

Carlo Cristiano, *The Political and Economic Thought of the Young Keynes* (New York: Routledge, 2014), pp. xxii, 257 + index, \$140. ISBN 978-0-415-65926-0.

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John Maynard Keynes's service in the Treasury during World War I and his subsequent writing of the polemic *The Economic Consequences of the Peace* were life-changing events. If Keynes had simply continued selling economics by the hour and not entered the Treasury in 1915, it is questionable whether he ever would have written *The General Theory of Employment, Interest and Money*. But who was the thirty-one-year-old Keynes, in terms of his political and economic thought, who entered the Treasury? The purpose of Cristiano's book is to examine this question. He examines the development of Keynes's political and economic thought from when he entered Cambridge University in 1902 until he entered the Treasury in January 1915. Cristiano argues, "The existence of any significant connection that would associate the early John Maynard Keynes with politics and economics has so far appeared to be excluded by the existing literature, from which there emerges the picture of a young man dedicated to philosophy while at the same time enjoying an intense and activity-filled private life, but showing little interest in economics and an aversion to politics" (p. xviii).

Cristiano's basic thesis is that the mainstream literature emphasizes, in analyzing Keynes's early years, his philosophy of politics and economics. The story is of "the young philosopher and mathematician who tried to revolutionize the theory of probability and ended up becoming the great economist" (p. 1). In the young years, "In this picture ... economics occupies but a minor position and politics is placed so far in the background that on occasion it disappears beyond the vanishing point" (p. 1). "The earlier period is dominated by youthful interests that are usually seen as very much philosophical. The conventional picture of the early Keynes is dominated by the Cambridge Apostles" (p. 1). In contrast, Cristiano is "specifically dedicated to the reconstruction of Keynes's early political and economic ideas ... (his) practical politics and economics" (p. 29).

There are seven chapters in the book. The first chapter examines the mainstream literature and its development. Cristiano believes it was Roy Harrod "who first established the biographical perspective in which the influence of Moore and the Apostles effectively eclipsed all else" (p. 3). Cristiano reviews Harrod's account, but that "something is missing ... seems obvious" (p. 8). Cristiano argues that Keynes himself contributed to the conventionally selective perception of his youth; one reason is the prominent part his memoir "My Early Beliefs" has come to occupy in the common wisdom.

In the second chapter Cristiano analyzes Keynes's political activity while he was an undergraduate at Cambridge University. There are two principal sections in the chapter, one analyzing Keynes's involvement with the Cambridge Union and various clubs, and the other analyzing Keynes's essay on political philosophy, "The Political Doctrines of Edmund Burke." Cristiano argues that Keynes was a new Liberal. "(N)ew Liberalism was conceived as the liberal response to the social question as framed in the last quarter of the nineteenth century ... in which social issues ... had become prominent" (p. 40). "[I]t is certainly possible to describe the definite shape into which (Keynes's) political mind had set by around 1905: a moderate reformism with room for an active role of the state, a certain measure of redistribution and, more generally, a progressive view of society" (p. 62). Keynes was a "Liberal Imperialist"; he adopted the "idealized image of the empire as a source of economic progress and as a means of

spreading civilization and good government around the world” (p. 43). “Keynes held an idealistic view of the British Empire as a means to world peace *via* free trade and self-government, and ... this position on the empire, as well as on several issues pertaining to home policy, such as land reform, education and temperance, place him on the left wing of the Liberal Imperialist group” (p. 37). Keynes was initially a member, then secretary, and ultimately president of the Cambridge Union. Cristiano discusses Keynes’s position on the union’s various motions during the period he was involved with it. As “all the cutting edge issues in British politics were becoming economic in nature ... [p]olitics was creating a venue for economics in his mind” (pp. 51–52). Keynes’s essay on Edmund Burke “shows that, around 1904, Keynes was moderately in support of social and political reform measures in the direction of the extension of democracy, a certain measure of wealth redistribution, and the abandonment of the *laissez-faire* dogma, all of which were typical of the new Liberalism” (p. 37). “Broadly speaking, Keynes accepted the Burkean distrust of revolutionary change but rejected his extreme ‘timidity’ in reform” (p. 55). But, as Keynes wrote in his essay, “[O]ur power of prediction is so slight, our knowledge of remote consequences so uncertain, that it is seldom wise to sacrifice a present benefit for a doubtful advantage in the future” (p. 56).

