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## Keynes, Liberalism, and 'The Emancipation of the Mind'

'A study of the history of opinion is a necessary preliminary to the emancipation of the mind.'

John Maynard Keynes, *The End of Laissez-Faire* (1926)

In August 1925, John Maynard Keynes addressed the Liberal Summer School at Cambridge, an institution that has rightly been described as 'the linchpin of liberal and progressive thought' during the decade in question.<sup>1</sup> The title of his talk was 'Am I a Liberal?' In it, Keynes endeavoured to suggest 'an attitude, a philosophy, a direction' for the Liberal Party, which it might adopt as it sought to recover from its largely disastrous recent history. One very striking passage ran as follows:

Birth Control and the use of Contraceptives, Marriage Laws, the treatment of sexual offences and abnormalities, the economic position of women, the economic position of the family,—in all these matters the existing state of the Law and of orthodoxy is still mediaeval—altogether out of touch with civilised opinion and civilised practice and with what individuals, educated and uneducated alike, say to one another in private. Let no one deceive himself with the idea that the change of opinion on these matters is one which only affects a small educated class on the crust of the human boiling. Let no one suppose that it is the working women who are going to be shocked by ideas of Birth Control or of Divorce Reform. For them these things suggest new liberty, emancipation from the most intolerable of tyrannies. A party which would discuss these things openly and wisely at its meetings would discover a new and living interest in the electorate—because politics would be dealing once more with matters about which every one wants to know and which deeply affect every one's own life.<sup>2</sup>

Some scholars have noted this passage more or less in passing; but of them only Roy Harrod, who was present on the occasion in question, has noted the shock felt by some sections of the audience.<sup>3</sup> Indeed, according to the *Daily News*, 'The reverberations of the explosion had

\* I would like to thank participants at seminars at Glasgow University and Bristol University for their comments on earlier versions of this paper. I would also like to thank Peter Clarke, Martin Conway, Gary Love, Martin Thomas, Andrew Thorpe, John Toye, Mark Wickham-Jones and two anonymous referees. Any errors that remain are of course my own responsibility.

1. M. Freedon, *Liberalism Divided: A Study in British Political Thought 1914–1939* (Oxford, 1986), p. 78.

2. J.M. Keynes, 'Am I a Liberal?', Aug. 1925, in D.E. Moggridge and E. Johnson, eds., *The Collected Writings of John Maynard Keynes*, (30 vols., London, 1971–89) [hereafter *CW*], ix, 302–3.

3. R.F. Harrod, *The Life of John Maynard Keynes* (London, 1951), pp. 362–4; Freedon, *Liberalism Divided*, pp. 160–1; D.E. Moggridge, *Maynard Keynes: An Economist's Biography* (London, 1992), p. 457.

hardly died away when a pretty, golden-haired girl rose at the back of the hall and warmly supported Mr. Keynes. "At Labour Party meetings," she said, "birth control is frequently discussed. Unfortunately, we are too respectable."<sup>4</sup> At which point, another voice was reported to have interjected, just as loudly: 'Liberal women are too decent, you mean.'<sup>5</sup> But in the lobby, after the meeting, the young woman became 'the centre of an admiring crowd of young men and women who appeared to be holding an overflow meeting of their own.'<sup>6</sup>

The newspaper controversy that followed was a flurry, not a storm. The Liberal Party showed no sign of adopting Keynes's ideas on 'sex problems', failing to show the imagination that its leaders demonstrated on the unemployment question just a little later. But the episode has a wider significance, as an example of the complexities of Keynes's connection with Liberalism. This article offers an exploration of his views, partly as a reflection on the nature of liberal states of mind or ideologies in British political culture during the period in question. But it is also a contribution to wider scholarly debates about the nature of Liberalism and of modern political ideologies more generally. In particular, it seeks to argue that an examination of Keynes's views should encourage us to think of Liberalism not merely as a position, or set of positions, but in terms of the valorisation of particular kinds of discursive practices and modes of political behaviour. Although Keynes differed from many of his fellow Liberals on a range of important issues, his tendency to think of Liberalism in psychological terms was by no means unique to him.<sup>7</sup> Moreover, Conservatives also looked at politics in part as a question of styles of conduct, although they tended to privilege temperament and instinct over the Liberal (and socialist) preference for intellectualism and rationality.<sup>8</sup> The overlapping approaches of Keynes and his contemporaries point to the need to consider ideologies and 'isms' not merely as constellations of concepts, but also as thought-processes, as styles and cultures of arguing, and as competing visions of mind.

Keynes's connection with Liberalism has been written about quite extensively, albeit somewhat less so than his problematic relationship with the Labour Party.<sup>9</sup> (The two questions are, of course, enmeshed

4. *Daily News*, 3 Aug. 1925, copy in King's College, Cambridge, John Maynard Keynes Papers [hereafter KP], A/54/7.

5. *Universe*, 14 Aug. 1925, copy in KP, A/54/7.

6. *Daily News*, 3 Aug. 1925, copy in KP, A/54/7.

7. M. Bentley, *The Liberal Mind, 1914–1929* (Cambridge, 1977), p. 3.

8. S. Ball, *Portrait of a Party: The Conservative Party in Britain 1918–1945* (Oxford, 2013), ch. 1.

9. On Keynes and Labour, see especially E. Durbin, *New Jerusalem: The Labour Party and the Economics of Democratic Socialism* (London, 1985); A. Booth, 'How Long are Light Years in British Politics? The Labour Party's Economic Ideas in the 1930s', *Twentieth Century British History*, vii (1996), pp. 1–27; B. Pimlott, *Labour and the Left in the 1930s* (Cambridge, 1977), pp. 38–40; R. Skidelsky, *Interests and Obsessions: Selected Essays* (London, 1993), pp. 107–35; D. Winch, *Economics and Policy: A Historical Study* (London, 1969), pp. 339–50; R. Toye, 'The Labour Party and Keynes', in E.H.H. Green and D.M. Tanner, eds., *The Strange Survival of Liberal England: Political Leaders, Moral Values and the Reception of Economic Debate* (Cambridge, 2006), pp. 153–85.

with one another, as will be seen below.)<sup>10</sup> Alan Peacock has examined Keynes's opinions 'not with reference to his view on what liberalism meant but from the point of view of a modern liberal', concluding that he should not be regarded as 'the betrayer of classical liberalism'.<sup>11</sup> There is also a significant body of work that investigates the issue more historically, which sheds light, inter alia, on where Keynes stood in relation to the 'New Liberalism' of the pre-1914 era.<sup>12</sup> There remains scope for a more systematic treatment, however, which leads, perforce, to a strong focus on the 1920s in particular. These years—a time of social, political and (for Keynes) personal flux—were the years of his deepest involvement with the Liberal Party and his most extensive writings on Liberalism as such.

In a recent Ph.D. thesis, Larry Lepper has reminded us that from 1919 to 1925 (if not beyond), 'Keynes was better known as a publicist and passionate crusader than a scholar extending the "frontiers of the subject."<sup>13</sup> In 1927, for example, the Liberal *Westminster Gazette* referred to Keynes as 'a pamphleteering politician'.<sup>14</sup> Indeed, the very nature of the Liberal movement in the 1920s shaped Keynes's career as a public intellectual. This in turn contributed to his hybrid insider-outsider status, whereby he was consulted extensively by the very political and economic Establishment that he criticised vocally in public.<sup>15</sup> The particular fora available to him at this time, when a genuine moment of three-party politics combined with a somewhat intellectually permeable civil service, undoubtedly shaped the content of his ideas as

10. There is also the separate question of Keynes's relationship with neo-liberalism and, in particular, the ideas of Hayek, which has been debated by a variety of authors. See especially B. Jackson, 'At the Origins of Neo-Liberalism: The Free Economy and the Strong State, 1930–47', *The Historical Journal*, liii (2010), pp. 129–51; A. Farrant and E. McPhail, 'A Substitute End for Full Employment? F.A. Hayek and Keynesian Full Employment Policy', *The Historical Journal*, liv (2011), pp. 1115–23; and B. Jackson, 'Hayek, Keynes, and the Origins of Neo-Liberalism: A Reply to Farrant and McPhail', *The Historical Journal*, lv (2012), pp. 779–83.

11. A. Peacock, 'Keynes and the Role of the State', in D. Crabtree and A.P. Thirlwall, eds., *Keynes and the Role of the State: The Tenth Keynes Seminar held at the University of Kent at Canterbury, 1991* (Basingstoke, 1993), pp. 3–32, at 9, 31.

12. Freeden, *Liberalism Divided*, pp. 154–76; P. Clarke, *The Keynesian Revolution in the Making 1924–1936* (Oxford, 1990), ch. 4; P. Clarke, *The Keynesian Revolution and its Economic Consequences: Selected Essays by Peter Clarke* (Cheltenham, 1998), ch. 3. (The latter essay was first published in 1983.) There is also useful information to be found in S. Brittan, 'Keynes's Political Philosophy', in R.E. Backhouse and B.W. Bateman, eds., *The Cambridge Companion to Keynes* (Cambridge, 2006), pp. 180–98; W. Parsons, 'Politics and Markets: Keynes and his Critics', in T. Ball and R. Bellamy, eds., *The Cambridge History of Twentieth-Century Political Thought* (Cambridge, 2003), pp. 46–69; P.F. Clarke, 'The Progressive Movement in England', *Transactions of the Royal Historical Society*, 5th ser., xxiv (1974), pp. 159–81; M. Cranston, 'Keynes: His Political Ideas and their Influence', in A.P. Thirlwall, ed., *Keynes and Laissez-Faire: The Third Keynes Seminar held at the University of Kent at Canterbury, 1976* (London, 1978), pp. 101–15; R. McKibbin, 'Political Sociology in the Guise of Economics: J.M. Keynes and the Rentier', *English Historical Review*, cxxviii (2013), pp. 78–106, at 93–6.

13. L. Lepper, 'The Rhetorical Consequences of Mr. Keynes: Intellectuals and the Communication of Economic Ideas' (Victoria Univ. of Wellington Ph.D. thesis, 2010), p. 361.

14. 'The Idiom of Mr. Keynes', *Westminster Gazette*, 7 Jan. 1927, copy in KP, A/54/8.

15. R. Skidelsky, *John Maynard Keynes: The Economist as Saviour, 1920–1937* (London, 1992), pp. 18–21; Moggridge, *Maynard Keynes*, pp. 356–7.

well as their form. Keynes often wrote in a highly politicised way, for example—as Ross McKibbin has pointed out—through his use of the term *rentier*, an economic concept which cropped up again and again in his writings but which was singularly ill-defined.<sup>16</sup>

The detailed examination of these themes is made possible in part through study of a number of Keynes's political speeches that were not included in the thirty volumes of his *Collected Writings*. It is also worthwhile to consider the question of reception. It would be quite unfair to suggest that the existing scholarship has neglected the question of how Keynes's ideas were received at this time, but much of that analysis has focused, naturally enough, on the reactions of economists. By considering in greater depth how the Liberal (and other) media responded at the more popular level, we can gain additional insights into Keynes's 'context of refutation' (the notions he was seeking to challenge) and his 'context of anticipation' (the objections he expected others to raise to his ideas).<sup>17</sup> This will also help to illuminate Keynes's *modus operandi* as a public intellectual, which, this article argues, was integral to the way in which his ideas developed. The central claim here is that Keynes's concept of Liberalism was more concerned with how politics should be done—that is to say, how the public sphere should be used to translate ideas into policies—than it was with specific principles of political economy. His suggestion that the Liberal Party required 'an attitude, a philosophy, a direction' thus repays close attention. To borrow the title of a television show of the 1960s, Liberalism, for Keynes, was *Not So Much a Programme, More a Way of Life*.

