

editorial as an introduction to the magazine also enhanced its impact.

The collective also steadily became larger. From around six in September 1978, it grew to fifteen by April 1981 and reached twenty in 1988. This has clearly been, and remains, a great strength. There are people to write articles, to search out information and encourage others to do the same. The genuinely collective approach has worked and no doubt is one of the main reasons for its continuing success. Nevertheless it is worth pointing out that the vast bulk of all the people in the collective live within what could be fairly described as the London Region. This has led to the occasional blunder – e.g. the condemnation of regionalism within the Party as unwanted.

Throughout the period of the Alliance (from 1981 to the summer of 1987), *Liberator* was able to maintain a steady and persistent opposition to the whole idea. While it had long retained a suitably irreverent attitude to the Party's collective leadership, the Alliance brought out the best in it. Its points and arguments were largely irrefutable and it acted as a comfort zone for the many who continued to feel uncomfortable but were too idle or too cowardly to do anything about it. Undoubtedly this constancy consolidated its position and importance for Liberals as a whole.

Following the merger in January 1988 *Liberator* continued to follow a clear radical line. Describing David Steel's decision not to stand for the leadership of the newly merged party as 'the first bit of good news for months' is a typical comment of the time. A mark of its continuing status and deemed importance was the ease with which it could command both leadership candidates (Ashdown and Beith) to answer in detail a series of questions and publish the results.

The first two years following the merger were a dark and gloomy period in the history of Liberalism. Many radicals were totally disillusioned and confused about which way to turn. *Liberator's* role in this period was crucial: it contained articles from and about the SLD, the Liberal

Movement and the (continuing) Liberal Party, while at the same time managing never to take sides. It simply maintained its radical Liberal stance, supporting any such idea or initiative regardless of its source. The relative calm and progress that has followed and the fact that so many radicals stayed within the fold is due to many factors but *Liberator's* continuing faith and robust promotion of Liberal ideas and principles clearly helped.

For the last decade *Liberator's* overall quality and status and the affection for the magazine have not waned. It has now become an established part of the Liberal scene and has retained and refined its irreverent approach, which continues to make its impact to good effect on the Party's conscience. 'Lord Bonker's Diary' first appeared in June 1990 and still retains its satirical sharpness and relevance.

Liberator has continued to address the main issues of importance to Liberals. In 1993, as if to prove its Liberal pedigree, it got really excited over Liberal Democrat constitutional changes. It expressed outrage over the disastrous Tower Hamlets 'racist' fiasco and also encouraged the 'sogs' (Roger Liddle *et al*) to go back to Labour.

(They did.) *Liberator* has consistently supported Scottish and Welsh devolution but Paddy Ashdown's ever increasing love affair with Tony Blair (including the Cabinet Committee) was condemned from the start to Ashdown's demise. During the leadership election it remained neutral but opposed to Charles Kennedy. It covered positively the Annual Assembly of the (Meadowcroft) Liberal Party up until the last one in 1999.

So where now? The *Liberator* Collective is well established and includes new younger members as well as old established ones. *Liberator* appears regularly and is much appreciated by its subscribers and, I feel, by the Party as a whole. It has never been boring (at least not for long), has always been irreverent, and has generally risen to the occasion. With the other two main parties now both Conservative, its continuation is essential to ensure a radical outlet within a Liberal Democrat party that is still capable of forgetting its roots.

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A man of government

Robert Skidelsky: *John Maynard Keynes: Fighting for Britain 1937–46* (Macmillan, 2000; 580pp)

Reviewed by David Gowland

The publication of (Lord) Skidelsky's *John Maynard Keynes: Fighting for Britain 1937–46* marks the culmination of over thirty years of scholarship which began with *Politicians and the Slump* in 1967. It is important to examine the changes in attitudes to Keynes over this period and Skidelsky's role in this process.

In 1967, Keynes' reputation was at its peak and that of economics with it. Keynes was hailed as the man who had made full employment possible by

showing how demand management could enable governments to use activist economic policy to ensure lasting prosperity. But in 1968 Milton Friedman's Presidential address to the American Economic Association started a movement which has culminated in Gordon Brown's proclamation of the opposite of the post-war consensus:

The avoidance of inflation is now the only goal of economic policy. The Chancellor believes high employment

will follow – but not through the work of governments whose role is only to provide a framework of stability. Expectations are not – as for Keynes – animal spirits to be tamed, but stabilising forces to be assuaged by independent central banks and other nostrums designed to achieve credibility, Mr Brown's oft-proclaimed goal.

