

**Západočeská univerzita v Plzni**

**Fakulta filozofická**

**Bakalářská práce**

**Proměny amerického federalismu po druhé  
světové válce**

**The transformation of American federalism  
after the Second World War**

**Jakub Sochacký**

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Katedra politologie a mezinárodních vztahů

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Prohlašuji, že jsem práci zpracoval samostatně a použil jen uvedených pramenů a literatury.

*Plzeň, duben 2012* .....

*I would like to express my appreciation of PhDr. Mgr. Petr Jurek who stood by me and ministered to me every time I stumbled during the production of this thesis. I would never be able to write this paper on American federalism without his invaluable advice.*

*Také bych rád poděkoval své rodině ve svém mateřském jazyce za to, že mi umožnila přístup k univerzitnímu vzdělání a v jeho průběhu mě neskonalé podporovala a to jak ve smyslu morálním, tak finančním.*

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## 1. THE INTRODUCTION

I decided to devote myself to this topic, because I have become fascinated over the years by the heated debate among Americans on their central government that many of them call “big”<sup>1</sup>. This simple adjective is supposed to imply that their lives are controlled by Washington<sup>2</sup> more that they ought to be.

The questions this thesis shall provide the answers to are as follows: What changes have the relations between the States and the federal government undergone since the end of the Second World War? Is there any significant shift of powers from one side to the other that would be worth mentioning and conducting further research? What are the areas that cause friction? And does the growth of the federal power necessarily mean that the power of the states and local governments diminish and the other way round? The question of party affiliation will also be posed with the aim of finding out whether we can unequivocally assert that being member of either the Republican<sup>3</sup> or the Democratic<sup>4</sup> Party automatically determines the attitude to federalism.

It will be proved throughout this text that we cannot unequivocally assert that the power has shifted towards one or the other side, but that it always depends on the decade we examine. There were eras when one segment prevailed over the other and there used to be times when it is rather difficult to come to a single conclusion even after an in-depth process of assessment. Burgess (2006, p. 39) mentions that Grodzins and Elazar -

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<sup>1</sup> *Longman English Dictionary Online*. [online] Available at:

<<http://www.ldoceonline.com/dictionary/big-government>> [Accessed 1 March 2012].

<sup>2</sup> There are a couple of terms in this text that refer to the same entity. These are: Washington, federal government, central government and national government.

<sup>3</sup> The Republican Party is sometimes called GOP which stands for Grand Old Party. The symbol most people associate the party with is an elephant, which serves as its logo and the associated color is red.

<sup>4</sup> A donkey serves as the Democratic Party's official symbol and color associated with this party is blue.

whose books also significantly contributed to the formation of this text – are called ‘The Twentieth Century “Doctors”’ of federalism, because of their belief that there is no strict division of powers between the federal government and the States. Moreover, they claim that these two sections work together so closely we can label it as “cooperative federalism”.

It is fair to admit that the books which were used as pillars the whole thesis is based on are quite outdated and therefore do not reflect on the recent changes of American federalism. In addition, they cannot offer any interpretations that would be exploring the changes they actually describe from a long-term distance. The issues that are considered to be important according to these authors can be demonstrated, for instance, on a reference made by Elazar (1984, p. 10) concerning the racial issues occurring in countries where Caucasian races prevail. Not that these problems have been entirely eliminated, but others topics such as financial matters are something where the most visible tension between the States and the central government occurs.

Luckily, articles borrowed from various journals provide the much needed up-to-date perspective. One particular book called “The Decay of American Federalism?”<sup>5</sup> served as an excellent source of information covering the most recent decade. It is important to state that it originates from the Czech political-studies environment by which I try to make sure that a non-Anglo-Saxon literature is included.

There is a book frequently used as a source which foreshadows the future of publishing. It is Joseph F. Zimmerman’s “Contemporary American Federalism” (2008). Apart from being an unusual experience to work with, a problem occurred regarding the way of proper quoting, because it is a Kindle version – an electronic book (an e-book). Luckily, there are already

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<sup>5</sup> The title was translated by the author of this paper himself. The original/actual Czech title is: “Úpadek amerického federalismu? Posilování federální vlády na prahu 21. století.”

universities which take into consideration the changing nature of publishing and therefore it was not difficult to find out how to reference to it. I am taking about the University of South Wales and please find attached a link to their website where it is described how to reference to Kindle books<sup>6</sup>. I have done it accordingly.

First of all, it will be defined what federalism means and how the interpretations vary in order to avoid any kind of confusion that could arise and puzzle the reader. This is not going to be easy because not even experts are able to come to a single conclusion when debating this topic.

Secondly, the key players will be presented and scrutinized from the prospective of the role they have in the American political environment, the powers they hold and exercise as well as their changing nature within the system.

Thirdly, the term “dual federalism” will be clarified notwithstanding the fact that this concept died down during the 1930s. The current character of American federalism will primarily be labored over.

When it comes to the American party system, one of the greatest differences between the Democratic and the Republican Party rests upon the different approach to managing the relations among the governmental planes. Accordingly, it would be unthinkable to omit looking into this matter any further. The general belief that the Republican (conservative) administrations battle against national government proliferation and aim for strengthening of the States whereas the more liberal Democrats empower the national government and concurrently keep a curb on the States will be challenged.

The changes that the American federalism has been going through are analyzed decade by decade and it has been attempted to explore

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<sup>6</sup> *The University of New South Wales*. [online] Available at: <[http://www.lc.unsw.edu.au/onlib/ref\\_elec1.html#elec11a](http://www.lc.unsw.edu.au/onlib/ref_elec1.html#elec11a)> [Accessed 19 January 2012].



political, legal or economic changes. Although each decade would perhaps deserve dedication to the same extent, this is not going to be the case here, because some of the eras had greater long-lasting impact upon the United States than others and therefore shall be scrutinized more carefully.

On the whole, it will be proved that perturbing centralizing tendencies actually exist within American federalism and that they were gaining momentum decade after decade, regardless of the political party the President came from.

## 2. DEFINING FEDERALISM

While Michael Burgess (2006, p. 4) tries to define federalism by presenting other scholars' explanations before concluding that it is "a difficult topic to study because it is theoretically untidy", Mr. Ruzicka and Kozak (2008, p. 11) offer a simple definition which interprets federalism as institutional arrangement of political powers which are redistributed among the components that together form the whole federation. However, they admit that there are various other interpretations that could be used as well. Ronald Watts (cited in Burgess 2006, p. 284) noticed the growing popularity of federalism in the world and as each country modifies the regime, it is becoming more difficult to define it, because there are all these variations.

Positive thing to say about Burgess is that, even though he says it is really hard to define federalism, he suggests what the definition could look like: It "would have to accommodate both empirical and normative aspects and embrace a whole host of dimensions [...]" (Burgess, 2006, p. 284).

He also draws a distinction between the terms "federalism" and "federation" saying that federalism is "the variety of different identities and interests" and that these "are expressed in federation as a form of constitutionalism which rests upon both autonomy and representation" (Burgess, 2006, p. 286).

Apart from the traditional viewpoint of federalism as a regime with its roots in the capital city and spreading all over a particular country's territory, there is also something we could call an "inner federalism". As M.J.C. Ville (1961, p. 5) sees it, this is actually "the degree of centralized power of the State government over the local authorities". This point of view has a lot to do with Duchacek's (1975, pp. 43-44) understanding of federalism. We could demonstrate his perception of it by creating a simple metaphor. Imagine that federalism is a hinge of a seesaw and there are two seats on each end of

the bar. Each seat is occupied by one child. Let's say the first one represents the national government and the second one represents the individual constituents of the whole union. Federalism is in our case the hinge in the middle because it constantly pursues to balance both sides so that the bar remains in a more or less horizontal position. The national government is supposed to deal with external issues whereas the single constituents assume the role of a wide assortment of territorially heterogeneous, yet cooperating components.

