

John Maynard Keynes

Economist, Philosopher, Statesman

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Keynes successful career started even before he was born. His father, a gifted mathematician as a schoolboy was singled out by Marshall - the enterprising British economist at Cambridge, as a potential successor. Now Keynes father was not really of the right stuff, he preferred a less demanding life and opted out from the pursuit of distinction, preferring instead that of non-demanding hobbies. There are lots of such people in the world, and for obvious reasons we usually never hear about them, unless they as in the case of Keynes Sr. are made to serve supporting roles in the biographies of greater men. The case of a famous and successful father is supposed to be devastating to his progeny, providing such an exacting standard against which to measure themselves that initiative is stifled. It is true that there are few famous sons to famous men, on the other hand the statistics that lightning will strike twice in the row in the same barn is small (but in all fairness children with famous parents do in fact enjoy a higher statistical chance of exposure than the majority not so well endowed at birth). On the other hand to have a father whose ambition was frustrated could be a blessing and maybe provide the most congenial atmosphere for a budding achiever. Keynes as a child was an achiever, in fact what is now known as an over-achiever, with its implicit admonition that there might be too much of a good thing. He made it into Eton where he excelled doing very well on all the examinations. His father was delighted, taking such a fatherly interest in the exploits of his son, giving good advice, urging him on, fretting, worrying, but always giving unqualified support, taking such a vicarious pleasure in the successes of his son¹ The young Keynes showed a great aptitude for mathematics, but resisting any pressures that he would specialize in the subject. Keynes preferred to be a well-rounded individual to one of specific depth. Instinctively he must have felt his limitations, and thus by implication become aware of his true strengths.

He excelled at Eton and not surprisingly he passed the examinations for Cambridge as well. His father was worried, but Keynes was confident, and soon he was installed in what was his fathers Alma Mater, and at one of the only two colleges - Kings and Trinity which really counted to boot. His reputation had reached receptive ears before he himself had physically settled and soon enough he was invited by Woolf and Lytton Strachey to join the fabled Apostles.

This was a distinction, and that sophomoric debating society has become a legend. Bertrand Russell famously was a part² And later a whole slew of luminaries can be added

¹ This reminds me touchingly about my own fathers interest in my own budding career, showing in fact that a non-necessary condition is not necessarily sufficient.

² In his memoirs Russell naively (he is suggesting to the reader) at first believed that at Cambridge there would be really smart people to whom he had not yet had been exposed. When he was invited to join

as alumni. But as Skidelsky is quick to remark, the Apostles missed maybe some of the most outstanding scientific intellects at Cambridge, such as Darwin and Eddington. Membership at that exalted society was heavily slanted towards those with verbal glib and a keen interest in philosophical speculation. Lectures were given and vigorously debated, and someone like Keynes must have been in his true elements.

Philosophy and metaphysical speculation were very much in vogue during the end of the 19th century, of which Keynes was fortunate enough to catch the tail end of. And if there is one philosopher that epitomized the classical debating tradition of the Apostles it was Moore, whose ideas on the Good Life would influence his disciples profoundly. With the gradual decline of religious authority throughout the end of the 19th century ethics became orphaned. On what to base moral behavior when religious faith no longer was thought to be an adequate underpinning? The question is an important one and strikes at the core of philosophy, which after all has as a traditional aim the one of instruction and moral edification of the young³. Skidelsky makes an important point in positing that Moore had a crucial influence on Keynes and his choice of vocation. That economics to Keynes was a means to achieve a good life, in which incidentally mere material comfort was not an end in itself but a prerequisite for a more spiritual life⁴.

Keynes is the archetypal example of the smart guy, whose intelligence is not constrained but wide-ranging. If you are so smart how come you are not rich is an often embarrassing question put by the simple-minded and street-wise. Keynes was actually smart when it came to getting rich, but even with Keynes his skilled handling of the market came periodically to grief when he lost substantial parts of what he had successfully accumulated⁵.

Keynes was deflected from a more theoretical path by his involvement in matters financial. His soul, or at least his temperament, was to a large extent that of the Civil Servant. Civil service may not, at least not initially, provided much of a challenge to him, but his brief service in the department of Indian affairs got him into contact with practical questions, in particular how to deal with the Indian currency situation. As a Civil servant he was remarkably efficient, the paperwork which normally inundates the more literal mind, he was able to dispose of unsentimentally within a few hours, leaving his mind free and uncluttered for other things.

