

of the law, violations of which "have never sent a single businessman to jail for a single day." However, "the biggest loophole in the antitrust laws remains the reluctance of judges to apply the laws to concrete cases on the kind of evidence which such cases must necessarily present." This reluctance rests on two factors: first, "a natural unwillingness by judges to believe that businessmen—their friends, associates, and former clients—have broken the law, or, if they have, should be stigmatized publicly"; second, "the ignorance of judges about the economic facts of life."

Thus, the antitrust laws are not impotent; they have been effective, and can be more effective with more judicial support and expanded enforcement facilities. The law of free enterprise, with all its defects, is "a good practical framework for the economic system" and will help us steer "a middle path between economic lawlessness and tyranny."

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DILLARD, DUDLEY. *The Economics of John Maynard Keynes: The Theory of a Monetary Economy*. Pp. xv, 364. New York: Prentice-Hall, 1948. \$5.00.

This book might be characterized as a highly successful popularization of the work of the late Lord Keynes and particularly of his *General Theory*, were it not for the fact that "popularization" carries with it undesirable overtones of oversimplification. This would do Professor Dillard an injustice. He presents in the first two-thirds of his book the main ideas of the *General Theory*, but he spells them out in detail and integrates them in a way which makes them accessible both to the average undergraduate and to the interested layman. It is hardly necessary to summarize the content of these chapters.

The remainder of the book is given over to policy discussions and a highly suggestive final chapter on "The Development of Keynes' Thought and the Social Philosophy Towards Which It Leads." A bibliography of Keynes's writings and extensive references to the relevant Keynesian

literature at the end of various chapters are useful parts of the book.

Professor Dillard writes not only as an admirer of Keynes (only a dull person could fail to be intrigued by the personality and intellect of Keynes, regardless of whether there is agreement or not) but as a faithful apostle. Thus the book essentially, though not wholly, avoids criticisms as well as further developments of the *General Theory*. In addition, the author insists that Keynes was not interested in theory as such, but in policy. Hence even the theoretical chapters are written with a view toward their application.

It is, of course, an author's privilege to write the kind of book he wants. Because of this emphasis on policy, the book is probably easier to teach and to read than if it were written from the standpoint, say, of a critical appraisal of the Keynesian system. Given his purpose, Professor Dillard has done a superior job.

Yet it is the privilege of the reviewer to wonder whether this emphasis on policy as against theory is not really defeating the aim of the book. To be sure, Professor Dillard warns already in the Preface that the Keynesian theory is one thing, and the policy implications another. To be sure, Keynes's interest *was* practical. But his theory was essentially a short-run theory, a fact mentioned by the author only casually, and it was perhaps not quite as general as Dillard claims. Consequently Keynes could overemphasize in an almost classical manner the importance of the rate of interest in a manner which few of the younger economists would share. And his treatment of the influence of wages on employment, justified perhaps at the time of writing the *General Theory*, has certainly to be revised for our own use, as was done, for example, by James Tobin's essay in *The New Economics*.

This brings up a second point of emphasis—Keynes's break with the classical tradition. Of course, Keynes was a heretic: every great original mind is. It would, in this reviewer's opinion, only increase Keynes's stature to point to such other heretics as, say, Schumpeter. But by stressing the policy aspects of Keynes's work and overemphasizing his break with

the classical economists, the danger of a new orthodoxy arises which is utterly foreign to Keynes's open mind, and which he himself characterized as modern stuff gone silly and sour. Not that Professor Dillard deserves Keynes's posthumous strictures. Yet I feel strongly that emphasis on Keynes's theory as theory rather than as a rationalization of policy would have been a greater service. Keynes had sufficient practical instinct to neglect or change his own theories as the changing situation demanded. Most of us lesser mortals must depend somewhat more on a good theory.

From the author's standpoint, the last chapter, on the development of Keynes's thought, is a fitting climax. It is an impassioned exposition of the many and varied writings of Keynes. It is true, as Dillard repeatedly points out, that Keynes was very much more often correct than those he fought. Yet the "break" with the classical orthodoxy seems to this reviewer less a logical break than a superior ability of Keynes to adapt himself to rapidly changing situations.

For example, Keynes's superior insight led him to fight the restoration of the gold standard at the old parity, and to predict correctly the "Economic Consequences of Mr. Churchill." Yet as a member of the Macmillan Committee he was against the abandonment of the gold standard, once the original mistake and the sacrifices to correct it had been made. At the same time, Keynes's proposal to raise tariffs must be understood, it seems to this reviewer, not mainly as unorthodox (although Keynes's appendix to the Macmillan Report can be considered the first formulation of the foreign-trade multiplier), but as an indirect way to reduce real wages and thus to ease the pressure on British industry and to increase employment. Labor fought it, not because they were more orthodox than Keynes (though they probably were), but precisely because they understood that he was up to lowering their real wages. Yet a short time later Keynes ceased to favor protection once the abandonment of the gold standard had made it meaningless and harmful.

These remarks are offered not so much

as a criticism of a job well done, but as a means of appreciating even more the importance of Lord Keynes's work, which is independent of its short-run or long-run policy implications, and which will shape economic thought and practice for a long time, even after the last of the original pronouncements of the *General Theory* will have been shown to be untenable.

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HANCOCK, W. K., and M. M. GOWING.
British War Economy. Pp. xvii, 583.
London: His Majesty's Stationery Office,
1949. 21s. On sale by British Informa-
tion Services, New York. \$5.50.

The first of a series of volumes devoted to the scientific study of the social, economic, and administrative experience of World War II, under the editorship of W. K. Hancock, Fellow of All Souls College, Oxford, the present book turns back the clock to the days when the United Kingdom stood alone as the defender of the democratic tradition. After the British Cabinet decided in 1942 to gather materials for a history of the conflict, the co-authors were given access to all official documents. The artistry with which they have collated facts and the clarity of their exposition combine to make this civil history a living record of Britain's struggle to forge an invincible war economy.

Dividing their study into five broad periods of military significance—Perspective, Period of Anglo-French Alliance, From Dunkirk to Pearl Harbor, From Pearl Harbor to Normandy, After Normandy—the authors base their analysis upon the belief that economic events should be linked with strategic events, that a controlled economy cannot be understood without an over-all view of the controlling institutions, and that it would be insular and unrealistic to ignore the international environment which so powerfully governs a nation's economic effort.

British War Economy is commended especially for its critical viewpoint, its excellent documentation, and its effort to tell the whole story with both dispassion and completeness. Although its emphasis is on the winning of the war, and not on the