flow. It is largely liberal culture that refuses to ban pornography, or effectively suppress vice, or uphold the moral values of family life."

Even in the heyday of substantive due process, when the Supreme Court was protecting freedom of entry, it could still distinguish between occupations which were "lawful" and those which were not. State and local governments could regulate certain occupations on health and moral grounds. Prostitution, gambling, or drug running could be prohibited as a legitimate function of the police powers.

Promoting Domestic Tranquility. What was the purpose behind the police powers? The American tradition of police powers — the reasonable and prudent use of coercion — was designed to defend and encourage the physical, moral, and spiritual health of the family. Blue laws, keeping the Sabbath, restrictions on drugs, alcohol, and pornography, and zoning were thought to contribute to the promotion of domestic tranquility and the control of license.

The same John Archibald Campbell who articulated and developed the case for substantive due process also summarized very eloquently the true American tradition of the police powers. They were designed to maintain the family with its concomitant freedoms and moral responsibilities. These remarks come from Campbell's address to the Alabama State Bar Association on August 7, 1884. He appealed to the members of the Bar "to stand fast in the liberty wherewith you became free, and which the Constitution has been the witness. Be constant and firm to insist that the State [Alabama] shall be maintained in the fullness of the powers reserved by the Constitution which was made by the people of the States. The State is the repository where the family is formed, and with this, the source of domestic peace, where religion, morality, reverence, honor, human affections are implanted and instruction most purely imbibed. It is the State that more surely defends life, liberty, property, family obligations and rights; it is the State that teaches primary duties of manhood and which shields and protects womanhood in her purity and holiness."

All of these types of legislation have undoubtedly been used imprudently at one time or another or for self-interested motives (what we now call rent-seeking). It is precisely the abuse of police powers beyond their reasonable purpose which the substantive due process tradition tried to prevent.

WHERE DO WE GO FROM HERE?

A substantive federalism rather than an administrative federalism will contain elements of both the substantive due process and police powers traditions. This is the balance and original intent which applies to the American experience.

One of the hallmarks of the Reagan Administration has been words and deeds devoted to the reconstruction of federalism. Reagan's ideal was of a "good neighbor" society based on local government (not federal and for that matter not even the state). Back in 1981 Reagan observed in his Address to the National Conference of State Legislatures that "this nation has never fully debated the fact that over the past 40 years federalism — one of the underlying principles of our Constitution — has nearly disappeared as a guiding force in American politics and government." He also promised that the Administration intended to "initiate such a debate" and inaugurate a "quiet federalist revolution." It has been altogether too quiet.

Reagan also emphasized at the time that "Our recent emphasis on voluntarism, the mobilization of private groups to deal with our social ills, is designed to foster [a] spirit of individual generosity and our sense of communal values." Notice that the tone of this is vastly different from a public choice or economic approach to federalism which rests on the sanctity of individual tastes and preferences being assumed. Reagan assumes that the government, albeit at the state and local level, is responsible for educating the citizenry and fostering a certain spirit of duty or obligation in them which may not already exist.

Even though conservatives have grounds for being disappointed, there is no reason to give up on the ideals of economic liberty and moral virtue. I am optimistic that disillusionment with the bloated federal government and the reassumption of responsibility by private citizens and their state and local governments bode well for the health of the Republic.



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