

# The New Criterion

## Features

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## The cultural contradictions of J. M. Keynes

by [James Piereson](#)

On the insights & limitations of the influential economist.

Among the unhappy consequences of the current financial meltdown is the apparent triumph of a set of moral imperatives that seem every bit as perverse as those recorded in *Alice in Wonderland*. Financial institutions that took extreme risks and collapsed have to be bailed out by taxpayers on the grounds that “they are too big to fail.” Improvident borrowers, who purchased homes they could not afford and then defaulted when they could not make the monthly mortgage payments, must be subsidized by taxpayers in order to halt the slide in all house prices. Bankers whose firms lost billions must be paid extravagant bonuses—in some cases courtesy of the taxpayers—lest they be lured away by competitors (who are similarly insolvent). In order to save the system, we must first save those most responsible for placing it at risk.

In addition to tryin ...

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