



When the White House Changes Party, Do Economists Change Their Tune on Budget Deficits?

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ABSTRACT

A true party-man hates and despises candour; and, in reality, there is no vice which could so effectually disqualify him for the trade of a party-man as that single virtue. The real, revered, and impartial spectator, therefore, is, upon no occasion, at a greater distance than amidst the violence and rage of contending parties. To them, it may be said, that such a spectator scarce exists any where in the universe. Even to the great Judge of the universe, they impute all their own prejudices, and often view that Divine Being as animated by all their own vindictive and implacable passions. Of all the corruptors of moral sentiments, therefore, faction and fanaticism have always been by far the greatest.

—Adam Smith, *The Theory Moral Sentiments* (155-56)

Large budget deficits represent a burden on the future, and debt accumulation eventually poses great problems. Economists writing for the public can either highlight such truths, neglect the issue, or try to allay worries or excuse

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Acknowledgments: I thank Kurt Schuler, who provided guidance and assistance throughout the research and writing of this paper, and Kevin Burke who collaborated in much of the research. I thank two referees for this journal for valuable comments, and Jane Shaw for editorial help.

or justify large budget deficits—for example, by treating them as anti-recession policy. This paper investigates selected economists to see whether their tune on deficits changes when the party holding the White House changes. Six economists are found to change their tune under those circumstances: Paul Krugman in a significant way, Alan Blinder in a moderate way, and Martin Feldstein, Murray Weidenbaum, Paul Samuelson, and Robert Solow in a minor way—while eleven are found to be fairly consistent.

In this study I chart the changes in each economist's overall position on deficits. In each case, I try to highlight relevant circumstances and considerations that might explain changes in an economist's position, rather than assume bias. An economist might, for example, assess deficit spending in one year differently from another year because of different economic conditions, including demographic trends. For example, every economist we evaluated, except for William Niskanen, supported deficit spending during 2008 and 2009 because of bleak economic conditions. I interpreted this as justifiable and not as a change in tune because there is little indication of partisan bias if both Democrat and Republican economists change simultaneously.

In contrast, defending deficits on the grounds that the money is being spent more wisely than at another time or because the economist has more trust in those determining the spending than in the past may suggest bias toward one party or another. One reason is that the spending changes debated are only a small portion of overall spending, so that it is unreasonable to suppose that the character of spending changes greatly when the leadership changes. Any such changes in the character of the spending would have to have various microeconomic consequences that reversed the assessment of the macroeconomic consequences of spending *per se*, and, to me, that seems tenuous. It is difficult to view the statement “my party spends it better” as nonpartisan. I admit that these matters are open to interpretation, however.

What does an unbiased economist look like? In sorting through their comments, I looked for two things in particular: honest criticism of both parties, especially if that meant criticism of one's own side, and an equal amount of criticism across administrations with some room for exception for factors such as those mentioned above. An unbiased economist should not merely be a critic when the opposition is in office and then sit idly by while his preferred party is in power. When I found this to be the sole basis of the tune change, for example with Samuelson and Solow, I classified it as a minor sign of bias though it is arguably more than that. Alan Blinder describes this weakness when he notes “...the sheer hypocrisy of many Congressional Republicans who, having never uttered a peep about the huge deficits under George W. Bush, are suddenly models of budget probity” (Blinder 2009). This tendency to shift the level of their criticism depending

on the party in power was present in the other economists found to change their tune, as five out of the six were much more vocal when their opposition was in office. Unfortunately, those included Mr. Blinder himself.

It is worth noting that eleven economists did not change their positions. A few even came close to what we might think of as unbiased, that kind of publicly engaged economist who gives his insight no matter what the political consequences. Joseph Stiglitz and William Niskanen, though not entirely bias-free, are the two best examples. They openly criticized their own party and deserve some degree of recognition for that.

In the spirit of avoiding excessive bias or partisanship, I find it necessary to make known my political leanings. I am a registered Republican who leans libertarian on many policy matters. The only vote I have ever cast was for Ron Paul in the 2008 Republican primaries. I did not vote in the general election in 2008 and have never made any financial contributions to a party or campaign.

My Methodology

To identify the economists whose work I would study, I compiled a list consisting of three sets of economists: (1) U.S. recipients of the John Bates Clark Award (JBC); (2) U.S. recipients of the Nobel Prize in Economics; (3) members past and present of the Council of Economic Advisers (CEA). Thus, I focused on prominent economists respected in their profession.

To determine party association, I searched at opensecrets.com, retrieving any information on financial contributions to political parties or campaigns. For each economist not making any financial contributions, I sought to determine party association by his or her writings. For example, I found no record of Paul Krugman making any financial contributions, but few would dispute his association with the Democratic Party. The case would be stronger, though, if he self-identified financially. Also, a donation at one point in time may not determine an association forever. William Niskanen donated to the Republican Party in the 1980s, but his affiliation with them now is questionable. He served as chairman of the Cato Institute from 1985-2008.

I searched Lexis Nexis Academic and Lexis Nexis Congressional from 1981 through the end of 2009, intersecting the Reagan, Bush Sr., Clinton, Bush, and Obama administrations. I used the search terms, “[first name] [last name] budget deficit deficits.” I then looked through each newspaper/magazine article, TV interview, congressional testimony, or White House briefing, extracting the passages in which they wrote about or were quoted on budget deficits. Those economists for whom I found at least four passages from four different articles or

testimonies, I accessed their CVs to capture what Lexis Nexis might have missed. The CVs were mostly accessible through a Google search. I also included Paul Krugman's blog. The set of economists treated, then, is determined by finds in the Lexis Nexis search, but, for each economist so captured, the materials consulted go beyond those revealed by the Lexis Nexis search, and are meant to be comprehensive.

The procedure yielded 17 prominent economists, 11 associated with the Democratic party, 5 associated with the Republican party, and William Niskanen, whose association might be called either independent, Libertarian, or Republican. Table 1 lists the names in order of the number of pertinent passages and whether each economist changed his or her position on the budget deficit. It also shows the number of passages under Republican and Democrat administrations, political association, and financial contributions. A complete database of all comments from each economist can be found in the appendix, where I provide a link to the Excel file.

Table 1: Economists on Deficit Spending: Tune Change?

