

Keynes, Bourgeois Marxism And The Ideal Social Republic

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The Relation between Marx and Keynes

What was the relation between the thought of Keynes and that of Marx? Since Marx died in the year of Keynes' birth (1883), we have no dicta of Marx about Keynes. Keynes' observations about Marx are somewhat more numerous, but not very. They are also superficially based and almost uniformly unflattering. But that does not dispose of the question. To say merely that Keynes was intermittently hostile to Marx and Marxism, while perfectly true, does not address the question of possible congruence between the objectives, intellectual achievements and influence of the two men. Schumpeter, for one, noted two similarities between them in his obituary of Keynes. These provide an appropriate starting point for a reconsideration of the Marx-Keynes problem. "As with Marx," concluded Schumpeter, "it is possible to admire Keynes even though one may consider his social vision to be wrong and every one of his propositions to be misleading" (1946: 495-518). If this is so, how much more powerful the admiration if the social vision is shared and the propositions thought to be partly or substantially correct? This power of attraction allowed Keynes to found a "school" that was a genuine "sociological entity, namely, a group that professes allegiance to One Master and One Doctrine, and has its inner circle, its propagandists, its watchwords, its esoteric and its popular doctrine . . . There are but two other cases in the whole history of economics - the Physiocrats and the Marxists" (ibid.). According to Schumpeter, then, the ability to compel admiration even from unbelievers and the ability to create a genuine school of followers were key attributes that Marx and Keynes shared. Even if the Founders had nothing or little to say of each other, the Followers were left to puzzle over the congruence or non-congruence of the two schools. Were they at base competitive, or were they complementary?

Over the years, the critical literature has thrown up a wide range of different answers. Without in any way claiming to be comprehensive, we may at least indicate the width of the range of

interpretations, by marking the extremes and some of the intermediate positions. At the extreme of complementarity lies the view that Marx and Keynes were both struggling with the same problematic, and that Keynes provided a similar solution to that of Marx, at least to the central problem of understanding how the capitalist economy could suffer a breakdown. This is the view of Kenway (1980), who argues that Keynes and Marx agree on (a) the nature of the problem of analysing capitalism - that it requires a theory of monetary production and (b) the solution, in so far as it focuses on the role of monetary injections and leakages as the determinants of aggregate demand. Kenway acknowledges other analytical differences between the two thinkers, but evidently regards these as of less importance than the central issue on which they "stand in basic agreement, and . . . in opposition to their classical predecessors and contemporaries" (ibid.).

Further towards the middle of the spectrum is the view, which has appeared both from writers on the Left and on the Right, that Keynes' analysis of capitalism succeeded in supplanting the Marxian analysis, because of its superior scientific status. As a result, it provided a sort of historical stepping-stone to socialism or collectivism, although Keynes himself did not wish his theories to promote either. In this interpretation, Marx' economic analysis is seen as flawed or historically dated, and Keynes an unwitting accomplice in the fulfillment of Marx' historical theories. This is certainly the thrust of Hayek's critique in *The Road to Serfdom* (1944), although it is proclaimed with great alarm and a belief that the course of history can be reversed. It is also noted, with some misgiving, by writers like André Philip who claimed that Keynes had supplanted Marx as the guide to socialist thought (Lambert, 1963).

In more conflictual readings of the Keynes-Marx relation, the charge that Keynes failed to understand the broader historical context in which he was operating became sharper and more detailed. Sweezy's obituary of Keynes is representative of this middle position. On the one hand its tributes were fulsome: "I have no doubt that Keynes is the greatest British (or American) economist since Ricardo . . . There is a great deal in Marx . . . which takes on a new meaning and fits into its proper place when read in the light of the Keynesian contributions" (Sweezy, 1946: 398-405). On the other hand, "Keynes could never transcend the limitations of the neoclassical approach . . . and hence is inherently incapable of providing a scientific guide to social

action" (ibid.). Keynes shared the shortcomings of bourgeois thought in general, namely failure to situate the economy within society, to see the present as history and to see economic breakdown as inevitable without profound change in the social structure. Keynes is said not to recognise the imprisonment of his thought within the complacent atmosphere of middle-class Victorian England. Sweezy ends his obituary on a competitive note, finding in Joan Robinson's *An Essay on Marxian Economics* evidence that one, at least, of the Keynesian inner circle felt the attractive pull of Marxism.

A further shift in the competitive direction brings us to the specific fallacies which are said to vitiate Keynes' political economy. Two fundamental misperceptions about the structure of society are cited, the power of the great monopolies and the inability of governments in capitalist societies to act independently of the interests of private capital. Keynes, like Marx, may have identified the need for a theory of production - its organisation, its motivation and the conditions necessary for its objectives to be achieved. But he failed to do this adequately. By ignoring the role of monopolies in the economy, he involved himself in the contradiction of acknowledging that private profit-making is not necessarily socially advantageous, while simultaneously denying that "the system seriously misemploys the factors of production which are in use" (Halevi, 1979: 240-54). The other major fallacy is that the state can intervene, like a *deus ex machina*, to resolve the breakdown that can occur when private capital is left to its own devices. On the contrary, the Marxist critics (lately joined, incidentally, by contemporary Rightist advocates of the New Political Economy), say that the state cannot act independently in this way, because it will be blocked by the private interests to which it is in thrall. The Keynesian strategy for forestalling economic breakdown is, therefore, profoundly utopian.

At the extreme of the competitive end of the spectrum, one finds interpretations which have more than a touch of conspiracy theory to them. Here the idea that Keynes contributed anything of intellectual value to understanding the genesis of unemployment crises in capitalist economies is scorned. It was all in Marx, and obvious in any case to the untutored eye as the Depression of the 1930s manifested itself. Keynes' historical task was to explain the Depression without acknowledging Marx's theories. This was the position of Paul Mattick (1969: 26), who summarised the Keynes-Marx link by saying:

Keynes' theory fitted this situation (sc. the Great Depression of the 1930s). It acknowledged Marx's economic predictions without acknowledging Marx himself, and represented, in its essentials and in bourgeois terms, a kind of weaker repetition of the Marxian critique; and its purpose was to arrest capitalism's decline and prevent its possible collapse.

A further twist was provided by the East European Marxists of the 1960s who claimed that Keynes' historical task required him to develop an explanation using the marginal productivity theory of distribution, to disguise the fact that the true (Marxian) explanation also revealed the exploitation of the workers, and disproved Keynes' contention that capitalism was the only worthwhile social order within which the economic system should be analysed (Letiche, 1971: 442-58). Keynes is reduced to an unoriginal theorist, a clever and determined anti-Marxist polemicist and a slavish apologist for capitalism.

The purpose of this paper is not to embark on a detailed critique of these particular formulations. Parts of a critique, at least, are implicit in the remainder of the paper. But, at this stage, our purpose is simply to give an indication of the range of viewpoints which the critical literature on Keynes displays on his relationship to Marx. This is the background within which to situate a new interpretation of this relation which has recently been published, and which will form the central focus of the paper.

Keynes as a Bourgeois Marxist

George Catephores (1992) is the author of a new interpretation of the Marx-Keynes relation, which he has entitled "Keynes as a Bourgeois Marxist". It deserves extended discussion for a number of reasons.

(a) Unlike most of the interpretations already referred to, Catephores uses the full range of Keynes' *Collected Writings* in support of his views. His thesis is unusually well grounded in the relevant literature: it is not based merely on the *General Theory*, and a few small number of the other key Keynes texts.

