

THE ECONOMY AND THE FOUNDATION OF THE MODERN BODY POLITIC:
MALTHUS AND KEYNES AS POLITICAL PHILOSOPHERS

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My dissertation explores the making of the modern division between the political and the economic realm. To modern political reason, the economy appears like a self-standing reality, internally related in terms of functions and understood to follow regulating laws of its own. The dissertation counters this account of the relation between the economic and the political realm. It analyzes the epistemological claims to objectivity, on which this division rests and shows how the allegedly neutral depictions of economic necessity remain inextricably linked to political imaginations of order. The main thesis of the work posits that the modern rendering of economic reality in terms of a self-contained and functional realm stems from the desire to establish secure foundations for a viable body politic.

The works of Malthus and Keynes are the exemplary cases for this study of the intimate relations between political reason and accounts of economic objectivity. The writings of Malthus crystallize in important respects the emergence of the specific modern objectivity at the beginning of the nineteenth century. With him, the notion of scarcity gained its important role for defining economy. It is shown that the definition of economy in terms of scarcity is tied to Malthus' attempts to envision a regulatory epistemology for the social body, which ensures a silent and visceral order against the uncertainties of the political world. The economic realm is thus conceived as the foundation of the body politic. The writings of Keynes witness the crisis of this

economic foundation at the beginning of the twentieth century. The dissertation explicates Keynes' critique of the epistemology of scarcity, which underwrites modern accounts of economy. He opens a perspective on economy in terms of temporality, conventions and power, which traverses the closed boundaries of the economy. But this different view on economy is overlaid by Keynes' political desires to procure new foundations for the body politic: the envisioning of a national economy under the guidance of the economic expert, for which Keynesian economics is known, fulfills this desire. The thinking of economy is thus shown to be inextricably tied to the question of the political.

BIOGRAPHICAL SKETCH

Ute Astrid Tellmann did her undergraduate studies in Tübingen at the *Leibniz Kolleg*, at the *Free University of Berlin* and at the *Technical University of Berlin*. She studied sociology at graduate level at the *University of Toronto* and the *University of Bielefeld*, where she obtained her *Diplom* in sociology. After working for a short time as a pedagogic counselor for teaching assistants and as a research assistant at the *University of Bielefeld*, she commenced the Ph.D. program at the Government Department of *Cornell University*. Her major field is political theory and her minor field is the philosophy of political economy. She holds currently a teaching position at the Institute of Sociology, *University of Basel*. Her main areas of interest are: social theory, historical epistemology of economy and twentieth-century political thought.

To my family

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INTRODUCTION

In December 1991 the world famous economist Jeffrey Sachs traveled to Russia, invited by president Yeltsin to give his advice about how to set the failing remnants of the inherited Soviet economy onto a new track. The “dead-end” of socialist economic wisdom, the political change and the rampant inflation was to be healed by new recipes of the “clinical economist,” to use the term Jeffrey Sachs prefers for himself. He had collected credentials as an advisor to Bolivia, Poland and Chile earlier, being very much in demand by politicians the world over. Having applied his wisdoms to other economies before, equipped with historical precedence about decisive changes and with the expertise of an economist, he designed a “shock therapy” for the Russian economy. This time it almost killed the patient. Disappointed by the failing outcome of the therapy due – according to his own opinion – to other governments not carrying through with aid and the incomplete implementation of his suggestions, Sachs has since then focused his attention upon the fate of Africa to rescue it from poverty. As a special advisor to U.N. general secretary Kofi Annan and the spokesman for the U.N. Millinium Project, befriended with pop-star Bono, and director of the Earth Institute at Columbia University he travels the world to achieve the eradication of poverty.¹

Modern common sense rarely wonders about these traveling experts, who are asked to mend the economic diseases of the modern body politic.² International bodies

¹ “An economy,” he says in an interview “can be reoriented from a dead end, a dead end of socialism or a dead end of mass corruption or a dead end of central planning, to a normal market economy.” See the webpage pbs.org/wgbh/commandingheights/shared/minitextlo/int_jeffreysachs.html for his own account of his experiences. At Harvard he gave a speech at the degree ceremony for medical doctors with the title: “Clinical Skills, Global Solutions,” which is symptomatic for his belief in the valid analogy between the doctors for social and individual bodies. See (focus.hms.harvard.edu/2006/062306/classday_sachs.shtml).

² Traveling experts in economic matters are not such a recent phenomenon. For an example of a long history of “money doctors” (see Drake 1994).

of governance, such as the International Monetary Fund employ many “superb professionals, who regularly work 80-hour weeks,” and who are “bright, energetic, and imaginative,” with a commitment to reduce poverty, set economies on the right track and produce accounts of particular national economies.³ Based on scientific accounts of ‘the economy’ and the political neutrality of their expertise, they assume universal applicability and common benefit to their work. These descendents of the “worldly philosophers”, as Heilbroner once called the towering figures in the history of economic thought, are not content with exclamations of high morality and normative visions, but turn towards material desires and every-day needs, trying to figure the demands for progressive development in view of the inclinations, limits to and necessities of human existence.⁴ While the experts change and their recipes with them, the claims to the technical neutrality of their doing and the overbearing weight of economic matters surrounds the position they fill in different ways. This commonality of technical advice and importance seems to travel even across very different political regimes in Western modernity; it surrounds the scientific plan about economic production as much as the scientific merits granted to markets.⁵

³ These descriptions are taken from an open letter of Kenneth Rogoff from the *IMF* to Joseph Stiglitz, chief economists at the World Bank, who had written a scathing critique of the economic policies of this institution in his book *Globalization and its Discontents*. It is a very instructive piece of writing in respect to the self-understanding of the economic experts at work, their assumption about the universal validity of their recipes, the medical analogies and the modes of ‘truth discourse’ employed. The letter is published in the official *IMF Survey* (see imf.org/external/pubs/ft/survey/2002/070802.pdf).

⁴ See Heilbroner (1999). It should be noted that Heilbroner had no liking for a science of economics closed in the certainty of mathematical models and would probably like to see a different professional self-understanding that that exhibited by the employees of institutions like the *IMF*.

⁵ One might take Jeffrey Sachs’ own description here - to be found in the same interview cited above - as a point in case. While becoming an official advisor to Russia in December 1991, he worked informally already under Gorbachev, invited by the Grigorii Yavlinsky, who had been a key economic advisor to Gorbachev and to Yeltsin when they were working together in 1991. The former and future experts met and Sachs describes it in following words: “I ended up giving a series of, in what for me were rather extraordinary circumstances, lectures to senior officials at the state planning agency... And there we were, probably 30 senior [officials] across the table all with their books open and I was giving them lectures about market economy from A to Z. And they were taking notes on everything, trying to figure out how to save themselves.”

The privileged position of neutrality, which economists assume in order to enlighten political reason about the economic reality it has to reckon with, hinges upon its clear division from the political sphere. The latter fares in this framework as a realm of power, cumbersome deliberations, populist demands, impending corruption, and the limitation of legal instruments of intervention. The boundary staked out between these two spheres should not be understood to imply indifference on the side of the economists towards the other half. Economic regimes are supposed to support and further a desired political order, and arguments about the market as the guarantee of liberal rights are often to be heard. But the support comes from a safe distance. The economist's reasoning about order is not initiated by a deliberation about the "art of the political," the various notions of freedom and power, their relation to bodily needs, machines, regimes of exchange or the like. It commences instead with the question of necessity, functional organization, desire or individual rationality. Those elements are assembled in a depiction of a self-enclosed system of economic relations, internally related in terms of functions and understood to follow regulating laws of its own.

Correspondingly, to the political will, the economy appears like a stumbling block: it is a self-contained world, often defying normative projections of the common good. The laws of economy precede and exceed the means of sovereign law and imprint instead their demands on the political will. Lack and plenty, decay and progress, indeed nothing less than the life and death of the social body, all seem to be at stake in it, which no one can afford to circumvent. Even if economics today has shunned all substantive definitions of its subject matter in terms of livelihood and has only retained the notion of scarcity as its placeholder, the order of economy remains inextricably tied to questions of material well-being. To ignore the precepts of economy, expounded by its scientists, conjures up the threats of inviting social calamities of a higher order. Where political hopes might easily be led astray and are

too quickly at hand with high normative aspirations and popular proclamations, sober accounts of economic reality are more cautious. They teach a realism of facts, historical feasibility and the proper order of means and ends. Beyond the sentimental wishes of the beautiful soul and the superficial drama on the political stage, the viable order of social life is announced in the abode of economy. “We turn to the economist to supply prescriptions for society’s ills”, writes Sheldon Wolin, summarizing this modern temper; such knowledge, as the sociologist Herbert Spencer put it, “can scarcely fail to affect our judgments as to...what is desirable, what is practicable, what is utopian” (cit. in Wolin 2004, 262).

An immense political and cultural privilege accrues thereby to accounts of economic reality. In regard to questions of life, political reason develops an understanding of its limits, envisions appropriate forms of governance and separates the realm of the viable from utopia in reference to the definition of economic reality. My current project started with a sense of astonishment about this privilege and the powers it grants to the laws of economic reality. This privilege appears to be accompanied by a certain depletion of the political imagination, which oscillates between succumbing to the economic realities of the market and a managerial and technocratic stance to ‘the economy’ as an object of intervention. Faced with this diminished state of the political imagination, the most naïve and general questions appear to be strangely appropriate: If political reason is so prominently referred back to economic reality, what kind of reality pertains to economy? What is the nature of the necessity implied? On what grounds is the externality between economy and the political realm maintained and what shapes the boundary between these two realms?

These are questions that engage with the assumptions about the nature of economic objectivity itself, necessitating thereby an epistemological and philosophical stance. The question of epistemology is here to be understood as a historical one. It is

directed towards a historical analysis of the political and social bearings of the ‘telling’ of ‘economic truth’, intending to unravel the boundaries erected around the functional laws of economy and the political reason that it implies. The present dissertation engages therefore with the shaping of economic objectivity in light of a genealogy of modern political reason. Its guiding assumption – which remains to be made plausible by the argument itself and whose theoretical resources will be given due recognition below – is that the rendering of economic reality into a self-contained realm, governed by its internal laws, bespeaks a desire of political philosophy for foundation; in the strict externality assumed between the political and economic sphere one is confronted, so to speak, with an internal division of political reason. Economic thought is in this sense also political philosophy, wrought with every hope for foundational visions of the common good, and mindful of the inherent contingency traversing such hopes. It is argued here that the claims to depict economic reality are thus also political imaginations of forms of subjectivity, hierarchies of judgment and decision, modes of actualizing the common good and – often – utopian schemes of order.

It is important to note that the peculiar division between the political and the economic realm has a specific historical origin: it bespeaks a modern conception of a body politic, which emerged in the wake of the French Revolution. With the nineteenth century, the conception of social cohesion outside of the political sphere of legal representation became more paramount, although it exists already with different roots in the eighteenth century. The modern body politic is split and its ‘other’ half belongs to a more natural realm, to which social and economic order has to adhere.⁶

⁶ See Poovey (1995) for a cultural history of the birth of the notion of the “social body” in Victorian England. Recording the completion of this change by the mid-century, she contends: “Whatever its causes, by 1860, the idea that individuals were alike in being responsible (economic and moral) agents

The physiological body becomes in this conceptualization both, a material basis to which economic thought refers and a figurative source to imagine social order. This double status is created in a discourse that simultaneously strives for scientific and political foundations.⁷ The emphasis on the material and imaginary, individual and social body, belonged thereby to a general rise of conceptualizations of order in terms of functional cohesion, that pertained not only to the physiological, but also the social side of things.⁸ Scholars in different disciplines have noted the profound changes in the systems of thought at the beginning of the nineteenth century. Sheldon Wolin accounts for it as part of the rise of a “non-political model of a society...being a closed system of interacting forces” and the “erosion of the distinctively political”, which culminated at the beginning of the nineteenth century.⁹ Joseph Vogl records in the same manner, but more recently, that the rise of the economy as the privileged site of society’s self-description and its rendering of a fertile and production social body belongs to this time.¹⁰ As Wolin points out, it was also only around this time that scarcity constituted “a basic presupposition of liberalism”, adopted through its alliance with economics, whose peculiarity as a body of knowledge “was its insistence on the

was being advanced as a substitute for the tutelary role that the metaphor of the social body had initially assigned to the state.”

⁷ See de Mazza (1999), who sets out to trace how and why ‘the organism, as physiological correlate of the autonomous bourgeois subject and the biological substrate of the whole human being, advanced to a paradigm, which organized public thought about the reorganization of the political body’ [my own translation from the German original].

⁸ For the social science Saint-Simon is often presented as a point of crystallization of these new conceptualizations. He is recorded to have said “My friend, we are organized bodies”. The science of political economy was also linked to the study of organized bodies: “The subject matter of political economy was a complex and living totality. As a science of society, economic science ought to study the various social organs, their needs and ways to satisfy these needs (Heilbron 1995, pp. 183-4).

⁹ See Wolin (2004, pp. 260, 262, 271, 281). He also sees a long line connecting the developments more than a century ago with the current situation: “The decline of political categories and the ascendancy of social one are the distinguishing marks of our contemporary situation where political philosophy has been eclipsed by other forms of knowledge.” (ibid).

¹⁰ See Vogl (2002) for a very careful and sustained discussion of this change in the conceptions of economy and “poetics of knowledge” associated with it. The quote is translated from the book, which is written in German. About the change between the eighteenth to the nineteenth century (ibid. 247f).

primary importance” of this concept (Wolin 2004, 285). Foucault has tried to capture this change towards the notions of organization, function and limits in the human science in the phrase of the “analytics of finitude”, which has guided the analysis of the questions of wealth, society and economy in the nineteenth century. It linked the anthropology of the naked human being with the elaboration of the social body as the most fundamental part of the body politic.

The “displacement of political by economic theory” (ibid., 272), which is the focus here, belongs thus to the rise of these novel conceptualizations, which impart the division of the spheres with the sense of closure, self-organization and externality on the side of economic reality. The present project focuses on the particular rendering of the economic realm stemming from this period, while it should be noted, that systematic reflections upon economic matters commenced much earlier. The “differentiation of the things economic from their social context” is traced back to the seventeenth century (Appleby 1978, 26); from there, the next great step towards the systematization of economic thought is usually associated with the Physiocrats, who envisioned the economy in terms of a closed circular process, and the work of Adam Smith (Schabas 2003a).¹¹ But intellectual historians have cautioned more and more against seeing a line of continuity between those centuries, or even between the world of Quesnay, Smith and classical political economy.¹² For Adam Smith, the reflections on wealth were still a “branch of the science of a statesman or legislator”, developed as part of the questions of “police, revenue and arms” (Winch 1996, 21). Similarly, the physiocratic system – much hated by Hume and criticized by Smith – was directed to

¹¹ For various historical, economic and theoretical accounts of economic thought, which converge in this respect, see Schumpeter (1955), Lowry (1974, 429), Gay (1969, 349), Buck-Morss (1995).

¹² Keith Tribe warns against reading similar economic terms like price, value, production as necessarily belonging to the same system of thought and cautions against treating the history of economic thought in terms of “anachronistic unities” (Tribe 1978, p. 35).

counsel the “rulers or those with influence at court”.¹³ Such remarks can only indicate the different relation between the economic realm envisioned in the eighteenth century and the political reason it shaped and related to. The beginning of the nineteenth century saw a different construction of ‘the economy’ and its attendant political reason, one that resorted to notions of self-organization, functionality and scarcity. It defines a world in which we still live at the beginning of the twenty-first century, as the historian Rothschild has put it – and it is this world with which this work is concerned (2001, 6).¹⁴

Objects and Interlocutors in the making of the modern body politic: Malthus and Keynes

In order to render plausible the claim that the construction of political economy as an “innocuous, unpolitical subject”¹⁵ belongs to the elaboration of political reason itself, this dissertation centers on two thinkers whose work crystallizes in prominent ways the articulation of modern political reason in its relation to economy. Thomas Robert Malthus, standing at the beginning of the long nineteenth century, and John Maynard Keynes, experiencing its end in the first decades of the twentieth century, are the objects of my analysis and my interlocutors for tracing the articulation, crisis and re-articulation of modern economic objectivity. Both have written in times of profound

¹³ See Tribe (2003, 154-155). The Physiocrats hoped to influence the sovereign to rule according to natural precepts. They favored a “legal despotism”, which was intended as “a rebuke to Montesquieu’s parliamentary theory of balancing bodies” (Riskin 2002, 108-109).

¹⁴ “We still live, at the outset of the twenty-first century, in a world which is defined, in important respects, by the evens of the French Revolution and of the Post-Revolutionary restoration” that is, the “coalition of laissez faire economic policy and political conservatism which was established in opposition to the revolutionary violence of the 1790’s and which came to dominate nineteenth-century political institutions” (ibid.).

¹⁵ See for this phrase Rothschild (2001, 244-245).

political and social upheaval, which encompassed or threaten to encompass the inherited modes of living, conceptions of man and political hierarchies in a whirlwind of change. Both economist have been intensely concerned with the events of their time and sought to provide a vision for a new, properly founded body politic.

Malthus stands at the cusp of the break between the eighteenth and nineteenth century. Intimately tied to the Scottish Enlightenment and the debates about the French Revolution on the one hand, his work is on the other hand the beginning of the modern body politic chronicled above. Scarcity, functional necessity and the fundamental status of the economy became accepted idiom with the public debate of his work, the analysis of which thus gives clues about the transformation of political reason in the making of modern economy. If Malthus testifies to the beginning of the modern body politic – and also most prominently to its bodily foundations¹⁶ – John Maynard Keynes witnesses a moment of its impending demise. Towards the end of the nineteenth century, the rise of the social question at home and of imperialistic rivalries abroad signal most visibly the strain of the “Victorian synthesis” of law, hegemonic peace and market exchange.¹⁷ He answered the crisis of the body politic with a profound criticism of its economic foundation and set out to devise a new basis for it - more lasting than the old, but based on the scientific account of the ‘economic machine’ nonetheless. Keynesian policies shaped the post-War international order and government policies for developing the ‘national economy’ until the 1970s, since which time, as indicated above, the tides have turned back to the market. But regardless of the fate of these systems of thought, the foundational work of Malthus

¹⁶ Catherine Gallagher has pointed out, how the body became with Malthus “completely untranscendable” and thus “absolutely problematic”. As it could not be ignored anymore, it received a complete valorization. This is how she characterizes the “nineteenth century discourse on the body” and the social organism (Gallagher 1986, pp. 88-89).

¹⁷ For a cultural-historical account of the “anxieties” of this time, see Hynes (1968) and Peppis (2000).

and Keynes remains of lasting influence in shaping and exploring the modes of rendering intelligible “economic reality.” As Mitchell has pointed out, it was only since Keynes that the notion of the macro-economy has gained the statistical coherence, it enjoys today throughout, while Malthus’ articulation of scarcity never waned in its importance. Both thinkers together offer therefore exemplary and crucial insights into the articulation of modern economic objectivity and its role for the body politic and are chosen therefore as the focus of the current work.

From another perspective, the concentration on Malthus and Keynes might also appear a quite peculiar choice for an attempt to think about the specific ways in which the economy, as a self-enclosed space, was isolated from political reason. If Malthus captured certain aspects of the nineteenth century change, he also retained certain theoretical sensibilities that set him very much apart from figures like Ricardo, whose labor theory of value and mechanistic approach were to have such ascendancy in the nineteenth century. Keynes, understanding himself to belong to the “ranks of the heretics”, counted Malthus with him, since for both of them, capital could die from its own abundance and mechanisms of regulation did not work smoothly. Indeed, Malthus wrote his political economy in order to stake out a science more in line with some aspects of the eighteenth-century thinker Adam Smith, who gave desires, customary validation and time a role to play for the determination of relations of exchange.¹⁸ Yet, regardless of these distinctions, Malthus’ contribution to founding the division between the political and economic worlds on the basis of the “laws of necessity” remains in place. The quarrels among economists in the nineteenth century occur on an already established groundwork, which Malthus laid down.

¹⁸ For the role of desires in Adam Smith, see Shapiro (1993) and the differences between Smith, Malthus and Ricardo within the shifting systems of thought see also Winch (1996, 410-411).

The fact, that Malthus' work functions as a watershed between the eighteenth and nineteenth century, between the political debates that greeted the inauguration of political economy and the rise of political economy as a science, offers a most instructive site for the exploration of the intimate links between political reasoning and the rendering of economic facts. The intermeshing of political and economic argument in Malthus does not single him out as more backward, religious or pre-scientific in his economic thought than those who came after him, but instead render visible the inextricable link to those political, philosophical or moral foundations of the belief in laws of internal functioning, which is characteristic for this science.¹⁹ Likewise, Keynes is a figure of different callings, being an economist, philosopher and statesman alike, as his biographer has put it, whose explicit political reasoning will help us trace the scientific making of the economic objectivity for which his name no less stands (Skidelsky 2003). But Keynes assumes also a slightly different role in the argument presented. It is especially with him, that the closed space of 'economic objectivity' is traversed in ways that open possibilities for thinking about economic matters in a very different light: economy is presented in terms of temporality, conventions and hegemonic measurements. In this sense, Keynes is not only the object of a genealogy here, but also an interlocutor to explore other possibilities of thought.

As it probably has already become apparent, the theoretical and analytical

¹⁹ Winch has gone furthest in making the case for Malthus as a "political moralist", and argued to give a decisive role for Malthus' Christian beliefs and natural theology (Winch 1996, 221-405 and especially 411-412). Others have -and the reading of Malthus given in this work agrees more with them - have stressed the more fundamental role of his utilitarian reasoning. See for this argument also Haevener (1996, 409). The fact that Malthus described political economy as a 'moral science', not capable of the same exactitude than the mathematical science, should be placed in the context of this time and the meaning of moral science then. It referred to the "integral science of man and society", and it took physiology as its stronghold in order to take the study of morality of the hands of theology, linking the account of ideas, sentiments, senses into one single framework, more akin to "zoology" than theology. For this account see (Heilbron 1995, 176-177).

ways these figures of economic thought are approached is different from usual accounts of their contribution to economics as a science. In line with the guiding assumptions and questions posed above, they are read here as political philosophers and economists simultaneously. Our concern here is to decipher the political reason that is foundational to their texts within the factual accounts of the economic realm. The boundaries they draw and re-draw around these two spheres are analyzed in terms of the political vision they mean to sustain. This mode of reading results in an often de-familiarizing interpretation of their work. It stands at a distance to the histories of economic thought and the narrative about the progress, leaps and faults of the science. It places importance where others do not - for example in Malthus' lengthy discussions of indigenous societies – and it has supplemented the material published in the thirty-volume *Collected Writings of John Maynard Keynes* with archival work on his political-philosophical writings and his lectures on population. Somehow deemed not as relevant in the legacy of his work and thus not made available, they required my research at the King's College Archive Centre and they shape the argument of this dissertation in important ways.²⁰

Discussed in the context of a “history of the present”, which is interested in understanding the making of an economic functionality in conjunction with modern political reason, Malthus and Keynes are taken out of the space of their discipline.²¹ It is therefore not surprising that only sparing support can be found in today's newly burgeoning debate on Keynes or Malthus, wedded as it is to the history or further

²⁰ See the list of ‘Archival Sources’ at the end of the bibliography. The archival material about Keynes' very early writings on political philosophy, notably his paper on Burke (UA 20/3, 1-85); about his understanding of time (UA 17, 1-21); and about his relation to questions of eugenics have been most important for the current argument.

²¹ Genealogy, understood as a “history of the present” is, above all, in the words of Dean “a new form of criticism, able to induce critical effects and new insights” without invoking teleological unfolding or global necessities” (Dean 1999, 35).

development of economics as a science. In respect to Keynes, the greatest proximity can be seen with scholars within economics who seek to retrieve a different legacy of Keynes than the “hydraulic Keynesianism” that became dominant in economic policies and orthodox adaptations of his work. These scholars, called “Post-Keynesians” or “fundamentalist Keynesians” pursue the questions of uncertainty, institutions and historical processes within the account of economic dynamics.²² They are met on the other side by some economists who use the methods of discourse analysis and science studies, to argue for the constitutive and radically constructivist nature of economic theory.²³ But for the genealogy of political reason and the inquiry of the boundaries of these fields, they do not offer the theoretical perspectives sought in this work and are therefore mentioned only from a distance. Outside of these debates in economics, Keynes finds some rare considerations in debates about English modernism, but has otherwise – despite of his rhetorical wit and accessible prose – not found a wide scholarly audience in social or political theory.²⁴ The reception of Malthus offers an only somewhat different picture. Due to his influential role as a thinker at the beginning of the nineteenth century, the intellectual history attending to his work is more widespread than the acknowledgement of his contribution to the history of economic thought.²⁵ His influence on the shaping of the Poor Law and his

²² See Arestis (1992, pp. 88-89) for this account and Danby (2004) for going beyond the assumptions of internal coherence. Danby argues to go beyond the modernist assumptions of economic thought and resorts to economic sociology, social networks and thick descriptions as an alternative approach, which is yet again different from what this current seeks to do. For the post-Keynesian scholarship, see Dow (1995). Fitzgibbons and Carabelli are good examples of the link these scholars seek to establish between the philosophy of Keynes and his economic thought (1988; Fitzgibbons 1988). For the philosophical discussion of Keynes’ notion of common sense see also (Coates 1996).

²³ See Ruccio (2003) and Cullenburg (2001) for the discourse-theoretical approaches to economics as a science.

²⁴ See Esty (2000) for an argument, which will be taken up in the discussion of Keynes.

²⁵ For the most comprehensive reconstruction of the scientific standing of Malthus within this tradition see Hollander (1997).

connection to the political debates at the time have made him a part of the history of political theory as well, not to speak of his lasting influence for population studies²⁶. As will be seen in the following chapter, this scholarly work in intellectual and political history helps in important ways to corroborate elements of the theoretical and historical narrative constructed here, and is cited extensively.

But the argument envisioned here cannot find the necessary theoretical and analytical support in this diverse and fine scholarship. The potential significance and plausibility of this study rests with the intimate relations it can exhibit to exist between the visions and temptations of political philosophy and the epistemological molds and claims in and with which modern ‘economic objectivity’ is made. For this, one has to turn to debates in political theory and social theory, which very rarely even touch upon the thinkers chosen here. It is to these debates about the notion of the political, the ‘analytics of power’ and insights of historical epistemology that this dissertation contributes, by considering the question of economy in the writings of Malthus and Keynes in a new light.

‘Modern economic objectivity’: Historical Epistemology and the question of the Political

The seemingly simple question, about the kind of ‘economic objectivity’ to which modern political reason so overwhelmingly refers, is not as simple as it might appear. It already bespeaks a theoretical and methodological perspective that allows one to claim that ‘all questions of epistemology are questions of social and political order,’ as

²⁶ Most of these reference are part of the chapters on Malthus. A good, a most recent entry point into the scholarship of Keynes gives the book by James Huzel on the popularization of Malthus (2006).

Shapin and Schaffer in the by now canonical work on Hobbes and his relation to experimental science have put it (Shapin 1985). Equally canonical for the discipline of science studies has been Lorraine Daston's argument on the historical and moral nature of objectivity, asking how it is possible that the very form of objectivity, "that seemed to insulate science from the moral – the creed that takes the fact/value distinction as its motto – simultaneously lays claim to moral dignity of the highest order" (1992a; 1992b, p. 122). We might ask in a same vein, how the science of economy, insulating itself from the political and professing this at its very motto, simultaneously lays claims to political dignity of the highest order?

This opening up of epistemological claims to social and political analysis refers prominently today more often than not, inside and outside of the discipline of science studies, to the writings of Michel Foucault, who has provided tools and perspective to posit these questions in fruitful ways. While the uses and abuses of the notions of discourse, power and truth are overwhelming, his own explanation of these terms is still a source of methodological guidance, in that it forces "philosophical disquietude" about epistemological claims within a close historical analysis of the practices of knowledge – "being understood here as places where what is said and what is done, rules imposed and reasons are given, the planned and the taken for granted meet and interconnect." (Foucault 1991, 75). In her recent book on the history of economic facts, Mary Poovey has applied this perspective to an analysis of economic thought in the early nineteenth century, including Malthus, among other thinkers, in her material. Her argument about the specific nature of observations and empirical reference that can be 'counted' within this discourse has been a very well received contribution to the field of sciences studies, which has begun to de-naturalize

the strategies of economic science, to render its object of study open to reflection, as opposed to its acceptance as self-evident, as has been assumed.²⁷ The economist Philip Mirowski has been the most visible figure in this respect, with his books on the neo-classical tradition of economic theorists, that criticize their reliance on the physical notion of energy-conversion to render their category of value constant, as their scientific aspiration would require.²⁸

But all these works, important as they are to support the questions posed to ‘economic objectivity’, remain linked to the internal account of this science, and very specific in their empirical material and in the focus of the argument - they are, for this reason, silent on the relation to political reason. Closer to the theoretical concerns of this work have therefore been studies on the discourse of development and the understanding of economics on which it relies Escobar already a decade ago suggested regarding “economics as culture”: “It is above all a cultural production, a way of producing human subjects and social orders of a certain kind” (Escobar 1995, 58f). More recently Timothy Mitchell followed up on this claim with his book *Rule of Experts. Egypt, Techno-Politics, Modernity* (2002). He counters the ‘pictures’ of economy produced in development agencies with a more grounded and differentiating account, posing discordant facts and perspectives in order to demonstrate the particularity and limitations of these pictures of economy and the stories of modernization of which they are a part. The links these writers establish to relations of power and the making of order lead us back to Foucault, on whose theories they explicitly rely. We are moving in wide circles, as the current debates offer only partial,

²⁷ See Poovey (1998). Her argument revolves about the double nature of the ‘facts’ - “general facts”, as Malthus called them - which belonged already to a coherent system in their very modes of observation.

²⁸ Aside from Mirowski’s (1989; 1994; 2002) work, also the following have contributed in this way to a different history of science: Cullenburg (2001), Yonay (1998).

albeit very valuable aspects and inspirations, but have initiated no coherent discussion, that would string together epistemology, the political and economy into theoretical perspectives and critiques, which would develop further the frameworks Foucault has offered.

