that searching for meaning can play in sensitive lives. I recommend it highly for those interested in such a topic.

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Zachary D. Carter. *The Price of Peace: Money, Democracy, and the Life of John Maynard Keynes.* New York: Random House, 2020. Pp. 628 + xxii. ISBN 9780525509035. $35.00.

Zachary Carter knows how to hook a reader who is not sure whether to commit to reading a book of over 600 pages dealing with economics. In his introduction, he relates how John Maynard Keynes, "Maynard" to his friends, had at age thirty-nine fallen in love with a Russian ballerina—after preferring male lovers all his life. Keynes's friends among the Bloomsbury set were either startled or appalled. Quickly within the first fifty pages of this broad-ranging, thought-producing book, we find Keynes entangled not only with Lloyd George, J. P. Morgan, and Woodrow Wilson, persons we might have expected to encounter given the book's subject matter, but also with Virginia Woolf, Lytton Strachey, E. M. Forster, and art critics Roger Fry and Clive Bell of the Bloomsbury group, as well as such intellectual luminaries as George Bernard Shaw, Bertrand Russell, G. E. Moore, and Ludwig Wittgenstein. The book chronicles events throughout the twentieth century and into the twenty-first century. Keynes is at the center of attention until his death in 1946. Thereafter, Carter shifts attention to the fortunes of Keynesian theory as supported or opposed by such persons as Galbraith, Samuelson, Hayek, and Friedman.

Keynes's 1905 undergraduate degree at Cambridge University was in mathematics, and in 1921 he finally published a book on probability that expanded his graduate study. Polanyi critiques Keynes's probability theory in chapter 2 of *PK*. Keynes was a brilliant thinker capable of bracing insights in many fields, an assessment emphasized by Russell, who wrote, "When I argued with him, I felt that I took my life in my hands, and I seldom emerged without feeling something of a fool" (12). Yet Keynes the intellectual also cherished the arts and was a passionate lover. Carter summarizes his complex life as embracing tendencies that were often in tension:

> Keynes was a tangle of paradoxes: a bureaucrat who married a dancer; a gay man whose greatest love was a woman; a loyal servant of the British Empire who railed against imperialism; a pacifist who helped finance two world wars; an internationalist who assembled the intellectual architecture for the modern nation-state; an economist who challenged the foundations of economics. (xx)

In his first book, *Indian Currency and Finance* (1913), Keynes foreshadowed his critique of the gold standard by describing its irrelevance to daily commerce in India. His first great triumph, though, was when he was called to London to advise on how to deal with the economic catastrophe sparked by the chaotic uncertainty created with the advent of World War I. London, the center of the economic world, was under siege as banks and investors withdrew their funds from investments and the stock markets plunged. The declarations of war made it impossible for debtors to pay their obligations, trade faltered, and a flood of people demanded gold in exchange for paper money. The Bank of England lost two-thirds of its gold reserves in just three days, a dire situation when money's value was based on the amount of gold reserves a country had. In the panic, British bankers decided to hoard gold within the country, cutting off gold payments to foreign customers. Keynes advised the Treasury to do just the opposite: cut off internal payments of gold and dole out gold internationally to save London's reputation of reliability as the world's economic capital. "The bankers," Carter notes, "were aghast. But they had, Keynes believed, misjudged the crisis by viewing it principally as a matter of their own survival, rather than a question of what their survival was meant to accomplish: [namely,] economic power" (15). To preserve that power rather than be subject to the gold standard, Keynes urged the Treasury to print new currency that had to be backed by the people's faith in the government rather than by gold. That ploy saved the day, and the crisis abated.

Keynes's advice illustrates his view that economics is not a science based on known laws so much as it is the judgments of flawed persons attempting to navigate an uncertain future. Polanyi arrived at a similar view regarding the inexactness of chemistry, suggesting in his 1936 letter to *Philosophy of Science* that attempts to emulate the exactness of physics in other disciples would undermine any true understanding (see *Tradition and Discovery* 18:3, 36). Money, Keynes thought, must not become fetishized as an end in itself but rather be utilized as a tool to secure what is really important: supporting a flourishing, peaceful society in which meaningful work is maximally available. Despite the passion for peace Keynes shared with his Bloomsbury friends, Keynes took on major responsibility for actively engineering the government's war economy. By the end of the war, the British economy had expanded by nearly 15 percent. Market economies, he saw, "were not a distinct realm, independent of the state, operating according to their own principles. The rhythms of trade, their logic and mechanisms, had to be defined and supported by political authority" (87). However, in his role as the Treasury's top delegate to the Versailles peace conference, Keynes was bitterly disappointed by the greedy, shortsighted wrangling among the parties, including British officials. He foresaw correctly that the massive reparation payments demanded of Germany would create chaos and resentment, leading to further war.