Duchacek (1975, pp. 50-51) attributes importance to this internal division because, as he stresses further in his paper, each part of the federation expresses its own desires which may often be completely dissimilar and we shall take them into consideration. This ought to be done automatically since we subject it to a comparative analysis where the internal plurality simply cannot be marginalized.

To sum up, it is rather difficult to define federalism. H.R.G. Graves (cited in Burges 2006, p. 4) concluded that "it covers too large an area of human experience to be readily spanned in a short space". Duchacek (cited in Burgess, 2006, p. 44) put it this way: "There is no accepted theory of federalism. Nor is there an agreement as to what federalism is exactly. The term itself is unclear and controversial".

But before we move forward, it needs be reminded that the "balance of powers" between the States and local governments on the one side and the national government on the other is the crucial starting point that needs to be grasped in order to fully understand the character of American federalism. We should bear in mind, though, that the functions often overlap as will be proved later.

### **3. DEFINING KEY PLAYERS**

Let's take a closer look at the three levels of government in the United States which interact with one another and together they represent the cornerstones the whole system of American federalism is based on. Their powers are derived from the Constitution and every time traction occurs among them, there is the Supreme Court which intervenes in order to solve disputes. Although their mutual position used to be described as "three-layer cake" indicating that they do not share any powers and they do not interact with one another to an extent which would be worth mentioning, the following pages will show that this is not the case anymore.

#### **3.1. The Federal Government**

The central government's powers are defined by the Section 8 Article I of the US Constitution. Among these we can find many well-known powers such as collection of taxes, actual production of money, declaring wars and provision and maintenance of navy forces. All of these powers are called "enumerated", "delegated" or "expressed" (Zimmerman, 2008, Chapter 3).

Zimmerman (2008, Chapter 3) brings up an important remark when he calls the attention to the fact that some of these exclusive powers have never been exercised over the states (e.g. the interstate commerce regulation), although it has every single right to do it.

There are ways, however, that make it possible for the central government to pull the strings in States' spheres of dominance. These are, for instance, the grants-in-aid (financial programs provided by the federal government and run mostly by the states themselves). This applies to both lower governmental levels (Zimmerman, 2008, Chapter 3).

The interlevel bonds between Washington and the States concerning the finances have become so tight that it is no exaggeration to assess that

the dependency of the States on the federal government is immeasurable and incalculable. There are both pros and cons of this and it is not easy to arrive at conclusion when we ask ourselves whether it is a good or a bad thing. While the States' programs are supervised by their "investor" – Washington – which means less free policy making, it is fair to admit that the number of activities carried out by the States skyrocketed thanks to this. It is believed that there fears of excessive influence of the central government are groundless and "that the supervision, with some notable exceptions, has been cordial, cooperative and constructive" (Grodzins, 1984, pp. 60-62).

In 1819, a court decision in a case called "McCulloch v. Maryland" set a rather dangerous precedent for the States when it ruled that the federal government has to be able to secure national defense as well as general welfare and if it becomes necessary to do that by meddling into States' rights, that is unfortunately the price that has to be paid (Zimmerman, 2008, Chapter 3).

Speaking about the welfare politics, one of the major issues being discussed in the United States nowadays is the reform of the health care system which is one of the priorities of the Obama administration. Although Zimmerman (2008, Chapter 3) admits that there are some people who interpret the American Constitution as allowing Washington to secure the national welfare by itself, it is important to point out that if this was true, the United States could not be categorized under the heading of federal systems, but would have to be called unitary. Washington, however, tries to enforce its welfare influence onto the states in practice (Zimmerman, 2008, Chapter 3).

Equally important is to stress that the States sometimes exploit the federal government and we should not consider them to be merely the subordinate units constantly defending themselves against the federal encroachment (Vile, 1961, p. 134).

The relation between Washington and the States is really admirable when it comes to the transfer of powers, at least according to Farnsworth's (1999, p. 76) observations. He claims that every time Washington faces the criticism for being too ineffective and slow in responding, it triggers a process that starts raising the States' powers in order to secure better efficiency.

We should not, however, conceive that the federal government equals only the Congress or the President. We must not forget that there are other players included as well. These are the Administration and the Supreme Court (Vile, 1961, p. 133).

The growth of the so-called "big government", thus federal government is the cardinal issue of the US politics and now even more than ever before with the presence of channels such as C-SPAN (Cable-Satellite Public Affairs Network) providing twenty-four hour coverage of federal politics for wide audience all over the country. Therefore, we will focus more on the interaction of this governmental plane with the States and leave the lowest level – the local governments – a bit aside, because it is not that extensively discussed in the national media on a daily basis.

### **3.2. The States**

Article IV of the Constitution is the one that specifically defines what a State is and what their relations among one another are as well as the relation to the federal government. There are five basic rights specified which the States enjoy. These are "territorial integrity, protection against foreign invasion and domestic violence, a republican form of government, equal representation in the U.S. Senate, and immunity from suits by private citizens of other states" (Zimmerman, 2008, Chapter 3). As far as the system of government is concerned, the Article IV of the Constitution says that each

State is based on republican or representative form of government (Zimmerman 2008, Chapter 3).

The powers which lie in the authority of the States can be labeled “residual”. This has been established by the US constitution<sup>7</sup> from the day one. It means that the States were allocated the powers which the other planes of government had not assumed control over. All of these are enumerated, so everything else is automatically considered to be under the influence of the States. There are, however, prohibited powers which are decidedly forbidden for the States to exercise (Zimmerman, 2008, Chapter 3).

It happens from time to time that the States’ rights are subjected to preemptive actions led by the federal government which causes that the States lose some of their rights to act in certain areas. This is a particularly sensitive issue, because the federal government sometimes argues that it is necessary to carry out these preemptive actions in order to implement their granted powers. These derived powers are called “implied” (Zimmerman 2008, Chapter 3).

In addition to that, Congress may decide to exercise its regulatory powers over the States. This causes, on the one hand, that it takes over the responsibility when tackling certain problems (e. g. the bankruptcies), on the other hand it significantly changes the character of relations between these two governmental planes (Zimmerman 2008, Chapter 3).

M. J. C. Vile (1961, p. 3) suggests that there is not so much traction between the central government on the one side and the States on the other, but mostly among the States themselves. These disputes are often manifested by various battles being fought on the ground of Congress. The

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<sup>7</sup> Vile (1961, p. 25) tracks the roots of this system back to the Articles of Confederation from 1777 where he cites the second article saying that no rights can be taken away from the States unless the confederation agrees with it as a whole.

assumption that the Congress would be against all the States' will is simply unfounded (Vile, 1961, pp. 132-135).

We must not overlook, however, the reason for which this is happening. The president has the power to determine who the personnel in the highest administrative posts of the federal governmental structure are going to be. Still, he has to wait for the approval of the people he picked in the Senate. As has been said in the previous paragraph, the States and sometimes whole regions of the Union battle over the people who are about to be installed (Vile, 1961, p. 161).

But at the same time, the States also deliberately decided to cooperate among themselves. This was a smart move, because this way they can bring solutions to issues which occur more quickly and that can enable them to say to Washington "it is absolutely unnecessary to exercise your powers over us in order to provide a solution which would be universally applicable, we have already handled it ourselves" (Elazar, 1984, p. 195).