Within the last decades the reference of truth-regimes back to relations of power have become very ubiquitous and it is refreshing to read Foucault's own warning against being too quick in theoretical conclusions: The "political critique of knowledge" Foucault says of his own approach, "does not consist in denouncing the power, which resides in any alleged truth, since, believe me, the lie or the error are as well part of the misuse of power". It is not to "denounce the oppressive element in reason, as believe me", he says, "unreason is as oppressive".²⁹ The point is therefore not, to infer from one pole of the relation between power and knowledge to the other, but to analyze under "what conditions and with which kind of effects a "veridiction" occurs (Foucault 2004, 61). As well known, Foucault's theoretical ways to link questions of knowledge to those of power turned towards the "materiality" of practices and techniques. The making of knowledge and the relations of power met in this practical, technical aspect, to which he recurs in all of his theoretical and analytical endeavors. Thus, in his analysis of liberalism in terms of a political rationality – or political reason, as it is termed here - he emphasizes accordingly, that liberalism should neither be understood as a theory, nor as an ideology, but as a practice: that is, it is a rationalization and reflection upon techniques of governing (Foucault 2004, 436).

²⁹ These quotes are taken from the lecture on the "History of governmentality II: The birth of biopolitics", held in 1978-1979 at the Collège de France. They had not been published until 2004 in German and are not yet published in English. The translations stem thus from myself. See for reference the German edition of Foucault (Foucault 2004, 61).

Foucault turned towards the study of liberalism as a political rationality in the context of the lectures on the *History of Governmentality*. The newly coined notion ‘governmentality’ - a neologism between ‘governing’ and ‘mentality’ – introduces not a new analytical perspective.³⁰ Instead, it is a frame for Foucault’s attempt to deploy the de-essentializing and relational analyses of power and knowledge for processes, larger in scale and scope than the individualizing, disciplinary techniques he had studied before.³¹ Already in the *History of Sexuality*, Foucault had described modern forms of power as both, individualizing and totalizing. The study of governmentality picks up this thread and turns towards technologies of governance, which encompass strategies to govern a social whole as a whole.

It is this context of a genealogy of political rationalities that Foucault turns towards the themes of population and economy. He seems thereby to address the complex of the themes of economy, political reason and population, which are so central to this study. Yet, his elaborations remain – despite the proximity of phrases, themes and analytical perspectives – in a certain distance to the envisioned project. By ascertaining this distance, it will be possible to specify the theoretical focus and to account for the structure of the argument. A few paragraphs are therefore dedicated towards the elucidation of how Foucault approaches the themes and questions that are

³⁰ He defines governmentality as follows in the context of his concept of power: “The notion of power itself has not other function than denoting a realm of relations, which are to be analyzed; what I suggested to call governmentality, that is, the modes, in which the conduct of human beings is governed, is nothing but the suggestion of the grid of analysis for these relations of power”. (Foucault 2004, 261).

³¹ He says explicitly that he wishes to explore the possibilities of the perspective on technologies and strategies of power to the field of the state – which is at the same time, it seems, an exploration of the possibility of a non-totalizing perspective on issues grouped in social analysis usually under the heading of “macro-level”. The decisive part of the citation in German is as follows: “Wenn, was die Disziplinen anbelangt, diese dreifache Bewegung des Übergangs nach Aussen gewagt wurde, dann ist es diese Möglichkeit, die ich jetzt hinsichtlich des Staates erforschen möchte” (Foucault 2004a, 177).

pertinent to this work.

Foucault grants population and economy a paramount role for the genealogy of political reason: the modern *political problématique*, he asserts, is inextricably linked to the question of population and economy.³² Both, population and economy are understood as the correlatives of a technology of power – more specifically, they are understood as the correlative of the liberal technology of power, which seeks to govern through indirect means. Liberalism addresses the interests and desires of individuals, in order to mold their conduct towards the utility of the whole (Foucault 2004a, 108f). It is not the minute attention to the disciplining of each element, but an “aleatory space”, which is opened for the different forces to intersect and governed in view of statistical means and risks (ibid., 38-43). Needless to say, Foucault neither assumes the reference to the self-interested individual, nor to the freedom granted in this ‘aleatory space’ of forces as marking the limits to relations of power. On the contrary, they form fields for a plethora of interventions, albeit of such indirect kind. Most debated today by those working within this framework is the contemporary form of “neo-liberal governance”. Foucault had commenced in his lectures the analysis of this form of liberal rule, which centers on the extension of a calculative grid to institutions and types of human action, where they have assumed no governing role before. Wendy Brown lucidly points out that “[n]eo-liberal rationality, while foregrounding the market, is not only or even primarily focused on the economy”; it rather pertains to producing “all human and institutional action as rational entrepreneurial action” (Brown 2003).

³² The quote in German is as follows: “[D]as moderne politische Problem ist, denke ich, unbedingt mit der Bevölkerung verknüpft” (Foucault 2004a). At another point, he describes the question of population as a condition of possibility for the thinking of economy, “that only became possible to the extent that the subject of population was introduced” (ibid., 118).

Her remark, apt as it is, might thereby alert also to the limits of the view on economy and liberal political reason, as developed in the Foucauldian account. The focus on the regulatory and constitutive relation, in which the (economic) subject is made, is here not meant to be doubted in its validity and importance. On the contrary, it has guided an aspect of the analysis of economic thought and political reason. But the question of economy – loosely understood to refer to the relations of money, exchange, objects, production and needs – elapses curiously from sight. While economy and population are granted such paramount role, the question of what Foucault's "analytics of power" could imply for this field of economy, seems to remain unanswered.

This unanswered question might be due, on the one hand, to a simple reason: Foucault explicitly located his analysis of liberal political rationality and governmentality as an alternative to theories of the state, which assume it to be a centralized, overarching power structure. Foucault set out to answer to the counter an understanding of the modern liberal state, which would be too quick in asserting an undercurrent "fascist" and "totalitarian" core (Sennelhart 2004, 534). It bespeaks the historical context of the 1970s and Foucault refers to the "phobia of the state" as the foil against which he develops the notion of governmentality and announces: "The problem of the formation of the state lies at the core of the questions, I attempt to pose" (Foucault 2004, 112). Thus, the economy – unlike here – was not part of the 'theoretical disquietude', which guided his analysis.

But there might also be a deeper, more systematic reason, for why Foucault did not, in the course of his argument, at least open up the question of economy and its relation to modern political reason in a different way. This more systematic reason might lie in the very approach to questions of power and knowledge solely in terms of techniques, which is usually the very source of analytical strength. But applied to the

genealogy of liberal reason, and the account of the modes of governance of “the social body as a whole”, the attempt to ‘read off’ the analytics of power from the dominant discourses about economy and political reason, seem to loosen its strength. While always seeking to twist liberal political reason into an “analytics of power”, he seems to be dangerously close to mirroring the horizon set up by the system of thought he analyzes. The structures of governance he describes in terms of the limits enacted by markets, the “aleatory spaces” of forces and the self-interested subject, might be an effect of a form of political reason. It might not guide the way to understand the relations of power at work, but impede such analysis, as it stems not only from the elaboration of governmental techniques but also from the foundationalist temper of the political philosopher. Perhaps the strict division between the ‘modern economic objectivity’ and political reason belongs as much to the realm of metaphysical desires or dreams for order, as to the sober liberal reflections on how to govern beyond the law.

With a different aim than Foucault and in light of the theoretical dissatisfaction with his account of political reason and economy, this project thus cannot rely on all the work he has done. Instead of drawing the notion of economy too quickly into an account of a governmental technique, the project here is more cautious. It attempts to contribute to the genealogy of modern political reason and its relation to economy, by engaging very closely with both, the political and economic writings of two important economists. Its aim is to elucidate in an exemplary fashion the intimate relation between the making of modern economic objectivity and the political visions, to which it answers. It thus opens the Foucauldian notion of political reason towards the realm of visions of order and foundationalist tempers, which inflect the modes of thinking about economy itself. How to open the functionalist space of the modern economy to an ‘analytics of power’ and the spaces of contingencies and contestation

accompanying it, without eschewing the consideration of the specificity of questions of money or other economic matter, is here taken to be an open, rather than an answered question within the Foucauldian perspective itself. But the first aim is to understand the strict division between the economic and the political sphere, the epistemological privilege granted to economy, its proclaimed necessities and realities and the role of political reason therein.

Structure of Dissertation

The dissertation is divided in two parts, revolving around the works of T.R.Malthus and J.M. Keynes respectively. The part on Malthus analyzes the emergence of the specific modern economic objectivity at the beginning of the nineteenth century. The argument, which seeks to show that the modern account of economic objectivity belongs inextricably to a mode of ‘doing’ political philosophy, proceeds in three steps. The first one consists in excavating the *political problématique*, which Malthus presents to his readers. Through a careful reconstruction of the historico-political context, Malthus appears as a political philosopher, who was concerned with and plagued by the question of political judgment. The French Revolution abroad and political radicalism at home had given rise to an unprecedented democratic extension of political voice, which was coupled with the impending politicization of the questions of life and subsistence. The fears, uncertainties and complexities, which seemed to be tied to political judgment in general and the advent of life on the political stage in particular, are paramount in Malthus’ text and lead him to search for the proper foundations of the body politic afar from the political stage: he turns towards the socio-economic body, which is then imagined to be governed by its own laws of production and reproduction. The first chapter thus traces how the worries of the

political philosopher Malthus bring about the political economist, who sets out to establish a distinct economic order, prior and external to political reason.

The second chapter consists in a close reading of Malthus' texts aiming to explicate the principles of order, which are at work in the accounts of such self-bound economic reality. The chapter centers on the notions of limits and scarcity, which reside - since Malthus - at the core of economic science. These notions are shown to vacillate constantly between the normative and factual register, bespeaking more the wish for order than the sober and scientific account of the allegedly constant laws of nature and necessity. Against the difficulties and uncertainties of political judgment and the complexities and dangers attached to the politicization of life, economy is presented as a regulatory epistemology, which guides the social body towards happiness and wealth in a silent, visceral manner. The peculiarity of this social epistemology, which couples fear and lack with truth on the one hand and suspects abundance to result in blindness on the other hand, stands at the core of the second chapter.

The third chapter takes up the general principles developed before and demonstrates how the subject-position of economic man and the regulatory capacity of capital and value exhibit this epistemology of limits and the proper order it is supposed to bring about. As a social epistemology, economy encompasses a much wider field than the professed concentration on the creation of wealth. It claims to be the condition of possibility of civilization and viable material order in general. The figure of economic man and his gendered predicaments belongs to this vision of order, which directs its regulatory powers to the molding of sentiments, desires and needs. The making of the proper subject of order stands at the center of the epistemology of economy – while the notions of capital and value exhibit in turn nothing more than the regulatory dreams of this epistemology of scarcity.

At the end of the nineteenth century, these foundations of the body politic crumbled. The neat boundaries between the economy and the political sphere and the promises of scarcity, progress and civilization were contested by the political, cultural and social events of the times. Like the first part, the second part commences with an elaboration of the specific *political problématique*, which the political philosopher-cum-economist contrived. Akin to Malthus, Keynes was concerned with the questions of political judgment as the politicization of life returned with a vengeance. But unlike to Malthus, the economy did not promise anymore to offer the stable foundation against the vagaries of political judgment. On the contrary, economy had become part of the problem, as it appeared as a source of contestation and instability. The historical chapter on Keynes as a political philosopher traces hence his problematization of the inherited notion of the economy; with him, economic man becomes a figure of sorry degeneration and the solid grounds of economy turn into an epistemological vertigo.

The fifth chapter probes into the theoretical grounds, on which Keynes relies for his critique of the inherited conceptualization of economy. This chapter engages with Keynes as a theoretical interlocutor, who has provided the venues for thinking economy beyond the confines of the epistemology of scarcity and beyond the foundationalist desire to find order in this realm. The sources of this different mode of thinking economy, which centers on the questions of temporality, measurement, conventions and power, are carefully retrieved from Keynes' various writings – published and unpublished. Such reading presents an aspect of Keynes' thought, which resides in between the old orthodoxy of economic thought, which he criticized, and the new orthodoxy of economic objectivity, which he took part in founding. Reading his thought against the grain, this chapter comes closest to outlining a mode of thinking about economic matters, which is not embroiled in the foundationalist temper and opens these matters to relations of power and contingency.

But Keynes did not eschew the foundationalist desires of political philosophy; nor did he forego the specific privileges of the scientific authority of the economist. The sixth chapter turns towards the more well-known Keynes, who has envisioned a new economic foundation for the body politic. The account of a national economy, open to be regulated by the scientist in the service of the common good, belongs to the Keynesian heritage; it has dominated the post-War era and provides still the template for political debates about the possibilities to tinker with the economic fate of modern societies. This last chapter explores the making of “hydraulic Keynesianism” in terms of a commitment to a political philosophy, which searches proper foundations and thus strives for the closure of the field of economy – overlaying the opening of this realm Keynes had developed before.

A brief reflection on the question of the political in respect to economy concludes this political genealogy of modern economic objectivity, woven through the historical and theoretical analysis of these two exemplary thinkers of economy.

CHAPTER 1
THE SHORELESS SEA OF POLITICAL REASON AND THE QUEST FOR
FOUNDATION

“I have, during my life, detested many men; but never any one so much as you” – thus William Cobbett vented his political anger against Robert Thomas Malthus. Compared to others it was a mild allegation against him. The soft-spoken clergyman had been alternately called a “mischievous reptile,” a “black vampire” and a “miserable sinner against science,” guilty of having produced an “abdominal tenet,” utterly “disgraceful to man”.³³ The object of all this hatred was a book, which had appeared first anonymously in 1798 under the full title *An Essay on the Principle of Population, as it affects the Future Improvement of Society, with Remarks on the Speculations of Mr. Godwin, M. Condorcet, and Other Writers*.³⁴ It was written, so the story goes, “on

³³ William Cobbett wrote this in his *Weekly Political Register* 34, 33 (May 1819), as in (Tuite 1998, 152). The disdain about the “abdominal tenet” stems from Coleridge, cited in (Fulford 2001,360). Marx thought that he was such “sinner against science” – this and Proudhon’s and other allegations can be found in Dupaquier (1983, 259) and Walzer (1987, 2). Harriet Martineau had described Malthus as speaking “slow and gentle” (cit. in Huzel 2006, 55)

³⁴ Its success led him to undertake much more extended research, resulting in a much larger second edition which appeared in 1803 (James, 1979, 81) The empirical basis for the new work included among other things his own observations during the travels he had undertaken to Norway, France and Switzerland and the letters of the missionaries from the colonies (they will be referenced in the second chapter). It is taken by many to be like a “new work”, almost double in the number of pages (Cambridge) 1983, xv). One of the most commented upon differences lies in the “ever-greater emphasis” Malthus placed on the effectiveness of moral restraint while he had removed “those passages which had caused the widest offense” (see the introduction in Malthus 1986a, 7). The essay on population will be hereafter abbreviated as PO. There are changes throughout the editions. The fifth edition, for example, concentrated on the schemes of Robert Owen instead of those of Godwin to exemplify the peculiar problem the force of population posed against their ideas of improvement (James 1979, 376). The reading given in this work relies on the enlarged editions, using the sixth as the reference point, but being cognizant of the changes which occurred since the first edition. The work is treated as a whole and the quotes travel back and forth between the editions, warranted by the fact that the logical structure of the Essay was retained throughout. Malthus himself described the difference between the first and second edition in the following words: “To those who still think that any check to population whatever would be worse than the evils which it would relieve, the conclusions of the

a spur of occasion”, after a debate between Malthus and his father - who was an “ardent admirer of Rousseau” and “enthusiastic believer in the optimistic philosophy of the Enlightenment”. The book, in which Malthus set out to refute this admirer of the political hopes of his time, came to shape the search for the economic foundations of the modern body politic.³⁵

The *Principle of Population* was undoubtedly a great success: it went through six editions by 1826, was quickly translated and “immediately became the centre of heated political debate” (Avery 1997, 77): “No contemporary volume”, commented the *Edinburgh Review*, “produced so powerful an effect upon the age in which it was written as the Essay on Population” (Walzer 1987, 2). It is said to have convinced William Pitt on the issue of the reform of the Poor Law, which was finally changed in 1834.³⁶ The wish of Southey’s that the “farthing candle” of Malthus’ “fame must stink and go out” did not come true - on the contrary. Godwin, who had been an important theoretical adversary, received ever more “harsh and narrow” critiques and “Malthus could have not obtained more credit in the eighth century for laying the devil than in

former Essay remain in full force” (PO iii).

³⁵ Patricia James tells the story and also gives in general a good overview of the reception, Malthus’ biography and the content of his books. (James 1979, 69 and 116f). About Malthus’ father and also about the reception of Malthus’ book see also (Avery 1997, xv and 56f). The story is also told in Halévy (Halévy 1995a, 104) who adds that Malthus’ father was the “exécuteur testamentaire” of Rousseau. Keynes’ biographical piece on Malthus also has many biographical details. See (Keynes 1971f).

³⁶ The Poor Law Amendment Act was passed in 1834. It challenged the right to paternal support through the parishes which had been granted since its ratification 1601. “The success for Malthus’ bid for scientific authority and his attempt to scientifically legitimate the illegitimation of illegitimate origins is attested by Edwin Chadwick’s comments on the Poor law Amendment Act... ‘as the first piece of legislation based on scientific or economical principles.’” (Tuite 1998, 150). See also (Dean 1991) and (Cody 2000) and about these amendments. Cody especially focuses on the fact that “for the first time in English history, single women were made legally and economically responsible for their illegitimate children” and that “a growing number of politicians and political economists accepted population theory as a science able to reveal the underlying truth of human behaviour and social institutions.”(ibid.)

the eighteenth century for laying Mr. Godwin”.³⁷ When Godwin finally published an answer to Malthus in 1820 on the issue of population – while Malthus’ *Principle of Population* was appearing in its fifth edition – his words were considered to be “below contempt” and Malthus’ himself declared it to be a “poorest and most old-womanish performance”.³⁸ The hope of Godwin, to “restore the old principles of political science” against the new language of population and economy was uttered in vain (Rosen 1970, 37).

The *Principle of Population* and its wide success against its adversaries mark a decisive shift in the terms of public debate at that time. The language of right versus tradition, the calls for revolution or reform had dominated a vigorous political dispute during the 1790s, in which “the country had become divided – more sharply indeed that at any time in living memory – between those who clung to an unchanged political system and those who sought to reform it”.³⁹ British radicalism, with its call for democracy, its opposition to hierarchy and its promise for the end of man-made misery, had been revived and flourished during this decade – mainly due to Paine’s *The Rights of Man* which appeared in 1791 and which shook English radicalism back

³⁷ Robert Southy (cit. in Cope 2002, 59). Godwin himself commented in 1801: “After having for four years heard little else than the voice of commendation, I was at length attacked from every side...The cry spread like a general infection.” He heard nothing but “dislike and abhorrence” about his new philosophy (ibid., 44)

³⁸ It was James Mill who wrote to Ricardo that Godwin’s book on population should not even be given “the honour to take the least notice of it” (Rosen 1970, 33f). About Malthus’ comment see (James 1979, 382). The *British Critic* found that “Mr. Godwin is now clearly in his dotage” (ibid., 381). Godwin himself commented in 1801: “After having for four years heard little else than the voice of commendation, I was at length attacked from every side...The cry spread like a general infection.” He heard nothing but “dislike and abhorrence” about his new philosophy (Cope 2002, 44). Malthus himself wrote an anonymous review, declaring the book to be the “poorest and old-womanish performance that has fallen from the pen of any writer of name, since we first commenced our critical career” (James 1979, 382).

³⁹ See (Royle 1982, 63), but also (Cope 2002, 45) for the account of these divisions.

into activity.⁴⁰ Godwin had joined with his book in 1793 - answering together with Paine to Burke's famous indictment of the clash of the French Revolution and its English supporters.⁴¹ It was an intensely polemical debate, fuelled and inflamed by the pen and rhetoric of the participating antagonists.⁴² But by the end of the decade, the conflict had become "increasingly muted". The role of harshest repressive measures instigated by Pitt in 1794 and 1795 – comprising the suspension of habeas corpus, the prohibition of political assemblies and the extension of the verdict of high treason to any criticism of the constitution or the government – was considerable in bringing this "radical surge, floods of lectures, meetings, conventions, book and pamphlets" to an end.⁴³

⁴⁰ The first part appeared in February 1791, the second part was published in February 1792. Paine is credited with having energized and remolded the "face of English politics" after the French Revolution: "In 1790 English radicalism was in abeyance; after the publication of the first part of the Rights of Man it was shaken back into activity and was not to be checked until the full panoply of state power drove it underground" (Royle 1982, 113 and 45). But contentious English politics had started much earlier than with the French Revolution. The 1760s had already been "an important decade in the development of reform politics in Britain" characterized by the increasing critique of government with a mounting base outside of the political machinery. But the political demands for constitutional reform – i.e. improved representation through annual suffrage – had their precursors even earlier in the eighteenth century, reaching back to the 1720s and the activities of Bolingbroke and Walpole (Royle 1982, 13f) and (Kramnick 1968). A continuous strand, weaving earlier and later traditions of English radicalism together, was established through the history of religious Dissent, culminating in the writings of Priestley, Burgh and Price. In the last years of the 1780s the agitation to remove the political exclusion of Dissenters was linked to more general constitutional critique (Royle 1982, 13f and 43). Moments of politicization also came through the abolitionist movement.

⁴¹ "Godwin made a greater impact than is sometimes allowed", alerts Royle (1982, 77). Halevy corroborates this estimation, pointing out that, although it was a voluminous work and written in less accessible language than Paine's, it did not fail to exert a profound influence in the literate circles and political clubs. "Ainsi se prolonge, d'année en année, la polemique que Burke avait ouverte, tirant prétexte du sermon de Price, et qui fournit, en trois ans, à la littérature politique de l'Angleterre, quatre ouvrages classiques" (Halevy 1995a, 38).

⁴² McNally points out that Burke's critique was not "intellectually disarming" to the radical critique. It rather strengthened it as his allegations of the "hoofs of the swinish multitude", for example, were just used as a rhetorical slight against him in an even more vigorous return of argument and rhetorical armor (McNally 2000, 435). About Burke's "obsession" with Jacobinism see Kramnick (1977, 143ff).

⁴³ In July of 1795, the suspension of habeas corpus had lapsed but was followed by the "Two Acts", banning all meetings of more than forty people and licensing lecture halls" (Royle 1982, 77). The "notorious Two Bills", were shocking to many (Wells 1986, 23). Raymond Williams reminds his

Somewhere in between 1789 and 1803 “the assessment of human nature changed” and the high hopes entertained before were repudiated. Cope chronicles this “strident apostasy” which almost “obliterated the British enlightenment” (2002, 43). If it was refuted more by repression than by argument is a debated question; but for Malthus the matter was unquestionable: “the beautiful fabric of the imagination” of Paine, Godwin and their followers certainly vanished “at the sever touch of truth” (PO 334). While they chose to dwell in a dream and to follow a “phantom of the imagination” - “‘gorgeous palaces’ of happiness and immortality” - it was necessary to “awaken to real life, and [to] contemplate the genuine situation of man on earth” (PO 329). The “bewildering dreams” and the “unrestrained speculation” of the political philosophers needed to be tamed with a firm eye towards the viable possibilities for improvement (PO 325; 602); the “old mode of philosophizing”, which “make facts bend to systems” were to be replaced by Newtonian discipline, which helps to “establish systems upon facts” (ibid, 324). Malthus’ contemporaries styled him as the “Newton of political philosophy” and he would certainly have embraced this title, honored by the comparison.⁴⁴

The success of the *Principle of Population* was hence the success of a new idiom of political debate: “the scientific analysis of the economic workings of society” became more and more a touchstone for the political language of rights and the

readers of this “crudest kind of repression: prosecution, imprisonment and transportation” against Godwin and his circle, in which their “rational and civilizing proposals” were “quite ruthlessly hunted down”. “It [Godwin’s circle] is a remarkable moment in English culture, still insufficiently honoured for the bravery for its initial attempt, and this mainly because the repression broke it so thoroughly and drove it underground for a generation” Williams in (Crabtree 1980,52). See (Cope 2002, 45) for this account of the debate before its demise.

⁴⁴ “It is certain that we cannot too highly respect and venerate that admirable rule of Newton, not to admit more causes than are necessary to the solution of the phenomena we are considering” (Malthus 1986b, 8). The *Principles of Political Economy* will be hereafter abbreviated as PE.

political promises of revolution and reform.⁴⁵ To Malthus, who abhorred the mob and its democratic excesses as much as the despotic measures of repression, the sober and scientific recognition of the condition of man on earth was a much-appreciated change of scene. Malthus' contribution to this rising science in his book on population earned him the first chair ever to be instituted in the discipline of political economy: in 1805 he accepted the newly founded post at the East India College (subsequently Haileybury College).⁴⁶ The institutionalization of this science testifies to its increasing popularity in the wake of Malthus' success: other universities and colleges followed, accompanied by a rising number of institutions and debating clubs, novels and children's books, all focused on the profusion of the new wisdom of the age.⁴⁷ Malthus himself, referring to the "increasing attention paid to the science of political economy" found it "particularly gratifying, at the end of the year 1825, to see that what I stated as so desirable twenty years ago, seems to be now on its eve of accomplishment" (PO 526).⁴⁸

⁴⁵ "In the late eighteenth and early nineteenth centuries political economy emerges as the dominant mode of English political discourse. The new discipline represents an important departure from the forms of discourse available in an earlier tradition of civic humanism" (Barker 1981, 160).

⁴⁶ James gives a very thorough and interesting account of the founding of the East India College at Hertford. It was set up by the directors of the East India Company in order to ensure a formal training of its civil servants. Students "should be imbued with reverence and love for the Religion, the Constitution, and Laws of their own Country" and studied classical literature for writing skills, arithmetic, 'general law, politics, finance and commerce' and 'oriental learning'. The third subject was later transformed into the title of Political Economy, for which Malthus took the post. James gives a detailed account of the history of the founding and the connections between the Parliament, the Board and the Company at play (James 1979, 168-175)

⁴⁷ "Oxford established the Durmmond Chair in 1819 (held by Senior). Both, Cambridge and University College, London, created teaching posts in political economy in 1812, followed by King's College in 1831... Other forums for informed debate were the Political Economic Club (formed in 1821)". Malthus and Ricardo were among the twenty-one members. The best-known popular accounts of political economy were Marcet's *Conversation on Political Economy* (1816) and Harriet Martineau's *Illustrations of Political Economy; Easy lessons on money matters* (1833) was intended for children, but reached an estimated two million readers. (Schabas 2003a, 170f) and (Redman 2002,275).

⁴⁸ The quote continues: "The increasing attention which in the interval has been paid generally to the science of political economy; the lectures which have been given at the projected university in the

The “important political truth” furnished by this science was about the fundamental “structure of society”, with which Paine “has shown himself totally unacquainted” according to Malthus (PO 526; 505). It taught political reason the lesson of reality – a reality, which it could not decree or wish away, but which imposed limits and demanded attention. Viable order and possible improvements of the common human lot only came in accordance with it, but not in ignorance of it. “Political economy is perhaps the only science,” Malthus affirms “of which it may be said that the ignorance of it is not merely a deprivation of good, but produces great positive evil” (PO 526). The knowledge of social structures it professed and the limits to political reason it was able to derive, were built upon the revelation of the presumed natural predicaments of human existence. The principle of population “dramatized for Malthus and his generation the predominance of scarcity in human affairs”, and “earned for political economy the title of the dismal science” (Dupaquier 1983, 196f.).⁴⁹ The clear-headed confrontation with the dire facts of necessity had to be henceforth the basis from which all ideas about viable and possible modes of social order had to proceed; and the anthropological figure of man, incessantly striving to evade the “pressures of finitude” made his appearance.⁵⁰

It is not the case that the eighteenth century had ignored the limits of sentient

metropolis, and, above all, the Mechanics’ Institution, open the fairest prospect that, within a moderate period of time, the fundamental principles of political economy will, to a very useful extent, be known to the higher, middle, and a most important portion of the working classes of society in England” (PO 526).

⁴⁹ The allegation of the “dismal science” stems from Thomas Carlyle (Avery 1997, 87).

⁵⁰ “Necessity, that imperious, all-pervading law of nature, restrains them within the prescribed bounds...and man cannot by any effort of reason escape from it” (PO 8). The time leading towards the turn to the nineteenth century marks in Foucault’s account of the Western episteme the great shift from the classical towards the modern systems of thought. Man as a finite being forms hence the matrix which determines the search for grounds and calls into being the infinite regress between empirical sciences and philosophical foundation (Foucault 1970).

beings and the demands of corporeal existence and needed to be reminded of needs and wants. Quite the converse applies: the sentient being was the starting point, from which thinkers like Hume, Smith, Paine or Condorcet developed their respective reasoning about sociability.⁵¹ Sensibility and sympathy were taken to form the social bond, open to refinement and civilization. At their roots lay wants and needs, which governed the human condition. “No man is capable”, said Paine, “without the aid of society of supplying his own wants.” Necessities and desires form the very nucleus around which society is assumed to emerge. For Paine, it constituted a realm of “mutual dependence and reciprocal interest” and “social affection”: “Commerce, civil intercourse and exchange of benefits” would form an ever more complex web of relations, producing “universal civilization” (Paine 1897, 266 and 309). But the “chilling breath of want”, which Malthus introduced to the scene (PO 334), was still absent - not only in the revolutionary optimism of Paine, but also in the more skeptical

⁵¹ For explicit reference to the “sentient being” as basis of social and political considerations, see, for example, Condorcet (1976, 98) and Condorcet (1955, 128 and 134f). To take the “sentient being” as a basis for social and political thought characterizes the eighteenth century – it provided utilitarian philosophy with its two ‘authorities’ of “pain and pleasure” and it formed the basis “for all knowledge of the interrelations of the physical and the moral” which the rise of physiology in the ‘science of man’ promised to further. “Human beings were more or less irrevocably molded by the complex and interlinked impressions – internal and external - that acted on sensibility”. The medical accounts of the human organism and the social accounts of its order of life meshed in the study of sensibility (Williams 1994, 104, 55, 87, 130). See also (Heilbron 1995, 180). It was very prominently the Scottish Enlightenment which made “sympathy the great cement of human society” (Schabas 2003b, 282f). Sympathy was a notion derived from the study of the nervous system, “which first began to make its inroads into the Edinburgh medical establishment with the appointment of Robert Whytt” (ibid, 290). For a very instructive account of the relevance of the “study of the nervous system” for the Scottish Enlightenment, and thus for Adam Smith and later Malthus see (Lawrence 1979). About the political and philosophical relevance of these arguments see also Hess, who points out that the questions “of the mutual relations, restrictions and connections of body and mind in the individual human being becomes indistinguishable from the question of the structure of the collective body politic”. Separation between body and mind was seen as a sign of absolutist statecraft which “reduces the individual body to a cog in the rational-mechanical political body, while removing the individual mind from the realm of politics proper” (Hess 1999, 22f).

conservatism of Adam Smith (Halevy 1995c, 177):⁵² Nowhere did the *Wealth of Nations* - as contemporary interpretations of Smith remind us - assume such general situation of scarcity on which the ensuing tradition of economic thought came to rest.⁵³ With Malthus, the recognition of the ‘reality’ of corporeal existence assumed a new meaning as the “breath of want” became “chilling”.