Budget deficit Comments	Party Association	Financial Contribution	Tune Change
Paul Krugman Nobel Laureate 2008, JBC Award 1991 99 (69 during Rep Admins, 30 Dem)	Dem	No	Significant
Alan Blinder CEA Member 1993-94 55 (44 during Rep Admins, 11 Dem)	Dem	Yes	Moderate
Martin Feldstein CEA Chair 1982-84, JBC Award 1977 46 (33 during Rep Admins, 13 Dem)	Rep	Yes	Minor
Christina Romer CEA Chair 2009-Pres 44 (1 during Rep Admins, 43 Dem)	Dem	Yes	None
Lawrence Summers NEC Director 2009-Pres, JBC Award 1993, CEA Member 1982-83 36 (14 during Rep Admins, 22 Dem)	Dem	Yes	None
Murray Weidenbaum CEA Chair 1981-1982 34 (25 during Rep Admins, 9 Dem)	Rep	Yes	Minor
Joseph Stiglitz CEA Chair 1995-97, JBC Award 1979 27 (17 during Rep Admins, 10 Dem)	Dem	Yes	None
Laura Tyson CEA Chair 1993-95 24 (12 during Rep Admins, 12 Dem)	Dem	Yes	None

Budget deficit Comments	Party Association	Financial Contribution	Tune Change
Glenn Hubbard CEA Chair 2001-03 19 (18 during Rep Admins, 1 Dem)	Rep	Yes	None
Alicia Munnell CEA Member 1996-97 14 (7 during Rep Admins, 7 Dem)	Dem	Yes	None
Michael Boskin CEA Chair 1989-93 12 (3 during Rep Admins, 9 Dems)	Rep	Yes	None
Janet Yellen CEA Chair 1997-99 11 (2 during Rep Admins, 9 Dem)	Dem	Yes	None
William Niskanen CEA Chair 1997-99 9 (6 during Rep Admins, 3 Dem)	Ind/Lib	Yes	None
Paul McCracken CEA Chair 1969-71 9 (6 during Rep Admins, 3 Dem)	Rep	Yes	None
Paul Samuelson Nobel Laureate 1970 7 (7 during Rep Admins, 0 Dem)	Dem	Yes	Minor
Robert Lawrence CEA Member 1999-2001 5 (5 during Rep Admins, 0 Dem)	Dem	Yes	None
Robert Solow Nobel Laureate 1987, JBC Award 1961 4 (4 during Rep Admins, 0 Dem)	Dem	Yes	Minor

In this paper, I report on each of the 17 economists, discussing whether they seem to change their positions on budget deficits depending on the party in the White House. I begin with the economist with the largest number of comments on the deficit, and continue in descending order.

Paul Krugman

During the administration of George H.W. Bush, Krugman opposed budget deficits:

Longer term, the war may well hurt the US. By raising the federal budget deficit, Operation Desert Storm will crowd out some investment in the US economy, which has the lowest saving and investment rates in the industrial world. (Krugman 1991)

A year later, during the 1992 presidential campaign he changed his tune, perhaps to accommodate Clinton policies:

If a President can save \$1 billion through feasible cuts in spending or raise \$1 billion by taxing high-income families, should that money be used to reduce the deficit or help repair bridges and finance Head Start? Mr. Clinton's answer is that investments should have first priority. He's right. (Krugman 1992)

Krugman commented seven times during the Clinton administration. Five of those comments occurred during the 1996 campaign season, in which Krugman primarily criticized Republican policy regarding the budget deficit. Approximately 71% of his comments occurred during the second Bush administration.

Beginning in 2003, the year of the Iraq insurgency, Krugman opposed budget deficits strongly and frequently. Thirty-one of his ninety-nine comments came in 2003. In an interview with Tim Russert, Krugman addressed his apparent change in tune from 1992:

RUSSERT: You did write back in the—the '90s that the deficit is not nearly the monster that some people imagine. Prof. KRUGMAN: Well, now it's a deficit of—you know, if I believe—well, if I believe the numbers that the CBO puts out, it's going to be 4.3 percent of GDP next year, but, you know, it's going to be more than that, because they themselves—as they themselves admit, it's going to be 4.9, something like that, percent of GDP, or to put it another way, about a quarter of total federal spending, and it's—this is big, and again, we're—we're much closer to the date when these things—when—when push comes to shove, when the baby boomers hit—hit the retirement system. (Krugman 2003)

Krugman's suggestion that deficits were higher in 2003 and 2004 than they were in the early 1990s is actually false. The deficits in 2003 and 2004 were 3.4% and 3.5% of GDP respectively (CBO Historical Budget Data). In 1990 and 1993 the deficit was 3.9% of GDP. It was 4.5% and 4.7% respectively in 1991 and 1992.²

Upon the 2006 Democratic victory in Congress, Krugman reverted to favoring deficits. In a column entitled "Democrats and the Deficit" he wrote:

2. Budget deficit as a percentage of total Federal outlays—1990: 17.6%; 1991: 20.3%; 1992: 21.0%; 1993: 18.1%; 2003: 17.5%; 2004: 18.0%

One of the biggest questions is whether the party should return to Rubinomics—the doctrine, associated with former Treasury Secretary Robert Rubin, that placed a very high priority on reducing the budget deficit. The answer, I believe, is no...And the lesson of the last six years is that the Democrats shouldn't spend political capital trying to bring the deficit down. They should refrain from actions that make the deficit worse. But given a choice between cutting the deficit and spending more on good things like health care reform, they should choose the spending. (Krugman 2006)

In 2004 and 2005, Krugman criticized Alan Greenspan for being a deficit hawk during the Clinton years and then for supporting what he viewed as the fiscally irresponsible Bush tax cuts in the face of war and already large deficits (Krugman 2005b). He also accused Martin Feldstein of doing the same (Krugman 2005a). He cited Greenspan's change of tune in "Democrats and the Deficit" and then argued that Democrats should not be so fiscally responsible any more.

The answer, I now think, is to spend the money—while taking great care to ensure that it is spent well, not squandered—and let the deficit be. By spending money well, Democrats can both improve Americans' lives and, more broadly, offer a demonstration of the benefits of good government. Deficit reduction, on the other hand, might just end up playing into the hands of the next irresponsible president. (Krugman 2006)

He maintained his tune for deficit spending during the 2008 financial crisis:

The claim that budget deficits make the economy poorer in the long run is based on the belief that government borrowing "crowds out" private investment...Under normal circumstances there's a lot to this argument. But circumstances right now are anything but normal. Consider what would happen next year if the Obama administration gave in to the deficit hawks and scaled back its fiscal plans. (Krugman 2008)

His stance in support of a budget deficit in this instance was more a function of the economic crisis than a bias in favor of the impending Obama administration. In fact, he criticized the Obama administration during November 2009 at the first sight of compromise regarding a second stimulus:

Conventional wisdom in Washington seems to have congealed around the view that budget deficits preclude any further fiscal stimulus—a view that's all wrong on the economics, but that doesn't seem to matter. Meanwhile, the Democratic base, so energized last year, has lost much of its passion, at least partly because the administration's soft-touch approach to Wall Street has seemed to many like a betrayal of their ideals. (Krugman 2009c)

This was one instance where Krugman held to his guns and criticized the Democrats for not doing what he said they should do, to hold fast to fiscal stimulus:

Well, you know, advanced countries with stable governments can run up a lot of debt and still be forgiven by the markets. Belgium had a debt of 120% of GDP at one point in the '90s and there was no run on the Belgium franc. You know, they—we had a debt of over 100% of GDP...The point is that if, if the markets think that we are, in fact, a stable, advanced country, then we can go a long ways here. We can run up another 40%, 50% of GDP, \$5 trillion, \$6 trillion, \$7 trillion of deficit as long as the markets see us as stable. (Krugman 2009a)

Krugman's reasoning assumes that the world will continue to trust America's goodwill and that big government will eventually prove sound in handling its financial problems. The latter sentiment was also evident in other comments:

