New Model Federalist No. 7 – On Economic Inequality

That severe economic inequality can produce ill effects in a republic – That opportunity is more desirable than equality – That competition provides the basis for opportunity – That government may regulate the market in certain ways – That government ought to invest in public goods, not subsidize poverty – That antitrust laws ought to be updated and enforced – That federal oversight of commercial finance is indispensable – That there ought to be competition between public and private education – That public education ought to be made competitive – That public provision for healthcare may be made by the States, and private insurance ought to compete freely with it – That governments ought to make investments which ease the cost of housing and transport

The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat. ***—Theodore Roosevelt, "Citizenship in a Republic" Speech, April 23rd, 1910.***

In our previous essay, we argued for the rebalancing of fiscal responsibilities between the federal government and the several States, so as to preserve the structure of our Union. Having so examined the wealth of the Republic, we shall now address the wealth of its citizens, which has in recent times undergone a great divergence.[1] Economic inequality is an inescapable subject in this 21st century, and it is one which regularly attracts an array of deluded and harmful proposals. Such notions as the nationalization of banks and industry, peddled by the salesmen of 'illiberal democracy' in its leftward manifestation, serve no end but to erode the right of property and spirit of enterprise upon which American prosperity is founded. We offer instead that the system of free markets remains the best means, as it has always been, to generate wealth for the Republic and opportunity for its citizens; that it fails to do so when the competition underlying that system is hindered; and that competition ought to be structured so that citizens can recover when they stumble, and return to the fray with new purpose and vigor.

Economic inequality among citizens demands separate consideration from the inequality among states that is a natural part of a federal republic. Should a vast divergence in individual fortunes become both widespread and insurmountable, it is not only a failure to fulfill that central promise of American citizenship, an opportunity for a prosperous life; it also becomes toxic to liberty. It corrodes freedom by heightening the allure of extreme measures, proposed with the ostensible end of tearing down inequality, that play on the jealousies of citizens.[2] When enough people struggle to meet the necessities of life and see among themselves a few whose riches are both spectacular and unreachable, their reason leaves them, passion takes over, and they consent to demagogic schemes with disastrous result. Communism appealed to Russian farmers and workers because they, desperately poor, gazed at the opulence of the Czarist nobility, which they could never hope to equal. If a republic should reach such a state of affairs, its liberty is doomed.

---

[1] A term used by economist Paul Krugman to describe the growth of income inequality in the U.S. since the 1970s.

[2] "Probably the greatest harm done by vast wealth is the harm that we of moderate means do ourselves when we let the vices of envy and hatred enter deep into our own hearts." Theodore Roosevelt, "Trust Speech," Aug. 23, 1902.

It follows, therefore, that even those citizens of these United States whose present wealth allows them to live comfortably and who justly desire to uphold the right of property, have a strong interest in tempering the ill effects of inequality. It is better to do so proactively and moderately, than to ignore the grievances of the less fortunate until a tyrant emerges and embarks upon a path of pillage and repression, which serves nobody and ravages the Republic.

Yet the instinctive response to the harmful effects of great economic inequality – to push for great equality – leads its advocates dangerously astray. There is always tension in republics between equality and liberty. Equality before the law is necessary for and reinforces political liberty; it is legal equality that the Declaration of Independence upholds. But equality before the law is wrongly conflated with economic equality. Whereas some convergence in fortunes may help to maintain freedom by dampening the appeal of illiberal temptations, strict pursuit of such equality instead undermines liberty and the republican government that liberty preserves.[3]

Differences of talent and temperament between citizens naturally produce differences of fortunes; to equalize those fortunes requires the state to seize what some citizens have privately earned; this act produces resistance; resistance prompts repression. Appropriation also engenders apathy, for the individual no longer sees a reward for his or her work; apathy permits usurpation of political power by tyrants.[4] Communism had economic equality as its principal goal; mankind witnessed it inflict unspeakable brutality, then fail. Strict economic equality is therefore neither achievable nor desirable. It is better to seek the old American promise of equality of opportunity, wherein each citizen may pursue prosperity and have a fighting chance of attaining it.

