



**TIM CONGDON** is an economist and businessman, who has for over thirty years been a strong advocate of sound money and free markets. He is often regarded as the U.K.'s leading "monetarist" economist. From 1992 to 1997 he was a member of the U.K.'s Treasury Panel of Independent Forecasters (the so-called "wise men"), which advised the chancellor of the exchequer in a successful period for British economic policy. Tim has recently set up a new economics consultancy business, International Monetary Research Ltd. ([www.imr-ltd.com](http://www.imr-ltd.com)). He is chief executive of the company, which is his latest venture.

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MONEY IN A FREE SOCIETY

# MONEY IN A FREE SOCIETY



CONGDON

Keynes, Friedman, and the New Crisis in Capitalism



TIM CONGDON

In the fifteen years leading up to mid-2007 the world economy enjoyed unparalleled stability, with steady growth and low inflation. But the Great Recession has seen the worst economic turmoil since the 1930s. A dramatic plunge in trade, output, and employment in late 2008 and 2009 has been followed by an agonizingly weak recovery. What explains this crisis? What are the intellectual origins of the policy mistakes that led to the Great Recession? Which ideas on economic policy have proved right? And which have proved wrong?

*Money in a Free Society* contains eighteen provocative essays on these questions by Tim Congdon, an influential economic adviser to the Thatcher government in the U.K. and one of the world's leading monetary commentators. Congdon argues that academic economists and policy-makers have betrayed the intellectual legacy of both John Maynard Keynes and Milton Friedman.

These two great economists believed—in different ways—in the need for steady growth in the quantity of money. But Keynes has been misunderstood as advocating big rises in public spending and large budget deficits as the only way to defeat recession. Under President Obama, that has led to an unsustainable explosion in American public debt. Meanwhile, the Fed has allowed extreme volatility in the rate of money growth since 2006, forgetting Milton Friedman's central message that the quantity of money should grow at roughly the same rate year after year. In *Money in a Free Society* Congdon calls for a return to stable money, and a better understanding of both Keynes and Friedman. The Great Recession is to be blamed on bad economic policies arising from false theories, not on inherent weaknesses in the free-market economy. There is nothing much the matter with the economies of the capitalist West, but there is a great deal wrong with today's economics and economists.