So it seems that we aren't going to have a second Great Depression after all. What saved us? The answer, basically, is Big Government. Just to be clear: the economic situation remains terrible, indeed worse than almost anyone thought possible not long ago. The nation has lost 6.7 million jobs since the recession began. Once you take into account the need to find employment for a growing working-age population, we're probably around nine million jobs short of where we should be...And yes, this means that budget deficits—which are a bad thing in normal times—are actually a good thing right now. (Krugman 2009b)

In many of Krugman's comments, his guiding light was partisan ideals. His criticism of the Obama administration was indeed for “a betrayal of their ideals,” and as the administration further gave in to “deficit hysteria” Krugman became more openly political:

And one last point: I just don't think the inner circle gets how much danger we're in from another vicious circle, one that's real, not hypothetical. The longer high unemployment drags on, the greater the odds that crazy people will win big in the midterm elections—dooming us to economic policy failure on a truly grand scale. (Krugman 2009f)

While the administration was beginning to question the efficacy of fiscal stimulus in light of increasing deficits, Krugman argued that with such high unemployment and impending elections no viable option was left but to increase deficit spending. Krugman's main concern seemed to be winning elections and he feared that Obama's "centrist" tendencies would impede such an agenda by giving in to deficit reduction:

Look, it has been obvious since the primary, if you were paying attention, that Obama—who has many excellent qualities—has an unfortunate tendency to echo "centrist" conventional wisdom, even when that CW is demonstrably wrong. Remember when he bought into the line that Social Security is in crisis, stepping on one of the biggest progressive victories in decades? And right now, deficit-phobia has quickly congealed into the latest CW. You can see it in editorials (not from the Times, I'm happy to say, but almost everywhere else), in what the talking heads say, even in supposedly objective news reporting. Not a day goes by without my reading some assertion that "markets are anxious/jittery/worried about the deficit"—an assertion based on no evidence whatsoever. (Long-term interest rates on US debt are near historic lows; CDS spreads show no concern about default.) (Krugman 2009d)

He was even upset at President Obama for taking interviews on Fox News (Krugman 2009e).

Krugman's evident biases have been noted elsewhere (Klein and Barlett 2008). To his credit, Krugman has noticed and addressed his seeming inconsistency on the deficit issue, repudiating his 2003 position. His blog post in November 2009, entitled "Deficits: The Causes Matter," addressed an aspect of why he sang a different tune on deficits in 2003 than in 2009:

Broadly speaking, there are two ways you can get into severe deficits: fundamental irresponsibility, or temporary emergencies. There's a world of difference between the two. Consider first the classic

temporary emergency—a big war. It's normal and natural to respond to such an emergency by issuing a lot of debt, then gradually reducing that debt after the emergency is over...Consider, on the other hand, a government that is running big deficits even though there isn't an emergency. That's much more worrisome, because you have to wonder what will change to stop the soaring debt. In such a situation, markets are much more likely to conclude that any given debt is so large that it creates a serious risk of default. Now, back in 2003 I got very alarmed about the US deficit—wrongly, it turned out—not so much because of its size as because of its origin. We had an administration that was behaving in a deeply irresponsible way. Not only was it cutting taxes in the face of a war, which had never happened before, plus starting up a huge unfunded drug benefit, but it was also clearly following a starve-the-beast budget strategy...Compare and contrast the current situation. Most though not all of our current budget deficit can be viewed as the result of a temporary emergency. Revenue has plunged in the face of the crisis, while there has been an increase in spending largely due to stimulus and bailouts. None of this can be seen as a case of irresponsible policy, nor as a permanent change in policy. It's more like the financial equivalent of a war. (Krugman 2009g)

Thus, he worried about the deficit as a structural issue in 2003 but not in 2009. The contrast between structural and cyclical deficits provides a potentially valid reason for changing one's tune on the deficit. However, Krugman's tune change in "Democrats and the Deficit," noted above, was not of this nature. It was of a purely partisan nature and occurred in the absence of any emergency in the economy.

To my knowledge Krugman has not addressed his overt partisanship. Until he does so, it is difficult to give him the benefit of the doubt. Krugman has changed his tune in a significant way regarding the budget deficit when the White House has changed party.

Alan Blinder

Blinder criticized Reagan's tax cuts in the 1980s for causing large budget deficits:

Then came a charismatic new leader from the palisades of the Pacific. Ronald paid homage to the balanced budget with a piety not seen in years. This endeared him to the people. But his deeds belied his words. He cut taxes to the bone (which also endeared him to the people) and equipped his army grandly, thereby producing deficits previously undreamed of. But the people were happy and soon lost interest in the budget. Ronald himself ceased worshipping the balanced budget idol and worshiped low tax rates instead. (Blinder 1990)

However, he took to a more tolerant tune on budget deficits that resulted from social programming:

Because we allegedly cannot afford to do more, America is now under investing in education, in the care of its poor children, and in our deteriorating public infrastructure. The truth is we cannot afford not to do more, even if it means tolerating larger deficits at first. The alternative is to continue to shortchange our future, in which case the termites surely will get us in the end. (Blinder 1989)

He changed his tune to disfavor deficits while Bush Sr. was still in office during the recession of the early 1990s: “A shift of the policy mix toward bigger deficits and tighter money is precisely what Reaganomics gave us in the early 1980s. We do not need another dose now” (Blinder 1991). A year later during campaign season, in his article “O.K., I Was Wrong. We Do Need to Stimulate the Economy,” he admitted to changing his tune yet again:

Last winter, there was a rising chorus of calls for fiscal stimulus: new spending or tax cuts designed to give the economy a swift kick upward. I refused to join those calls, arguing in this column that:—The deficit was already too large. —The recession had been unusually mild. —Interest-rate cutting by the Federal Reserve should and would power the recovery...As a good Keynesian, I hereby change my mind. Several new facts lead me to conclude that the time for fiscal stimulus has come. (Blinder 1992)

Once the fiscal stimulus ended, he was “proud to be associated with the Clinton Administration's efforts to bring down the Federal budget deficit” (Blinder 1994). Like Krugman, Blinder remained relatively silent on budget issues during the Clinton administration except when criticizing Republican economic policy during

election years (Blinder 1996). He also opposed the constitutional amendment regarding a balanced budget in 1997 (Blinder 1997).

Blinder was inconclusive on the deficit and deficit spending during the first Bush administration:

Well, I think what he's trying to tell the administration is to, 'Go easy on the stimulus. We may need it, but we may not.' I think he's probably right about that. And what he's really trying to convey is the notion that we've got to get s—we—and when I say 'we', I mean the whole society—have got to get some control over this budget process, which has completely lost all its discipline. (Blinder 2003)

He sharpened his tune in 2005:

Most troubling of all, when you get down into the budgetary weeds, you learn that the tax cuts passed by the House this month are almost twice as large as the expenditure cuts it passed...What are these people thinking? This is a democracy. So maybe it's time for the people to send their elected representatives a message. Earth to congress: We have a problem. (Blinder 2005)

He passively supported short-term deficit spending in 2008, on which he only made one comment (Blinder 2008). In 2009, however, Blinder strongly supported deficit spending:

On the fiscal side, many of President Obama's critics are complaining vociferously about the huge federal budget deficits. Try to ignore, if you can, the sheer hypocrisy of many Congressional Republicans who, having never uttered a peep about the huge deficits under George W. Bush, are suddenly models of budget probity. But whatever the motives, the worries of today's deficit hawks sound eerily reminiscent of Roosevelt in 1936 and 1937...Similarly, I hope and believe that President Obama will not transform himself from the spendthrift Roosevelt of 1933 to the deficit-hawk Roosevelt of 1936—at least not until the economy is back on solid ground. That said, a growing flock of budget hawks are already showing their talons. They will have their day—but please, not yet. (Blinder 2009)

It is safe to conclude that Alan Blinder is not a deficit hawk. He changed his tune several times over three decades but did not base his opinion solely on the

party in office. He did, however, support deficit spending in light of Democratic policies more often than for Republican policies. Alan Blinder, thus, moderately changed his tune when the White House changed parties.