### **3.3. The Local Governments**

The plane of government which is the closest to people in the United States is the local – sometimes called municipal – government. Franz E. Neumann (cited in Duchacek, 1975, p. 47) points out that, logically, this level is in touch with the people the most and therefore no wonder that he ascribes huge significance to it.

It is certainly remarkable to what extent the relation between the local governments and their superior plane – the State – has changed. While the local plane used to be strictly subordinate to the States (in particular in the nineteenth century), the twentieth century witnessed a significant growth of



powers and independence of the local governments all over the union (Zimmerman, 2008, Chapter 3).

Nowadays the local governments are granted particular rights by the constitutions of each individual State and it resembles the relation that exists between the federal government and the States. We cannot, however, pronounce that these two relations which we have just subjected to comparison are absolutely the same since many States' courts opposed implementing the modified federal system between these two levels (Zimmerman 2008, Chapter 3).

The US Constitution itself is very laconic when it comes to the local governments. They have been restricted by State constitutions as the time went. Nowadays, there are three models that the State-local relations are based on. The first one called "The Ultra Vires Rule" and it allows the local governments to exercise specifically enumerated powers. Under the second model, "An Imperium in Imperio", the local level is given certain rights which are protected and the States are legally obliged not to exercise them instead of the municipalities. The third model involves the devolution of powers to the municipalities. A similar trend can be seen when there is an administration in Washington which attempts to give the States more rights at the expense of their own (Zimmerman, 2008, Chapter 8).

This governmental plane is sometimes overlooked as the federal-states relations are scrutinized to a larger extent, but we should not forget that especially Republican administrations have been hugely encouraging the local governments. The motive behind is that they are the units which are the closest to citizens and therefore the idea of making them as self-sufficient and independent as possible resonates with many conservative politicians.

One of the strongest proponents of local governments who put a lot of effort into devolving responsibilities to them was President Ronald Reagan.

He believed this level should be assigned all the powers it can handle for the reason stated above. His belief was so deep that the only function he would not like them or the States to assume was the national defense and security (Conlan, 1988, pp. 222-223). The terms “local government” and the “State” are often interchangeable, although this does not happen in treatises. A possible explanation for this can be found in Zimmerman’s (2008, Chapter 8) book where it is stated that the States basically outsource their powers to their subdivisions at their own discretion. The important thing that comes out of this is that these powers are not in the hands of national government, but are distributed between the lower levels, no matter where exactly. That is why the difference may be sometimes overlooked by people who are not very familiar with this topic as it seems unimportant to them.

### **3.4. The Supreme Court**

This institution is mentioned just very briefly in the US Constitution and that is in Section 1 of the Article III. The exact number of judges of this court is not stated anywhere so the number used to vary as the time went and today there are fifteen of them.<sup>8</sup> Section 2 of the Article II of the Constitution entitles the President of the US to appoint the judges, although he or she has to ask the Congress to approve it (Zimmerman, 2008, Chapter 5). As we will see later, Presidents often take advantage of their authority to do that in order to appoint judges that most likely will not interfere with the course he or she had set up and holds.

The United States Supreme Court serves, in Elazar’s words, “as an arbiter of federal-State relations, constitutional guarantees of internal autonomy to the States<sup>9</sup>, and the constitutionally guaranteed powers of the

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<sup>8</sup> There were six judges in 1789, the number was reduced to five in 1801 and raised just two years after by two, then to nine in 1837 and to ten in 1869 (Zimmerman, 2008, Chapter 5).

<sup>9</sup> Ivo D. Duchacek (1975, p. 41) includes the term „state“ in the term „province“.

states and localities in national politics” (Elazar, 1984, p. 10). The authority of the federal law is superior to the laws in the individual States and in case that there are two laws applicable to the same thing, the federal law takes precedence (Ruzicka and Kozak, 2008, p. 49).

It is interesting to see that the Supreme Court apparently does not serve simply as the arbiter, but also as a key player that influences the form of federalism. Grodzins claims the Supreme Court is responsible for the fact that dual federalism prevailed in the United States during the nineteenth century and that it has transformed to the cooperative federalism in the 1930s. National grants gave birth to the cooperative federalism as the national plane and the States were gradually made to cooperate (Grodzins, 1984, p. 26). Samuel H. Beer uncompromisingly subsequently declares that “dual federalism [...] belongs to the past” (Beer, 1978, p. 9).

Is it possible to reveal the reasons standing behind the widely held belief that the dual federalism is extinct in the United States? The States’ resistance towards federal interference has been very well-known and therefore the Federal officials realize that there is no point in trying to put the squeeze on them, because it is going to meet with opposition, for sure. It is a paradox that although the State programs exist merely thanks to the grants provided by Washington, most Americans see red every time they sense that Washington tries to curb the freedom of their home states (Vile, 1961, p. 162).

Elazar borrowed quotes Chief Justice Chase when he talks about the states: “In the constitution the term state most frequently expresses the combined idea...of people, territory, and government” (Elazar, 1984, p. 11).

The Supreme Court’s decision of 1937 in a case called “Carmichael v. Southern Coal & Coke Co.” terminated the endless feud over the constitutionality of the cooperative federalism. It ruled that cooperation between Washington and the States is absolutely necessary for the “public

purpose” and therefore should not be obstructed. Moreover, you will hardly find a clause or a sentence in the Constitution opposing this.

There were, however, efforts made by politicians to exert their influence over the Supreme Court’s decisions in order to push through their vision of federalism. The most successful was probably the Republican Party which passed unnoticed doing it since 1976. They have appointed so many conservative judges that no wonder that in the early 1990s the court’s decisions leaned rather towards the “fixed” form of federalism (fixed and flexible are discussed later in the text<sup>10</sup>) (Clayton and Pickerill, 2004, p. 87). We should, however, take into consideration that the way Republicans were influencing the Supreme Court was no cunning. Presidents coming from the Republican Party had to face the Congress where Democratic members dominated from 1968 until 1992 and therefore had to look for ways of implementing their firm beliefs into praxis (Clayton and Pickerill, 2004, p. 94).

Baybeck and Lawry (2000, p. 96-97) have done a research asking themselves whether it really mattered that the Supreme Court judges leaned towards conservatism or liberalism. Their outcomes are unequivocal. While the conservative judges tend to defend the rights of the States, the liberal ones advocate the federal government’s preemptive actions. On the contrary, conservative judges often rule in favor of preemption and liberals in favor of the States. They do it because, apparently, decisions which might seem to be against their political persuasion lead to outcomes that are in harmony with what they believe in – conservatism or liberalism.

In summary of all the information stated above, we can say that appointments of conservative judges have mostly paid off to the Republican Party. But before we get any further, it would be sinful not to mention how uncompromising Elazar (1984, pp. 174-175) assesses whether the Supreme

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<sup>10</sup> “Fixed“ federalism is interchangeable with “cooperative“ federalism. The same rule applies to the terms “flexible“ and “dual“ (Clayton and Pickerill, p. 95).

Court leans more to the States or to Washington. He says “While the Supreme Court’s decisions are not designed to be either antistate or profederal [...] in fact its decisions have served to give those who have been interested in expanding federal power a green light.”