(b) Catephores' thesis does not fit easily into one of the categories of interpretation already surveyed. It is not merely a modern reworking of any single older view, but combines elements of the cooperative/complementary approach with elements of the competitive/ conflictual approach in a most

interesting way. The thesis suggests both that Keynes shared with Marx many more ideas than hitherto supposed, and that he fashioned a "bourgeois" grand strategy to frustrate the Marxist grand strategy of proletarian revolution.

(c) Although it is both illuminating and sophisticated, Catephores' account contains a number of invalid inferences. As a result, in the end, it creates an overall impression of Keynes' relation to Marxism which is misleading, despite the fact that a good deal of the detailed content of the new interpretation is correct.

In this section, we first summarize the basic argument that Keynes was a "bourgeois Marxist". The aim here is accurate exposition of Catephores' main ideas, while discussion is reserved for latter sections. The summary falls into four major points. Taken together, the four points constitute a narrative showing the chronological turning points in the development of Keynes' fundamental perceptions of capitalist society and its economy.

To begin, Keynes' birth, upbringing, formal education and world-view were all profoundly bourgeois. More interestingly, Keynes developed and expressed a strong personal loyalty to the bourgeoisie, and an equally strong antipathy to the proletariat. This is indeed the exact reverse of Marxist allegiances, but it shows that both thinkers "agree on the layout of the battlefield for the class struggle of their epoch, they also agree with regard to the origin of the troops deployed, irrespective of the position each one reserves for himself regarding those troops" (Catephores, 1992: 9).

In addition, Keynes in the *Economic Consequences of the Peace* (1919) drew a picture of the crisis of nineteenth century capitalism which was substantially similar to that of Marx. Its centrepiece was the emergence of a conflict between the capital-accumulating bourgeoisie and an impoverished proletariat, mystified about the process of its own exploitation. This conflict had made the pre-existing system of capitalist accumulation no longer sustainable. So much so that Keynes in 1919 fully expected the economic and social order inherited from the previous century to collapse into chaos and revolution. Keynes' explanation of this conflict is indeed different from Marx's, in that his dynamics are psychological, and at odds with the technological determinism of standard Marxism. Nonetheless, they lead him to "a prescription for social change which diametrically opposes, while in important respects mirroring, the revolutionary project favoured by Marx". Further, it is this prescription (of which more shortly) which

"more than anything else . . . makes Keynes into a bourgeois Marxist" (Ibid.: 10).

Then, for a while, Keynes drew back from the implications of his 1919 analysis. As the post-war disorder gradually abated, as capitalist business began to recover its self-confidence, Keynes for a while allowed himself to be lulled into a sense of false security about the resilience of the capitalist system. In this, he was assisted by his reliance on social psychological dynamics, and his non-deterministic approach (Ibid.: 12,18). This encouraged him to believe that the crisis foreseen in 1919 could be completely averted, until the Great Crash of 1929 finally convinced him to two things. One was that existing capitalism could not survive unchanged, and the other was that its fundamental weakness was the enthronement of exchange-value over use-value - the identical diagnosis to that of Marx, albeit that Keynes differed in believing that he had a prescription to cure the disease. Thus, according to Catephores, "Keynes' analysis of the capitalist mentality converges on that of Marx (but) Keynes writes in the hope of persuading the bourgeoisie to break the vicious circle (and) wants the capitalist to reject capitalism" (ibid.: 33).

Finally, having been converted to the need for use-value oriented economic activity, Keynes embraced an "open conspiracy" to wean the bourgeoisie away from sterile money-making, in order to build a new system, still ruled by them, but dedicated to use-value, not exchange-value (ibid.: 34). Thereby Keynes conceded that the existing bourgeois relations of production had become a fetter, as Marx claimed they had, on the advance of the forces of production. His response to this insight was to adopt a "masterplan", "a project with all the makings of a grand political strategy", based on the cooption of the force of the state to govern the market on use-value principles, re-education of the bourgeoisie in these new principles, and ultimately their recruitment in order to transform the remaining institutions of social life (ibid.: 37).

To give a summary of a summary, Keynes and Marx were "both fierce class loyalists", "class grand strategists of genius", who prescribed to the class of their allegiance plans for "seizing the high moral and political ground" and then dissolving themselves into a "future, presumably classless, commonwealth", through the euthanasia of the rentier (Keynes) or the withering away of the state (Marx). So much for the competition between their thought. Their complementarity resided in the fact they both envisioned the future having broad contours which were

"strikingly similar", and that they shared the common fate of being "ultimately by-passed, let down, . . . betrayed, by the respective social class, the historical victory of which they each sought so much to secure" (ibid.: 43-44).

Despite the intellectual sympathy for Marxism which suffuses Catephores' text, it ends with this rhetorical question: "how could any of us claim to be civilized and regard the obnoxious Etonian with anything else but gratitude?" Schumpeter's claim that it is possible to admire Keynes even though one may consider his social vision to be wrong and every one of his propositions to be misleading could hardly have been more strikingly vindicated than by Catephores' final words. But admiration is not the issue. The question is whether the interpretation on which the admiration rests is correct. In other words, to what extent was Keynes really a bourgeois Marxist?

Keynes and the Class Struggle

Before moving on to discuss Catephores' bold apostrophe to the dead Keynes - "You are not a Liberal, what you are in fact is a bourgeois Marxist" - it is essential to begin with a general *caveat lector*. It is not possible to convey the persuasive force of Catephores' paper simply by making the bald summary of it which Section II contains. Its method relies heavily on setting out matching quotations from Marx and Keynes, on class, capitalism, money and so on, at each point in the development of the argument. The power of the argument depends on the precise degree of parallelism or divergence between the extracts from the two thinkers' works. There is no way of capturing that power except by reading through the original presentation in full. A necessary caution to our readers then is to test the criticisms which are advanced below of the bourgeois Marxism thesis against a thorough reading of the original. It is precisely because of the denseness and richness of the original presentation that it is so well worth commenting on, and, at the same time, so difficult to criticize accurately and fairly.

One major difficulty which a discussant faces is that bourgeois Marxism itself is not discussed as a broader phenomenon, but only in relation to Keynes. This may be because Catephores is embarked on a larger project, of which Keynes provides one case study among others. But the effect of this is that the underlying theory remains implicit. One is left to ask: what counts as being a

"bourgeois Marxist"? Is it sufficient to show that there are "traces of Marxism in Keynes' thinking" (ibid.: 4)? Is it sufficient to show that Keynes engaged in opposing "while in important respects mirroring, the revolutionary project favoured by Marx" (ibid.: 10)? Are bourgeois Marxists meant to be crypto-Marxists, in the sense of intellectual sympathizers in philosophy and political economy who shrink from the political practice? Or are they meant to be anti-Marxists, in the sense of political opponents who re-write Marxian concepts into an inverted form? Or is the term loose enough to encompass both?

Apart from eliding the distinction between the cryptos and the antis, Catephores use of the term bourgeois is mystifying, in that he implies that Keynes' bourgeois origins must have necessarily made him a devotee of his class. Keynes certainly did have bourgeois social origins, something of which Catephores makes much, as in the final epithet "obnoxious Etonian". So also did Marx, and this example is sufficient to indicate that origins do not invariably determine class allegiances or, indeed any other attitudes. The most obvious effect of Keynes' origins and upbringing was to open the doors of the English establishment to him at an early age, and this may have had a later influence on his ideas about the state and the impact of ideas on politics. Bourgeois social origins were not the only passport into the establishment. But in Keynes generation, they were a great help.