The turn toward the “real state of things” enshrined in necessity and scarcity seems thus to be more than the sober awakening from the “imaginary state of things” that Malthus’ rhetoric desires to make us believe.⁵⁴ It rather appears as a step into to a different ‘social epistemology’ – that is, a different account of what constitutes the objectivity and ultimate reality of social order. Condorcet and Paine, whose lack of knowledge about “social structures” Malthus so bemoaned, were not just expounding a political dream when they attended in their way to the “frightening complexity of conflicting interests, that link the survival and well-being of one individual to the general organization of societies” – to use Condorcet’s own words.⁵⁵ The discovery of

⁵² Rothschild gives a very differentiated account of the various claims on Smith as a representative of radical or conservative policies and argues that he belonged to neither side. The caution of her judgment is very instructive. But Halevy confirms the estimation that there is an amount of skepticism against the broad exercise of political reason is very much different from trust for Paine. A similar argument makes Vivienne Brown, finding a “moral fragmentation of humanity” in the *Theory of Moral Sentiments*: “The sage and the philosopher who are able to enter into the dialogism of moral discourse are differentiated from other moral agents, but the rest of humanity, the mob of mankind, can at best hope to live a merely decent life according to given rules” (Brown 1994, 196). What marks Smith out against Condorcet and Paine and puts him into the lineage of Malthus is his belief that “politics is the ‘folly of man’, while economic progress is like *Candide*’s garden, which can be cultivated with success” (Hirschman 1997, 104).

⁵³ “Thus, in WN [The *Wealth of Nations*], the later neoclassical concept of scarcity as the defining characteristic of the economic problem is absent” (Brown 1994, 151f). Smith’s account of a market “associated with [a] social ethic of natural liberty” is “antithetical to the appeal to the great restrictive law of nature in Malthus” (Barker 1981, 163).

⁵⁴ Malthus comments in the following words on Condorcet: “A few observation will be sufficient to show how completely this theory is contradicted, when it is applied to the real, and not to an imaginary, state of things” (PO 320).

⁵⁵ (Condorcet 1955, 131). It is of course true that a liberal-democratic optimism about social structures pertained to Paine’s thought and it could turn into a “trap” and the denial of “sources of coercion” at

the “exact nature of human desires and needs” and their “social effects” were part and parcel of the hopes put on the social sciences in the eighteenth century.⁵⁶ Condorcet no less than Malthus cherished Newton and his experimental and empirical ethos in the ‘making of facts’ in contrast to the ‘systems’ of philosophical or scholastic reasoning.⁵⁷

But “facts” and “systems” related differently for them.⁵⁸ What Malthus thought

work in this realm. For example, in Paine’s defense of the Bank of Pennsylvania on the basis of the obligation of contract, he eschews the question of power pertaining to such institutions. About the two sides in Paine, see (Kramnick 1987, 26ff). But Malthus was not searching for a more sensible account of power relations in the political and economic realm. He thought Paine to be dreaming, because Paine assumed a right to subsistence to belong to the realm of the possible and feasible. Condorcet, who was much more attuned to the long passage of time before the social realm would indeed exhibit the desired structures of equality, had much more than Paine to say about a necessary political judgment and institutional attention to this realm (Rothschild 2001, 178ff). But again, Malthus found his science as nugatory as Paine’s liberal dream.

⁵⁶ In the philosophes’ eyes, Gay describes, scientific detachment and reformist involvement belonged together. “The application of reason to society meant that knowledge and welfare, knowledge and freedom, knowledge and happiness must be made into inseparable allies” (Gay 1969, 322). See also Cohen for the views of the social sciences at this time (Cohen 1994).

⁵⁷ Condorcet thought that the social sciences are a peculiar achievement of his age “dont l’objet est l’homme meme, dont le but direct est le bonheur de l’homme, acquerer une langue egalement exacte et precises, atteindre au meme degre de certitude” (Baker 1964, 213).

Condorcet juxtaposed, just like Malthus, the “vague explanations of Descartes and scholastic absurdities” to “the art of putting nature to the question by experiment so as then to be able by calculation to deduce more general facts”. Much of his theoretical energies were caught with the question of how to “determine facts not linked to general laws”. The “calculus of probability” would ensure that one dealt properly with the “different degrees of certainty” which pertained to social life – life annuities, electoral systems, money, taxation would be the proper fields of application for such modes of reasoning. All the time, “reason”, the “laws of nature” and “science” stood against the world of the “supernatural; extravagance” and “ignorance” (Condorcet 1955, 158f). Rothschild remarks about the caution and circumspection Condorcet showed in respect to proposing any ‘truth of society’: “The process of public choice, a sort of political tatonnement, in which every benefit of a project is compared to every costs, was dauntingly complex” but it could not be avoided, since there was no “hydraulic machine” running by itself (Rothschild 2001, 178f).

⁵⁸ See the book of Mary Poovey for a discussion of the specific relation between systematic standing and empirical observation in the judgment about what would count as an economic fact (Poovey 1998). Malthus indeed exhibited great pains in discarding some observations as valid economic facts in contrast to that “general experience” he wanted to admit to his science since only they would be able to give rise to “general principles”: “But when from this confined experience, from the management of his own little farm, or the details of the workhouse in his neighbourhood, he draws a general inference, as is frequently the case, he then at once erects himself into a theorist; and is the more dangerous, because, experience being the only just foundation for theory, people are often caught merely by the sound of the

to be “absolutely nugatory” (PO 321) was for Condorcet the serious progress in “social mathematics”⁵⁹. He poured over tax schemes, calculations for annuities, theories of probability, designs for electoral systems. Less extensively, but still in a similar spirit, Paine carried out such meticulous calculations - trying to ensure that all would receive their appropriate share of civilization, without nourishing the despotic powers of church parishes and without a complex governmental machine.

The “art social”, which Condorcet defined as the art to achieve the end of “poverty, humiliation or dependence” (Condorcet 1955, 175) – while a “true science” in his eyes⁶⁰ - was fuelled by a political vision; it professed “pious hopes” about the “unbreakable chain truth, happiness and virtue” and was caught in unrestrained belief in the superiority of reason, the innocence of reciprocal trade and the simplicity of a free society (Condorcet 1955, 191f; Rothschild 2001, 156). It did so unabashedly.⁶¹ Rothschild describes in her book *Economic Sentiments* how the eighteenth century – she takes Adam Smith, Turgot and Condorcet as her main examples – had a much

word, and do not stop to make the distinction between that partial experience which, on such subjects, is no foundation whatever for a just theory, and that general experience, on which alone a just theory can be founded...but these advocates of practice do not seem to be aware that a great part of them may be classed among the most mischievous theorists of their time” (PO 558). Poovey quotes the political economist McCulloch on the same issue as follows: “It is not required of the economist, that his theories should quadrature with the peculiar bias of the mind of a particular person. His conclusions are drawn from observing the principles which are found to determine the condition of mankind, as presented on the large scale of nations and empires” (Poovey 1998, 20 and 159).

⁵⁹ Condorcet introduced the term “social mathematics” in 1793, hoping for an exact social science in the service of political reform (Heilbron 1995, 168). “One objective of the social mathematics was to protect the truth of society amidst a mass of uncertain and changing opinions” (Rothschild 2001, 178). Malthus commented about Condorcet’s efforts at “proper calculation” that “no application of knowledge and ingenuity” and “no effort” could help against necessity (PO 554).

⁶⁰ “The social art, he wrote, is a true sciences based, like all the others, on experiments, reasoning, and calculation” (Gay 1969, 344).

⁶¹ The social sciences – comprising at that time the whole field of philosophy, moral theory, law, political economy, history and geography and keen to shed the authority of church and state – were born, so to speak, in the very search for political reform and its representatives actively sought to contribute to a new constitution (Heilbron 1995, 91 and 140, 168).

less-bounded understanding of economy. In their world, “freedom as an end in itself” fared beside the civilization of economic sentiments. While Smith favored the gradual taming of excesses and had little hopes for political reason, Condorcet strove for the progress towards freedom and equality through endless negotiations, calculations and reflections, maintained by all individuals alike, pertaining to all eras of life (Rothschild 2001, 70 and 232). The revolutionary impetus of Paine and the even stronger believer in unflinching reason – William Godwin – would complete this picture. But their intermeshing of science, politics and economics became, in the lense that Malthus carved for the nineteenth century, a realm of mere imagination.⁶²

If one is not content follow Malthus’ own narrative about the end of the “imaginary state”, how is one to read his rhetorical claims towards reality themselves? If the economic reasoning of the eighteenth century was arguably wound up with political hopes, which may seem to be pious or problematic today, what are the hopes underwriting his assertion of presenting nothing but the truth of the reign of necessity juxtaposed to political dreams? To what kind of political vision does the strong boundary between the realm of political reason and its concerns on the one side and the realm of economy on the other side belong? And finally, what kind of necessity

⁶² One should add that Adam Smith had a different fate: he was claimed as a part of the economic orthodoxy, having elaborated the play of demand and supply as the core of economic reasoning. This will then sound like the following assessment by Backhouse: „[B]y the time Adam Smith came to publish his celebrated *Inquiry into the Nature and Causes of the Wealth of Nations* (1776), the notion that economic affairs should be analysed in terms of an equilibrium based on supply and demand was well established“ (Backhouse 1988, 173). The genealogy Rothschild gives of the “invisible hand” – the metaphor par excellence for the self-enclosed economic system in the dominant interpretations of Smith – is revealing and interesting in this respect. She makes a convincing argument that it was an “ironic” notion about systematic beliefs (117), whose use – well known to Smith – in literature and philosophy is traced back to Ovid, Voltaire and the ancient accounts of the “hand of Jupiter”. For Smith, she maintains, it was a “sort of trinket”: not the “discovery of inherent order”, but used for its beauty as a political tool of persuasion (Rothschild 2001, 70, 117, esp. Chapter 4). Within an analysis of the Western episteme, inspired by Foucault, Adam Smith is generally taken to be the intermittent figure between the classical and the modern discursive order Vogl (2002, 247) and Foucault (1970, 170).

and reality is conjured up in this ‘new science’, which claims to be more sober and more realistic than any other?

The boundary, for whose making Malthus was crucial, turned the science of economy into a “walled city” – as Stuart Mill put it – with its own territory and its more narrow concerns about the production of wealth.⁶³ Constructed as an “innocuous and unpolitical system”, it set out to establish unshakable foundations” from “unquestionable facts.”⁶⁴ While it claims just one ‘territory’ amongst others for its science, this restriction appears at the same time as an extension of its bearing: the order it describes - with its inner functional coherence and autonomous in its own laws - claims to be more fundamental than others, breached only under the threat of inviting worse social calamities. It is this conception of ‘the economy’ as an internally regulated field, whose ways of functioning makes and presents its own laws, which becomes the foundation of what I would like to call the ‘double constitution’: a split body politic, where the political realm and its reasoning about power and freedom stands in relation of strict externality to an economic realm, constituted by its laws of functioning, prior to any political reason and more ‘real’ than its counterpart.

The following chapters attempt to show how this division thrives on much

⁶³ Malthus’ instantiations of this boundary read as follows: “Canute, when he commanded the waves not to wet his princely foot, did not in reality assume a greater power over the laws of nature” and one might as well command that “two ears of wheat should in future grow where only one had grown before” (PO 368). In this way he commented on the political interference with wage or the prices of provision: “No stretch of human ingenuity and exertion can rescue the people from the most extreme poverty and wretchedness” (PO 523). Beyond the power of “any revolution” or “change of government”, the social body has to follow its own modes as it is governed somewhere else (PO 385).

⁶⁴ Rothschild describes this shift in the above-mentioned terms of an “innocuous” subject and quotes Jean-Baptiste Say, who had translated Smith for the French-speaking audience and who was appreciated by Malthus for his definition of the subject matter of political economy. He says, “we can succeed in discovering all the general facts which together compose this science...It is established on unshakable foundations, from the moment when the principles which serves as its basis are rigorous deductions from unquestionable facts” (Rothschild 2001, 248). Also see Tribe for this shift and his account of Say (Tribe 2003, 162).

more than some recognition of the complicated structures in the socio-economic realms, which exceed the mechanisms of law and ‘pious hopes’. The account of necessity and scarcity as conditions of life, which it furthers, is different from the acknowledgment of corporeal needs. Instead – as will be shown – it bespeaks a comprehensive political vision, which works through the division between the economy and the political sphere so understood. The term ‘double constitution’ means to capture this ‘double’ writing of a *political* constitution. It supplements a liberal political half of rights and negative liberty with a vision of order for the social body, supposed to promise civilization and support for the liberal freedoms.

Necessity and scarcity, which the principle of population so prominently introduced, belong to this attempt to determine the foundation and regulatory kernel of such order. The claims to speak nothing but the reality of the ‘order of things’ and bodies reveals itself – this is the thesis to be rendered plausible – as a dream of foundation, which cherishes a particular form of ‘visceral reason’⁶⁵: molded within the passions and desire, it constitutes the proper subjects, determines the terms of their relations and conduces them to fit the body politic. The reflections about the peculiarity of relations mediated by things, money and machines and needs follow hence the overarching political quest for foundation and are molded in this perspective. One of its most lasting effects is the frame it furnishes for political reason itself: hoping for an order which has its own laws and carries its own foundations – a hope tied to the reign of necessity – it delineates a realm towards which the questions of power, freedom or hierarchy cease to be posed. Likewise, the science of economy

⁶⁵ I have adopted this term from an article by Geoffrey Waite (2005). It was so fitting that it kept itself attached to the argument, although the use in the original article is different. Here it is intended to refer to the making of reason by the shaping of the material and libidinal ‘economy’ of the body.

also ceases to analyze or reflect upon their subject matter with a view to the relations of power. It is thus for the sake of founding this order that the sentient being – with its manifold desires and needs, among which ‘liberty belonged to the first of the human heart’, as the wife of Condorcet put it – turns into a ‘naked body’, subjected to necessity and cared for in an order of economy solely able to alleviate the “chilling breath of want”.⁶⁶

Today one rarely hears about Malthus, that “chilling breath” or the drama of life and death that is given such importance here. Malthus wore the “mantle of fame”

⁶⁶ This transformation is in some respect a transformation of the utilitarian frame. Utilitarianism was ubiquitous at the time, as Halévy recounts: it belonged to British radicalism, to French enlightenment, to Bentham’s panopticon and to Ricardo’s systems. In its broadest meaning, utilitarianism questions the authority of moral precepts derived from some natural law or given authority. It refers those obligations to the consequences and degrees of ‘utility’ or ‘happiness’ they bring and assumes those benefits as the only normative measure. Emerging against the authority of church and state, it belonged to the fundamental questioning of inherited authorities. But its carrier and meaning shifts with different systems of thought. And it carries its own dangers since whatever is deemed useful can override individual rights, especially when linked to an account of a cohesive social body whose collective benefits are announced by the few. It was Godwin who went furthest towards a complete utilitarian account in the service of political reform, equality and freedom, coming closest to the dangers it entailed, although, as Halévy qualifies, he could not pass as a pure utilitarian on account of his conception of man as a rational being, i.e., more than a being of pleasure and pain (Halévy 1995a, 61). He eschewed right as the foundation of the body politic and declared, just as Malthus did, that there is no right to live. The happiness of each and all is the sole reference point and no contracts or promises are binding against it. It led Godwin to undo property rights and it also induced him to measure each individual’s worth in respect to the utility s/he has for the social body: the chambermaid would thus certainly, he ponders, prefer that the bishop be rescued from the fire instead of herself. Godwin opposed any coercive power of the state – thus it could only be the chambermaid herself who renounced her life (Godwin 1993, 59). Malthus abhorred the reason which Godwin portrayed, but like him he opposed a state that coerced the distinctions of ‘worth’ onto a human being. But, Malthus did not reject the utilitarian frame of happiness as the horizon of his political philosophy, and, most importantly, he did not shun the questions of individual worth – on the contrary. It might be sufficient to hear one quote, bringing to the fore the question of individual worth: “[T]he quantity of provisions consumed in workhouses, upon a part of the society that cannot in general be considered as the most valuable part, diminishes the shares that would otherwise belong to more industrious and more worthy members, and thus, in the same manner, forces more to become dependent” (PO 365). In general one can say that “economics” elaborates the social philosophy of utilitarianism in a certain way and it presumes a “personified society which tries to make the best of the available resources” as Myrdal put it. Jevons would confirm that “the general forms of the laws of Economics are the same in the case of individuals and nations; and, in reality, it is a law operating in the case of multitudes of individuals which gives rise to the aggregate represented in the transactions of a nation” (Jevons 1924,15) and (Myrdal 1954, 17).

of being the country's foremost economist only for a short time; after two decades it fell to Ricardo, who codified political economy into that set of laws, which even Marx took to be the highest scientific achievement of the age.⁶⁷ Against the rigorous deductions of Ricardo, Malthus' observations on the matter lacked the air of unfailing logic and precision; is more considerate of the failings and shaky grounds of that system of thought still in the making. But in the meanwhile Ricardo also belongs to history. Both of their old-fashioned arguments on population, hunger, hours of labor and value ring unfamiliar and outdated today; a more and more formal definition of economy seems to have replaced these foundations. The urge to resemble the natural sciences and to achieve their assumed neutrality made the older definitions of wealth and value appear as manifesting an embarrassing commitment to an outworn political

⁶⁷ McNally comments on this as follows: "It is an interesting irony of the intellectual history of early nineteenth-century Britain that, although he was out of step with a number of the main doctrines of classical political economy, Malthus becomes a central figure in this tradition". Being out of step refers to Malthus' opposition against the free trade in corn, on which we will shortly touch in a later chapter. McNally continues: "In fact, for perhaps twenty-five years – during the first quarter of the nineteenth century when classical political economy assumed the form of an orthodoxy – Malthus' essay ranked second only to Smith as a cornerstone text of classical economics. As one biographer notes, Adam Smith's mantle had fallen upon Malthus, he was regarded as the country's foremost living political economists". (McNally 2000, 438f). The biography he refers to is the one written by James (James, 168 and 246). See also (Redman 2002, 270). Eli Halévy points out very clearly the central role of Malthus and his rendering of the principle of population for the systematization and unification of 'the economy' and its science: "One sees the role, which the principle of population and the law of rents, derived from it, plays in constituting the new political economy: it is an principle of unification. Henceforth, the variations of rent, of wages and profits could not be studied separately anymore...they all stemmed from a single and singular law". This quote in English is the attempted translation from the original, which goes and continues as follows: "On voit quel rôle joue, dans la formation de la nouvelle économique politique, le principe de population, complète par la loi de la rente, que en derive: c'est un principe d'unification. Désormais, les variations de la rente, du salaire, des profits, ne peuvent plus, comme elles le pouvaient du temps d'Adam Smith, être étudiées séparément: elles dérivent d'une seule et unique loi. Et l'économie politique, conformément au rêve de James Mill, va reprendre, quoique en un sens nouveau, le caractère rigoureusement systématique qu'elle avait présenté, en France, au XVIII^e siècle, chez Quesnay et les physiocrates: en 1817 paraissent les Principes de l'économie politique et de l'impôt." (Halévy 1995a,162). The title he mentions at the end refers to Ricardo's book *On the Principles of Political Economy and Taxation*. Once again Halévy on this role and the link Malthus forms between Adam Smith and Ricardo: "Le système de Ricardo, que est une pièce essentielle de l'utilitarisme intégral, derive au moins autant de Malthus que d'Adam Smith" (Halévy 1995b, 66)

anthropology, to moral precepts and political meanings. Stanley Jevons, one of the three fathers of the neoclassical tradition, who is praised for his insights still today, declared in 1870 the final overcoming of all ‘metaphysical’ connotations of the notion of value when he defined economic as resting on the ‘marginal’ calculation of ‘pleasure and pain’. But while the marginal calculus eschews the labouring body as an objective measure, it does not eschew scarcity. This notion has remained in its central position ever since Malthus and proves to be the *sine qua non* of economic matters, for Jevons and his neoclassical colleagues no less than for Marx. In reference to scarcity are the rules, the regulatory powers, the necessity and identity of the realm erected.⁶⁸ “Bref, “ as Halevy put it perspicaciously in such small and unimportant looking sentence which nevertheless carries great weight, “l’utilité ne saurait devenir objet de science que dans les cas où elle s’achète au prix d’une paine” (Halevy 1995b, 11). Therefore Malthus remains in some sense a contemporary: it was he who furnished the tradition with the key to its coherence and regulatory powers, rendered it more self-enclosed and self-standing after his death.

But the political economist remains incomprehensible without the political philosopher who accompanied and spurred him. The ‘double constitution’ which the political philosopher sought – and which the political economists wrote – answered to a particular *political problématique* into which the events of the time coalesced for him. It was certainly a time of utter upheaval and stark debate, fuelled by the French Revolution abroad. The following and final pages of this chapter turn to the worries of the political philosopher and seek to elucidate the *political problématique* pressing on

⁶⁸ “The sum total of all things, material or immaterial, on which a price can be set because they are scarce (i.e. both useful and limited in quantity) constitute social wealth” [emphasis added, ut] – so defines Walras the matter towards the end of the nineteenth century (Walras, 40).

him. From afar, one can already record how fundamentally the events of the time challenged the inherited understandings of order and political reason. The word liberty, which the English constitution was proud to claim for the existing order, suddenly carried “alarm and sedition in its sounds” – such said Thomas Muir in his courtroom in 1793 and predicted that this word was soon to be proscribed from the language.⁶⁹ The works of Paine and Godwin had imbued the liberal distinction between the realm of property, need and liberty on the one hand and sovereign power on the other hand with a call for profound reform or revolution, democratic passion and critique of poverty.⁷⁰ What the liberal political constitution would mean – and Malthus was certainly committed to this cause⁷¹ – became in indeterminate question: all its constituent parts – bodily protection, liberty and individual judgments – shed the calmness of a coded legal order and its bounds. Malthus answered to this indeterminacy and the wide ranging hopes and fears accompanying it. At the end stood a double constitution which linked liberalism to the notion of scarcity and both halves were settled on their side, written in one stroke (Wolin 2004, 285).

⁶⁹ (Rothschild, 59). Thomas Muir was ‘marked out for exemplary punishment because he had openly distributed Paine’s work for the ‘lower orders’ (Thomis 1977, 15).

⁷⁰ The revolution “was to embrace the entire economy of society, change every social relation and find its way down to the furthest link of the political chain, even down to those individuals, who, living in peace on the private fortune or on the fruits of their labour, had no reason to participate in public affairs” witnessed Condorcet, for France, this extension of the political realm (Condorcet 1955, 150ff).

⁷¹ As one exemplary case of his view on government, power and freedom, might stand the following: “That there is, however, in all power a constant tendency to encroach is an incontrovertible truth, and cannot be too strongly inculcated. The checks, which are necessary to secure the liberty of the subject, will always in some degree embarrass and delay the operations of the executive government....If we once admit the principle, that the government must know better with regard to the quantity of power which it wants, than we can possibly do with our limited means of information, and that, therefore, it is our duty to surrender up our private judgements, we may just as well at the same time surrender up the whole of our constitution. Government is a quarter in which liberty is not, nor cannot be, very faithfully reserved” (PO 503).

Bread, Masses and Political Reason

At the end of the eighteenth century, the political stage extended its bounds in unprecedented ways. Not only was it occupied by masses of people new to it and directed to a wider audience, but it also had new issues brought to it: questions of bread and subsistence raised political passions and achieved a political import which they had not before.⁷² The French Revolution certainly had its share in anchoring this simultaneity of popular exercise of political reason and questions of subsistence firmly in the spectator's mind. The six thousand women marching in October 1789 to Versailles to demand bread, bringing the monarch back to the city, was one of its instantiations, the 'Great Fear' associated with the coalescing peasant insurrections in the summer of 1789 another. "Public opinion was on the march" as "thousands of starving and unemployed French men and women" would transform a "political crisis into a political and social revolution."⁷³ The sans-culottes were exclaiming "bread or death" and "bread and constitution" and the question of subsistence formed the backdrop of the involvement of the masses in the political upheavals.⁷⁴

Malthus did not have to look across the channel in order to find the powerful manifestations of the broadening of political reason and the new concerns about life it encompassed. The English scene had been characterized by the rising "expression of public opinion outside of parliament" since the 1750s (Royle 1982, 42). Royle notes

⁷² "The revolution was the first point in French history at which persuasion of a mass audience was crucial and an integral part of the political phenomenon"

⁷³ The deeds of women received the most pronounced demonization in the critical accounts of the French Revolution. See for example the analysis of the German Press at that time, of which... gives a lucid account in (Gamper 2002, 572f)

⁷⁴ Rude maintains that the "French Revolution served as a watershed, tending to inject a political content to such disturbances where it did not exist or hardly existed before" (24-29). The slogans of the sans-culottes are described in (Rude 1959, 24-29, 140, 156)

“the expansion and quickening” of channels of communication – such as turnpike roads, the postal service, newspapers, as well as a multiplying number of coffee houses and discussion clubs – which “was fostering a new interest in politics beyond the narrow oligarchy at Westminster”. The foundation of societies like the *Society for Constitutional Reform* became instrumental in the widening of the public base for political contestation: “Most remarkable of all the SCI’s features was its industry and vigour in bombarding the country with free or cheap radical literature” (ibid., 17; 30). The fame and influence of Paine’s *Rights of Man*, which created a “style of radicalism and transformed the face of English politics”, was based on this increased readership: “Few parts of the country seemed untouched by Paine’s words”; he was ubiquitous as he was influential. In the Potteries, “Paineite publications are in the hands of most of the people”. “To an unprecedented degree”, judges Wells “politics were popularized” (Wells 1986, 21).

The “undeniable fact of mass readership” coincided with an underlying social unrest, which was continuously present throughout the 1790s. The years 1795 and 1796 saw the “largest outbreak of food disturbances to occur in England at any period” (Darvall 1934, 65). In general, those protests still belonged to the familiar pattern of eighteenth century popular protests, which were local in dimension and bound in their claims for fair price and redress in the distribution of bread and provision.⁷⁵ But the protagonists of the British radicalism provided the political language to link the question of bread to a broader political horizon; perhaps they even agitated to do so.⁷⁶

⁷⁵ Dinwiddy strikes a middle chord, assuming that “at least a great deal of passive dissatisfaction” existed and that the time between 1795 and 1802 constitutes an “important phase in a change in the “sub-political attitudes of the masses” [quotation marks] (Dinwiddy 1991, 48) Historians are divided about how far subsistence issues and “passive dissatisfaction” of the masses became indeed effectively politicized and radicalized. See also (Christie 1991, 176) for a more skeptical voice.

⁷⁶ Wells describes how the political societies, like the LCS, sought to address the wider public by taking

Above all, there was a great fear on the side of British government and its supporters that the “radical nature” of the ideas amounted to an “intended revolt” which needed to be answered with the harshest measures⁷⁷. The string of violent popular protests, among them food riots, compounded these fears.⁷⁸ Food, rights, universal suffrage and constitutional changes presented a dangerous mélange of issues, merging here and there, or threatening to merge in ways not foreseen, as even “children’s sweetmeats were wrapped up with parts.”⁷⁹

Malthus feared these most unfortunate ways that the question of life entered

up the issues of food. Thelwall, talking at the meeting at Copenhagen Fields in October 1795 in front of more than 100000 people denounced the food riots and instead made a claim about the ‘systematic’ causes of the shortages (Wells 1986, 76).