Martin Feldstein

Martin Feldstein was most vocal in the budget debate during the Reagan Administration, though he was active throughout the period in question (1981 through 2009). Twenty-four out of his forty-six articles came before 1989. Feldstein is a self-proclaimed deficit hawk but occasionally supported deficit spending. In 1983, he supported near-term deficit spending providing that long-term deficits would be reduced:

The deficits in the future are a real problem for the economy because they keep long-term interest rates high. But the deficits in 1983, if we suddenly cut them back by increasing taxes, it will do more harm than good because we will cut back on consumers' ability to spend just at the time when we need that spending to keep the recovery moving along. So the important thing is maintaining demand now, in the short run, and bringing down the deficits in the long term so that interest rates come down...if that revenue doesn't come forward automatically out of faster growth, then he [Pres. Reagan] has a tax proposal that he has submitted and stands behind that will shrink the deficits substantially in the future. (Feldstein 1983)

In light of persistent high projected deficits, he quickly became pessimistic about a growth-led deficit reduction and began calling for a tax increase in 1984 (Feldstein 1984). He did not deem the recession in the early '90s as worthy of deficit spending:

I think the economy is going to turn up by late spring-early summer. I think it would be a mistake to do things that would hurt the economy in the long run. A big tax cut is not what the economy needs. I think there are selective things that can be done but, I think, anything that makes the budget deficit a bigger problem for the future would be a mistake. (Feldstein 1992)

As for the few surplus years, Feldstein did not exactly give credit to Clinton policies after he initially opposed them in 1993:

Lower defense spending, limits on the growth of nondefense outlays, and the surging tax revenue that has resulted from strong economic growth have combined to cut the budget deficit for the 1997 fiscal year, which ended in September, to only \$22 billion—about 0.25% of gross domestic product. (Feldstein 1997)

Nonetheless, he joyfully supported tax cuts as a result of the surplus, specifically Bush's tax plan to cut marginal rates during the 2000 presidential campaign:

In the 1990s marginal tax rates rose sharply, and the percentage of income taken by the income tax jumped. Now we are at a point of national choice. The projected long-term budget surpluses present a remarkable opportunity to reduce marginal tax rates once again and to do so without creating budget deficits. It is an opportunity that should not be missed. (Feldstein 1999)

He also supported deficit spending during the lingering recession of 2003:

A substantial tax cut now would reduce the risk of slow growth and possible decline in the months ahead. While such a fiscal stimulus will increase the budget deficit, there is ample time to reduce unnecessary spending and wasteful tax features to achieve budget balance in the years ahead. (Feldstein 2003)

The 2008-2009 economic crisis was the third instance where Feldstein supported deficit spending:

Under normal circumstances, I would oppose this rise in the budget deficit and the higher level of government spending...Nevertheless, I support the use of fiscal stimulus in the United States, because the current recession is much deeper than and different from previous downturns. Even with successful countercyclical policy, this recession is likely to last longer and be more damaging than any since the depression of the 1930s. (Feldstein 2009)

The years of 1984 and 1985 were the only years Feldstein explicitly supported a tax increase to mitigate the budget deficit. He did occasionally oppose tax cuts in the face of an imbalanced budget and recession, as in 1992, but he supported the Bush tax cuts in the face of rising deficits and recession during 2002 and 2003 (Feldstein 2003). As the economy was turning upward again in 2004, he opposed

a tax increase, choosing instead to push for controlled federal spending to cut the deficit in half by 2008 (Feldstein 2004). Overall, Feldstein opposed budget deficits but favored deficit spending if he deemed the recession severe enough. It seemed a bit arbitrary for Feldstein to have differing positions on each recession of the early '80s, '90s, and 2000s. Some have understandably questioned Feldstein's consistency (Krugman 2005a). A minor change in tune is possible, but Feldstein does not display an overt partisan tendency in his changes. Rather, economic circumstances appeared to weigh more heavily in his decisions.

Christina Romer

I found 44 statements by Christina Romer, 43 of which were published in 2009 when she was Chairwoman of the Council of Economic Advisers. For her, and any other economist commenting while on the CEA, it is questionable whether such comments are wholly indicative of their opinion or unduly influenced by the administration. I did not discount Romer or anyone else if their comments were made while on the CEA. I simply note it here as an ambiguous factor that may be present. Romer's lone comment outside of 2009 occurred in 1992. In both years the U.S. was in the midst of economic recession, and Romer's primary concern was to get the economy growing again. She reasoned that stagnant economies only perpetuate budget deficits:

I think that a fiscal stimulus, itself, a short run policy, is not going to have a big effect on the long run, other than getting us out of this recession, which is clearly worsening the deficit by holding down revenues...Even, it's not hopeless if we don't get the deficit down. There are certainly other policies that could be put in that would be a good long run strategy, and then of course I'd agree with just about every other economist that at some point we're going to have to get this deficit under control. (Romer 1992)

Romer did not sound as if she expected the economy to grow in the face of falling deficits. In her mind, the balanced budget had to be sacrificed for short-term growth. Taking the experience of the '90s into consideration, she addressed the deficit in light of the 2008 financial crisis:

I think a crucial thing is, if you say what's prudent fiscal policy—right?—you run surpluses in good times, and that's what gets you the buffer that when we hit a period like this, you can run the large deficits that are the appropriate policy when the economy is this sick.

So now—I think it's important to get on the record that, while I find that tax increases taken for sort of exogenous philosophical reasons tend to have negative consequences, I also find, if you look at the subset of tax changes explicitly for deficit reduction—kind of getting your fiscal house in order—those are actually—the standard errors are big; we're not very sure—but the point estimates certainly say those kind of tax increases can actually be beneficial. So thinking about the Clinton administration experience—that sometimes getting your fiscal house in order can improve confidence, can lower long-term interest rates and can be beneficial. (Romer 2009a)

However, she seemed to conclude that the standard errors were too large because elsewhere she supported fiscal stimulus to finance tax cuts:

Let me start with several reasons the initial fiscal situation does not create problems for the stimulus package. There is no reason to think the government will have any trouble doing the borrowing needed to finance the package: investors appear to be delighted to lend to the U.S. government at very low interest rates. Nor do we need to worry that lending to the government will displace other lending: the whole point of fiscal stimulus is that by borrowing money and using it to finance tax cuts and spending increases, we can stimulate economic activity and raise the total volume of lending, saving, and investment. Finally, because the stimulus package, though large, is a one-time program, the additional debt the government is taking on to finance it will have only a small effect on the long-run fiscal outlook. Indeed, by helping to prevent a long downturn and the possibility of an extended period of stagnation, it is helping to prevent an outcome that could significantly weaken our long-run fiscal prospects. (Romer 2009b)

Romer appeared to go back and forth on fiscal policy while remaining consistent on the deficit. In January 2009 she called for getting the fiscal house in order as had the Clinton administration. By April she furthered a fiscal stimulus package. However, as was seen in Paul Krugman's section, the administration's increasingly soft stance toward fiscal stimulus during 2009 was the subject of much criticism in some Democratic circles. In so far as Romer's opinions can be identified with the administration's actions, one could perhaps argue that she changed her tune on fiscal policy in general.