After his demoralizing involvement in the Versailles conference, Keynes decided he could best advance his vision by becoming an outsider critiquing government and society. Zachary Carter calls Keynes's 1919 book, *The Economic Consequences of the Peace*, "one of the most emotionally compelling works of economic literature ever written" (95). Like Polanyi, Keynes had admired the decades prior to the Great War as an unprecedented time of peace and prosperity. But now, unlike Polanyi, he criticized the Gilded Age as based on economic inequality and exploitation of the nation's colonies—an arrangement that could not endure.

Throughout his life, Keynes was an advocate of free trade. But during the 1920s, he recognized that monetary instability, some of it related to trade, was leading to unemployment and social unrest. It was the government's role, he ascertained, to counter monetary instability by adjusting interest rates and the amount of money in society. However, Winston Churchill's renewed reliance on the gold standard prevented the Bank of England from expanding available money to stimulate the economy, as the money supply had to be tied to the gold reserves on hand. The available way of boosting the economy, devaluating money, was problematic because it caused economic instability. In *A Tract on Monetary Reform*, Keynes pondered various possible solutions to these issues. He bought the Liberal opinion magazine, *The Nation*, to further develop and spread his ideas. Incidentally, Virginia Woolf suggested that Keynes hire an obscure young poet as literary editor of the weekly. But negotiations over terms collapsed, so Keynes withdrew his offer to T. S. Eliot.

Britain's Liberal party had once been the party supporting the gold standard and dedicated to keeping governmental hands off the market. Influenced by Keynes's theorizing, it had transmuted into "the party of massive government investment programs and deficit spending" (171). This view of liberalism has prevailed in America since Franklin Roosevelt, whereas neoliberalism urges a return to nineteenth century laissez-faire capitalism. Keynes can arguably be seen as the prime agent responsible for the transformed understanding of liberalism.

The Great Depression burst forth, and its causes required interpretation. In 1930, Keynes published his two-volume work, *A Treatise on Money*. It "was an all-out assault on the intellectual foundations of laissez-faire. There was no such thing as a free market devoid of government interference" (190). The *Treatise* offered a cure for the economic weakness: public works projects. Whereas previously Keynes had an uneasy relationship with America and its politicians, when FDR came into power, he celebrated the new leadership. FDR's many programs to right the economy are perhaps the clearest expressions of enacted Keynesian economics.

At Cambridge University, Keynes attracted a growing number of followers. Joan Robinson and Richard Kahn were especially helpful to Keynes as he lurched toward the publication in 1936 of his most influential work, *The General Theory of Employment, Interest and Money*. Carter calls the book "a love letter to the power of ideas" (256), reminding one of Polanyi's acknowledgment of such power. Carter also calls it "very likely the worst-written book of its significance ever published in the English language" (257). In its recognition of how humans respond unpredictably to an uncertain economic future, it is far from a systematic statement of economic predictability. Robinson asserted that Keynes's great gift "had been to restore human agency to economic theory" (456). The similarity to Polanyi's restoration of the person to knowing is clear.

Carter writes that by 1947, "Keynesian ideas were thoroughly mainstream in academia, but professors didn't have anything to offer students but the convoluted, plodding *General Theory*" (375). How unfortunate that Polanyi's film and his 1945 *Full Employment and Free Trade* did not gain the general recognition that would have provided a secondary source for understanding Keynes. One of Keynes's students, Lorie Tarshis, did in 1947 produce a clear account of Keynesian economics, and its fate may in part illuminate why Polanyi's work did not garner wider acceptance. Merwin Hart, a Holocaust denier and McCarthy supporter, attacked Tarshis's book as a "pagan-religious and political tract" (376) and organized an effective letter-writing campaign to prohibit its use in schools. The organization housing Hart's polemic was funded by many large corporations that supported free market capitalism.