We must therefore counter the loss of opportunity; and we must redress the cause, not merely patch up the symptoms. The simplistic approach, often presented, of stripping the rich of wealth through excessive taxation and then redistributing that wealth in the form of handouts or subsidies, is both unprincipled and inadequate. It is unprincipled because it is a thinly-veiled assault upon the right of property. It is inadequate because, in the words of the famous proverb, it hands a man a fish, only feeding him for a day, rather than teaching him how to fish, feeding him for life. The opportunity to prosper comes about because of free enterprise; free enterprise, in turn, thrives on competition.[5]

The free market may be likened to Mr. Roosevelt's arena: competition inside it, properly structured, benefits not only entrepreneurs, but all citizens. Competition for workers creates jobs and increases wages; competition for sales lowers prices; competition for customers improves services. Rather than subsidize poverty, our Republic ought to invest in opportunity by enabling competition to occur and its citizens to compete – again and again until they prosper.

---

[3] "There is a manly and legitimate passion for equality that incites men to want all to be strong and esteemed. This passion tends to elevate the small to the rank of the great; but one also encounters a depraved taste for equality in the human heart that brings the weak to want to draw the strong to their level and that reduces men to preferring equality in servitude to inequality in freedom." Alexis de Tocqueville, *Democracy in America*, Vol. 1, Part 1, Ch. 3.

[4] "Tolerate neither rich men nor beggars. These two estates, which are naturally inseparable, are equally fatal to the common good. From the one come the fomenters of tyranny, and from the other the tyrants. It is always between them that public liberty becomes a matter of commerce. The one buys it and the other sells it." Jean-Jacques Rousseau, *On the Social Contract*, Bk. 2, Ch. 11.

[5] "…where the competition is free, the rivalship of competitors, who are all endeavouring to jostle one another out of employment, obliges every man to endeavor to execute his work with a certain degree of exactness. …Rivalship and emulation render excellency, even in mean professions, an object of ambition, and frequently occasion the very greatest exertions." Adam Smith, *The Wealth of Nations*, Bk. 5, Ch. 1.

In most instances, competition is fostered by low regulation, light taxation, and absence of government interference in the market, as we argued in previous essays. Yet capitalism is not an end in itself, but the best means to achieve one: the prosperity of the Republic and its citizens. A free market does not exist in anarchy, nor should it. Anarchic capitalism leads only to its own destruction through excessive speculation or the creation of monopolies, like a storm that, by the intensity of its downpour, soon exhausts itself. Finance is to enterprise what water is to life; but rampant speculation sucks the reservoir dry and leaves a desert in its wake. Competition is the current of capitalism; but monopolies and cartels dam the river's flow and flood its banks. It follows, then, that the economy of a government which never regulates the market shall suffer the same misfortunes as a government which does so too frequently.[6]

Some government oversight of the market is therefore a necessity, but government ought first to structure the market rather than intervene in it; and when it must intervene, it ought only to do so in order to maintain competition. Consider, as a basic matter, how the Constitution itself provides for the enforcement of contracts, bankruptcy law, and the establishment of patents, all of which are government functions that are vital to the conduct of business.[7] In keeping with this spirit, we present three general ways in which government may justly facilitate competition.

The first is to impede the entrenchment of monopolies and cartels that, although produced by the free market, serve once established to suppress competition. To do so effectively in these modern times requires a new model of antitrust policy which does not rely on the simple tactic of dismantlement employed by the trust-busters of old. The market today, characterized by vast networks that span the world and shift about in the blink of an eye, quickly amplifies success and swiftly punishes failure. Champions rise to dominate the arena, but may be toppled in their turn. It is true also that the rapid and worldwide flow of information which can nourish a behemoth may instead, or even concurrently, sustain a myriad of microscopic firms which can compete with their globe-spanning brethren, if not in their whole business, then at least in part of it. In this way a giant can be kept in check by a horde of mice. The consequence of both phenomena is that it is rare for many fighters of the same weight and stature to pace the ring at one time.

It would thus be counterproductive for antitrust action today to focus on breaking large firms into several parts of similar size. In place of trust-busting, we suggest instead a policy of trust-exercising. Emphasis ought to be placed on keeping the giants lean, and thereby unable to suffocate the market by raising prices and depressing wages. Such firms become fat and indolent either when there are not enough small competitors to occupy them on all sides, or when those competitors have no prospect of growing large enough to disrupt the incumbent's grip. These situations may arise when a firm or group of firms has expanded horizontally so far as to control virtually the entire market for one good or service, or when a firm that has become massive through vertical expansion accumulates enough capital that it can simply purchase any aspiring competitor nearly as soon as that challenger is conceived.