Health care reform was also a common theme in many of her comments surrounding the budget deficit:

Some have argued that it is irresponsible to reform our health care system at a time when the budget deficit is so large and our long-run fiscal problems are so severe. I firmly believe the opposite: it is fiscally irresponsible not to do health care reform...Though there is some variation across the different versions of the bills, we are also on track to meet the President's promise that health reform will not add one dime to the deficit. The five Congressional committees have identified hundreds of billions of dollars of savings in Medicare and Medicaid. (Romer 2009c)

The majority of her comments regarding health care and the deficit made this same basic argument. Moreover, she was not worried about deficits in the short term, but only in the long term. In this she was consistent. Thus, she did not change her tune on budget deficits, but it can be argued that she did change her tune regarding the effectiveness of fiscal stimulus in combating recession.

Lawrence Summers

Lawrence Summers had been active in the budget deficit debate since the 1980s. During Reagan's second term, after serving on the CEA in 1982-83, he was a strong advocate of tax increases to balance the budget:

With the current and projected Federal budget deficits reaching unprecedented heights, the need for a tax increase has never been greater. Yet that prospect creates a dilemma for economic policymakers. According to traditional analysis, any tax increase—especially one large enough to reduce the deficit significantly—slows spending and increases the likelihood of a recession. Such an economic contraction, in turn, adds to the already-bloated deficit as unemployment pushes upward again. Our recent research, however, leads us to be skeptical of this orthodox approach, and to conclude that a tax increase would at worst be only mildly contractionary—and at best could even generate stronger growth. (Summers 1985)

Despite this clear statement favoring tax increases to bring the deficit down, he slightly changed his opinion in 1988 during the campaign of presidential candidate Michael Dukakis in which he served as an economic adviser:

Gov. Dukakis hasn't taken an absolutist position. He said that he believes tax increases are a last resort. I think that's the right position and I'm very comfortable with it. And he's talked about the specific steps he is going to take to get that budget deficit down. He's talked about the spending cuts he's going to make and he's talked about how we can look for more tax revenues through increased enforcement. (Summers 1988)

This is Summers' most problematic statement primarily because it isn't entirely congruent with his comment from 1985 but also because he was on Dukakis' campaign staff at the time. It is possible that he changed positions due to his affiliation with Dukakis. But while he softened his stance on a tax increase, his stance on whether to reduce the deficit did not change. For this reason, I gave Summers the benefit of the doubt.

After his experience with the Clinton administration in the 1990s, Summers wrote, "it has become clear that an economy plagued by low savings, where output is not chronically constrained by demand, systemic budget deficits raise capital costs and so retard growth and lower employment" (Summers 1999). He was relatively quiet through the Bush administration, probably due to his stint as president of Harvard University, but resurfaced in 2008 as one of Obama's campaign advisers. At that time he criticized John McCain for proposing tax cuts:

Senator McCain's plans, according to the Tax Policy Center, would cut taxes by nearly an additional \$3.5 trillion. And then there's the interest cost on top of that, beyond the full totality of the Bush tax cuts. Sooner or later, that's going to have to be paid for. And there's nothing approaching a description of spending cuts that will finance those—finance this deficit. (Summers 2008)

This is the same stance he took in 1985 against Reagan's policies.

Summers also took his typical stance for stimulatory deficit spending during the 2008 financial crisis, although he prefaced his statement by saying, "as soon as the economy recovers we are going to have to find ways of getting the government's finances under some kind of control" (Summers 2009). Summers was consistently in favor of deficit reduction, save for economic downturns. The only contradiction in his opinion occurred during Dukakis' presidential campaign of 1988, when he changed his opinion on tax increases in relation to the deficit for questionable reasons.

Murray Weidenbaum

At the beginning of Reagan's second term, Murray Weidenbaum viewed the deficit as a long-term problem (Weidenbaum 1985a). However, by the end of 1985 he was calling for it to be reduced (Weidenbaum 1985b). He continued to keep a close eye on the deficit in both the Bush and Clinton Administrations. In a comment to the President-elect Bush, he wrote:

To believe it is possible to outgrow the deficits is to believe in the proverbial "free lunch." Budget deficits can be brought down without raising taxes, but it will require tightening the government's fiscal belt. The search for economies must extend to every department and agency. (Weidenbaum 1989a)

When push came to shove, Weidenbaum was not shy in criticizing the Republican Party. He opposed the savings and loan bailout that Bush eventually supported (Weidenbaum 1989b). He also criticized Republican presidential candidates in 1996 for supporting general tax cuts in disregard of the budget deficit:

All the candidates advocate cutting taxes as part of an effort to eliminate the deficit. I believe that my taxes are much too high, but personal experience with exuberant supply-side economics also convinces me that general tax cuts (such as family tax credits) will make it more difficult to curb the future flow of red ink. Such tax cuts would be financed out of the deficit and would result in a larger budget deficit than if the current revenue structure were maintained. (Weidenbaum 1996a)

Though he usually emphasized substantial spending cuts to reduce the deficit, 1996 was not the first time he opposed a tax cut. In 1992, he supported the implementation of a consumption tax as opposed to an income tax to reduce the deficit (Weidenbaum 1992).

Weidenbaum criticized both parties in 1997 for what he viewed as a lazy and irresponsible attitude toward the impending Social Security problems and their relation to the budget deficit (Weidenbaum 1997a). He was critical of the Clinton administration even in the face of shrinking deficits and economic growth, which he credited to Bush Sr. and Reagan:

Large reductions in the budget deficit have occurred during the Clinton presidency. It must be fun for Bill Clinton to watch the budget deficit shrink—and watch he has. I should acknowledge the basic causes of those lower deficits, such as the end of the Cold War and the sharp drop in military spending... the big cuts in military spending we're seeing now were made by President George Bush. Likewise, the current asset sales from the liquidation of the savings and loan associations is lucky timing for the Clinton administration. President Bush bit the bullet on the S&L bailout and suffered the red ink. Now revenues from sales of remaining assets are reducing the deficit. (Weidenbaum 1996b)

His praise of the Bush Sr. administration is not congruent with his earlier criticism of their policies noted above. He continued to criticize the Clinton administration and credit the Republican Party for the growth of the '90s when he published an article entitled "Reaganomics—Its Remarkable Results" a year later (Weidenbaum 1997b).

Ultimately, Weidenbaum maintained a critical tune across party lines. However, he was more apt to praise Republican policies. He never conferred such praise on Democratic policies and remained silent when deficits ballooned during the Bush administration. He, therefore, changed his tune in a minor way when the White House changed party.