#### 4. COOPERATIVE FEDERALISM

Cooperative federalism stands for the claim that the governmental planes share functions. Sharing in our case means that decisions about any given program are made by the representatives of federal government together with representatives of state and local governments. All the planes share responsibilities related to the administration of these programs as well as the operations themselves (Grodzins, 1984, pp. 10-11). The system of American government used to be likened to a three-layer cake, each layer representing one governmental plane. It was believed that these three layers did not collaborate with one another in any way. This theory was abandoned eventually not only because cooperative federalism had actually prevailed, but also because it was discovered that the levels collaborated even before the arrival of cooperative federalism (Grodzins, 1984, pp. 7-8).

The seed of the Federal-state cooperation was already planted back in the 1790, almost at the very outset of the existence of the Union. The area these two governmental planes were bound to cooperate in, according to the Constitution, was militia. Regardless of what the Constitution demanded, the actual collaboration was not happening to any significant extent (Vile 1961, pp.160-161).

It is logical to say that when M. J. C. Vile was working on his book *The Structure of American Federalism* which was published in 1961 he possibly could not know to what extent the cooperation would develop in the years to come. In spite of that, he was able to identify quite a couple of areas where he believed the collaborative action was taking place<sup>11</sup>.

He believed that economic policy and regulation as well as social welfare legislation were highly under the influence of both governmental planes whilst criminal and civil law rather came under the power of the states

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<sup>11</sup> Zimmerman (2008, p. 30) calls this collaborative action „concurrent powers“.

(Vile 1961, pp.5-10). He also makes an interesting point when he expresses his belief that the federal government certainly had the opportunity to exercise its power and take over even the fields of state sphere of influence, but no attempt has been made (Vile 1961, p. 66).

Furthermore, Zimmerman (2008, Chapter 3) adds that the states may exercise some of the powers granted to Washington if they perceive its actions as inadequate or if the acute problems are not being done anything with. He specifically speaks about the police power, public health and safety. The States' actions must be substantiated.

As far as the financial matters are concerned, the three levels of government cooperate this way: the lower planes take a role of managers of the programs, putting them into action, whereas the upper governmental planes cater funding (Elazar 1984, p. 51). Walker (1991, p. 107-109) provides an excellent example when he looks back at the inception of social regulation such as safety and health or measures connected with energy. According to him, these actions initiated during the Nixon<sup>12</sup> administration caused that the States became not only the targeted subject but were also entrusted to carry out the programs themselves.

This relation has been working this way since time immemorial. However, F. D. Roosevelt's<sup>13</sup> New Deal is the reason why Jane Perry Clark decided to use the term "cooperative federalism" for the first time stressing the fact that this relation has intensified immensely (Beer 1973, p. 74). Some of the areas this assertion applies to are industry, agriculture, labor and welfare services (Vile 1961, p. 66)

Elazar (1984, p. 58) points out, however, that we should not consider this "financial relation" to be a centralizing tendency. The federal role was just to set the very basic standards for the programs and the states were

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<sup>12</sup> The President of the US between 1969-1974

<sup>13</sup> The President of the US between 1933-1945

supposed to decide how the programs will be formed as well as the way they will be used.

Even when we take a look at Democrats who are perceived as the party which supports this way of running the country, they assert that they the federal assistance is necessary because the lower planes are not capable of delivering the quality that Americans require themselves. They simply do not have enough funds for it (Clayton and Pickerill, 2004, p. 99).

On the other hand, Vile (1961, p. 160) sees it as a great opportunity for Washington to shape the legislation within the states so that the Federal government could silently push through standardization of laws and secure their resemblance to those already existing in Washington. Vile does not assert whether this is a good or a bad thing. He simply believes this helped to establish the whole administrative process and provided its smooth running.

When we take a look at some of the post-World War II administrations, we will find out that even conservative administrations dealt with management of finances toward the states differently. Samuel H. Beer asserts that while the Eisenhower administration decided to decentralize the system in order to allow the states and local governments to take over and run it more or less by itself, the Nixon administration, in contrast, decided to keep running it by itself and only started financing decentralized functions. Reagan was probably the most radical in terms of reforming the system when he decided to decentralize, yet without the financial help of the central government (Conlan 1988, p. xiv-xv).

Is it possible that the grant system will be terminated sometime in the future? Morton Grodzins (1984, p. 368) does not believe so as long as the central government is financially able to secure the flow of cash towards the states. One of the reasons he provides is that the federal government is



extremely immune to instability of the financial sector and is able to carry on even in times of great depressions.

Is it even possible to avoid centralization tendencies in American federalism? Samuel H. Beer does not think so and he presents evidence for this claim (Beer, 1973). He asserts that as the various sections of society become more and more interdependent, it is virtually impossible to avoid centralization. According to him, this process is neither unnatural nor deliberate, but rather the result of development of American society (Beer 1973, p. 56).

And yet there are people who consider the word “centralization” to be misleading, because its meaning usually implies that the power accumulates in Washington D.C. One of the people opposing this argument is M. J. C. Vile (1961, p. 8) who, on the one hand, agrees that centralization actually occurs, but on the other hand says that we can identify two waves of centralization which radically change the sense of the word. Each one of them comes from a different direction. The first one is carried out by the federal government and the second one by the state governments. The origin of this mutual influencing can be tracked back to the year 1887 where the Interstate Commerce Act was passed legislating what has become common practice later on.

And here comes the point where Beer’s and Vile’s opinions diverge. While Beer holds the view that centralization means strengthening of the federal power at the expense of the states Vile perceives it as complementing each other. Vile specifically points out regulation and strictly refuses the assertion that federal regulation and power in general supersedes the state regulation (Vile, 1961, pp. 8.-9). This brings us back to the finding stated above in the text that the cooperative federalism is nowadays really the prevailing one.

Equally as important as what has been said so far is to emphasize that there actually are spheres where national government successfully displaced the authority of states. According to Grodzins (1984, pp. 27-28), these are the amendments of the American constitution. Although the Supreme Court had to deal with many disputes between the national government and the states, it proved that both entities are mutually dependent regardless of their desire not to.

Speaking about the constitutional amendments, there is one specific which we can hold accountable for the fact that dual federalism had prevailed until New Deal was pushed through. Corwin (Beer 1978, p. 9), allegedly the author of the term “dual federalism”, consider the strict division of powers between the federal government and the states to be something determined by the Tenth Amendment. This was not merely his perspective, but it was perspective of the Supreme Court until the New Deal as well (Beer, 1978, p. 9).

Moreover, the Tenth Amendment is also responsible for the reservation of the “residual powers” to the states. As the opponents of the constitution feared that the scope of powers granted to the federal government would be so overwhelming that the States’ powers would be gradually curbed, the Tenth Amendment was passed as assurance that this would not happen (Zimmerman, 2008, Chapter 3).

To sum up, the federal-state collaboration started to surface even before the Constitution was created. It was getting stronger and stronger throughout the years and the nineteenth century witnessed the cohabitation of dual and cooperative federalism. The policy of New Deal in the 1930s, brought about the stock market crash in 1929, gave rise to the cooperative federalism which dominates up to now (Grodzins 1984, p. 57).

Looking back at the twentieth century from the viewpoint of the following one, Ann O’M. Bowman (2002, p. 4) asserts that there are not

almost any functions that are utterly in the hands of a single governmental plane at the moment. The overlap may be seen everywhere.

## **5. DEMOCRATS, REPUBLICANS AND THEIR ATTITUDE TO FEDERALISM**

In the United States, probably more than everywhere else in the world, the strength of the central government plays a crucial role when it comes to the question regarding political persuasion. When we let ourselves to generalize a bit, we can say that voters who take the stand against the growth of government usually vote for the Republican Party whereas the Democratic Party is preferred by people who are less concerned by this.