---

[6] "We still continue in a period of unbounded prosperity. This prosperity is not the creature of the law, but undoubtedly the laws under which we work have been instrumental in creating the conditions which made it possible, and by unwise legislation it would be easy enough to destroy it." Theodore Roosevelt, *Second Message to Congress*, Dec. 2, 1902.

[7] "The Congress shall have Power… to establish uniform Laws on the subject of Bankruptcies… to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries…" *U.S. Constitution*, Art. 1, Sec. 8; "No State shall… pass any Law impairing the Obligation of Contracts…" Art. 1, Sec. 10.

The market cannot by itself eliminate these indolent giants until they grow so slothful as to become altogether inert. In the intervening time, however, they will have held their industry in a state of distortion that diminishes its growth and thereby reduces opportunity for citizens.[8] It is not within the power of the several States to remedy this state of affairs, for the nature of a monopoly in a federal republic is such that it transcends state boundaries. It is thus necessary and proper in such circumstances for the federal government to prosecute anti-competitive mergers and acquisitions under antitrust law.

Some modern firms argue that they could not effectively provide their product without economies of a massive horizontal scale, and that such 'network effects' preclude them from having competitors of any size. In this instance, if the good or service they provide is purely a luxury, they must perhaps be left to their own monopolistic devices. If instead it may rationally be considered something that is essential to the public, then the firm ought to be regulated in some way, akin to providers of utilities such as water and electricity. The purpose of government oversight in most such instances, however, is to ensure that those firms shall not excessively raise prices or otherwise deprive citizens of the public good that they provide, and nothing more.

The second general way in which government may foster competition is to pass structural legislation to prevent financial speculation on a self-destructive scale, insofar as such laws follow to the furthest extent practical the principle of non-delegation of legislative power to regulatory agencies. Also, if compelled by circumstance, the federal government may justly respond to a market crash by means of direct fiscal intervention.[9] The largest commercial banks are as far beyond the control of state governments as are the fattest monopolies; and if they fail as a result of uncontrolled speculation, they destroy not only themselves but countless other firms, and damage the national economy.[10]

The third way is to invest in public goods and services – we use the term 'public good' hereafter to refer to both – which, as they are available to all citizens and facilitate enterprise, are crucial to creating opportunity. The means by which this end is pursued, moreover, are decisive to its outcome. Governments often swing between entirely public provision of such goods and full privatization; both methods lack competition and thus efficacy. When the government lacks the will or ability to do a job itself, and therefore fully privatizes that function, there is some competition among individual contractors, but no bottom line that all contractors must compete against; they often extract near-unlimited public funds to complete the task once begun, and their work may be of lesser quality than that done by government. Instead, the government ought to remain in the arena, but allow private firms to compete with it to provide the public good.

---

[8] "By a perpetual monopoly, all the other subjects of the state are taxed very absurdly in two different ways; first, by the high price of goods, which, in the case of a free trade, they could buy much cheaper; and secondly, by their total exclusion from a branch of business, which it might be both convenient and profitable for many of them to carry on. It is for the most worthless of all purposes too that they are taxed in this manner. It is merely to enable the company to support the negligence, profusion, and malversation of their own servants, whose disorderly conduct seldom allows the dividend of the company to exceed the ordinary rate of profit in trades which are altogether free, and very frequently makes it fall even a good deal short of that rate." Adam Smith, *The Wealth of Nations*, Bk. 5, Ch. 1.

[9] As it did, effectively, in the crisis of 2008.

[10] "Though the principles of the banking trade may appear somewhat abstruse, the practice is capable of being reduced to strict rules. To depart on any occasion from those rules, in consequence of some flattering speculation of extraordinary gain, is almost always extremely dangerous, and frequently fatal to the banking company which attempts it." Adam Smith, *The Wealth of Nations*, Bk. 5, Ch. 1.