Joseph Stiglitz

Joseph Stiglitz's opinions were inconsistent during the Clinton administration. He was viewed as a loud critic of Clinton for being too insistent on cutting the deficit (Stiglitz 2008b). At other times, though, he strongly supported the administration:

Let me conclude by saying the growth-oriented economic policies enacted by this administration have clearly paid off. The administration's 1993 deficit reduction plan helped create the climate for the current strong economic performance. And this strong economic performance has helped reduce the deficit. (Stiglitz 1996)

Stiglitz ultimately challenged the Clinton years and called its accomplishments into question when he wrote the 2002 article "The Roaring Nineties," which later became a book. In it, he acknowledged that the success of the '90s could not be fully credited to Clinton policies:

Though Clinton had to trim his own ambitions, he did the right thing and cut the deficit. Interest rates came down, and the recovery began. But there's a basic problem with this story. It is inconsistent with what is taught in virtually every economics course in the country—namely, that deficits are good for employment, and that reducing the deficit during a downturn is a particularly bad idea. But if deficit reduction should have slowed the recovery, to what can I attribute the recovery's vigor? To a series of lucky mistakes, I believe. By lowering the deficit we inadvertently ended up recapitalizing a number of American banks, and this, as much as anything else, refueled the economy. (Stiglitz 2002)

He also wrote that while Bush's mismanagement of the economy during his first year in office made matters worse, "the economy was slipping into recession even before Bush took office, and the corporate scandals that are rocking America began much earlier" (*Ibid*). Incidentally, Paul Krugman also admitted, but for different reasons, that the success of the '90s was not solely due to the Clinton program (Krugman 2000); Krugman did not give any sympathy to Bush as Stiglitz did. Stiglitz is by no means a Bush sympathizer, however. In 2004, he joined nine other Nobel laureates in support of John Kerry in publishing a statement criticizing Bush's economic policies. It read:

The principal effect of the Bush Administration's fiscal policies has been to turn budget surpluses into enormous budget deficits. President Bush's fiscal irresponsibility threatens the long-term economic security and prosperity of our nation. (Stiglitz 2004)

Stiglitz cited tax cuts during wartime and in the face of ballooning deficits as the most prominent mistakes made by the Bush Administration (Stiglitz 2008a).

Stiglitz supported deficit spending during the 2008 financial crisis in order to stimulate the economy but was critical of the Obama administration for not doing enough:

The real failings in the Obama recovery program, however, lie not in the stimulus package but in its efforts to revive financial markets. America's failures provide important lessons to countries around the world, which are or will be facing increasing problems with their banks...The era of believing that something can be created out of nothing should be over. Shortsighted responses by politicians—who hope to get by with a deal that is small enough to please taxpayers and

large enough to please the banks—will only prolong the problem. An impasse is looming. More money will be needed. (Stiglitz 2009)

All in all, Stiglitz appeared unbiased, even criticizing his own party quite often.

Laura Tyson

Laura Tyson was active in the budget debate mainly since the first Clinton administration. In 1988, however, she did stress deficit reduction as a contributor toward increased national savings:

This is where the budget deficit comes in. The deficit must be cut to increase government saving, but it must be cut in ways that encourage private saving and increase public investment. On the revenue side, some kind of consumption tax should be considered. (Tyson 1988)

At the beginning of Clinton's first term, she supported a tax increase to reduce the deficit and promote economic growth:

President Clinton proposed a multi-faceted economic plan to reverse the growth of the Federal budget deficits and to redirect private and public sector spending toward productivity-enhancing investment...Over 80 percent of the tax increases contained in OBRA 1993 are borne by those with annual incomes over \$200,000...For those workers at the bottom of the income scale, OBRA 1993 substantially increased the earned income tax credit. (Tyson 1994)

In 1999, with a newly found budget surplus, she was not ready to give into tax cuts (Tyson 1999). Likewise, she strongly opposed the 2001 Bush tax cuts, warning that they would “cause a return to escalating budget deficits as soon as next year [2002]” (Tyson 2001). At the same time, she supported a stimulus package that included temporary tax relief, allowing the Social Security surplus to cover the hits taken in the rest of the budget (*Ibid*). This was a rare occurrence for Tyson, being the only instance I found her supporting any type of tax cut in the absence of tax increases elsewhere, and a rarity in that she did not distinguish the Social Security surplus from the rest of the budget.

Tyson became nearly silent after 2004, recording only one comment on the deficit. It came in 2009, pushing the Obama administration to implement a second

stimulus package when it was reluctant to do so (Tyson 2009). Hence, there was no significant evidence of tune change in the case of Laura Tyson.

Glenn Hubbard

Only one of Glenn Hubbard's public comments fell outside of the Bush administration (2001-2008). It occurred in 1999 when, given a rare budget surplus, Hubbard strongly supported marginal tax cuts:

We are having a national discussion about what to do with the federal budget surplus because there is a surplus...Assigning surpluses to taxpayers via reductions in marginal tax rates does not imply a fiscally irresponsible path of locking ourselves into large changes in taxes irrespective of whatever budget consequences actually materialize. (Hubbard 1999)

To his dismay no tax cuts were implemented, and he blamed the slowing growth rates of 2001 on the insistence to run a substantial surplus:

Remarkably, the U.S. has chosen to maintain a substantial unified surplus at a time of slowing economic growth...First, budget surpluses are the product of a strong underlying private economy—not the other way around. The Clinton administration claimed surpluses caused economic growth, a suggestion that is the budget equivalent of new math...But correlation and causation are not the same thing. In the short term, budget surpluses will vary with cyclical movements in the economy. Over the longer term, cyclical considerations fade and the resources in the economy, and thus the budget, are dependent upon productivity growth. In other words, the “standard of living” for the government comes from the same pool as the standard of living for the private economy. (Hubbard 2001)

Thus, after the economy eventually turned upward in 2003, Hubbard credited the Bush tax cuts (Hubbard 2004a). A harsh critic of Rubinomics—the doctrine associated with former Treasury Secretary Robert Rubin that placed a very high priority on reducing the budget deficit—he advocated that a budget surplus was the result of a strong economy not the other way around:

Rubin's story of the salutary effect of deficit reduction on interest rates, investment and growth gave birth to Rubinomics. To be sure,

this “virtuous cycle” explanation for the 1990s boom has been disputed by non-economists (Robert Reich) and economists (Joseph Stiglitz) in the Clinton administration. But Rubin clarifies his world view, inviting close examination of the deficit-reduction/growth thesis. (Hubbard 2003)

He, therefore, blamed the return and rise of budget deficits from 2002 to 2004 on a flailing economy and credited the reduction of the deficit through 2007 on a resurgent economy fueled by tax cuts (Hubbard 2008). Moreover, a balanced budget should be pursued through constrained spending not an increase in taxes:

First I have to get beyond the current debate over whether or not deficits are raising interest rates enough to choke off the recovery. The deeper, long-term problem facing America is that pressures for higher government spending are no longer effectively countered by budget rules that cap that discretionary spending. The Bush Administration is proposing ways to put new rules in place and must nurture an agreement with Congress on fiscal policy objectives. (Hubbard 2004b)

With no comments regarding deficits in relation to either the 1991 or 2009 recession, there is not enough evidence to say Glenn Hubbard changed his tune when the White House changed party.