Keynes was not in fact the "fierce class loyalist" which Catephores paints him. At the philosophical level, this denial rests on the vital distinction which Catephores himself makes between Keynes' appeal to psychological forces when analysing the dynamics of capitalism, and the technological determinism of the standard Marxist approach to social analysis (ibid.: 10). The crisis of capitalism as dissected by Keynes in *Economic Consequences of the Peace* is a very different sort of crisis from the classic Marxian breakdown of capitalism, both in outcome and origin. Keynes differed fundamentally from Marx in not believing in historical inevitability, in not accepting that the future was pre-determined by immanent social forces, and in *not* analysing the trajectory of history in terms of the struggle between two great social classes, the bourgeoisie and the proletariat. There is nothing in Keynes' philosophy of history and society to make it seem to him necessary to align himself with either the bourgeoisie or the proletariat.

Nothing at all? Two texts seem to suggest otherwise. In *Am I a Liberal?* (CW IX: 295-306), Keynes cites J R Commons' historical

schema of three historical eras of scarcity, abundance and stabilization and remarks that "we are now entering the third era, which Professor Commons . . . truly characterizes as 'the actual alternative to Marx's communism'" (ibid.: 304). Although this gives Catephores the opening for a wicked pun ("Commonsism instead of Communism"), it is the sole reference to Commons and his historical schema in Keynes' collected writings. The other exceptional text is the *Economic Possibilities for Our Grandchildren*. This presents more difficulties, both because Keynes is expounding his own views at some length, rather than just citing another's with approval, and because it does embody a strong element of technological determinism as it looks ahead one hundred years towards the eventual solution of mankind's economic problem. Yet it is far from wholly deterministic, in the sense that Keynes suggests that for the economic problem to be solved, people will have to cooperate, by controlling their distaste for organized money-making for a century or so. By all accounts, this is a strange and ambivalent text, in which Catephores himself sees Keynes wrestling with a dilemma which he cannot yet resolve. It would be unreliable as a guide to Keynes' lifelong philosophy of history.

Keynes also made remarks which appear to be class insults. Catephores reacts particularly to his use of the phrase "boorish proletariat". In using this phrase, Keynes was anticipating the prejudices of his readers, in the context of the Russian revolution. But there is the more general point that what is acceptable in public print has changed radically in the last sixty years. In the same piece about Russia, Keynes makes equally insulting remarks of an anti-semitic kind (though milder than Marx' anti-semitism). These were still accepted as public currency at that time, in a way that would be unthinkable now. They should be treated as without special significance for his thought or behaviour.

Apart from some casual snobbery and two enigmatic flirtations with historicism, where is the evidence that Keynes was a fierce class loyalist? One of the key quotations Catephores used to support his case that Keynes was fighting for the continued power of the bourgeoisie comes from 'Am I a Liberal?'. Keynes begins by debating with himself as to which political party will suit him best. He rejects the Conservatives on the grounds that they lack ideas and are reactionary in temperament, seeing any challenge to established capitalist values as Bolshevism. He goes on to ask "Ought I then to join the Labour Party?". Superficially that is more attractive. But looked at more closely there are great difficulties.

To begin with, it is a class party and the class is not my class. If I am going to pursue sectional interests at all I shall pursue my own. When it comes to the class struggle as such, my local and personal patriotisms . . . are attached to my own surroundings. I can be influenced by what seem to me to be justice and good sense, but the *class* war will find me on the side of the educated bourgeoisie" (JMK, CW IX: 296).

Exactly like Mattick before him (1969: 22 n.9), Catephores assumes that this passage shows Keynes to be a committed bourgeois class warrior. However, Keynes' point is rather more subtle. He is saying that a party which claims to represent the interests of one class against other classes can have no claim on the loyalty of members of those other classes. Why set up a working class party and then expect support from the bourgeoisie? Keynes is pointing out that a party which emphasizes class divisions and supports only *one* social class will never gain widespread backing except within that class, and therefore will not be in a position to unite the whole of society. The Labour Party would do better to appeal to justice and good sense. He emphasized this point in a lecture given in Moscow in September, 1925. Speaking of his own stance during what he described as "the economic transition in England", he commented:

Some of you in Russia will not agree with me in seeking help in these matters from a reformed and remodeled Liberalism, which above all things, shall *not*, if my ideal is realized, be a *class* Party (CW).

That Keynes himself did not believe class struggle to be of great interest or importance can also be seen from his review (not used by Catephores), Trotsky on England, of Leon Trotsky's book *Where is Britain Going?*. Keynes notes that Trotsky spends the first half of the book reviling the leaders of the British Labour Movement. Trotsky believes that the Labour Party are not truly proletarian in origin, and, interestingly, Keynes agrees with him: "Trotsky sees, what is probably true, that our Labour Party is the direct offspring of the radical non-conformists and philanthropic bourgeois, without a tinge of atheism, blood and revolution. Emotionally and intellectually therefore, he finds them intensely unsympathetic" (JMK, CW X: 63). If this is Keynes' opinion of the Labour Party, then his own objections to it seem more likely to be based on intellectual differences than on a difference of social class between himself and socialist activists - for by his own

admission their social origins are not so far removed from his! But this is by the by. Keynes goes on to present Trotsky's argument point by point. Firstly, "the historical process necessitates the change-over to socialism if civilization is to be preserved". Secondly, "it is unthinkable that this change-over can come about by peaceful argument and voluntary surrender. Except in response to force, the ruling class will surrender nothing". Thirdly, "even if sooner or later, the Labour Party achieve power by constitutional methods, *the reactionary parties will at once proceed to force*". Thus, "In view of all this, whilst it may be a good strategy to aim also at constitutional power, it is silly not to organize on the basis that material force will be the determining factor in the end". Keynes' response is, that granted Trotsky's assumptions, his case is unanswerable, but that those assumptions are in fact false.

Keynes identifies the assumptions of Trotsky's argument as being ". . . that the moral and intellectual problems of the transformation of society have already been solved - that a plan exists, and that nothing remains except to put it into operation", and ". . . that society is divided into two parts - the proletariat who are converted to the plan, and the rest who for purely selfish reasons oppose it". These assumptions are false, Keynes argues, because, in the first place, there is no plan, and in the second place, if there were such a plan it would gain support from many different sections of society. At this stage, then, Keynes does not regard his own ideas as sufficiently well developed to constitute "a plan", and he does not believe anyone else has come up with one which is practical in modern conditions. "All the political parties have their origins in past ideas . . . - and none more conspicuously so than the Marxists".

It is fairly clear from Keynes' remarks that he does not believe an analysis of society in which class conflict between bourgeoisie and proletariat plays a major role is appropriate to the state of affairs in England in 1926. What is crucial is not the winning of a class war, but the development of a plan which can *unite* society. Until such a plan exists, the question of revolution is irrelevant: "It is not necessary to debate the subtleties of what justifies a man in promoting his gospel by force; for no-one has a gospel".