Such partial privatization forces the firms to provide the good more efficiently than the government in order to remain in business; with services, it gives citizens a choice of a cheap but cumbersome public option or a costly but efficient private one. Consider the example of parcel delivery. Citizens may send packages cheaply via the U.S. Postal Service, or buy faster service from a company such as UPS or FedEx. Those two firms, in addition to competing with each other, must ensure that their services are more effective than those of the Postal Service, or else they would have no reason to exist. Most citizens will, at various times, use both those firms and the Postal Service, depending on the occasion; by having such a choice, the citizen benefits.

We shall now incorporate those general methods into practical proposals which are more akin to Theodore Roosevelt's Square Deal than the New Deal of Franklin Roosevelt, insofar as they shall create opportunity by fostering competition, and, through competition, improve public services, rather than merely redistribute wealth through high taxation. Theodore Roosevelt urged his fellow citizens to compete; he knew that they would sometimes win and sometimes lose; but he had faith that, if they had the courage to seize the chance before them, they would ultimately prosper.[11] Our proposals, though by no means exhaustive, are meant to create opportunities for all citizens of our Republic by addressing present difficulties in five areas: antitrust, finance, education, healthcare, and mobility.

First, Congress ought to revise existing antitrust legislation to address those aspects of the modern market which we described above, as well as particular manifestations of monopoly that arise therein. One such manifestation is the dominance some firms enjoy the intangible market for mass repositories of data, which they hoard so as to deny potential competitors the essential nutrient for growth in online commerce.[12] Another, common in this internet age, is when a firm creates, nearly single-handedly, an entirely new marketplace, and then uses this unique position to become both the steward of the new market and the dominant vendor within it. Such a company, as the just reward for its ingenuity, deserves for a time the fruits of the former role; but its foray into the latter suffocates competition, and thus ought to be limited.

Yet, as we have noted, countering monopolistic practices today by simplistically breaking the offender into several independent entities tends to cause inefficiency in the market and rarely offers benefit to citizens. Instead, a revised law ought to facilitate prosecution of anti-competitive mergers and acquisitions. Particular provision ought to be made so as to limit industry giants' horizontal acquisitions of small, 'startup' firms. Such firms, as they have the potential either to grow and compete generally with the incumbents, or to remain small and compete locally, hold the key to keeping the large trusts well-exercised and thereby serving the interests of citizens.

As the laws are revised, antitrust suits ought to be pursued rigorously in the federal courts when appropriate criteria are met.[13] Such cases ought not to be settled by feeble half-measures such as issuing fines to offending firms, for they can easily pay such levies; nor by extracting empty promises, in which those firms glibly proclaim that they shall not raise prices nor depress

[11] "There will undoubtedly be periods of depression. The wave will recede; but the tide will advance. This Nation is seated on a continent flanked by two great oceans. It is composed of men the descendants of pioneers, or, in a sense, pioneers themselves; of men winnowed out from among the nations of the Old World by the energy, boldness, and love of adventure found in their own eager hearts. Such a Nation, so placed, will surely wrest success from fortune." Theodore Roosevelt, *Second Message to Congress*, Dec. 2, 1902.
[12] Thoughtful proposals have been made by the *Economist* newspaper, and others, on antitrust policy regarding data.
[13] Several state governments have already taken the initiative in this regard; they ought to press it.

wages. No such vow can be trusted, because, like the scorpion in the fable, it is the nature of a monopoly to do such things,[14] and if an acquisition allows a firm to behave as a monopoly, that nature shall sooner or later emerge. The case, if it was raised on legitimate grounds, ought to be pursued to its conclusion in a court verdict, or else ended by the firm withdrawing its bid.

Such prosecutions ought not, however, to be used merely to shield favored firms, whose failure to compete is entirely of their own doing; and under no circumstances ought antitrust laws to be used to ransack private firms and replace them with ones run by or connected to the state, as is the practice in Moscow and Beijing. Rather, they ought to protect the citizen, whose cost of living rises as a result of monopolistic practices, and the Republic, whose economic potential goes unrealized when monopolies restrict enterprise and opportunity to a handful of channels.