The mind of Keynes was not particularly theoretical, had he pursued a career as a philosopher he would have been lost in competent obscurity. His obsession to write a book on probability was a misdirected venture. While normally he was very quick and daft with the pen, his writings on probability caused him endless delays and rewritings. The result was disappointing and was mercilessly hashed to pieces by the young brilliant

the Apostles, he understood that he had indeed sampled whatever there was when brains were concerned.

³ The philosopher Collingwood would later lament the loss of this aspect of the teaching of philosophy as it became more and more of a merely technical academic discipline.

⁴ The accusation of materialism has often been levied against Marx, but who also envisioned a more spiritual life to be the object when ordinary man had freed himself of the shackles of material want.

⁵ Keynes father also invested. Conservatively and steadily and saw his investments consistently rise, not spectacularly like those of his son, but allowing him a sustained increase in comfort. Some people indeed are blessed, their lives being smooth and gentle, carrying them from one safe harbor into another.

mathematician Ramsey⁶. That Keynes took the devastating criticism in stride says not only a lot about his boundless self-confidence, but also about his good sense, without which the former cannot function properly.

The forte of Keynes, and once again his Civil Servant personality shows through, was his ability to turn theoretical concepts into clear proposals on planning and policy. The crucial question facing any serious chronicler of the life of Keynes is whether Economics is a Science and to what extent Keynes actually contributed to it. Given the first question Keynes would no doubt have said no. Economics is not a Science as we know it, especially not a Natural Science. In fact as far as it makes claim on being a science, it is a moral science. Keynes was always very suspicious of the mathematical terminology in economics, which he thought gave to the considerations a spurious exactitude and solidity. In fact his opposition to mathematics rather grew than diminished with age. To Keynes economics was above all a matter of common sense and intuition, albeit intermittently in the form of some counter-intuitive propositions⁷. When he wrote short pamphlets, he was at his most brilliant, combining insight with rhetorical flourish; but once again when he tried something more systematic, such as his 'General theory of Economics'⁸, his prose became stilted and the force of argument plodding.

Science or not, this being an issue that did not particularly concern him, his contribution to economics was by the persistent efforts to educate the men of power, to which he had always constant success, into more modern and realistic notions of what is common sense in economics. The national economy of a state is very different from the economy of a person living on a fixed income (at least if we disregard the complications concerning international trade). For the latter a certain expenditure is available to him. Whatever he spends is lost and converted into what is inconvertible, and thus he is encouraged to proceed cautiously, every mistake being irretrievable. For a nation on the other hand there is no such thing as a given sum at your disposal. Wealth is not given to you but somehow created. An expenditure of money does not necessarily mean an irrevocable conversion, or degrading of currency. Money, whatever it is, is not the same as energy, although the parallel double entry accounting in balancing funds and energy expenditures respectively would suggest such underlying identities. What is money? It is a good question.

In all human societies, civilized or not there is trade. The underlying idea of trade is to increase the total well-being of the universe, or at least its human, social component. In successful trade each partner gives away less than he receives, this apparent paradox of asymmetry rests on the fact that individuals differ from what they consider valuable, without such gradients, there would be no incentive for trade, whose purpose it is to dynamically achieve equilibria, no matter how ultimately elusive. Now straightforward trading is conducted by what is dismissively referred to as barter. This is something that is easy to understand, but something which is hard to achieve in practice. For an exchange to take place each person must have something the other covets, a lucky coincidence which

⁶ who unfortunately would meet with a premature death soon thereafter at the age of 26

⁷ As Skidelsky points out he was not adverse to science, but he treasured the intuition of a scientist more than his formal methodology, remarking that it deserved the same respect as that of the artist, both being fostered by a direct acquaintance with reality.

⁸ The title, unintentionally or not reminds one of Einstein's General Relativity.

