

## REVIEWS

*Keynes's Vision: His Political Economy Reconstructed*  
by Athol Fitzgibbons, Oxford University Press, London,  
1988

Recently one more book has been added to the already massive literature on Keynes. *Keynes's Vision: His Political Economy Reconstructed* by Athol Fitzgibbons may form part of a major controversy. As well as his book, at least two others looking at Keynes's philosophy and/or political economy are said to be in press or near completion.

On its won, Fitzgibbons's contribution merely strikes another blow in the internecine war between the dwindling number of supporters of Keynes. The book, as the sub-title to the concluding chapter indicates, is "an apology for Keynes", and the thrust of the argument is in the Post-Keynesian tradition. He argues that "the interpretation of the neo-Keynesian economists remains closer to that of the neo-classical economists than either is to my interpretation (which emphasises uncertainty)" (p.4). In terms of Coddington's classification<sup>1</sup> Fitzgibbons presents a "fundamentalist" view of Keynes. Because I share many of Fitzgibbons's heterodox views, often what is said in Fitzgibbons's name below, I would agree with.

The book will appear to economists like Coddington (1983), amongst others, as one more "pointless attempt to excavate and uphold a profound but elusive 'Economics of Keynes (himself) in contrast with a shallow and vulgar 'Keynesian economics' (of the text-book and the public domain)" (p.1). The book will be of little interest to monetarists, rational expectationists, new classical economists, etc., whose minds are presumably made up to oppose it.

Fitzgibbons is an Australian (currently lecturing at Griffith University but previously at the University of Queensland). He is a part of a Queensland 'oral tradition' and he acknowledges in the preface the influence of Dr Dick Staveley and the suggestions of Dr Bruce Littleboy. Some of the book is familiar to me as a student of Fitzgibbons and Staveley, whilst other parts are foreign to me.

After a short introductory chapter there follow ten chapters which are split effectively into three named sections. The first section is called philosophy, and contains chapters on probability, a rational ethics and the logic of politics. The second section is called economics, and has four chapters: the meaning of uncertainty, other accounts of Keynesian ethics and uncertainty, economics of transitoriness, and the vision translated. The third section is called political

economy, and contains three chapters: the political ideals, socialism and equality, and conclusion. This is political economy in the old sense covering several disciplines, and many modern economists would be lost in the first section. There is a great deal of material in sections two and three about which economists would frequently have views contrary to Fitzgibbons's.

In the introductory chapter of his book Fitzgibbons argues that the writings of Keynes form "a logically coherent and embracing structure of ideas, based upon a single vision" (p.1). In many ways the essence of Fitzgibbons's book is summarised by his view that Keynes held "not a scientific theory but a vision in the real sense, a metaphysic, or way of looking at things which may be suggestive and helpful and true, but which is ultimately unprovable" (p.49). He then suggests that a proper analysis of Keynes's economics requires a knowledge of his philosophy, and, as (according to Fitzgibbons) no one has done this previously, Fitzgibbons claims that he can present a true critique of all existing interpretations of Keynes. His then must be the first true analysis of Keynes. It should be noted that a colleague of mine, Dr R. O'Donnell, completed a Doctoral thesis in this area, several years earlier, and is presently organising a conference on the philosophy of Keynes. Dr A. Carabelli also completed a Doctoral thesis in this area some years ago. Apparently Carabelli, Fitzgibbons and O'Donnell all take different perspectives.

According to Fitzgibbons, economics for Keynes was "a method rather than a set of theories", and Keynes's method was "superior because it alone follows a philosophy of practical action" (p.2). While many of the conflicting interpretations of Keynes are referred to, Fitzgibbons argues that each of these (Robinson's, Hutchison's, Harrod's, Skidelsky's, etc.) provides only partial truth; Fitzgibbons presents the "true" or "whole" Keynes, which has not previously come to sight because several aspects of his work have been overlooked or neglected. I would agree with Fitzgibbons that several aspects that Keynes claimed to have made innovations in were ignored by commentators, e.g., his theory of value. This point I remember was repeatedly made by Dick Staveley.<sup>2</sup> Fitzgibbons claims that he will use these neglected elements:

to show that Keynes's innovation was to reconcile economics with the older traditions of moral and political philosophy ... Keynes's vision was a metaphysical idea by which he effected this reconciliation of the old and the new (p.3).

It is called by Fitzgibbons a "pre-modern vision" (p.3).<sup>3</sup> Later Fitzgibbons goes further to state that "Keynes's economic and political philosophy can only be understood as a reversion to pre-modernity, [and] that Keynes analysed the modern

economy by means of a pre-modern philosophy" (p.9). But it was only a partial return to pre-modernity: "he found pre-modern philosophy to be wanting ... because it did not take account of economic growth" (p.10). Both Staveley and I have argued that Keynes made a partial return to pre-modernity.<sup>4</sup> But Fitzgibbons goes further than we have and argues that Keynes's "pre-modern vision" is the basis of a consistent and coherent whole understanding of human things. As this point is so central to the work of Staveley, it was surprising to find no mention in Fitzgibbons's bibliography of at least one of Staveley's works.

Fitzgibbons (at pp.29-30) argues that there are strong neo-Platonic elements in Keynes's philosophy. Keynes's politics, we are assured, was neo-Platonic:

the political philosophy of Keynes can be regarded as a free-form adaptation of Plato to a commercial republic. Keynes rejected Plato's authoritarian politics, but he accepted Plato's political ideal. In particular, he implied that the political solution was a guardian class unswayed by the venal passions of humanity (p.174).

This I think is the source of Fitzgibbons's error. He exaggerates the connection with Plato. Staveley and I have argued that Keynes's kinship is with the more "down to earth" Aristotle.

