REVIEWS

Liberal pragmatist

Donald Markwell: *John Maynard Keynes and International Relations: Economic Paths to War and Peace* (Oxford University Press, 2006)

Reviewed by **Ed Randall**

This is a book that will reward liberals (and many others) who are interested in Keynes's contribution to the understanding and the shaping of international relations in the twentieth century. However, Donald Markwell also has a grander and more demanding ambition, 'to facilitate the assessment, from time to time, of the contemporary relevance of Keynes's ideas to evolving circumstances' (p. 5). That grander aim is one to which I will briefly return at the end of this review.

Markwell is a political scientist with an abiding interest in economic thought and its impact on international relations. He was a Fellow at New and Merton Colleges, Oxford, before taking up a senior academic post at the University of Western Australia. He has written a study that is both accessible to the general reader and valuable to academic specialists who seek expert guidance. Markwell demonstrates an encyclopaedic knowledge of Keynes's writings and correspondence, which facilitates the reader's exploration of the relationship between Keynes's economics, his liberal internationalism and his myriad prescriptions for establishing and sustaining mutually beneficial economic and political interactions between states.

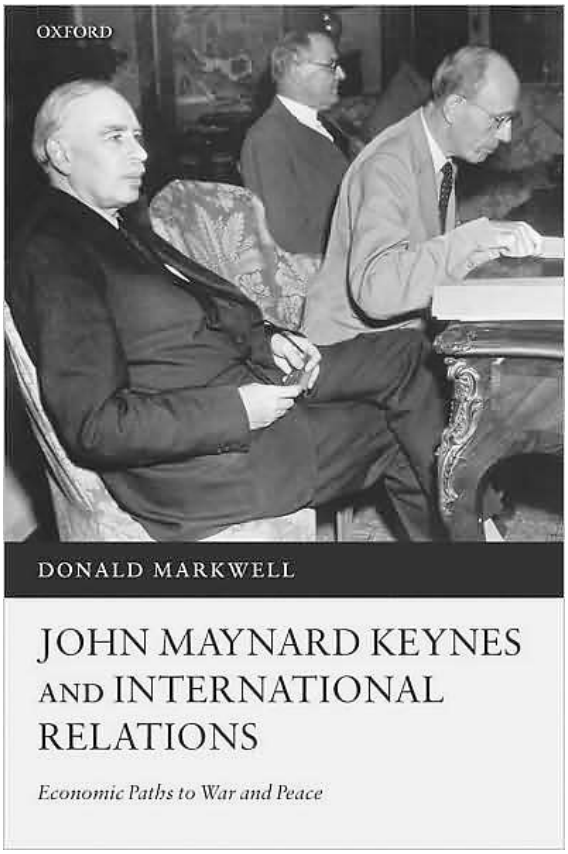
The range of Keynes's writings on international affairs is quite remarkable, but it is also deeply entwined with his economic theorising and his polemical writing about economic policy. Markwell's book, subtitled *Economic Paths to War and Peace*, takes the reader from Keynes's early and – in Markwell's view – largely uncritical acceptance of the classical liberal faith in free trade as the universal antidote to war, to his deeply disillusioning role as a British government adviser at the Paris Peace Conference at the end of the First World War. It was an experience that gave rise to his fierce and very public denunciation of international statesmen and the conference's main product, the Treaty of Versailles. Readers should be aware that while Markwell does not skimp on the evolution of Keynes's ideas about war and peace or his changing attitudes to international relations before 1920, he devotes most attention to later times, when Keynes's liberal internationalism – and what Markwell calls his 'liberal institutionalism' – became far more nuanced and pragmatic.

Readers of this book will find themselves on a political as well as an intellectual journey; it is a journey that finally delivers them – along with Keynes – to a time when Keynes himself played the leading British role in defending British interests, obtaining financial aid from the US for post-war reconstruction and shaping the international financial system.

The move from outsider to insider had happened in a little over twenty years. It also seemed to result directly from Keynes's criticisms of conventional economic theory, and of the foreign and economic policy nostrums supported by the British establishment, as well as his brilliant and sustained advocacy of alternatives.