is seldom the case. Thus in all advanced human societies the concept of money arises, and I believe independently so. In fact it is quite similar to the fact that while most societies may start out with some primitive method of presenting numbers and performing calculations, some of them at least hit upon the idea of the positional system, whose superiority ensures rapid spread⁹. With the concept of money there is no longer the need to calibrate any two commodities against each other on a more or less ad hoc basis (and come up with inconsistencies inviting non-conservative fields with winding loops) there will be an abstract standard against which everything is measured¹⁰. Now that notion of money is not really another commodity, although it is very hard to take that abstract step, so in practice money becomes another kind of commodity, whose special nature is that it is used as a universal reference. As such it must fulfill certain conditions. It must be physically stable and universally recognized, the former property is a prerequisite for the latter mental one, which lies at the very heart of the concept of money. It must also be hard to produce and in fact be under some authoritarian control. Thus a functioning money economy is only possible if there is a strong authority universally acknowledged. Just as the actual signs for numbers differ wildly among cultures being mere conventions, the actual form that money takes likewise shows great variation, although not quite as much being subject to aforementioned constraints. Hence in particular rare metals are often being used as reference¹¹. Gold and silver being the most obvious choices, and the fact of having competing commodities as references lead to other conversion problems which we do not have to concern ourselves at the moment. Now Keynes opposition to the Gold standard must be seen mainly as an intellectual one, the commodity of Gold being the last resort to which a primitive and outmoded sense of money attached its hope of survival; not that the Gold standard necessarily impeded the volume of trade. Now with the introduction of money the notion of economics was born, because it divided the notion of trade into those involving financial transactions and those which did not. The latter still provide a very important function in our lives involving matters less tangible than physical commodities. In fact all social interactions involve a kind of barter, doing things for friends in exchange for receiving from the same. This is still done on a face to face basis, requiring that both things are present at the same time to make exchanges possible. The precise line of demarcation is of course very hard to draw. The idea of what is the proper domain for financial intervention varying with time and cultural context. However, the confusion between the two modes can have serious consequences. Love is usually considered off-limits for financial

⁹ I do believe though that the invention of money is a more trivial invention, as well as a more pressing one?, than the invention of the positional representation.

¹⁰ This is similar to the problem of lexica in any large international body. Rather than having $\binom{N}{2}$ dictionaries, one may get away with N by having a standard language with which every other language is converted. Such a language will nowadays in practice be English, although the most rational solution would be to create a fully artificial language for that purpose, which would incidentally strengthen the analogy with money.

¹¹ In particular the central government issues coins, the debasement of which becomes a real problem. One of Newton's less exalted contributions to mankind was his innovation as a master of Mint (a honorary position to which he brought unbecoming zeal) that the edges of coins were ridged inn order to stave off attempts at disfigurement

interference, and when it is systematically employed, such as in prostitution, it is generally abhorred (if occasionally considered convenient). However, when the bartering aspects as to love and sexual ramifications become rather obvious, it also becomes increasingly hard to draw the line between prostitution and socially acceptable behavior, as the convenience of money becomes more and more pressing¹². Still it is safe to say that we all make a distinction between doing things for their intrinsic merits so to speak, and putting them into a commercial context. However, as in modern economies the exchanges involve more and more intangibles, the question of where to draw the lines of demarcation become more and more subtle as well as pressing.

Thus with the introduction of money a new set of unintended phenomena arise which we can only ignore at our peril. Thus although economics is an invention of man, he has not complete control over it, thus necessitating some kind of proto-science. Such a proto-science actually evolved and became formulated in the 18th century. Basic notions as the balance between supply and demand have been formulated since antiquity¹³, more subtle notions as self-regulations of complex systems were set in motion by Adam Smith. In fact the intellectual ferment of economics at that time was almost on par with that of the harder natural sciences, and of course in the spirit of the Enlightenment it was generally believed that also Social sciences could be furnished with as firm a foundation as well as efficient a methodology as that of Celestial mechanics. In fact many of the ideas of the founding fathers of economics were far-reaching and turned out to find more fruitful ground in other fields of endeavors than those which had originally spawned them. In particular as an evolutionist Darwin was very much influenced by the economists, whose general ideas would then diffuse further¹⁴. Those ideas found practical philosophical applications in the 19th century as the principle of 'Laissez-faire', turning that century into the capitalist century *par excellence* the reaction to which has shaped the history of the 20th century.

Capitalist economy was characterized by a cyclic behavior which was as intellectually fascinating as it was devastating. Pre-capitalist (feudal) economy, whatever that meant, was to a large extent free of such cycles, or at least when such cycles of plenty and scarcity occurred they were easier to understand the roots of (bad harvests, invaders) because the engines of the economy were more transparent. With capitalism the abstraction of the economy becomes more pronounced, the commodial nature of money is taken more literally, especially in a dynamic sense, and money becomes something which is traded and speculated upon. Various explanations of the cyclical nature of the economy were produced, among others by Marx (some would say that the most technically sound of his ideas concern the explanations of business cycles), and of course it was this crucial problem

¹² It is hard to resist the suspicion that many marriages are arranged involving an offer of sexual availability in exchange for say protection

¹³ A systematic student of the life of Copernicus would be among other less known matters exposed to such little-known aspects of the astronomers investigations.