As Duncan Bell has recently noted, there are, broadly speaking, two established positions on Liberalism (which have methodological implications for the study of other ideologies too). The first is the 'stipulative/canonical' school, which holds that there are certain core components that different versions of Liberalism have had in common across time and space—for example, the commitment to freedom. 'Stipulative' scholars attempt to extract this core by employing 'definitional fiat to demarcate the legitimate boundaries of liberalism', that is, by specifying the conditions necessary for a position to be Liberal; 'canonical' scholars, in contrast, 'distil "liberal" theoretical structures from exemplary writings', that is to say, they try to work out what Kant, Mill, Rawls, etc. had in common. The second is the 'contextualist' school, which argues that particular enunciations of Liberalism can only be understood in the specific historical circumstances that generated them, and that any search for the 'timeless principles of Liberalism' (or any other ideology) brings with it the serious risk of anachronism. As Bell points out, Michael Freedman's influential 'morphological' analysis

16. McKibbin, 'Political Sociology in the Guise of Economics'.

17. S. Collini, *Liberalism and Sociology: L.T. Hobhouse and Political Argument in England 1880–1914* (Cambridge, 1979), p. 9; R. Toye, *Rhetoric: A Very Short Introduction* (Oxford, 2013), p. 69.

of ideology, which contains within it an assessment of Liberalism, is primarily contextualist, but involves an element of boundary-setting.<sup>18</sup> Freeden views ideologies as structures, composed of ‘core’, ‘adjacent’, and ‘peripheral’ concepts which hold shifting positions in relation to one another across time.<sup>19</sup> What Freeden has in common with both the stipulative/canonical school and the contextualist one is that he puts arguments, positions, propositions, policies and principles at the centre of his account; it is his effort to show how ideologies are defined by the changing interrelationships between these phenomena that makes his analysis of ideology distinctive. For Freeden, ultimately, ideologies are ‘clusters of concepts’, and Liberalism therefore represents one set of clusters.<sup>20</sup>

Freeden’s approach is undoubtedly helpful, but it does have its limitations. Concepts, arguments, policies and principles are, it goes without saying, crucial to the comprehension of Liberalism or of any other ideology. But, as the example of Keynes shows, Liberalism can also be seen as a method of thinking, arguing, and engaging with public life, that is to say as a psychological outlook or a form of political behaviour, and not simply as a set of abstractions. Our understanding of ideology thus needs to include concepts, but to be widened beyond them. This, of course, is by no means a wholly original insight. The rhetorical scholars Alan Finlayson and James Martin have noted briefly that ideologies are (partly) styles of argumentation.<sup>21</sup> Michael Bentley has written about ‘the Liberal mind’ in the 1914–29 period, and ‘the Conservative mind’ and ‘socialist mindsets’ have also received scholarly attention.<sup>22</sup> In his work on the Labour Party, H.M. Drucker helpfully distinguishes between its ‘doctrine’ (which is closely related to policy and legislation) and its ‘ethos’ (which includes ‘traditions, beliefs, characteristic procedures and feelings’).<sup>23</sup> It is also worth stressing that Freeden’s own account of Liberalism does emphasise the value that Liberals often place on rationality and scepticism, and his picture of ideologies includes space for their emotional aspects as well as for the processes of ratiocination. Ideologies, naturally, cannot be seen *only* as ways of arguing, any more than they are only agglomerations of concepts. Nevertheless, there remains considerable room to refine how ideologies are understood, by examining the connections between concepts and the discursive cultures and political practices that

18. D. Bell, ‘What is Liberalism?’, *Political Theory*, xlii (2014), pp. 682–715.

19. M. Freeden, *Ideologies and Political Theory: A Conceptual Approach* (Oxford, 1996).

20. M. Freeden, ‘The Morphological Analysis of Ideology’, in M. Freeden, L.T. Sargent and M. Stears, eds., *The Oxford Handbook of Political Ideologies* (Oxford, 2013), pp. 115–37, at 124.

21. A. Finlayson and J. Martin, ‘“It Ain’t What You Say ...”’: British Political Studies and the Analysis of Speech and Rhetoric’, *British Politics*, iii (2008), pp. 445–64, at 451.

22. Bentley, *Liberal Mind*; Ball, *Portrait*, pp. 9–11; J. Nuttall, ‘The Labour Party and the Improvement of Minds: The Case of Tony Crosland’, *The Historical Journal*, xlii (2003), pp. 133–53.

23. H.M. Drucker, *Doctrine and Ethos in the Labour Party* (London, 1979), pp. 1–2.

surround them. We also need to take greater account of the insights offered by psychology and behavioural economics in order better to understand the connections between mind-sets and ideologies, neither of which are necessarily freely chosen, and which frequently involve the instinctive, sub-conscious rejection of contradictory evidence.<sup>24</sup> Given the importance of Keynes to the progressive thought-world in the inter-war years and his global significance both at the time and since, his views (and his argumentative techniques) not only provide a valuable means of examining that *milieu* but are also suggestive of new ways to explore the workings of what we might term the Liberal political brain.

Keynes had been born in 1883, during Gladstone's second term as Prime Minister. As Freeden (writing with Marc Stears) observes, late nineteenth-century Liberal culture 'focused on human growth and thriving, and on exercising mental and moral faculties that emanated from the individual but could be actively encouraged by the right intellectual and moral atmosphere.'<sup>25</sup> However, the Liberal Party itself was facing increasing difficulties. The ructions caused by the constitutional status of Ireland in the 1880s and 1890s were overlaid by the divisions caused by the Boer War of 1899–1902. If the teenage Keynes could not quite make up his mind as to the merits of the war, he was certainly uncomfortable with the Jingoism that surrounded it, and declined to volunteer for the military training that his headmaster was urging upon the boys of Eton.<sup>26</sup> In some respects his attitude prefigured his ambivalent approach during the Great War, when he continued to serve the British war effort from the Treasury in spite of his moral doubts about, in particular, conscription, which was a touchstone issue for Liberals.

In the aftermath of the Boer War, the Liberal party was reunited and reenergised—and, conversely the government was split—by Joseph Chamberlain's decision, in 1903, to launch his protectionist campaign for Tariff Reform. The Liberal government that was formed two years later (led initially by Sir Henry Campbell-Bannerman) triumphed at the ensuing general election. With Asquith as Prime Minister from 1908 the government moved further in the direction of social reform, notably through Lloyd George's 'People's Budget' of 1909, but Free Trade remained a key issue at the two elections of 1910. As an undergraduate, Keynes had seen the Liberals as 'the party of reason and the party of

24. Helpful texts include: C. Tavis and E. Aronson, *Mistakes Were Made (But Not by Me): Why We Justify Foolish Beliefs, Bad Decisions, and Hurtful Acts* (New York, 2007); D. Westen, *The Political Brain: The Role of Emotion in Deciding the Fate of the Nation* (New York, 2008); D. Kahneman, *Thinking, Fast and Slow* (London, 2011).

25. M. Freeden and M. Stears, 'Liberalism', in Freeden, Sargent and Stears, *Oxford Handbook*, pp. 329–47, at 333.

26. Harrod, *Life*, pp. 22–3, 25–8; R. Skidelsky, *John Maynard Keynes: Hopes Betrayed, 1883–1920* (London, 1983), pp. 89–91; Moggridge, *Maynard Keynes*, pp. 41–3. See also KR, PP135, Keynes diary, entries for 11 and 16 Oct. and 1 Nov. 1899.

enthusiasm', and had joined the Cambridge University Liberal Society, of which he became President.<sup>27</sup> Later, as a Fellow of King's College, he spoke on behalf of Liberal candidates, and served as the Secretary of the Cambridge University Free Trade Association.<sup>28</sup> The UFTA was just one of the wide range of associational groups which formed the bedrock of contemporary free-trade culture and which constituted part of the broader 'League of Leagues' that gave both wings of Edwardian politics much of their dynamism.<sup>29</sup>

Keynes, it is worth stressing, never had enormous loyalty towards the Liberal Party per se, and was frequently sceptical of politicians as a group. Nonetheless, for a long time he operated happily within a wider Liberal movement that included clubs, societies, and journals. Organisations such as the free-trade union, he argued, were 'a sort of protest against the rigour of the party system'.<sup>30</sup> Prizing Liberalism above all as a rational creed, he moved easily within this associational culture which, although it certainly helped to advance partisan ends, was generally tolerant of heterodoxy. As the existence of the summer-school movement suggests, this culture retained some of its vitality into the 1920s. However, its gradual decline was in part the consequence of new pressures that demanded that parties show greater ideological discipline. Even when the Liberal Party appeared to be in serious decline, Keynes continued to valorise it for its humane, tolerant and enquiring disposition, which elevated it, in his view, above the sectional jealousies, malign passions and intellectual limitations of the other major parties. For him, it was Liberalism's ethos rather than its doctrine that made it attractive.

Prior to 1914, Keynes's public pronouncements generally fell within the Liberal mainstream. He was certainly willing to explore radical positions, speaking at the Cambridge Union in 1911 (together with Sidney Webb) in favour of a motion stating 'That the progressive reorganization of Society on the lines of collectivist Socialism is both inevitable and desirable'.<sup>31</sup> But of course one can speak for a motion in a debating society without believing in it wholeheartedly. Following a trip to Ireland with the Liberal-aligned Eighty Club, also in 1911, Keynes was converted to Home Rule, although apparently without much interest or conviction. His biographer Robert Skidelsky sees his belief that the Irish situation was fairly quiescent as evidence of 'Keynes's political

27. Skidelsky, *Hopes*, p. 114; The Eighty Club, *Government by Cabinet: Report of Speeches ... at the University Arms, Cambridge on February 24<sup>th</sup>, 1905* (London, 1905), copy in KP, PS 1/4.

28. *CW*, xv, 39.

29. See F. Trentmann, *Free Trade Nation: Commerce, Consumption, and Civil Society in Modern Britain* (Oxford, 2008).

30. KP, PS/1/20, 'Free Trade Union: Public Meeting at Cambridge', news cutting dated 6 Aug. 1910.

31. G.E. Jackson and P. Vos, eds., *The Cambridge Union Society Debates, April 1910–March 1911* (London, 1911), pp. 79–87, quoted in P.F. Clarke, 'The Progressive Movement in England', p. 172.



complacency before the First World War.<sup>32</sup> Certainly, the subsequent war was massively disruptive of many of Keynes's assumptions. At the same time, it is worth emphasising the elements of continuity. His declarations in the 1920s against class politics, and his assertions that the Liberals were a non-sectional party of justice and good sense, could easily have been made by him two decades earlier. They were, indeed, the Liberal commonplaces of the era.