Keynes's activities as Britain's principal international Treasury negotiator after 1940 took him to Washington (in 1943), Atlantic City and Bretton Woods (in 1944), Washington again (in 1945) and Savannah (in 1946). Keynes had been transformed from an outspoken critic of his own government (as well as the international economic and political system) – someone who felt impelled to leave the government service (in 1919) – to the chief negotiator of the British national interest and principal exponent of his own brand of internationalism at the international top table.

The move from outsider to insider had happened in a little over twenty years. It also seemed to result directly from Keynes's criticisms of conventional economic theory, and of the foreign and economic policy nostrums supported by the British establishment, as well as his brilliant and sustained advocacy of alternatives. The latter placed greater emphasis on institution-building, international cooperation and rehabilitating and restoring (rather than punishing) defeated military enemies than almost any of his peers and academic rivals. It is hard to envisage any similarly weighty academic critic of British public and foreign policy being entrusted with such sweeping authority to negotiate on behalf of their country. Felix Frankfurther (a Supreme Court justice who had been present with Keynes at the Paris Conference) wrote to him in 1945 about a transformation in attitudes that appeared to reflect and embody Keynes's ideas and arguments (made by him behind the scenes in Paris and later in public), ideas that favoured 'a more decent unfolding of world affairs'. This general change in beliefs had produced, Frankfurter told Keynes: 'a … permeating and informed realisation … of the extraordinary difficulties of peacefully evolving



a decent world order'. The change in attitudes toward relations between states had, they both believed, been matched by the readiness of the victors in a world war to be more generous and more realistic about what was needed to establish and then maintain the peace than national leaders had ever been before.

All this may well make it appear, as Markwell's objective seems to be, that Keynes was at his core an idealist-liberal internationalist, even if his method of pursuing international peace and political harmony between states had became increasingly sophisticated – i.e. via economic and political means, rather than undirected market means. However, I have to agree with another reviewer of Markwell's study of Keynes's approach to international relations, Jonathan Kirshner, who believes that Markwell overplays Keynes's liberal idealism. He points out that Keynes sought changes in public attitudes and government policies to improve the prospects of peace and international cooperation but that he also 'acknowledged the realities of power'. A key feature of Keynes's diatribe against the Versailles treaty (in *Economic Consequences of the Peace*), and the political manoeuvring that he believed made further conflict virtually inescapable, was his scathing criticism of Woodrow Wilson's idealism: Wilson was condemned, in *Economic Consequences of the Peace*, as the President who 'could preach a sermon' but lacked a plan to help rebuild Europe. The American President was, in Keynes's eyes, so extraordinarily detached from the requirements of effective international negotiations that he preferred to 'do nothing that was not just and right'. Kirshner finds in Markwell's scholarly exposition of Keynes's changing ideas about economics and international relations 'glimpses of a fascinating, if not idealistic or even coherent, Keynesian perspective on international relations'. I share Kirshner's assessment to some degree, even if I employ somewhat different language in doing so. Keynes had a strong sense of direction concerning both himself and liberal societies, but he was constantly alert to the difficulties of formulating a truly winning case and creating a feasible plan of action that valued liberty whilst recognising the vulnerabilities of markets and the dangers that brigand states represented to international peace, as well as to the conditions of their own population.

Keynes was far too concerned with weighing up different policy goals, and the relative likelihood of success in pursuing different strategies to achieve worthwhile ends, to be either a dogmatist or an idealist in the philosophical sense. Two hallmarks of Keynes's thought, well represented in Markwell's study, were his willingness to change his mind and his policy prescriptions when evidence could not be reconciled with theory, and his prioritising of British national interests even when that entailed some dilution of liberal ideals. For Keynes, the announcement of long-term goals – economic and political – was one thing, whilst the formulation and implementation of detailed policy was quite another. Keynes famously changed his views on free trade between the wars and proved hard to label when it came to reporting his attitudes to war. As his biographer Skidelsky recounts, Keynes believed that political judgements about war and peace should not confuse personal beliefs about the morality and horror of war (however strongly held) with the business of making policy for the whole of the nation.

