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The New Landonists

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By Harold Meyerson
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The leader of the Republican Party was fulminating against the Democratic president's programs. All that government spending, and yet, he [said](#), "the nation has not made the durable progress, either in reform or recovery, that we had the right to expect." The problem was that the president didn't trust the market to right the economy: "The energies of the American economic system will remedy the ravages of depression," he argued.

And then there was that Republican radio ad featuring a couple wondering if they could afford to get married in a nation with so profligate a government. "All those debts!" said Mary. "Somebody is giving us a dirty deal," said John. The ad concluded with a somber narrator saying, "And the debts, like the sins of the fathers, shall be visited upon the children, aye, even unto the third and fourth generations."

The speeches were those of Alf Landon, the Republican presidential nominee of 1936, who turned his campaign into an attack on the New Deal and all its (public) works, including the debts that those works incurred. Despite the speeches and the John-and-Mary ad on his behalf, Alf Landon lost to Franklin Roosevelt by the widest margin in the history of presidential elections, while the congressional Republicans lost to congressional Democrats by a similarly historic margin.

Now, if you listen to today's Republican revisionists, the Greatest Generation voters who gave FDR towering majorities in all but two states were a bunch of saps. Rather than wait for capitalism to right itself, they backed a president who understood that when private capital stopped investing, public capital had to take up the slack. For some inexplicable reason, they warmed to a president who used public funds to bring electricity to rural America rather than wait for private utilities to get around to it in a decade or two. Oddly, they backed a president who put 4 million Americans on the payroll of the Works Progress Administration (WPA) at a time when private payrolls were contracting, and they actually found value in such federal "make-work" creations as post offices, libraries and the Triborough Bridge.

And the debt that John and Mary's government incurred? Invested as it was in productive infrastructure, it enabled them to live by far the most prosperous lives that any generation had ever lived. If John and Mary lived in the South, it plowed so much money into the infrastructure of that historically lagging region that it closed much of the gap that had long made it the nation's poor stepchild.

Today, the arguments made for and against President Obama's stimulus plan really aren't that different from the arguments that were made for and against the New Deal some 75 years ago. Where the New Dealers brought electric power to rural Americans, the Obama people want to bring them broadband access. Where the New Deal built dams to generate power from rivers, the Obama people want to

build a power grid that can channel electricity generated by wind.

As for the Republicans, they remain locked in Landonism. While retail chains topple like so many dominos as consumers cut back, the Republicans focus on cutting corporate taxes, as though the problem confronting American businesses was the tax on their profits rather than the fact that, in the absence of sales, they have no profits.

In particular, both the Republicans and the Blue Dog Democrats exhibit a Landonesque failure to appreciate the crisis of under-investment into which American finance, now as in the '30s, has plunged the nation. The essence of the crisis, and what distinguishes both the Depression and the current meltdown from every recession between the '30s and today, is that, left to their own devices, private lending and investment will not and cannot bounce back. Only the government can provide the capital to restart capitalism, which remains, absent diligent regulation, a periodically self-annihilating system.

At times such as these, the normal measurements of government spending need to be altered. What the Obama plan envisions government doing (and what I wish it actually did more of) is committing itself to what would under normal circumstances be lending and investment undertaken by the private sector -- lest lending and investment cease altogether. The Greatest Generation's voters understood the logic of such a strategy when they reelected Roosevelt and his fellow Democrats by unheard-of margins. They rejected Landon's belief that "the American economic system" would by itself fix the crisis it had created. We can only hope that today's Americans have the wisdom of their forebears.

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