

Book Review for 6/08/03 by James Ullmer

Title: "John Maynard Keynes, Fighting for Freedom, 1937-1946"

Author: Robert Skidelsky

Publisher: Penguin Books

Price: \$20.00 (paperback)

Reading time: 12 hours

Reading rating: 5 (1 = very difficult; 10 = very easy)

Overall Rating: 4 (1 = average; 4 = outstanding)

"John Maynard Keynes, Fighting for Freedom, 1937-1946," the concluding installment of a three volume biography of Keynes, which is destined to become--I believe--the definitive biography of the greatest economist of the 20th century. Robert Skidelsky masterfully interprets Keynes' economic thought, while at the same time, skillfully presenting the history and politics of the period. Also, the author provides a comprehensive personal look at Keynes, from his struggle against a debilitating heart disease to the close relationship he shared with his wife, Lydia Lopokova. This unlikely marriage between the British economist and the Russian-born ballerina was by all accounts highly successful.

Keynes, like most people of genius, is misunderstood by admirers and detractors alike. To a large extent, Skidelsky's interpretation of Keynes sets the record straight. For example, to the much argued question as to whether Keynes was an advocate of capitalism or socialism, the author clearly illustrates that Keynes was a strong proponent of free markets which he felt were necessary for economic and political freedom. In his pamphlet "How to Pay for the War," Keynes dismisses price controls and rationing as methods to stem inflation during the war on the grounds that they interfere with consumer choice and thus economic freedom.

Similarly, Keynes' comments to Frederick Hayek on his [Hayek's] book the "Road to Serfdom" are surprising in that he finds himself "morally and philosophically ... in agreement with the whole of it ..." Keynes apparently shared the political philosophy of his supposed philosophical antagonist. Their only apparent disagreement was in the area of policy, where Keynes was willing to allow, only in times of serious economic downturns, what he termed the "socialization of investment" to deal with what he considered capitalism's major flaw--the inability to ensure full employment.

A surprising revelation--the book abounds with them--that Skidelsky uncovers is the Anglo-American rivalry in the arena of finance as the two allies struggle for economic position following World War II. During the British-American negotiations leading to the Bretton Woods Agreement, Keynes became frustrated by what he considered American intransigence. He wrote to his mother that "They [the Americans] mean us no harm - but their minds are so small, their prospect so restricted, their knowledge so inadequate, their obstinacy so boundless and their legal pedantries so infuriating." The difference in policy, even among allies, is not all that surprising in lieu of the fact that after WW II Britain was

a debtor nation and the U.S. A. was a creditor nation--a point aptly drawn out by the author.

Robert Skidelsky has written a biography that is of obvious interest to an economist or historian. However, this classic should enjoy a much larger audience. I recommend Skidelsky's final volume on Keynes, indeed the entire trilogy, to anyone who wants to better understand present-day economics and politics--for Keynesian influence is still being felt in the modern world--or to anyone who enjoys reading a great biography. The author's comprehensive grasp of his topic combined with his masterful prose has made Keynes accessible to everyone.

James Ullmer is a professor of economics in the College of Business at Western College University. His interests include economic education, regional economics and the history of economic thought.