Keynes's wartime years as a Treasury civil servant brought him into close contact with high-ranking Liberal (and other) politicians. He became good friends with Asquith, and also with Reginald McKenna, the Chancellor, who, like the Prime Minister, lost office at the time of Lloyd George's 1916 coup. The Paris peace conference, of course, increased Keynes's suspicions of Lloyd George, although his most damaging criticisms of him were omitted from *The Economic Consequences of the Peace* (1919), only to be published later in *Essays in Biography* (1933). The Asquithians had met with calamity at the polls at the end of the war, Asquith himself losing his seat. Keynes was not only linked to this group by ties of amity; the *Economic Consequences* also suited their agenda as they sought to rebuild by taking advantage of the first signs of popular reaction against Lloyd George and his post-war coalition. With Keynes's permission, the Liberal Publications Department reproduced a section of his book—an exposé of Lloyd George's behaviour at the 1918 election—as a leaflet.<sup>33</sup>

At this time, the Asquithians (also known as the Independent Liberals or 'Wee Frees') attacked the Coalition on the grounds of its alleged waste and extravagance, high taxation, foreign adventurism, and brutality in Ireland. Asquith's return to the Commons at the Paisley by-election in February 1920 appeared to be a sign of a new dawn. The Wee Frees could present themselves as a radical alternative to the corrupt and reactionary Coalition, while at the same time eschewing socialism and avoiding the class-based and supposedly unconstitutional approach of the Labour Party, which was flirting with the concept of direct action outside parliament. Keynes appears to have found this agenda very congenial, although, of course, the quest for economy conflicted with the economic views that he would subsequently develop and for which he is now chiefly remembered. The politics of 'anti-waste' was soon successfully hijacked by the Coalition's right-wing opponents, and in 1921 the government's social housing programme was sacrificed to the new mood of post-war austerity.<sup>34</sup> But Keynes was not ready to assault the 'Treasury View' just yet. In the meantime, Asquith's leadership proved to be lacklustre. Keynes always retained his personal respect for

32. Skidelsky, *Hopes*, p. 262.

33. J.M. Keynes, *Mr. Lloyd George's General Election* (London, 1920).

34. K.O. Morgan, *Consensus and Disunity: The Lloyd George Coalition Government, 1918–1922* (Oxford, 1979), pp. 97–8.

him, but (unlike many of the former Prime Minister's devotees) he was no blind loyalist, as his later reconciliation with Lloyd George showed.

In July 1920, Asquith asked Keynes to join the National Liberal Federation's finance sub-committee.<sup>35</sup> Keynes agreed to do so, and he contributed to the committee's proposals for a capital levy, an idea he had mooted in the *Economic Consequences*, but which he ceased to support as conditions changed. At around this time, though, he declined to stand as a Liberal for the Cambridge University seat.<sup>36</sup> This was neither the first nor the last invitation he would receive to run as an MP; he turned them all down, albeit in this case only after giving the matter serious thought.<sup>37</sup> Nonetheless, following the fall of the Coalition in October 1922, he 'entered the political arena' with a speech in Manchester to the Liberal-supporting '95 Club. His comments were seen at the time as 'a striking declaration in favour of Free Trade', at a time when it appeared to be under threat from the new Conservative government of Andrew Bonar Law, who was a convinced protectionist.<sup>38</sup> 'In the old days we could afford a little Protection if the thing amused us', Keynes declared. 'We cannot now. It is dangerous beyond description.'<sup>39</sup> This line of attack was subsequently blunted when Law pledged not to make any fundamental change to the country's fiscal system within the lifetime of the next parliament.<sup>40</sup>

On other issues, moreover, the speech showed the difficulties that the Asquithians faced in developing rousing electoral positions. On the one hand, Keynes said that 'it was no good to have schemes, particularly expensive schemes, of social reform until the financial situation was a good deal clearer than it was at present'. On the other hand, he pointed out that 'the field of possible economy was extremely small', because more than half of current expenditure was devoted to servicing debt and old-age or war pensions. At the same time it would be wasteful to curtail new health and education spending now that it had been embarked upon. The Liberals would maintain existing plans, he said, whereas Labour 'would be inclined to press ahead too fast, and Conservatives would want to scrap what had already been done.' The elimination of waste, while desirable, could not make a material impact on the Budget. Therefore, armaments and foreign commitments were the only major areas where cuts could be made. Keynes did not mention the recent Chanak crisis, in which the Coalition had risked war with

35. H.H. Asquith to Keynes, 20 July 1920, *CW*, xvii. 187.

36. Keynes to F.A. Potts, 14 Oct. 1920 and Keynes to Harold Storey, 13 Nov. 1920, *CW*, xvii. 186–90; 'The Capital Levy: Professor Keynes's denial', *Morning Post*, 3 Nov. 1923, copy in KP, A/54/6/41.

37. As the electorate consisted of Cambridge graduates, he might well have found the prospect more appealing than a regular constituency. For Keynes's intervention in the 1922 Cambridge (city) by-election, see *Manchester Guardian*, 15 Mar. 1922.

38. *Journal of Commerce* (Liverpool), 27 Oct. 1922, copy in KP, A/54/6/31; Moggridge, *Maynard Keynes*, p. 390.

39. *Manchester Guardian*, 26 Oct. 1922.

40. Andrew Taylor, *Bonar Law* (London, 2006), p. 113.

Turkey, thereby contributing to its own downfall. He thus steered clear of the bitter war of words on this issue which raged between the Asquithians and the supporters of Lloyd George. But he did cast doubt on the value of the recent expansion of the territories under British control in the Middle East. He urged the evacuation of 'Palestine and the whole of Mesopotamia, with the possible exception of Basra and the Gulf.' Indeed, he went further: 'I would reduce the army to a point that might be incompatible with our exercising an important military influence on the continent of Europe. I do not believe there is any better way of ensuring peace than by assuming it.' As for the capital levy, which was not included in the Liberal manifesto of 1922, he ruled it out for the time being, but said that he kept it 'up his sleeve'.<sup>41</sup>

The 1922 election saw a partial recovery for the Asquithians, but they were still divided from the former Coalition Liberals, and both groups together were outnumbered by the Labour Party, which became for the first time the official opposition. The Conservatives had a substantial majority, but the political situation remained in flux. Early in 1923, Keynes became part of a group which obtained control of the *Nation & Athenaeum*. He became Chairman; the other directors were Walter Layton (editor of *The Economist*), E.D. Simon (formerly Lord Mayor of Manchester), and E.H. Gilpin (a Liberal businessman). Hubert Henderson was the new editor. According to *The Burnley News*—Layton had stood as the town's Liberal candidate at the election—'It will be seen that all those associated with the new venture are leaders of the new Liberalism, generally known as the "Manchester School," which is the most progressive and live force in Liberalism today.'<sup>42</sup>

This terminology is interesting, given the debate between scholars as to where Keynes stood in relation to New Liberalism, a loose movement generally associated with the pre-1914 period. Peter Clarke has argued that the 'cornerstones of the new Liberalism were built into the foundations of Keynes's political thinking.'<sup>43</sup> Freeden has countered that 'Keynes was no new liberal' as he did not share the movement's 'egalitarian and communitarian ethos'.<sup>44</sup> This claim has some truth in it, but, as Clarke notes, Keynes's own use of the term 'New Liberalism' at this time cannot have been accidental.<sup>45</sup> 'We shall try to develop and give expression to a really true Liberal programme,' Keynes told the *Westminster Gazette* at the time of the *Nation* takeover. 'Liberalism at present is in a state of transition. Our object will be to further the new ideas which are replacing the old. We want, in short, to be to the new Liberalism what the Edinburgh

41. *Manchester Guardian*, 26 Oct. 1922.

42. *Burnley News*, 21 Apr. 1923. For the Manchester background, see Freeden, *Liberalism Divided*, p. 80. The 'Manchester School' terminology is potentially confusing, of course, as that phrase is generally associated with nineteenth-century Cobdenite laissez-faire liberalism.

43. Clarke, *The Keynesian Revolution*, p. 69. See also Clarke, *Making*, p. 80.

44. Freeden, *Liberalism Divided*, p. 159.

45. Clarke, *The Keynesian Revolution*, p. 69.

Review was to the Liberalism of 100 years ago.<sup>46</sup> This does not mean, necessarily, that Keynes intended to associate himself with the pre-1914 New Liberalism of J.A. Hobson, L.T. Hobhouse, and others. But he did identify himself explicitly with the New Liberalism of the 1920s.<sup>47</sup> This was in many respects a slogan rather than a genuine movement, and it never really caught on; but it was a phenomenon that was recognised throughout the decade, even by ideological opponents intent upon mocking it.<sup>48</sup> *The Spectator*, for example, summarised the ‘New Manchester School’ as ‘an attempt to apply modern scientific methods of thought to the fundamental Liberal tenets in the same way that they have already and more naturally been applied to Socialism and to Conservatism. Hence the new school will stand for “Industrial Democracy” as against Collectivism on one side, or unhampered and uncontrolled Individualism on the other.’<sup>49</sup> In a similar spirit, the *Daily Express* commented that: ‘The new Manchester school has no love for the Liberal Party as such. It has its own ideas of what Liberal policy should be.’<sup>50</sup> Keynes, for his part, stated:

We shall be very much Liberal and not Labour. We are absolutely convinced that, whatever conclusions calculations of early office may lead to, there must, in the long run be a place for Liberalism which has no commerce whatever with Conservative opinion, however moderate. Although we believe that the doctrinaire part of the Labour party is completely inadequate for the solution of our present troubles, we do sympathise with Labour in their desire to improve and modify the existing economic organisations as to minimise what ought to be avoidable distress due to recurring trade depression and unemployment.<sup>51</sup>

In order to understand the meaning of this passage, we need to appreciate that key Conservative ex-Coalition ministers were at this point still standing aloof from the government, which was now headed by Stanley Baldwin, who had succeeded Bonar Law as Prime Minister at the end of May 1923. Politics appeared very fluid, and the emergence of a ‘Centre Party’ seemed like a real possibility; but no one yet knew where ‘the new party fissures’ would emerge.<sup>52</sup> In the passage cited above, Keynes was therefore opposing the idea of the Liberals uniting with ‘moderate’ Tory figures such as Austen Chamberlain, but was seemingly amenable to a linkage of some sort with the ‘non-doctrinaire’ element in the Labour Party. If he objected to the recreation of the Coalition in a new form, he does not seem to have been hostile to Lloyd George himself. Indeed,

46. ‘Changes in “The Nation”’, *Westminster Gazette*, 19 Apr. 1923, copy in KP, A/54/6/44.

47. A point hinted at in Moggridge, *Maynard Keynes*, p. 452.

48. See, for example, *The Times*, 16 Dec. 1924, reporting a speech by Labour’s Thomas Johnston; and *The Times*, 13 Apr. 1928, reporting a speech by Thomas Inskip; *Saturday Review*, 6 Apr. 1929.

49. *Spectator*, 10 Feb. 1923.

50. *Daily Express*, 19 Jan. 1923, copy in KP, A/54/6/44.