¹⁴ Darwin refers explicitly to the writings of Malthus as those that provided him with the missing link of his argument. Malthus as an economist was also the acknowledged favorite of Keynes, who preferred him to Ricardo, in fact he thought that the obliteration of Malthus line of approach and the domination of Ricardo for a hundred years had been a disaster to economics. In particular he sweepingly explained Marxism as having been founded on a silly mistake by Ricardo.

of capitalist economy on which Keynes interest was basically focused.

A sophisticated capitalist economy has intricate feedback mechanisms, and in its simpler aspects those are convincingly explained in terms most school-children can (as well as are encouraged to) understand. Inflation means the erosion of the value of money in the sense of money becoming cheaper and cheaper. This encourages people to spend it as soon as possible, thus making the supply more and more plentiful and demand scarcer and scarcer, and a vicious circle arises. Similarly deflation is the opposite problem, money becomes dear, people want to hoard it rather than spend it, thus supply dwindles while demand increases. How come those vicious circles are ever broken? In fact there is little to constrain them and indeed the value of money can decrease astronomically as testified by the German experience in the early 20's¹⁵. But economies snap out of them eventually? Why? Are there deeper forces acting that will readjust equilibria? State intervention is of course a powerful method for ameliorating the effects, and much of governmental action has in the 20th century been geared towards fine-tuning the economy using the instruments that are readily available, as setting discount rates (often the purpose of the National Bank without political interference, thus indicating that it is mostly a technical matter best left to the experts) or public investment.

One may see the short twentieth century (1914-1989) to be a reaction against the inhumanity of unconstrained capitalism and the metaphysics of *laissez-faire* calling for more of governmental intervention. The roots of Socialism can of course be traced to antiquity¹⁶. The contribution of Marx, according to Popper, was his revival of Christianity wedding economics with morality. Keynes also was guided by ethics, at least in the interpretation of Skidelsky as noted above. But Keynes was unlike Marx not primarily a theoretician, he was a master technicians, whose mission it was to fine-tune economics given the tools available on a more or less contingency basis. The most famous remarks of Keynes is to the effect that in the long run we are all dead, thus disparaging theoretical economy with their predictions of inevitable equilibria. Equilibria which would occur far too late to be of any interest to our problems right here and now.

Keynes, whose first public exposure was in connection with his repudiation of the harsh repartition measures imposed on the Germans, resulting in the brilliantly conceived extended pamphlet - *The Economic Consequences of the Peace*¹⁷, resigned from public service after the Versailles treaty, but was able nevertheless to maintain the attention of power throughout his free-lance status, partly because of moving in the right clubby circles, partly because of maintaining a media presence by publishing some influential economical journals. As noted before his mission was to persuade the responsible actors of a moderate amount of governmental intervention. He was no socialist, and always disparaging of the works of Marx, whose technical value he considered nil¹⁸. As the second world war descended upon Britain he was called in as a maverick in the economical talks

¹⁵ For some reason there are no historical records of comparable deflationary developments.

¹⁶ in the works of Plato one can find many things amenable to suitable retroactive interpretations, such as many socialist ideas or economical theories of a precursory nature, especially in 'The Republic'.

¹⁷ The message of the book was that the world was ruined more by stupidity than by wickedness, something which for obvious reasons finds favor with the clever.

¹⁸ He admitted that he had a penetrating and original flair, but that he was a very poor thinker indeed

which were conducted with the Americans. In fact a major part of the biography relates in tedious details the various ups and downs that those prolonged negotiations involved, but before returning to the details of those let us make once again some sweeping philosophical observations.

As noted the short twentieth century was a reaction to the 19th century, and can be said to have centered on the War, traditionally seen as two distinct wars, the First and Second War respectively. This is the wrong way of seeing it. Really there was but one war during the 20th century and what is usually referred to as the inter-war years were just an temporary, if extended cease-fire. Also the so called Cold War should be appended to the World War in order to make sense of the whole period.

