

John Maynard Keynes

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AM I A LIBERAL?

'Am I a Liberal?' was first given as an address to the Liberal Summer School which met at Cambridge in August 1925. It was then published as two articles in the *Nation and Athenaeum*, 8 and 15 August 1925.

The published version varies only slightly from the typescript of the original speech, with the exception of one interesting omission in which Keynes elaborates on the theme of his real objection to the Labour Party. The paragraphs in question occur after the sentence ending...the *class* war will find me on the side of the educated *bourgeoisie*'. In his speech to the Liberal Summer School Keynes continued:

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. 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 ill-advised [~~this word was pencilled through~~—*Ed.*] movements in the direction of democratising the details of the party programme. This has been a reaction against a 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 above. The Labour Party, on the other hand, is in a far weaker position. I do not believe that the intellectual elements in the party will ever exercise adequate control. . . .

I

If one is born a political animal, it is most uncomfortable not to belong to a party; cold and lonely and futile it is. If your party is strong, and its programme and its philosophy sympathetic, satisfying the gregarious, practical, and intellectual instincts all at the same time, how very agreeable that must be!—worth a large subscription and all one's spare time—that is, if you are a political animal.

So the political animal who cannot bring himself to utter the contemptible words, 'I am no party man', would almost rather belong to any party than to none. If he cannot find a home by the principle of attraction, he must find one by the principle of repulsion and go to those whom he dislikes least, rather than stay out in the cold.

Now take my own case—where am I landed on this negative test? How could I bring myself to be a Conservative? They offer me neither food nor drink—neither intellectual nor spiritual consolation. I should not be amused or excited or edified. That which is common to the atmosphere, the mentality, the view of life of—well, I will not mention names—promotes neither my self-interest nor the public good. It leads nowhere; it satisfies no ideal; it conforms to no intellectual standard; it is not even

safe, or calculated to preserve from spoilers that degree of civilisation which we have already attained.

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*.

But, above all, I do not believe that the intellectual elements in the Labour Party will ever exercise adequate control; too much will always be decided by those who do not know *at all* what they are talking about; and if—which is not unlikely—the control of the party is seized by an autocratic inner ring, this control will be exercised in the interests of the extreme left wing—the section of the Labour Party which I shall designate the party of catastrophe.

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.

But when we come to consider the problem of party positively—by reference to what attracts rather than to what repels—the aspect is dismal in every party alike, whether we put our hopes in measures or in men. And the reason is the same in each case. The historic party questions of the nineteenth century are as dead as last week's mutton; 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.

Civil and religious liberty, the franchise, the Irish question, Dominion self-government, the power of the House of Lords, steeply graduated taxation of incomes and of fortunes, the lavish use of the public revenues for 'social reform', that it to say,

social insurance for sickness, unemployment and old age, education, housing and public health—all these causes for which the Liberal Party fought are successfully achieved or are obsolete or are the common ground of all parties alike. What remains? Some will say—the land question. Not I—for I believe that this question, in its traditional form, has now become, by reason of a silent change in the facts, of very slight political importance. I see only two planks of the historic Liberal platform still seaworthy—the drink question and free trade. And of these two free trade survives, as a great and living political issue, by an accident. There were always two arguments for free trade—the *laissez-faire* argument which appealed and still appeals to the Liberal individualists, and the economic argument based on the benefits which flow from each country's employing its resources where it has a comparative advantage. I no longer believe in the political philosophy which the doctrine of free trade adorned. I believe in free trade because, in the long run and in general, it is the only policy which is technically sound and intellectually tight.

But take it at the best, can the Liberal Party sustain itself on the land question, the drink question, and free trade alone, even if it were to reach a united and clear-cut programme on the two former? The *positive* argument for being a Liberal, is at present, very weak. How do the other parties survive the positive test?

The Conservative Party will always have its place as a diehard home. But constructively, it is in just as bad case as the Liberal Party. It is often no more than an accident of temperament or of past associations, and not a real difference of policy or of ideals, which now separates the progressive young Conservative from the average Liberal. The old battle-cries are muffled or silent. The Church, the aristocracy, the landed interests, the rights of property, the glories of empire, the pride of the services, even beer and whisky, will never again be the guiding forces of British politics.

The Conservative Party ought to be concerning itself with evolving a version of individualistic capitalism adapted to the progressive change of circumstances. The difficulty is that the capitalist leaders in the City and in Parliament are incapable of distinguishing novel measures for safeguarding capitalism from what they call Bolshevism. If old-fashioned capitalism was intellectually capable of defending itself, it would not be dislodged for many generations. But, fortunately for Socialists, there is little chance of this.

I believe that the seeds of the intellectual decay of individualist capitalism are to be found in an institution which is not in the least characteristic of itself, but which it took over from the social system of feudalism which preceded it—namely, the hereditary principle. The hereditary principle in the transmission of wealth and the control of business is the reason why the leadership of the capitalist cause is weak and stupid. It is too much dominated by third-generation men. Nothing will cause a social institution to decay with more certainty than its attachment to the hereditary principle. It is an illustration of this that by far the oldest of our institutions, the Church, is the one which has always kept itself free from the hereditary taint.

