Americans agree that "it's the economy, stupid," but they remain sharply divided about how the nation can recover from the recession and promote prosperity.

And so it has been - for centuries. In "Land of Promise," Michael Lind, the co-founder of The New America Foundation, reminds us that throughout the three waves of its industrial revolution - based on steam and telegraphy, electric and oil motors, and computers - the United States has debated the role of government during booms and busts.

Although Lind does not use the (now dreaded) "L" word, it's clear where he stands. Whatever is good about the economy, he claims, is largely the result of the Hamiltonian tradition, which views the public and private sector as partners in a collective effort to maximize national security and the well-being of citizens.

And whatever is bad about the economy is largely the result of the laissez-faire Jeffersonian tradition, which in the name of unfettered competition under-invests in infrastructure, research and development, exempts businesses from (necessary) regulations, opposes social safety nets, and fosters inequality.

This argument is not new, of course, and, on occasion Lind pushes a bit too hard to support it. "If Americans had paid attention to Adam Smith," he writes, the United States "never would have become the world's greatest industrial economy." As the nation industrialized in the 19th century, he asserts, the South and West were nations within nations, "America's India and Africa and Central Asia."

Nonetheless, "Land of Promise" makes a strong case that government can be, and often has been, a positive and even an essential force for technological change, economic nation-building and social justice.

Acknowledging that correlation does not prove causation, he demonstrates that the United States has tended to flourish when government was more active - and tended to stagnate following the "cycle of Jeffersonian nostalgia" that began with Jimmy Carter and Ronald Reagan.

"The Great Dismantling" of the New Deal, Lind points out, brought us a devastating recession - and a "plutonomy," in which the ratio between the income of the median household and the top 400 households in the United States increased from 1,124 to 1 to 6,900 to 1, while the share of income of the top 10 percent of Americans grew from an already hefty 67 percent in 1979 to a stunning 81.3 percent in 2006.

Lind also asserts that the Obama administration's monetary policies (interest rates) and fiscal policies (spending), including the Troubled Assets Relief Program (TARP), the $787 million stimulus package, and the bailout of General Motors and Chrysler, were necessary to prevent the Great Recession from becoming a second Great Depression.

Governments, it seems, have learned from the failures of the 1930s. But many Americans have not.

"If history is any guide," Lind concludes, the misalignment of the economy and the polity of the current Jeffersonian/tea party cycle, with its "excessive optimism about the self-healing powers of the market," will "give way at some point to a neo-Hamiltonian era." That "point" may or may not arrive in November 2012.
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