However, both Plato and Aristotle would reject the possibility of a science of economics. Fitzgibbons traces the origins of Keynes's similar conclusion back to the *Treatise on Probability*. It is contended by Fitzgibbons that the arguments presented there, implying the rejection of the principle of indifference, were the basis for Keynes's denunciation in the *General Theory* of the possibility of precise calculation of investment returns under conditions of uncertainty. The real world is too complex to be analysed by the school of mathematical probability. This is why Keynes had particular reservations about econometrics, but Fitzgibbons goes further and contends that "Keynes believed that most probabilities were unquantifiable" (p.12). While this statement has Shacklean overtones, Fitzgibbons does not go fully down that path either. He concludes that for Keynes "Mathematical probability has a role to play, but its scope has been greatly exaggerated by unwarranted applications of the principle of indifference" (p.13).

While on this topic of uncertainty let us return to Shackle's interpretation of Keynes. Fitzgibbons rejects Shackle's account because Shackle seems to think that once a natural science based on rational economic calculation is destroyed there is only nihilism<sup>5</sup>, without leaving open the possibility of "reasonable"

decision-making. (See pp.84, 89, 102, and GT p.162). Fitzgibbons agrees with Staveley's interpretation<sup>6</sup>, that for Keynes the mind makes reasonable (but not necessarily "economically rational") judgments directly, relying to a considerable extent on intuition as well as logical rules and principles. All this he concludes is "reasonably consistent with common sense", which along with intuition and judgment are beyond scientific analysis and represent "a challenge to the primacy of scientific method and scientific knowledge" (p.15). Indeed he goes as far as to state that: "It is hard to nominate another philosopher in the modern English tradition who makes such a defence of common sense" (p.29).<sup>7</sup> And again later he states: "The *General Theory* is not a scientific theory ... It was a conscious return to preclassical traditions, which understood economics as an art, based on common sense subject to the principles of reason" (pp.107-8). In the end his economics was a rejection of previous mechanical scientific theorising:

He believed that decisions must have a subjective element, but *not that they must be incommunicable, inarguable or arbitrary* ... [his economics] is no less than the economics of practical wisdom (p.198).

The quotes above are as good a summary of Staveley's position as can be found.<sup>8</sup> It harmonizes with our views of Keynes's partial return to Aristotle.

There is little point repeating Fitzgibbons's criticisms of previous interpretations other than to say that they fall into two major categories: those who tried to synthesise Keynes back into orthodoxy and those who left out significant parts of his theory. The most common and serious error of the synthesisers was their assumption that Keynes was attempting to construct a determinate model of the economy. Fitzgibbons says that "Keynes's theories of value and interest represent his attempt to formalise a new and non-deterministic method of economics" (p.127), and that it was these elements<sup>9</sup> that were neglected. Fitzgibbons (at p.129), in conformity with "the Queensland Tradition", clearly states that Keynes was a revolutionary and was misleadingly synthesised back into the orthodoxy.

In chapters six and eight Fitzgibbons looks at a number of the interpretations of Keynes given over the years. These exhibit a classical desire for determinism. He argues that "cut off from Keynes's vision, Keynesian economic theory was inconsistent and intellectually indefensible ... Keynes's theory was soon replaced by Keynesianism, and Keynesianism was in turn replaced by neo-classical economics" (p.133). Those who followed Keynes re-classicised or synthesised his work. After being synthesised back into the orthodoxy, the neo-classicals understood Keynesian economics as purely a short run version of the classical model—showing the transition to equilibrium.

As an intellectual historian Fitzgibbons's account leaves something to be desired. He claims that when Keynes wrote the *Treatise on Money* "the most consciously classical economist, was Keynes himself" (p.111). But of course, Keynes had been writing heterodox things on the gold standard and other matters for many years, and by 1923 Keynes himself said that he had begun to renounce the classical teachings.<sup>10</sup>

I would also argue that Fitzgibbons is wrong in stating that Locke "adopted the pre-classical theories of both interest and value" (p.131, note 6).<sup>11</sup> Similarly the claim that Locke was "a philosopher between the medieval schoolmen and the moderns" (p.9) is not in conformity with my understanding of Locke.

I am also not sure what historians of thought would make of Fitzgibbons's claim that the attempt to repair the Keynesian synthesis resulted in two versions of Keynes: "monetarism and socialism" (p.196). The general thrust of the argument is fine but the conclusion is too stark.

Overall it is a very good book, which presents an orthodox interpretation, but one which is internally consistent and merits study by those whose minds are not made up against the thrust of his argument. I wish Dick Staveley would also publish something on this theme, although any such work would no doubt be rather more focussed on political philosophy.

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### Footnotes

CW stands for *Collected Writings of John Maynard Keynes*.

GT stands for Keynes's *General Theory*.

1. See Coddington 1983.
2. See Staveley, lectures at the University of Queensland (notes in the possession of J. Alvey); Staveley 1983; Alvey 1984, pp.105, 112, n.23.

3. At p.51 he says Keynes's philosophy represents a partial return to the medieval and Greek traditions. See also p.147.
4. See Staveley 1972, p.25; Staveley 1983, p.389; Alvey 1984, p.109.
5. See Alvey 1986, p.296 and note.
6. See Staveley 1972, p.13, n.11; 1983, p.389.
7. It has been pointed out by Dr O'Donnell that Moore, Sidgwick, Russell and others emphasised common sense.
8. See Staveley 1972, esp. p.13, n.11; Alvey 1984, pp.104-5, 109.
9. Keynes's choice of units could be added to these. See pp.127-8 and GT, p.38. See Alvey 1984, p.112, n.23, and Alvey 1986, pp.281-9.
10. See GT, p.334; Alvey 1984, p.102.
11. See Staveley 1972, p.14; Strauss 1953, pp.202-51; and my discussion on this in Alvey 1987.

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