⁷⁷ “The British government faced widespread, organized pressure for parliamentary reform, and a public which had been so encouraged to flirt with republicanism by Paine’s work that the social and political elite had felt it necessary to organise to an unprecedented extent in defense of the status quo and the constitution” (Philp 1991, 9). Thomis makes the argument most strongly, maintaining that the “British government would react in a less than rational manner when confronted with reform demands”, while “never in the 1790s did reform threaten to become a mass movement” (Thomis 1977, 13 and 7). He argues that, while the food riots did put law and order in danger, they remained quite apart from the political movement, “which made no attempt to exploit social and economic discontent for political advantage.” He also contends that by the turn of the century “the cause of political reform had still not reached the people in any great numbers”. See Royle and Wells below for a different account of the situation. Apart from the highly diverging accounts, there is unity about the unprecedented amount of popular participation and about at least the perception of the instability and contestation. Therefore, the claim here, that the sense of a political reason ‘out of bounds’ was pervasive, is corroborated by the historical record. Rude describes the situation as follows: “Political motivation played a more important role in popular disturbances” at the end of this period, “though it is certainly not a distinctive feature of the period as a whole”. But the French Revolution tended to inject political content to social disturbances *on both sides of the channel* (Rude 1959, 24ff)

⁷⁸ They also prominently included the naval mutinies in 1797/98 and the revolt in Ireland in 1798. (Philp 1991, 9)

⁷⁹ See footnote 57 for reference. Royle brings the example of the industrial city of Sheffield, where “in December 1791 local artisans crossed the threshold from traditional economic grievances to a more fundamental political critique” (Royle 1982, 49ff): “[T]he LCS [*London Corresponding Society*] began to speak with a collective voice for London’s distressed artisans and, more generally, for the dispossessed throughout the nation.” To refer to Wells again: “Time and time again political slogans appear, for example, during disturbances over food prices...Even outside the main centres of radicalism, there were handfuls of men who could politicize popular issues. Whenever economic, and with it social disaster struck, the resultant situation permitted ‘a conjunction between the grievances of the majority and the aspirations articulated by a politically conscious minority’” (Wells 1986, 21).

onto the political stage of his mind. With the events of the French Revolution in mind, he pictured “a mob”, “goaded by resentment for real suffering”, “clamouring for want of food”, “but totally ignorant of the quarter from which” the sufferings originate.⁸⁰ This is, he contended, “of all monsters the most fatal to freedom”. He tells a story of fatal reproduction in which the political constitution is hastened to “euthanasia”: “[The mob] fosters a prevailing tyranny, and engenders one where it was not; and though, in its dreadful fits of resentment, it appears occasionally to devour its unsightly offspring; yet no sooner is the horrid deed committed, than, however unwilling it may be to propagate such a breed, it immediately groans with a new birth (PO 501). “Unceasing change and unceasing carnage” cannot but follow the “seeds of fresh discontents and fresh revolutions” (PO 500f), which are sown by “false expectations and extravagant demands” (PO 513). The familiar tropes of anti-Jacobin rhetoric underwrite this story of dying constitutional liberties, in which “utopian theories beget savage mobs, who rage out of control” and which “nothing but the establishment of some complete despotism could arrest” – Malthus feels compelled to admit, although he is such “friend of freedom and an enemy to large standing armies” (PO 501).⁸¹

⁸⁰ The full quote is as follows: “A mob which is generally the growth of a redundant population goaded by resentment for real sufferings but totally ignorant of the quarter from which they originate, is of all monsters the most fatal to freedom”; and “If political discontents were blended with the cries of hunger and a revolution were to take place by the instrumentality of a mob clamouring for want of food, the consequence would be unceasing change and unceasing carnage, the bloody carrier of which nothing but the establishment of some complete despotism could arrest” (PO 501; see also 494).

⁸¹ “In all these works of the conservatives the revolutionary crowd is depicted as demons and monsters” (Sterrenburg 1979, 148). Malthus’ account of this familiar plot has a twist added, since not only the mob, but also the defenders of order ‘raged out of control’: “But not only have false expectations and extravagant demands suggested by the leaders of the people given an easy victory to government over every proposition for reform...but they have furnished the most fatal instruments of offensive attack against the constitution itself. They are naturally calculated to excite some alarm, and to check moderate reform; but alarm, when once excited, seldom knows where to stop” (PO 513). There are several mentions in the scholarly literature of how the “illuminate”, who were begetting such monstrous masses, were themselves depicted as monsters. This was the fate of Godwin and of Condorcet (Rothschild, 18) and (Avery 1997, 41).

The causes for the “euthanasia” of the constitutional liberties pointed for Malthus to the failures of political judgment on all sides. There were those “country gentlemen” who were “too easily convinced” by “exaggerated statements” and “exaggerated fears” to give up some of the “most valuable privileges of Englishmen” “without adequate necessity” (PO 502 and 513). There were also those who answered to the “exaggerated expectations of the people”, who in turn had the “power of creating these exaggerated fears, and of passing these acts”. And there is no doubt on Malthus’ side, that those latter ones had a severely impaired judgment on political matters: “If the *vox populi* had been allowed to speak, it would have appeared to be the voice of the error and absurdity instead of the *vox Dei*” (PO 502). But in the midst of all were those “discontent and turbulent men of the middle classes”, those “dissatisfied men of talents”, who have the power to persuade the lower classes of people that all their poverty and distress arise solely from the inequity of the government (PO 500 and 505f)⁸². It is they who imbue “the poor” with “extravagant demands”, who are “by no means inclined to be visionary” and whose “distresses are always real” (ibid.).

The *problématique* which Malthus takes from the historical conjuncture is thus one of political judgment and the form of reason guiding it. His main allegations, uttered in so many versions, are directed to the ‘dissatisfied men of talents’ who have lost measure in their political visions and in whose hands ultimately the “melancholic” fate of the constitution of liberty is made. They have been carried away by the successes of reason and science in the eighteenth century; “elate and giddy” they have embarked upon “wild flights and unsupported assertions” (PO 328).⁸³

⁸² The “revolutionary horrors” are “to be expected from the people acting under such impressions” (PO 506).

⁸³ It is a sense of the possible and the unlimited which Malthus finds in writers like Condorcet, who extended his account of the perfection of the “social art” to speculation about the “organic

There is almost no other theoretical boundary so charged and anxiously guarded than the one between the wild and speculative bent of reason and the sober and controlled recognition of reality: “The late rage for wide and unrestrained speculation seems to have been a kind of mental intoxication” and the “wildest and most improbable conjectures may be advanced with as much certainty as the most just and sublime theories...the grand and consistent theory of Newton will be placed upon the same footing as the wild and eccentric hypothesis of Descartes” (PO 325). “We might as well shut our eyes to the book to nature”, and Malthus predicts, that “there will be at once an end of all human science” and the “whole train of reasoning from effects to causes will be destroyed” (ibid, 324): “They are throwing us back again almost into the infancy of knowledge” (PO 328).

The fear of the “unrestrained speculation”, in which “everything appeared to be within the grasp of human powers” (PO 325), is not severed from the problem of political judgment. The rhetoric of “extravagant” promises towards the people, the “mental intoxication” of the man of science and the inculcation of “visionary” hopes into those who only have “real sufferings” mingle into a single alarm about the lack of limitation and foundation for political reason and its judgments. Boundless reason threatens to throw all political constitution achievements “upon a wide sea of experiment” (PE 303) as a “general disappointment would probably lead to every sort of experiment in government” (PO 512). The image of the ‘wide sea’ has a long history in political thought and philosophy: from Plato’s *Gorgias* to Cicero’s *De*

perfectibility” of man and concluded his sketch on the “progress of the human race” with the possibility that life itself might stretch infinitely. To this lack of limits, Malthus reacts with a rhetorical fervor which has no consideration of their common commitment to “patient investigation” and “well-supported proofs”; instead, he generalizes about the “bewildering dreams” and “extravagant fancies” which have taken hold of his adversaries (ibid. and 324).

Republica to Kant's *Critique of Reason*, the sea is always suspicious, tempting with "soaring hopes and dreams". Kant, most contemporary to Malthus, conjured the image of a "shoreless ocean, which after alluring us with ever-deceptive prospects, compels us in the end to abandon as hopeless all the vexatious and tedious endeavour" and to return to the "coastline of experience".⁸⁴ The images amalgamate, pointing all to the horrors of the lack of proper ground for the claims of political reason or speculation. They inversely call for the "island shores of refoundation" and the "terra firma" it is supposed to give.⁸⁵ Burke, to travel closer to Malthus in time and place, depicted unrestrained democratic exercise of political reason in a similar vein, as having "no fundamental law, no strict convention, no respected usage to restrain it." "Nothing in heaven or upon earth can serve as a control on them".⁸⁶

It is to this boundlessness and indeterminacy of political judgment that Malthus seems to answer with his fears about the "wide sea of experiment" and an unguided political reason. "The circulation of Paine's Rights of Man" he says, "it is supposed, has done great mischief among the lower and middling classes of people in this

⁸⁴ The reference to Plato was found in (Ranciere 1995, 1). Ranciere contends that "the whole political project of Platonism can be conceived as an anti-maritime polemic. The *Gorgias* insists on this: Athens has a disease that comes from its port...The great beast of the populace, the democratic assembly of the imperialist city, can be represented as a trireme of drunken sailors. In order to save politics it must be pulled aground among the shepherds" (ibid.). The reference to Cicero stems from a paper by Emma Rothschild, given to circulate at a seminar, with the title "Language and empire, c. 1800". The "soaring hopes and dreams" are invoked by Romulus, when he decides not to found the city of Rome 'down by the sea'. She gives the following reference: Cicero, *De Re Publica. De Legibus*, trans. C. W. Keyes (Cambridge, Mass., 1928), pp. 115, 117 (bk. II, ch. iii, para. 5, bk. II, ch. iv, para. 7). The quote from Kant stems from an article by Simon Jarvis (Jarvis 1997).

⁸⁵ (Ranciere 1995, 1)

⁸⁶ (Burke 1999, 436). Burke's view on the prospects of unrestrained reason were even more disheartening than those of Malthus, but they certainly share the idiom of 'false ideas' and 'vain expectations': "The new conquering empire of light and reason is a purgatory of universal reflectiveness, a monstrous fiction of inspiring false ideas and vain expectations in men destined to obscurity. It promises a tumult of multiple, competing theories, in which individuals are hesitating in the moment of decision, skeptical, puzzled and unresolved" (Rothschild 2001, 151).

country. This is probably true; but not because man is without rights, or that these rights ought not to be known; but because Mr. Paine has fallen into some fundamental errors respecting the principles of government, and in many important points has shown himself totally unacquainted with the structure of society...". What is needed is thus a "general knowledge of the real rights of man" and the populace's capacity to understand them (PO 504). Easily made to follow the "false ideas" and the "extravagant claims", the proper political judgment is a frightfully insecure thing and fails with the "claimouring for food" and the "real sufferings".

Malthus had no high hopes about the democratic exercise of political reason. The "labouring classes", due to the "scanty knowledge which fall in general to their share" are rather likely to "be deceived by first appearance" (PO 342). Unfortunately - he argues, alluding to Hume - "there is no science in which appearances are more deceitful than in politics".⁸⁷ It requires the recognition "of a general good, which we may not distinctly comprehend, or the effect of which may be weakened by distance and diffusion" (PO 438). It is not the case that Malthus assumed, as Burke did, that people are "destined to obscurity" or that the "good laws" could equally be framed under despotism;⁸⁸ censorship was to him not a desired policy and he was a supporter of general education.⁸⁹ Malthus' fears about the exercise of political reason rather

⁸⁷ "[I]t has been observed by Hume, that of all sciences there is none where first appearances are more deceitful than in politics. The remark is undoubtedly very just, and is most peculiarly applicable to that department of the science, which relates to the modes of improving the condition of the lower classes of society" (PO 558).

⁸⁸ The "personal respectability" and more "equal and liberal mode of treatment from their superiors" associated with the representative system belonged to its advantages. But Malthus, it should be noted, completes this acknowledgement with a utilitarian argument about how this would increase the "fear of personal degradation" and thus powerfully co-operate with the "security of property in animating the exertions of industry" (PO 508).

⁸⁹ "From the general ideas which I have found to prevail on these subjects, I should by no means say that it would be a difficult task to make the common people comprehend the principle of population, and its effect in reproducing low wages and poverty" (PO 215). "...it must always be the wish of those

belong to that long tradition of liberal skepticism, which is unsure about the merits of individual judgment.

Sheldon Wolin has given a lucid account of this wavering in the liberal tradition, which he traces back to John Locke's apprehension that the great majority would not arrive at an understanding of natural law.⁹⁰ The question of "knowledge and criteria of judgment" as appropriate to the political realm "have both guided and disquieted Locke's intellectual efforts" (McClure 1996, 63 and 69). Wolin suggests distinguishing British radicalism – which employed all of the cherished political and economic categories of liberalism – from the liberal tradition on account of this skepticism, which they did not share.⁹¹ But Malthus was plagued by it. Within the context of mounting political passions and contestations of what these rights entail, his

who are better informed, that they [the labouring classes] should be brought to a sense of the truth, rather by patience and the gradual diffusion of education and knowledge than by any harsher methods" (PO 342). "And it does not seem entirely visionary to suppose that, if the true and permanent cause of poverty were clearly explained and forcibly brought home to each man's bosom, it would have some, and perhaps not an inconsiderable influence on his conduct; at least the experiment has never yet been fairly tried. Almost everything that has been hitherto done for the poor, has tended, as if with solicitous care, to throw a veil of obscurity over this subject, and to hide from them the true cause of their poverty....it cannot be said, that any fair experiment has been made with the understandings of the common people" (ibid. 484). See also the discussion of Halevy on Malthus' attitudes on education, especially on the utilitarian foundation of his argument in comparison to the already existing institutions of public education and their foundation in the hands of dissidents and Methodists, who had recourse to a notion of justice: "Entre 1796 et 1807, l'influence de Malthus s'est exercicée sur le parti liberal. Elle a été une influence démocratique. Pour ce qui touch en particulier a l'éducation des pauvres, la théorie radicale de l'instruction populaire est d'origine malthusienne." (Halevy 1995a, 133 and 116)

⁹⁰ Since "natural law", which provided the foundation for legitimate power and spaces of freedom, was, as Locke admitted, "unwritten, and so no where to be found but in the minds of Men," the judgment about its content was precarious. (Locke 1999, 358).

⁹¹ "[C]ritics have lumped together two distinct traditions of political thought: democratic radicalism and liberalism. Although the former drew inspiration from Locke, its outlook was largely molded by eighteenth-century rationalism and the experience of the French Revolution. Liberalism, on the other hand, had its roots in the period before the French Enlightenment. It, too, leaned heavily on the political principles of Locke, yet most important to its development are the later stages in which it was filtered through classical economics and exposed to the philosophies of David Hume and Adam Smith, two thinkers distinguished by a profound respect for the limits of reason and the pervasiveness of irrational factors in man and society" (Wolin 2004, 263)

skepticism was accentuated together with his unwillingness to forego individual judgment on political matters. Political reason required firm guides and proper distinctions – grounds within the “wide sea of experiments”. These grounds had to teach “simple duties”, “intelligible to the humblest capacity” (PO 524). In Malthus’ writings about the “natural law” of population – at the same time an object of proper Newtonian science and the law of the social body – its simplicity and universality is cherished and praised. Inversely, “[i]f the laws of nature be thus fickle and inconstant, ...the human mind will no longer have any incitements to inquiry, but must remain sunk in inactive torpor, or amuse itself only in bewildering dreams and extravagant fancies. The constancy of the laws of nature, and of effects and causes, is the foundation of all human knowledge” (PO 324).

“We have reason to think”, he says, “that it is more conducive to the formation and improvement of the human mind that the law should be uniform” (PO 471). The requirements of secure knowledge and science and the proper grounds for political reason seem to shade into each other, simplicity and constancy are proper, and one cannot help but relate to the “humblest mind” who is overtaxed in finding the “general good we may not distinctively comprehend”. Seeing Malthus’ praise for the law – “constant” since “the world began” and fitting the requirements of the human mind which without it is lost in the arbitrariness of “wild flights”, lost without any “chain between causes and effects” – as the praise of the political philosopher for the proper foundation of political judgment, might also find support in the fact that Malthus was by no means so sure that “fixed” and “general” laws are appropriate for the field of economy. “General principles”, he said, “should not be pushed too far and

“propositions require limitations and exceptions” (PO 562; PE 8).⁹² The drama between poor land, insufficient subsistence and hungry bodies – which the principle of population introduced as the eternal truth of the system – might be subdued by the course of time. Malthus even pondered, astonishingly enough, that “Smith has forgotten land”, but was more right than wrong for doing so (PE 233).

Yet, all these qualifications did not change the search for the firm ground, associated with fixed and immutable, simple and unavailing laws. This search answered to the anxieties of the political philosopher who is embroiled in founding “a different politics, a politics of conversion which turns its back on the sea,” as Ranciere puts the matter figuratively, resorting to the metaphor of the “shoreless sea”. It is this search for foundation and order, which propels the split of the body politic into its two constitutional sides. The first lesson Malthus has to tell Paine about the “real rights” of men is that – in contrast to all the imaginary flights about political reason – man has no right to live, simply because the provision for life “is principally an affair of power and not of rights.” And he who “ceased to have the power ceased to have the right (PO 505).⁹³ And these powers are not only rarely amenable to a sovereign decree, they are also about a system of “general principles” and “laws” which do not belong to the realm of political reason. Historical experience seemed to have taught Malthus that the democratic exercise of political reason, the vagaries of political judgment and the issue

⁹² “...yet there is no truth of which I feel a stronger conviction than that there are many important propositions in political economy which absolutely require limitations and exceptions; and it may be confidently stated that the frequent combination of complicated causes, the action and reaction of cause and effect on each other, and the necessity of limitations and exceptions in a considerable number of important propositions, form the main difficulties of the science, and occasion those frequent mistakes which it must be allowed are made in the prediction of results” (8f PE).

⁹³ “The Abbe Raynal has said that ‘Avant toutes les lois sociales l’homme avait le droit de subsister.’ He might with just as much propriety have said that, before the institution of social laws, every man had a right to live a hundred years...” (PO 505).

of life can only result in a “carnage” against which firm walls needed to be erected.

CHAPTER 2

SCARCITY THE MAKING OF THE ORDER OF BODIES

The principle of population is disarmingly simple. Nothing in it seems to indicate that it would assume such paramount role for the modern understanding of ‘economic reality’. Malthus states its most general form in the introduction of his work:

“Population must be always kept down to the level of the means of subsistence”.

Confined to this general level, Malthus knows, the principle is “incontrovertible,” like an “impregnable fortress” of “abstract truth” (ibid), already known and widely accepted.⁹⁴ But few have inquired, he continues, into the “various modes by which this level is effected; and the principle had never been sufficiently pursued to its consequences” (ibid, ii; 47; 29). His inquiry into these various modes will lead him to stage dramatically the different ways in which needy and wanting bodies would encounter the conditions of their livelihood, often being denied what they need or condemned to misery or death. The most infamous passage of the second edition – removed later because of the uproar it caused – which contends that at “nature’s

⁹⁴ The question of population was posed before Malthus – although in different terms than he did. The eighteenth century linked a rising population to the power and strength of the state Foucault sees the change coming in the middle of the century, when the notion of population became an object of governance, replacing the *raison d'état* as the horizon of political reflection. Thinkers like Mirabeau and Cantillon articulated the same simple rule - that the means of subsistence are the measure of population - as Malthus did, but with a different theoretical import and different consequences to be drawn from it (Foucault 2004a, 110f.). Foucault refers mainly to the French context; for England, it was the work of Wallace and Townsend moves already into the same perspective on population as Malthus and he refers to him several times in approving fashion (James 1979, 58f). Polanyi describes the change as following: „The change of atmosphere from Adam Smith to Townsend was, indeed, striking. The former marked the close of an age which opened with the inventors of the state, Thomas More and Machiavelli, Luther and Calvin; the latter belonged to that nineteenth century in which Ricardo and Hegel discovered from opposite angles the existence of a society that was not subject of the laws of the state, but, on the contrary, subjected the state to its own laws” (Polanyi 1957). For a short overview of different views on population before and after Malthus, see (Toye 2000).

mighty feast there is no vacant cover for him” who came into a “world already possessed”: “She tells him to be gone” (PO 697). These dramatic encounters with the limits of life are looming at the horizon when Malthus sets out to elaborate on other ways to encounter limits: those which are conducive to the happiness of society, forging it out of the recurrent attendance of catastrophe onto the long line of progression – in a word, those pertaining to a proper economy of the social body (PO 29).⁹⁵

The problem of population has since the time of Malthus been vividly imagined as a catastrophic misfit of bodies and their space or conditions of living: crowding in ships, falling from the earth or even exploding the earth itself. In each case the prospects for a viable social or political order are undone.⁹⁶ While they are repeated in quite different contexts, they seem to uniformly present dramatic instantiations of general fears and threats posed by disordered and alien ‘bodies’ towards all political and civilizational achievements. To Malthus, it was the precarious reign of liberal freedoms that could not hold against an uncontrolled social body:

⁹⁵ How much Malthus takes the study of the different modes of ‘regulation’ of the population to its proper level of subsistence as his main aim can also be read in the following remark: “The question, applied generally, appears to me to be highly curious, and to lead to the elucidation of some of the most obscure, yet important points, in the history of human society. I cannot so clearly and concisely describe the precise aim of the first part of the present work, as by asking that it is an endeavour to answer this question as applied” (PO 47).

⁹⁶ This fear about the failures of order and reproduction has not ceased in the twentieth century – on the contrary. “Unease” and “alarm” are caused by the “implications of 6 billion human beings now sharing the limited resources of one planet in 1999; 1968 is the date when Paul Ehrlich published his international best-seller *The Population Bomb* echoing Malthus’ concerns two hundred years later. In a reference handbook on world population, Malthus’ text is included, still the landmark for basic theoretical wisdoms on population (Gilbert 2001, xi, 58). “No other phenomenon”, stated Pearson to the Board of Governors of the World Bank in 1969, “casts a darker shadow over the prospects for international development than the staggering growth of population” (Johnson 1994, 2). See Arturo Escobar and Timothy Mitchell for a political and cultural reading of the problem of population in discourses on development (Escobar 1995) and (Mitchell 2002). There is a staggering self-same prominence in the discussion of population for ‘developing countries’ – to which Mitchell gives an elucidating counter-narrative in the case of Egypt.

corporeal needs and the vagaries of political judgment only blended into the “absurdity of the *vox populi*”. The mob, which stormed the political stage, full of needs and “real suffering”, has been comprised of a “redundant population”, Malthus alerts his readers. It was this part of the population, which stood outside of the proper circles of self-reproducing order, that brought beings to “nature’s table” when it is already full: a remainder of failed order and reproduction, a piece not fitting, like the “rabble” in Hegel’s civil society, “from where the evil emerges”.⁹⁷ The fears attach to those bodily disorders of the whole, “for a careful distinction should always be made, between a redundant population and a population actually great” (PE 68).

The political philosopher inquires thus about those specific laws and constitution that are proper to bodily beings and saves the political constitution from “unceasing change and carnage,” providing securer foundations than Condorcet’s endless calculations, Paine’s revolutionary optimism or Godwin’s anarchical use of individual judgment.⁹⁸ The following pages are dedicated to reading the principle of population and the conception of economy in this light: as the attempt to write a second, bodily half of the political constitution. The political air it gives to Malthus’ economic writings aims therefore at a different level than the tracing of interests of different sections of society, which it supported. As many of Malthus’ opponents were keen to point out, his economic writing furthered the interest of the landowners and his

⁹⁷ Hegel, very differently than Malthus, announces with certainty the right of the individual to subsistence. But then he turns towards the “unfolding of civil society”, with its increase in industry and population, which is despite all its riches incapable of changing the emergence of such “rabble”; reasoning within the parameters of political economy, he finds himself with an ‘empty’ normative demand and a ‘reality’ inhospitable to it – just the division he sought to undo (Hegel 1991, 389).

⁹⁸ It was Godwin’s unwavering commitment to the absolute importance of individual judgment against which no coercion by the state could be legitimate and no property rule would stand, which led Halevy to distinguish Godwin from utilitarianism, although he admitted nothing but the utmost ‘happiness of the whole’ and each as a reference point for political judgment and economic relations.

arguments against the rights for subsistence resulted in the position that “the rich man’s horses have a better right to be fed than the poor man’s children,” as one contemporary put it.⁹⁹ Important as those points are, they are still circumvented, in order to access Malthus’ contribution to the articulation of modern ‘economic objectivity’, which formed a much broader heritage than his political allegiances of the time and to which this work is directed.

The argument proceeds in two steps that divide into the two following chapters. The first step, which occupies the rest of this chapter, is dedicated to unfolding a phenomenology of the ‘economic reality’, which emerges with the problem of population. It centers on the more abstract contours of this order, engaging deeply with the texts, their detours, rhetorical splendors and waging as it exhibits the uncertainty of this wished-for foundation. The second step will follow more closely how these principles of ‘economic reality’ fashion the figure of economic man and an ordered social whole. They trace more concretely the political vision made in economy as it sets down proper subject-positions, legitimate modes of judgment and contestation and diverse embodiments of the regulatory epistemology of economy.

The suggestion to read the figure of population as belonging to the elaboration of a particular form of political reason and vision finds its inspiration in an argument furthered by Michel Foucault. Some remarks might thus be in order, which acknowledge this work and the relation it bears to the argument at hand. In his later lectures, Foucault turned explicitly to the question of economy and liberal political reason, giving the figure of population a political significance that was rarely given to it before. Population is an “absolute new political figure”, he asserts, alien to the

⁹⁹ (Huzel 2006, 27). McNally gives a very sensible account of the strategic impact of Malthus’ *Essay* against British radicalism (McNally 2000).

“collective subject of juridical and political thought before”.¹⁰⁰ He positions it – as I do here – as central to the constitution of ‘the economy’ and its science *and* as central for the elaboration of the specific modern problematique of political reason. The “naturalism” inherent to this “new political figure” and the paramount role it gives to the desiring and sentient being are both presented as ways to develop a form of order. Their economic valence is usurped in Foucault’s interpretation of the role they play for a particular political rationality - in each case their presumed ‘reality’ is deciphered as a correlate to a technique or technology of governing. In this perspective, economy, population and economic man create fields of intervention and serve as basis for reflection on governmental strategies. As always, epistemological claims, relations of power and subjects are in this Foucauldian perspective deeply enmeshed and constitutive of each other. In this broad sense, the reading of Malthus given here will take up these theoretical suggestions and elaborate such interrelations. Yet the story told here is different, and the paramount importance granted to population as a political figure has different sources than the borrowed phrases from Foucault’s work would suggest.

The analysis of population, economy and political reason centers for Foucault on a “genealogy of the state”, seeking to counter “monolithic” accounts of this institution, which have tended to grant it a phantasmatic power. His strict recourse to “technologies” of governing is juxtaposed to the assumption of a central source of power. But here, it is not the phantasma of the state that is at stake, but the ‘dreams of order’ pertaining to views on economy. The contention is that there is a foundationalist

¹⁰⁰ As already mentioned in the introduction, the quotes are my own translations given from the German translation of the lectures at the Collège de France in the year 1977-1979. The lectures of these years have appeared simultaneously by Gallimard, Paris and Suhrkamp, Frankfurt. The English edition is still pending, announced to come forth in 2007 by Macmillan (Foucault 2004a, 70, 103).

temper in which ‘the economy’ is caught, and which imposes a poverty of the political imagination in confronting such a “bewildering complexity of relations” and their specific modes of power.¹⁰¹ The boundary between the ‘reality of economy’ and the realm of the political is therefore interpreted rather in terms of the urge to make order against the vagaries of political judgment - and the subsequent effects on limiting the political imagination - than in terms of liberal reflection on self-limitation as part of a strategy governing, as Foucault suggests.¹⁰² Revolutionary upheavals were taken to be a break, which political reflection answered – to a large extent – with a search for “the reconstruction of order” which “was to be a restoration, above all, of unquestionable and unquestioned ways of thinking” (Rothschild 2001, 249). Ironically, it was Foucault himself who so prominently chronicled the general break that occurred then in Western systems of thought, but he did not bring it to bear with its full weight on his analysis of population and political reason. His genealogy of liberal reason stretches back to the mid-eighteenth century, where Paine, the Physiocrats, Stueart and Smith all conjoin in the making of a liberal political rationality – different from the

¹⁰¹ Political liberalism has concentrated its wisdom about freedom and the limits to power on the guarantees of rights. It is true that the economic realm is not exempted from these guarantees and the adoption of scarcity by the liberal tradition did not challenge these guarantees, most prominently of property rights, in the least – quite the contrary, they furnished them with a basis in necessity, which they had to find in natural law at Locke’s time. It is thus not quite correct to say that modern liberal political reason regards economy purely as a technical matter, as it also finds its political wisdoms satisfied therein. But within the realm of political philosophy and public debate, such political wisdoms are questioned, modified, supplemented with different understandings of power or freedom, which require other guarantees or reflections on limits. But the necessity underwriting economy has impaired the questioning of the political wisdom at stake in this field. The argument is thus that it is a certain foundationalist rendering of economy, which freezes the limited political visions embodied therein and even protects it from the challenge that would be posed by thinking about what indeed the questions of power and freedom could mean in respect to relations mediated by money, technology, objects, exchange, creation and needs.

¹⁰² This limitation affects not only the liberal tradition, but can also be recorded for the Marxist tradition. While the theoretical aim was to undo the blindness of the liberal political constitution and the ‘unreality’ of its political word, the way Marx accounted for the economy resorted to necessity, a rampant logic that would yet lead the way out of the predicament of scarcity.

distinctions maintained here. Thus, simultaneously close to and distant from Foucault's theoretical narrative, the story that unfolds below reads the constitution of economy as a "field of reality" in light of the political visions they bespeak, in addition to the "technologies" of governing they harbor. We follow Malthus as a political philosopher and economist alike in his elaborations of proper foundations *and* techniques.

Very much aligned with a general motive of modern political thought, Malthus' search for foundation leads him to contemplate a state of nature. Found at the shores of the European colonial expansion and described in the travel diaries and letters of missionaries and explorers, these lengthy chapters are not "superfluous" to the concise argument about the principle of population, as Keynes would later claim¹⁰³. Those "wretched inhabitants of Tierra del Fuego" who have been "placed by the general consent of voyagers, at the bottom of the scale of human beings" (PO 23), tell what the absence of 'economy' as a mode of ordering consists of and inversely teach us about its contours.¹⁰⁴ Nothing delightful, but utter disarray of the social and the individual body marks Malthus' state of nature. "I am inclined to think", he says, "that our imaginations have been carried beyond the truth by the exuberant

¹⁰³ Prominently among them were the accounts by James Cook, whose explorations had settled by 1793 for his contemporaries the horizon of the existing continents on the earth and might have contributed to the vividness of the experience of limits. Malthus cites among other *An account of the voyages undertaken...for making discovering in the southern hemisphere (...); A voyage to the South Pole, and round the world (...); A voyage to the Pacific Ocean (...)*. Also worth mentioning are, Friedrich Heinrich Alexander von Humboldt, *Essai politique sur le royaume de la Nouvelle Espagne*, 1811.

