

**Volume 17**

**Number 069**

**John Maynard Keynes v. Friedrich**

**August Hayek - IV**

**Lead: Despite the advocacy of their partisans, the alleged rivalry between John Maynard Keynes and Friedrich August Hayek was more apparent than real. Hayek particularly made his greatest impact in the world of politics.**

**Intro.: *A Moment in Time* with Dan Roberts.**

**Content: Keynes' greatest contribution was in the arena of macroeconomics, particularly the activity of the state in creating orderly capital markets and creation**

**and re-stimulation of demand in time of recession. Even conservative economists and politicians recognized this insight and often insist on stimulation in order to get business activity started back up when it is down. Richard Nixon once significantly opined, “we are all Keynesians now.” Keynes’ theories have largely dominated scholarly and academic economics since the 1930s.**

**Hayek felt such governmental activity gave too much power to the state and led to socialism and a servile relationship between people, business and the government. Hayek’s greatest influence was within movement conservatism particularly in the 1980s Anglo-American governments of**

**Margaret Thatcher, whose understanding of Hayek's work revealed the typical shallowness of the politician, and Ronald Reagan. With his emphasis upon freedom in the marketplace, it is not surprising that President George H.W. Bush would present Hayek the Presidential Medal of Freedom.**

**Keynes and Hayek represent two sides of an important on-going debate, a significant fault-line in Western thought concerning the role of the state in the life of the individual, in the world of commerce, and in the establishment of liberty and authority.**

**From Richmond, Virginia this is**

# Dan Roberts.

## Resources

- Backhouse, Roger E. and Bateman, Bradley W. *The Cambridge Companion to Keynes*. Cambridge, UK: The Cambridge University Press, 2006.
- Barry, Norman P. *Hayek's Social and Economic Philosophy*. London: The Macmillan Press, Ltd., 1979
- Butler, Eamonn. *Hayek: His contribution to the political and economic thought of our time*. New York, NY: Universe Books, 1985.
- Dillard, Dudley. *The Economics of John Maynard Keynes: The Theory of a Monetary Economy*. New York, NY: Prentice-Hall, Inc., 1948.
- Feser, Edward. *The Cambridge Companion to Hayek*. New York, NY: Cambridge University Press, 2006.
- Hayek, F.A. *Economic Freedom*. Oxford, UK: Basil Blackwell Ltd., 1991.
- Hayek, F.A. *The Road to Serfdom*. Chicago, IL: The University of Chicago Press, 1944.
- Hutt, W.H. *Keynesianism: Retrospect and Prospect*. Chicago, IL: Henry Regnery Company, 1963.
- Keynes, John Maynard. *The General Theory of Employment, Interest and Money*. London: Macmillan, 1936.

**Copyright by Dan Roberts Enterprises, Inc.**