Ronald Reagan (R)<sup>14</sup> stands out as a great example for this claim. He is well-known for his hostile attitude towards the central government's power, which is remarkable since he was one of its prominent figures for two consecutive terms.

Executive Order 12372 issued in 1982 during his first tenure was a huge victory for the states because it allowed them to manage the grants provided by the central government more freely than they had been allowed (Bowman, 2002, p. 8). By doing this he fulfilled one of his presidential campaign pledges from 1980 where he opposed the central government for spending money they did not actually have which led to severe indebtedness and over-taxation of the American people. If the economy had not been such a vexed issue back then, the steps of Reagan's administration would have still headed towards smaller government since Reagan's steps were motivated by his federalist beliefs (Walker, 1991, p. 109-111). These beliefs are commonly shared among members of the Republican Party.

Farnsworth (1999, p. 75) states that the hostility towards the "big government" helped the Republicans to reach majority in both the House of Representatives and the Senate in the 1994 elections. On the other hand, the Democrats realize that the dislike of federal government is deeply rooted

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<sup>14</sup> This means that he was a member of the Democratic Party.

in thinking of the American people and therefore they sometimes do not hesitate to criticize it either. Bill Clinton<sup>15</sup> (D)<sup>16</sup> himself had to step aside and let pass the efforts to return the rights connected with the management of the welfare policy back to the states, although he had contributed to the formation of that system. The reason he did so was, of course, the upcoming elections which is a period when each candidate has to suppress their true beliefs and say things which appeal to the majority of voters.

He explicitly expressed this “opinion” in his 1996 State of the Union speech where he told to the listeners that “the era of big government is over” (Bowman 2002, p. 8).

The fact that the Republicans took a more hostile stand towards central government in Washington during the '90s helped them immensely to increase their success rate in elections (Farnsworth, 1999, p. 78).

As Clayton and Pickerill (2004, p. 86) put it, Democrats stand for the “flexible” form of federalism, while Republicans prefer the “fixed” one. The difference resides in the opinion regarding the use of federal power. Democrats would like to delegate the federal powers gradually to the States and they would not require them to meet the federal policy standards so much. On the contrary, Republicans would like to eliminate most of the federal powers and they would restore the States’ powers.

There are clear evidences of the claims that both major political parties in the US have paid notable attention to federalism. Research has been conducted with the aim of finding out how many times both Democrats and Republicans publicly demonstrated their anti- or pro- federal approach. Their platforms (also called “planks”) served as the subjects the research has been done on and the outcomes are as follows: it is indisputable that the number of references regarding both “fixed” and “flexible” federalisms grew

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<sup>15</sup> The US President from 1993 to 2001

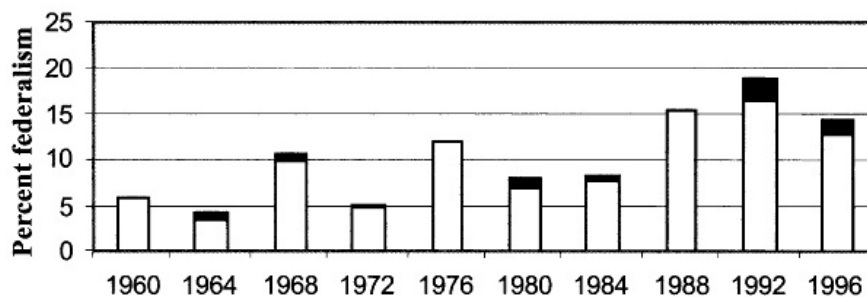
<sup>16</sup> This means that he was a member of the Democratic Party.

from 1960 to 1996. However, Democratic Party’s platform included far more references to the flexible federalism than to the fixed one. Likewise, the same contrast was proven in the Republican Party’s platform. But the proportion turned out to be the other way round (Clayton and Pickerill, 2004, p. 95-98).

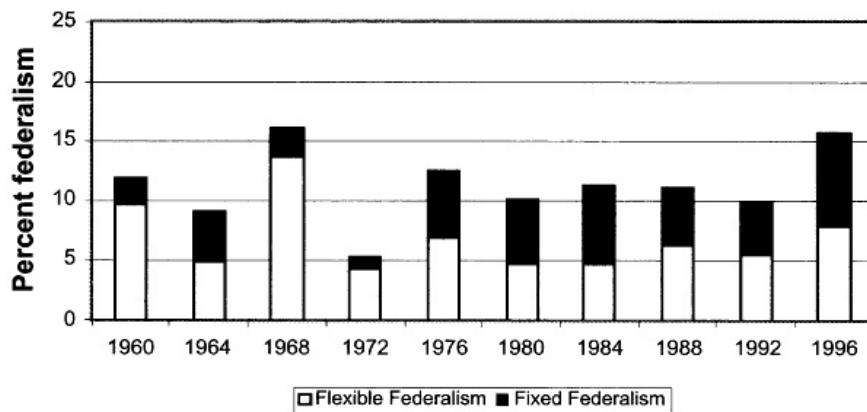
Here is how the data have been summarized: “There is a steady trend upward in the total number of references to federalism made in Republican platforms from 27 references in 1960, to 39 in 1980, to 57 in 1996. The total number of federalism references in the Democratic platforms also rose sharply, from just 5 references in 1964, to 51 by 1980, then decreasing slightly after the 1980s” (Clayton and Pickerill, 2004, p. 97-98).

**Figure 1: Percent of Federalism References in Party Platforms**

**Percent of Federalism References in Democrat Platforms<sup>a</sup>**



**Percent of Federalism References in Republican Platforms<sup>a</sup>**



Source: Clayton and Pickerill, 2004, p. 97

In the last couple of years when the world is going through arguably the worst economic recession since the 1930s, the contrasting approach to fiscal federalism between Democrats and Republicans has been widely demonstrated in the media. Conlan and Posner (2011, p. 426) advert to the “American Recovery and Reinvestment Act of 2009” which is a stimulus package, perfect example to demonstrate the ideological differences of the two parties. While Republicans believed that the economic recovery would be brought about the by introducing significant tax cuts, Democrats stuck to the Keynesian economic theory and intended to foster public spending. A compromise was reached eventually combining both parties’ recipes.

## **6. HISTORICAL DEVELOPMENT OF FEDERALISM AFTER WWII**

This chapter explores the transformations that American federalism has undergone so far since the end of the Second World War. The developments are analyzed chronologically, decade by decade. Each one of them takes a look at the changing nature of the relationships among the governmental planes with the focus on financial matters such as the grants-in-aid and/or block grants. Although the character of federalism is always a result of many political processes initiated and conducted by more than just one single player, most attention is paid to the US President and his administration as they are usually the most responsible for the twists.

### **6.1. The Fifties**

When we take a look at the total amount of the federal grants-in-aid to state and local governments from 1948 to 1962, it is apparent from that data that the federal-states relation regarding the financial matters became more cooperative since the cash flow intensified considerably. In 1960, the total amount of money sent “downwards”, to the States that redistributed the money among local communities, reached 6.85 billion dollars whereas in 1948 it was only 1.62 billion (Grodzins, 1984, p. 61). This greater cash flow was facilitated by so-called “block grants”, as the Nixon administration coined the name in the 1970s, but we actually date their origin back to the 1950s. Block grants represented the consolidation of various federal aid programs. But the system was much fragmented in the period we are discussing at the moment. This made itself felt by many administrators who kept complaining that handling of so many specifically-oriented funds at the same time overwhelmed them with paperwork and there was no time left for an actual upkeep of their communities (Conlan, 1988, p. 23).