In the first section of chapter three Cristiano discusses Keynes’s study of economics in 1905–06 as part of his preparation for the civil service exams. “The possibility that Maynard might perhaps take a part II in economics or moral sciences was contemplated, and for this reason Keynes attended Alfred Marshall’s lecture during the autumn of 1905 and the winter of 1906, but this was still part of the preparation for the Civil Service exams” (p. 69). “In the application form for Marshall’s course, Keynes indicated ‘Money, Credit and Prices’ and ‘International Trade’ as the subjects he hoped to specialize in” (p. 70). These two areas of specialty were not “the most obvious [ones] for a student who was reading for the Civil Service exams” (p. 70). “[T]hese areas were of special interest for those who expected to work in the financial market, as bankers, or as members of the Stock Exchange” (p. 92). Marshall was very impressed with Keynes’s ability and suggested that he become an economist. Section two of this chapter discusses Alfred Marshall and British economics around 1905; section three, the establishment of the Cambridge Economics Tripos; and section four, the scope and method of Marshall’s economics to examine what environment Keynes would have faced if he had followed Marshall’s advice and become an economist. For Marshall, economics “is an engine for the discovery of concrete truth” (p. 84); “the place of economists in the process of social reform was to create knowledge rather than impose the agenda” (p. 80).

In chapter four Cristiano further discusses Keynes’s study of economics in 1905 and the election of Arthur Cecil Pigou as Marshall’s successor. Keynes read extensively in economics in the summer of 1905. He kept lists of what he read, plus files, by topic, which contained his “notes from his readings and from Marshall’s lectures, together with other related material” (p. 98). From these it is possible to see what he studied. Marshall had an idiosyncratic lecturing style: “There was no clear order of exposition” (p. 100). “A more systematic part of Marshall’s teaching was the homework and its correction ... Marshall ‘gave questions once a week on a part of the subject which he had not lectured over, and then answered the questions in class. He took immense pains in looking over the answers, and used red ink on them freely’” (p. 101). Cristiano examines Keynes’s development as an economist by discussing his answers to some of the questions and Marshall’s comments on them. The final section of this chapter looks in

depth at the election of Pigou to succeed Marshall. It was Pigou who offered a lectureship in economics to Keynes, which allowed him to return to Cambridge.

In the first part of chapter five Cristiano discusses Keynes's lectures on money and financial issues at Cambridge before he entered the Treasury in 1915, based upon Keynes's extensive lecture notes in the Keynes Papers. Unfortunately, it is "impossible to follow Keynes's lectures and related papers in their exact chronological order, because Keynes used loose-leaf notebooks in which pages could be added or removed, and it is clear from the foliation that he often did so" (p. 138). The second half of the chapter looks at the British political debate at the end of the first decade of the twentieth century: "if, how and for what reasons Britain's position in the world economy as it had emerged after a long period of interrupted free trade and imperial expansion was to be defended" (p. 152), and Keynes's politics during this period.

Chapter six deals with Keynes and India, a country he was very involved with from 1906 to 1914. He served in the India Office for two years, from 1906 to 1908; his first book, published in 1913, was *Indian Currency and Finance*; and he served on the Royal Commission on Indian Finance and Currency in 1913 and 1914. Keynes's work on India was always on specific topics rather than grand themes; he accepted without question the economic benefits of British rule. The first part of the chapter deals with stabilization of the rupee's external value and Indian inflation. During this time a "collaboration was developing that was useful to both (Keynes and the India parties): Keynes enjoyed privileged access to the best information about India, which only the India Office could provide, and the Office could rely on an informed adviser, who would soon become their defender in the press" (p. 201), sometimes a defender in response to a request from the India Office. The final section looks at the various questions before the Royal Commission, and Keynes's role and impact on the commission.

In the last chapter Cristiano, as background to the financial crisis in 1914, initially discusses the question of ultimate control of gold reserves in Britain and the distribution of power in the London money market. In the second section the financial crisis that occurred at the start of World War I, when the joint stock banks refused to pay their customers in gold, is discussed, including Keynes's famous memo against the suspension of gold. The final section of the chapter comments on Keynes's continued focus on the current events of his country, not on economic theory.

This is an interesting and informative book, with a very different emphasis from what is usually discussed concerning this period in Keynes's life.

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Thomas Max Safley, ed., *The History of Bankruptcy: Economic, Social and Cultural Implications in Early Modern Europe* (New York: Routledge, 2013), pp. xi + 250, \$59.95 (paperback). ISBN 978-1-138-90178-0.

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The documents filed in bankruptcy and other legal action to collect debt provide windows into the business practices and credit relationships of the widest possible range of