

not so glamorous.

What should the federal government do to help the small businessman? Perhaps the answer is *as little as possible*. The federal government might consider the Hippocratic directive to “first, do no harm” and then abolish the thousands of regulations that do more harm than good, particularly to small businesses. In the last decade, the U.S. Supreme Court has begun, for the first time in more than 60 years, to reverse the kind of constitutional analysis that permitted the federal government to intrude in all areas of state economic life. In 1995, in *United States v. Lopez*, the Court ruled that the federal government could not prohibit firearms within 1,000 feet of any of the nation’s schools, because education is supposed to be the job of the states. Similarly, in *United States v. Morrison* (1999), the Court tossed out some provisions in the federal Violence Against Women Act, that allowed prosecutions in federal courts, because basic enforcement of the criminal laws is supposed to be the preserve of state and local authorities. In like manner, the Court has recently begun to cut back on lawsuits brought against state officials and on unfunded federal mandates that conscript state officials into the enforcement of federal law. All of this has been labeled the Court’s “New Federalism.” It has been bemoaned by editorialists at the *New York Times*, and lamented in congressional hearings by those who believe that only the federal government is capable of protecting the rights of Americans and only increased federal legislation can do the trick. But the “New Federalism” has been cheered by those who understand that our Constitution wisely placed most of the powers of government in the state and local governments, which are closest to the people.

Perhaps it is time to remember Rufus Peckham and to balance the costs and benefits of our current regulatory environment more carefully. It may be that OSHA, the ADA, and the Environmental Protection Agency (EPA) enforce important American values, and that a safe and pollution-free workplace and the absence of discrimination against those who are physically challenged are laudable goals. It is by no means clear, however, that these goals, and many others of federal legislation, cannot better be accomplished by leaving the matter to the states, especially if enforcement at the federal level is fatal to “the small dealers and worthy men” who are vital to maintaining the quality of American life. “Enlightened” opinion in the 1950’s, 60’s, and 70’s spurned the values of Babbitt and the Rotary, but as Americans rediscover the pleasures and virtues of life on Main Street and become more sensitive to the inadequacies of life on Wall Street, Madison Avenue, or Pennsylvania Avenue, this is changing. Even mainstream intellectuals are now starting to celebrate a return to community life, and maybe even they can understand that Peckham got it right. Peckham’s “independent businessman,” like Jefferson’s independent yeoman, is crucially important to a republic that must inevitably rely on a citizenry willing to assume the responsibility of self-government and capable of understanding the Jeffersonian notion that a government big enough to provide for all of society’s wants tends to destroy the means of its own sustenance. We have failed to recognize the devastating costs of compliance with federal regulation and, thus, to weigh the cost against the concrete benefits such regulation actually achieves. Whatever the benefits, the ruination of small business in America is too high a price to pay.

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Zebra

by Charles Edward Eaton

The opposition of the world is always here,
Point-blank, in your face, the oath, bruise, crushed limbs:
Do not expect the crocodile to shed a genuine tear.

Almost submerged, one amber eye half-open, he watches
yours and mine —
The poet waits on the leafy bank of the river:
Don’t move until you know exactly how to write that line.

The yellow eye watches in the hazy, golden, city street —
You may have a penthouse, but his sight is long and
sharp,
Lurking in the half-suspicious eyes of nearly everyone
you meet.

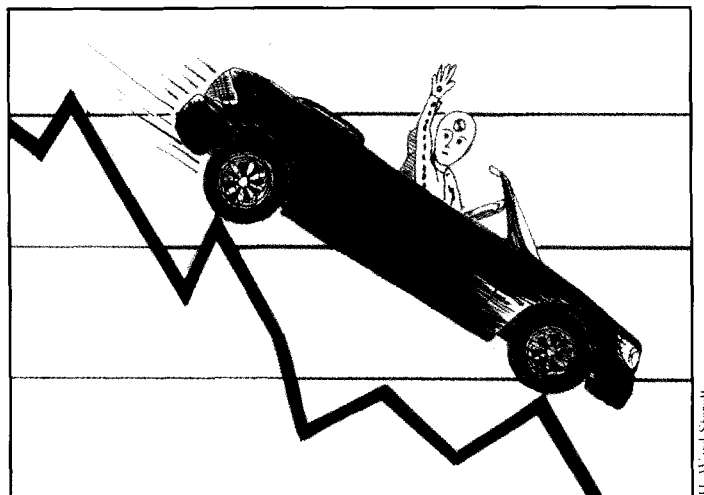
Back to the pale youth on some brilliant day,
Taking notes as zebra, wildebeest, gazelle cross over:
The glistening poem is the one that got away.

Not a mark on it, that arching back, the beautiful striped
skin —
It is always a singling out, a majestic reverence if you will:
The bleeding corpse, the thundering herd, private
passions folding deep within.

It is a decorated, devious way to meet the world, disarm
The memory of jaws that slash and stitch the void:
As long as sunlight lasts, stand at the window and see if
golden stripes upon your skin have lost their charm.

Economic Liberty and American Manufacturing

by Greg Kaza



William Jefferson Clinton mentioned the domestic auto and steel industries a mere seven times in the first two years of his presidency, according to the subject index of his presidential papers. After noting that the auto industry accounted for nearly six percent of the Gross National Product (GNP) in May 1993, President Clinton waited another 17 months before mentioning the sector, which employs more than three million Americans, again. Then he referred to the auto industry five times at the climax of the 1994 campaign. “I listened to them talking about regenerative brakes and fuel cells and ultra-capacitation,” he said on October 18, 1994, describing a meeting with auto industry officials and Democratic politicians.

You know, there wasn't a single one of those things on the three most important cars in my life — my '67 Mustang, my '63 Buick LeSabre, and my '52 Henry J. [Kaiser]. I could fix everything on those cars, except when the hydraulic brakes went out on the Henry J. Then I just shifted down into first gear and ran into the curb.

Unfortunately, the hydraulic brakes, linings, pads, and even rotors have gone out on the so-called New Economy, the greatest financial bubble in American history. This leveraged credit structure escaped its day of reckoning in the fall 1998 Long Term Capital Management scandal, but it continues to damage the manufacturing sector today by artificially increasing de-

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mand for dollar-denominated assets. The current downturn, unlike the nine previous postwar recessions, is deflationary, and it may turn out to be the worst downturn since the Great Depression. According to the Federal Reserve Board of Governors, industrial production has declined for 12 consecutive months, the longest contraction since the 1930's. Media pundits, especially neoconservatives, have repeatedly focused on stock-market losses while delegitimizing or ignoring the traumatic changes in auto and steel. Since past industrial downturns have always increased government regulation, the ongoing recession poses political challenges that threaten economic liberty.

One danger is that American workers could lose their faith in a free-enterprise system that has delivered a higher standard of living than most of the world enjoys. If their concerns are deemed illegitimate, workers could vote for a political solution that promises security but delivers more government regulation, economic interventionism, higher taxes, and a lower standard of living. The postwar era has been marked by an understanding that it is in the self-interest of both management and labor in the manufacturing sector to cooperate. That cooperation was based on the premise that the American economy needs a large and prosperous middle class to thrive. This arrangement worked for more than half a century and provided millions of workers and their families with middle-class prosperity. America is still the best place on Earth for workers, the longshoreman philosopher Eric Hoffer observed in *Reflections on the Human Condition*. Hoffer wrote about the wonders of capitalism but warned that the postindustrial age might be as savage as the preindustrial era. Too few on the right have heeded his warning.

President Clinton presided over the longest peacetime economic expansion in U.S. history, yet his papers suggest little experience, practical or theoretical, with the key manufacturing