As the '50s progressed, many cities and local governments began to circumvent the States in order to establish a more direct relation between themselves and Washington. They did it by founding their own headquarters in D. C. and some of the reasons stated for doing so were irresponsibility, neglect and misapprehension of cities' actual needs as manifested above (Grodzins, 1984, pp. 220-221).

The first decade we are examining here already witnessed fierce fighting between the States and the national government. This occurred in spite of the fact that the responsibilities in an issue which we are going to discuss in a moment had been shared by all participants and none of them seemed to long for their expansion.

The subject concerned was the production of natural gas and its distribution. Up to 1954, the States and local authorities determined for what prices the producers would sell natural gas to the distribution network as well as the prices for which the local distributors would sell it to the customers. The only sphere that fell within the regulation of the federal government was the pipe-line companies which channeled natural gas across the US. The national government regulated quite a broad network, because this material was being extracted from the States lying in the South-West region and transported mostly all the way up to the North and East (Vile, 1961, pp. 114-115).

In 1954, a Supreme Court decision in a case called "Phillips" ruled that Federal Power Commission, which was in charge of the regulatory activities over the pipe-line system of distribution, had also right to control the producers. The decision was based on the Natural Gas Act of 1938 that the federal government followed and which "gave the Commission power to regulate persons selling natural gas in interstate commerce for resale" (Vile, 1961, p. 115). Not only a threat emerged that national government would assume control over this part of the chain, but the States would lose a lot of

money which they raised by taxation. The producers expressed their desire to remain under the influence of the States, whereas the local distributors were thrilled that federal regulation would protect them from sudden price increases initiated by the producers. Although there was an endeavor to reverse the court's decision, the control remained in the hands of federal government. A bill which was supposed to re-empower the States once again had to be stopped by President Eisenhower, because it had been lobbied for to such an extent that it infuriated many people and its coming into effect would be therefore unthinkable (Vile, 1961, p. 116).

## **6.2. The Sixties**

Without doubt, the centralizing tendencies of the American federalism were first noticed by many in this very decade. Washington began to intervene "in policymaking, regulatory, political, and judicial terms, and [...] in the intergovernmental fiscal, programmatic, and managerial arenas" (Walker, 1991, p. 106). Numbers support this claim, because the amount of sent payments increased more than three times in comparison with the previous decade. One could expect that Washington attached conditions to these grant-in-aids in order to make use of its coercive and preemptive powers, but that was not apparently the case (Walker, 1991, p. 106).

The 1960s are, however, tightly-knit to the developments which occurred in the previous decade. The businessmen across the United States realized after seeing federal efforts like the one concerning the natural gas in the previous decade that it would be more advantageous for them to be regulated by one national set of standards than by fifty different ones. As a result, they began to prefer the former to the state regulations. Moreover, some of the States had higher standards than those required by Washington, so this orientation was clearly better for them. This initiative

was first led by the automobile industry, but many followed shortly afterwards. There was a grave peril that business would foster the preemptive actions of national government like this one which would lead not only to lowering of standards, but also to a significant weakening of the States (Elazar, 1984, p. 240-241).

There were more cases where Washington exerted its influence over the States which resulted in establishing national standards. The central government made a decision to limit the financial resources from the federal highway fund by five per cent to those States where it was legal for people under the age of twenty-one to drink alcohol. After this decision was made, all the States enacted laws establishing exactly what Washington had wanted (Ruzicka and Kozak, 2008, p. 62).

In 1964, President Lyndon B. Johnson<sup>17</sup> (D) decided to battle the poverty when he presented his plan “War on Poverty” to the public. His aim was to keep this effort centralized and conduct it from Washington. This was one of the first moments Republicans realized that federal-led actions directed towards the States could be attacked using the federalism arguments. They questioned the proposal by pointing out that there were already 42 federal programs dealing with this issue and the centralization would pose a threat to the state, local and private programs. Although they were effective, they would be completely left out (Clayton and Pickerill, 2004, p. 99).

### **6.3. The Seventies**

Walker (1991, pp. 107-108) says that the centralizing tendency intensified after Richard Nixon moved in to the White House in 1969 and lasted approximately till 1978. In 1968, when Lyndon B. Jonson still

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<sup>17</sup> The President of the US between 1963-1969.

occupied the presidential seat, the number of grant-in-aids was about 380 and it amounted to 539 by the end of the '80s which is an increment of about 60 per cent. This is understandable when we take into consideration that the US was going through economic recession lasting from 1975 to 1977, which is a situation that always needs more involvement on the part of the national government in order to be solved.

As a result, federalism began to play an important role within the political parties and caused the emergence of striking differences between Democrats and Republicans every time this topic has been brought up. The States rather inclined towards the Republican Party since it pushed for revival of the States' powers at the expense of the national government. Quite a few reasons the American people took a stand against Washington can be identified. They basically stopped believing that the federal government which conducts everything happening from the Atlantic to the Pacific can perform better than decentralized units spread across such a large area. The belief that the government should be more market-driven eventually prevailed. Apart from this, many interest groups and think tanks sprang up which fostered the efforts leading to these changes (Clayton and Pickerill, 2004, pp. 93-94).

The centralizing tendency under Nixon was justified by arguments claiming that the national government is more efficient in certain areas than the lower governmental planes and therefore should be allowed to manage them at its own discretion. Such areas included entitlement programs<sup>18</sup> and welfare. The administration truly believed that putting the grants-in-aid together would ease planning and coordination and improve flexibility as well as reduction of bureaucracy (Conlan, 1988, p. 3). In contrast, the stock market crash of 1929 made many people realize that the sectors of the

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<sup>18</sup> Longman English Dictionary Online defines it as "a US government programme or system that gives money or help to people who need it" (*Longman English Dictionary Online*. [online] Available at: <<http://www.ldoceonline.com/dictionary/entitlement-program>> [Accessed 13 February 2012]).

American economy are interdependent and they can inadvertently suffer damage caused by butterfly effect<sup>19</sup> coming from another sector than their own. This is the way we can explain the persuasion of some of the political leaders at that time who were suggesting that the States should be commanded in order to protect them from such abrupt changes (Sunstein, 1987, pp. 425).

Just in brief, the funds provided for the programs run by the federal government skyrocketed by over 250 per cent between 1969 when Nixon became the President and 1974 when he had to resign facing allegations concerning the Watergate scandal. Apart from that, certain programs were fully nationalized. SSI (Supplemental Security Income), a program with a task to provide for disabled, poor and elderly, was one of them (Conlan, 1988, p. 81).

Despite the strong evidences indicating that Nixon centralized the federal power, Conlan, after all, comes to a conclusion that Nixon administration's endeavors were actually designed to lead to decentralization. He argues that people usually connect weakening of the central power with strengthening of the State's power and the other way round. Nixon's target that he aimed for was to reinforce central power by liberating it from responsibilities which would be managed better by the other governmental planes. According to him, each level works efficiently when it is assigned responsibilities which fit it the best. In this case, Washington should tell the States what to do, but they should be allowed to consider the way of doing it solely by themselves (Conlan, 1988, pp. 221-222).

Although Jimmy Carter<sup>20</sup>, whose administration concluded this decade, initially sought to diminish the influence of Washington, his four

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<sup>19</sup> It is a theory which says that "small changes [...] can lead to large-scale and unpredictable variation in the future state of the system" (Merriam-Webster Dictionary. [online] Available at: <<http://www.merriam-webster.com/dictionary/butterfly%20effect>> [Accessed 19 April 2012]).