51. *Manchester Guardian*, 4 May 1923, CW, xviii. 122–3.

52. *The Nation and Athenaeum*, 5 May 1923, CW, xviii. 123–6.

it was hard to see how Liberalism could be revived without him. With a realignment of political forces apparently in prospect, the potential role of *The Nation* as an organ for forming Liberal opinion must have seemed, to Keynes, to have been all the greater.

For Keynes, then, there seemed to be an incentive to act boldly. In the editorial foreword he wrote for the first issue of *The Nation* under its new regime, Keynes hinted at the line he would take two years later in 'Am I a Liberal?' He noted that the major Liberal causes of the nineteenth century were no longer live questions: 'What sort of issues are going to take their place? Proportional representation, divorce reform, prohibition, eugenics, freedom of opinion and of propaganda on sex and birth-control problems? Perhaps.'<sup>53</sup> These remarks need to be understood in the light of Keynes's ongoing statistical dispute with William Beveridge, during which the latter contested the former's neo-Malthusian fears that the world's population would outstrip food supply. Previously *The Nation* had been hostile to birth control; but no longer. This—given Keynes's ambition to reform the existing economic system rather than overthrow it—explains a comment made in 1924 by the leading pro-natalist Eleanor Rathbone. She observed that *The Nation* was 'popularly supposed to have for its watchwords, "Capitalism and Contraception"'.<sup>54</sup>

In August 1923, Keynes addressed the Liberal Summer School (LSS). This was a 'New Manchester School' initiative which had held its inaugural meeting two years earlier.<sup>55</sup> He focussed his remarks on currency policy and unemployment, in line with the arguments of his *Tract on Monetary Reform*, which was to be published later that year.<sup>56</sup> It might be 'difficult to catch the imagination of the electorate with Mr. Keynes's currency reform' (as *The Spectator* commented the following year), but shortly afterwards the Conservatives presented their opponents with a much more straightforward and familiar economic issue on which to campaign.<sup>57</sup> In a surprise move, Baldwin declared in October that only protection of the home market could solve the problem of unemployment; but, given Bonar Law's pledge of the previous year, he could not introduce protectionist measures without an election. His move had the swift effect of reuniting the Lloyd George and the Asquith factions. The remarriage was to be a troubled one, but in the short term the campaign was a tonic to Liberalism. In *The Nation*, Keynes provided an articulate, if conventional, defence of free trade. He did, however, note that one of the arguments in its favour—the principle of *laissez-faire*—was 'never a final argument. The old view,

53. Ibid.

54. E.F. Rathbone, *The Disinherited Family: A Plea for the Endowment of the Family* (London, 1924), p. 223, quoted in J. Toye, *Keynes on Population* (Oxford, 2000), p. 171.

55. Freedon, *Liberalism Divided*, pp. 82–5; D. Hubback, *No Ordinary Press Baron: A Life of Walter Layton* (London, 1985), pp. 67–72.

56. *Nation and Athenaeum*, 11 Aug. 1923, *CW*, xix. 113–18.

57. 'The Struggle for Opposition', *Spectator*, 22 Nov. 1924.

that the self-interest of individuals, operating without interference, will always produce the best results, is not true.<sup>58</sup> It is obviously tempting to see this as foreshadowing Keynes's celebrated essay *The End of Laissez-Faire* (1926), and in a way it did. But Keynes was not necessarily putting himself in opposition to common contemporary Liberal understandings of free trade. As Frank Trentmann has emphasised, free trade was in many ways a communitarian doctrine, many of whose advocates saw themselves as apostles of international co-operation rather than of selfish individualism.<sup>59</sup> As one of Keynes's fellow speakers at a pre-war Free Trade Union meeting put it: 'The greatest menace to Free Trade was ignorance, accompanied by thoughtlessness and a complacent laissez faire.'<sup>60</sup>

The election was held in December 1923. During the campaign, Keynes spoke on behalf of Liberal candidates. The Labour Party was now advocating a capital levy, although it was evident that its leaders were not keen on the idea. While acknowledging that he had formerly supported it himself, Keynes suggested that it would be 'absolute madness' in current conditions, without giving a very convincing account as to why he had changed his mind.<sup>61</sup> 'All he said now was that the time was inopportune', sniped one Labour candidate.<sup>62</sup> The Conservatives were returned as the largest party at Westminster, with 258 seats; the Liberals had 159 and Labour 191. When Parliament met, the Liberals helped Labour turn Baldwin out, and Ramsay MacDonald became Prime Minister of a minority Labour government. In this inherently unstable situation the Liberals, it seemed, still had much to play for. They were, however, significantly hampered by the continuing rivalry between Asquith and Lloyd George. The former was now the party's official leader, but the latter kept his hands on the finances of the party.

It was around this time that Keynes's economic thinking became markedly less orthodox. The *Tract* had cast doubt on the merits of the gold standard; but in May 1924 he stepped up his rhetorical campaign against laissez-faire with an article in *The Nation* entitled 'Does Unemployment Need a Drastic Remedy?' This article is generally regarded as the first sign of his conversion to the idea of public works.

58. *Nation and Athenaeum*, 24 Nov. and 1 Dec. 1923, *CW*, xix, 147–56. See also his notes for a speech at the National Liberal Club, 13 Dec. 1923, in *ibid.*, pp. 158–62.

59. Trentmann, *Free Trade Nation*, esp. pp. 316–30.

60. The speaker in question was Frank Wilkins, Secretary to the Cambridge branch: KP, PS/1/20, 'Free Trade Union: Public Meeting at Cambridge', news cutting dated 6 Aug. 1910.

61. *Northern Daily Telegraph*, 4 Dec. 1923, copy in KP, A/54/7/3. Keynes subsequently explained that in 1920 he had been convinced that the upper limit of ordinary taxation had been reached, but that he now believed the budget could be balanced without recourse to a capital levy. See his evidence to the Committee on National Debt and Taxation, *CW*, xix, 839–55 (6 May 1925). On the politics of the capital levy, see M. Daunton, *Just Taxes: The Politics of Taxation in Britain, 1914–1979* (Cambridge, 2002), pp. 66–74.

62. The candidate was Captain F.J.G. Woulfe-Brenan, standing for Plymouth (Sutton): *Western Morning News*, 5 Dec. 1923.

However, in some ways he was moving with the intellectual current. As he pointed out, Baldwin, Lloyd George and Sidney Webb all agreed, in their different ways, that laissez-faire policies in themselves were an insufficient solution to Britain's economic problems.<sup>63</sup> But the article was also notable for what it revealed of Keynes's 'investment nationalism' which, as Vincent Barnett has noted, 'is a sometimes-neglected strand in his abandonment of *laissez faire* principles that ultimately produced the *General Theory of Employment, Interest and Money*'.<sup>64</sup> The established Liberal position was that overseas investment was beneficial, because it helped promote peace, prosperity and civilisation throughout the world; indeed, Keynes had defended this point of view against Conservative challenge before the First World War.<sup>65</sup> But, replying to critics of his article on unemployment, Keynes now wrote: 'for good or evil, in present-day conditions *laissez-faire* can no longer be relied on to furnish economic projects with the capital they need. We are drifting into financing port improvements, housing, electrical developments, &c, abroad at low rates of interest, while forgetting similar projects at home.'<sup>66</sup> He developed his thinking on foreign investment further at the Liberal Summer School that August, where they appeared to have caused little controversy.<sup>67</sup> But later in the year he adapted his argument to more partisan purposes. During the general election in October 1924, which had been triggered by the fall of MacDonald's government, Keynes castigated Labour for extending a loan to the USSR—even though he had advocated such a loan at the time of the Genoa conference in 1922.<sup>68</sup> Speaking at a Liberal mass meeting in the Cambridge Corn Exchange, he observed that £40 million 'would build and equip five complete towns the size of Cambridge. ... There were uses in this country to which the money could be put which would bring in a return, not only of cash, but of social improvement.'<sup>69</sup> Labour was heavily defeated by the Conservatives at the election, but the Liberals lost seats too. Although in many respects this result represented a defeat for economic progressivism, Keynes himself had a growing reputation as a sage, and even some of his ideological opponents considered that some of his views carried weight. 'We hope that in the feeling of general confidence which has been one result of the decisive defeat of the Socialists in the recent election the mistake will not be made of lending large sums of British money to finance the dangerous business

63. *Nation and Athenaeum*, 24 May 1924, *CW*, xix, 219–23.

64. V. Barnett, *John Maynard Keynes* (London, 2013), pp. 110–11.

65. A. Offer, 'Empire and Social Reform: British Overseas Investment and Domestic Politics, 1908–1914', *The Historical Journal*, xxvi (1983), pp. 119–38; J.M. Keynes, 'Great Britain's Foreign Investments', *New Quarterly*, Feb. 1910, *CW*, xv, 44–59.

66. *The Times*, 28 May 1924, *CW*, xix, 223–5.

67. His address was published as 'Foreign Investment and National Advantage', *Nation and Athenaeum*, 9 Aug. 1924; *CW*, xix, 275–84.

68. J. Toye, 'Keynes, Russia and the State in Developing Countries', in Crabtree and Thirlwall, *Keynes and the Role of The State*, pp. 239–65, at 242.

69. *Cambridge Daily News*, 27 Oct. 1924, copy in KP, A/54/7/104.

competitors of this country', opined the right-wing *Daily Mail*. 'Not many months ago Mr. J.M. Keynes warned the public that such loans would complicate all the problems here, and though there are many points on which we disagree with him, in this matter his advice was sound.'<sup>70</sup>

Keynes's speech to the 1925 Liberal Summer School—the 'Am I a Liberal?' lecture—therefore came at a time of considerable evolution in his political and economic ideas. It came in the wake of the publication a few weeks earlier of *The Economic Consequences of Mr. Churchill*, Keynes's attack on the government's decision to return to the Gold Standard. This period also marked a watershed in Keynes's private life. It is tempting to suggest that it no accident that he chose to shock the Liberals on sex at the very point that he was shocking Bloomsbury by embarking on a hitherto unexpected course of married respectability. Indeed, as he addressed the Summer School, Lydia Lopokova, the pretty Russian ballerina he would wed a few days later, sat prominently in the front row.<sup>71</sup> It should be recalled, though, that he had already ventured onto the controversial ground of advocating contraception, so public discussion of such topics was not a completely new departure for him.

In some ways, Keynes's decision to tackle sex issues was in some ways less surprising than it might at first appear. The franchise would not be equalised until 1928; but, partly as a consequence of the ongoing debate about franchise reform, the 'woman question' was much discussed at this time.<sup>72</sup> In this context, the Liberals were less effective than their rivals in creating targeted appeals to women voters, and the religious Nonconformist element of the party represented the antithesis of the moral assumptions of Bloomsbury.<sup>73</sup> But there were also undercurrents of unconventionality in Liberal ranks: Asquith had previously indulged his passionate friendship with Venetia Stanley; and Frances Stevenson, Lloyd George's secretary and mistress, modelled herself on the liberated heroine of H.G. Wells's *Ann Veronica* (1909).<sup>74</sup> These relationships, of course, were known to very few at the time. But the Twenties were the decade both of the puritanism of Tory Home Secretary William Joynson-Hicks and of the social and sexual licence depicted so amusingly in Evelyn Waugh's *Vile Bodies* (1930). Keynes therefore could legitimately expect that the public reception of his views would not be entirely hostile, even though he was being genuinely quite innovative.

