

## Reclaiming the mantle of optimism

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Over most of the past 30 years, the rhetoric of pessimism prevalent in the Democratic dialogue has been both bad policy and bad politics. The phrase "optimistic Democrat," in fact, would be viewed as an oxymoron.

With the sole exception of President Bill Clinton, whose "bridge to the 21st century" evoked the vision and optimism of other great Democratic presidents of the 20th century, such as FDR and John F. Kennedy, pessimism about America's economic future has been the hallmark of modern progressivism.

The 2008 Democratic presidential candidates would be wise to note that unwarranted negativism is dangerous and badly underestimates the strengths of the American people to adapt to and prosper with change.

America and Americans will fail, so the argument goes, unless we hunker down, raise trade barriers, reduce deficits and defer investments in innovation, research and job-creating initiatives.

This is a flawed argument. We know our economy is resilient. Over the past seven years, we've weathered the bursting of the tech bubble, the terror attacks of Sept. 11, 2001, two expensive wars, Hurricane Katrina, a housing slump, gas at \$3 a gallon and oil at \$75 a barrel -- and still our economy continues to prosper and grow.

A low unemployment rate, 4.5 percent interest rates, robust private equity investments -- these are trademarks of a healthy economy, not an ailing one.

### **230-year head start**

We know our economy is unrivaled in sheer size and wealth. Our gross domestic product is three times that of Japan and six times that of the United Kingdom. Our per capita GDP -- the best indicator of living standards -- is 64 times that of India and 26 times that of China.

The dollar is the world's leading currency. Our markets are the largest and our society the most stable. The level of foreign investment in America, one could argue, is a testament to our strength and stability.

We know our economy has legal, financial and social institutions that lie at the heart of our economy's dynamism and are unsurpassed by any of our competitors.

We have a 230-year head start on democracy over China and a free enterprise system supported by strong and transparent capital markets, legal protections for intellectual property and a democracy that is unparalleled for the mobility it provides its people and capital, and for its promotion of entrepreneurship and individual creativity. All that's required for continued growth and prosperity is political will and leadership.

First, we must make significant new investments in infrastructure for critical improvements to our systems for transportation, energy networks, water management, air traffic control and communications.

Congress, for example, now spends more on Amtrak -- the nation's oldest "highway" -- than it does on the nation's "information highway," broadband deployment.

Second, government must invest heavily in the search for low-cost alternative energy so we get to the finish line first.

### **Tens of thousands of new jobs**

Alternative energy sources will not only make American companies competitive but will give birth to new industries and tens of thousands of new jobs.

Third, we must dramatically increase our investment in research, whether university-based, governmental or commercial. The next Internet could be in the making somewhere in someone's lab.

Finally, we must invest in our people. This doesn't mean just creating programs that aim to improve the academic performance of schools and schoolchildren, but investing in the smart kids who can't afford a college education or adults who haven't finished college.

It also means investing in manufacturing workers so they can transition to better-paid service jobs before the factory shuts down, while investing in college-educated workers so their skills and knowledge remain leading-edge.

We must make these investments, even if it means adding to the federal debt in the short term. No one thinks that borrowing to fund the G.I. Bill or to build a new factory is anything other than an investment in what will surely be an appreciating asset.

As America turns its eyes toward electing the next president, Democrats need to reclaim their heritage as the party of investment and optimism. By doing so, they will shed the label of "tax and spend" and replace it with "invest and grow." This is good policy and good politics.

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