Just as the Conservative Party will always have its diehard wing, so the Labour Party will always be flanked by the Party of Catastrophe—Jacobins, Communists, Bolshevists, whatever you choose to call them. This is the party which hates or despises existing institutions and believes that great good will result merely from overthrowing them—or at least that to overthrow them is the necessary preliminary to any great good. This party can only flourish in an atmosphere of social oppression or as a reaction against the Rule of Die-Hard. In Great Britain it is, in its extreme form, numerically very weak. Nevertheless its philosophy in a diluted form permeates, in my opinion, the whole Labour Party. However moderate its leaders may be at heart, the Labour Party will always depend for electoral success on making some slight appeal to the widespread passions and

jealousies which find their full development in the Party of Catastrophe. I believe that this secret sympathy with the Policy of Catastrophe is the worm which gnaws at the seaworthiness of any constructive vessel which the Labour Party may launch. The passions of malignity, jealousy, hatred of those who have wealth and power (even in their own body), ill consort with ideals to build up a true social republic. Yet it is necessary for a successful Labour leader to be, or at least to appear, a little savage. It is not enough that he should love his fellow-men; he must hate them too.

What then do I want Liberalism to be? On the one side, Conservatism is a well-defined entity—with a right of diehards, to give it strength and passion, and a left of what one may call 'the best type' of educated, humane, Conservative free traders, to lend it moral and intellectual respectability. On the other side, Labour is also well defined—with a left of catastrophists, to give it strength and passion, and a right of what one may call 'the best type' of educated, humane, socialistic reformers, to lend it moral and intellectual respectability. Is there room for any thing between? Should not each of us here decide whether we consider ourselves to be 'the best type' of Conservative free traders or 'the best type' of socialistic reformers, and have done with it?

Perhaps that is how we shall end. But I still think that there is room for a party which shall be disinterested as between classes, and which shall be free in building the future both from the influences of diehardism and from those of catastrophism, which will spoil the constructions of each of the others. Let me sketch out in the briefest terms what I conceive to be the philosophy and practice of such a party.

To begin with, it must emancipate itself from the dead wood of the past. In my opinion there is now no place, except in the left wing of the Conservative Party, for those whose hearts are set on old-fashioned individualism and *laissez-faire* in all their rigour—greatly though these contributed to the success of the nineteenth century. I say this, not because I think that these

doctrines were wrong in the conditions which gave birth to them (I hope that I should have belonged to this party if I had been born a hundred years earlier), but because they have ceased to be applicable to modern conditions. Our programme must deal not with the historic issues of Liberalism, but with those matters—whether or not they have already become party questions—which are of living interest and urgent importance to-day. We must take risks of unpopularity and derision. *Then* our meetings will draw crowds and our body be infused with strength.

II

I divide the questions of today into five headings: (1) peace questions; (2) questions of government; (3) sex questions; (4) drug questions; (5) economic questions.

On peace questions let us be pacifist to the utmost. As regards the empire, I do not think that there is any important problem except in India. Elsewhere, so far as problems of government are concerned, the process of friendly disintegration is now almost complete—to the great benefit of all. But as regards pacifism and armaments we are only just at the beginning. I should like to take risks in the interests of peace, just as in the past we have taken risks in the interests of war. But I do not want these risks to assume the form of an undertaking to make war in various hypothetical circumstances. I am against pacts. To pledge the whole of our armed forces to defend disarmed Germany against an attack by France in the plenitude of the latter's military power is foolish; and to assume that we shall take part in every future war in western Europe is unnecessary. But I am in favour of giving a very good example, even at the risk of being weak, in the direction of arbitration and of disarmament.

I turn next to questions of government—a dull but important matter. I believe that in the future the government will have to take on many duties which it has avoided in the past. For these

purposes Ministers and Parliament will be unserviceable. Our task must be to decentralise and devolve wherever we can, and in particular to establish semi-independent corporations and organs of administration to which duties of government, new and old, will be entrusted—without, however, impairing the democratic principle or the ultimate sovereignty of Parliament. These questions will be as important and difficult in the future as the franchise and the relations of the two Houses have been in the past.

The questions which I group together as sex questions have not been party questions in the past. But that was because they were never, or seldom, the subject of public discussion. All this is changed now. There are no subjects about which the big general public is more interested; few which are the subject of wider discussion. They are of the utmost social importance; they cannot help but provoke real and sincere differences of opinion. Some of them are deeply involved in the solution of certain economic questions. I cannot doubt that sex questions are about to enter the political arena. The very crude beginnings represented by the suffrage movement were only symptoms of deeper and more important issues below the surface.

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 medieval—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 everyone wants to know and which deeply affect everyone's own life.

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.