Moreover, although contemporary reactions in the press focussed on the issue of sex, Keynes's treatment of this issue was only one part of his

70. *Daily Mail*, 1 Dec. 1924, copy in KP, A/54/7/104.

71. *Daily News*, 3 Aug. 1925, copy in KP, A/54/7.

72. A. Bingham, "'Stop the Flapper Vote Folly": Lord Rothermere, the Daily Mail and the Equalization of the Franchise, 1927–8,' *Twentieth Century British History*, xiii (2002), pp. 17–37.

73. D. Thackeray, 'From Prudent Housewife to Empire Shopper: Party Appeals to the Female Voter, 1918–1928', in J. Gottlieb and R. Toye, eds., *The Aftermath of Suffrage: Women, Gender and Politics in Britain 1918–1945* (Basingstoke, 2013), pp. 37–53.

74. F. Lloyd George, *The Years that are Past* (London, 1967), p. 36.



broader argument. He began by observing that 'the political animal'—and he clearly saw himself as one—'who cannot bring himself to utter the contemptible words, "I am no party man," would almost rather belong to any party than to none.' Applying 'this negative test' to himself, he made it clear that he could never be a Conservative. That party offered him 'neither intellectual nor spiritual consolation.' He continued:

Ought I, then, to join the Labour Party? Superficially that is more attractive. But looked at closer, 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, like those of every one else, except certain unpleasant zealous ones, are attached to my own surroundings. I can be influenced by what seems to me to be justice and good sense; but the *class* war will find me on the side of the educated *bourgeoisie*.<sup>75</sup>

This is the section of the speech that is best known today. At one level, it was simply a restatement of the classic Liberal claim to be a party that would not favour any section of the national community at the expense of another. But it was obviously intended to be provocative. The left-wing *Daily Herald* did pick up on the passage, ironically congratulating Keynes on his refreshing frankness: 'No slop about "safeguarding the interests of the nation." No pretence that the poor Haves need protection against the claims of the Have-nots. [...] Could there be any clearer proof that Liberalism is dead?'<sup>76</sup> But it otherwise attracted little comment. This may have been because it was simply eclipsed by the 'sex' aspect of the speech. Perhaps, too, Keynes's strictures on Labour seemed mild in comparison with much contemporary anti-socialist propaganda from the Conservatives.<sup>77</sup> In fact, Keynes immediately made clear that his 'educated bourgeoisie' remark was intended only as a joke, although he went on to make derogatory comments about the state of political education of the working classes. Immediately after the passage quoted above, he said:

But this is not the fundamental difficulty. I am ready to sacrifice my local patriotisms to an important general purpose. What is the real repulsion which keeps me away from Labour?

I cannot explain it without beginning to approach my fundamental position. I believe that in the future, more than ever, questions about the economic framework of society will be far and away the most important of political issues. I believe that the right solution will involve intellectual and scientific elements which must be above the heads of the vast mass of more or less illiterate voters.<sup>78</sup>

75. J.M. Keynes, 'Am I a Liberal', *CW*, ix, 297. Emphasis in original.

76. *Daily Herald*, 11 Aug. 1925, copy in KP, A/54/7/117.

77. See D. Jarvis, 'British Conservatism and Class Politics in the 1920s', *English Historical Review*, cxi (1996), pp. 59–84.

78. *CW*, ix, 295.

It is clear that Keynes quickly thought better of this, because the words (which were present in his original manuscript) were omitted from the version printed in *The Nation*. It seems clear that he did make them on the day, because the *Cambridge Daily News* reported them, although other papers, which reproduced his speech less fully, did not.<sup>79</sup> He also left out of the published version of the speech the section which came next:

Now, in a democracy, every party alike has to depend on this mass of ill-understanding voters, and no party will attain power unless it can win the confidence of these voters by persuading them in a general way either that it intends to promote their interests or that it intends to gratify their passions. Nevertheless, there are differences between the several parties in the degree to which the party machine is democratised through and through, and the preparation of the party programme democratised in its details. In this respect the Conservative Party is in much the best position. The inner ring of the party can almost dictate the details and the technique of policy. Traditionally the management of the Liberal Party was also sufficiently autocratic. Recently there have been movements in the direction of democratising the details of the party programme. This has been a reaction against weak and divided leadership, for which, in fact, there is no remedy except strong and united leadership. With strong leadership the technique, as distinguished from the main principles, of policy could still be dictated from above.<sup>80</sup>

The context for Keynes's remarks about internal party democracy was the angst and infighting triggered within the Liberal Party by the 1924 electoral debacle, in which Asquith had again lost his seat.<sup>81</sup> In the aftermath, the party's organisation was reformed, increasing the influence of the rank and file.<sup>82</sup> However, all of the comments that Keynes chose to delete were in line with the widely held Liberal faith, articulated by C.F.G. Masterman in *The New Liberalism* (1920), in 'Government by an aristocracy of intelligence'.<sup>83</sup> It may be that Keynes therefore decided not to publish them less because he was worried about appearing elitist than he was about stirring up internal party divisions and portraying his own party's leaders as weak. Certainly he had no qualms about publishing his doubts as to whether those he termed 'the intellectual elements in the Labour Party' would ever be able to exert sufficient control over their ignorant comrades. He commented that 'too much will always be decided by those who do not know *at all* what they are talking about.' However, his endorsement—such as it was—of

79. *Cambridge Daily News*, 4 Aug. 1925, copy in KP, A/54/7/113.

80. *CW*, ix, 295–6. In the manuscript the word 'ill-advised' appeared before 'movements' but was struck through; it did not appear in the *Cambridge Daily News* report.

81. S. Koss, *Asquith* (London, 1985), pp. 271–2. Ennobled as the earl of Oxford and Asquith, he will nonetheless continue to be referred to here as Asquith.

82. T. Wilson, *The Downfall of the Liberal Party, 1914–1935* (London, 1966), p. 314.

83. C.F.G. Masterman, *The New Liberalism* (London, 1920), p. 213, quoted in Freedman, *Liberalism Divided*, p. 333.

his own party was distinctly lukewarm: 'On the negative test, I incline to believe that the Liberal Party is still the best instrument of future progress—if only it had strong leadership and the right programme.'<sup>84</sup>

However, Keynes went on to say that it was the positive political programmes which were the problem, commenting that in this respect 'the aspect is dismal in every party alike'. This failing was, he argued, because the questions that had divided the parties in the past were no longer relevant; 'and whilst the questions of the future are looming up, they have not yet become party questions, and they cut across the old party lines.' Not the least of his provocations—given that the Liberal Party was on the eve of launching a major new policy on the matter—was his airy dismissal of the 'Land Question'. In its 'traditional form', he said, it had 'become, by reason of a silent change in the facts, of very slight political importance.'<sup>85</sup> He was similarly dismissive of the Liberal attachment to laissez-faire ideas, declaring that they had been correct in the circumstances that had created them, but they did not make sense in modern conditions. The Liberal Party consequently needed a new philosophy. Sketching out his ideas of what this might be, he briefly tackled 'Peace Questions' and 'Questions of Government', and then made the transition to 'Sex Questions', leading to the passage quoted at the start of this article. Again demonstrating his concern for population questions, he argued:

These questions also interlock with economic issues which cannot be evaded. Birth Control touches on one side the liberties of women, and on the other side the duty of the State to concern itself with the size of the population just as much as with the size of the army or the amount of the Budget. The position of wage-earning women and the project of the Family Wage affect not only the status of women, the first in the performance of paid work, and the second in the performance of unpaid work, but also raise the whole question whether wages should be fixed by the forces of supply and demand in accordance with the orthodox theories of laissez-faire, or whether we should begin to limit the freedom of those forces by reference to what is 'fair' and 'reasonable' having regard to all the circumstances.<sup>86</sup>

The 'project of the Family Wage' referred to by Keynes arose from the demand of many trade unionists that the male breadwinner should be paid a wage sufficient to support his wife and children, the assumption being that the woman would not do paid work and would carry out unpaid domestic labour.<sup>87</sup> This was in tension with the concurrent campaign (in which Eleanor Rathbone was prominent) for family allowances. Trade unionists who opposed such a scheme feared that it would give employers

84. Keynes, 'Am I a Liberal', *CW*, ix, 297. Emphasis in original.

85. *Ibid.*, pp. 297–8; 'Political Philosophy of Mr. Keynes', *Manchester Guardian*, 3 Aug. 1925; J. Campbell, *Lloyd George: The Goat in the Wilderness* (London, 1977), pp. 120–3; Freedman, *Liberalism Divided*, p. 102.

86. Keynes, 'Am I a Liberal', *CW*, ix, 301–2.

87. N. Fraser, 'After the Family Wage: Gender Equity and the Welfare State', *Political Theory*, xxii (1994), pp. 591–618.

an excuse to avoid paying the family wage.<sup>88</sup> After much debate, the TUC came out against family allowances in 1930 (although the Labour Party took a different view) and only dropped its opposition in 1942, Keynes himself having become a convert to the idea somewhat earlier in the war.<sup>89</sup> Family allowances, of course, became one of the key features of the post-war welfare state, indicating how Keynes's 'Sex Questions'—what we would today call 'gender issues'—would become increasingly important in British politics over the subsequent years. In this respect, he was genuinely far-sighted, or perhaps more exactly, an astute observer of trends that were already evident. For instance, women Labour activists were already campaigning for easier access to birth-control information, although they met resistance from the party's National Executive Committee.<sup>90</sup> Of course, such issues had always been fundamental to politics; but what was novel from the Edwardian period onwards was their explicit recognition as a particular class of problem. As Keynes put it, 'The very crude beginnings represented by the Suffrage Movement were only symptoms of deeper and more important issues below the surface.'<sup>91</sup>

Keynes also touched briefly in this speech on what he called 'Drug Questions', noting that, although Prohibition of alcohol and betting might do good, 'bored and suffering humanity' should perhaps nevertheless be permitted outlets for its passions. He dealt more substantively with 'Economic Questions', arguing—following the American economist John Rogers Commons—that the world was undergoing a transition (following previous eras of 'Scarcity' and 'Abundance') to an age of 'Stabilisation'.<sup>92</sup> This new era was characterised by a reduction in individual liberty, in part because of the rise of collective organisations such as corporations, unions and manufacturers' associations. 'The transition from economic anarchy to a régime which deliberately aims at controlling and directing economic forces in the interests of social justice and social stability, will present enormous difficulties both technical and political', Keynes concluded. 'I suggest, nevertheless, that the true destiny of New Liberalism is to seek their solution.' Urging on his listeners the need to 'invent new wisdom for a new age', he closed his talk by teasing them: 'I have endeavoured to indicate my own attitude to politics, and I leave it to others to answer, in the light of what I have said, the question with which I began—Am I a Liberal?'<sup>93</sup> One newspaper sarcastically observed of Keynes's conspicuous failure to answer his own question: 'pending

88. J.E. Cronin and P. Weiler, 'Working-Class Interests and the Politics of Social Democratic Reform in Britain, 1900–1940', *International Labor and Working-Class History*, xl (1991), pp. 47–66.