<sup>20</sup> The President of the US between 1977 and 1981.

years in the Oval Office brought extensive control over a larger number of local governments than ever before. This was carried out through “Community Development Block Grant” (CDBG), which was gradually being taken over by federal government. This grant system was intended to provide local governments with monetary resources. Carter’s administration loosened the requirements for becoming grant recipient which led to the increasing number of local governments getting addicted to these resources. They were accompanied by many rules which had to be obeyed and that resulted in greater influence over them (Conlan, 1988, pp. 95-96).

Ruzicka and Kozak (2008, p. 136) believe that the concept of cooperative federalism was replaced by coercive federalism during this decade. The adjective coercive is used to describe the fact, as the authors claim, that the federal government tells the States what to do, but it does not provide them with enough resources so they actually cannot fulfill these task. This is caused by the national government’s constraint budget. It does not make it possible to lure the States to join the programs run by Washington, so the central government has decided to set standards that the States have to meet in order to get to the wherewithal. By the way, the standards are mentioned quite a few times in this paper, because they really have become a means by which Washington exerts it influence over the States.

#### **6.4. The Eighties**

Both the states and the local governments had to get used to receiving less money than before in this decade. The federal aid, once so big, has been reduced immensely and, with the exception of 1982, the growth of the federal cash support was almost unnoticeable. The fiscal cuts were justified, among other reasons, by the two-year recession in the mid-seventies (Walker, 1991, p. 109).

ERTA (Economic Recovery Tax Act) and OBRA (The Omnibus Budget Reconciliation Act) were the formal proposals to reduce Washington's spending, the latter discontinuing more than 60 grants which meant it was left at the States' discretion to decide whether it was worth carrying them on their own expenses (Walker 1991, p. 111).

The true intentions behind these endeavors were not the same as those for which Nixon pursued the restructuring of financial cash flows. Whereas the Nixon administration aimed to achieve greater efficiency, Reagan headed towards the diminishment of national power over the States (Conlan, 1988, p. 1-3). In order to achieve this he eased up many federal standards that the States were obliged to follow and also managed to reduce the federal supervision that had been imposed over them (Zimmerman, 2008, Chapter 6).

Zimmerman (1991, p. 26) points out that Reagan, on the one hand, declared that he wanted to return more power from Washington to the States, but on the other hand, he vetoed only two preemptive actions aimed against them. He just silently witnessed how the preemptive bills were passing in the Congress. We can assess that Reagan's so-called "New Federalism" was not really about giving more rights to the States or local level, but only about reducing the size of national government.

At the outset of the '90s, David B. Walker (1991, pp. 117-118) evaluates that the preceding decade followed the trend of increasing the federal power, which first emerged in the '60s. This power is so strong that it is virtually impossible for the States to engage in devolutionary actions unless Washington agrees with it. He calls this "permissive federalism" - the greater independence of the lower planes permitted by the central government.

## 6.5. The Nineties

The devolution<sup>21</sup> which was being pushed ahead during the '80s by President Reagan spilled over to the '90s due to the fact that the Republicans were able to keep the control over both the House of Representatives and the Senate. Although there was a democratic president sitting in the White House, the Republicans simply did not give him a chance to reverse this trend. The truth is that he even might not have desired to do so. Bill Clinton (D) served as a governor of Arkansas for two terms which may have influenced his attitude to the federal-States relation in a way that he was not as eager to keeping the States' rights under federal control as other Democrats might have been (Bowman, 2002, p. 11).

The 1990s was really the period when federalism became, as Clayton and Pickerill (2004, p. 98) put it, the "cleavage issue" between the two major parties. The research which they conducted, and which has already been mentioned above, showed that both parties started expressing their views of federalism more vigorously than in the previous decades.

Oddly enough, even Democrats expressed their wish in their platform in 1996 to diminish the "big government". Although they did it openly, we could hardly assess that their mindset has changed so radically. They stuck to their principles and keep labeling the relation among governmental planes as cooperative (Clayton and Pickerill, 2004, p. 100).

The Tenth Amendment to the Constitution began to be used in the '90s by Republicans to advocate their attempts to restrict the growth of the federal power (Clayton and Pickerill, 2004, p. 103). Every argument referring to the Constitution is always quite strong as this document is cornerstone of the American political system and therefore ought not to be underestimated.

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<sup>21</sup> The Oxford Online Dictionary defines devolution as "the transfer or delegation of power to a lower level, especially by central government to local or regional administration" (*The Oxford Online Dictionary*. [online] Available at: <<http://oxforddictionaries.com/definition/devolution?q=devolution>> [Accessed 16 March 2012].)



## 6.6. The New Millennium

Despite everything we have learned in the chapter discussing the major parties' attitude towards the central power in Washington, when a conservative Republican President settled down in the White House the anticipated decentralization did not begin to happen. Instead, George Walker Bush<sup>22</sup> adopted something called "big government conservatism" (Milkis and Rhodes, 2007, p. 478). Mucciaroni and Quirk (cited in Milkis and Rhodes, 2007, p. 482) claim that Bush believed that "targeted federal activism could lubricate markets and promote the entrepreneurial spirit". He was basically trying to defend the growth of the central government with an argument that a big conservative government will serve the conservative purposes.

Advocating this, he significantly encroached upon the sphere of education, which had been considered to be mainly under the administration of the States, with the "No Child Left Behind Act" (NCLB) of 2001.<sup>23</sup> He neither hesitated to take action on the health care (Milkis and Rhodes, 2007, p. 484). But that was carried out presumably to a lesser degree with comparison to his successor, President Barack Obama, whose reform stirs a lot of controversies nowadays.

George W. Bush is one of the few Republicans whose behavior do not correspondent with the outcomes Pickerill and Clayton (2004, p. 97) arrived at when they conducted the research on the public commitments to federalism in their party platforms (discussed above in this paper). Milkis and Rhodes (2007, p. 483) assert that federalism was being mentioned publicly

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<sup>22</sup> The President of the US between 2001 and 2009

<sup>23</sup> The claim that education lies mainly within the influence of the States comes from statistics of the 2002-2003 school year. Only 8.5% of all the financial funds for that period were provided by national government, in comparison with 48.7% provided by the States. "Local educational authority" (LEA) and "school boards" are local-based authorities that have an enormous impact on education which proves our assertion as well (Ruzicka and Kozak, 2008, p. 70).

far less by both George W. Bush and his fellow party members than by the previous republican Presidents.

When we compare the number of preemptive bills, thus bills rescinding laws of the States because they contravene the federal law, we will find out that Bush Junior approved even more of these bills than his democratic predecessor in the President's office, Bill Clinton. The exact numbers are eighty-seven versus sixty-four (Zimmerman, 2008, Chapter 4). This once again proves our point which was discussed earlier that no matter what party the President comes from, they can still act the way we would never expect them to if we took into consideration solely the party affiliation.

In addition to that, George W. Bush had the advantage of having supportive Congress controlled by Republicans which strengthened his position even more. The centralizing tendencies are noticeable during this period and it is really rather striking, because one would assume that former governor of Texas would feel compassion for the level he worked so many years at. Bush and the political party he comes from were supported, however, by Democrats when it came to things such as establishment of the Department of Homeland Security as well as "No Child Left Behind Act", so the "blood of the States" is on hands of both these parties (Ruzicka and Kozak, 2008, pp. 134-135).