The opposition to Keynes's economic policies came from within academic circles as well as from outside forces. Two Austrians, first Ludwig von Mises and then Friedrich Hayek, spearheaded the attack. Interestingly, Hayek, Keynes, and Polanyi each looked back at the Gilded Age as a great age of high culture. But their views about how to reinstitute a free world of thriving individuals differed widely. It was really Hayek's 1944 work, *The Road to Serfdom*, that consolidated the neoliberal alternative to Keynesianism. In this work, "Hayek assembled a ferocious, scholarly attack on Keynes and the New Deal, not as an empirical analysis or a work of economic theory but as a political treatise" (341). Keynes responded, "All of Hayek's compromises with the social safely net, regulation, and antitrust policy put him on the same slippery slope to totalitarianism which Hayek himself admonished his political opponents for treading" (347). Carter suggests that Hayek's brand of neoliberalism, unlike Mises's rigid commitment to laissez-faire economics, made concessions to the need for some government regulation to combat economic problems. But Hayek opposed planning, which he said "could only be achieved by a dictator orchestrating the lives and limiting the choices of free individuals" (345).

Polanyi of course also opposed planning, but his opposition was in part based on how it interfered with the scientists' freedom to follow leads that could result in discovery. Polanyi and Keynes both visited Russia more than once—Keynes to visit his wife's relatives—and each found its governmental policies and their execution to be deeply flawed. Keynes wrote that the Russian government cares "about their experiment more than about making things work" (218).

Polanyi wrote *Full Employment and Free Trade* as an exposition of Keynes's economic theory. Polanyi stated that "the Keynesian theory is really quite simple—perhaps difficult to grasp at first, but once understood quite easy to handle and to keep in mind" (*FEFT*, ix). Carter's exposition of Keynes's thought suggests that Polanyi missed the deeper import of Keynes's ideas, for Polanyi treats the administering of the proper amount of money in a country's economy as a task to be carried out rather mechanically. He declares that "Governments must use existing channels of public expenditure for issuing new money and not undertake new public enterprises or deviate in any other way from the otherwise desirable course of economic policies, merely for the purpose of bringing money into circulation" (*FEFT*, 147). Carter suggests that "Keynes was critical of *any* economic model that claimed to offer reliable information about the future—even the Keynesian models.... Though his American followers would pursue fine-tuned tax-and-spending plans to lift demand during recessions, Keynes instead called for the government to manage future stages of overall economic scarcity through direct investment spending" (402). Polanyi rejected this aspect of Keynes's economic theory. Polanyi apparently thought tying the infusion of money into the economy through funding infrastructure improvement or other public investments risked undermining the rational management of money by plunging it into the uncertainties of political bargaining. Interestingly, it is Michael Polanyi's socialist-leaning brother Karl who agrees with Keynes on the legitimacy of public investment as a way to introduce money into the economy. Michael's pure view of money management has similarities to his idealistic view of pure science as expressed in "The Republic of Science."

Both Keynes and Polanyi critique the objectivism manifest in scientism. Each understands that the logical certainty characteristic of mathematics is necessarily compromised when math is applied to unpredictable real-world issues. "Financial markets, Keynes had emphasized, seemed rational only during periods of stability" (507). Personal rationality takes into account past experience, present-day context, and future uncertainties in applying mathematic formulas; it is not to be understood in terms of unqualified logical certainty. As Carter notes, "Keynes was preoccupied all his life with the philosophical foundations of knowledge itself—the nature of science and the limitations of its methods" (396). With such common worldviews, it is surprising that the paths of Polanyi and Keynes or their associates did not cross more in the 1930s and 1940s. Not only is Polanyi never mentioned in Carter's book, neither are his brother Karl nor such persons as Popper, Macmurray, Tawney, Jewkes, or Mannheim.

The Price of Peace goes on to describe how Keynesian thought, after Keynes's death in 1946, was interpreted in quite different ways by his disciples. Paul Samuelson produced a mathematical version, while John Kenneth Galbraith emphasized visionary aspects of Keynes's thought in *The Affluent Society* and other works. Carter suggests that Keynes's attempts to establish the economic basis for a better world is his enduring legacy. "Keynesianism in this purist, simplest form is not so much a school of economic thought as a spirit of radical optimism" (533). Despite their participation in many of the century's tragedies, both Keynes and Polanyi tend to end their forays into philosophy on a qualified note of hope.

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