¹⁰⁴ The distinctions on a scale of civilization and the progress from one to the other deeply belong to the conceptualization of economy – not only to Malthus' writings, but also to those of the eighteenth century. As Michael Adas has shown, technology and mastery of nature, and the accumulation of things and tools belonged to the European definition of colonial superiority and civilizational progress (Adas, 115f). Tierra del Fuego seem to have had a prominent role in the colonial imagination. See (Buck-Morss 1995, 451) for the photos of a French scientific expedition in 1882, chronicling the progress in civilization by picturing the change from 'nakedness' to 'clothing'; the argument also points to the role of object-mediation in making the modern social body, to which the chapter turns later on.

descriptions which have sometimes been given to these delightful spots” (PO 53). One is reminded of the bleak condition of the Hobbesian state of nature, but it is not a political covenant that leads the way out of it. Living, corporeal beings – in whom moral and physiological characteristics intermingle – appear to need a different ‘constitution’ in order to compose a proper social body.

Malthus does not spare the reader with details about the misery of the state of nature. It is written all over the individual body of the savage: their “stature seldom exceeds five feet; their bellies are protuberant, with high shoulders, large heads and limbs disproportionably slender”, nor are they “tall nor well made”. Their children are usually “deformed, dwarfish, mutilated, blind and deaf” and they suffer from all sorts of “indigestions... pleuritic, asthmatic, and paralytic disorders”. The disorders of the individual body and the social body serve as a mirror to each other. In the eyes of their European observer, these “naked and despicable” human beings, “reduced to skeletons and starved to death” (PO 23-33), these women “more wrinkled and deformed by age” at twenty-two “than European women at sixty”, arouse nothing but disgust: “Nothing can be so disgusting as their mode of living” (ibid, 97ff)¹⁰⁵. It could not be more obvious that civilization will be measured by the distance that a social body will be able to manifest between this unfortunate, weak and hampered life and its own mode of living.

The rhetorical excess of endless descriptions of physiological deformation is only matched by an equally embellished account of the social deformation that

¹⁰⁵ It is quite remarkable how the text dwells on this disgust, as Malthus presents how “they never wash their hand ...and the excrements of children are never cleared away”. “Pérouse declares that their cabins have a nastiness and stench to which the den of no known animal in the world can be compared” (35). He goes on to describe the food as being as repulsive as their houses: “From a piece of water-soaked wood, full of holes, he had been extracting and eating a large worm. The smell both of the worm and its habitation was in the highest degree offensive” (PO 102; 35; 24).

accompanies it. It is “a horrid mixture of famine and ferocity”, in which “children desert their parents and parents consider their children as strangers”, where “the prelude to love” is “violence”; in which wars are only fought for destruction, the dead cannot be buried, the “hearts” are “narrow and hardened” and “feelings of sympathy” are “extinguished”. The epitome of this undoing of social and natural ties is the cannibalism of those, who are “reduced to the dreadful extremity of supporting themselves on the flesh of two of their children” (PO 41).¹⁰⁶

It is not self-interest – this great stronghold for the imagination of legitimate order in modern political thought¹⁰⁷ -, which is missing on this scene; the “father will sell his son for a knife or a hatchet” (ibid, 36), and cannibalism still has the rational contours of interest in self-preservation.¹⁰⁸ It is not equality in strength and wit, which turns their striving for self-preservation into such destructive bend, as it did for Hobbes. Neither is the misery of savage life due to an original and natural scarcity in which they find themselves – this might be most surprising, given that, “their whole

¹⁰⁶ It is worthwhile to listen to the tone of these description in their full length: “The prelude to love in the country is violence, and of the most brutal nature...The savage selects his intended wife from the women of a different tribe...having first stupefied her with blows of a club, or wooden sword, on the head, back, and shoulders, every one of which is followed by a stream of blood, he drags her through the woods by one arm, regardless of the stones and broken pieces of trees that may lie in his route”. They have “scars on their shorn heads, cut in every direction” more than could be counted (PO 24f). The relation to the “female sex” serves as one example of a lack of civilization, the lack of a code of honor and measure in war as another: “To meet an enemy on equal terms is regarded as extreme folly. To fall in battles, instead of being reckoned an honourable death is a misfortune...But to lie in wait day after day, till he can rush upon his prey when most secure, and lest able to resist him; to steal in the dead of night upon his enemies, set fire to their huts, and massacre the inhabitants, as they fly naked and defenceless from the flames are deeds of glory, which will be of deathless memory in the breasts of his grateful countrymen” (PO 38). It is their “strange spirit of retaliation and revenge, which prompts the midnight murder, and the frequent shedding of innocent blood” (PO 26). “Their object in battle is not conquest, but destruction” (PO 36).

¹⁰⁷ For the classical account of this political genealogy of interest see (Hirschman 1997)

¹⁰⁸ “It seems to be a worse compliment to human nature and to the savage state, to attribute this horror repast to malignant passions, without the goad of necessity, rather than to the great law of self-preservation, which has at times overcome every other feeling, even among the most humane and civilized people” (PO 37).

time is spent in search of food” (PO 22). Instead, the contrary of scarcity applies to the unmediated encounter between human life and its natural condition: The earth’s relation to man is not “niggardly”: “her first intercourse with man was a voluntary present”, “sufficient as a fund for his subsistence” (PO 392).¹⁰⁹ The fundamental condition of man is thus marked by a present given to him -“a gift of nature to man”, which consists in an excess of “raw produce” over the work needed to procure it (PE 113). Malthus records the ease with which subsistence is guaranteed, “with a very trifling quantity of labor”, due to the “extreme fertility of these countries”: “What immense powers of production are here described!” (PE 270).

And yet, while nature has bestowed the gift of abundance, it turns into its contrary: misery and famine are constantly reproduced in the savage condition of life, as Malthus does not tire of showing. The more precise description of the state of nature consists therefore in the constant oscillation between the poles of abundance and scarcity. “[I]n whatever abundance the productions of these islands may be found at certain periods...the average population...presses hard against the limits of the average food”. Thus, savage life vibrates “between two extremes, and consequently the oscillations between want and plenty are strongly marked, as we should naturally expect among the less civilized nation” (PE 58; 154). Scarcity is thus attendant to the savage condition, but it is an ever reproduced consequence out of plenty and abundance itself. Plant life, animal life and human life share with nature the over-abundance in what they procure. “Englishmen” would like “fennel seeds” replenish an

¹⁰⁹ “And the power to procure a greater [subsistence] was given to him in that quality of the earth by which it may be made to yield a much larger quantity of food, and of the material of clothing and lodging, that is necessary to feed, clothe and lodge the persons employed in the cultivation of the soil” (PO 392). See also (PO 154).

empty space from their single nation, if they were let loose to do (PE 8f)¹¹⁰. Population then manifests the general traits of a life force itself; it *is* in a sense this force that Malthus cannot but also welcome as a necessary, important trait, without which life could not flourish. “That an increase of population, when it follows in its natural order, is both a great positive good, and absolutely necessary to a further increase in the annual produce of the land and labour of any country, I should be the last to deny” (PE 454)¹¹¹. But it is a force, which carries the seeds of its own destruction, if not answered with the right order. Ready at any moment to exert itself like a “spring”, it is “making a start forwards at every temporary and occasional increase of food, by which means it is continually going beyond the average increase and is repressed by the periodical returns of severe want” (PE 20; 171).¹¹²

The reference to such over-flowing force of life residing in its “procreative powers”¹¹³ and operating as a kernel in the “animal economy” of human beings, stands thus behind Malthus’ account of the material and social disorganization the state of nature. But there is still a more precise way to put these causes of destruction. What

¹¹⁰ “It is observed by Dr Franklin [Benjamin Franklin], that there is no bound to the prolific nature of plants or animals, but what is made by their crowding and interfering with each other’s means of subsistence. Were the face of the earth, he says, vacant of other plants, it might be gradually sowed and overspread with one kind only, as for instance with fennel: and were it empty of other inhabitants, it might in a few ages be replenished from one nation only, as for instance with Englishmen” (PO 8f).

¹¹¹ A declining reproductive force in whatever form belongs for Malthus thus to the unfortunate and destructive situation of the state of nature, where life’s force itself is hampered. Examples of this can be found in his descriptions: “Women treated in this brutal manner must necessarily be subject to frequent miscarriages...the too early union of the sexes in general, would tend to prevent the females from being prolific.” In America, Malthus finds that the “unfruitfulness” of women is due to “a want of ardour in men towards their women”, which “probably exists in a great degree among all barbarous nations, whose food is poor and insufficient, and who live in a constant apprehension of being pressed by famine or by an enemy.” (PO 25; 29).

¹¹² Malthus’ rendering of life as a force takes up the physiological discourse at that time, which had also underwritten the ties he establishes between the moral and physiological aspects of human beings (Williams 1994, 11).

¹¹³ “A large proportion of the procreative power appears to have been called into action, the redundancy from which was checked by violent causes” (PO 153).

characterizes life in the state of nature is the *belated* fashion in which it learns about its conditions of existence. Life meets its own condition of existence in such a catastrophic manner, violently, with the “positive checks” being “famine, sickness and death”, because it has before blindly reacted to the stimulus given to it - with no proper judgment pertaining to the real limits of its resources and hence its own conditions. Abundance and blindness to the reality of one’s own continual existence are tied together at the moment of the exertion of life’s desires and forces. Malthus will never untie this link; inversely, the experience of the limits of scarcity and the proper cognition of reality seem now to belong together. It is this peculiar epistemological claim that deserves our attention in the overall reference to the vital forces of life, which we find in Malthus. It alerts us to the intermeshing of an epistemological principle – with all its generality and weight of giving access to reality – and a mode of ordering. After all, the conditions of blindness belong to the most miserable and unhappy form of ‘animal’ existence in Malthus’ story. In this peculiar combination of epistemology and order one might find a reason why ‘economy’ – that principle of order, which leads the way out of the destruction of the state of nature - came to be the most privileged discourse in defining society: order according to ‘economy’, recognition of the conditions of existence, and the threat of utter destruction are enmeshed in a single knot. More than two centuries later, George Soros would say that the market always helped him to get a sense of reality. It is tempting to see him relying on a link defined by a clergyman two hundred years earlier.¹¹⁴

In this epistemology, to which economy points, the existence and experience of

¹¹⁴ It seems that after Malthus, this tie has been kept stable. The economist Gary Becker in the twentieth century relies on the same tie when he says that economic action – referring to choices in a situation of scarce resources - is action that accepts reality. To be found in Becker, Gary *Irrational Behavior and Economic Theory*, (cit. in Foucault 2004, 394).

limits or even scarcity seem to have a paramount role, which needs attention and elucidation. The thesis to be developed in what follows is that the principle of population and the theme of reproduction is neither about a wise concern for the ecological limits, nor a truism, but a principle of order and epistemology, which hinges on limits and lack. The fact that it fastened the perspective on bodily reproduction should therefore not be understood in any narrow way as referring solely to the “powers of procreation”. Rather, those bodily predicaments enshrined in the question of reproduction are inextricably intermingled with a much more general concern about reproducing order as such. The rise of the conception of self-production and re-reproduction as the preeminent model of order belongs thereby to Malthus’ time in general. It traveled across the fields of philosophy, biology and political economy. Müller-Sievers, in his study on *Self-Generation*, points out how in this period an “entirely new method of argumentation and legitimization is introduced into a variety of discourses”, in which “all modes of differentiation” “become entirely immanent; all traces of intervention by exterior forms of powers...shall be explicable as a function of the system”. The model of self-generation of order has the form, he points out, of a “last instance” and “reorients” in this light “the questions of reproduction, relationality and productivity”.¹¹⁵ What Müller-Sievers traces among

¹¹⁵ (Mueller-Sievers 1997, 47, 25, 6 see also p. 60f). The concept of epigenesis, stemming originally from Aristotle, furnished the basis for those philosophical searches for self-generation. “It stated that organisms generate themselves successively under the guidance of a formative drive” (ibid, 6). Müller-Sievers traces these concepts in German Idealism and Romanticism, where they were much more bound up with the question of the autonomous subject and reason. The organic associations of self-generation were injected with a “spiritual residue” in turn, which produces “the body as a possible subject of oppression”. While Malthus and British Utilitarianism seem to be terribly far from this, there are some traces of even this romantic recourse to an oppressed body: Malthus’ first edition of the *Principle of Population*, this short and utterly pessimistic book, which put not much regulatory hope into anything, obtained its pessimism from exactly this source of romantic melancholy about the evils stemming from a repressed life force. About the changes in the edition, Malthus mentions to his readers: “To those who still think that any check to population [including moral restraint, ut] whatever would be worse than the

others in Kant's search for the foundation of autonomous reason, other scholars have recorded more extensively in the newly emerging definitions of life in terms of organization and function.¹¹⁶ While these neighboring developments cannot stand as distant proofs for the specific case at hand, they point to the ubiquitous turn towards the issue of reproduction and help to grasp the philosophical and metaphysical significance of this gesture of self-foundation, in which "an interminable chain of causes and effects be bent back onto its own origin", with the tendency to "close itself off" onto itself (ibid, 4).

Unsurprisingly, the blindness attendant to the exertion of "procreative powers" of life in the state of nature is linked to lack of proper judgment in the savages – they are as ignorant as the mob on the political stage. Exemplifying the colonial and cultural hierarchies of the West, Malthus accounts for this blindness to reality in terms of the immediacy of passions, which are given supreme reign. "The ignorance and

evils which it would relieve, the conclusions of the former *Essay* remain in full force" (PO iii). A "restraint on a strong natural inclination" he contemplates, will "produce a certain amount of temporary unhappiness" (ibid, 8; 15). The difference in the editions lies the more and more positive emphasis put on moral restraint.

¹¹⁶ Closer to Malthus and this British-French context are the examples of the rising social sciences and their specific adoption of biological models of self-governing organization. The French political economist Jean-Baptiste Say defined political economy as the "physiology of society" and Saint-Simon announced "My friends, we are all organized bodies". "Their central concept was no longer sensibility, it was organization", summarizes Heilbron in his study on *The Rise of Social Theory* (Heilbron 1995, 110). While Malthus stood at some distance from them, for him alike, the "subject matter of political economy was a complex and living totality" and the regulatory kernel of its order (ibid., 184). But nature itself only provided the force and its destructive regulation; the key to self-reproducing viable order, founded only in itself, was still missing - a vacant spot, one already suspects, which will be occupied by the principle of economy, which comes to conjoin absolutely inextricably order, nature and material civilization. Malthus searched for this key, but it should be noted that this search bears much recognition of the instability upon which it worked. Malthus remained, more than Ricardo or even Say, a connection between the eighteenth and the nineteenth century. The making of new sensibilities, the artifice of bridging uncertain processes through time, the acknowledgment of worrisome dependencies and insufficiencies remain visible in his writings. In between the sensibilities of the old and the organization of the new century, Malthus can give us *therefore* the clues about the genealogy of these closed-off figures of thought, aiming at self-foundation.

indolence of the improvident savage would frequently prevent him from extending the benefits of these supplies much beyond the time when they were actually obtained” (PE 28).¹¹⁷ Thus, “among animals and the uncivilized states of man”, the population is much below what the soil could support (PE 87). It is this blinding immediacy that stands behind all these hyperbolic accounts of population growth, numbers of numbers toppling each other. Without the assumption that food is *immediately* translated into more mouths to be fed, all these numbers and the gravitational pull of the principle would not hold. On the basis of this peculiar certainty, Malthus reasons that any increase of the means of subsistence “not be distributed to the lower classes consequently would give no stimulus to population” (PE 21). Ireland with its cheap potato is an much-preferred example by Malthus, which for him exemplifies this immediate multiplication of food into more bodies.¹¹⁸ The improvident savages and ignorant Irishmen are just like the “labouring poor” at home, who “live from hand to mouth”, “enjoy themselves while they can”, never thinking about tomorrow (PO 366)

¹¹⁷ “As savages are wonderfully improvident, and their means of subsistence always precarious, they often pass from the extreme of want to exuberant plenty, according to the vicissitudes of fortune in the chase, or to the variety in the produce of the seasons” (PO 33). Also see Adas for the descriptions of Africans in colonial accounts as having “no sense of history”, and being “presentist like animals” (Adas, 241f).

¹¹⁸ “I shall only observe therefore, that the extended use of potatoes has allowed of a very rapid increase [of population] during the last century. But the cheapness of this nourishing root, and the small piece of ground which, under this kind of cultivation, will in average years produce the food for a family, joined to the ignorance and the depressed state [this expression replaced the original “barbarism”, ut] of the people, which have prompted them to follow their inclinations with no other prospect than an immediate bare subsistence, have encouraged marriage to such a degree, that the population is pushed much beyond the industry and present resources of the country; and the consequence naturally is, that the lower classes of people are in the most impoverished and miserable state. The checks to the population are of course chiefly of the positive kind, and arise from the diseases occasioned by squalid poverty, damp and wretched cabins, by bad and insufficient clothing and occasional want...” (PO 277f; also see 389; 545): “...the common price of labour would soon be regulated principally by the price of potatoes instead of the price of wheat, as at present; and the rags and wretched cabins of Ireland would follow of course.”

and reproducing without sense or meaning.¹¹⁹

The truth, which evades these ignorant and improvident beings, pertains to the conditions of a continual, stable order of their own life, which exceeds the predicaments of the moment. It is worth remarking that the explicit interest in the stability of the body political through time has been a concern of civic humanism and republicanism; it was a specific republican virtue to be able to answer to the contingency of the future and assume responsibility for the maintenance of the republic¹²⁰. While Malthus certainly was concerned with the dangers of the “euthanasia” of the constitution, the future of it was not any more made in the political stance of the citizens, but in the social body and its economy. With respect to this aim, the absence of limits and lack seem to show their whole destructive power. Malthus engages with this possibility of a ‘lack of lack’ of food in curious speculations, embellished in long, rhetorically over-bearing passages. It is worth repeating the length of the whole speculation on unlimited food, which goes as follows:

“[T]he population which might have been produced from a single pair since the Christian era, would have been sufficient, not only to fill the earth quite full of people, so that four should stand in every square yard, but to fill all the planets of our solar system in the same way, and not only them but all the planets revolving round the stars which are visible to the naked eye, supposing each of them to be a sun, and to have as

¹¹⁹ On the basis of this elucidation of the meaning of the principle of population, it is unfortunately not surprising that the development discourse always had a special liking for the problem of population and seems to reproduce the same fears about the “copulating poor”. Mary Poovey puts it thus: “In the first instance, then, nineteenth-century political economy can be said to have been an expression of and defense against anxiety about the poor” wondering about “how society would survive if the poor continued to eat and reproduce” (Poovey 2001, 157).

¹²⁰ See the article by (Chowers 2002) for an instructive account of the political provenience of the preparation for the future and the cultivation of republican virtue as its proper stronghold. It contrasts tellingly with trust the liberal tradition shifted to the private, economic realm.

many planets belonging to it as our sun has. Under this law of population, which, excessive as it may appear when stated in this way is, I firmly believe, best suited to the nature and situation of man, it is quite obvious that some limit to the production of food, or some other of the necessaries of life, must exist [...] It is not easy to conceive a more disastrous present, one more likely to plunge the human race in irrevocable misery, than an unlimited facility of producing food in a limited space” (PO 169).

The limits of earthly space seem to be much more conspicuous at the end of the quote, spilling over from a ‘bad infinity’ of bodies and bodies in space. It is an endless series with no principle of inner regulation, stretching out without form. Against this limitlessness of expansion of stuck bodies, internal limits seem to be necessary – not because of a natural necessity, but because of a necessity of proper form. Within the textual universe of Malthus, this spatial expansion of bodies recalls his discussion of barbarian expansion and the constant warfare brought about by it. The spatial limits of a determinate political territory are crossed in warfare, as always more bodies than sustainable within are produced by the “carelessness of the barbaric character” (PO 65). It is not only “savage life” against which the economy of the social body emerges, but also the “hydra-headed monster” of barbarians, “gathering fresh darkness and terrors as they rolled on”, obscuring the “sun of Italy” and sinking “the Western world in night” (ibid, 67)¹²¹. Traced to the superiority of the power of population, which is not turned into misery, but into war, the discussion of the barbarian brings to light even more the political bearing of the question of limits,

¹²¹ In his lecture-series on *The defense of Society* Foucault gives a elucidating discussion of the barbarian and the savage as two different figures of modern thought. Whereas the savage is the natural ground, the point, from where society is created, the barbarian always exists as the outside to an already existing civilization, straddling its borders and threatening its existence. See lecture from the 3rd March 1976 in (Foucault 2003).

space and population. The making of internal limits would not only provide the direly needed ordered form of the social body securing its internal working, it would also provide the proper form of an external, peaceful order.

The limits of food, fertile soil, earthly habitats, which *are* there as natural facts and also *should be* there – this is how Malthus has ended his speculation of limitless subsistence. The limit, that he searches out, are internal regulatory principles, making the desired order. The curious intermingling between the factual and the normative, between the is and the ought, pervades the accounts of limits conspicuously. Limits are as visible and comprehensible as the boundedness of a small island in a wide sea, on the one hand. The image of the island is a preferred epistemological figure, capturing the givenness of a limited situation: “As the bounds to the number of people of islands, particularly when they are of small extent, are so narrow, and so distinctly marked, that every person must see and acknowledge them... The difficulty is here reduced to so narrow a compass, is so clear, precise and forcible that we cannot escape from it”.¹²² Yet, these absolute limits are on the other hand, neither actual nor decisive; “allowing of the produce of the earth to be absolutely unlimited... scarcely removes the weight of a hair from the argument, which depends entirely upon the differently increasing ratios of population and food” (PE 461), Malthus triumphs against those who cannot see that those limits have immediate bearing. The “absolute refusal of nature to yield any more” recedes in importance to the limits actualized internally, so

¹²² The quote continues as follows: “It cannot be answered in the usual vague and inconsiderate manner, by talking of emigration, and further, cultivation. In the present instance, we cannot but acknowledge, that the one is impossible, and the other glaringly inadequate. The fullest conviction must stare us in the face, that the people on this group of islands could not continue to double their numbers every twenty five years; and before we proceed to inquire into the state of society on them, we must be perfectly certain that, unless a perpetual miracle render the women barren, we shall be able to trace some very powerful checks to population in the habits of the people” (PO 46; 50).

that he can say, that if we “refer to the practical limits of population, it is of great importance to recollect that they must always be very far short of the utmost power of the earth to produce food” (PO 405f). One image in particular captures this proposed significance of limits, which are at the same time absolute as the boundary of an island, but never to be reached and yet absolutely important for each moment: a man, says Malthus, “who is locked in a room may be fairly said to be confined by the walls of it, though he may never touch the walls” (ibid, 461). There is a constant referral of the external and the internal limits into each other, which finds no rest. One grants the weight of unquestioned reality to the other, while each experience of limits becomes an instantiation of this absolute boundary. While Malthus claims that the principle of population does not refer to causes “remote, latent and mysterious, but near us, round about us, and open to the investigation of every inquiring mind” the opposite seems to hold (PO 312).

This oscillation signals the role limits are designated to play in the order whose regulatory key Malthus was to expound. It marks precisely the theoretical difference he entertains from his adversaries Condorcet and Godwin, who see the question of limits as radically external, arising only “at a great and almost immeasurable distance”: No “difficulty would arise from this cause, till the whole earth had been cultivated like a garden” (PO 319)¹²³ – this is how Malthus presents their position and admits, if this really is the case, “I cannot think that our ardour in the pursuit of such a

¹²³ Malthus refers in this description to Wallace, but these authors all shared this view of the problem of population. See also the explicit reference to Condorcet in this respect: “M. Condorcet thinks that it cannot possibly be applicable but at an era extremely distant...it will appear, on the contrary, that the period when the number of men surpasses their means of easy subsistence has long since arrived, and that this necessary oscillation, this constantly subsisting cause of periodical misery, has existed in most countries ever since we have had any histories of mankind, and continues to exist at the present moment” (PO 322).

scheme ought to be damped by the contemplation of so remote a difficulty” (ibid.). But instead of this externality of the question of order and the problem of limits, Malthus poses its internality and claims that the dangers of population are imminent and immediate.¹²⁴ Not only this, it is also desirable that such limits should be actualized before they become incumbent. The internal character of these limits carries at the same time factual and normative weight. They actualize factual limits, not yet real, and they simulate virtual limits for the sake of order itself.¹²⁵

Taking a step back from the oscillating nature of limits, one can see more clearly where the search for a proper foundation of the ‘order of bodies’ has led Malthus so far: his argument links the condition of possibility of order to an internal experience of limits as its *sine qua non*. They assume the regulatory power so direly needed by threats of war and danger of meaningless heaps of bodies. The catastrophic absence of the *proper* recognition of these internal and immediate limits is staged in the misery of the state of nature. There blindness reigns towards them, and only belatedly they are thrust upon those “redundant bodies” to which nature tells “to be gone”. The gift of nature, which tells nothing about limits, and the abundant responses to it, which know nothing about limits, amount to an utter lack of comprehension of the conditions of material order. Inversely, only the lack of abundance teaches a

¹²⁴ “But the truth is, that if the view of the argument given in this essay be just, the difficulty, so far from being remote, is imminent and immediate. At every period during the progress of cultivation, from the present moment to the time when the whole earth was become like a garden, the distress for want of food would be constantly pressing on all mankind if they were equal. Though the produce of the earth would be increasing every year, population would have the power of increasing much faster, and this superior power must necessarily be checked by the periodical or constant action of moral restraint, vice or misery” (PO 319).

¹²⁵ For Malthus, these limits traveled into the heart of the social order, framing its very making. Foucault’s theory of the change of episteme between the classical and the modern age, which occurred around 1800, seem to point to exactly this transformation of the significance of limits; hence, the modern age became the age of finitude and a lack, determining and residing within the human being (Foucault 1970).

proper sense of reality, regardless of how *real* abundance might be actually at that moment. It seems as if boundlessness was the univocal mode through which to state the problem that needed a solution. On the political stage, political reason has been charged with intoxication and lack of limits; in the “lower” realms of societal and colonial hierarchies, bodily needs and desires exhibit a similarly destructive boundlessness. To cure the excesses of political reason, the excesses of bodily needs and desires will have to find their apt and powerful mode of governance.

Misrecognition and disorder will be answered with a *regulatory epistemology of limits*, which claims to bring about the ‘truth of society’, as it talks about how to make more things and riches and needs no reference to political reason.

“Man cannot live in plenty”, Malthus exclaims hence against his opponents Godwin and Condorcet (PO 331). He brings to bear against them this double demand of epistemological and regulatory powers and finds them to fail, as they only provide some intoxicated reason and calculation, in the case of Condorcet, and some misplaced hopes in the powers of individual reason, in the case of Godwin. Both seem to Malthus utterly incapable of actualizing the necessity of these limits (PO 321). Malthus predicts that Condorcet’s probabilities and social mathematics about how to prevent credit “from being the exclusive privilege of great fortunes” and how to render commerce “less dependent on great capitalists”, will be “absolutely nugatory” when “applied to real life”. Extrapolating the effects of blinding abundance out of Godwin’s utopian social order, he concludes: “Alas! What becomes of the picture, where men lived in the midst of plenty, where no man was obliged to provide with anxiety and pain for his restless wants; ...where the mind was delivered from he perpetual anxiety about corporal support, and free to expatiate in the field of thought which is congenial to her? This beautiful fabric of the imagination vanishes at the severe touch of truth...The rosy flush of health gives place to the pallid cheek and hollow eye of

misery” (PO 334). This peculiar reality and necessity, which Malthus states so matter-of-factly, as if he had seen the gravitational pull of the apple, as it falls to the ground, is about a certain envisioning of the viable foundations of a social body – meshing the reference to the corporal predicament of human life with a vision of order, which crosses the boundaries of the factual and the normative and presents scarcity as the most real reality.

How much the alleged blindness concomitant to plenty or abundance is about a mistrust of plenty in the wrong hands is descriptive of the principle of population itself. The immediacy of translation it posits between subsistence, animal instincts and the resulting abundance of “wretched beings” belongs to the uncivilized races: the colonial subjects abroad and “lower orders” at home. Against this mistrust, which pertains alike to the exercise of proper political reason and economic reason of the uncivilized, the governance of passions by a regulatory epistemology, capable of attending to the limits and the language of the uncivilized gains precedence. The making of the economic subject by ordering its passions and breaking the immediacy of blind instincts becomes thus utterly central in the economy of the social body. The anthropological truth, which economic thought still professes today to be its building block – upon which a whole methodology and elaborate theories are built - might find in these reflections about the vagaries of judgment and the search to avoid them their legitimate political genealogy. As we will see in the next chapter, ‘economic reality’ is geared towards creating and rendering effective this coherent regulatory epistemology, in which economic man is made and which he (sic) propels forward. To address the overarching worries about uncertain judgments in the hands of the many and the “vexatious task” of understanding the “common good”, “made in a frightening complexity of relations,” clarity was needed, which would unburden the political being. Henceforth, only one simple law, “one important political truth” (PO 526)

“intelligible to the humblest capacity” would teach the ‘members of society’ what needed to be known about social and political matters: “It is merely, that he is not to bring beings into the world, for whom he cannot find the means of support” and he need not try to “pursue a general good, which we may not distinctly comprehend” (PO 483).¹²⁶

¹²⁶ That Malthus took the calculations of Condorcet to be so nugatory lies, I think, in this need to ‘make the proper subject’ with much much different ways than talks about structures of credit. Malthus judgment of “absolutely nugatory” calculations followed indeed immediately upon this exposition of Condorcet’s sketches of progress and comment directly on this question of credit and commerce (PO 321) Keynes, exposing something of a similar line of thought – as we will see - might have as well returned back to Condorcet as his predecessor, instead of finding it in Malthus. But then it will be for a reason that he turned to Malthus and Burke and not to Condorcet.