Up to the First World War there was a strong movement towards Globalization. Free trade and an international market provided a powerful vision for much of economical thinking. Keynes himself was very much concerned about the regularization of international trade and to remove obstructions, although being a technician mostly concerned with immediate aspects, he often deviated from that vision in the interest of temporary expediency. The tendency of European powers to maintain large empires certainly should be viewed in the same spirit of globalization, of breaking down cultural barriers in order not to impede trade. The War changed all that. War itself is a major effort and one supervised by a government, thus war inevitably imposes a planned war economy. Thus the notion of a planned economy was forced as an alternative to letting things take care of themselves. An unrestrained *laissez-faire* clearly would have made mobilization and focusing of forces far harder. In the inter-war years the collapse of the American stock-market and its ramifications all over the capitalist world were seen as many as the death-knell of capitalism, and thus the Soviet experiment was watched if not always with sympathy at least with intense interest throughout the twenties and thirties. Also the fascist movement in Europe at the time should also be seen as a reaction against traditional capitalism, although this important feature has been obscured by muddled post-war thinking in leftist circles. The fascist movement rose out of socialism and although a perversion of it, it shared many of its techniques and ideals. After all the symbol of fascism is the sheaf, with the idea that united we prevail, while individually we are broken. In Nazi Germany Hitler imposed a planned economy, much of it focused on rearmament¹⁹. An economy, which apart from its draconian measures, coincided with many of the recommendations of Keynes. In fact ideas also went the other way. Keynes, at least initially, approved of the theoretical aspects of the Shachtian plan²⁰, and later on the German economists studied with approval Keynes plans for a postwar economy. This makes one wonder to what extent there is something like pure economy independent of political considerations. Finally not even the US was immune to the allure of Socialism. The New Deal was a reaction against traditional Capitalist economy and Roosevelt attracted to his staff many liberals, often

¹⁹ I recall in my early school-years being taught that Hitler's rearmament provided a great impetus for the economy, doing away with the harrowing unemployment which had been the foundation for his electoral success. It made me wonder how the production of useless, self-destructing machines could create wealth and well-being.

²⁰ Hjalmar Schacht a minister of economics under the early years of Nazism, particularly concerned with the settling of international trade

with communist sympathies²¹.

From the perspective of Keynes and his ilk, at least as it is presented by Skidelsky, the most striking fact is that they all seemed to assume that the war against Germany would be won, and that their main task was not so much to deal with the contingencies of war making as with setting the foundation of sound post-war economy. Whether this is really true or not is hard to glean from the biography. History is always written in retrospect and only those features of the past that have direct bearings on the present impinge upon the interest of the historian²². Anyway regardless of the outcome, the most pressing problem of the British was the financing of the war. The understanding was that the US would not allow Britain to lose, this might be true, but at the same time the Americans had their own agendas and interests, which were clearly in conflict with the interest of the British. In the words of the British prime-minister Palmerstone. A country has no friends only interests. For one thing the Americans wanted to take over the commanding position of Britain in international economy, and with the British empire they had no truck. They were also in the position to call the shots, dispose while the British did the proposing. One bone of contention was the so called Lend-Lease, ostensibly a way of giving unconditional support to the British while still attaching strings. By waiting for this generous offer to come into effect when the British had bankrupted themselves they could be sure to keep full control and dictate post-war terms.

The extended conflict between the Americans and the British, for obvious reasons never attracting much attention when traditional accounts of the Second World War are written, is conveniently personalized by expressing it as a duel between Keynes and his American counterpart White. Keynes was clearly the better player, meeting no match to his rhetorical skills and unequalled when it came to the commands of the facts, while White simply had the better cards. The Americans were of course no homogeneous bunch, and among many strong Anglophiles, who naturally would tend to be more publicly visible, there were also many people strongly suspicious of the British fearing that sophisticated people like Keynes and his likes would simply outsmart them. Negotiations were intense and extended in time. It caused Keynes to cross the Atlantic several times, sometimes on ship, sometimes by air, resulting in long visits to see to things personally. He worked very hard and the efforts further eroded his already undermined health, to which we will return below. White himself turned out to be a clandestine communist, who supplied the Soviet-union with secret accounts of what was happening. White is thus a very good example of how, in the perspective of a McCarthy, the US government was infiltrated by communists and fellow travelers. On a more principal and interesting level, it shows how widespread leftist views were in the New Deal and how there really was not much of a conflict between their visions and official American policies. In fact the dismantling of the British Empire was a foregone conclusion in liberal American circles. The vision of White was to create a world dominated by American and Soviet interests, in which the European powers would be marginalized, and as far as Germany, he preferred it to be reduced to a

²¹ This might to some extent explain the spectacle of the brief McCarthy era.

