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Seventy-five years have passed since the publication of John Maynard Keynes's *General Theory* (1936; hereafter *GT*). Over this period, evaluation of the work has gone through a dramatic series of ups and downs, and for every *GT* anniversary—the tenth, twentieth … —books have appeared that evaluate it from various points of view. The book reviewed here marks the seventy-fifth anniversary.

Two points might be worth mentioning in advance. To begin with, almost all the papers see *GT* as containing essentials for understanding the present economy or reconstructing macroeconomics, so the book is “Pro-Keynesian.” Second, the book presents diverse points of view on *GT*.

The book is composed of fifteen chapters. We will identify four types on the basis of common features, adding very brief comments due to lack of space.

TYPE 1: CHAPTERS FOCUSED ON *GT*

Focus on Institutions

In Chapter 1, Angel Asensio maintains that *GT* provides a wealth of concepts on institutions and equilibrium. Institutions and conventional behaviors endow an economic system with structural stabilizers such as law, regulations, and monetary contracts, which contribute to its convergence toward equilibrium at any given time, while excluding intrinsic indeterminateness. This anchoring works through attraction of the market interest rate towards a conventionally expected interest rate, the resistance of money wages to a fall, and so forth. He attributes the chapter to Post-Keynesianism (it reminds me of *GT*, ch. 18–3, in which four stabilizers for underemployment equilibrium are mentioned).

Particular Stance

In chapters 2 and 12, each author puts forward his own interpretation, keeping his distance from both New Keynesians and Post-Keynesians.

In Chapter 2, M. G. Hayes states that Keynes's innovative achievements have been practically neglected in both theory and policy. The Neo-Classical Synthesis and New Keynesianism as its modern version wrongly took Keynes's theory as "economics of rigidity," while Post-Keynesians failed to grasp Keynes's achievements, rejecting the Marshallian framework and deviating from the mainstream. Keynes's principle of effective demand is a theory of employment as a restatement of Marshallian equilibrium theory, which takes both time and money into consideration. He also stresses the significance of liquidity for *GT*.

I wonder just to what degree this interpretation of *GT* is unique as compared with the one, for example, by the Neo-Classical Synthesis.

In Chapter 12, Omar Hamouda starts with putting forward his interpretation, criticizing Post-Keynesians. First, he insists that *A Treatise on Money* (1930; hereafter *TM*) should not be neglected, for *TM* and *GT* should be regarded as one. He maintains that the neglect of *TM* in economics has led economists to misunderstand *GT*. In his argument, the Keynesian revolution occurred in *TM* rather than in *GT*. Second, his analysis of *GT* is based essentially on the aggregate demand-and-supply theory in Chapter 3 of *GT*, placing the emphasis on the marginal efficiency of capital as well.

I think that much of the importance of *TM* lies in enabling the tracing of how Keynes changed his theory from it to *GT,* and regard the manuscript written at the end of 1932 as a turning point from *TM* to *GT*. Incidentally, this chapter is the only one to deal with *TM* in the book.

Focus on Uncertainty

In Chapter 3 (the only chapter focused on uncertainty), Elke Muchlinski argues that Keynes's philosophical stance is shared with Bertrand Russell and Ludwig Wittgenstein as a philosophy of ordinary language (rather than logical atomism). Based on this, he maintains that *GT* develops the themes of "vagueness" and "state of confidence" under uncertainty in sharp contrast with orthodox economic theory, which is based on certainty and rigid deduction.

Two questions emerge. One concerns the fact that *GT*'s main theoretical achievement lies in a principle of effective demand, which shows how employment is determined. This aspect is ignored here. The other concerns the view that *A Treatise on Probability* runs through *GT* in full scale. Didn't Keynes change his philosophical view, accepting Frank Ramsey's criticism in his famous "Truth and Probability" (1926)?

Focus on Nested Structure

In Chapter 8, Lall Ramrattan and Michael Szenberg argue that *GT* incorporates Classical views in a "nested" way, thus seeing complementarity between *GT* and the Classical. They maintain that Keynes's idea evolved in that nested way, incorporating marginal analysis as well as macro analysis. They also admire Robert Clower and Axel Leijonhufvud's non-Walrasian approach, according to them, as a precursor constructing a nested vision of Keynes.

One cannot help wondering if they mean by the word "nested" that *GT* is compatible with both Classicals and non-Walrasians.

TYPE 2: CHAPTERS FOCUSED ON ESSENTIAL RATHER THAN ON *GT*

Reinforced with Sraffa's Idea and Kaldor's Theory

In Chapter 10, Alcino Camara-Neto and Matías Vernengo maintain that in arguing long-run underemployment equilibrium, Keynes's theory must be reinforced on two points. One is Piero Sraffa's criticism of the limitations of neoclassical capital theory. The other is rectification of Keynes's principle of effective demand, which was spoiled by neoclassical marginalism, through adoption of a (Sraffian) "supermultiplier" model together with Nicholas Kaldor's "Verdoorn Law" concerning a relationship between the growth rate of labor productivity and that of output.

Monetary Stance

In Chapter 13, Louis-Phillippe Rochon takes the Horizontalist approach. In this regard, he evaluates not so much *GT*, which assumes the exogeneity of money supply, as Keynes's *Economic Journal* papers (1937 and 1939). Even there, the author argues, Keynes did not deal with the problem of endogeneity between banks and the central bank, although the direction in which Keynes moved is the same as the Horizontalists took later. I wonder if he judges *GT* a failure because of the liquidity preference theory.

