

prototypical democratic leader. He was, like Churchill in the Second World War, unwilling to settle for peace without victory, a dangerous, premature and unworthy outcome' (p. 643). Equally apparent is the author's distaste for Lord Curzon whose uneasy relationship with Lloyd George is always pointed up in the text. Much attention is also paid to the unfailingly fractious relationship between LG and the French premier Georges Clemenceau. It is also Fry's view that diplomatic historians in the past have emphasised unduly the tense negotiations at the Paris Peace Conference and the ensuing Treaty of Versailles – to the neglect of other themes.

The book is not an easy read; it pre-supposes a detailed background knowledge and the writer pens his work in a ponderous style, with an abundance of subordinate clauses. But it will certainly repay detailed

study. It may best be used alongside John Grigg's seminal *Lloyd George: War Leader* (Allen Lane, 2002), and Kenneth O. Morgan's equally authoritative *Consensus and Disunity: the Lloyd George Coalition Government, 1918–22* (Clarendon Press, 1979), which suggests that foreign policy issues rather than domestic unrest were responsible for bringing down the coalition government. The book is certainly the last word on this vital theme. One wonders whether Professor Fry may now be tempted to pen a further volume on Lloyd George's attitude towards diplomacy and foreign affairs after his fall from power in October 1922 until his death in March 1945. It would constitute an equally engrossing read.

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philosophical milieu. Therefore, chapters on 'Money', 'Labour' and 'Gold' sit alongside ones on 'Ethics', 'Knowledge', 'Politics', 'War and peace' and 'Art'. There are also two 'interludes' – one on Keynes's membership of the Bloomsbury group and of the Apostles (an elite Cambridge student society), the other on the political history of Great Britain during his lifetime.

The book – by Gilles Dostaler, a distinguished economist who sadly died recently – serves as a useful, highly readable and thoroughly researched introduction to Keynes. For those already familiar with Keynes's life there will not be any dramatic surprises, but the thematic arrangement makes for a consistently thought-provoking treatment. Dostaler makes a strong case for the relevance of Keynes's broader worldview to his economics. Whereas some might be tempted to dismiss Keynes's patronage of theatre and painting and his key role in the creation of the Arts Council as mere extracurricular activities, this does not do justice to their importance:

Keynes's vision is fundamentally anti-utilitarian, anti-materialist and anti-economicist. Man has been sent briefly to earth to enjoy beauty, knowledge, friendship and

## Keynes' world-view

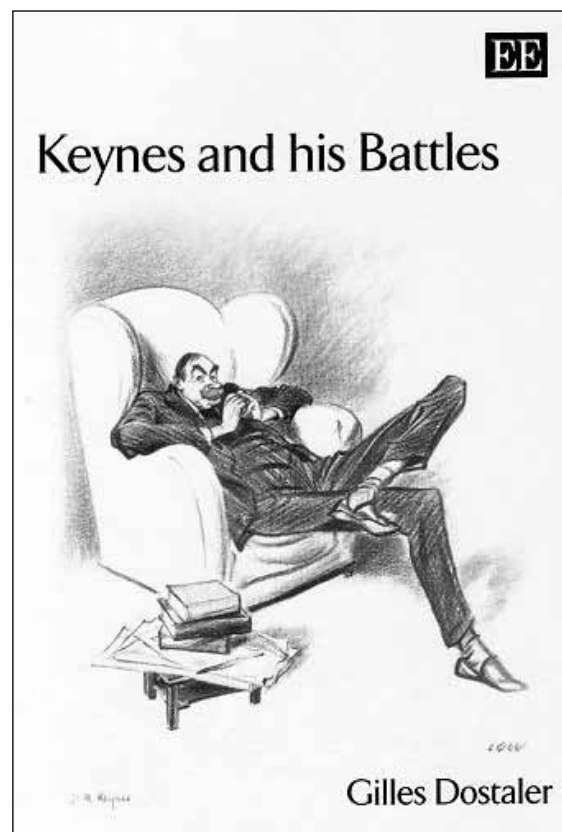
Gilles Dostaler, *Keynes and His Battles* (Edward Elgar, 2007)

Reviewed by **Richard Toye**

**J**OHAN MAYNARD Keynes (1883–1946) was arguably the most influential figure in twentieth-century British Liberalism, politically as well as intellectually. This might seem like an odd claim to make. After all, he was not an active politician in the conventional sense (although he did become a member of the House of Lords towards the end of his life). Moreover, during the interwar years he seemed doomed to make warnings – about the Versailles Treaty, the return to the Gold Standard, and the causes of unemployment – that were ignored by policymakers. He himself described a 1931 volume of his own essays as 'the croakings of a Cassandra who could never influence the course of events in time' (p. 3). However, during the Second World War, he held a position in the Treasury that helped him shape post-war policy both domestically and internationally. And although he is generally considered to have 'gone out of fashion' as a result of the New Right backlash of the 1970s and 1980s, he never did

so to the point that he dropped out of the discussion. Tony Blair and Gordon Brown felt compelled to at least pay lip service to him in the 1990s, and the recent financial crisis has led to a new surge of interest. Whereas discussions of Asquith, Lloyd George or even Beveridge today have a generally rather academic flavour, to invoke the name of Keynes is to walk into current controversy.