²² Recall Collingwoods dictum that history is really about the reconstruction of the past into the context of the present.

purely agricultural state, something that Keynes found unrealistic and even atrocious²³.

What is the legacy of Keynes? Liberally inspired economics, including active (if limited) state intervention with an eye to full employment and in many liberal European countries an emphasis on economic egalitarianism and well-fare policies, carried the day in the immediate post-war decades. Indeed Europe made a spectacular recovery from the devastation from the war, a devastation far more serious than that brought about by the First World War²⁴. A recovery thus with such a marked contrast to that of the First. Some important lessons had of course been learned. From the Western side there were no demands on German repartitions, on the contrary it was in the interest of all concerned that Germany instead of being punished should be reconstituted. In this context the Marshall plan is always mentioned, a plan initially extended to all of the countries but turned down by Stalin. (Instead Stalin effected his own program of repartition on the territories under his control, a policy which brought economic devastation on the countries subjected while making no discernible difference to the Russians, except possibly a negative one.)

Now Keynes perspective was, as we have noted, somewhat limited, to him what mattered was the foreseeable, and in his time he also famously proclaimed that we were now making the transition from an era of scarcity to one of plenty, a transition made possible by the courage to spend, because classical economics was dominated by the logic of choice under conditions of scarcity, while Keynes changed the perspective to that of conditions of uncertainty²⁵. Thus with Keynes was introduced the present orthodoxy that increased

²³ In the First World War the British intelligentsia showed strong pro-German sympathies, Keynes being no exception. According to Orwell the British soldier learned to respect and even admire their German opponents and despise their French allies. As a consequence anti-German feeling was much less virulent at the outbreak of the Second World War than it was during the outbreak of the First, all according to Orwell. During the second phase of the great world war one suspects that the attitude of the British towards the German was somewhat ambivalent. There was in fact little direct military confrontation between the two, and the confrontation that took place was on a rather abstract arena - the North African theatre, where they made a hero of Rommel. Of course this thumbnail analysis makes light of the Battle of Britain and the Blitz, as well as the bombings of German cities at the ending phase of the war, when the British had to show that they were doing something. But the fact reminds that for all the blustering of Churchill, the impact of the British was marginal, the brunt of the confrontation with Germany was taken by others. As far as Hitler was concerned, he clearly would have preferred Britain as a natural ally (or at least as a neutral onlooker) rather than as an adversary. It is noteworthy how quickly the British became pro-German after the war, and in fact Churchill had contemplated freeing German prisoners of war, would the Soviet invasion have penetrated too far West. Culturally of course Britain and Germany are very close as any visitor easily can ascertain, although this closeness has not always been apparent to the respective nations.

²⁴ although the demographic consequences might have been more serious for some of the combatants, such as the French, during the First phase.

²⁵ This optimism was formulated by his reference to the inexhaustible springs of life, that there is nothing we need to be afraid of, on the contrary the future holds in store for us more wealth and economic freedom and possibilities of personal life than the past has ever offered. Furthermore he claimed that disasters often have trivial causes, and thus that they may be amenable to easy remedies. In many ways Keynes was a preacher.

consumption makes economical progress possible. As he told his students. 'Expenditure creates its own income'. Thus warning that the thriftier a society is the more liable it is to stagnation. However, in a world that slowly and reluctantly has been made aware of the great ecological costs of unchecked economic development, such ideas may not be, to use a modern buzz-word, sustainable. Maybe we are forced to go back to a more primitive notion of economics, when we are indeed faced with a limited supply the spending of which indeed involves a irrevocable degradation. The changing of the course of any heavy ship is a slow affair, and the habits of consumer societies, are hard to eradicate, hence this persistent belief that we can go on as usual provided we make some marginal changes in our life-styles²⁶. But of course all this happened after the lifetime of Keynes, and it would indeed have been interesting to hear his views on it.