CHAPTER 3

THE CIVILIZED BODY POLITIC, ECONOMIC MAN AND NECESSITY

The over-boarding force of life - born out of the mixture of images of growing fennel-seeds, murderous mobs, savage life and intoxicated political minds – had to find its proper governance. As all pervasive as it was portrayed by Malthus, as comprehensive was the regulatory answer he envisioned for it. His liberal sensibilities revolted against the idea that direct laws and despotic powers, could come to “examine the claims of each individual, and to determine whether he had or had not exerted himself to the utmost, and to grant or refuse assistance accordingly”, or if punishments had to be devised for “the man who marries early” (PO, 321, 345). Before being subjected to the “miserable alternative between universal want and the enactment of direct laws”, the social body had to be reminded of and geared effectively towards its conditions of ‘good life’ and away from the recurrent catastrophe of the state of nature. The “happiness of the whole” was at stake.¹²⁷

¹²⁷ Malthus asks, “[i]s the man who marries early to be pointed at with the finger of scorn? Is he to be whipped at the cart’s tail? Is he to be confined for years in prison? Is he to have his children exposed? Are not all direct punishment for an offence of this kind shocking and unnatural to the last degree?” (PO, 345). “My greatest objection to a system of equality and the system of the poor laws (two systems which, however different in their outset, are of a nature calculated to produce the same produce the same results) is, that the society in which they are effectively carried into execution, will ultimately be reduced to the miserable alternative of choosing between universal want and the enactment of direct laws against marriage” (ibid.,381). “If assistance be to be distributed to a certain class of people, a power must be lodged somewhere of discriminating the proper objects, and of managing the concerns of the institutions that are necessary; but any great interference with the affairs of other people is a species of tyranny” (ibid., 367). “If an inquisition were to be established to examine the claims of each individual, and to determine whether he had or had not exerted himself to the utmost, and to grant or refuse assistance accordingly, this would be little else than a repetition upon a larger scale of the English poor laws, and would be completely destructive of the true principles of liberty and equality” (ibid.,321). Against the Greek City states, he finds no “stronger argument”, “than the necessity of such laws as Aristotle himself proposes”. Those laws are positive and direct regulations respecting age for marriage, forced abortions etc. (ibid., 143). The Poor Laws subject the “whole class of the common people” to “a set of grating, inconvenient, and tyrannical laws, totally inconsistent with the genuine

The “happiness of the whole” as the *telos* of the body politic is an equivocal term. It might host quite different meanings and might serve different political ends and it was ubiquitous at the time of Malthus (Halevy 1995b). Regardless of what it comes to mean, it haunts its adherents with the question of how to define such happiness, the contribution to it and the consequences that follow. Malthus and his most intimate adversary, William Godwin, were both willing to take happiness, and all what is conducive to it, as a measuring rod for political reason. But while Godwin went in length in thrusting the weight of these questions onto the reasoning of the individual alone, Malthus wanted to circumvent its vagaries. In between the fears of despotic churchwardens and of the uncertainty of political judgment, Malthus offered instead the workings of an internal regulatory epistemology guiding the individual and the social body at the same time. The envisioned social epistemology set up mirrors of recognition throughout to teach the individual and the whole the alignment to the conditions of material civilization - before the “miserable alternative” of universal misery or despotism would impose itself.¹²⁸ It is this epistemological frame, which seems to determine the constitution of ‘modern economic objectivity’ at its core, conditioning and limiting the theoretical reflection about it.

The utilitarian reasoning of Malthus, geared towards this epistemological and regulatory consistency, was strict to the utmost: assessed in its light, old laws – like the Poor Laws – were to be shunned, because they renewed the blindness of the state of nature. The “state of equality” envisioned by Godwin or Condorcet was subjected to

spirit of the constitution” (ibid., 367).

¹²⁸ So that Malthus could declare that “if any man chose to marry, without a prospect of being able to support a family, he should have the most perfect liberty to do so...the punishment of nature falls directly and most severely upon the individual who commits the act...When Nature will govern and punish for us, it is a very miserable ambition to wish to snatch to rod from her hands, and draw upon ourselves the odium of executioner” (PO, 516).

the same verdict and therefore denied to be conducive to viable happiness. Old customs of discriminating against single mothers should, by contrast were to be upheld, argued Malthus. Even if it constituted a “breach of natural justice”, that a “woman should at present be almost driven from society for an offence, which men commit nearly with impunity”, for the regulation of society towards future happiness, blame had to fall somewhere, the “offence is more obvious and conspicuous in the woman”: “[T]he sins of the fathers should be visited upon the children; and if in our overweening vanity we imagine, that we can govern a private society better by endeavoring *systematically* to counteract this law, I am inclined to believe, that we shall find ourselves very greatly mistaken“ (PO, 337, 519f).

From the same requirement of such comprehensive epistemological clarity, other questions are approached. Malthus thunders against the idea, that a piece of land for some potatoes and a cow should form the minimal support for poor families. These seemingly inconspicuous potatoes would be the “most cruel and fatal blow to the happiness of the lower classes of people in this country that they had ever received” Malthus expounds with certainty and bemoans the disjuncture introduced this way from any clear signals about how many labouring bodies would be in demand (PO, 541, 543). The potatoes and the cow constituted a dangerous clouding of the ways to know one’s *real* conditions of viable existence: they offer food to the immediate dynamic of population in disjunction to the needs of the social body as a whole and thus mislead the many.

While these examples are firmly wedded to the beginning of the nineteenth century, they indicate the force, with which Malthus insists that all aspects of life had to be encompassed by the same epistemological grid: While potatoes, the state of nature, support for ‘illegitimate’ children, the Poor Laws and the state of equality, all exhibited the same structures of blindness and catastrophe, the “two fundamental laws

of society, the security of property, and the institution of marriage” carry the lightning torch away from scarcity (PO, 338). In view of the current project, the significant aspect of Malthus’ argumentation lies less in the unsurprising praise of property and marriage – but in the way it is founded and the epistemological weight given to these social institutions.¹²⁹ It is the specific problem of a “populous kingdom, the largeness of the subject and the power of moving from place to place”, Malthus deliberates, that “obscures and confuse our view. We lose sight of a truth, which before appeared completely obvious” (PO, 166). What cannot be ascertained anymore within “the view of the individual” is now brought into his limited range of reason by such general laws (PO, 159).¹³⁰

Epistemologies of the social body are not peculiar to the nineteenth century or the history of economic thought. The claim to expose “important political truth” is

¹²⁹ The form of reasoning alluded to sounds in respect to the question of marriage as follows: “[W]hile every man felt secure that all his children would be will provided for by general benevolence, the powers of the earth would be absolutely inadequate to produce food for the population which would ensure...that some check of population therefore was imperiously called for; that the most natural and obvious check seemed to be, to make every man provide for his own children; that this would operate in some respect as a measure and a guide in the increase of population, as it might be expected that no man would bring beings into the world for whom he could not find the means of support; that, where this notwithstanding was the case, it seemed necessary for the example of others, that the disgrace and inconvenience attending such a conduct should hall upon that individual, who had thus inconsiderately punished himself and his innocent children into want and misery...This institution of marriage, or at least of some express or implied obligation on every man to support his own children, seems to be the natural result of these reasoning in a community under the difficulties that we have supposed” (PO, 337).

¹³⁰ “From the small number of people, and the little variety of employment, the subject is brought distinctly within the view of each individual; and he must feel the absolute necessity of repressing his inclinations to marriage, till some such vacancy offer (PO,159). In contrast, large countries offer distinct epistemological problems, “this subject is always involved in great obscurity” (ibid.,161): “If our attention were confined to one parish, and there were no power of emigrating from it, the most careless observer could not fail to remark that, if all married at 20, it would be perfectly impossible for the farmer, however carefully they might improve their land, to find employment and food for those that would grow up; but when a great number of these parishes are added together in a populous kingdom, the largeness of the subject, and the power of moving from place to place, obscure and confuse our view. We lose sight of a truth, which before appeared completely obvious;” (ibid.,166).

neither. At stake is the analysis of the specificity of this “regime of verisdiction”. How does it figure a comprehensive social body and how does it relate this ‘body’ to questions of power, normativity and the contingency of this particular way to order life? - is the guiding question. The preceding chapter elucidated in a more general fashion, the relation between limits and order to be found in Malthus. The genealogy of scarcity and its epistemological bearings, which has commenced there, will be furthered in the current chapter by showing how economic interests and institutions manifest such epistemology. The overarching characteristic of this epistemology is the way, limits or scarcity function within it. The experience of necessity belongs to the requirements of proper recognition. Malthus elaboration of the working of capital, the right to property, the desire for objects, the sacrifices given for them and – surprisingly or not – the norms of marriage and procreation all belong to the fashioning of this epistemology of scarcity.

In each case, the peculiar double status of scarcity, described before, assumes a central role. While economy is about producing wealth against the foil of the “wretched” naked being at home and abroad, the threats of scarcity and the ‘body in pain’ remain imminent and internal: without it, the epistemological and regulatory powers would falter and the mirrors of recognition would cloud.

As already visible from the complex and somewhat circuitous presentation of Malthus’ thought, the simultaneous internality and externality of scarcity circumscribes a quite bewildering figure of order: the catastrophe is to be left behind, but it also has to be present; the truth of the economy was posited against the danger of misery, but misery remained the condition of the production of its truth. One wonders, if it was not Malthus, rather than Condorcet who suffered from an “intoxicated mind”. The reason to dwell in these ‘bewildering’ figures of thought – a most impressive manifestation of the “analytic of finitude”, as Foucault might have thought – results

from the theoretical suspicion, that it provides the ‘opening’ to understand how thinking about ‘the economy’ has taken on such regulatory coherence and air of necessity, which shields it like a “wall” from considerations about power, plurality of modes of living and spaces of experimentation.

The constitution of a more bounded and self-standing economic objectivity, which is traced here, can only be found in the specific ways, in which wealth, capital, scarcity and the passions and reasoning of economic man are articulated in the text of Malthus. But they cannot be read off an explicit discussion of ‘the economy’ undertaken by Malthus himself. He does not use the notion of economy extensively. When relied on, it mostly means the “parsimonious use of resources”. He also refers sparingly to the “internal economy” of the republic. While only so rarely used, both reflect this long-standing double meaning of economy, which histories of this term elucidate (Stemmler 1985). Within the epistemology of scarcity, parsimony and the order of the whole achieved a tighter coherence and stronger determination. To unfold this making of ‘modern economic objectivity’ we have to follow Malthus into the elaboration of the old notions of political economy, which commences with capital itself.

The Making of the Social Body and the Wisdom of Capital

Capital is the most comprehensive and over-arching key, which Malthus introduces as a guarantor of the proper and cognizant reproduction of the social body as a whole. The laws which regulate capital, Malthus observes, “bear a very striking and singular resemblance to the laws which regulate...the progress of population” (PE,, 263). They are, he stipulates later, “certainly just of the same kind” (PE, 265). It is similar in scope and direction, but it modifies the catastrophic reproduction of nature into a more

steady and progressive course. As a consequences, the “check from want of employment will be much more steady in its operation and much more favourable to the lower classes of the people, than the check from the immediate want of food” (PO, 451). Unfortunately, in Malthus’ view, capital is so much like the laws of corporal reproduction, that it is subjected to the same causes of death and interruption: redundant capital, just as redundant bodies, brings the progress of wealth to a halt and thus itself to perish.¹³¹

In this respect, Malthus is a peculiar political economist. That capital could be redundant, wasted, just as dying bodies, was something neither his French, nor English colleagues would want to think.¹³² It will give ground to J.M. Keynes for claiming Malthus as part of the “ranks of heretics” in economic thought. It is certainly right, that Malthus entertained uncertainties and paradoxes about this regulating principle, which mark him out against his followers, who eschewed his doubts. But Malthus also belongs to the core of the orthodox tradition in economic thought. The epistemology of scarcity, established with him, is the foil against which capital appears to carry with it a ‘truth’ of the social body, which – despite all mishaps and paradoxes – is juxtaposed to the blindness of the “copulating poor” and “savage life”.

“Capital is that particular part of these possessions” destined to produce future wealth, with the expectation of a higher return than expended before – thus defines Malthus, concurring with the wisdom of common sense (PE, 212). The origins of

¹³¹ “[I]t is equally vain, with a view to the permanent increase of wealth, to continue converting revenue into capital, when there is no adequate demand for the products of such capital, as to continue encouraging marriage and the birth of children without a demand for labour and an increase of the funds for its maintenance” (PE, 265f).

¹³² Most notably that is David Ricardo and Jean-Baptiste Say. A general glut of capital means that all this accumulated wealth becomes worthless through its sheer abundance – something that Ricardo, who used the scarcity of nature to build his notion of value on the time of sweating labor contained in it, would not admit. See (PE, 253f) for Malthus’ discussion of it.

capital hark back to the “gift of nature”, without which “no manufactures or idle persons could ever have existed”; neither would there have been the leisure for a greater number of persons “to employ themselves in all the inventions which embellish civilized life” (PO, 392). Instead of transforming the “gift of nature” into a senseless production of bodies – as would happen in savage life - capital emerges in the civilized distance from the immediacy of needs and desires. While Malthus professes, that the restraint from the consummating desires of consumption, will never be sufficient later on to augment the force of capital, the restriction of use and dissipation in the hands of the many is constitutive of it: “[T]he providence, foresight, and postponement of present gratification for future benefit and profit, which are necessary for this purpose, have always been considered as rare qualities in the savage” (PE, 72). The power to commence the process of creation, given in the shape of money, is hence accounted for in terms of the “moral” capacity to defer gratification into the future. Civilization, morality, capital are conjoined in a comparison, which associates immediacy with blindness, and deferral with recognition of reality.

The will to use this “gift of nature” for the making of the means of life and a world of things has limits; it is a power used only reluctantly, when the promises for return cease to be bright and when profitable results are uncertain or even improbable. These limits will be reached at the end of progressive history: when the soil is exhausted and the “gift of nature” has dried up. It is a “barrier which cannot be passed” (PO, 222). But fortunately, Malthus maintains, capital serves to halt the march before utter exhaustion and the reign of scarcity proper. “[T]he extreme practical limit to the progress of population, which no nation has every yet reached, nor indeed ever will” reach, results from the fact that under the limits of capital, no one can ever be “employed on the soil, who does not produce more than the value of his wages”. Thus,

it will not happen, as it might be “under the forced direction of the national industry into one channel by public authority”, that “the whole people of a country” are working “for the production of mere necessaries, and no leisure be left for other pursuits of any kind” (PO, 405).

In the universe circumscribed by the epistemology of scarcity, capital turns into a principle, cherished for the limits it enacts. It unfolds all its epistemological and regulatory virtues against the two poles of receding and looming scarcity: it interrupts the recurrent catastrophe of the state of nature and the premature fate of scarcity *and* it shields the principle of population from reaching absolute scarcity and the end point in history. This way, there will always be a certain amount of abundance, even in the midst of scarcity. The impending lack of surplus was indeed a worry for the political philosopher in Malthus: it would put at risk the “enjoyment and leisure” even of the few who are “sufficient to leaven and animate the whole mass” (PE, 173). It is with them that, the civilization finds its first harbor and the fate of the republic rests, since they would be able to embark on “gradually improving their governments, without apprehension of revolutionary excesses” (PO, 574f). Reminiscent of the ancient wisdom about “how difficult it is under any circumstances to establish a well-constituted republic and how dreadful the chances are against its continuance as the experience of all history shows”, Malthus fears the economy of mere subsistence, its poverty, lack of power and narrow reason (PE, 301; 304). Just as in ancient times, leisure and political virtues were to be secured against the necessities of life. But one should not forget that the reference to such ‘necessities of life’ contain a mixture of fears and apprehensions about the dangers of unlimited reason mingled with the question of life – out of which, Malthus was sure, only monsters could be born.

The transformation of capital as a power of world-making - and the attendant possibility to subject it to an “analytics of power” - into the dignity of an

epistemological principle thus hinges on the two poles of scarcity, against which the conditions for a viable republic are to be made. The virtues of capital stem from the distances created to both of them and the effective limits it poses to the – apparently – only thing worthwhile to be controlled: the limitless production of bodies. But while capital thus is presented as the proper instance of guarding the perspective of the whole, it occupies only the most global sites of regulation. It is thus accompanied by the more minute attention to the ‘body and heart’ of economic man, who populates with his wife this republic made by progress and scarcity. Akin to the “totalizing and individualizing poles” of modern power described by Foucault, the envisioning of the regulatory epistemology of economy attends to both sides. Economic man, the anthropological figure to be fashioned out of the raw passions of the savage, assumes a paramount role in economic thought and regulatory attention is concentrated around him.

The analytical perspective developed by Foucault, geared towards the understanding the constitution of the modern subject, is a helpful inspiration for the theoretical account of economic man. It helps to unlock the constitutive relations, in which his ‘anthropological truth’ is made. Yet, it seems also important to keep in mind the question, concerning from where this intense focus on the subject stems.

For Foucault, the theoretical development a new analytics of power furthered such focus. He has elaborated with great plausibility the mechanisms of discipline and the ‘regime of truth’, in which modern subjectivity is constituted. It remains important for the analysis here. But the division of this field into the regulatory pole of an epistemological principle on the one hand, and the making of the rational-cum-moral virtues of the subject on the other hand, belongs to the effect of this particular envisioning of ‘modern economic objectivity’ described here. It does not seem to point the way to the possibilities of thinking about economy in a way, which is more

open to contingency and the “analytics of power”. Instead it seems to be born out of its specific relation to political reason, limiting its horizon. Such are the theoretical suspicions, to which it is necessary to return. But before wondering about the limits, the analytical advantages of the Foucauldian understanding of the subject are brought to bear on this most lasting figure of civilization: economic man and his wife.

The Passions of Economic Man

Economic man is often taken to mark the factual orientation of the discipline of economics. It claims to reckon with man, as “he really is”, requiring no high-minded ideals to be followed and entertaining no ‘metaphysical theories’ about ‘society as a whole’ (Hirschman 1997, 103f). Hirschman’s classical work has embedded these claims in their historical and political genealogy, reminding us that it has been first the provenience of modern political thought to claim such ‘anthropological realism’. Among the first modern philosophers is Machiavelli, who juxtaposed the effective truth of things with the imaginary republics of the ancients. Spinoza followed him with his claim that, “man as he “really is”” should be the proper subject of political thought. Hirschman traces these forms of political anthropology through the 17th and 18th centuries, positing them in the context of the political hopes to render the world more predicable and reliable. He ends his political genealogy of the notion of self-interest at the end of the eighteenth century. To him, it was with Adam Smith that self-interest achieved its economic ‘coup de grace’, as its role as a support for the political order was undercut and the economic world came slowly to stand on its own (ibid., 103f).

But it is possible to continue such political genealogy of economic man. Given that Malthus, more than Smith, defined the passage into the self-standing reality of

economy, it is instructive to follow the attendant changes and to pick up the thread left behind by Hirschman. The narrative of how economic reason serves the political republic does not end, but it has changed shape: it is now achieved through its very division from and displacement of the political horizon. Adam Smith work was certainly a stepping-stone towards this division. But this 'stepping stone' assumed a different position in the changed political atmosphere in the aftermath to the French Revolution and the high running political passions of the time.¹³³ The fear of the 'monstrous' political passions and savage desires changed the account of the subject. While Adam Smith assumed a continual and universal striving of the human mind "from the cradle to the grave" to "better his own conditions", the ground of this assumption seemed to have crumbled.¹³⁴

The "desire of bettering our condition and the fear of making it worse" is the "*vis medicatrix reipublicae* in politics", announced Malthus, taking up the words of Adam Smith (PO, 370). But it was neither universal, nor self-evident anymore. The natural condition of man is one of "sloth" and one needs to take into consideration the "influence of so general and important a principle in human nature as indolence or love of ease" (PE, 257): "Temptations to indolence will generally be too powerful for human weakness when the question is merely about a work which may be deferred or neglected, with no other effect than that of being obliged to wear old clothes a little

¹³³ But this stone was appropriated for a political vision, which was akin, but not quite that of the Scottish Enlightenment. The "folly of political reason", which Adam Smith recorded and the "Candide's Garden" of economic progress he hoped for, belonged at first to the historical context of the Scottish Enlightenment (Hirschman 1997, 104): intellectual life blossomed from 1750 in favorable circumstances, which developed in after the incorporation in the Union with England, which had meant the loss of parliament. The importance given to history as a "refinement of both, physical and social, feeling", taken to be "the bond of true society and guarantor of taste" and the vision of a civilization made in these bonds took a distance to the primacy of the political world, which was also their own very politico-historical predicament (Lawrence 1979).

¹³⁴ See for this quotation from Adam Smith (Rothschild, 25).

longer (PE, 278).¹³⁵ Against the alleged presentist savage mind, which was willing to sacrifice the fate of all and each to the impending catastrophe, a sense of future had to be inculcated.¹³⁶ Only by breaking the circles of immediacy and by widen the mind to include a longer time and a wider horizon of things, the “proper cultivation of the earth and the fabrication of those conveniences and comforts, which are necessary to his happiness” (PO, 342) would commence. The list of stimulants of exertion, drawn up by Malthus, included the “goad of necessity”, hope, colonial objects and heterosexual pro-creation and the prohibition of contraception: all these concurred in teaching the savage about how to ensure the stability and well-being of the republic and himself.

It might be not unexpected to find again the colonial hierarchies employed in this argument; it might also not be unexpected to find that call for the discipline of the “goad of necessity”, which Malthus’ argument prominently includes.¹³⁷ But what is remarkable beside the expected, is the uninterrupted line this argument draws connecting fear, heterosexual norms, civilization, the making of wealth, taste for objects and the concern for the fate of the body politic as a whole. All those together conjoin in teaching the subject to develop the “distinctive superiority in his reasoning

¹³⁵ “If the labourer can obtain the full support of himself and family by two or three days labour; and if, to furnish himself with conveniences and comforts, he must work three or four days more, he will generally think the sacrifice too great compared with the objects to be obtained, which are not strictly necessary to him, and will therefore often prefer the luxury of idleness to the luxury of improved lodging and clothing. This is said by Humboldt to be particularly the case in some parts of South Maerica, and to a certain extent prevails in Ireland, India, and all countries where food is plentiful compared with capital and manufactured commodities (PE, 446f).

¹³⁶ Such is also the “miserable peasant”, who “will seldom be deterred from gratifying his passions by the prospect of inconveniences, which cannot be expected to press on him under three or four years” (454).

¹³⁷ With the assumption about the civilizing goad of necessity, Malthus goes back to his most immediate forerunner, Joseph Townsend, who had published *A dissertation on the poor laws, by a well-wisher of man-kind* in 1787. Polanyi summarizes his position in following words: “Hunger will tame the fiercest animals, it will teach decency and civility, obedience and subjection, to the most perverse. In general it is only hunger which can spur and goad them on to labour; yet our laws have said, they shall never hunger” (Polanyi 1957, 113).

faculties”, which enable “him to calculate distant consequences” (PO, 14), since “the sacrifices of temporary to permanent gratification” is “the business of a moral agent continually to make” (ibid, 15). They conjoin thereby in making economic man and his reason. Economy, in the very old meaning of the term is the prudential care for one’s household, coagulates into stricter meaning: it posits, that the sense of the future and the making of the future is made by the deferral of gratification by fear of subsistence. The same meaning stretches thus from the making of the civilized subject to the virtues of capital, manifesting the same epistemology of scarcity against the consummation of abundance and the blindness it bespeaks. The making of objects and the love for them is not a question of “world-making”, but of warding off savage threats.¹³⁸

It is important once more to remind oneself of the political roots of this concern for the future now at home in economic reason. As already pointed out before, it had been an explicit political virtue oriented towards the maintenance of the republic. In the hand of the thinkers of the Scottish Enlightenment, most notably David Hume, the reference to those political virtues was replaced with the question of how to modulate the immediate and momentary passion of the individual, so that these widened their concerns further in time and space – becoming only thereby apt to underwrite political contracts and obligations. This political horizon vanishes in Malthus’ writings about economic man: it is his reason and his world alone, which bear now the weight of the political virtues. Those are hence displaced into the individualized hopes and fears attaching to precluded or deferred fulfillment. To reason *is* to defer and this form of individual reason is made in those regulatory

¹³⁸ See the book by Elaine Scarry for a different perspective on the question of world-making and the role of objects (Scarry 1985).

devices, which teach the subject such virtues. The recognition of the physiological and emotional sensibilities, which the Scottish Enlightenment furthered and which Malthus incorporated deeply into his political vision, serves here the elaboration of these regulatory devices, which are capable to mend the passions in this desired way: the making of economic reason had to work through the body and heart of economic man.

The Insights of Fear and the Detours of Love

“Misery” and “the fear of misery” Malthus holds to be the “necessary and inevitable results of the laws of nature”, which can “never be removed” (PO, 330; 335). “A strict inquiry into the principle of population obliges us to conclude that we shall never be able to throw down the ladder, by which we have risen to this eminence”.¹³⁹ Those who are closest to the savage mind will always need the “goad of necessity” and the “want of necessaries” to work for the future.¹⁴⁰ The regulatory and disciplining aspects of scarcity assume against those raw and immediate desires their most prominent form. As the “ladder, which can never be thrown away”, thus scarcity can never be left

¹³⁹ The sentences immediately preceding this citation are as follows: “To the laws of property and marriage, and to the apparently narrow principle of self-interest which prompts each individual to exert himself in bettering his condition, we are indebted for all the noblest exertions of human genius, for everything that distinguishes the civilized from the savage state.....the structure of society...will probably always remain unchanged” (PO, 575).

¹⁴⁰ “ Few indeed and scanty would be the portion of conveniences and luxuries found in society, if those who are the main instruments of their production had no stronger motives for their exertion than the desire of enjoying them. It is the want of necessaries which mainly stimulates the labouring class” (PE, 268). “No other reason can well be assigned, than because he conceives, that the labour necessary to procure subsistence for an extended population will not be performed without the goad of necessity. [Malthus infers here from Condorcet’s writings what he necessarily has to assume, ut]. If by establishments upon the plans that have been mentioned, this spur to industry be removed; if the idle and negligent be placed upon the same footing with regard to their credit and the future support of their wives and families, as the active and industrious; can we expect to see men exert that animated activity in bettering their condition, which now forms the master-spring of public prosperity?” (ibid., 321).

behind for the very impulse it gives to progress further. Again, one finds Malthus' contemplation of the "great" and "general" law of population to cross the line between the factual and the normative: "The desire of the means of subsistence would be comparatively confined in its effects" he admits, "and would fail of producing that general activity so necessary to the improvement of the human faculties were it not for the strong and universal effort of population to increase with greater than its supplied. If these two tendencies were exactly balanced, I do not see what motive there would be sufficiently strong to overcome the acknowledged indolence of man and make him proceed in the cultivation of the soil".¹⁴¹

The 'body in pain' (Scarry), who exerts itself for the care of the direst necessities, thus remains the necessary horizon, which neither can, nor should truly recede. The regulatory force of scarcity enforces the progressive march through history and ensures the path of civilization. While in a sense therefore always indispensable, it is also not a sufficient lever. The most dramatic fear about one's own subsistence only guides the subject to the narrow care for his immediate needs at the lowest level. China stands out to Malthus as the cultural marker of the fate of a republic under such limited horizon of desires: Dedicated to the production of food alone and thereby fuelling the making of bodies with food, they ended with an industrious people, whose "efforts and labour are beyond conception", "digging the whole day in the earth and being happy to eat a little spoonful of rice and to drink the insipid water in which it was boiled" (PO, 131). The richest and most flourishing

¹⁴¹ The quote continues as follows: "The population of any large territory, however fertile, would be as likely to stop at 500, or 5000, as at 5 millions or 50 millions. Such a balance therefore clearly defeat one great purpose of creation; and if the question be merely a question of degree, a question of a little more or a little less strength, we may fairly distrust our competence to judge of the price quantity necessary to answer the object with the smallest sum of incidental evil" (471).

empire of the world” is therefore “notwithstanding, in one sense, the poorest and the most miserable of all” (PO, 130f).

Desires for objects, splendid and exotic, and the hope to attain them, promises to be a much securer path into the future, stretching further and guiding exertions away from the ‘naked’, ‘miserable’ and ‘savage’ body to the well-ordered republic. But the “clumsy manufactures” and the “cotton goods” of Glasgow lack the allure (PE, 267; 305). The peasant, who might prefer “indolence to a new coat”, might be spurred to work for “tea or tobacco”. Desires and allures are indispensable to Malthus in the making of economic man and his flourishing relations: “[F]ew indeed would attend a counting house six or eight hours a day in order to purchase commodities which have no other merit than the quantity of labour which has been employed upon them” (PE, 281).

But Malthus seems never really content to trust these allures pertaining to the world of objects. Self-interest, the care for one’s own subsistence and the need for objects to embellish one’s own life circumscribe a narrow sphere of interest, rapidly turning into indifference. The social body, he fears, might come to exist in a state of scanty connections, thinned and with irregular motions.¹⁴² These fears of Malthus seem to attach to an inverse image of the happy state of nature of Rousseau, where rarely people meet, barely they experience dependence of objects or otherwise and the ties between children and parents, especially those of the fathers, are contingent and estranged. But while Rousseau feared the advent of social ties, their dependency and

¹⁴² “It is a very great mistake to suppose that the passion between the sexes only operates and influence human conduct, when the immediate gratification of it is in contemplation. The formation and steady pursuit of some particular plan of life has been justly considered as one of the most permanent sources of happiness, but I am inclined to believe, that there are not many of these plans formed, which are not connected in a considerable degree with the prospect of the gratification of this passions, and with the support of children arising from it” (PO, 469).

lack of independence and freedom they bring, Malthus feared the absence of these dependencies and social ties, which would leave the social body under-developed. The family and marriage become so heavily invested in this economic objectivity of Malthus, because they force self-interest to stretch out in time, to travel into the future along the lines of familial descent. They force desires into this state of waiting and deferral, while keeping them alive and making them “burn with a brighter, purer, and steadier flame” after they had been “repressed for a time” (PO, 476). Waiting civilizes the passions, sends them into detours; it makes them “gentler”, but only “where obstacles are thrown in the way of very early and universal gratification” (PO, 469f).

Without awaiting the deferred “gratification of the passion between the sexes”, Malthus assumes, the “steady pursuit” of plans in life would not occur, since the exertion for “the house, the warm meal and the comfortable fireside” would lose “half their interest if we were to exclude the idea of some object of affection, with whom they were to be shared” (PO, 469). Economy, this labor for objects and their exchange, appears here indeed fully as a ‘libido-economy’, worked through the heart and body of economic man. Without this one animal desire, when properly “centred in one object, and generally when full gratification is delayed by difficulties” (PO 476), all other desires loose their hold; without this one, most prized object, the women, all other objects are worth less than the exertion necessary. In the most civilized state, where not fear of subsistence, but fear of descending in society governs the subject, those remain mediated through this object of affection: “Can a man easily consent to place the object of his affection in a situation discordant, probably to her habits and inclinations?” (PO, 236).