89. *The Times*, 6 Sept. 1930 and 19 Mar. 1942; J. Toye, *Keynes and Population*, pp. 205–8.

90. P.M. Graves, *Labour Women: Women in British Working-Class Politics, 1918–1939* (Cambridge, 1994), pp. 81–98.

91. Keynes, 'Am I a Liberal', *CW*, ix, 302.

92. For Commons's influence on Keynes, see Skidelsky, *Economist as Saviour*, pp. 229–30.

93. Keynes, 'Am I a Liberal', *CW*, ix, 306.

further study at a time when he is no doubt much pre-occupied with pleasanter contemplations, he leaves his party suspended in mid-air after the manner of Mahomet's coffin.<sup>94</sup>

Other commentators were similarly uncertain as to the seriousness of Keynes's speech. According to the *Manchester Guardian* report:

It was witty enough to leave some people wondering whether it was intended as anything more than a diversion. It was at times so gaily unorthodox that it shocked Liberals brought up on the pure milk of the word as it issues from the Liberal Publications Department. "And yet, people seemed to reason, there was an undertone of earnestness. After all, he may be right. Perhaps we ought to have a policy on birth control."<sup>95</sup>

The former minister, Walter Runciman, a supporter of Asquith who 'would never be renowned for heresies', was chair of the session.<sup>96</sup> 'Mr. Runciman was rather shocked', reported the *Derby Daily Telegraph*. 'Others of an even older school than Mr. Runciman were positively pained, but it is pointed out by a scribe whose duty it was to make note of these things that the younger element heard Mr. Keynes rather gladly'.<sup>97</sup> According to an item by an anonymous author in *The Gloucester Citizen*: 'The Liberal papers have hastened to make it clear that they are not anxious to inscribe race suicide on the banners of the party, and members of the party in town to whom I have spoken agree in regarding his speech at Cambridge as altogether unfortunate.'<sup>98</sup>

As the 'race suicide' comment indicates, many people still believed that, if contraception was not immediately damaging to health, there might still be damaging long-term consequences, both for individuals and society. Some, such as Beveridge, argued that the voluntary limitation of family size would change the balance of the national population in favour of the 'unfit', since it would be the supposedly eugenically superior educated classes who would make use of contraception. Others simply claimed that the scientific findings on the subject were still not clear. The former Liberal MP W.M.R. Pringle argued: 'Our knowledge of the whole problem is imperfect. ... In every case where restriction of population has been adopted it has been a symptom of racial decadence.'<sup>99</sup> Moreover, from comments that Keynes made elsewhere, it is clear that he was interested not only with the size of the population but with its 'innate quality'.<sup>100</sup> This apparent sympathy for eugenic concerns suggest a somewhat darker and unpleasantly elitist side to his views—that was reflected also in his

94. *Aberdeen Press and Journal*, 8 Aug. 1925, copy in KP, A/54/7/116.

95. *Manchester Guardian*, 3 Aug. 1925, copy in KP, A/54/7/114.

96. *Manchester Dispatch*, 4 Aug. 1925, copy in KP, 54/7/114.

97. *Derby Daily Telegraph*, 3 Aug. 1925, copy in KP, 54/7/115.

98. *Gloucester Citizen*, 4 Aug. 1925, copy in KP, 54/7/115.

99. *Daily News*, 5 Aug. 1925, copy in KP, 54/7/115.

100. J.M. Keynes, *The End of Laissez-Faire* (1926), CW, ix. 292.

comments on internal party democracy—which existed alongside his concern for personal fulfilment and emancipation.

Some commentators felt that Keynes had been right to raise the sex issue, even if a number of them also doubted that ‘the little fraction of the Liberal party which Mr. Keynes represents would be likely to reach entirely wise conclusions on the subjects set forth’.<sup>101</sup> Others, whilst recognising ‘powerful arguments for the movement which is led so persuasively and courageously by Dr. Marie Stopes and her husband’, nevertheless wished ‘to see stronger scientific support for the Stopes ideas before they are debated by all and sundry, without any old-fashioned reticence, and to the dismay and disgust of many good citizens, on political platforms.’<sup>102</sup> ‘Still further to divide the Liberals by quasi-social and highly controversial problems of this nature would be the last straw’, quipped the *Manchester Dispatch*. ‘What the Liberal party needs is not so much birth control as a large accession of population destined to vote Liberal!’<sup>103</sup>

In September, Keynes and his new wife departed for a honeymoon in the Soviet Union. On his return, he published three articles in *The Nation*; these were then republished as *A Short View of Russia* (1925). He concluded: ‘out of the cruelty and stupidity of Old Russia nothing could ever emerge, but ... beneath the cruelty and stupidity of New Russia some speck of the ideal may lie hid.’<sup>104</sup> The former correspondent of the *Manchester Guardian* in Soviet Russia, Arthur Ransome, reviewing the articles, detected in that comment ‘the authentic voice of English Liberalism.’<sup>105</sup> In February 1926 Keynes spoke at a dinner at the Manchester Reform Club, presided over by the *Guardian*’s editor C.P. Scott. On this occasion, Keynes dropped the ambiguity of his Summer School address, identifying himself overtly as a left-wing Liberal. During the evening he commented that he suspected that his audience did not entirely agree with him. ‘But,’ he noted wryly, ‘I don’t believe any other Liberal would have succeeded in that either, so that I don’t think there is anything I need apologise for, or anything I need boast about.’<sup>106</sup>

Keynes began this speech by noting that ‘the progressive forces of the country are hopelessly divided between the Liberal Party and the Labour Party.’ In these circumstances there was nothing to look forward to ‘except a continuance of Conservative Governments, not merely until they have made mistakes in the tolerable degree which would have caused a swing of the pendulum in former days, but until their

101. *Time and Tide*, 7 Aug. 1925, copy in KP, A/54/7/117.

102. *Leeds Mercury*, 4 Aug. 1925, copy in KP, 54/7/116.

103. *Manchester Dispatch*, 4 Aug. 1925, copy in KP, 54/7/114.

104. J.M. Keynes, ‘A Short View of Russia’, *CW*, ix, 271.

105. *Manchester Guardian*, 26 Oct. 1925.

106. He was reported as admitting that ‘he spoke as a “left-wing Liberal”’, and although that exact remark does not appear in the version of his speech that he published in *The Nation*, it seems a fair gloss upon what he said: *Manchester Guardian*, 10 Feb. 1926.

mistakes have mounted up to the height of a disaster.' However, he rejected, the 'conventional retort' that the Liberals should close down their party and join Labour, though he noted that 'the virtual extinction of the Liberal Party is a practical possibility to be reckoned with'. This, he insisted, was an outcome to be resisted, both on pragmatic electoral grounds and on the grounds of conscience or, as Keynes put it, 'good behaviour'. He argued:

I am sure that I am less conservative in my inclinations than the average Labour voter; I fancy that I have played in my mind with the possibilities of greater social changes than come within the present philosophies of, let us say, Mr. Sidney Webb, Mr. [J.H.] Thomas, or Mr. [John] Wheatley. The Republic of my imagination lies on the extreme left of celestial space. Yet—all the same—I feel that my true home, so long as they offer a roof and a floor, is still with the Liberals.

In other words, Keynes's differences with Labour were not primarily about his objections to particular policies. Rather, he believed that the Liberal Party offered a sphere for the rational development of policy in a way that Labour did not. Labour did have 'constructive thinkers' with whom Keynes was in sympathy, but nonetheless 'the progressive Liberal has this great advantage. He can work out his policies without having to do lip-service to Trade-Unionist tyrannies, to the beauties of the class war, or to doctrinaire State Socialism—in none of which he believes.'<sup>107</sup> Even though many of Keynes's more heterodox ideas aroused suspicion amongst more conventional Liberals, his accusations of Labour Party sympathy for 'class war' echoed the propaganda of official Liberalism.<sup>108</sup>

Keynes's remarks also reflected another common Liberal theme, which linked Labour's alleged incapacity for rational debate and intolerance of contrary points of view with its status as a class party.<sup>109</sup> Liberals valorised what Walter Bagehot had called 'government by discussion' and the free play of ideas more generally in contrast to what they perceived, not entirely accurately, as Conservative hostility to abstract reasoning and intellectual exchange.<sup>110</sup> As Bentley has shown, Liberalism was often described by its adherents variously as 'a state of mind', 'an attitude', 'a spirit', and 'a method of approach'.<sup>111</sup> For Keynes too, Liberalism represented not a superior set of immutable principles but rather a superior method of arriving at the appropriate policies. We can

107. *Nation and Athenaeum*, 20 Feb. 1926, *CW*, ix, 307–10.

108. See, for example, *Liberal Principles and Aims: A Declaration adopted by the National Convention of Liberals* (London, 1925), p. 3.

109. See R. Toye, "'Perfectly Parliamentary'? The Labour Party and the House of Commons in the Interwar Years', *Twentieth Century British History*, xxv (2014), pp. 1–29.

110. Ball, *Portrait*, p. 11; C. Berthezène, 'Creating Conservative Fabians: The Conservative Party, Political Education and the Founding of Ashridge College', *Past and Present*, no. 182 (2004), pp. 211–40; G. Love, 'The Periodical Press and the Intellectual Culture of Conservatism in Inter-war Britain', *The Historical Journal*, lvii (2014), pp. 1027–56.

111. Bentley, *Liberal Mind*, p. 3.

see parallels here with his economic thought. As far as he was concerned, policy answers were always contingent on circumstances. The important thing, then, was to learn to think about problems in the right way, and he was less worried about imparting an orthodoxy to his pupils than in giving them free rein to develop their own insights under the stimulus of his work and encouragement.<sup>112</sup> Therefore, and somewhat patronisingly, he saw Labour as Liberalism's promising but wayward pupil, in need of friendly encouragement and guidance but at a slight remove.<sup>113</sup>

This did not mean that the teacher should not change. Keynes, indeed, wanted the Liberal Party to become more radical, and actively welcomed the departure of figures such as Winston Churchill and Sir Alfred Mond to the Conservative Party. Once the die-hard defenders of a capitalist liberalism had all departed, the tensions between the progressive parties would be reduced: 'the relations between Liberalism and Labour, at Westminster and in the constituencies, will, without any compacts, bargains, or formalities, become much more nearly what some of us would like them to be.' Finally, Keynes outlined his vision of how he conceived the Liberals' future role:

The Liberal Party should be not less progressive than Labour, not less open to new ideas, not behindhand in constructing the new world. I do not believe that Liberalism will ever again be a great party machine in the way in which Conservatism and Labour are great party machines. But it may play, nevertheless, the predominant part in moulding the future. Great changes will not be carried out except with the active aid of Labour. But they will not be sound or enduring unless they have first satisfied the criticism and precaution of Liberals. A certain coolness of temper, such as Lord Oxford has, seems to me at the same time peculiarly *Liberal* in flavour, and also a much bolder and more desirable and more valuable political possession and endowment than sentimental ardours.<sup>114</sup>

Keynes's emphasis on temperament as the handmaiden of rationality was congruent with a political culture that increasingly emphasised the virtues of manly restraint, in the face of a Labour Party that its opponents constructed by turns as emotional, rowdy, impatient, petulant and scornful.<sup>115</sup> However, it is ironic that he chose to praise

112. See R.E. Backhouse and B.W. Bateman, *Capitalist Revolutionary: John Maynard Keynes* (Cambridge, MA, 2011). As the authors put it (p. 157): 'One barrier to understanding Keynes is the belief that his theory has to be understood as providing a simple formula that will tell us precisely what to do'.