Yet 'Keynesian economics' is too often treated as an abstraction, or caricature, far removed from the views that were actually held by 'the historical Keynes' (to use Peter Clarke's term). Scholars have been trying to right the balance for many years. The book under review – which is a revised and expanded version of a volume first published in French – provides a fresh and interesting approach to the man and his thinking. It is not a conventional biography; nor is it (for the most part) a treatise on economics. Rather, it is an attempt to illustrate Keynes's world-view by locating him within his social and



love. Keynes dismissed both liberal and Marxist economists for having overvalued the economic factor in social life. He dreamed of a world to come in which the economy would play a secondary role. (p. 259.)

Economic growth, therefore, was a means to an end, not an end in itself. Keynes would thus have appreciated Douglas Adams's ironic observation that most of the proposed solutions to unhappiness on earth 'were largely concerned with the movements of small green pieces of paper, which is odd because on the whole it wasn't the

small green pieces of paper that were unhappy.' Keynes knew that money doesn't make people happy, but, as this book also reminds us, his awareness of its capacity to make them miserable – through the lack of it – was an important driving force behind his humane version of political economy.

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## Labour and the Liberal decline

John Shepherd and Keith Laybourn, *Britain's First Labour Government* (Palgrave Macmillan, 2006)

Reviewed by **Michael Meadowcroft**

**T**HE 1924 Labour government played a highly significant role in the decline of the Liberal Party, and a new history of its brief life is certainly to be welcomed. John Shepherd and Keith Laybourn's *Britain's First Labour Government* is the first such work for over fifty years<sup>1</sup> and benefits from the availability of much new material. The fact that both authors are Labour historians has not affected their impartiality and this volume provides an excellent account of a short but important period in British political history.

It has a few minor but irritating typos, an occasional error – it was, for instance, Robert Smillie who chaired the Leeds Peace Convention of 3 June 1917,<sup>2</sup> not Philip Snowden – and a surprising omission from the bibliography: Vivian Phillipps' memoirs<sup>3</sup> which, given that he was the Liberal chief whip throughout the 1924 parliament, are important.

The basic facts are well known and are well documented here. The December 1923 general election, produced a hung parliament: Conservative 258 seats, Labour 191 and Liberal 159. Stanley Baldwin, as the new prime minister, had called an early general election and got clobbered, losing almost 100 seats. Labour had gained forty-nine and the united Liberals had gained

forty-three seats over and above their divided strength in the previous parliament.

Asquith recognised that it fell to the Liberals to determine the nature of the government. As a mirror image of the 2010 situation, it was not politically feasible to put the Conservatives back in office, having lost the election, particularly as the party had gone into the election espousing protection, an anathema to the free trade Liberals. Typically, there was no immediate forthright initiative from Asquith and, in fact, when he first met with his new parliamentary party on 18 December it was a full twelve days after polling day. He stated categorically that there had been no approaches to him by the other parties and that he had made no approaches to them. Rather different to the 'Five Days in May' last year!

At this meeting Asquith claimed that it would be the Liberals who would 'control' affairs in the new parliament and, without any mention of the possibility of the Liberal Party forming a government, even though the subject had come up and been rejected at an earlier meeting of his close allies, he made his famous comment that 'if a Labour government [were] ever to be tried ... it would hardly be ... under safer conditions.' These two comments typified Asquith's patrician

attitude which, much more than his political decisions, would alienate the Labour Party, with fatal consequences. He was not the only leading Liberal who patronised Labour MPs in parliament and it is interesting to note Prime Minister Ramsay Macdonald's comments in his diary that he found the Conservative leaders more sympathetic than the Liberals.

The book brings out the active role King George V played in the formation of the new government and, later, in its dissolution. It was the king who advised Baldwin to remain in office and to seek a vote on his King's Speech. Then, following the Commons defeat of Baldwin, the king invited Macdonald, as leader of the next largest party to form a government. This he succeeded in doing, though not without numerous vicissitudes en route, and, rather than seek any formal arrangement with the Liberals, proceeded deliberately to stick largely to a moderate programme which it would be difficult for Liberal MPs to oppose.<sup>4</sup> He also accepted that the government would be defeated on minor issues which would not provoke the government's resignation. There were, in fact, eleven government defeats before the final issues designated by Ramsay Macdonald as votes of confidence.

The final collapse of the government, after only nine months and a mere 129 sitting days, was brilliantly contrived by Baldwin. The debate was on the initial prosecution and subsequent withdrawal of the summons of a Communist journalist for sedition for calling on the armed forces to refuse to fight against the working-class comrades. It was botched by the government and the Conservatives put down a motion of censure. The Liberals, anxious to avoid an election for which they had neither enough candidates nor cash, tabled an amendment calling for a Royal Commission to look into the whole issue. Macdonald, believing that his honour was being impugned, made the fatal error of stating that the government would resign were either the Conservative motion or the Liberal amendment to be carried. Baldwin, hearing this, spotted the opportunity to bring down the government, and announced that his party would support the

**Politically they could not put forward a formal arrangement but speech after Liberal speech expresses frustration at the government's casual reliance on the Liberals maintaining fifty or so MPs in the House to ensure the passage of procedural motions and other very basic parliamentary processes, without any quid pro quo.**