Of particular concern, however, are 'information monopolies,' whose arbitrary influence over the news that citizens obtain, and over the interactions they have with their fellow citizens, conflicts with the principles of liberty. We consider these firms to be providing a public good, in the shape of a public forum, and thus to be in need of government oversight. We propose that the First Amendment protection of free speech be extended to those customers who are U.S. citizens or subject to U.S. jurisdiction, so that the firms may not restrict those individuals' expressions except in accordance with U.S. law; that simple standards for transparency be established, namely that country and company of origin be disclosed on advertisements and user accounts; and that safeguards for privacy in personal data be established. We believe that these measures, if well calibrated, shall be sufficient, and no further intervention in those businesses is warranted.

The spirit of trust-busting extends also to ending government monopolies on public goods and allowing partial privatization in the manner described above. However, the government, at all levels, ought to maintain a monopoly on the use of force.[15] Private armies and police forces are a threat to liberty and a source of embarrassment for our Republic, whether they are employed domestically or abroad. Only elected governments, whether local, state, or federal, are representative of the people and vested with their will. Thus the lawful right of force, except in instances of personal self-defense, is vested only in those governments, and in no other entity.

Second, the status quo in regard to government oversight of commercial finance ought to be upheld. The Dodd-Frank Act, passed after the crisis of 2008, has, through its establishment of capital reserve requirements and routine testing of the largest banks, prevented thus far a return to the speculative practices that caused the great crash. That Act's modification by the recent Congress, in raising the size threshold for banks which must submit to the Act's most stringent limitations, tends to the public good by allowing smaller banks to take some risks to compete and grow, in the understanding that, if they fail, they do not possess the weight to take the Republic's economy in tow. We propose only that this Act continue at intervals to be reviewed by Congress, so that the regulatory authority it bestows may not someday exceed the intent of the law.

Third, the several state governments ought to permit and encourage competition between public, charter, and private schools. Education is the foundation of enterprise and much else, and competition can strengthen it. Competition should occur in all districts: charter schools ought not

---

[14] The scorpion asks the frog to carry it across a river; the frog accepts, because it knows that if the scorpion stings it while crossing, both will drown; but the scorpion stings regardless. It says, "I cannot help it. It is in my nature."

[15] This does not imply a monopoly on weapon ownership, protected by the 2nd Amendment. The right of private citizens to bear arms guards liberty; the ability of firms to use arms against citizens, or foreigners, is a menace to it.

to be placed selectively so as leave to poor communities the option of public schools alone. States and counties ought also to make their public schools competitive by raising the pay of teachers, so as to attract talent to that career; by linking a portion of that pay to performance; and by dismissing teachers who consistently fail to perform, since their failure causes the failure of their pupils.[16] Furthermore, the federal government, acting under its power to regulate commerce between States, ought to create an exacting standard for completion of secondary education, in the form of an examination, leaving to state and local governments exclusive power to design curriculums. Such an act shall prompt competition between teachers, schools, and governments, and give firms a clear assessment of the educational attainment of potential employees.[17]

Higher education demands a different set of proposals. Much has been made, and rightly, of the unreachable price of a modern university education. Yet the cost of college is a result of supply and demand, and tuition subsidies cannot rectify it. Demand is high due to a pervasive belief that every citizen should attend college, which has led to a proliferation of economically valueless degrees and a lack of skilled tradesmen. If trade certifications can compete with four-year degrees in availability and in their potential to offer a prosperous life to citizens, demand for degrees will fall, and so will their cost. State governments thus ought to invest in the quality of public universities relative to their private counterparts, and also to incorporate trade certification programs into those institutions, as many community colleges have already done.

Fourth, the cost of healthcare ought to be reduced, first by restoring a competitive market for medical services, and then by investment from state governments in public health. A citizen, whose energies are drained by illness and whose finances are drained by the cost of treatment, is in no position to seize an opportunity that comes his or her way. Yet the nationalization of health care, like nationalization of other industries, is an alluring slogan but a false solution. The call for a single-payer system at the federal level is a call for monopsony – a market in which there is only one buyer – which is merely the other side of monopoly.[18] The rules of the market are similarly disregarded therein, and the result made worse by the fact that the sole buyer is an inefficient bureaucracy which may add freely to the public debt. In any such system, costs will be high – hidden, in this case, in the form of high taxation – and services will be poor. If we are to regard healthcare as a human right, nationalization is a lackluster means of ensuring it.

