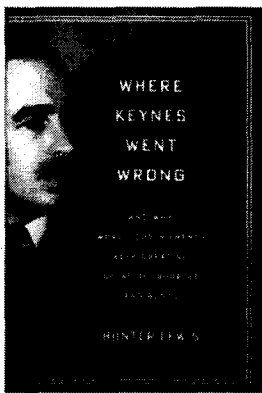


Sacramento Book Review

Where Keynes Went Wrong

Posted by Editor at 10 October, 2009, 3:15 pm



By Hunter Lewis

Axios Press, \$18.00, 372 pages

Former President Bush relied on Keynesian economic practices during his administration, and President Obama is resorting to Keynesian methods in an effort to battle the great recession of 2008. What is Keynesian economics, anyway? And the more relevant question here is, if one wants to understand Keynesian economics, should one read *Where Keynes Went Wrong* by Hunter Lewis? My answer is yes.

Although this book's aim is to illustrate the ways in which Keynesian economics has failed, Lewis is obliged first to present Keynes's ideas in order to refute them, and I think he does this fairly. In fact, Lewis devotes an entire section of his book, "What Keynes Really Said," to presenting Keynes's own words along with explanations—holding back on commentary until later in the book. If we are purists, we should go straight to Keynes's own written works, but apparently, Keynes's writing was highly technical, numerical, and paradoxical. In the same way that Isaac Newton's *Principia* was both a bestseller and unreadable at the same time, likewise Keynes's writings are somewhat inaccessible to a lay audience. Lewis's book helps to explain Keynes for those of us who are not economists.

According to Lewis, the basics of the Keynesian approach include government intervention in keeping interest rates low, printing money, spending rather than saving, and moving government toward partial ownership of otherwise private enterprises. In an economic crisis, the Keynesian solution is to print, lend, borrow, and spend. Hence, Bush's tax rebate checks to get Americans shopping and his TARP bailout program and Obama's

bottomless treasure chest of stimulus money for Wall Street, banks, and the automobile industry. Bush and Obama seem quite like-minded after all when viewed through a Keynesian lens.

But Lewis hopes to persuade the reader that the Keynesian approach to the economy is not the right one because it results in perpetual booms and busts, both of which are unnatural because of too much governmental tweaking of market processes. Lewis's book is not as persuasive as it could be, partly because his rhetorical approach to revealing Keynes's errors is almost scholastic in structure, resulting in some repetition and periodic choppiness. Nevertheless, the book is timely and relevant: Lewis is clearly questioning the validity of Keynesian economic practices, and he does so by countering Keynes with objections worth thinking about.

Reviewed by Suzanne Christensen



Where Keynes Went Wrong

Hunter Lewis

Best Price \$10.94
or Buy New \$12.24



[Privacy Information](#)

Category : **Current Events & Politics**

- [Bookmark](#) :
- [Digg](#)
- [del.icio.us](#)
- [Stumbleupon](#)
- [Redit it](#)