113. His desire to provide intellectual leadership to the Labour movement may explain his decision to address the 1926 ILP Summer School, where he received a rather critical reception. See Toye, 'The Labour Party and Keynes', pp. 155–6.

114. J.M. Keynes, 'Liberalism and Labour', *CW*, ix, 310–11. Emphasis in original.

115. For an example of this discourse, see M.J. Landa, 'Labour's Parliamentary Failure', *Liberal Magazine*, Apr. 1927. See also M. Francis, 'Tears, Tantrums, and Bared Teeth: The Emotional Economy of Three Conservative Prime Ministers, 1951–1963', *Journal of British Studies*, xli (2002), pp. 354–87; J. Lawrence, 'The Transformation of British Public Politics After the First World War', *Past and Present*, no. 190 (2006), pp. 185–216; and R. Toye, 'The Rhetorical Culture of the House of Commons in the Inter-war Years', *History*, xcix (2014), pp. 270–98.



Asquith's Olympian detachment, just as he was about to break with him politically and ally himself with Lloyd George, whose speeches were not famous for their judiciousness or their emotional control.

It was the General Strike in May 1926 which triggered the final breach between Lloyd George and Asquith. The former took a more conciliatory approach towards the unions than did the latter. Asquith attempted to use Lloyd George's departure from the official Liberal stance as an excuse to drive him from the inner circles of the party. This backfired, and Asquith was forced to surrender the leadership to his rival.<sup>116</sup> Although it caused him considerable pain to do so, and led to a personal breach with the Asquith family, Keynes sided with the man whom they regarded as a usurper.<sup>117</sup> In a letter to *The Nation*, he wrote:

I believe that today Mr. Lloyd George is a good radical, that he can give valuable assistance, within the Liberal Party, to the working out of a new radical programme, from which some day Labour will be glad to borrow; and that his willingness to cultivate personal relations with the leaders of the right wing of the Labour Party, which might develop in favourable circumstances into active collaboration, is not only right and reasonable in itself, but is a necessary accompaniment of an outlook for the future of the Liberal Party which is the only justification for its continued existence.<sup>118</sup>

As usual, the consequent divide amongst Liberals did not take place along simple left-right lines: some former Coalitionists loyally backed Lloyd George, and some who saw themselves as Radicals backed Asquith. For Keynes, Lloyd George's appeal lay in his willingness to adapt Liberalism to new situations, notably the problem of unemployment; this was a different kind of courage from that required to stick to old doctrines tenaciously whatever the weather.<sup>119</sup> That summer, Lloyd George established the famous Liberal Industrial Inquiry; Keynes was appointed as the chair of its Industrial and Financial Organization sub-committee.<sup>120</sup> Judging by his public comments, it seems likely that Keynes saw the Inquiry's purpose as to provide a programme from which Labour might appropriate certain key elements, rather more than he expected it to generate policies to be enacted by an actual Liberal government.

In July 1926, as the Inquiry was being launched, Keynes published a short work, *The End of Laissez-Faire*. This was based on two lectures, one of which had been given in Oxford in 1924, and the other of which he had just delivered in Berlin. It is intriguing that the Oxford lecture, which contained Keynes's usual criticisms of socialism, received the praise of the reactionary *Morning Post*; and that it also attracted the

116. Campbell, *Goat*, pp. 136–56.

117. Moggridge, *Maynard Keynes*, pp. 448–9.

118. Keynes to the editor of *The Nation*, 12 June 1926, *CW*, xix, 538–41.

119. Harrod, *Life*, pp. 377–8.

120. Campbell, *Goat*, p. 196.

interest of Churchill, who had just been appointed Chancellor of the Exchequer in the new Conservative government.<sup>121</sup> In the pamphlet, Keynes denied that ‘private and social interest always coincide’ and that ‘enlightened self-interest always operates in the public interest.’<sup>122</sup>

Freeden rightly notes that this was not in fact a major departure from standard New Liberal tenets; to a certain extent the comments were actually commonplaces, albeit ones that retained the capacity to cause controversy.<sup>123</sup> But what is interesting are the contemporary reactions to what Keynes said. Labour writers tended to welcome his ‘admissions’, whilst suggesting that he might as well become a socialist and thus get hanged for a sheep rather than for a lamb.<sup>124</sup> Keynes got firmer support from (unsurprisingly) *The Nation* and the *Manchester Guardian*, and was also commended by J.A. Hobson in *Foreign Affairs*.<sup>125</sup> Yet not all of the reactions to the pamphlet within Liberalism were similarly positive. W.R. Lester, writing in the land reformers’ publication *Land & Liberty*, argued that Keynes was wrong to assume that laissez-faire reflected the existing state of affairs: instead, it was all the more desirable because it promised an equality of opportunity which had never been achieved.<sup>126</sup> In a similar spirit, John A. Benn delivered a speech at the Manchester Reform Club, on ‘*Laissez-faire*’. In the course of it he ‘objected, with some spirit, to what he described as the degenerate attitude of many Liberals to-day on this subject, and he referred in particular to the latest book of Mr. J.M. Keynes’.<sup>127</sup>

John Benn was the son of the publisher Ernest Benn, and this speech reflected the views of his father, a prominent Liberal defender of capitalism and laissez-faire, who had recently founded the Individualist Bookshop. In a letter to *The Times*, Ernest Benn contemplated the New Manchester School and the Liberal Summer School, and asked himself—given his hostility to state intervention—‘Am I a Liberal?’ The reference to Keynes was obvious, though Benn remained within the party for the time being, hoping for a revival of ‘true Liberalism’ based on the principles of peace, economy and free trade.<sup>128</sup> Early in 1927 Keynes addressed the London Liberal Candidates Association on the topic of ‘Liberalism and Industry’. He referred to ‘The very extreme

121. *Morning Post*, 8 Nov. 1924, copy in KP, A/54/7/104; Cambridge, Churchill Archives Centre, Churchill Papers, CHAR 18/1/3, Keynes to Edward Marsh, 13 Nov. 1924. In this letter Keynes referred to it as ‘My Oxford lecture on Socialism’.

122. Keynes, *The End of Laissez-Faire*, CW, ix, 287–8.

123. Nevertheless, Freedon (who quotes only from the sections later published in *Essays in Persuasion*) exaggerates Keynes’s ignorance of his precursors: *Liberalism Divided*, p. 157.

124. See *Forward*, 17 July 1926; *New Leader*, 23 July 1926; *New Statesman*, 24 July 1926, *Lansbury’s Labour Weekly*, 24 July 1926; *Daily Herald*, 28 July 1926; copies in KP, A/54/8. Ironically, in view of his reputation for financial orthodoxy, it was Snowden, Labour’s once-and-future Chancellor, who gave Keynes’s ideas the warmest welcome at this point.

125. *Nation and Athenaeum*, 17 July 1926; *Manchester Guardian*, 26 July 1926; *Foreign Affairs*, Aug. 1926; copies in KP, A/54/8.

126. *Land and Liberty*, Sept. 1926, copy in KP, A/54/8.

127. ‘Laissez-faire’, *Manchester Guardian*, 6 Oct. 1926.

128. *The Times*, 26 Aug. 1926.

Conservatives, led by Sir Ernest Benn and his friends', whom he mockingly contrasted with 'The more moderate Conservatives, under Mr. Baldwin'. In the speech, Keynes argued that business trusts and combines should not be driven out of existence, but simultaneously encouraged and regulated, a point of view which was anathema to Benn. Government also needed to regulate capital and labour, treating the 'gradual betterment of the economic welfare of the workers as the first charge on the national wealth.' This 'vast programme' was 'the task lying to the hand of the new Liberalism.'<sup>129</sup> In response, the *Liberal Westminster Gazette* urged:

There is no need for the Keynesites, as we may call them, to disparage the emphasis which older-fashioned Liberals like Sir Ernest Benn put on the preservation of individual liberty and initiative and on public economy. It is foolish to use 'laissez-faire' as a brick-bat between Liberals. Nor must the Bennites, as we may also call them, be too suspicious of the Keynesites. There is much more in common between them at heart than there is at present between the Liberal Summer School and the Labour Party.<sup>130</sup>

This was too optimistic. The following year, Ernest Benn published *The Return of Laissez Faire*—the title was an obvious a riposte to Keynes's pamphlet. In the book, Benn specifically attacked Keynes's efforts to promote the rationalisation of the cotton industry: 'And so Mr. J. Maynard Keynes, the latest of the prophets of the new gospel of organisation, goes to Lancashire and devises a scheme for the limitation of the output of manufactured cotton. If this plan were to succeed, the rest of us would have to make one shirt do the work of two.'<sup>131</sup> Benn himself finally abandoned the Liberals early the following year, a loss which Keynes cannot have regretted.<sup>132</sup> But it enabled the Conservatives to make much play with the allegation that the Liberals had abandoned Liberalism.<sup>133</sup>

The Liberal Industrial Inquiry's report—the famous 'Yellow Book'—carried the title *Britain's Industrial Future*. Best known for its proposals for a National Investment Board and a programme of National Development to relieve unemployment, it nonetheless ranged widely over other topics, including industrial relations and the organisation of business.<sup>134</sup> Keynes thought it was too lengthy, 'droning at intervals "Liberals, Liberals all are we, gallant-hearted Liberals"'.<sup>135</sup> Nevertheless, he thought its list of policies to be serious and sensible: 'It may therefore

129. J.M. Keynes, 'Liberalism and Industry', 4 Jan. 1927, *CW*, xix, 638–48. Emphasis in original.

130. *Westminster Gazette*, 7 Jan. 1927, copy in KP, A/54/8.

131. E.J.P. Benn, *The Return of Laissez Faire* (London, 1928), p. 93.

132. *The Times*, 8 Jan. 1929. For the subsequent influence of Benn and the Individualists within the Conservative Party, see C. Kowol, 'The Lost World of British Conservatism: The Radical Tory Tradition, 1939–1951' (Univ. of Oxford D.Phil. thesis, 2013).

133. See, for example, A. Hopkinson, 'Liberalism's Epitaph', *The English Review*, May 1928, pp. 515–22.

134. *Britain's Industrial Future: Being the Report of the Liberal Industrial Inquiry of 1928* (London, 1977).