Before leaving the question of Keynes' attitude to the class struggle, one further indication of his lack of concern for it should be noted. Far from being a supporter of the bourgeoisie-in-general and an antagonist of the proletariat, Keynes was preoccupied throughout the 1920s with a critique of key sections of

the bourgeoisie. He distinguishes between those parts of the bourgeoisie who live by financial speculation, making money from money without contributing any increment to the real output of society, from those who make profits from the normal business of saving and investing in real capital. He regards the profits of speculation as equivalent to unearned income, and the profits of investment as earned income, berating the former and praising the latter. In Keynes' view, the bourgeoisie does have an historic social purpose, but it is increasingly failing to fulfill it. What is crucial is the fulfillment of the social purpose: the survival of the class that previously had served this purpose is a secondary matter. To the extent that the bourgeoisie has become a rentier class, it is invited to proceed to euthanasia. To the extent that governments (mainly staffed by the bourgeoisie, but some not) fail to understand the difference between speculative and productive investment, or follow policies (like printing money at will) which damage productive investment, they must be lashed and lampooned until they see the error of their ways. After an unsavoury share issue in 1924, Keynes expostulated: "No-one in the City seems to think it is his duty to protect the public when such episodes occur. Yet it is low standards in such matters, not Socialism or Bolshevism, which are the real enemy of the system for which the City stands" (CW XIX: 197).

Keynes' visit to Soviet Russia in 1925 confirmed his view that Bolshevism and the dictatorship of the proletariat were not the way of the future, nor a substantial threat to capitalism. The Soviet experiment merely reminded him of the need for "placing moral purpose at the centre of everyday economic activity", and that modern capitalism was vulnerable to criticism by that criterion.

We used to believe that modern capitalism was capable, not merely of maintaining existing standards of life, but of leading us gradually into an economic paradise where we should be comparatively free from economic cares. Now we doubt whether the businessman is leading us to a destination far better than our present place. Regarded as a means he is tolerable; regarded as an end he is not so satisfactory . . . (CW IX: 268).

His conclusion was that "a revolution in our ways of thinking and feeling about money may become the growing purpose of contemporary embodiments of the ideal" (Ibid.: 269).

The evidence does show, therefore, just as Catephores claims, that Keynes increasingly criticized the motive of money-making

for its own sake, and elevated the idea that things have value in and of themselves which is independent of monetary worth and the disciplines of financial accounting. There is an undoubted congruence between these increasingly frequent passages in Keynes' writing (including some to which Catephores does not refer) and the Marxian notion of use-value. But the revolution which this new perception required is "in our thinking and feeling", not in a class-based struggle, and it is required only to the extent which individuals aspire to become "contemporary embodiments of the ideal".

Keynes and the Open Conspiracy

This undoubted point of tangency between Keynesian and Marxian thought is, however, misleadingly presented by Catephores as the basis of a Keynesian "masterplan" for the ultimate victory of the bourgeoisie. He states his case thus:

As to the character of the more serious tasks which Keynes had in mind for the bourgeoisie, he has spared us the effort of a laborious search. In a rather unexpected place, an essay of literary criticism on *Clissold*, a novel by his contemporary H. G. Wells, he tucked away the whole key to the riddle (Catephores, 1991: 38).

The key to the whole riddle is Clissold's fictional "open conspiracy" to recruit scientists and businessmen into "a new party of social change . . . an elite party of a new type, a vanguard of the bourgeois class, capable of maintaining bourgeois hegemony over into the post-capitalist era" (ibid.). *Prima facie* it might seem odd that, if Keynes had wished to spare his audience the effort of a laborious search, he would have tucked away the whole key to his riddle in a rather unexpected place, an essay of literary criticism. But passing over that doubt, let us take a closer look at Clissold.

H. G. Wells published *The World of William Clissold* in 1926. In it, he argued that it

is only through a conscious, frank and world-wide cooperation of the man of science, the scientific worker, the man accustomed to the direction of productive industry, the man able to control the arterial supply of credit, the man who can control newspapers and politicians, that the great system of

changes they have almost inadvertently got going can be brought to any hopeful order of development (quoted in Werskey, 1988: 33-34, fn.).

This was a plea for the consolidation of a technocratic elite, to manage industry and politics, not a plea for a new party or a social vanguard based on existing class divisions. If one reads this in class terms at all it should be read as an evocation of a new "intermediate class", freed from the interests and antagonisms of both bourgeoisie and proletariat (Skidelsky, 1992: 518-9). Keynes' response, entitled simply *Clissold*, was written in 1927, not long after Trotsky on England, so it seems implausible to claim that there was a radical shift in circumstances or in Keynes' perspective on society between these two pieces. Catephores interprets it as Keynes attempting to enlist support for his version of the new society from the bourgeoisie, whom he hopes to persuade to take charge of the state in order to bring in reform. But according to our argument, Keynes did not at this stage think in terms of a struggle between the social classes and also felt that it was not yet clear exactly what kind of society anybody wanted. So where does *Clissold* fit in?

First of all, it is helpful to remember that *Clissold* is a book review, and that Keynes is providing an exposition of its central theme, or problem. Keynes is certainly deeply concerned with this problem, which is basically that of how intelligent reform is to be brought about. But the way the problem is formulated and the kind of answer provided is essentially not Keynes' formulation and solution, but H. G. Wells'. Wells judges that the Labour Movement is a dangerous and destructive force, threatening to overwhelm society given half a chance. It is Wells who looks to scientists and businessmen like his hero Clissold to provide a technocratic alternative. Keynes certainly sympathizes with Wells' fear of "the passionate destructiveness of labour awakening to its new needless limitations and privations". But it does not necessarily follow that he himself views the situation in such extreme terms, or that he believes the only hope of averting revolution is to enlist the help of the whole bourgeois class against it. In fact, Keynes was entirely sceptical about the likelihood of engaging the energies of men like Clissold, because he believed they were too obsessed with the pursuit of money. He says so quite plainly at the end of his review. There is the additional point that Keynes disliked and distrusted the anti-Socialism of Sir Alfred Mond, Chairman of ICI, who was Wells' real-life

counterpart of the fictional Clissold (Werskey, 1988: 33-34; Skidelsky, 1992: 259-60).

By examining Keynes' views from the early to the mid-1920s in some detail, a number of important points have emerged. It has been shown beyond doubt that Keynes did not revert to a complacent bourgeois capitalism, as Catephores alleges, but began to develop some of his more radical criticisms and suggestions for reform. He had already appreciated that capitalism had entered a new phase, and believed that wealth, social stability and social justice might be better promoted in that new phase through state intervention in the management of the economy. He also saw that the accumulation of money capital in the new phase was no longer an absolute priority for society, and that for individuals to continue to pursue the accumulation of money capital without any control on their activities might actually be detrimental to society. However, in making such suggestions, Keynes did not appeal to the class interests of the bourgeoisie as such. He did not any longer see class conflict as a danger in the way he had in 1919. Rather he saw the chief dangers as being drift, confusion and a reliance on out-of-date models, both among those governing the country, and those in opposition wishing to govern it. What was needed was a plan, and a consensus that it was right. He put the point succinctly in a letter to *The New Statesman and Nation*, some years later in 1934 (by which time the country was in the grip of the Depression):

The class-war faction believe that it is well-known what ought to be done; that we are divided between the poor and good who would like to do it, and the rich and wicked who for reasons of self-interest wish to prevent it . . . I view the matter otherwise. I think it extremely difficult to know what ought to be done, and extremely difficult for those who know (or think they know) to persuade others that they are right (CW XXVIII: 36).

Keynes applied the same criticism to H. G. Wells - his movement for planning was all machinery, with no ideas to animate it (Skidelsky: 1992: 518-9).