Alicia Munnell

Each of Alicia Munnell’s fourteen comments on the budget deficit were made in the context of Social Security. Her primary concern was that surpluses in the Social Security portion of the budget were being used to pay deficits in the rest of the budget:

The most crucial factor is making sure that the trust fund surpluses are not simply offset by deficits in the rest of the budget. If payroll tax revenues earmarked to pay future retirement benefits are loaned to the Treasury, and the Treasury uses these monies to cover current outlays in the rest of the budget, then the surpluses will have contributed nothing to overall capital accumulation...Fiscal responsibility demands that our tax and spending activities be brought more in line. Continued deficits produce a large burden for our children and make our own welfare dependent on the goodwill of foreign governments. (Munnell 1988)

Her second concern was to make sure that there would be a sufficient amount of future funds for Social Security. Accordingly, she supported the accumulation of reserves at the Federal level calling for “government saving in a way that we have not had government saving before” (Munnell 1998).

Despite her concern for future generations represented by a desire to protect the Social Security system, she did not appear equally dismayed if the deficit were the result of investment in a public works program:

It would probably be more beneficial to spend the \$10 billion on infrastructure investment than to use the funds to reduce the deficit. This is not to say that the government should throw money at public works with no concern for the deficit, but rather that the deficit should not prevent productive public works investment. (Munnell 1991)

Such preference implied a sort of policy bias on the topic of budget deficits, one that was also present in other economists mentioned above. However, Munnell did not directly criticize the opposing party.

Michael Boskin

Michael Boskin was active in the budget debate from 1988-1996. His view on the deficit was largely peripheral to his concern with reduced spending and lower taxes. He was not overly concerned about the deficit leading up to elections in 1988:

I think the hysteria and urgency that some people have about the budget deficit neglect a large number of important simple facts. The budget deficit has been declining...if we can do just what we've done for the last three years, keep the growth of spending outside of Social Security just to the rate of inflation, living for another few years on growth but only modest growth in the overall size of the budget, we'll be able to get steady steady progress toward reducing the deficit toward balance over the next several years. (Boskin 1988)

After four years of continued deficits under Bush Sr., Boskin continued to support a program of spending caps and tax incentives for private investment that he believed would eventually lower the deficit:

You have one set of people, you have one Party, you have a President running for election who wants to control government spending, wants to get the deficit down. Wants to lower taxes, wants to stimulate

investment and create jobs. You have the other candidate who wants to raise spending, raise taxes and by everyone's estimate it would increase the budget deficit. (Boskin 1992)

Under Clinton, however, increased spending and taxes indeed accompanied, but not necessarily caused, a reduction in the budget deficit. Boskin remained unconvinced and critical:

Those who have argued that the best thing we can do to raise the nation's saving rate is to reduce the budget deficit are only correct if they add the proviso: in a manner that does not reduce private saving...even if the tax increases collect the projected revenues—and my guess is they will not—they had no net effect on national saving. The smaller deficit is being matched by less saving. This is at best circular. I favor tax policies that reduce or redress the disincentives to save, invest and innovate in our current tax system, as well as policies to reduce the federal budget deficit. (Boskin 1995)

While other economists, such as Summers, were keen to further deficit reduction regardless of the means (even if they had a preference), Michael Boskin was steadfast in allowing growth, led by reduced spending and taxes, to gradually eat away at the budget deficit. On this point, he was consistent and made no apparent change in tune across administrations.

Janet Yellen

Each of Janet Yellen's comments occurred after 1996. She persistently supported deficit reduction throughout the 1990s and credited progress made during that time to the Clinton Administration and Federal Reserve:

The Administration's economic policies have contributed to these successes, in part, by bringing down the federal budget deficit, thus permitting a larger share of private sector savings to finance the investments in plant and equipment that equip American workers with the tools they need to be productive on the job. I believe that the Federal Reserve has also played a positive, and complementary, role by pursuing monetary policies that have facilitated this favorable mix shift, while keeping the economy operating at its potential. (Yellen 1997)

She made only two comments related to the budget deficit during the Bush Administration, holding to her previous view that it posed long-term risk to the US economy:

In addition to energy prices, the huge and unsustainable current account deficit and the budget deficit pose longer-term risks to the U.S. economic outlook. Indeed, the latter is even more of an issue now, with the massive rebuilding plans for the Gulf Coast. (Yellen 2005)

In 2009, she strongly supported stimulatory policies at the cost of rising deficits in the near term:

On the one hand, one group worries about the long-term inflationary implications of a seemingly endless procession of massive federal budget deficits. At the same time, others fear that economic slack and downward wage pressure are pushing inflation below rates that are considered consistent with price stability and even raising the specter of outright deflation...extraordinary and aggressive response of governments and central banks around the world saved the day, heading off the kind of financial meltdown that would have inflicted catastrophic damage on the economy. I can assure you that we will be ready, willing, and able to tighten policy when it's necessary to maintain price stability...until that time comes, we need to defend our price stability goal on the low side and promote full employment. (Yellen 2009)

Even though she tolerated deficits in 2009, she maintained her opposition to them in the long run. She did not change her tune.

William Niskanen

The only third-party affiliated economist on our list, William Niskanen gave his periodic opinion on the budget deficit during each of the last three decades. As Chairman of Reagan's Council of Economic Advisers, Niskanen supported deficit reduction through spending restraint rather than tax increases:

The most pressing fiscal problem is to reduce the Federal deficit, but it is also very important about how it is reduced. The economic consequences of reducing the deficit will depend very strongly on

the particular measures that are chosen to reduce the deficit and the consequences of reducing it by spending restraint and economic growth will be far more favorable than measures that increase tax rates, particularly those tax rates on business investment. So the most pressing early problem we have to resolve is to reduce the Federal deficit and preferably by the combination of spending restraint and economic growth. (Niskanen 1984)

Post-Reagan, he was skeptical of both Clinton and Bush Sr. budget plans but strongly supported reducing deficits even by means of tax increases:

The Clinton budget projects a reduction of the cumulative deficit through fiscal 1997 by \$313 billion, and a reduction in the fiscal year 1997 deficit by 140 billion. For these reductions to be realized, however, three conditions must be met: All of the proposed spending costs and tax increases must be implemented; Congress may not increase spending or reduce taxes in later years; and the combination of the spending and tax measures must not reduce economic growth, a combination of conditions based on our recent experience that seems most unlikely. Moreover, even if all of these reductions are realized, the projected deficit would increase again beginning in fiscal year 1998. (Niskanen1993)

In 1997, he criticized the budget resolution passed by Congress:

In the name of balancing the budget, our political leaders have done what they most like to do, which is to increase spending and reduce taxes for favored constituencies. It's much more important for the American public, however, to realize what is not in this budget deal. It does not reduce the deficit faster than if there were no deal. It does not increase economic growth. It does not control entitlements. In fact, it added two new entitlements: one for kiddie care and one for college education. It does not restructure defense to reflect the realities of the post Cold War world. And it does not move toward tax reform. And it does not limit the relative size of government in the United States. Those are major objectives that most Republicans have shared for a long period of time, none of which they have even moved toward in this agreement. (Niskanen 1997)

He was equally critical of Bush's budget plan leading up to the 2004 elections. He called Bush's plan to cut the deficit in half by 2009 "not credible", citing Bush's previous spending increases across the board (Niskanen 2004). The deficit was reduced in both instances contrary to Niskanen's predictions.