Economic man is therefore not a singular subject; he is accompanied by a wife and children, who could only together properly populate that other half of the double constitution and make it prosper – without the desire for marriage fulfilled at a proper

age, he would “fail of rescuing society from the most wretched and desperate state of want” (PO, 473). Thus, “promiscuous intercourse”, a state of celibacy, which would be “a matter of indifference”, or the “facility of illicit intercourse” are all likely to disrupt this widening of perspective into the future and the detours of desire into the world of objects, and are for this reason a matter of failing to “rescue” society.¹⁴³ The clear moral stance of Malthus’ argument might be ill-understood if it is taken to be an expression of his religious bearings or theological commitments¹⁴⁴; the morals designed for economic man are utterly modern, based on a utilitarian reasoning about mending the passions to a progressing social body, ordered and internally cohering. They are part of making a modern subject, which “experiences lack in the midst of abundance” (Vogl 2002, 345), is always failing his fulfillment, but engaged in laborious detours of making an objective world.

While attending to Malthus’ views on matters of celibacy, sexual desire, his strange prejudices about early marriages and subsequent impotence, we seem to have strayed far from the issues, usually grouped under the theme of economy, like productions, money, stock-exchanges and prices. But we are nevertheless attending how the modern reality of economy became conceptualized, by following this reasoning, which seems to foreshadow Freud’s work on sexuality, its sublimation, and

¹⁴³ “It is clearly the duty of each individual not to marry till he has a prospect of supporting his children, but it is at the same time to be wished that he should retain undiminished his desire of marriage, in order that he may exert himself to realize this prospect, and be stimulated to make provision for the support of greater numbers” (PO, 472).

¹⁴⁴ Heavner discusses the claims that Malthus should be understood in the perspective of his religious beliefs. The most prominent argument for such perspective is given by Winch in his book *Poverty and Riches*, where he claims that the transformation of Smith’s science of political economy in the early nineteenth century can not be interpreted without reference to Malthus’ Christian beliefs and his natural theology. Heavner underwrites more the perspective taken here, that the utilitarian origins of his theories give a more appropriate understanding of his thought. While he comes from the Anglican tradition, his religious principles are subjected to a logic of analysis, which is secularized and utilitarian to its core. (Heavner 1996; Winch 1996, 411).

the reality-principle more than anything else. The discursive production of a savage life force – this mixture of political fears, observations on nature and colonial hierarchies – is the other side to the rendering of a regulatory epistemology of economy. The utilitarian demand on the internal production of truth against the dangerous blindness shapes the account of the more familiar economic categories: it makes capital into a principle of progress; it creates a homology between the morality of deferred passions and the understanding of capital; it makes scarcity into never receding measure of economy; it focuses all regulatory and disciplinary attention on the desires of economic man; and finally, it gives economy an epistemological weight which underwrites its privilege to define the most ‘real’ reality of society and establishes an tightly knit relation between civilization, material progress, capital, families, all conjoining to “rescue” the body politic.

The Vagaries of Value and the Certainty of Scarcity

The poles of regulatory wisdom of capital and the reason of economic man are knitted together at a place, which has always seemed like the most cumbersome aspect of economic thought in the nineteenth century. This place is marked by the notion of value. The expectations put towards this notion are indeed high and it seems to belong to the most cumbersome element of economic thought. Debates of the nineteenth century about value have this very old-fashioned air to them and are full of traps: long-winded mathematical equations are supposed to link hours of labor and prices in the wake of Ricardo and Marx, crisp calculations of marginal difference in the individual agent are supposed to dissolve them, promised the *Marginalist Revolution* of neoclassical economics. But as Mirowski has shown, the notion of value remains entangled with ‘unclean’ assumptions and not so ‘crisp’ uncertainty. It has to show

how so diverse objects and human endeavors are made comparable and „even more outlandish“, claims to establish how such comparisons can be reduced to a „single common denominator“ (Mirowski 1990, 685). He maintains, that theories about the conversion of value in exchange lie at the heart of any economic science „for without it, there is no justification for a separate inquiry into the nature and causes of pecuniary wealth“ (ibid., 702).

That the fate of their science would depend on a clear notion of value, Malthus would certainly not have denied: For political economy to be a positive science, it has to be able to know, how, why and in which proportion objects relate in a productive fashion to each other.¹⁴⁵ The regulatory principle of capital, the mended desires of economic man and finally, the desires of the political economists to give account of it have to coalesce. It is “not a little discreditable to a branch of knowledge which claims to be called a science...that its terms should not be settled” (PE, 96). We might add that it was not just the scientist, who wanted the certainty about this regulator of exchange, production and sacrifice. The political philosopher in the search of foundation needed it no less.

Value is “the great stimulus to production” and “the great regulator of the forms and relative quantities, in which they shall exist”, says Malthus as if in confirmation of the above given account of the specific role of value in economic thought (PE, 244). But disquietude speaks through Malthus when he ascertains commercial relations and the vagaries and dependencies they imply. In his

¹⁴⁵ Malthus cites Jean-Baptiste Say approvingly in search of those objects of his science “que, ce n’est que la possibilité de les déterminer, de connaître par conséquent quand, et comment les bien augmentent, quand et comment ils diminuent, et dans quelles proportions ils se distribuent que a fait de l’économie politique une science positives que a ses experience, et fait connaître des résultats” and he adds, “Nothing could be more just than this” (PE, 25).

elaborations of value and commerce, Malthus was still very much wedded to the eighteenth century. Like Turgot and Condorcet, he assumed that commerce depends ultimately on equality and furthers it:¹⁴⁶ no “large and permanent returns” are possible, “variously affected by indolence, industry and caprice” of others, no “security against want” is to be found there. “The power of purchasing” accruing to one commodity “may vary in any degree” and “we should be quite at a loss to say, whether it would be necessary to sacrifice the worth of ten days’ labour to obtain the cloth, or a hundred days” (47f). To the dependencies and insecurities of this world, not offering much to the desire for a scientific, positivist account of it, are added the paradoxes of the epistemology of scarcity: “two pair of stockings” double the conveniences of life, but they might command much less on the market into the hands of the owner, than one (PE, 242). A heap of things does not have a regulatory power by itself, and a country might be wealthy without having anything to command to its use from others (PE, 241).¹⁴⁷

Any step away from the beaver and the deer in exchange on account of the hours needed to hunt them – the most cherished examples of Ricardo – seems to add more impossibilities to account for how, who, what and which commands and is commanded by the mediations through objects and money. If anything that is “useful or delightful” for man is relied upon, Malthus contemplates, the “bounds of a single science” would be overturned and “confusion” would be introduced into the “language

¹⁴⁶ “[A] country which is obliged to purchase both the raw materials of its manufactures and the means of subsistence for its population from foreign countries, is almost entirely dependent for the the increase of its wealth and population on the increasing wealth and demands of the countries with which it trades” (396). Malthus therefore assumes that the concentration of manufacturing in one country cannot but be an “accidental and temporary, not a natural and permanent division of labour” (397 and 404).

¹⁴⁷ What we want further to know, is the estimation in which the cloth and money were held in the country, and at the time in question founded on the desire to possess, and the difficulty of obtaining possession of them” (48).

of political economy” (PE, 21): Impossible relations, as between the delights of an “intellectual attainment” and a “mercantile product”, make the estimation of wealth “hopeless” (PE, 22).¹⁴⁸ Malthus sifts through possible objects of exchange and possible measures, searching for what might make such measure of things reliable, shifting from one criterion to the other. The possibility of accumulation could not serve as a basis, as many talents, Malthus asserts, might be accumulated, and on what grounds could it then possibly be asserted” that “musicians...do not increase the national capital?” (PE, 25).¹⁴⁹ Expenses in the case of education – something for which funds are invested and gratifications forgone – do not give a measure for the value of its outcome – on the contrary, those who pay most might benefit the least (PE, 27). It would be an “absolute impossibility” to try to give a valuation “of tunes” played on an instrument and how could it be possible to “estimate the value of Newton’s discoveries or the delight communicated by Shakespeare and Milton by the price at which their works have sold?” (PE, 40). “Nor would it be less groveling”, Malthus continues, “to estimate the benefit which the country has derived from the Revolution of 1688 by the pay of the soldiers and all other payments concerned in effecting it” (ibid).

The boundaries of the science and its knowledge and the boundaries of this regulatory epistemology is and should, so it seems, reside, where the just estimation of value comes to an end. But where does it start? There is only one place of certain

¹⁴⁸ “In short, if we include under the denomination of wealth all the qualities of the mind and body which are susceptible of being hired, we shall find that by the restriction of the term wealth, to that which has exchangeable value, we have advanced but little towards removing the confusion and uncertainty attendant upon the former definition; and all idea of estimating the increase of wealth in any country or making any moderate approaches towards it, must be absolutely hopeless” (22).

¹⁴⁹ “...it is quite impossible to deny that knowledge, talents, and personal qualities are capable of being accumulated” (25).

measurement in Malthus' universe¹⁵⁰; one place, where capital will not die because it has heaped so many objects that it loses its power of command¹⁵¹; there is only one place, where two stockings would indeed keep requiring the same amount of sacrifice¹⁵²; only one place, where "permanent and large returns" and the leisure they allow are not undone in commercial exchange: it is the economy of soil, sweat, subsistence and rent. "But such are the qualities of the necessaries of life, that, in a limited territory, and under ordinary circumstances, they cannot if properly distributed be permanently in excess" (PE, 146). While machines, which produce hats, cannot produce the demand for hats, the principle of population ensures, that necessaries have the "power of raising up a population to consume it" and the "value of corn is thus prevented from falling like the value of muslins" (PE, 115f). Land produces excess and demand at the same time. The pure abundance of a heap of things, unable to command, regulate or measure, would thus not occur, as sufficient scarcity, necessity to sacrifice and exert, willingness to do so and desire for the objects produced, are constantly reproduced.

This peculiar place Malthus reserves for land, rent and agriculture, signals his support for primogeniture, against the free trade in corn and has singled him out from

¹⁵⁰ "In common monopolies, and all productions except necessaries, the laws of nature do very little towards proportioning their value in exchange to their value in use...in the production of the necessaries of life alone, the laws of nature are constantly at work to regulate their exchangeable value according to their value in use...the exchangeable value of a given quantity of necessaries always tends to approximate towards the value of the quantity of labour which it can maintain in such a manner as to support at least a stationary population, or in other words, to its value in use"(PE, 118).

¹⁵¹ "...this surplus, necessary and important as it is, would not be sure of possessing a value which would enable it to command a proportionate quantity of labour and other commodities, if it had not a power of raising up a population to consume it, and, by the articles produced in return, of creating an effective demand for it" (PE,, 114)

¹⁵² "It must be allowed then, that facility of production in necessaries, unlike facility of production in all other commodities, is rarely or never attended with a permanent fall of their value. They are the only commodities of which it can be said that their permanent command of labour has a constant tendency to keep pace with the increase of their quantity" (PE,, 131).

the orthodox tradition. But the form of searching, the certainty he requested and the return to scarcity it implied has stayed prominently with this tradition. It seems that only where necessity and scarcity are abundant, does the regulatory wisdom of economy take hold together with the scientific satisfaction of the political economists. It might have been Malthus' sensibilities towards the shifting, temporally uncertain and dependent relations of commerce, which made him develop this peculiar solution. Those who came after him, did not share those sensibilities and achieved the regulatory and epistemological certainty by taking value out of the realms of sacrifice and desire and the question of command, into the hours contained in the thing itself. The solution looks different, but the quest is the same. This quest for order and knowledge seem to always hark back to the "body in pain" and the necessity it is subjected to. The words of the philosopher Halevy wrote around 1900 are worth repeating: "Bref, l'utilité ne saurait devenir objet de science que dans les cas où elle s'achète au prix d'une peine" (Halevy 1995a, 11).

CHAPTER 4
THE DOUBLE CONSTITUTION IN CRISIS AND THE RETURN OF THE
POLITICAL

The double constitution of the nineteenth century proved itself to be a protean creature. The juxtaposition of a self-sustaining economy to a limited sphere of rights did not only underwrite Malthus' vision of republican limitations; it also accommodated without major rupture Britain's continual colonial expansion throughout the century.¹⁵³ The social body was easily understood as encompassing a much wider space, which cohered all colonial posts into a "single whole", as the economist Jevons has phrased it.¹⁵⁴ By the end of the century, Britain had extended its formal and informal rule through trade and selective military force, in order to create "valued and dependent commercial partners and congenial allies" abroad (Hopkins 2000, 220f). The "continuing ability to settle its accounts depended on a growing network of increasingly specialized and far-flung connections, all of which had to be, in Palmerston's phrase, 'well kept and always accessible' " (ibid., 234). During a "hundred years' peace", as Polanyi named this time, Britain had managed its affairs

¹⁵³ Hopkins draws attention to the continual British expansion, countering the assumption that the first several decades of the nineteenth century were anti-imperialist: "Britain's record after the loss of the American colonies is scarcely that of an anti-imperial power". Britain pushed ahead with further annexations in India (including Ceylon), Sind (1843), Punjab (1849), in Burma (1824-52), Deliberate efforts were made to promote emigration and settlement as in South Africa or New Zealand (Hopkins 2000, 220f)

¹⁵⁴ How deeply the global space of colonial expansion belong to this single British social body in the imaginary of British economic thought testifies V.W.S. Jevons, one of the representatives of the marginalist revolution from 1870, whose view of the market remains influential until today: "Modern Britain does not and could not stand alone. It is united on the one hand to ancient agricultural Britain, and on the other hand to the modern agricultural nations of our stock, which are growing in several continents. Of the same language and manners, and bound together in the same real interests of trade, Britain and her colonial offspring must be regarded for the present as a single whole" (Jevons, W.S. (1965/1906), *The Coal Question* (cit. in Toye 2000, 23).

successfully, considering itself as the pinnacle of civilization and a gift to the world.¹⁵⁵ But with the 1870s pride and security started to wane. A “new state of mind of uneasiness and gloom”, which pertained to an increasing and generalized anxiety about the foundations of the inherited order, started to rise (Hobsbawm cit. in Arrighi 1994, 171). The ‘Great Depression’ of 1873 marks the beginning of that sense of uncertainty and agony; it brought an era of “indefinite progress” and optimism to its close.¹⁵⁶ While the historical assessment of today takes ‘Great Depression’ to be a rather hyperbolic coinage, this term still bespeaks the new worries of the time (Arrighi 1994, 163f). Dreads of a far-flung empire impossible to defend and dreads about the insecurity of England itself occupied the public mind: “[B]etween 1880 and 1920, Liberalism represented the English to themselves and to others in ways that were increasingly regarded as inadequate for a nation facing serious social “issues” within, and carrying a large and growing Empire without” (Colls 1986a, 30 and 46f).

The period between the 1880s and the 1930s can be described – with all due caution against labeling large periods with a single characterization - as a period of

¹⁵⁵ “Nineteenth-century Liberalism represented English freedom as an ideal force, deep within the national character, and capable of universal dissemination as England’s special gift to the world” (Colls 1986a, 30)

¹⁵⁶ See (Landes 1969, 231) He describes the period from 1873 to 1896 in the following words: “The years from 1873 to 1896 seemed to many contemporaries a startling departure from historical experience. Prices fell unevenly, sporadically, but inexorably through crisis and boom...It was the most drastic deflation in the memory of man...And profits shrank, while what was now recognized as periodic depressions seemed to drag on interminably. The economic system appeared to be running down” (ibid). This stood in marked contrast to the two decades before, which either confirmed or promised expectations of increased prosperity for the future. The agitation of trade unions had concentrated “on extracting maximum benefits from the existing economic system” and “working-class memories in the 1860s naturally referred to the recent past of the Hungry forties and the triumphs of free trade”. Liberalism still believed in the “reconcilability of competing interests” (Shannon 1974, 29f). During the 1850s and 1860s “[t]he economy thus tended to be looked upon as a fixed entity, sanctified by free Trade and expressive of the genius of the greatest industrial society in the world. In the 1860s this confidence was still wholly intact, and every major economic sector seemed secure. By the later 1870s confidence had shaken” (ibid., 109).

growing contestation and politicization in all areas of social life - on the British island and abroad. There is nothing unequivocal about these diverse and ever more explicit militant cleavages in the hegemony of the specific form of liberal rule practiced by the British during the nineteenth century. They consisted of rising social strife, uprisings in the colonies no less than challenges to inherited categories of thinking and perception or doubts leveled against the morality of the time. What unites them across their vast differences and makes them apt to be enumerated together is solely the open problematization, which they commonly manifest, of the inherited order and its foundations. The liberal hope has always been to tame political passions and their respective objects of contention under the auspices of the alleged neutrality of science, law and trade. But in all respects this displacement turned out to have a limited efficacy at this historical conjuncture. Whatever was deemed to be neutral, reliable or natural turned out not to be so. Political theory declared that underneath law founded on natural rights there was an unfounded sovereign decision; philosophy detected underneath truth the will to power and psychoanalysis found under the tiny island of conscious control a vast and deep realm of unconscious rule. Cosmopolitanism was found guilty of just dreaming the more fundamental reality of national enmity away and trade was only to be had with political expansion. Even the laws of historical materialism turned out to be insufficient for the world and apparently needed conscious aid from the political will properly organized in a vanguard party.¹⁵⁷

Especially in respect to the sphere of economy and its presumed “automatism”

¹⁵⁷ This list refers to the writings of Carl Schmitt, Nietzsche, Freud, Cecil Rhodes and Lenin. Hannah Arendt's account of imperialism quotes Rhodes and elaborates his influence on the political minds of the time: “They believed Cecil Rhodes when he told them to “wake up to the fact that you cannot live unless you have the trade of the world”, “that your trade is the world, and your life is the world, and not England,” and that therefore you “must deal with these questions of expansion and retention of the world” (Arendt 1994, 132).

and “self-regulation” - qualities with which it was characterized during the hey-day of free trade, the gold standard and informal imperial rule - such contestation took the form of growing claims of the primacy of the political. The question of what determined “the price of a cup of tea” as Robinson dryly summarized the theoretical concerns of the neoclassical tradition of the 1870s, had just become irrelevant by the same move that had made obsolete the seemingly eternal and global division between the neutral “silently humming machine” of the market and its political assurance in constitutional law (1962; Robinson 1973). The Russian Revolution transgressed these lines – to the horror of some and the hopes of others - as much as the imperialist rivalries had done before.

It is not surprising that the more general contestation and the reassertion of the political takes place in conjunction with a challenge to the inherited conceptions of economic objectivity. Because such a conception is part and parcel of a political vision of order *tout court* – as the current project would like to maintain - the economy cannot go unchallenged in the series of disputes of the old and the pursuit of a new foundation for the body politic. The “sane imperialism” of English liberals, the rising state socialism in Russia and the making of a totalitarian state body all present such re-envisioning of overarching principles of order and cohesion.¹⁵⁸ They all refigured the relation of the two halves of the double constitution and their respective meaning. Looking back at this period and across the political spectrum, there was a marked dominance of a particular understanding of the political, the primacy of which was newly asserted.¹⁵⁹ This understanding favored strength of will and leadership – both

¹⁵⁸ About the “sane Imperialism” of political liberalism see (Colls 1986b, 49f; Smith 1986, 262f.)

¹⁵⁹ The fate of the Russian Revolution, after it had opened a space of aesthetic and political experimentation, was very much determined by the political rationalities characteristic of the period as a whole: they favored central control, strength of will and large-scale organization. If one considers the

directed toward the rational and smooth organization of the life of the social body. This pertained not only to the extreme form of totalitarian rule, but characterized also “progressive liberalism” in England at the time, which aimed for “national and imperial efficiency”: “In all of them there was the lingering image of a society of solidier-citizens who are rationally and collectively deployed against the anarchy of the free market” (Colls 1986a, 53).

The writings of the J.M. Keynes form one voice in this choir of various re-envisionings of the political and the body politic. Unlike the murderous and traumatic re-assertions of the primacy of the political during this time, Keynes’ vision has had a lasting impact for the post-war order. He was the co-author of the international monetary regime in place until 1973 and provided the theoretical and political template for national economic development during that time. Keynes, a vivid journalistic writer and public intellectual throughout his life, saw himself as the heir

issue of economic planning, it becomes exemplarily apparent how techniques of fashioning a productive order traveled from right to left, from West to East. The first elaboration and the acclaimed success of planning took place in the context of the war-economies, the example of the German case under the lead of Rathenau provided the model for the Russian policies later on. For a short, but instructive account of it see (James 2002, 53f). A sustained homology between the imagination of the political and material civilization thus crossed the differences between East and West (Buck-Morss 2002). A similar dominant role – although for wholly different political aims - for conscious design, leadership and organization for the sake of material production of things, people and order alike was exhibited in the policies of imperialism from the 1870s onward. While economic explanations look at the deployment of the martial powers of the nation for the sake of expansion as an unbroken expression of the narrow business-interest for profits, its valence as a political vision and the support it could elicit, are irreducible to it. The imperial state “relocated the relationship between people and state” (Colls 1986a, 49), as it took upon itself the comprehensive aim to ensure the health and vigor of the nation in the making of its unified body. Abroad, in the colonial laboratories of modernity, imperialism elaborated not only the virtues of “bureaucratic administration” of a people deemed “hopelessly inferior”, but also the viability of national reconstruction. South Africa is often taken to be the “culture bed of imperialism”, as is Egypt, for the very reason that they became exemplary objects of conscious creation– exactly at the point when their strategic economic relevance was undone, in the case of Egypt, for instance, with the building of the Suez Canal (Arendt 1994, 151; Shannon 1974, 320). “Imperialism was, in this sense, synthetic and artificial, it was an effort to create form in a formless world” (Shannon 1974, 251).

and champion of English liberalism.¹⁶⁰ “The mind of the progressive section of England to-day is essentially liberal,” he asserted in an interview with Kingsley Martin, in which he proceeded to present the Liberal Party as “the centre of gravity” which “ought to be the focus of a new alignment of the progressive forces”¹⁶¹ (CW xxviii, 197). At the point at which Keynes commenced to become a public intellectual in the 1920s, liberalism had already changed its face to the form of “progressive Liberalism” mentioned above. In an address given at a Liberal Summer School with the title “Am I a Liberal?” he recorded this altered outlook, enumerating what had already become “common ground”: issues like progressive taxation, social insurance, housing or public health.¹⁶² Liberalism had thus turned, long before Keynes, towards state-financed social reform, in order to address the rising social strife at home.¹⁶³ The people’s budget had been passed in 1909 and a series of reforms had taken place before the First World War. Scientifically guided reform had been the liberal answer to the rise of Labor. Before the “Great War”, the arguments for more social equality resorted more often than not – and across the whole political spectrum - to the call for imperial strength, combining the critique of poverty with the call for a more healthy

¹⁶⁰ “My own aim is economic reform by the methods of political liberalism” (Keynes 1971g, 28f). The references to Keynes will subsequently use the abbreviation CW, for the *Collected Writings* and indicates in small roman letters the volume referred to.

¹⁶¹ (Keynes 1971j). Hereafter abbreviated as (CW xxviii).

¹⁶² This list also included “civil and religious liberty, the franchise, the Irish question, Dominion self-government, the power of the House of Lords” (ibid., 296).

¹⁶³ Lloyd George, the liberal Chancellor of the Exchequer from 1908-1915, who had been responsible for the “people’s budget”, had said: “I don’t know exactly what I am, but I am sure I am not a Liberal. They have no sympathy with the people” ((Shannon 1974, 436 and 401f). Enlightened paternalism was to counter the “the depth and extent of a great mass of ingrained and obstinate poverty” revealed with the new techniques of social analysis and reported in the Royal Commissions. The development of English sociology began by putting “before the public studies of contemporary poverty”. Among them a seventeen volume long study by Charles Booth, *Life and Labour of the People*, begun in 1889 and completed in 1903. These studies made, so Hynes, “poverty in England actual” (Hynes 1968, 54f).

“heart of empire”.¹⁶⁴ Keynes’ advocacy for a renewed liberal cause *after* the First World War was more wary about belligerent Imperialism and more silent about Empire; instead, he turned towards science, reform and the nation, in order to envision a new body politic in a changing international context. The Liberal Party was ideally to become the “disinterested” voice for enlightened politics – taking from Labor the “love for the ordinary man” but remaining a bulwark of “criticism, precaution, and technical knowledge” against the “catastrophism of Labour and the die-hardism of the Conservative Party” at once - in order to further the public “control of economic forces” and the cause of individual liberty (CW ix, 300, 311).¹⁶⁵

Much of the historical context, in which Keynes wrote and in which his vision crystallized, is predominant in the memory of Keynes today. State interventionism for the sake of managing the economy for the welfare of all remained the dominant political horizon after the Second World War and Keynes’ name is firmly attached to it. Commonly, Keynes’ *General Theory* is taken to have offered the theoretical

¹⁶⁴ see (Colls 1986a, 52). The Fabian Society, a socialist group including Bernard Shaw and Beatrice Webbs, were exposing this strand of progressivism linked to the ideal of national efficiency and “sane imperialism”: “In the manifesto *Fabianism and the Empire*, edited by Bernard Shaw in 1900, the Society dedicated itself to the spread of efficiency at both national and international levels”. As long as imperialism would involve a moral obligation and not just a dedication to trade and power interests, it was supported. This became the position of the Fabian Society only after discussion and a split of the membership after a slight majority voted against declaring the Boer-War as an act of imperialism (Kaarsholm 1989, 115). Enlightened Empire and breeding an Imperial race at home through social welfare became two sides of the same coin (Peppis 2000, 22f). Anna Davin quotes a liberal politician, who, after having outlined a program of social subsidies, said: “All this sounds terribly like rank Socialism. I’m afraid it is; but I am not in the least dismayed, because I know it also to be first rate Imperialism. Because I know Empire cannot be built on rickety and flat-chested citizens. And because I know that it is ‘not out of the knitted gun or the smoothed rifle, but out of the mouth of babes and sucklings that the strength is ordained which shall still the Enemy and the Avenger” (Davin 1989, 208); The debates around the Boer-War thematized poverty in terms of the lack of fitness of the working-class with respect to the need for military strength and health. (Summers 1898, 242). Paternalism, national interest, reform and the overarching reference to the essential English character of liberalism had turned it into a ubiquitous force in Britain. But whereas liberalism flourished, the liberal party did not: the lines had become too blurred.

¹⁶⁵ The *Essays in Persuasion*, to which the abbreviation *CW ix* refers, were published in 1932.

foundation of an already established practice and given intellectual support for its refinement.¹⁶⁶ In the wake of his theory, the conception of a “macro-economy” took hold in economics and economic policies, “accompanied by the creation of a novel vocabulary and methods in statistics for estimating and representing the new aggregates”.¹⁶⁷ Translated into the terms of economic science, Keynes’ model became a four-variable system offering the leverage points for the state apparatus to intervene.¹⁶⁸ The scientific model even had its material counterpart: a “Keynesian machine”, built at the London School of Economics, featuring a hydraulic apparatus designed to illustrate and predict the behavior of the macro-economy (Skidelsky 1992, 540).

But for some time now the wisdom of Keynes has fallen into disrepute. The recipes of macroeconomic management were delegated to the history of economic

¹⁶⁶ Keynes had given political support for the program, proposed by Lloyd George in 1929, to increase public spending to alleviate unemployment. Roosevelt’s New Deal had received critical comments by him in the *Open Letter to the President*, but he had previously sent his paper *Means to Prosperity* and wrote an open letter to Roosevelt, giving intellectual armor to programs of recovery. (Skidelsky 2003, 506f). But there is little evidence as to the actual influence on the President (Sowdon 1994, 8).

¹⁶⁷ See (Desrosieres 2003, 55). Timothy Mitchell accounts for these developments. He maintains, very differently from the thesis exposed here, that the economy as a “self-contained sphere” only emerged during the thirties. He argues that the word economy previously referred to “the principle of seeking to attain, or the method of attaining, a desired end with the least possible expenditure of means”. This is not at all to be doubted; in fact, Keynes referred to economy in this sense, as did Malthus. But this does not exclude the projection of such an internally cohesive field of order, knit together into a single dynamic – as I hope the previous part of this work has rendered plausible. What is new with Keynes is the fact that scarcity and the economy of means and ends do not any longer circumscribe the ‘economy as a whole’. We observe thus a divergence between these two understandings of economy, not the birth of the second, as the following chapter of this second part will seek to show. (Mitchell 1998, 84f; Mitchell 2002).

¹⁶⁸ see (Adelstein 1991) and (Sowdon 1994, 1f). The Keynesian model of the national economy became especially virulent for the “development discourse” and especially “development economics”, which believed to have caught the mechanism of ‘development’ by the singular causal nexus of investment and general output. See Arturo Escobar’s lucid account of the rational dream development and “economics as culture” in his book *Encountering Development. The making and unmaking of the Third World*, especially chapter three ‘Economics and the Space of Development: tales of Growth and Capital’ (Escobar 1995).

thought, having failed in their very application. For the economists, the events of the seventies provided the empirical falsification of the model; unlike scientific prediction and political hopes would have it, the state policies of cheap money led at the time to inflation and stagnation alike – in a word, to stagflation. Textbooks and overviews of the “legacy of Keynes” all prominently point to this unhappy result and the following rise of monetarism as the successor and succeeding theory (Skidelsky 2003, 846; Sowdon 1994). After the excesses of the Welfare State, the dominant story thus continues, the discipline of the market was necessary again. It would be the sole guarantee for sustained growth, even if painful at times. In between the poles of the state and the market, the history of the nineteenth and twentieth century seems to unfold. Then and now, these poles present the frame in which events are rendered intelligible and in which political choices are articulated. Keynes, linked to the “wrong” pole in the world of globalized markets, shares its fate and is thus delegated to the history of economic thought

The story told here aims to be different – but neither in order to salvage the “Keynesian machine” nor to claim that Keynesianism distorted its author’s intentions – which is a common fate for authors in any case. Rather, it suggests halting the narrative from old orthodoxy to the new one, in order to dwell in the space between them – that is, to turn attention towards the moment of contestation that lies between the two proper economic models. It is to seize upon this moment of dislocation and politicization, which made the inherited “double constitution” of the nineteenth century appear limited and particular. Keynes understood himself as having worked himself out of the “tunnel” of economic orthodoxy (CW xiv, 85)¹⁶⁹; as having written

¹⁶⁹ (Keynes 1971i) hereafter abbreviated as (CW xiv)

a book that would “revolutionize the way the world thinks about economic problems” and to have knocked away “the Ricardian foundations of Marxism” (CW xxviii, 42). Instead of falling too quickly for the “new constitution” he projected and instead of remaining within the all too familiar poles of market versus state, it is worthwhile to inquire into the kind of critique of economy that Keynes developed. What kind of account of economic objectivity allowed granting the political a more prominent role? From where did the inherited conceptualizations of economy ceased to appear as the “truth” of the body politic?