Given that by 1926 the seeds of what would eventually grow into the General Theory were already sown, *Economic Possibilities for our Grandchildren* has an even more puzzling aspect than in Catephores' account. Catephores argues that, having supported a supposedly revitalized capitalism through the late 1920s, Keynes felt it wisest to keep on proclaiming his faith in

it, even when it looked in danger of collapse once again, because he did not yet have an alternative. But as we have seen, Keynes had begun to reject old-fashioned capitalism in the early twenties and had been making suggestions for change and reform since at least 1925. Thus in 1930, in *Economic Possibilities*, he was directly contradicting much of what he had been saying for the past five years. In 1925 he had insisted that "If there is no moral objective in economic progress, then it follows that we must not sacrifice, even for a day, moral to material advantage" (CW IX: 268). But in 1930 he urged his audience "For at least another hundred years we must pretend to ourselves that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still. For only they can lead us out of economic necessity". He seemed to have retreated to a naïve belief in progress, of the kind he had earlier suggested was out of date, a belief in "heaven on earth hereafter".

This uncharacteristic and confusing defense of the horrors of capitalism, to be endured for the sake of utopia, can only be interpreted as a desperate attempt to reinforce confidence in the economic system at a time of grave crisis. Presumably he did not suggest his own ideas for change and reform because he felt they were still too undeveloped and experimental for implementation; or because he felt that any destabilising influence on confidence in the economy, in the form of unorthodox opinions and suggestions, could be very dangerous. Since he believed that psychological forces were of prime importance in economic life, he may have decided that a strong outburst of cheerfulness was the best antidote to further panic and collapse. He must have been hoping no-one would notice that he seemed suddenly to have changed all his long-held opinions. After *Economic Possibilities*, Keynes did not continue to advocate a belief in pre-war style capitalism, but began to set about developing his earlier reforming ideas into a rigorous economic theory, capable of solving the problem of mass unemployment and promoting economic recovery. This theory became *The General Theory of Employment, Interest and Money*, published in 1936.

Keynes and the Ideal Social Order

Some of Keynes' ideas about capitalist society were ones which, at a very general level, he shared with Marx. The main similarity between Keynes and Marx which has emerged so far is that both saw nineteenth century style capitalism as doomed - in Marx's

view, it was about to be split apart by the unstoppable forces of revolution, while for Keynes, it had simply ceased to function in the reliable way the Victorians had expected that it always would. Both diagnosed the problem with capitalism in a somewhat similar way - it was driven by individuals' desires to accumulate money capital, the piling up by the rich of money for the sake of earning more money, while the poor were relatively deprived. Such a system, while having immense productive advantages for a newly industrializing economy, was unstable and was likely to break down as conditions changed. It must be replaced by, or converted into, an economy in which income was less unfairly distributed and valued at what it could buy for consumption uses, rather than at what it could earn in interest payments. The outcome of these changes would be similar in both cases: the establishment of a society in which there was relative freedom for everyone from economic cares, which was stable, and which was socially just.

However, Marx's view of the ideal society and progress towards it was clearly shaped not only by his observations of contemporary society, but by his philosophy of history and human nature. Marx was initially concerned to criticize Hegel's philosophical *method*: his analysis of real society was at first secondary to that aim. *Das Kapital* represents the uncompleted application to existing capitalism of his new methodological perspective (Colletti, 1972: 33). So far, we have established that this perspective was not shared by Keynes. As Sukhamoy Chakravarty has stressed: "Keynes' work belongs to a philosophical tradition which begins with Hume and has very little points of overlap with the Hegelian tradition which influenced Marx rather deeply, at a crucial formative stage in his intellectual development" (1989: 21). Keynes, unlike Marx, did not believe human beings to be entirely enmeshed in alienated forms of social relations, he did not regard the historical process as predetermined, and he did not see class struggle as the only or even a satisfactory vehicle for social change.

In order to formulate a programme for economic and social stability and justice within a society, some positive philosophical view about human nature and human communities is required. Therefore, if Keynes was not a bourgeois Marxist, he must have had an alternative philosophy. Two clues can be found in the way Keynes approaches his work. First of all, although Keynes does not regard the historical process as inevitable, he does believe that societies can aim at an ideal, and progress by a more or less

speedy route towards it. The means which are most appropriate to attaining the end in a given society may change and the means will be different for different societies, but wealth, social security and social justice for everyone remain the ideal purpose of most societies. What is more, the ideal society is a real possibility, even if a distant one - it is not an imaginary point like the infinity where Euclid's parallel lines are supposed to meet, but a real place where we can expect to arrive sooner or later. Keynes expressed this optimistic view in 'National Self-Sufficiency' in the *New Statesman and Nation*, (8 and 15 July 1933).

My point for the present discussion is this. We each have our own fancy. Not believing that we are saved already, we each would like to have a try at working out our own salvation. The point is that there is no prospect for the next generation of a uniformity of economic systems throughout the world, such as existed, broadly speaking, during the nineteenth century; that we all need to be as free as possible of interference from economic changes elsewhere, in order to make our own favourite experiments towards the ideal social republic of the future (CW XXI: 239-241).

The second clue lies in Keynes' method for diagnosing problems in the economy. Essentially, it is a psychological method. Catephores calls Keynes 'the psychoanalyst of capitalism'. He took very seriously all the influences on the hopes, fears and beliefs of individuals in a given situation in attempting to understand and predict their economic behaviour as a community. He believed that individuals were affected by all aspects of their environment, not just the economic ones, when making economic decisions. He also believed that people were motivated by something more than a desire for personal wealth, that there was a spiritual element to human life - and it was exactly the recognition of this need that he admired in Communism, and which allowed him to detect a "speck of the ideal" in that otherwise disastrous system.

How, then, did Keynes believe that the interests of the individual and of the community were linked together? Before Keynes, liberal thinkers had tended to give the community a very passive rôle - it existed simply to provide a framework within which individuals might pursue their own self-interest, which was taken to be synonymous with their own personal wealth. Keynes was well aware that the interests of people as individuals could diverge from their interests as members of a community, and that

if such a divergence continues unchecked, the community will not survive. His paradox of thrift is a familiar short-term example of this kind of divergence. But (as Marx also saw) there is a long-term divergence problem embedded in capitalism - the ever-shrinking incomes of the mass of the workers in contrast with the vast and increasing wealth their efforts are creating. It has often been denied that this kind of divergence is problematic, on the grounds that it will ultimately resolve itself; thus capitalism is supposed to promote everyone's greater wealth in the long run by the inequities of the short and medium run. But the need for such a justification, and the fact that ultimately Keynes found this justification to be inadequate, brought home the importance of society as a force with a direction, which needed to be kept in line with the aims of the mass of its members. But he took this idea further - he did not see society as trailing in the wake of the aspirations of its individual members. Rather, he saw society itself as offering a new hope, a direction in which he hoped individuals would follow, towards the ideal social republic.

It was for this reason that the State played such a prominent rôle in Keynes' great experiment - by offering an example of the new thinking at a level affecting the whole of society, the attitudes of individuals could be directly influenced, and they could be inspired to cooperate in the transformation.

It is the state rather than the individual which needs to change its criterion. It is the conception of the Chancellor of the Exchequer as the chairman of a sort of joint stock company which has to be discarded (CW XXI: 243).

Interestingly, Keynes gave little thought to the political sociology of the state, how it gathered social support and legitimacy, and how representative of the general interest it could be expected to be. In this he was intellectually negligent, rather than necessarily either naive or utopian, and this negligence complements his strong belief in the superior efficacy of ideas compared with that of vested interests. As we suggested earlier, it is possible that Keynes' own very influential position as a man of ideas obscured from him the complex issues associated with the transfer and exercise of power by individuals, groups, or by the state. In practical terms, this analytical failure was to some extent offset because Keynes was not prepared to recommend imposing on individuals an organisation of society which they did not support and which at least in the short-term might appear to be against their interests, for the sake of the ideal social republic.

