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**Article Title**: “The New Old Big Thing in Economics: J.M. Keynes”, Sudeep Reddy, The Wall Street Journal, January 8, 2009.

**Summary**: The article discusses how governments are now increasing spending to combat the recession. They are going back to the words of Keynes who, during the Great Depression, said that increased government spending would help the economy. Even though there are a lot of critics of Keynesian economics, the government really has no other option and therefore interest rates have been dropping and governments are planning and creating bailouts. When Keynesian policies were first implemented before and after World War II with Franklin Roosevelt and his Works Progress Administration it seemed to be working, but in the 1970s the policies became unfavorable because they were believed to cause high inflation. Now governments are looking favorably to Keynesian policies again, but once again there are many problems with increased government spending. Critics say that it will reduce investments in the private sector, which they believe is more likely to bring the economy out of the recession. Also many countries inopportunely spend their money at the end of a recession and cause the economy to “overheat”. Also, some countries waste money on pointless programs and projects. But some economists believe that if governments can be efficient and careful with their spending, then they can avoid these problems, they just have to know when to stop spending, which is another big problem.

**Comments**: I found this article very interesting because it is essentially confirming the fact that the economy works cyclically. Recessions and Although, I agree with Brian Riedl of the Heritage Foundation who said in the article that at times when the government decreased their involvement in the economy, the economy was generally better. I think a more free market, which is partially regulated but not severely regulated by government is good for the economy.