Perhaps Niskanen's most adamant criticism of any administration came in 2008 in response to Obama's fiscal program:

There is no way to restore a reputation for fiscal responsibility other than a broad confrontation with the Obama fiscal program. Oppose every major new spending program, including the proposed tax credits to the middle class. Reinforce the existing support for a pay-go rule, even at the risk of a tax increase. Look for some budget cuts that might be supported by the Democrat "Blue Dogs." Stop pretending that budget deficits do not matter; they are effectively a tax increase on your children and grandchildren. (Niskanen 2008)

Niskanen was the only economist on our list to unilaterally oppose the Obama program in the wake of the financial crisis. Feldstein disagreed with the specifics of it but agreed with it generally (Feldstein 2009). The only change from Niskanen over the years came in regard to his stance on taxes. He did not support tax increases under Reagan. He tolerated them under both Clinton and Obama. This, in itself, did not seem to show any sort of bias toward one administration or another. Niskanen consistently criticized budget deficits in both Republican and Democrat administrations, and, therefore, did not change his tune.

Paul McCracken

Paul McCracken commented on the deficit debate during the Reagan, Bush, and Clinton Administrations. He largely supported deficit reduction in most circumstances. In the early 1980s, he supported deficit spending to bring the economy out of recession but realized the perverse effects if the deficit was not dealt with promptly thereafter, even calling for a tax increase as early as 1983 (McCracken 1982). Elevating his rhetoric in 1985 as deficits continued to soar, he claimed, "the course of world history could be altered" if the government found a way toward fiscal discipline (McCracken 1985). McCracken continued to push for a balanced budget the remainder of the decade (McCracken 1988). In the same way, he remained tough on the deficit in the 1990s as the Clinton Administration tried their hand on the issue: "a decision to go with budgets that involve deficits is a decision to have a future economy delivering lower incomes...We are living

it up at the expense of our children and grandchildren. The logic is inexorable” (McCracken 1995).

The only possible accusation of tune change against McCracken was for his support of a tax cut in 1997 (McCracken 1997). However, considering the deficit was a meager 0.3% in 1997 while it was 5.7% in 1983 when he supported a tax increase, there was ample economic reasoning to support his differing views in each circumstance (CBO Historical Budget Data). I see no change of tune in McCracken.

Paul Samuelson

Most of Paul Samuelson’s comments about the budget deficit came in relation to tax policy. He favored increasing taxes as the economy was still struggling to come out of the recession in 1992:

Well, I think the worst thing in the world would be to move towards a higher plateau of structural Reagan-O’Neill type deficit and I shouldn’t do anything in the short run that increases that likelihood. For the long run, we are the lowest taxed nation. I was just looking up the numbers of the nations that I profess to envy, Western Germany, Japan, France, that have grown faster than us, and how we grew in earlier times, and we are the lowest taxed of all those nations. So the notion that we are at the limit of capacity, one more fenege of taxes and we are caput, there is no scientific basis for that at all. (Samuelson 1992)

He called Reagan’s 1981 tax cuts “rash” primarily blaming them for “the colossal basic fiscal deficit and the horrendous balance-of-payments deficit” (Samuelson 1986). He was also rather glib toward the Bush tax cuts, skeptical of giving them any credit for the positive growth rates in 2003: “Yet it is never possible to prove decisively a negative. It is unlikely that pigs can be taught to fly in the lifetime of anyone now living. But I won’t absolutely be certain about that until all but the last one of us is dead” (Samuelson 2003). We did not find any comments in 2008 or 2009.

While the logic of Samuelson’s criticism was consistent, he remained completely silent in each of the last three Democrat administrations. Given that silence, his tune—in a minor way—did indeed change, between outspoken and silent, when the White House changed party.

Robert Lawrence

Robert Lawrence's comments about the budget deficit pulled the other oft-mentioned deficit into the conversation, the trade deficit. He argued that the twin deficits needed to be brought down in tandem so as to provide a smooth adjustment for the economy:

When the trade deficit improves, it injects purchasing power into the economy...it would be folly to try to simply improve the trade deficit, to bring down the dollar, without taking the necessary off-setting effects by withdrawing purchasing power through the budget deficit. (Lawrence 1989)

Lawrence's view on the relationship between private saving and the budget deficit offered another distinct contribution. He argued that a consumption tax, not fiscal policy, should be used to encourage private saving (Lawrence 1991). He emphasized the long run and, accordingly, supported deficit spending to offset economic downturns in 1991, 2003, and 2007.

While Lawrence, like Samuelson, recorded zero comments during Democrat administrations, none of his comments were directly pointed as criticism toward the administration in office. There is, hence, little ground for saying he changed his tune.

Robert Solow

Robert Solow's comments on the budget deficit were few and far between. Of his four comments, two fell in the Reagan administration and two in the George W. Bush administration. Only one of the four, however, addressed the deficits of the past decade, one in 2004 being about the policies of Ronald Reagan:

As for Reagan being responsible [for the 1990s boom], that's far-fetched. What we got in the Reagan years was a deep recession and then half a dozen years of fine growth as we climbed out of the recession, but nothing beyond that. (quoted in Mandel 2004)

Another comment regarding the Reagan years showed a similar position:

But I think that we're selling the long run for short run prosperity here. Everyone has to understand what's wrong about a budget deficit. What's wrong about a budget deficit is that it's a way for the federal Treasury to absorb private saving, of which we do not have a lot and certainly none to spare in this country, and deprive American industry of access to that amount of capital. Over the longer run, I think that the continuation of budget deficits at anything remotely like what we have will simply bleed the country slowly. (Solow 1988)

Solow's comment toward the younger Bush policies did not give a complete picture of his opinion, but it seemed to imply an opposition, or at least a frustration, with the return of the deficit: "There has been a dissipation of the huge budget surplus, and all we have to show for that is the city of Baghdad" (Solow 2003). Similar to Samuelson, Solow was critical during Republican administrations and silent during Democrat administrations. Thus, in the same manner, he changed his tune in a minor way.

Conclusion

Overall, our research finds that most economists don't change their positions when the White House changes party. Only two economists changed their tune in a significant or moderate way. The strongest case is Paul Krugman. He explicitly supported deficit reduction in the 1990s and early 2000s under Republican administrations, then changed his view once Clinton entered office in 1993 and the Democrats gained control of Congress in 2006. The case is strengthened due to his large number of comments. He is the most frequent contributor on our list, a fact that reduces the chance of error in our conclusion. Alan Blinder also changed his tune, though in a less significant manner than Krugman. He consistently supported deficit spending that resulted from Democratic policies and criticized deficit spending that resulted from Republican policy.

Four other economists—Martin Feldstein, Murray Weidenbaum, Paul Samuelson, and Robert Solow—changed their tune in a minor way. That leaves eleven economists with strong cases in favor of nonpartisan commentary regarding the budget deficit. Given such consistency, they appear to be close to impartiality.

Appendix

Workbook of all relevant quotations by economists treated (Excel file). [Link](#)

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