
BOOK REVIEWS

(1)

SKIDELSKY ON KEYNES*

Philip Williams

The first instalment of Skidelsky's Biography of Keynes is a good read. It describes his home, his periods at Eton and Cambridge, as a civil servant, as an academic, as advisor to the Chancellor during the 1914-18 war, and, finally, as representative of the Treasury at Versailles. Such a variety of experience, such fascinating friends (who gossiped about each other constantly in letters) and such a larger-than-life subject provide ingredients that can hardly fail.

But what do we learn that we did not know before? Skidelsky pays more attention to three aspects of this early period than did Harrod. The first is the extent of his (homo)sexual activity. Anyone who has read Michael Holroyd's biography of Strachey will have anticipated many of the stories related by Skidelsky. Perhaps less easily anticipated is the strength of sexual passion Keynes expressed in letters. Holroyd gives one (Strachey's) impression that Keynes was a much colder fish.

The second new point of emphasis is the extent to which Keynes and Lloyd George formed an antipathy towards each other prior to the Peace Conference. Skidelsky's development and documentation of this antipathy makes Keynes' response to the circus of Versailles seem almost inevitable.

The final attribute by which Skidelsky differentiates his product is his documentation of Keynes' wealth as a young man. Skidelsky

* Robert Skidelsky, John Maynard Keynes, Hopes Betrayed 1883-1920, (London: Macmillan, 1983). Pp. xxiii + 447. Price \$A 24.95.

shows John Neville to have been very comfortably off and rather indulgent towards his eldest son. Furthermore, Skidelsky argues (pp. 287-8) that the data presented by Moggridge suggest a not-inconsiderable penchant for financial speculation even prior to the first world war.

In making these new (or, newish) points, Skidelsky is rather heavy-handed. We never cease to be reminded of the inadequacies of Harrod. Indeed, the reader is more than once confronted with the argument that Harrod was not merely negligent as a biographer, but elected deliberately to mislead. This is all a fair way of selling one's writing; but its insistent tone starts to grate after a while. At the end of his Introduction, Skidelsky claims that Harrod was forced to prostitute himself whereas once the subject of a biography had been dead for a decent period, a writer can tell a story that is worthwhile: "The 'widows' pass away, and time rates all achievements at their proper worth. The biographer is free to become a historian, and to create something which may endure." (p. xxiii). The implication that Boswellianism (Blaug's diagnosis of Harrod's affliction) cannot endure is clearly incorrect. Furthermore, the latter writers may ensure that their efforts fail to last by implanting the canker of a carping tone.

Both the period covered and the manner in which the product is differentiated mean that the biography is interesting to the economist as general reader rather than the economist as historian of the discipline. Although monetary economics is not my specialty, my impression is that Skidelsky got (the early) economics of Keynes basically right; but the attempts to place him within the history of his disciplines (both mathematics and economics) are rather crude.

Marshall is treated rather shabbily: he is said to be a synthesiser of old ideas who 'produced no great theoretical breakthrough' (p.43); he is said to have so imposed on the time of J.N. Keynes, that, while the latter's work lagged, Marshall's Principles 'surged on to publication'; (p.62) and he is portrayed as a conservative upholder

of market forces 'operating in the existing framework of law and institutions.' (p.209).

Apart from his treatment of Marshall, the historian of economics may have other minor quibbles: reference is made to an economist from outside Cambridge, 'Paul Wicksteed'; (p. 69) Keynes' attack on mathematics in economic theory is lumped together with his opposition to the application of probability theory to non-experimental data (pp. 222-3); and concepts of population and sample are presented confusingly (p. 224).

Perhaps the most inadequate passages (from the perspective of HOET) are those dealing with the quantity theory of money. Here, Skidelsky is far too flattering of Marshall - crediting him with being the first to question the proposition that the k of his cash-balances equation was a constant. Not content to leave his lack of knowledge to J.S. Mill et al., to some brief remarks (pp. 216-17), Skidelsky treats those who lack background in the HOET to a separate appendix ('Note on the Historical Background to the Quantity Theory') that would fail as an undergraduate class paper.

Skidelsky's passions do not embrace economic theory. We are informed that: 'The Economic Consequences of the Peace has a claim to be regarded as Keynes' best book.' Neither do his fields of expertise. The volume is fascinating; but it is possible that the fascination only outweighs the annoyance because Keynes devoted so little of his energy to economic theory in the period covered. Unless Skidelsky devotes more effort to economic theory before writing the second volume, the enterprise is unlikely to fulfil Skidelsky's wish to create something that will endure.

(2)

AN INVITATION TO LOOSE THINKING, WRONG FACTS, POOR
HISTORY AND SOME OCCASIONAL GOOD SENSE

Peter Groenewegen

Many simple introductions to economics have been written. They range from Mrs. Jane Marcet's Conversations on Political Economy (1816) to Gertrude Williams' best selling Economics of Everyday Life, so popular in the 1950s. In between these dates, popular primers include those by Millicent Fawcett, Political Economy for Beginners (1870), Rosa Luxemburg, What is Economics? (written in 1906-08) and the then still very comprehensive Encyclopaedia Britannica articles on political economy and economics of which that by J.K. Ingram (separately published in 1888) is a good example. The first of these texts was selected for praise by Torrens in the Edinburgh Review (October 1819) because it was useful for instructing "the Members of our present Cabinet in Political Economy", and such primers, generally speaking, appear to have served a useful purpose by way of introducing young, and not so young, students into the mysteries of the dismal science. Such a proposition, however, would not have been acceptable to Alfred Marshall, the founder of the Cambridge school, who is alleged to have said that "you can't afford to tell the truth for half a crown". This was a reference to The Economics of Industry (1879) written jointly with his wife, a work he later disowned on the grounds stated. It may be noted that this warning has not been heeded and low priced introductions continue to be sold. It needs to be realised however that with the pace of inflation in the twentieth century, the minimum supply price of truth in economics will have gone well beyond the 2/6 mentioned by Marshall. The book under review, for example, has a British retail price of £4.95 at the time of writing, nearly forty times the cover price of Marshall's introduction more than a century before.

David Whynes' Invitation to Economics (Oxford, Martin Robertson, 1983) is a recent addition to the list of introductory texts on political economy or economics. Its title, which smacks more of the dance floor