appreciations or criticism, between the two "worlds" have been very limited up to now. As suggested by the title of the last chapter by the two editors, "Towards a Systematic Comparison of Different Forms of Economic Thought," this book is a great starter for comparison research in the development of economic thought across civilizations. The effort of initiating this program in the present divided state of the international environment is sometimes, to some degree, far more inspiring than the content itself. Even with different cultural backgrounds, readers can relate to the idea of good government and the policies that are essential to building a welfare state.

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Debates in Macroeconomics from the Great Depression to the Long Recession: Cycles, Crises, and Policy Responses. By Arie Arnon. Cham: Springer, 2022. xxvi; 318 pp. $119.99.

More than ten years after his critically acclaimed book, *Monetary Theory and Policy from Hume and Smith to Wicksell: Money, Credit, and the Economy* (2011), this new opus by Arie Arnon was very much awaited. Given the strong emphasis laid on the monetary thinking of the different authors considered, and particularly their views regarding the proper conduct of monetary policy, this new work will be especially appreciated by those (like the present writer) interested in monetary issues within the subfield of macroeconomics.

The book is divided into four parts. The first part, titled "Theory and Policy around the Great Depression," comprises four chapters. Chapter 1 deals with Knut Wicksell, discussing, in particular, whether or not Wicksell was a "Quantity Theorist," his famous "cumulative processes" induced by a discrepancy between the natural and market rates of interest, and his monetary policy prescriptions centered around the stabilization of the price level. Chapter 2 focuses on John Maynard Keynes's early monetary writings (showing notably how Keynes moved from the Marshallian, "Quantity-Theory," approach of the *Tract on Monetary Reform* toward the Wicksellian framework developed in the *Treatise on Money*). Chapter 3 is devoted to Friedrich Hayek's monetary theory of the business cycle and to his "wait-and-see" attitude in the 1930s—in contrast to the anti-active-policy stance often attributed to him by historians of the field. Chapter 4 turns to the exchange between Keynes and Hayek when Keynes's *Treatise* was published, but also to their personal relationships.

The second part, titled "Keynes's and Hayek's New Thinking: 1936 to 1946," is made of three chapters. Chapter 5 describes what the author perceives as the main messages of Keynes's *General Theory* (especially stressing the key innovation of Keynes's book: the theoretical construct of "the aggregate market for goods and services," on which the aggregate level of output and employment is determined). Hayek's early writings on methodology form the subject of chapter 6—and notably the idea, developed from his essay "Economics and Knowledge" (1937), that competitive markets are in a constant state of evolving disequilibrium as they process and disseminate information and incentives among agents. Chapter 7 shows how Hayek modified his business cycle theory in the late 1930s (in particular with the addition of the so-called Ricardo effect to help explain the downswing phase) and points out the convergences existing between Keynes and Hayek at that time (regarding both the way the British economy should adapt for the forthcoming war effort and the defense of capitalism against the threat of the Nazi regime).

The third part, titled "1950s to 1980s: The Years of Keynesianism and the Counter Revolutions," comprises four chapters. Chapter 8 discusses whether or not *The General Theory* was actually a revolutionary work and confronts this interpretation with David Laidler's (developed in his book *Fabricating the Keynesian Revolution* [1999]), according to which *The General Theory* was rather a synthesis of the existing theories and debates in the years before 1936. Chapter 9 deals with Milton Friedman and monetarism. Of particular interest is the account of the relationship between Friedman and Hayek and the comparison of their respective methodological stances—Friedman being, on this ground, much closer to Keynes than to Hayek. Chapter 10 shifts to Hayek's return to economics in the 1970s and investigates the reasons why Hayek decided at that time to support "free banking" (as opposed to central banking)—a policy regime he had opposed (against his mentor Ludwig von Mises) in the 1930s. Chapter 11 then exposes the main tenets of the mainstream in macroeconomics since the "rational expectations revolution" in this subfield by the early 1970s, from Robert Lucas and his immediate followers to the last vintage of dynamic stochastic general equilibrium (DSGE) models.

The fourth and final part, titled "Macroeconomics before the Long Recession: The Return of Micro and Decline of Macro," involves four chapters. In chapter 12, Arnon recalls how the profession tackled the issue of providing macroeconomics with sound microeconomic foundations. He notably contrasts his view on the matter (according to which the emergence of the "New Classical Macroeconomics" [NMC] would have led to the search for a radically new form of microfoundations, based on dynamic optimization in an environment of general equilibrium) with that of Kevin Hoover in his "Microfoundational Programs" (2012) paper (according to which there would have been important elements of continuity in the attempts to provide macro with microfoundations, before and after the emergence of the NMC). Chapter 13 turns to "post-Keynesian" economists (arguing that it is easier to define them by what they are *not*) and to the "financial instability hypothesis" of Hyman Minsky. Chapter 14 distinguishes two approaches to macroeconomics: "simplicity" and "complexity." The most important difference between the two would lie in the knowledge of the economy (and, in particular, about its future path and the feasibility of policy options) economists are supposed to have. Contrary to the complex approach, the simplistic one assumes that macroeconomists do have this kind of knowledge. Finally, chapter 15 lays the blame for the inability of DSGE models to have anticipated the Great Recession on their simplistic character and calls for a more complex approach to macroeconomics—reminiscent of that promoted by Hayek in his methodological essays.

As the reader of the present review has certainly understood, Hayek is the true "hero" of Arnon's book. I will not decide here whether or not this choice is appropriate. Given the scholarship of the author on monetary issues, however, I would have expected more in-depth discussions about some key aspects of Hayek's monetary thinking. In particular, certain important features are missing in the treatment of Hayek's conception of monetary nonneutrality. For instance, the influence of Richard Cantillon on Hayek on that matter—through the so-called Cantillon effect (according to which the impact of an increase in the quantity of money on real variables crucially depends on the "point of injection," namely, the economic sectors where the new money first flows)—is not even mentioned. Similarly, only passing reference is made to Hayek's 1928 paper titled "Intertemporal Price Equilibrium and Movements in the Value of Money," although it laid the ground for Hayek's subsequent analysis of monetary nonneutrality in terms of distortions of *relative* prices. It would also have been worthwhile to confront Hayek's and Mises's views on monetary nonneutrality. Indeed, while Hayek perceived "neutral money" as a normative standard by which actual monetary arrangements could be evaluated, Mises rejected the very concept of neutral money, arguing that "in a living and changing world, in a world of action, there is no room left for a neutral money. Money is non-neutral or it does not exist" ([1938] 1990: 77). Another aspect of Hayek's thinking in monetary economics that would have deserved a more thorough discussion relates to the alternative monetary policy norms he had advocated during his career, from the constancy of the quantity of money in the 1920s to the stabilization of final output prices in the 1970s—that is, the same policy he had sharply criticized in the 1930s. Arnon documents only some of these changes and fails to explain why they happened. Finally, a comparison between Hayek's and Ralph Hawtrey's theories of business cycles would have been welcome, since both theories place monetary factors (and, most prominently, the inherent instability of credit) at center stage.

In spite of these (minor) weaknesses, Arnon's book is a great achievement (both in terms of coverage and pedagogy) and should find its place on the shelf of anyone interested in the history of monetary macroeconomics.

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Keynes on Uncertainty and Tragic Happiness: Complexity and Expectations. By Anna M. Carabelli. Cham: Palgrave Macmillan, 2021. vii; 182 pp. $59.99.

In *The General Theory of Employment, Interest, and Money* (1936), John Maynard Keynes quietly drew attention to the link connecting the volume to his earlier *Treatise on Probability* (1921): both books are centrally concerned, albeit from dif-