In his philosophical scheme, society's interests could no more take absolute precedence over those of individuals, than individuals' interests could take absolute precedence over society. *Any* system which ignored one for the sake of the other, even in the short-term, must be less than ideal.

Having, at first, accepted the logic of Ramsey's justification of greater abstinence from working-class consumption ultimately in order to make society richer, he later rejected it in practice. Discussing the period of rapid capital accumulation in the nineteenth century, he wrote in 1934:

[W]e have until recently conceived it a moral duty to ruin the tillers of the soil and destroy the age-long human tradition attendant on husbandry if we could get a loaf of bread thereby a tenth of a penny cheaper. There was nothing it was not our duty to sacrifice to this Moloch and Mammon in one; for we faithfully believed that the worship of these monsters would overcome the evil of poverty and lead the next generation safely and comfortably, on the back of compound interest into economic peace. Today we suffer disillusion, not because we are poorer than we were . . . but because other values seem to have been sacrificed, and because moreover they seem to have been sacrificed unnecessarily (CW XXI: 243).

In this passage, Keynes rejects both Ramsey's justification *and* Rawls' justification in terms of any alternative being more damaging to the poor and least advantaged (see Rawls, 1971: 298-299). Catephores notes this passage, but fails to see its significance for his thesis that Keynes was a grand strategist of the bourgeoisie (1992: 36).

So far we have established that (1) Keynes believed society was capable of aiming at, and moving towards the ideal social republic of the future; (2) he believed that individuals were motivated by more than a desire for personal profit, that they were in need of 'a creed'; (3) he hoped that this spiritual aspect of human nature, which had been neglected, could be harnessed to the aim of building the new society, if the State would take the lead; (4) however he saw the needs of individuals as being at least as important as the needs of society, and was not prepared to *impose* a new social order on individuals in the interests of society, even if this was ultimately to everyone's benefit.

This raises further questions about Keynes' philosophical scheme. If Keynes believed that society was capable of moving towards the ideal social republic, why did he feel the need to be so

deferential towards the short term interests of individuals? On the other hand, if the interests of individuals were of primary importance, why did he imagine that their energy and creativity would be best satisfied by helping to establish a particular kind of society?

Catephores chooses the first horn of the dilemma - according to him, Keynes *did* put the long-term interests of society above the immediate interests of individuals. Keynes' means of establishing the ideal society was through the agency of the bourgeoisie, so logically their class interests would be allowed to take precedence over the short-term interests of all other classes. But if class war did *not* play a central part in Keynes' analysis, as we have argued, this solution is not open. Indeed, a more interesting answer emerges if we opt for the second interpretation - that Keynes placed greatest importance on the needs and interests of the individual.

Keynes and the Philosophy of G. E. Moore

It is now necessary to look back at Keynes' intellectual development during the early part of his career, before the First World War. Keynes' attitude to personal morality and motivation was very heavily influenced during his undergraduate days by the philosopher G. E. Moore. In his memoir 'My Early Beliefs', Keynes wrote :

I went up to Cambridge at Michaelmas 1902, and Moore's *Principia Ethica* came out at the end of my first year. I have never heard of the present generation having read it. But, of course, its effect on *us*, and the talk which preceded and followed it, dominated, and perhaps still dominate, everything else. We were at an age when our beliefs influenced our behaviour, a characteristic of the young which it is easy for the middle-aged to forget, and the habits of feeling formed then still persist in a recognisable degree (CW X: 435).

Before proceeding to a discussion of Moore's ethical philosophy and its influence on Keynes, it is necessary to note that 'My Early Beliefs' is a difficult text to understand. How far it represents a full and historically accurate account of his own intellectual formation has been much debated both by Keynes' contemporaries and modern commentators (e.g. Levy, 1981: 234-246, Skidelsky, 1983: 133-160). It is impossible here to track through the labyrinth

of these debates, except to note that it does seem likely that the piece had a rhetorical purpose, as well as an autobiographical one. Keynes seems to have used it to tease youthful Marxists of his acquaintance about the superficiality and latent immoralism of *their* beliefs, by exaggerating these particular features in the story of his own group's admiration of Moore and his ethical doctrines.

There were two questions which Moore set out to answer in *Principia Ethica*: what kind of things are good; and what kind of actions ought people to perform? The central part of his argument was concerned with the first question. He held that most previous ethical philosophers had failed to reach a satisfactory answer because they tried to reduce good to something else or to explain it in terms of something else, e.g. they identified the meaning of 'good' with 'pleasure' or 'the greatest happiness of the greatest number'. For Moore, good was irreducible and unanalysable - it could neither be shown to *be* simply pleasure or some other concept, nor could it be broken down into parts.

For Moore, good was a property of states of affairs. The task of ethics was to identify those states of affairs having this property, and to attempt to establish the most efficient way of bringing such states of affairs into being. The first part of the task was more complicated than Moore's bold assertion that good was like yellow might lead one to expect. For although certain things might be self-evidently good (or bad, or indifferent) in isolation, their contribution to a more complex state of affairs could not be calculated by adding their degree of goodness to the summed goodness of the other parts of the situation (Moore, 1903: 27-28). To deal with this phenomenon, Moore invented what he called 'the principle of organic unity', i.e. that in considering the value of a state of affairs, it is necessary to take into account not only the value of each of its elements, but their contribution to the value of the situation as a whole.

What kind of things did Moore think actually had the property of 'goodness'?

By far the most valuable things, which we can know or can imagine, are certain states of consciousness, which may be roughly described as the pleasures of human intercourse and the enjoyment of beautiful objects. No-one, probably, who has ever asked himself the question, has ever doubted that personal affection and the appreciation of what is beautiful in Art or Nature, are good in themselves; nor, if we consider strictly what things are worth having *purely for their own sakes*, does it

appear probable that anyone will think that anything else has nearly so great a value as the things which are included under these two heads (ibid: 188-189).

Moore considered the above-mentioned good things to be 'highly complex organic unities', and his argument proceeded by analysing their features in order to confirm and define his position. From Moore's discussion of 'good' and the kind of things which were good, it followed that good actions were simply those which brought about good states of affairs, of the kind Moore outlines above. So the second part of the ethical task was to deal with an epistemological problem; how could one tell which actions were most likely to bring about good states of affairs?

Having explored this question in considerable detail, Moore reached the conclusion that while ethics might succeed in providing an indication of the likely good or bad effects of certain actions over a limited future, the individual would be wisest to conform to generally accepted rules of commonsense morality. The question then arose whether one might sometimes be justified in ignoring a rule in an exceptional case where a better result might be produced by doing so. Moore was clear, however, that the individual was not in a position to make such a judgement (ibid.: 162-3).

Moore's discussion of ethics is almost entirely conducted at the level of individual experience and behaviour. However, his recommendation that individuals stick to the moral rules in common use in their society is one with certain social and political implications. Frustratingly, Moore did not discuss what these implications might be, or consider problems arising from them; and this was an inadequacy in Moore's thought of which Keynes was keenly aware.

Moore was not entirely silent on the subject of 'the good for society'. In his chapter on 'The Ideal', Moore discusses the question 'What is the Human Good?', i.e. the ideal situation which we should be aiming for as a society, or even as a species. Rather than attempting to provide a full and positive answer of his own, Moore instead chose to place limits on the kind of answer he would consider adequate. Indeed, Moore's comments can be read as a philosophical challenge to his successors to provide a coherent vision of the ideal society - a challenge, which, we shall argue, Keynes tried to meet not only philosophically but in practice.