Now the biography is long and tedious, with the biographer trying to show off that he has done his homework and mastered his lessons. But the relentless exposition of tedious details adds little instructions. It becomes a Brownian dance of technical buzz-words. More entertaining to the reader, whose appetite for economic instruction is limited, are the off-hand human touches. What was Keynes really like? It is notoriously difficult to make a dead person come alive in the pages of a biography, even, when as in the case of Keynes there are a lot of eye-witnesses, many of them excessively literate to boot. Keynes was tall and imposing. His mind quick, and even Russell admitted that the sheer intellectual brilliance of the man often made him feel like a fool²⁷. If he could be unsettling to his equals, he could be, and often were, devastating to his intellectual inferiors, whenever they excited his ire. To Curzons brother he said that he had the pomposity of his famous brother but none of his intelligence. This naturally made him feared and thus respected. Keynes was, as noted before, well-rounded, with a wide variety of talents²⁸. That means that he in no sense can be termed a genius in any of those; on the other hand he did not exhibit the often naive, not to say infantile characteristics of a genius outside his domain of competence, and could never be accused of being a fool, not even a divine one. As a consequence he was colossally self-confident, and according to the art historian Clark, always keeping his brights on, never dimming his headlights. In fact Keynes only regrets, as to his superiority being his looks and his voice, both of which he worked on. The eyes are supposed to be the mirror of the soul, and in human faces we never pay attention to anything as much as to the eyes. And on that topic the biographer waxes on the brilliant sparkle of his eyes, only fading at the end of his life, when fatigue matted its brilliance and failing eyesight hid it behind glasses. In fact the state of Keynes health is a fascinating spectacle.

Both his parents got to be very old bit close to a hundred and did in fact survive him. Also his younger brother lived well into his nineties, and among his relatives one find a high percentage of nonagenarians. Keynes did in his early fifties develop heart-

²⁶ The latest most asinine suggestion being that we burn food, preferably ecologically grown, as to make our driving green.

²⁷ [The intellect of Keynes] was the sharpest and clearest that I have ever known. When I argued with him, I felt that I took my life in my hands, and I seldom emerged without feeling something of a fool

²⁸ However his linguistic seems barren, or at least singularly ignored. His French had always been poor, and his German once more accomplished he had let deteriorate to dust.

problems, probably due to some infection. Those problems aggravated themselves after a mild heart attack until he became a physical invalid. He was brought back to life by some Hungarian doctor - Plesch, who with his unorthodox methods was something of a quack, but who nevertheless, which turned out to be crucial, gained Keynes confidence (he referred to him as the Ogre). He lost weight, he was subjected to a strict regime administered by his diminutive wife, and was miraculously able to regain almost his full capacity for work, which was astounding and would have crushed many a lesser man²⁹. In fact his remarkable capacity for recovery must be seen as a testimony of his basically strong constitution. Strong constitution or not, the strains of the war years, with constant negotiations took their toll, and his physical condition deteriorated rapidly in his last year, with many a physical collapse. Death finally overtook him at his country estate in Tilton.

The sexual proclivities of Keynes, always a titillating subject of a biography, were at least initially overtly homosexual. The rampant homosexuality of the youth of the elite educated at the most prestigious public schools has been amply documented in memoirs and its causes provide a juicy subject of speculation. The exclusive one-sex environment with its tradition of sentimental friendship has been an obvious explanation, although it has in recent decades been discounted. Whether homosexuality is innate or a cultural trait is a contentious topic. Auden remarked famously of Isherwood that he was a heterosexual with good taste. Clearly the first sexual experiences of Keynes were homosexual, with a series of crushes in his youthful years, continuing with a sexual competition with Lytton Strachey, part friendly part riveted by jealous rivalry, culminating with his affair with the artist Duncan Grant, who eventually dumped him. Sexual predation clearly was an aspect of his early manhood, coupled with a certain misogyny³⁰ while with Grant he sought stability and a clear emulation of traditional marriage. Of the latter there would not be. In his thirties he fell in with the Russian dancer Lydia Lopokova of the Ballet Russe, and who at the time was married. Divorce eventually ensued and there is no reason not to believe that the attraction was sexual. No issue came forth of the union, although a few miscarriages. Not unlikely the career of Lydia had compromised her ability not to conceive but to give birth. Neither Lydia nor Duncan were any intellectual lights. In fact Skidelsky speculates that this was not what he sought in his loves, being able to supply that himself and not being interested in faded copies of his own gifts.