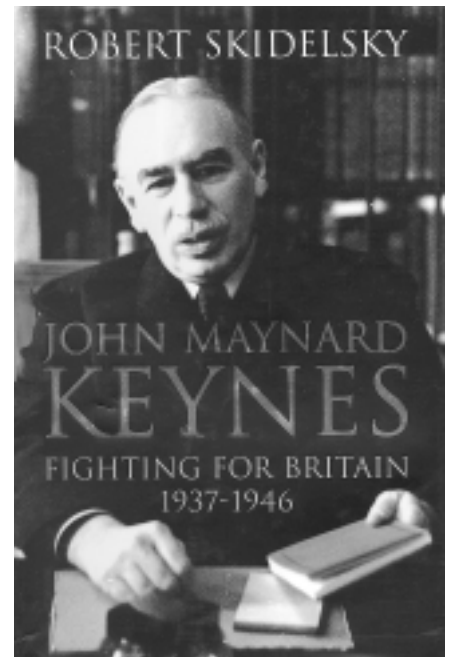
It has become conventional wisdom that events in the 1970s and 1980s proved Keynes wrong. This is not the place to consider these debates but the reviewer would argue that economics students do not read Keynes enough and that there is much more in his writings than fashion allows. His incisive analysis of financial markets is still as good a guide to the behaviour of internet shares as any. Keynes emphasised the role of people's beliefs about what other people believe about third parties' expectations of yet others' actions. Moreover, the pendulum has swung too far away from Keynes' belief in activist economic management. The change is based as much on a very partial reading of Friedman *et al.* as policy in the 1950s was based on a partial reading of Keynes, Skidelsky, Gilbert and others have argued.

Indeed, the fact that Skidelsky's has become established as *the* Keynes biography reflects both the neglect of Keynes the economist as well as the book's qualities – erudition, painstaking scholarship and lucidity. Around the time that Skidelsky commenced his labours the Royal Economic Society started to publish Keynes' collected works and this spawned numerous studies, notably Moggridge's biography. Skidelsky's political approach has dwarfed these. However, Skidelsky also emphasises Keynes as a man of government, exemplified by the title of his third volume. Clarke and others have analysed Keynes as a liberal/social democratic thinker. Keynes was a Liberal activist, *quondam* adviser to Lloyd George and frequent contributor to the famous Summer Schools. To modern eyes, his views can seem more like those of a Thatcherite, in lauding the role of inequality and inherited wealth as a means of achieving cultural diversity and

advance, and in countering the threat of over-powerful governments. Nevertheless, it is intriguing how little space is devoted to his critique of Hayek's *Road to Serfdom*. Skidelsky rightly emphasises in the preface that it illustrates Keynes belief in free markets. However, having cited Keynes as agreeing with 'virtually everything in it, morally and philosophically' he does not mention in the preface the 'but –'. Basically, Keynes tackled the question to which the centre left has returned in the 1990s – how to delineate a major role for government in the economy, having accepted the virtues of the free market.

Skidelsky's Keynes is a man of government who started his life as a financial expert in the Treasury in the first world war and returned to his métier after digressions during the second world war. There is much in this. If one re-examines the potted biographies of Keynes which appeared in textbooks in the 1960s it is easy to see Skidelsky's greatest achievement. Keynes was presented as a radical outsider. Skidelsky magisterially demonstrates that he was always an insider. Indeed, much of his character and writings are explained by Keynes' establishment nature and his always viewing life through the windows of Harvey Road, Cambridge. Initially, he was an unsuccessful speculator and was bailed out by his father to the tune of £10,000 in the early 1920s. Thus he was a man of privilege who wanted to do things in government from a mixture of a sense of duty and a love of the game – akin to Halberstam's *Best and Brightest* who led the US into Vietnam, which illustrates that this Whiggish activity has its dangers as well as its benefits.

The editor generously invited me to write an essay rather than a narrow review. For reasons beyond both our control other reviews have already appeared. Some have left the feeling that much of the material is of interest only to specialist historians. This is unfair. The role of the IMF and World Bank are critical to much debate today. This volume demonstrates much about the foundation of the modern



economic order which is highly relevant as well as fascinating in its own right. Skidelsky has contributed a major but not uncritical component to the revisionist school of British history, dubbed Thatcherite by critics such as Paul Addison. This emphasises the extent of Anglo-American rivalry in the second world war and criticises Churchill for not standing up for Britain. Many of its adherents will feel that Skidelsky's analysis of the Anglo-American loan agreement is not only brilliant history but demonstrates the dangers of subordinating exchange rate policy to political considerations (shades of the EMU...?).

Skidelsky's analysis of *How to Pay for the War* is perhaps the best part of his book. It demonstrates not only Keynes' intellectual incisiveness but also his penchant for the gadget – compulsory saving as a means of war finance.

Skidelsky has undoubtedly written a third volume that matches the first two in erudition and scholarship, and perhaps surpasses them. His is the standard and classic biography of Keynes. Regrettably, such praise may suggest a book that will never be read. In fact not only is it lucid and indeed compelling, it contains much of interest to contemporary economists and political scientists alike.

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