Nonetheless, critics of the present system shall point out, rightly, that it is hardly itself an efficient one. That charge is true because the existing system is not a fully competitive market, but a half-measure between free enterprise and central control. The federal government, by virtue of its vast Medicare system, exercises a considerable degree of monopsony power over the medical market. It thus behaves as a monopsony does, by fixing the prices it is willing to pay

[16] "In other universities the teacher is prohibited from receiving any honorary or fee from his pupils, and his salary constitutes the whole of the revenue which he derives from his office. His interest is, in this case, set as directly in opposition to his duty as it is possible to set it. It is in the interest of every man to live as much at his ease as he can; and if his emoluments are to be precisely the same, whether he does, or does not perform some very laborious duty, it is certainly his interest, at least as interest is vulgarly understood, either to neglect it altogether, or, if he is subject to some authority which will not suffer him to do this, to perform it in as careless and slovenly a manner as that authority will permit." Adam Smith, *The Wealth of Nations*, Bk. 5, Ch. 1.

[17] Currently, a high school diploma in one State does not necessarily reflect the same standard of education as one in another. Firms must guess which States provide better-educated workers, and some discriminate: a promising hire may be overlooked because their State has a lower standard of education. A federal exam would dispel this fog.

[18] The technical definition of monopoly being a market in which there is only one seller.

through Medicare for certain procedures. These set prices distort the market. As they force health care providers to take a loss on some procedures, those providers must then inflate the price of other services to compensate for their losses, such that few aspects of care are priced according to their value. Common procedures may become expensive, while rare ones may become cheap; such is the confusion and inefficiency brought by a lack of competition. We thus propose that the federal government eliminate its pricing schedule and thereby restore the market to balance.

Yet removing the federal government's monopsony, and its accompanying fixed prices, shall only go so far in reducing the cost of care to accessible levels. The remainder must be done by the States.[19] State governments ought first, in keeping with the principle of investment before subsidy, to invest substantially in public health infrastructure. There is, at present, a shortage of public hospitals and clinics throughout the Union; the States ought to set aside funds to build and maintain these. There is also a shortfall of nurses; state legislatures can expand nursing schools at state universities and dedicate scholarship funds for those who attend them. Such investments here and there shall have the effect of further reducing healthcare costs by bolstering supply.

If, despite those measures, a gap still persists between the cost of care and what citizens can afford, then it is the prerogative of state governments, if a majority in their legislatures so vote, to offer subsidized health plans to their residents. Should a State do so, it ought also to allow private insurers to compete against it, thereby gaining the benefits of partial privatization described above.[20] Such public plans, offered by the States, carry fewer drawbacks than a federal one. As there are fifty States, and the healthcare industry is national, no State shall exert the monopsony power that the federal government can; and as not all States shall opt to subsidize to a high degree, private insurers shall be able to remain competitive in the overall market. Thus, in stages, can the challenge of healthcare be reckoned with in a manner that works in concert with the forces of the free market and the founding principles of these United States.

Fifth, citizens must be able to move in pursuit of opportunity. The act of moving entails expenses that fall generally into the categories of housing and transport. The federal government, as we proposed in earlier essays, ought to assist by providing each citizen a credit to be applied toward the cost of relocation, and by investing in infrastructure, such as interstate highways and rail systems, that reduces the cost of transport. State and local governments, for their part, ought to ease zoning regulations and other restrictions that impede construction of new residences in urban and suburban areas, thus increasing the supply of homes and making them more affordable to citizens. States can also reduce certain administrative fees, such as for registering a vehicle.

Envision, fellow citizens, a renewed model of capitalism, based on honest, vigorous, and fair competition, in which opportunity is made accessible to all without diminishing the liberty of any; in which each citizen may, if he or she works for it, attain a share of the common wealth, while still allowing that wealth to grow. The American Dream may never be quite perfect; it may never be fully attained; but we must work toward it nonetheless, while maintaining the right of property and system of free markets that have time and again brought prosperity to our Union. Our countrymen have seen hard times before, and overcame them; we shall do the same.

—U.S. Citizen

[19] With, as noted in our previous essay, federal support to States with less capacity to afford necessary investments.
[20] Massachusetts did so in 2006, with a reasonable measure of success.