

Krugman recently wrote in the NYT magazine
(<http://www.nytimes.com/2009/09/06/magazine/06Economic-t.html?pagewanted=print>):

"Even so, you might have thought that the differing worldviews of freshwater and saltwater economists would have put them constantly at loggerheads over economic policy. Somewhat surprisingly, however, between around 1985 and 2007 the disputes between freshwater and saltwater economists were mainly about theory, not action. The reason, I believe, is that New Keynesians, unlike the original Keynesians, didn't think fiscal policy — changes in government spending or taxes — was needed to fight recessions. They believed that monetary policy, administered by the technocrats at the Fed, could provide whatever remedies the economy needed."

In March-April 2003 I surveyed a random sample of 1000 AEA members. I received 264 non-blank surveys in return (a response rate of 26.6%, adjusting for PO returns, etc.).

One item's exact wording and responses are as follows:

Tuning the economy by fiscal policy:

Support strongly	65	(24.6%)
Support mildly	69	(26.1%)
Have mixed feelings	49	(18.6%)
Oppose mildly	43	(16.3%)
Oppose strongly	37	(14.0%)
(Have no opinion	1	(0.4%))

These data are reported on p. 337 of the following scholarly publication:
http://economics.gmu.edu/klein/PdfPapers/KS_PublCh06.pdf

Krugman leads NYT readers to believe that most economists didn't believe in fiscal policy. Yet in 2003 the number of supporters (strongly and mildly) constituted a majority of the profession (50.7%). The strong supports alone were nearly a quarter (24.6%).

Meanwhile those strongly opposed to using fiscal policy to tune the economy were only 14%.

Krugman's story hinges significantly on the supposed widespread consensus spoken of in the quotation reproduced above. A cartoon says, "Dissenting economists were marginalized." This crucial part of his story is utterly false.

I hope this information can be made available so as to limit the impact of Krugman's falsehoods.

/Dan Klein, Professor of Economics, George Mason University