Keynesianism is the new way of thinking about the economy which John Maynard Keynes promised to provide in his *General Theory of Employment, Interest and Money*. It was, of course, not a new kind of logic or some way of thinking “with ones blood” or anything like the mystical irrationalisms with which we are plagued today. Any genuine contribution can consist only of pointing out logical errors, of spelling out implicit assumptions or of changing the assumptions. Of these three, the first disqualifies the conclusions and the second opens up the theory to scrutiny, but only the third can lead to different conclusions. If the different conclusions suggest different policies to be followed, the contribution can be important in determining what those in authority should be not only thinking but doing about the economy. This is what Keynes had in mind when he bragged about what he was going to do, and I do not see how anyone can doubt that he did indeed succeed in doing this. The essence of the Keynesian revolution was to establish the recognition of the responsibility of the government to maintain a satisfactory level of employment in the economy — by showing that there is no effective automatic market mechanism for achieving this.

The recognition of this responsibility is frequently denied even by those in the government who are actively engaged in carrying it out. Thus, we have our President, as well as almost all the candidates opposing him, declaring their loyalty to the principle that the government budget ought to be balanced, but nevertheless planning...
or demanding large deficits as necessary for adequate employment.

Keynes also contributed in the two first ways. He pointed out errors of applying micro-arguments to macro-issues, such as taking Mr. Micawber's excellent advice for David Copperfield's private budget, and applying it to the budget of a sovereign nation, or crudely generalizing an individual employer's ability to vanquish his competitors and hire more workers, if he could cut the wage he pays, to arrive at the conclusion that a general wage cut would increase general employment. He also spelled out the implicit assumptions which underlie the Classical Economists' conclusion that there is a satisfactory automatic full-employment mechanism. But there has been a confusion between these contributions and the much more important one of establishing governmental responsibility for an adequate employment policy.

One result of this confusion was a reversal of the normal response by the old guard to any revolutionary idea. The normal response goes from "what strange nonsense" to "that's what we always said -- or at least what we meant to say." But in this case the same formulas, instead of being used to claim that they had always held the new doctrine, were used to misinterpret Keynes so as to be able to claim him as a supporter of the old doctrine (in a more up to date model -- improved by his clarifications of the implicit assumptions). Those who reject this claim are charged with the heresy of "Keynesianism" of which John Maynard Keynes himself is absolved.

As a consequence I am frequently asked by eager students, in hushed tones and with raised eyebrows, whether it is really true that I am still a "Keynesian." This bothers me and other Keynesians and this is what could make Keynes feel not so well.

But it is not a serious sickness. It is only a minor unpleasantness in the realm of theoretical disputations in the history of economic thought. In the world of practical policy, the basic Keynesian principle -- governmental responsibility for an acceptable level of employment -- is very much alive and flourishing. This is what must be credited for the unprecedented government budget deficits (for peacetime), thanks to which we are being spared the much more serious depressions that otherwise would be upon us. The more vigorous high-employment policy that would be possible is, however, in part held back by the aid and comfort which the shanghai-ing of Keynes gives to the crude micro-to-macro economic