But at the same time, we must not forget that the growth of federal government unprecedented in the history of conservative administrations has to be understood under given circumstances. These were the War on Terror and establishment of the above mentioned Department of Homeland Security, a US cabinet department dealing with external threats, which has been eating up lots of money (Milkis and Rhodes, 2007, p. 484). Although the War on Terror has not changed the nature of relations between the States and the national government in its nature, certain concerns have been voiced calling to make the States more subordinate in order to secure

better coordination in case of another terrorist attack (Ruzicka and Kozak, 2008, p. 110).

The States developed a savvy strategy of using the federal resources that are being sent to their bank accounts for inner security augmentation, because this spending is reimbursed by the national government as it falls under its authority. Similarly, Washington also makes use of this newly established relation, because it attaches conditions to these financial funds and therefore is able to influence the decisions of the States (Ruzicka and Kozak, 2008, pp. 108-109).

One of the hot issues that have a significant impact on the American politics is certainly the matter of immigration. We have been witnessing many disputes between Washington and the states sharing their borders with Mexico such as Arizona, California, New Mexico and Texas. President Obama has recently got into argument regarding this with Arizona's governor Jan Brewer (R) which caught a lot of media attention.

Zimmerman (2008, Chapter 3) argues that although the regulation of immigration is not explicitly granted to the federal government as one of their enumerated powers, Washington sometimes considers it to be one of its "resultant powers". It is necessary to point out that the legitimacy of resultant powers are based on at least two powers clearly delegated to it.

When Barack Obama became President in 2009, there were concerns that his administration would go down the road of centralization because the financial crisis had struck the United States and disasters like these usually require federal-centered management. During his presidential campaign he also openly declared that he would take a more forceful stand towards the health care reform and probably to the issues related to the climate change as well. Surprisingly, these declarations have turned out to be quite inaccurate. The States themselves are allowed to decide whether they want to administer even the most controversial program Obama has to offer, the

health care reform. And speaking about the economic unease that the country goes through nowadays, the inclusion of the States into the economic recuperation processes is also not negligible (Conlan and Posner, 2011, p. 421).

Vice president Biden plays a key role in balancing the relations between the States and Washington and both sides are apparently truly glad for that as the liaison makes it possible for both sides to advance their interests (Conlan and Posner, p. 430). One must be taken aback by the cooperation among all the governmental levels, but on the other hand it is understandable considering that the country faces one of the gravest challenges in decades.

## **7. CONCLUSION**

The task of this paper was to analyze whether the relationships among the three governmental planes in the United States have evolved - and if so then to what extent - or whether they have been rigid since the end of the Second World War.

It has been proved in the text that dual federalism, the concept based on clear division of powers and spheres of activity among the governmental levels, was replaced by cooperative federalism in the 1930s and the relations among the key players in the system underwent momentous changes. They were generated by the policy adopted by the administration of President Franklin Delano Roosevelt who responded to the stock market crash of 1929 that ruined the economy in the US and around the world for a long time. Although it is not possible to claim unequivocally that the powers under cooperative federalism shifted in just one direction, it is admissible to say that the power of federal government has been on its uninterrupted rise throughout the twentieth century since then and spilled over to the new millennium.

The numbers presented above which support the claims that Washington uses its vast resources to exert influence over the States are staggering. National government has undoubtedly been using various financial grant programs to raise its influence on both the States and the local governments. They have been doing it particularly by attaching conditions that have to be met in order to allow the recipients to obtain the money and use it. The amount of money which can be withdrawn from the accounts of national government as well as the number of the funds themselves varies depending on the administration of the period we examine. Apart from the administration itself, its ability to get bills past the Congress also has to be taken into consideration. This connection helps us

realize that the President is not omnipotent and the members of Congress can be held accountable for the twists of federalism as well. Congress, as the readers of this thesis can see for themselves, is the place where the representatives of the States battle against one another or form coalitions in order to oppose bills which the administration tries to vote through, sometimes successfully and sometimes not.

The last but not least key player in the arena is the Supreme Court which balances the whole system by making decisions about whether the elements in the political system overstepped the marked limits of their powers. The Republican Party especially managed to nominate like-minded judges hoping to curb decisions that rather Democrats would like to see to be made.

In summary, we can say with certainty that American federalism has been on its march towards a stronger national government as the 20<sup>th</sup> century progressed. The centralizing tendencies have their roots in the 1930s policies of F. D. Roosevelt and the highly noticeable expansion first occurred during the 1960s. There was no pause, however, in the 1950s, to be clear. Although the growth of power on the one side of the equation does not necessarily mean that the diminishment of powers on the other side is directly proportional, the strongest Washington gets the more solicitous the States usually become.

This paper also provided enough information regarding American federalism in general and clarified not only the term “federalism” itself, but also terms both directly and indirectly related to it. Although there is no single definition of federalism, quite a few perspectives have been presented in order to prove that this issue is not easy to explore. There are many starting points from which it is possible to set out to the journey of getting to know federalism.

It has been demonstrated that there are party lines diametrically opposing one another. While the Democratic Party has adopted the stance of cooperation among the levels of government, the Republican Party struggles for the States to be given greater political powers and to reduce their dependency on decisions made in Washington. Repeated once again, Republicans partly succeeded in their efforts because they were able to develop a long-term strategy based on appointments of like-minded personnel to the Supreme Court justices' chairs.

We should not, however, automatically presume that each person who politically leans more to the left or to the right holds the view that we tend to attribute to that part of the political spectrum. Even some of the measures the Presidents of the United States take are not compatible with what we would assume. Richard Nixon serves as a great example, because despite being a conservative Republican, he believed that a more active national government would be beneficial for the States. But we also have to bear in mind that there are many factors which have impact on Presidents' decisions such as the political climate they administer their country in.

To sum up, the American federalism has made a long journey since the end of the Second World War. It witnessed both centralizing and decentralizing tendencies, depending on a vast variety of factors such as the ruling administration and the Supreme Court verdicts over the cases dealing with the national-state relations, for instance. It is unquestionable though, that the centralizing tendency prevails over the one pursuing the reversed trend.

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## 9. RESUMÉ

Este informe examina los cambios del federalismo en los Estados Unidos desde el fin de la Segunda Guerra Mundial hasta la actualidad. En primer lugar se explican los términos usados en el texto, por ejemplo el principal: “federalismo”. Se concluye con la inexistencia de una definición única del término federalismo, porque los científicos no han llegado a un acuerdo.

En segundo lugar, se presentan los principales elementos del sistema político y sus competencias. En el siguiente párrafo se debate la forma del federalismo actual y se afirma que el concepto de federalismo dual murió en los años treinta. Hoy en día, el federalismo dominante en los Estados Unidos es el colaborativo en el cual los gobiernos de los estados tienen que cooperar con el gobierno en Washington y viceversa para funcionar efectivamente.

Uno de los capítulos se dedica a los demócratas y los republicanos, partidos políticos más fuertes en el país. Aunque la sociedad considera que las actitudes federalistas son completamente lo contrario, la actividad de los presidentes que provienen de estos partidos no siempre corresponde con aquello que sostienen. Finalmente, llegamos a la conclusión de que ni la intención de cada republicano es reforzar los estados individuales ni la de cada demócrata intentar debilitarlos.

El desenlace se dedica a la evolución histórica del federalismo de la época que examinamos. Los cambios en el sistema político evidencian que el gobierno central se ha hecho más fuerte época tras época. En la actualidad, el federalismo ha cambiado por causa de la lucha contra el terrorismo y se observa que el centralismo es uno medios es más fuertes.