135. Keynes to Lydia Keynes, 5 Feb. 1928, *CW*, xix, 735.

have a good deal of influence on future political programmes, whether or not there is a Liberal Party to put the matter through.<sup>136</sup> Lloyd George initially made little use of the Yellow Book in his speeches.<sup>137</sup> It was only the following year that he put public works at the heart of his campaign for the forthcoming election, with the publication of the manifesto *We Can Conquer Unemployment*. In support, Keynes and Hubert Henderson produced their own pamphlet, *Can Lloyd George Do It?* It was claimed that 50,000 copies were sold within two days of publication.<sup>138</sup> Additionally, an *Evening Standard* article by Keynes was reproduced as a Liberal leaflet.<sup>139</sup> The New Manchester School now had the bold policy for which it had been looking. However, not all Liberals were comfortable with the plans. Michael Dawson has noted that some candidates at the election chose to emphasise the traditional policy of economy instead. Moreover, 'Other Liberals in 1929 did not emphasise economy, whilst some tried to get the best of both worlds and, in doing so, showed little understanding of the ideas behind the Liberal Yellow Book.'<sup>140</sup> For their part, the Conservatives did their best to claim for themselves the mantle of true Gladstonian finance, which the Liberals had cast aside.<sup>141</sup>

After much thought, Keynes had declined to stand for the Cambridge University seat in the election of 1929, apparently for fear that he might actually be elected.<sup>142</sup> However, during the election he did address a meeting in the City on the financial aspects of the proposals.<sup>143</sup> In a letter in support of the Cambridge Liberal candidate, he looked forward to 'the return of Liberals to authority and influence in the State', a phrase which seemed to acknowledge that it was unlikely that Lloyd George would actually be able to form a government.<sup>144</sup> Indeed, the Liberals secured only a small electoral revival, winning 59 seats; instead, Labour formed its second minority government. Thereafter, Keynes made only trivial contributions to Liberal funds, and at the same time gave some money to particular Labour candidates. He had not given up on Liberalism, but he gave up on the Liberal Party. The 1929 campaign

136. Keynes to H.G. Wells, 18 Jan. 1928, quoted in Skidelsky, *Economist*, p. 265.

137. A. Booth and M. Pack, *Employment, Capital and Economic Policy: Great Britain, 1918–1939* (Oxford, 1985), p. 48.

138. *The Times*, 21 May 1929.

139. Liberal Publication Department, 'Can the Liberal Pledge be carried out? Mr. J.M. Keynes says "Yes"' (London, 1929). The article was originally published on 19 March 1929 under the title 'Mr. Lloyd George's Pledge'; see *CW*, xix, 804–8.

140. M. Dawson, 'Liberalism in Devon and Cornwall, 1910–1931: "The Old Time Religion"', *The Historical Journal*, xxxviii (1995), pp. 425–37, at p. 430.

141. *The Times*, 14 May 1929.

142. Keynes to F.A. Potts, 14 Oct. 1928, and to Herbert Samuel, 10 Dec. 1928, *CW*, xix, 773–4; Clarke, *Making*, p. 101.

143. *The Times*, 29 May 1929.

144. KP, *AJ* 54/10/55, 'Letter to Sir Maurice Amos, KBE, the Borough Liberal Candidate, from J. Maynard Keynes, CB, the Eminent Economist, Author of the "Economic Consequences of the Peace"', 8 May 1929.

thus marked Keynes's last serious excursion into organised Liberal politics. He never attended another Liberal Summer School.<sup>145</sup>

Keynes's decision to abandon the party coincided with his final rejection of Free Trade, about which he had been showing signs of scepticism since the mid-1920s, provoking a hostile response from many Liberals, notably Beveridge.<sup>146</sup> However, it seems that the key factor in his abandonment of the Liberal Party was simply a realistic appreciation that the Liberals were finished as a major electoral force, as the party's further splits and the 1931 election result confirmed.<sup>147</sup> Keynes recognised after the election that the Labour Party, although itself reduced to fifty-two Commons seats (including the six Independent Labour Party members), was nonetheless the only remaining credible Opposition force, and that it would in due course be called upon to form a government.<sup>148</sup> Part of the reason why he did not embrace Labour more warmly was that he continued to dislike its way of doing politics: 'Why cannot the leaders of the Labour Party face the fact that they are not sectaries of an outworn creed, mumbling moss-grown demi-semi Fabian Marxism, but the heirs of eternal Liberalism?' he asked in 1939.<sup>149</sup> This comment, however, was made in the context of his support for Sir Stafford Cripps's campaign for a 'Popular Front', i.e. an alliance between Labour, the Liberals, the Communists, and rogue Tories, in the interests of turning out the Conservative-dominated National Government.<sup>150</sup> We may surmise that what appealed to Keynes about this campaign was not Cripps's own policies, which had more than a tinge of cod-Marxism themselves, but the undogmatic and eclectic nature of the proposed collaboration. For Keynes, 'eternal Liberalism' represented not a programme or a set of positions but rather a mind-set, an attitude or a disposition.

This brings us to the heart of Keynes's vision. Much recent scholarship on his writings has suggested that he should be seen as a moral philosopher who offered an ethical, even anti-materialistic, critique of capitalism, not as the purveyor of a magic formula for solving policy dilemmas.<sup>151</sup> By the same token, his political world-view reflected a distaste not merely for class-based politics, but for machine politics in general, as it developed during his lifetime. He disliked it, in particular, because of its tendency to promote conformity with doctrines which,

145. Moggridge, *Maynard Keynes*, pp. 464–5.

146. D. Markwell, *John Maynard Keynes and International Relations: Economic Paths to War and Peace* (Oxford, 2006), pp. 154–8.

147. On the broader significance of the 1931 crisis, see R. McKibbin, *Parties and People: England, 1914–1951* (Oxford, 2010), ch. 3.

148. J.M. Keynes, 'The Monetary Policy of the Labour Party: I', 17 Sept. 1932, *CW*, xxi. 128.

149. *New Statesman and Nation*, 28 Jan. 1939, *CW*, xxi. 495.

150. David Blaazer places the Popular Front episode in a long-standing Progressive tradition, within which Keynes fell: *The Popular Front and the Progressive Tradition: Socialists, Liberals, and the Quest for Unity, 1884–1939* (Cambridge, 1992).

151. Backhouse and Bateman, *Capitalist Revolutionary*, pp. 15–18; G. Dostaler, *Keynes and his Battles* (Cheltenham, 2007), p. 259.

even if they were right in specific historical conditions, would inevitably become outmoded. The superior wisdom of Liberalism lay, Keynes believed, in its emphasis on contingency. 'Socialism was dogmatic,' he told the 1928 Liberal Summer School, 'but the Liberals tried to solve the problems by experimenting.'<sup>152</sup> This, then, is the light in which to read 'Am I a Liberal?'—as an *essai* or experiment, not as an attempt to create outrage for its own sake. Being earnest, being provocative, and being a Liberal, were, for Keynes, all part and parcel of the same phenomenon.

Looking at Keynes's thinking in this light takes us beyond the 'clusters of concepts' approach to Liberalism and to ideologies more generally, whilst still allowing for its virtues. Ideologies are in part ideational constellations but they are also the product of mental habits and informal codes of political conduct, which they in turn may reinforce. Two highly plausible objections may however be raised to the interpretation presented in this article. First, was Keynes's 'method of thinking' approach to politics not itself a kind of argument or belief that can also be analysed in conceptual and morphological terms? Second, does not this picture of Keynes leave him as an apparently un-rooted figure, pragmatically choosing policies on the basis of circumstances, when, in fact, he had a strong tendency to opt for policies of a type that he instinctively found congenial? In other words, was not his stance of detachment in fact a pose that he adopted to secure legitimacy for his actually rather entrenched opinions? The answers to these objections are inter-related. On the one hand, it is quite true that we should not accept Keynes's flattering self-depiction at face value. On the other, it is also true that Keynes's claims did, at one level, amount to a series of rhetorical claims about Liberal ethical superiority that are susceptible to conceptual analysis. Yet the fact that Keynes did not provide a wholly accurate account of his own psychology (and, like everyone else, was probably incapable of doing so) is no reason to dispense with the greater insight, which is about the importance of mind-sets. Equally, we need to remember that there remains an inaccessible realm of thought which no kind of retrospective analysis, conceptual or otherwise, can reach directly. Moreover, although Keynes's rhetoric did have partisan and self-serving functions, there was surely more to it than that. Certainly, he was someone who believed himself to be independent-minded and rational but whose mentality in reality had certain forms of bias which led him in particular directions; nonetheless his actions and choices were revealing of the nature of ideologies. The question of what ideologies are cannot be understood aside from the questions of how individuals come to hold them and why, as it were, they often prove so difficult to shake off.

Keynes, perhaps, saw the problem somewhat in that light, as he tried to persuade his fellow citizens to discard their inherited modes of thinking

152. *Oxford Chronicle*, 10 Aug. 1928, copy in KP, A/54/10/3.

and to embrace the Liberal habit of mind. The dysfunctional nature of the Liberal Party in the 1920s in many ways provided him with an environment that was congenial to such efforts, and hence to the development of his own thinking. As John Campbell notes, his 'ideas were evolved, not by solitary ratiocination in a Cambridge study, but in discussion over a period of years at the Liberal Summer School, in the columns of the *Nation*, and in the Liberal Industrial Inquiry'.<sup>153</sup> The description of Keynes as 'a pamphleteering politician' in the 1920s seems less apt for the following decade, however. This was so even though he continued to write press articles, which in two important cases resulted in pamphlets.<sup>154</sup> One might wonder how the Keynes of the 1930s might have been different had the Liberal Party maintained its former levels of influence and electoral strength. The first sentence of the *General Theory* read: 'This book is chiefly aimed at my fellow economists';<sup>155</sup> but had political circumstances been different, Keynes might have written a somewhat different book and addressed it to his 'fellow Liberals'. That of course must remain no more than speculation; and it must also be acknowledged that the depth of the post-1929 economic slump had an effect on his priorities, bringing economic policy issues to the fore. However, the central point remains. The form of Keynes's ideas—and thus to some extent also their substance—was shaped by the changes in political culture that were the consequence of the inter-war realignment of party politics. These changes, alongside the increasing professionalisation of economics as a discipline, as well as changes in publishing and journalism, affected the genres of communication within which Keynes operated.

Form was critical in another sense too. For Keynes, it was more important to get right the form or ethos of politics—the ways by which one went about trying to devise policies and persuade people of their merits—than it was to worry about the correctness of any given doctrine. If one took care of the political and intellectual method, then the policies would take care of themselves. Keynes undoubtedly intended that this principle should apply only to the select few; and his definition of Liberal ideology was inherently elitist, insofar as he probably assumed that the 'correct' mode of thinking was only accessible to those who had experienced privileged forms of education. Nonetheless, Liberalism was for him a questioning outlook or psychological technique rather than a set of political and economic theories of unchanging validity. To ask the question 'Am I a Liberal?', then, was to ask whether or not one had succeeded in emancipating one's mind.

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153. Campbell, *Goat*, p. 202. In 1931, *The Nation* merged with the *New Statesman*. Keynes continued to write for the new paper, but his level of involvement declined.

154. *The Means to Prosperity* (London, 1933) and *How to Pay for the War* (London, 1940).

155. J.M. Keynes, *The General Theory of Employment, Interest and Money* (London, 1936), CW, vii. xxi.