Drug questions in this country are practically limited to the drink question; though I should like to include gambling under this head. I expect that the prohibition of alcoholic spirits and of bookmakers would do good. But this would not settle the matter. How far is bored and suffering humanity to be allowed, from time to time, an escape, an excitement, a stimulus, a possibility of change?—that is the important problem. Is it possible to allow reasonable licence, permitted saturnalia, sanctified carnival, in conditions which need ruin neither the health nor the pockets of the roisterers, and will shelter from irresistible temptation the unhappy class who, in America, are called addicts?

I must not stay for an answer, but must hasten to the largest of all political questions, which are also those on which I am most qualified to speak—the economic questions.

An eminent American economist, Professor Commons, who has been one of the first to recognise the nature of the economic transition amidst the early stages of which we are now living,

distinguishes three epochs, three economic orders, upon the third of which we are entering.

The first is the era of scarcity, 'whether due to inefficiency or to violence, war, custom, or superstition'. In such a period 'there is the minimum of individual liberty and the maximum of communistic, feudalistic or governmental control through physical coercion'. This was, with brief intervals in exceptional cases, the normal economic state of the world up to (say) the fifteenth or sixteenth century.

Next comes the era of abundance. 'In a period of extreme abundance there is the maximum of individual liberty, the minimum of coercive control through government, and individual bargaining takes the place of rationing.' During the seventeenth and eighteenth centuries we fought our way out of the bondage of scarcity into the free air of abundance, and in the nineteenth century this epoch culminated gloriously in the victories of *laissez-faire* and historic Liberalism. It is not surprising or discreditable that the veterans of the party cast backward glances on that easier age.

But we are now entering on a third era, which Professor Commons calls the period of stabilisation, and truly characterises as 'the actual alternative to Marx's communism'. In this period, he says, 'there is a diminution of individual liberty, enforced in part by governmental sanctions, but mainly by economic sanctions through concerted action, whether secret, semi-open, open, or arbitral, of associations, corporations, unions, and other collective movements of manufacturers, merchants, labourers, farmers, and bankers'.

The abuses of this epoch in the realms of government are Fascism on the one side and Bolshevism on the other. Socialism offers no middle course, because it also is sprung from the presuppositions of the era of abundance, just as much as *laissez-faire* individualism and the free play of economic forces, before which latter, almost alone amongst men, the City editors, all bloody and blindfolded, still piteously bow down.

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. I suggest, nevertheless, that the true destiny of New Liberalism is to seek their solution.

It happens that we have before us today, in the position of the coal industry, an object-lesson of the results of the confusion of ideas which now prevails. On the one side the Treasury and the Bank of England are pursuing an orthodox nineteenth-century policy based on the assumption that economic adjustments can and ought to be brought about by the free play of the forces of supply and demand. The Treasury and the Bank of England still believe—or, at any rate, did until a week or two ago—that the things, which would follow on the assumption of free competition and the mobility of capital and labour, actually occur in the economic life of today.

On the other side, not only the facts, but public opinion also, have moved a long distance away in the direction of Professor Commons' epoch of stabilisation. The trade unions are strong enough to interfere with the free play of the forces of supply and demand, and public opinion, albeit with a grumble and with more than a suspicion that the trade unions are growing dangerous, supports the trade unions in their main contention that coal-miners ought not to be the victims of cruel economic forces which *they* never set in motion.

The idea of the old-world party, that you can, for example, alter the value of money and then leave the consequential adjustments to be brought about by the forces of supply and demand, belongs to the days of fifty or a hundred years ago when trade unions were powerless, and when the economic juggernaut was allowed to crash along the highway of progress without obstruction and even with applause.

Half the copybook wisdom of our statesmen is based on assumptions which were at one time true, or partly true, but

are now less and less true day by day. We have to invent new wisdom for a new age. And in the meantime we must, if we are to do any good, appear unorthodox, troublesome, dangerous, disobedient to them that begat us.

In the economic field this means, first of all, that we must find new policies and new instruments to adapt and control the working of economic forces, so that they do not intolerably interfere with contemporary ideas as to what is fit and proper in the interests of social stability and social justice.

It is not an accident that the opening stage of this political struggle, which will last long and take many different forms, should centre about monetary policy. For the most violent interferences with stability and with justice, to which the nineteenth century submitted in due satisfaction of the philosophy of abundance, were precisely those which were brought about by changes in the price level. But the consequences of these changes, particularly when the authorities endeavour to impose them on us in a stronger dose than even the nineteenth century ever swallowed, are intolerable to modern ideas and to modern institutions.

We have changed, by insensible degrees, our philosophy of economic life, our notions of what is reasonable and what is tolerable; and we have done this without changing our technique or our copybook maxims. Hence our tears and troubles.

A party programme must be developed in its details, day by day, under the pressure and the stimulus of actual events; it is useless to define it beforehand, except in the most general terms. But if the Liberal Party is to recover its forces, it must have an attitude, a philosophy, a direction. 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?