The best ideal we can construct will be that state of things which contains the greatest number of things having positive value, and which contains nothing evil or indifferent - *provided* that the presence of none of these goods, or the absence of things evil or indifferent, seems to diminish the value of the whole. And, in fact, the chief defect of such attempts as have been made by philosophers to construct an Ideal - to describe the Kingdom of Heaven - seems to consist in the fact that they omit many things of very great positive value, although it is plain that this omission does not enhance the value of the whole . . .

On the other hand, Utopias - attempted descriptions of a Heaven upon Earth - commonly suffer not only from this, but also from the opposite defect. They are commonly constructed on the principle of merely omitting the great positive evils, which exist at present, with utterly inadequate regard to the goodness of what they retain: the so-called goods, to which they have regard, are, for the most part, things which are, at best, mere means to good - things, such as freedom, *without* which, possibly, nothing very good can exist in this world, but which are of no value in themselves and are by no means certain even to produce anything of value (Ibid.: 185-6).

What can be deduced about the impact of Moore's philosophy on Keynes' view of the aims of society and of the individual? As we have seen, Keynes gave his own account of the very great impact *Principia Ethica* had on his circle of friends at Cambridge when it was published. But according to Keynes, their adoption of Moore's philosophy extended only as far as it was concerned with the states of mind of the individual. Society was something which apparently did not interest them a great deal. In line with this lack of interest in society was their rejection of the view that the individual was obliged to follow the general rules of society in his moral behaviour. Instead, they believed every case should be considered on its merits, i.e. by how much good one believed would be produced by various courses of action.

(W)hat we got from Moore was by no means what he offered us. He had one foot on the threshold of the new heaven, but the other foot in Sidgwick and the Benthamite calculus and the general rules of correct behaviour. There was one chapter in the *Principia* of which we took not the slightest notice. We accepted Moore's religion, so to speak, and rejected his morals. Indeed, in our opinion, one of the great advantages of his

religion, was that it made morals unnecessary - meaning by "religion" one's attitude to oneself and the ultimate, and by 'morals' one's attitude to the outside world and the intermediate (CW X: 436).

This is the passage which has generated so much debate, and where it is essential to make allowances for the rhetorical exaggeration which distorts this self-analysis. In any case, what is important about this passage is that the question of amorality is now placed by Keynes in a much broader social context. Commenting on his circle's insistence on judging every state of affairs on its merits, Keynes wrote:

I am not now concerned . . . with the fact that this aspect of our code was shocking. It would not have been less so, even if we had been perfectly right. What matters a great deal more is the fact that it was flimsily based, as I now think, on an *a priori* view of what human nature is like, both other people's and our own, which was disastrously mistaken . . .

We were among the last of the Utopians or meliorists as they are sometimes called, who believe in a continuing moral progress by virtue of which the human race already consists of reliable, rational, decent people, influenced by truth and objective standards, who can be safely released from the outward constraints of convention and traditional standards and inflexible rules of conduct, and left, from now onwards, to their own sensible devices, pure motives and reliable intuition of the good . . . We were not aware that civilization was a thin and precarious crust erected by the personality and will of a very few, and only maintained by rules and conventions skillfully put across and guilefully preserved! (ibid: 447).

That Keynes should have revised downwards his estimate of human nature as he grew older would be unsurprising, even had he not lived through World War I, and observed the rise of Hitler and Stalin during the 1930s. There is some dispute about exactly how and when and why Keynes became more pessimistic (see Moggridge, 1992: 120-140). But surely, the real surprise is that Keynes did not become much *more* pessimistic. The upheavals of life seem to have affected his personal values remarkably little.

It seems to me looking back, that this religion of ours was a very good one to grow up under. It remains nearer the truth than any other that I know, with less irrelevant extraneous matter and nothing to be ashamed of; though it is a comfort

today to be able to discard with a good conscience the calculus and the mensuration, and the duty to know *exactly* what are means and feels. It was a purer, sweeter air by far than Freud cum Marx. It is still my religion under the surface (ibid: 442).

From what Keynes has to say in 'My Early Beliefs', it seems fair to conclude that from his undergraduate days onwards, he believed in a consequentialist philosophy, i.e. that good inhered in states of affairs, and that good actions were those which promoted good states of affairs. He also seems to have stuck more or less to Moore's views about which states of affairs were good - mainly those involving love, truth and beauty. ('It is still my religion under the surface.') Again, he seems to have been permanently influenced by Moore's principle of organic unities' ('I myself was an advocate of a principle of organic unity through time, which still seems to me only sensible' (CW X: 436-437).

But Keynes' view of ethics became much broader in its conception of human life and activity and he became much more aware of the range and complexity of ethical behaviour. By 1938, he no longer saw isolated individuals pursuing isolated experiences, but considered people much more in their social and historical context. (One may speculate that he was influenced in this by his own experiences as a farmer, on which see Toye (1993)). Thus a rather self-indulgent interest in the good arising from love affairs between *individuals* was gradually transformed into an interest in the good arising from the relationships which taken as a whole, form a community.

(T)here are many objects of valuable contemplation and communion beyond those we knew of - those concerned with the order and pattern of life amongst communities, and the emotions which they can inspire. Though one must ever remember Paley's dictum that 'although we speak of communities as of sentient beings and ascribe to them happiness and misery, desires, interests and passions, nothing really exists or feels but *individuals*', yet we carried the individualism of our individuals too far (ibid: 449).

From this quotation we deduce that Keynes *did* put the individual first; but that he saw the good of the individual as being promoted not by material wealth as such, but by experiences of beauty, truth and personal affection. This last element, personal affection, could extend into an attachment to, and belief in the aims of a community of people. Therefore, everyone had

something to gain from an involvement in their community, just because being involved in a community is a good thing. Some would benefit materially from a community which aimed to help all its members - but those who were already wealthy would gain spiritually from the experience of being concerned with other people. Therefore it was in everyone's individual interest to work towards a society in which everyone would be wealthy enough to pursue beauty, truth and personal affection without hindrance from economic considerations. Such a state of affairs, when it arrived, would be 'The Ideal' which Moore had written about in such unworldly terms, but which Keynes wanted to translate into an existing ideal social republic.

Conclusion: Mooreism Instead of Marxism

Catephores chides Keynes for substituting Commonsism for Communism. A less excellent pun, but a more accurate one, would be that Keynes opted for Mooreism instead of Marxism. Mooreism, like Marxism, locates the nurturing of authentic human social relations as its central value, but it does so in a radically different philosophical framework. To understand why, in the early twentieth century, Marxism seemed to people like Keynes and Moore the less attractive philosophical framework, it is necessary to recall the distortions which Marxism had undergone at the hands of Engels, Kautsky and Plekhanov - the extension of historical materialism into dialectical materialism, and the extension of Marx's socio-economic theories into an entire philosophy of nature. These developments had turned Marxism into a cosmology, and within Marxism itself had led to revisionist efforts, like those of the Austro-Marxists, to re-insert a human, ethical vision into this inflated cosmology (see Bottomore and Goode, 1978) Moore and Keynes spurned the entire edifice of Second International Marxism to start again with something purer and sweeter.

Mooreism does not accept Marx' vision that *all* human relations have assumed an alienated form, and cannot be restored to authenticity as long as capitalist society endures. Moore and Keynes believed that ethical behaviour by individuals can nurture and support authentic human relations, and that it is possible for individuals within their communities to pursue and realize the Ideal. Realization of the Ideal, while possible, nevertheless faces great obstacles, and belief in the possibility of achieving the Ideal

is very far indeed from being an underwriting of the Promeathean account of the creative powers of mankind.