It is probably best to describe Keynes as a proponent of optimistic but uncompromisingly pragmatic liberalism and internationalism. His militant optimism and grand vision for the future – of human societies – is most clearly articulated in an essay that was intended to be widely read: *Economic Possibilities for Our Grandchildren* (initially published in 1928, then reworked and published in two parts in *Nation* and *Athenaeum* in October 1930). When times seemed at their hardest and economic and international developments at their most discouraging, Keynes was determined to explain why he believed most people would, in the future, be able to live better and more fulfilling lives.

He did not set out, in *Economic Possibilities*, to minimise what needed to be done to create a more prosperous world for our grandchildren, but argued that four factors within our control would shape the lives of our descendants: our individual ability to control population, the strength of our determination to avoid war, our capacity to make intelligent use of

scientific knowledge, and the extraordinary productive power that capitalism unleashed. A truly liberal society needed to invest, Keynes believed, much more heavily in the first three and to worry a good deal less about the final member of this quartet. We should not, Keynes wrote: 'overestimate the importance of the economic problem, or sacrifice to its supposed necessities other matters of greater and more permanent significance'. The liberal challenge of our own times is even more clearly established than it was for Keynes. Finding an appropriate place for economic growth, controlling our numbers, keeping the peace and making more intelligent use of the power we have in order to lead fulfilling lives, without at the same time destroying the planet or sinking into avoidable military conflict with each other, is the trial that we face today.

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So many Gladstones

Richard Shannon: *Gladstone: God and Politics* (Hambledon Continuum, London 2007)

Reviewed by **Michael Ledger-Lomas**

Some years ago, Travis Crosby introduced readers to *The Two Mr Gladstones*. Historians of Victorian Liberalism might now be forgiven for wishing there were so few to contend with. The first generations of Gladstone's interpreters only had to map the stern young Tory churchman on to the crusader for disestablishment and home rule, who backed the masses against the classes. Since then, the publication of his diaries and the ongoing exploration of his papers has generated ever more Gladstones to be squeezed into the grand old man's silhouette: the lay theologian interested in Dante and Christian art who also scribbled anti-papal polemics; the icon of popular radicalism who was also a patriarchal Welsh squire and an 'out and out inequalitarian'; the erudite scholar of Homer; the dabbler in spiritualism and the self-scourging rescuer of prostitutes; even the progenitor of Blairite foreign policy. In years to come, historians of religion, culture and gender will turn up even more Gladstones as they continue to explore his vast hinterland, which survives in the physical form of his library at St Deiniol's, Hawarden. Yet Gladstone's eminence as a Liberal politician remains his major title to our attention: home rule mattered more than Homerology; the Liberal Party more than the ladies of the town. Both scholars and the general reader will then continue to need lives of Gladstone that reintegrate the burgeoning research into his inner life with his outer activity. It is this need that Richard Shannon's massively researched and pithily written *Gladstone: God and Politics* aims to satisfy.

Shannon argues that the reluctance of previous biographers to 'do God' has prevented them from offering a rounded or fully accurate picture of Gladstone the politician. H.C.G. Matthew's two-volume life of Gladstone (1986, 1995) did much to reverse the neglect of Gladstone's Christian faith that had prevailed ever since his first biographer, John Morley, turned a positivist's blind eye to it. Yet in Matthew's interpretation, Gladstone's migration from the Conservative to the Liberal Party was synonymous with the diminishing salience of his Anglican agenda. Scorned by Sir Robert Peel, ridiculed in print by Macaulay, and unable to accommodate the grievances of Ireland or political dissent, the young Gladstone's Coleridgean doctrine that the state should work exclusively for the Church of England quickly became a political liability. He had therefore moved quickly towards considering the state's priority as the promotion of fiscal justice between classes – Peel's lesson – and justice between nations. Gladstone's crusading governments worked on the assumption that the people had a fiscal contract with the state and duties towards Ireland and the wider world,