The relation of Keynes to the Arts and the cultural scene is complicated. He is traditionally seen as part of the charmed Bloomsbury circle, to which his membership of the Apostles had given him a natural entrance. His forte was literature although he took early on to the collection of paintings, although he never developed an independent taste. Was he truly admitted to that coterie? His sardonic wit³¹ and brains certainly were respected, his artistic ambitions perhaps not fully so, as his contributions in that domain were mostly administrative and financial, generously supplying his expertise to his friends, for which they would have been fools had they not been grateful and encouraging. His

²⁹ Skidelsky speculates whether his relentless work stemmed from a sense of duty, or a sense of pleasure or simply from an inability to relax, concluding that it is hard to decide. Anyway he always dominated any committee he was on, and did most of the actual work

³⁰ He claimed to dislike female students and the workings of their minds

³¹ sometimes turning bawdy and foul

marriage to Lydia was a setback, his almost illiterate life, whose mastery of English was rather comical than confident (Skidelsky sprinkles his account generously with tidbits from her pen), was never really accepted. Social intercourse did continue after the marriage, but of course at a much reduced intensity. Keynes was finally one of the initiators to what later would become the Arts Council, and as Lydia lost connection with ballet companies he set up a theatre in Cambridge and her career was veered towards straight acting, with mixed success.

As noted above, the financial acumen of Keynes was manifested through successful ventures into the market, much of it being in the nature of gambles, especially in the currency market to which he took after his resignation after Versailles. He found such gambling both challenging and amusing. Clearly an irresistible combination. For such games there are no explicit rules, except that the breaking of rules is the clue. Do not follow the herd, once someone does the same thing as you do, change tack immediately. Victory is always to the minority, never the majority. This of course indicates a radical temperament, and indeed Keynes was radical in his thinking, or at least always open to whatever thoughts and arguments may lead. On the other hand he showed a marked sentimentalism for tradition, especially academic. His elevation to the house of lords, something that shocked his Bloomsbury friends, delighted him, and he took the designing of an appropriate name seriously. In fact Keynes claimed that radical thought was the only anti-dote to radical change. Politically he was not unsurprisingly in many ways sympathetic to Burke, especially as to the warning of the latter to bank too much onto an uncertain future (cf. his famous sayings to the effect that in the end we are all dead). Keynes in his youth also pointed out that conservatism in public life is a more reasonable course than in private, as failure in the former will affect far more people. Still he found in Burke a rejection of reason, which turned him away from the conservative camp, although he found Burkes opinions on property rights congenial³², thus inoculating him from the seductions of socialism³³. In fact he did consider that poverty mainly stemmed from a bad character and people of humble origins but with a good character could escape poverty. In the egalitarian sense of democracy, he was temperamentally not a democrat, socially tethered to the right, if intellectually attracted by the left, in the words of Skidelsky³⁴. But basically when it came to question of class he pronounced himself on the side of the educated *bourgeoisie*, and he took exception to leveling the individual, on the contrary he wanted to give encouragement to exceptional effort, ability, courage and character. When it came to universities, he strongly advised against vocational training. The business of a university is to train the character of a man and develop his intelligence. Thereafter he

³² Although he did reject the notion of profit as a spur to effort, especially in public service. His basic outlook as an intellectual pitted him against the businessman and lent to his views a certain idealism.

³³ Keynes repeatedly inveighed against the muddle-headedness of Marxist economic thinking, but he divined that its real attraction lay elsewhere. It was in fact its promise to make things worse that held such an appeal. It is in fact a protest against the emptiness of economic well-fare thus appealing to the ascetic in us all. So when the Cambridge undergraduates undertake their inevitable trip to Bolshevism, the misery they discover, far from disillusion them, hearten them, as it is this they have been looking for all along

³⁴ Or in the words of Keynes. The Conservatives being the stupid party, Labour the silly

will be able to pick up the specifics of his business of choice rather quickly.

As to racial prejudices, especially anti-Semitism, the record of Keynes, as in fact most of his contemporaries is rather ambiguous. On one hand there is admiration for the pure Jew, the intellectual or religious, say as Einstein (who would after all disagree?), and a virulent distaste for the money-loving one (and Keynes always had a thing against the love of money for its own sake)³⁵. He is on record to have wondered whether he had some Jewish forebear, as he found himself able to do certain mathematical calculations in his head, the kind only Jews could do. His final verdict on Jews seems to have been their more than accidental interest in the accumulation of usury, a kind of view which at the time probably was quite well-spread, but which now would be considered embarrassing as best. Similarly he shared with his class a distaste of materialism, (as noted above in his distaste for money), which made him into an anti-American, at least well into the 30's. Sentiments which are far more congenial to us today.

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³⁵ One character who particularly exercised his ire during Versailles was the French minister of finance Klotz