One great problem for the pursuit of the Ideal by means of individual ethical behaviour is the sheer problem of numbers. Ethical behaviour has to achieve a "critical mass" in a community before it validates itself. Moore does not recognize this clearly, and it took Keynes many years before he felt the full force of this difficulty. It was only very gradually that a more negative side to Keynes' philosophy developed as he grew older. Although he certainly still believed human beings to be capable of creating good experiences for themselves, and for each other, and eventually of creating the ideal society, he reluctantly became somewhat more aware of the amoral urges of human nature and the thinness of the crust of civilization.

This was one of his reasons for avoiding undue haste in destroying the old society to make way for the new.

The economic transition of a society is a thing to be accomplished slowly. What I have been discussing is not a sudden revolution, but the direction of a secular trend. We have a fearful example in Russia today of the evils of insane and unnecessary haste. The sacrifices and losses of transition will be vastly greater if the pace is forced . . . For it is of the nature of economic processes to be rooted in time. A rapid transition will involve so much pure destruction of wealth that the new state of affairs will be, at first, far worse than the old, and the grand experiment discredited . . . (CW XXI: 245-246).

A second great problem for Mooreism is the difficulty of knowing what exactly is good in a complex world. Keynes differs radically from Marx in rejecting the possibility of a "science of society", a sociological system capable of being a reliable guide to social action. Despite the similarity of terms, Moorean Idealism has immensely more modest epistemological ambitions than the Hegelian Idealism which Marx transformed into historical materialism. Keynes simply did not believe that knowledge of the depth and completeness envisaged by Marx was within human grasp. For Keynes, all the real problems of an organized social life arose precisely because of this inherent difficulty of calculating the consequences of actions. This insight was available to Keynes, because unlike Marx, he recognized that knowledge is always gained from some particular point of view. In contrast, Marx regarded his own view of the social structure as absolutely true, failing to consider either how he himself *knew* it to be true,

or by what criteria others might test its truth. Marxian theory had the epistemological status of revelation. No wonder, then, that Keynes failed to connect with what he calls Marx's "academic controversialising". Keynes does recognize that Marx had important sociological insights. This is not to damn Marx with faint praise, because insights are all that is available, according to Keynes' outlook. No doubt also that he would have found many more such insights, had the early works of Marx been published in English during his formative years.

Instead, Keynes turned to the political thought of Burke, to complement that of Moore. He accepted Burke's views on the moral value of organic communities, and the perils of rapidly overthrowing long-established institutions. He had also absorbed Moore's awareness of the difficulty of predicting what will lead to good states of affairs. Thus Keynes was unhappy about taking great risks with the present good for the sake of the future, just because he was aware of how unpredictable the results of particular courses of action are. Precisely because he was unhappy with Moore's discussion of the probability of different states of affairs resulting from various courses of action, Keynes had written his postgraduate dissertation on the subject of probabilistic judgement. He reached the view that most probabilistic judgements were non-measurable in numerical terms and so the probabilities of each of two courses of action leading to a particular result were not likely to be directly comparable. He also argued that the probability of a particular proposition was entirely relative to the propositions on which it was based. Thus, whilst one could expect to reach useful probabilistic judgements about the future from a range of evidence about the present, it was unlikely that all the information which could possibly be relevant would be available for the decision making process (see Moggridge, 1992: 143-165 for further discussion). Given these limits on the scope and accuracy of predictions of probable outcomes, it is understandable that Keynes preferred to take change one step at a time.

A final reason for Keynes' emphasis on caution and balance in the process of change may perhaps have been his belief in Moore's principle of organic unity. Change must be brought about slowly, not only because haste may trigger chaos and violence, not only because the final results of the experiment cannot be very accurately predicted, but because all the features of a state of affairs must be considered in calculating its good. One cannot simply subtract the value of present strife from the good of the

future situation it seeks to secure and find that the result is positive overall. For the harm done to the whole state of affairs, present and future, by sacrificing the present happiness of individuals, may be much worse than summing the values of present and future would suggest. Of course it is possible that the result may be *better* than the sum of the values of its parts - but given the difficulties of predicting the future, this is not something it would be safe to rely on.

This last suggestion is speculation: Keynes did not directly refer to the principle of organic unities as a consideration in his recommendations for reform. However, his balanced, gradualist approach to problems, which despite its caution, did not fail to be positive and radical in providing solutions, reflects a Moorean concern with the organic unity of a *whole state of affairs*.

Despite his generalized scepticism about the possibility of arriving at systematic knowledge of society and its development, Keynes does challenge Marx on the terrain of political economy. The challenge is not extensive and direct, as was the choice of Schumpeter (1987 (1943)). It was brief and oblique, but its thrust was clear enough. While still evolving the *General Theory*, he wrote to G. B. Shaw:

When my new theory has been duly assimilated and mixed with politics and feelings and passions, I can't predict what the upshot will be in its effects on actions and affairs. But there will be a great change, and, in particular, the Ricardian foundations of Marxism will be knocked away (quoted in Skidelsky, 1992: 521).

As Paul Samuelson was to do later, Keynes placed Marx the economist as a minor post-Ricardian. Marxian economics is rounded up in the more general dismissal of Ricardo's determining influence of nineteenth century economics which was adumbrated in the 1933 *Essay on Malthus*. It was Ricardo and all the other classicals, like Marx, who denied that a general glut of commodities could occur and persist who formed Keynes' target. Thus Marx, as the author of one variation to the Ricardian scheme of distribution appeared only once in the *General Theory*, alongside Major Douglas, the unorthodox theorist of social credit.

Is it, in the end, helpful to describe a Moorean ethical Idealist, a sceptic about the prospects for deep sociological knowledge and a fierce anti-Ricardian as a "bourgeois Marxist"? That the concept of bourgeois Marxism is difficult to come to grips with has

already been suggested. Its usage by Catephores is reminiscent of Colletti's critique of Max Weber. This describes Weber as attempting "to make use of certain basic elements in Marx's thought", but failing because "the *present* from which he moved was not the material organisation of this society, but only the 'values' present to his own consciousness as a bourgeois intellectual" (Colletti, 1972: 42). The similarity of this characterization of Weber to Catephores' sketch of Keynes as opposing, while in important respects mirroring, the revolutionary project favoured by Marx is evident. Critics, it seems, never simply agree with Marxism in part: they try to use it while abusing it, by re-casting it within their own bourgeois intellectual consciousness - thus did Weber, thus did Keynes. The notion of "bourgeois Marxism" thus may come to serve a rhetorical purpose, providing through its confusion of crypto-Marxism and anti-Marxism a convenient category of crypto-anti-Marxism in which to impound critics like Weber and Keynes, whose partial concurrence with Marx supposedly requires of them an antagonistic response, intellectually and/or politically.

Despite the underlying human values and the insights into capitalist society which Keynes and Marx shared, the proposition that Keynes embarked on a masterplan or grand political strategy to dish the proletariat and ensure the triumph of the bourgeoisie is, for all its pleasing ingenuity, over-fanciful. Keynes' ethics were altogether different from the "shameless collective egoism" which class-based notions of human liberation (linked either to bourgeoisie or proletariat) exhibit (Collier, 1992: 74-75). An "Open Conspiracy" theory is still a conspiracy theory. At best it indicates what might have happened if history were indeed all a matter of mirroring, inverting, standing thinkers on their heads and all the other familiar linear metaphors. But if, as we believe, history is an altogether less geometrical business, the method of 'parallelism of texts' may ultimately mislead.

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