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**The Chutzpah Caucus**

**By PAUL KRUGMAN**

At this point the economic case for austerity — for slashing government spending even in the face of a weak economy — has collapsed. Claims that spending cuts would actually boost employment by promoting confidence have fallen apart. Claims that there is some kind of red line of debt that countries dare not cross have turned out to rest on fuzzy and to some extent just plain erroneous math. Predictions of fiscal crisis keep not coming true; predictions of disaster from harsh austerity policies have proved all too accurate.

Yet calls for a reversal of the destructive turn toward austerity are still having a hard time getting through. Partly that reflects vested interests, for austerity policies serve the interests of wealthy creditors; partly it reflects the unwillingness of influential people to admit being wrong. But there is, I believe, a further obstacle to change: widespread, deep-seated cynicism about the ability of democratic governments, once engaged in stimulus, to change course in the future.

So now seems like a good time to point out that this cynicism, which sounds realistic and worldly-wise, is actually sheer fantasy. Ending stimulus has never been a problem — in fact, the historical record shows that it almost always ends too soon. And in America, at least, we have a pretty good record for behaving in a fiscally responsible fashion, with one exception — namely, the fiscal irresponsibility that prevails when, and only when, hard-line conservatives are in power.

Let's start with the common claim that stimulus programs never go away.

In the United States, government spending programs designed to boost the economy are in fact rare — F.D.R.'s New Deal and President Obama's much smaller Recovery Act are the only big examples. And neither program became permanent — in fact, both were scaled back much too soon. F.D.R. cut back sharply in 1937, plunging America back into recession; the Recovery Act had its peak effect in 2010, and has since faded away, a fade that has been a major reason for our slow recovery.

What about programs designed to aid those hurt by a depressed economy? Don't they become permanent fixtures? Again, no. Unemployment benefits have fluctuated up and down with the business cycle, and as a percentage of G.D.P. they are barely half what they were at their recent peak. Food stamp usage is still rising, thanks to a still-terrible labor market, but historical experience suggests that it too will fall sharply if and when the economy really recovers.

Incidentally, foreign experience follows the same pattern. You often hear Japan described as a country that has pursued never-ending fiscal stimulus. In reality, it has engaged in stop-go policies, increasing spending when the economy is weak, then pulling back at the first sign of recovery (and thereby pushing itself back into recession).

So the whole notion of perma-stimulus is fantasy posing as hardheaded realism. Still, even if you don't believe that stimulus is forever, Keynesian economics says not just that you should run deficits in bad times, but that you should pay down debt in good times. And it's silly to imagine that this will happen, right?

Wrong. The key measure you want to look at is the ratio of debt to G.D.P., which measures the government's fiscal position better than a simple dollar number. And if you look at United States history since World War II, you find that of the 10 presidents who preceded Barack Obama, seven left office with a debt ratio lower than when they came in. Who were the three exceptions? Ronald Reagan and the two George Bushes. So debt increases that didn't arise either from war or from extraordinary financial crisis are entirely associated with hard-line conservative governments.

And there's a reason for that association: U.S. conservatives have long followed a strategy of "starving the beast," slashing taxes so as to deprive the government of the revenue it needs to pay for popular programs.

The funny thing is that right now these same hard-line conservatives declare that we must not run deficits in times of economic crisis. Why? Because, they say, politicians won't do the right thing and pay down the debt in good times. And who are these irresponsible politicians they're talking about? Why, themselves.

To me, it sounds like a fiscal version of the classic definition of chutzpah — namely, killing your parents, then demanding sympathy because you're an orphan. Here we have conservatives telling us that we must tighten our belts despite mass unemployment, because otherwise future conservatives will keep running deficits once times improve.

Put this way, of course, it sounds silly. But it isn't; it's tragic. The disastrous turn toward austerity has destroyed millions of jobs and ruined many lives. And it's time for a U-turn.