

Chapter I, "The Triple Conflict", outlines three trends that have affected recent economic and political thinking and events in the United States. These are, first, a demographic and occupational conflict which has set a fast-growing young labour force against an older, employed labour force within the context of an economy that was growing only fitfully in job opportunities over the 1970's and early 1980's. Second, regions of the country were set against each other as traditional areas of growth failed to meet past achievements and employment migrated to new regions. Third, the export challenge of other countries, especially in East Asia seemed to result in employment moving offshore. Whether this success was grounded in activist business-government partnerships and policies or not, was a key to the American response.

The second chapter follows the generation of the industrial policy idea, points out its political competition in terms of Democratic and Republican party factions. It discusses its fall as an idea and its subsequent rise once again as 'competitiveness policy.'

The third chapter traces the evolution of a pioneer in sub-national industrial policy - Puerto Rico. The island began to promote development in 1940, but its approach began to fail after 1973. Because of its earlier successes, Puerto Rico was unable to shift political or significantly diversify its activity to continue to provide employment growth. Its example suggests that there are drawbacks to activist policies, especially the tendency to let them fossilize.