In Chapter 15, Randall Wray mentions two alternative approaches to money—market efficiency enhancement approach, and state creation approach (Chartalism)—and claims that his stance (neo-Chartalism), which regards money as public monopoly, should update Keynes's view on chartal money. I am inclined to agree with Wray's view in regard to "the difference between the actions of central banks and treasuries" together with "many potential problems" (p. 337), which is a central problem with which the present world economy is faced.

TYPE 3: CHAPTERS FOCUSED ON DEVELOPMENT OF POST-WAR MACROECONOMICS

Positive Evaluation

In Chapter 7, Matthew Luzzetti and Lee Ohanian stress the influences initiated by *GT*. The framework it provided was taken up by economists and policymakers, who collected the time-series data of macro economy and developed econometrics. On these points, the impact of *GT* was no less important than that of Finn Kydland and Edward Prescott. They state that the Federal Reserve Board forecasting models are similar to Keynesian models in the 1960s, including the Phillips curve and management of aggregate demand. The Keynesian vision provides the framework for policy implementation in the context of a central bank's behavior aiming at achieving a low unemployment rate and stability of the price level. Thus, a central bank (in this condition) is unlikely to give way to pessimism. The authors are sure that *GT* will continue to find strong support among policy makers.

It is my opinion that without this kind of development, the Keynesian revolution would not have taken place. This should be evaluated in a direct fashion.

Negative Evaluation (The Case for New Classicals)

In Chapter 4, describing the development of macroeconomics through to the present day, Michel DeVroey concludes that macroeconomics should be developed along the direction that the New Classicals initiated, declining the return to Keynes—the only chapter against Keynesianism.

The first striking point is that DeVroey categorizes the IS-LM approach and New Keynesian model mark II as a Marshallian approach, while classifying the New Keynesian models of the coordination failures type and New Classical models as a Walrasian approach. To my understanding, the IS-LM approach and its extended version incorporating many equations belong to a Walrasian approach (see Don Patinkin), while the New Classical models are not Walrasian, for they assume a representative agent. Second, I see no future for macroeconomics along the lines of the New Classicals, who use utility maximization of a representative agent over an infinite period, rational expectations, and the calibration method. These assumptions are of no use in analyzing the real world, which has experienced unstable financial globalization over the last two decades.

Long-run Post-Keynesian Stance

In Chapter 6, Peter Docherty states that Monetarism turned out to be unsuccessful, and that the vindication of Keynes was rapidly provided by the New Keynesians and the Post-Keynesians. That said, he points out two differences between the two: (i) the difference in causality structure; and (ii) the long-run features in the Post-Keynesians that are similar to the short-run ones in the New Keynesians. He emphasizes that economics should move in the direction of the Post-Keynesian approach, which analyzes macroeconomic policy on both short-run and long-run issues.

I cannot help wondering why New Classical macroeconomics, which has triumphed over Keynesianism in these two decades, is not referred to at all.

Response to GT *from Soviet and Western Marxism*

In Chapter 11, Gilles Dostaler discusses the relation between Keynes and Karl Marx—destruction of the foundation of Ricardian economics on which Marxian economics is built; the relation in terms of "Monetary Theory of Production"; the familiarity in terms of "love of money"; Keynes's view on the Soviet Union, and the impact of *GT* on Western Marxism as well as in the Soviet bloc.

What attracts me most here—the only chapter argued in the context of political regime change – is the great up-and-down swing in evaluation of *GT*/Keynes in the Soviet bloc as well as among Western Marxists. This is a theme that merits more extensive investigation, which should also deal with the Japanese Marxists.

Comparison between Keynes and Friedman

In Chapter 9, Roger Backhouse and Bradley Bateman compare Keynes and Milton Friedman, treating the two on equal terms, and mention similarities and differences in various aspects, to the extent that one might have an impression of a neutral stance.

What is striking is that they maintain the methodological similarities, and argue that Keynes just "moved away" from, without rejecting, the quantity theory of money.

TYPE 4: OTHERS

New Theories in the Previous Period

In Chapter 5, Robert Dimand points out that many theories thought to have been currently invented were, in fact, developed some time earlier, but failed to find due attention, even among scholars (e.g., Hyman Minsky's theory can be found in Irving Fisher's theory of debt deflation). Among other examples, he considers Maurice Allais's achievements, only one of which was credited for the Nobel Prize.

One problem here is how we should explain and evaluate the revolutionary movement in economics, taking into account these unnoticed achievements.

Emphasis on Interest and Profit

In Chapter 14, John Smithin maintains that the profit-seeking activities of firms are essential for understanding capitalism. However, they are neglected in Neoclassical theory, which cannot, therefore, constitute an adequate theory of capitalism. He also emphasizes the difference between profit and interest, rejecting the "equalization of the rate of profit."

I would like to know how this relates to *GT*.

The book thus offers a great diversity of viewpoints on *GT* as well as Keynesian economics in general, which might well reflect the present situation in which the "Pro-Keynes" camp finds itself, but, on the whole, it is to be welcomed.

Finally, there are two points I would make: (i) as far as interpretation of *GT* is concerned, it should be pursued essentially on primary material as well as on Keynes's publications, and that in their entirety (e.g. Hirai 2008; 2010); and (ii) the most important task for all Pro-Keynesians is to place *GT* and Keynes in the context of the present world economy over these two decades.

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