After the “long nineteenth century,” which had projected the foundation of the body politic in economy, this foundation was challenged. This challenge harbors –the thesis here maintains - more possibilities of thinking than actually taken with the “Keynesian machine”. Thus the aim of the following two chapters is twofold: to identify the theoretical ground where this critique of economy has its condition of possibility and to search for the theoretico-political decisions which collapsed this field of critique into a managerial account of the economy. The first query involves a meticulous reading of Keynes’ economic writings, their technical terms and their modes of reasoning to retrieve from them the economic objectivity they circumscribe. Before entering into this necessarily complex story, it is important and helpful to attend to the modes of problematization that Keynes employed in view of the crumbling foundations of the Victorian “double constitution”. Both halves of this constitution, the “economic reality” and its political counterpart, need to be attended to. The economist is also the statesman and the philosopher; he framed a certain *problématique* and sought to respond to it within a particular historical conjuncture. Troubled by his time, the critique of the old and the search for the new foundation emerges from there.

The Vanity of Politics

It is rarely remembered that Keynes entered the political stage and achieved public fame not as an economist, but as a political commentator on the peace negotiations in Versailles in 1919. *The Economic Consequences of Peace* published in December 1919 became “an international bestseller and, over the coming month and years, one of the most influential books of the twentieth century” (Skidelsky 2003, 237). It was a work about disappointment with politics, one preceded by his resignation of the Treasury position. Keynes had been a member of the British delegation, because he had been responsible for war finance in the Treasury. He thought that the agreements on reparations followed the logic of “starving the enemy” (CW ix, 20) even at the cost of sacrificing the future possibility of stable and “civilized life” in Europe.¹⁷⁰ In a critical review, the *Consequences of Peace* was called “a misplaced revolt of economics against politics”.¹⁷¹ Misplaced or not, Keynes did juxtapose the “false gods” of “nation, state, emperor” to the sobriety of economy (Skidelsky 2003, 258). Keynes charges political reason with outrageous stupidity and narrowness, because it had divested itself from economic life and revolved around the issues of honor, power and the seat in parliament. “The thoughts which I have expressed...were not present to the mind of Paris. The future life of Europe was not their concern; its means of livelihood was not their anxiety. Their preoccupations, good and bad alike, related to

¹⁷⁰ “If the European civil war is to end with France and Italy abusing their momentary victorious power to destroy Germany and Austria-Hungary now prostrate, they invite their own destruction also, being so deeply and inextricably intertwined with the victims by hidden and psychic and economic bonds” (CW ix, 4)

¹⁷¹ This critique was leveled by Etienne Mantoux in his book *The Carthagian Peace or the Economic Consequences of Mr. Keynes*, arguing that Keynes’ book was influential challenging the moral standing of the treaties and led finally to the appeasement policy. While Skidelsky disagrees with this charge, he avers that the book is hardly a fair and balanced assessment (Skidelsky 2003, 246f and 237).

frontiers and nationalities, to the balance of power, to imperial aggrandizement, to the future enfeeblement of a strong and dangerous enemy, to revenge, and to the shifting by the victors of their unbearable financial burdens on to the shoulders of the defeated”.¹⁷²

The three statesmen - Wilson, Clemenceau and Lloyd George – embody in Keynes’ descriptions the flaws of the political world left to itself. Clemenceau stood for the old game of the “balance of power”; his intention was to further the particular security-interests of France, not to think about “humanity and European civilization” (CW x, 7)¹⁷³. Wilson stood at the other end of the spectrum, in all respects the opposite of Clemenceau: “He had no plan, no scheme, no constructive ideas whatever for clothing with the flesh of life the commandments which he had thundered from the White House” (ibid, 11). He presents thus the old political dreamer and religious preacher, who confuses the values of heaven with the demands of the world. Lloyd George, the last of them, was cast in the role of “femme fatale”: he was “rooted in nothing”, showed “final purposelessness, inner irresponsibility” and “the love of power”.¹⁷⁴ The panoply of political reason manifested in these three figures was a list of its ills: it was at the same time prone to be an ineffective dream, a superficial game and a limitless striving for power without due regard for the consequences. The political stage is dangerously aloof from reality: the “theatrical trappings of the French

¹⁷² (Keynes 1971e) abbreviated here and hereafter as (CW ii).

¹⁷³ (Keynes 1971f) abbreviated here and hereafter as (CW x). The book *Essays in Biography*, to which these abbreviations refer, was published in 1933.

¹⁷⁴ As Keynes presented the argument, he gave much weight to these studies of characters. After having outlined that no substantial conflict of interest stood between the Fourteen Points of Wilson and the British demands, he turned towards the “intimate workings of the heart and character”, taking place as the “the president, the Tiger and the Welsh witch were shut up in a room together for six month and the Treaty was what came out...An old man of the word, a femme fatale, and a non-conformist clergyman – these are the characters of our drama. Even though the lady was very religious at times, the fourteen Commandments could hardly expect to emerge perfectly intact” (CW x, 22).

salons of state” presented claims for significance, but the decisions had “unreality” about them and the “air whispered that the word was not flesh” (CW ix, 5). Reality, it seems, easily evades the political word. Politicians, Keynes maintained elsewhere, are “not the masters of our fate. Their job is to register the *fait accompli*” (CW ix, 82).

Keynes’ suspicions about the failures of unbound political reason stem not only from the lofty realms of conference rooms, but also from the observation of more earthly sites. Extension of the vote had been a subterranean theme in Britain since the 1860s.¹⁷⁵ It became a more open and militant question in the first decades of the twentieth century, which saw “rapid expansion of trade unionism”, intensified social unrest and the militant struggle of the suffragettes.¹⁷⁶ Again, like a hundred years earlier, the question of political voice coalesced with the rising politicization of issues of “life” and “subsistence”.¹⁷⁷ Progressive liberalism, as mentioned above, had been eager to mend the rising polarization of the body politic by the reform acts and to integrate the “other” class into a harmonious whole, always accompanied by profound mistrust and anxiety about this strata of society which seemed as alien as the colonial subjects abroad.¹⁷⁸ The growing awareness of the extent of “obstinate poverty”, brought to light by the numerous new techniques of sociological investigation at the time, and the growing political relevance of this poverty, threatened this liberal

¹⁷⁵ “Gladstone [liberal Prime Minister during the 1860s] insisted that politics would have to respond to the ideals and aspirations of an age characterized by the movement, for the first time in history, of large bodies of people from levels of subsistence and (in Marx’s phrase) ‘idiocy’ to awareness of the reality and relevance to them of ideals such as ‘progress’ and ‘freedom’” (Shannon 1974, 54f and 30f).

¹⁷⁶ (ibid., 382 and 435). Universal male suffrage was granted 1918.

¹⁷⁷ Upon the comment that “now it seems as though...the political and the territorial questions won’t be solved till the economic world is righted”, Keynes commented, “how true this was and that he never thought about it that way” (Skidelsky 2003, 232).

¹⁷⁸ Colls makes an instructive comparison the descriptions of the Congo in Conrad’s *Heart of Darkness* and those of London’s *People of the Abyss*. “The natives of Conrad’s Congo and London’s Stepney are each ruled by another race, and live in sunless, torpid lands, uprooted, cast aside, and dying from degeneracy. It is difficult at times to tell Congo and Stepney apart” (Colls 1986a, 46).

solution (Peppis 2000, 28; Shannon 1974, 210). Even more so since the course of the Russian Revolution and contemporary socialist thought created a “new sense of possibility” for change and a general and worried perception emerged on the other side “that ‘social mass’” would transmute “into ‘political class’”.¹⁷⁹ Keynes did share these worries: expression of wariness and suspicion in respect to the extension of democratic political judgment in the context of social unrest are recurrent topics in Keynes’ writings. Passions of “jealousy, malignity and hatred of those who have wealth and power” pervade the Party of Labour. The masses of “ill understanding voters” need to be persuaded that their interests are promoted or the passions will be gratified”. It is “necessary for a successful Labour leader to be, or at least to appear, a little savage” (CW ix, 295 and 300).¹⁸⁰ The “intellectual elements” in politics only find support against those masses through the means of “sufficiently autocratic” party-structures (ibid, 296).

Keynes was neither someone who believed in the “Bolshevik boogey”, nor someone whose “fear of the masses” did not know qualification.¹⁸¹ Nevertheless, they still prominently circumscribe – together with the folly of imperialist wars - the political problematique he established and to which he made himself answer

¹⁷⁹ See (ibid, 221). “Labour had emerged from the status of a social issue to that of a political issue” (ibid, 225).

¹⁸⁰ As always with Keynes, intellectual and cultural faults go together and the prejudice against the ignorant passion of the many is combined to a dictum about the “boorish proletariat” (CW ix, 258) proletariat and the indignation about Marxism as a creed, which prefers the “mud to the fish” (CW ix, 258)

¹⁸¹ “Democracy is still on trial, but so far it has not disgraced itself...The temper...maybe better restrained and modified by a means of expression, that by confinement under an authority, however will-intentioned” (UA 20/3/1, 62) In an review on Churchill, Keynes comments on Churchill’s Anti-Bolshevism as follows: “But the Bolsheviks remain for him, in spite of his tribute to the greatness of Lenin, nothing more than an imbecile atrocity. His imagination cannot see them as the Great Scavengers, and the officers on the Whites as better employed in the films. Yet can he believe that his fine perioration....is really the whole of the truth?” (CW x, 54).

subsequently. Stupidity and unbridgeable hostilities seem to wait if the political sphere reigns.

Against the “false idols” and passions of the political world, allegiance to science and economic tasks promised a solution (CW ix, 29). “The princes of the old world had left a dreadful mess; it was the task of the scientist to clean it up” summarizes Keynes’ biographer who continues that this stance “immediately raised the question with which Keynes was to wrestle for the next sixteen years of his life: was the inherited economics of the nineteenth century adequate to the tasks?” (Skidelsky 2003, 248f). It was not, was the answer given in the *General Theory*.

Dangerous political reason, endangered civilization and economy are the corners of a triangle in which Keynes posits himself – like his predecessor Malthus over a hundred years earlier. Much has been said about the resemblance between Keynes and Malthus, sparked by Keynes’ own reference to Malthus as his forbearer and theoretical kin.¹⁸²

But they share above all a political problematique, which was articulated in a historical time of dislocation and contestation. The differences between these two historical moments are of course substantial, yet parallels exist: a general sense of utter upheaval, revolution abroad and calls for change in all spheres of life was present. Most significantly, at both times the threat of change and democracy – partially welcomed and partially feared – reached such profound dimensions that it drew the question of modes of life and livelihood into the orbit of the political. The contestation

¹⁸² Keynes understood himself in two different respects to be the heir of Malthus. While he was still working to a larger extent within the horizon of the inherited tradition, he championed Malthus’ account of the population problem (see later part of this work). After writing the *General Theory* he emphasized much more the point that Malthus had already seen the relevance of demand, the problem of time and the limits to self-adjustment (ibid).

of the “partition of the sensible” (Rancière) vis-à-vis the political stage visibly and audibly affected the foundation of the body politic and required a new settlement.¹⁸³

Both Malthus and Keynes articulated such a new settlement in consideration of the threats, changes and hopes of political reason. They show a similar appreciation for and skepticism of the viability of the democratic exercise of political reason and of political reason in general and they both search for the foundation of the new possible order.

Yet, there is a decisive difference: for Keynes, the triangle of civilization, viable political reason and economy did not gain its stability and progressive nature from the economy anymore. Whereas Malthus turned towards economy to envision a visceral order, able to propel the many into civilization and to increase wealth and political stability, Keynes did not - at least not without profound qualification. At the end of the long nineteenth century, economy had become part of the problem instead of being an unequivocal solution.

Thus, to understand the *political problématique* Keynes articulated, it is not sufficient to attend solely to his views on the dangers of political reason, the stupidity of the many and the few alike. One has to attend in equal measure to the other side of the double constitution and the terms in which it was cast into doubt, since economic reason and its firm and reliable sense of reality fell alongside the search for a different foundation of the body politic. References to economic reality by political reason – this has been the contention throughout this work – are ill understood if they are taken

¹⁸³ Rancière describes the “partition of the sensible” in terms of a “symbolic constitution of the social”, which “defines the forms of part-taking by first defining the modes of perception in which they are inscribed. The partition of the sensible is the cutting-up of the world and of ‘world’. It is characterized by the “absence of a void or a supplement”. Thus loosely adopting his notions here helps to describe the attempts to achieve such “partition of the sensible” in economy and the crisis it enters if it is traversed by fundamental contestations (Rancière 2001, 9).

to be faithful claims to a world of facts. Instead, they comprise the political dream of finding foundations, delineating the proper exercise of political reason, displacing inexorable questions to the working of a visceral and automatic level and - very prominently – envisioning the subject of this order, in whose senses, affects and exercise of reason it could find its support. The discussion of Malthus showed how inextricably economy and civilization are connected: the latter is not to be had without the former, the former is the making of the latter. The binding of all these elements into one has been the heritage of the nineteenth century. Before venturing into the account of economic objectivity, from where Keynes articulated the “limits of economy”, it is apt to attend to the modes of problematization leveled against the economic side of the constitution. This will give a first taste of Keynes’ coming challenge to the economic objectivity presented by the nineteenth century.

The Epistemological Vertigo of Economy

For the nineteenth century, economic man had been the place from where the truth of the social body as a whole was emerging. Not because this subject marked the position from where the outlines of the whole were apparent to his eyes, but because his civilized passions - his desire for objects, his fear of subsistence and his private love – were the levers of an ever more integrated and civilized society. With Keynes, economic man loses his exclusive claim on the definition of economic reality and ceases to be the kernel of viable order. In the same stroke, he loses his intimate connection to the progress of civilization. He becomes a figure of sorry degeneration. Economy was not any longer the “royal road” to civilization and its very manifestation, but rather a doubtful and limited convention. The senses and desires of economic man were increasingly betraying himself and the body politic. Blindness

instead of sight resulted – the more unaware about the limited nature of these conventions, which economic man took as the lenses with which to perceive truth, the more blindness would ensue. The cultural contempt for economic man, which we will witness below, certainly belongs to the cultural heritage of the nineteenth century.¹⁸⁴ Yet, the difference of this cultural critique of economic man from the nineteenth century was the intimate link cultural critique was now entertaining with the epistemological claims of economy: the cultural critique of degeneration and the charge of blindness went hand in hand.¹⁸⁵ Epistemological failure seems to consist in the inability to perceive, to understand and to answer to the conventional nature of economy.

There are two main economic sites, which manifest the conjoined cultural and epistemological disaster of the “economic reality principle” in exemplary ways: the stock market and the combined “wisdom” of the leaders of the City and the Treasury. All of these had been presented during the nineteenth century as the very institutions, which guarantee that economic rationality and a proper sense of reality would reign – but in 1936, when the *General Theory* appeared, matters looked differently. “Bankers”, Keynes asserts “are the most romantic and least realistic of all persons”: “It is part of their business to maintain appearances and to profess a conventional

¹⁸⁴ Pierro Mini argues to see Keynes in the context of the “anti-rationalistic” and romantic critics of the emerging commercial England, as Coleridge, Carlyle, the Arnolds, Ruskin and William Morris (Mini 1991, xvii).

¹⁸⁵ Shaw once commented to Keynes about how the “sentimentalist and no alternative system to offer. Dickens in *Hard Times* left the Ricardian theorem quite unshaken. The demonstration that it was inevitable, and that all sentimental interferences with it did more harm than good, dominated even its opponents”. For Shaw it was thus only with Marx and “scientific socialism” that “those things came to an end” and “knocked Ricardo into cocked hat” (CW xxviii, 42). Keynes took this situation to heart. The system of the nineteenth century, he said “bred two families – those who thought it true and inevitable, and those who thought it true and intolerable. There was no third school of thought in the nineteenth century. Nevertheless, there is a third possibility – that it is not true” (CW xxviii, 32).

respectability”. A banker, he continues, “is not one who foresees danger and avoids it, but one who, when he is ruined, is in a conventional and orthodox way along with his fellows, so that no one can really blame him” (CW ix, 156). The orthodoxy, Keynes refers to, is the policy of dear money and the Gold Standard, which was the unquestioned economic wisdom of the age.¹⁸⁶ Gold promised “honest money”, that is, a stable medium of exchange, which cannot be tinkered with by state intervention. Furthermore, the international standard was deemed to be an essential element in the proper order of trade. A country that imports more than it exports would suffer – through the gold nexus - the gradual increase of its prices abroad and be forced to turn back to equilibrium. To Keynes, this wisdom needed more than urgent reconsideration, as it was about to ruin the prospects of international prosperity. The rhetoric used by Keynes to question the policy of the Bank is unanimously that of blindness and “ignorance” due to “absence of thought” and “belief in old customs” (CW ix, 193). Not cognizant of the circumstance, they remain enthralled by a moral bond: the unquestioned allegiance of the Gold Standard has the air of a bachelor’s striving for matrimony being presented as the most urgent, desirable and prosperous state of being.¹⁸⁷ It seems, he speculates, that the recognition of their “vast

¹⁸⁶ The issue of money and the gold standard will occupy us in the next chapter. But for the moment it is as instructive as enjoyable to listen to Polanyi’s account of this “faith of the age” in full length: “Belief in the gold standard was the faith of the age. With some it was a naïve, with some a critical, with others a satanic creed implying acceptance in the flesh and rejection in the spirit. Yet the belief itself was the same, namely, that bank notes have value because they represent gold. Whether the gold itself has value for the reason that it embodies labor, as the socialists held, or for the reason that it is useful and scarce, as the orthodox doctrine ran, made for once no difference. The war between heaven and hell ignored the money issue, leaving capitalists and socialists miraculously united. Where Ricardo and Marx were at one, the nineteenth century knew not doubt. Bismarck and Lassalle, John Stuart Mill and Henry George, Philip Snowden and Calvin Coolidge, Mises and Trotsky equally accepted the faith” (Polanyi 1957, 25).

¹⁸⁷ The “financial fashion plates” display “marriage with the gold standard as the most desired, the most urgent, the most honorable, the most virtuous, the most prosperous, and the most blessed of all possible states”. They are also to “remind the intending bridegroom that matrimony means heavy burdens from

responsibility” surpasses the banks and being so huge, “there is a great temptation to them to cling to maxims, conventions and routine”.¹⁸⁸ “Those who sit at the top tier of the machine” (CW ix, 225) fail to perceive the conventional nature of their beliefs, even less are they capable of judging their appropriateness or developing conscious strategies to secure their own position of power. It is thus absurd to assume a bankers’ conspiracy, concludes Keynes, as they share with other citizens the utter incomprehension of the dangers ahead: “A bankers’ conspiracy! The idea is absurd! I only wish there were one!” (CW ix, 158).

The second institutional site does not offer a more cheerful picture. The stock market, supposedly the place where “skilled investment” defeats the dark forces of time and ignorance that envelop our future”, is populated by a mass of ignorant individuals entirely unable to answer to this task. Neither acquainted with the special circumstances of the business in question, nor engaged in finding long-term perspectives, they fall prey to “ephemeral and non-significant information”. Waves of undue optimism and pessimism result in unfounded and short-term investment policies. Not the search for appropriate estimations, but the “second-guessing” of the average opinion of this ignorant mass provides the grounds for decision. “We have reached the third degree where we devote our intelligences to anticipating what average opinion expects the average opinion to be” (Keynes 1964, 154-56).¹⁸⁹ The

which he is now free; that it is for better, for worse, that it will be for him to honour and obey; that the happy days, when he could have the prices and the bank rate which suited the housekeeping of his bachelor establishment, will be over – though of course, he will be asked out more when he is married; that Miss G. happens to be an American shop that in future the prices of grapefruit and popcorn are likely to be more important to him than those of eggs and bacon” (CW ix, 192f).

¹⁸⁸ See (CW ix, 200). The City is “blind as night” to some fundamental principles “of which the truth is as certain as the day (CW ix, 201). “To suggest social action for the public good to the City of London is like discussing the *Origins of Species* with a bishop sixty years ago. The first reaction is not intellectual, but moral” (CW ix, 287).

¹⁸⁹ Hereafter abbreviated as GT.

ability to deal with the conventional nature of the required investment-decisions is here compromised by the incapacity to maintain the firmness of a well-rehearsed individual decision against adversarial opinions or short-term fluctuations. Whereas the failing wisdom of the banks was due to an excessive loyalty to once adopted principles, the masses of the stock market are incapable of adopting any firm principle when faced with irretrievable uncertainty. They just jolt into indecisive wagering, “as though a farmer, having tapped his barometer after breakfast, could decide to remove his capital from the farming business between 10 and 11 in the morning and reconsider whether he should return to it later in the week” (GT 151). The institution, where the representation of what is valuable to undertake, is overtaken by “mass psychology”; the validity of the judgments, which gain societal significance, is for Keynes more than compromised by the lack of individuality and principle the “man of the masses” brings with him (GT 172).

The resonance of this epistemological and cultural critique with the skepticism of democracy is unmistakable. Keynes finds that in America, where the democratization of the stock market is most pronounced, its weakness is most apparent: “Even outside the field of finance Americans are apt to be unduly interested in discovering what average opinion believes average opinion to be; and this national weakness finds its nemesis in the stock market” (GT 158). And while he fears the “mass psychology” has turned the stock market into a casino, he rather prefers to have the stock market organized like a casino: “sufficiently expensive” and “inaccessible” (GT 158) as to keep the many out of its bounds.

The critiques of the flaws of the political and economic world bear much resemblance: either there is an excess of allegiance to conventions, blinding one towards the change of circumstance, or there is a lack of principled conduct altogether as conventions are not carried through time. It is either the clergyman or the femme

fatale – to recall the names Keynes reserved for Wilson’s high-minded morality and Lloyd George’s wagering to circumstance. Whereas political reason is always prone to lose touch with reality in any case, as it is even at its best caught up with the chimeras of honor or patriotism, the epistemological failures weigh much more in the economic realm.¹⁹⁰ In between the ignorant democratic masses and the incapable elites, proper political and economic judgment finds no secure ground. Economic reason and political reason suffer from the same pathologies and neither can give foundation for the other. Against democracy, Keynes holds: “There is not very general an a priori probability of arriving at desirable results by submitting of the decision of a vast body of persons, who are individually wholly incompetent to deliver a rational judgment on the affair at issue” (UA 20/3/1, 60). The terms of critique are almost indistinguishable from his account of the stock market: there, the vast majority “knows almost nothing whatever about what they are doing. They do not possess even the rudiments of what is required for a valid judgment, and are the prey of hopes of fears easily aroused by transient events and as easily dispelled. This is one of the odd characteristics of the Capitalist System” (CW vi, 323).¹⁹¹ Proper judgment is lacking all around.

If economy had been for the nineteenth century the visceral epistemology for a civilized social body, it had ceased to be so. Instead, economic conventions were hampering the progress of wealth and civilization and its epistemological virtues had turned into vices.

Underneath the epistemological vertigo of economy stood the anxious and

¹⁹⁰ Keynes entertains “[a] little envy, perhaps, for his undoubting conviction that frontiers, races, patriotisms, even wars need be, are ultimate verities for mankind, which lends for him [Churchill] a kind of dignity and even nobility to events, which for others are only a nightmare interlude, something to be permanently avoided” (CW x, 57).

¹⁹¹ For the purpose of reference, the bibliography reads: (Keynes 1971)

ignorant individual, incapable of dealing with the conventional nature of its world and categories. Worst of all, this incapability seemed to be growing due to the economic character itself. Malthus had placed the passions of fear and hope at the center of the civilized individual. But fear and hope, and its concomitant orientation towards the future, seem to find no reasonable limits. With Keynes these economic and civilizing passions produce their own excesses – just as the political passions did for Malthus – and these excesses in turn produce the most miserable version of man. Cultural critique of degenerated subjects and epistemological failure join: “The ‘purposive’ man is always trying to secure a spurious and delusive immortality for his acts by pushing his interest in them forward into time. He does not love his cat, but his cat’s kittens; nor, in truth, the kittens, but only the kittens’ kittens, and so on forward for ever to the end of catdom. For him jam is not jam unless it is a case of jam tomorrow and never jam today. Thus by pushing his jam always forward into the future, he strives to secure for his act of boiling it an immortality...Perhaps it is not an accident that the race which did most to bring the promise of immortality into the heart and essence of our religions has also done most for the principle of compound interest and particularly loves this most purposive of human institutions” (CW ix, 330). The economic character is thus striving for the future, in hope of what it brings and fearing that it might not succeed in bringing the fruits of its work and investment. Anxiety about loosening discipline, anxiety about committing the wrong undertaking and thus the temptation to not commit at all – these are the two vices that stand behind the “treasury view” and the masses on the stock market. The businessman of the day is equally enthralled by economic categories gone hay-wire: “Frigid penguins” they have

become, “hysteria” reigns over them as slight changes in digestion or the weather makes them “flap away with the golden eggs inside them” (CW ix, 235)¹⁹². Long gone are the days when business man had a taste for creation and a “strong nervous force” and “will”.¹⁹³ But even without this loss of their own role and the air of heroism, they are talked about with pity: “That is why, unless they have the luck to be scientists or artists, they fall back on the grand substitute motive, the perfect *ersatz*, the anodyne for those who, in fact, want nothing at all – money...[they] flutter about the world seeking for something to which they can attack their abundant *libido*. But they have not found it. They would so like to be apostles. But they cannot. They remain business men” (CW ix, 320).

There are arguably Nietzschean undertones in this critique of weak characters, unable to live and caught in slavish concerns. The similarity shows itself in the attention given to the contingency of convention and morality, the critique of culture and the hatred of utilitarian concerns of subsistence and equality.¹⁹⁴ It also is

¹⁹² (Keynes 1971g)

¹⁹³ See (GT 150). Keynes quotes Marshall’s depiction of the ideal business man in (CW ix, 286f).

¹⁹⁴ Similar arguments than those employed by Nietzsche might be seen in the following: Morality and conventions were, to Keynes, essentially rules for those who “are in the grip of the machine”. Those outside, as the Apostles, only committed to the individual judgment about the idiosyncratic good, “have hardly any duties, as I understand” except the search for beauty and the good. “But in the Kingdom of moralities and duties, the Galiaean will himself be conquered, not by words or argument or proof, but equally with his predecessors by the irresistible trend of human affairs and the need for an adequate and relevant morality”. Thus, morality fits the needs of life and articulate the precepts of action for those, not able or strong enough to answer to the unfounded nature of these conventions and the strength needed to form an “art of life” without rules. The quotes above stem from a paper, which Keynes gave to the Apostles, the other intellectual group he belonged to – a secret society in Cambridge – titled “Modern Civilization” (UA 22, 1-10). Toye alludes to this resemblance with Nietzsche, as well as Skidesky. The way Keynes posited the question of morality as a choice in between altruistic concerns and the beauty of one’s own life, included a reference to the “dreadful Stoics” and their “semitic founder”, who had introduced the “Negroid negro” question into morality (UA 26, 6). Toye comments that the “parallelism of ideas is so close that it is hard to believe that Keynes was no deliberately alluding to the relevant section of Nietzsche’s *The Will to Power*” (Toye 2000, 139). There are other parts, which sounds like Nietzsche juxtaposition of the reign of truth and law, versus the Greek concern with the public stage for tragedy and heroic life in the same piece: “The world is no longer a stage, as in

manifested in contempt leveled against the stupidity of the many and the existing elites alike. Within the intellectual circle of Bloomsbury, in which Keynes participated, the concern with the prospects of civilization and the contempt for elites was linked to the hatred of the Victorian order and the search for new styles of living, new styles of making art and new styles of writing.¹⁹⁵ “Contempt for the stupidity of the dominant

the earlier view; it has become a police court. Grace of life and of language yields place to the bulkier and more somber majesty of law” (UA 26, 7). In Keynes’ writing there is no explicit reference to Nietzsche. The only explicit visible trace of Nietzsche consists in the books in Keynes’ personal library. The following list has been put together by the very helpful archivist at the King’s College Archive in Cambridge. The references in parenthesis refer to the signatures, under which these books are classified in the King’s College Library: *Die Geburt der Tragödie aus dem Geiste der Musik*, 8 Leipzig, 1872 (Keynes Cc. 3. 25); *Götzen-Daemmerung oder wie man mit dem Hammer philosophiert* 8 Leipzig, 1889 (Keynes Cc.3.24); *Jenseits von Gut und Böse. Vorspiel einer Philosophie der Zukunft* 8 Leipzig 1886 (Keynes Cc.3.23); *Menschliches, Allzumenschliches. Ein Buch für freie Geister* 8 Chemnitz 1878 (Keynes Cc.3.26); *Morgenröthe. Gedanken ueber die moralischen Vorurtheile* 8 Chmnitz 1881 (Keynes Cc. 3. 22); *Unzeitgemässe Betrachtungen. Drittes Stück: Schopenhauer als Erzieher* 8 Schloss Chemnitz 1874 (Keynes Cc. 3.27); *Unzeitgemässe Betrachtungen. Viertes Stück: Richard Wagner in Bayreuth* 8 Schloss Chemnitz 1876 (Keynes Cc.3 28); *Zur Genealogie der Moral. Eine Streitschrift* 8 Leipzig 1887 (Keynes Cc. 3.21). There are all original editions and bespeak also Keynes’ passions of collecting books. On the spreading of Nietzsche at this time in England see (Thatcher 1970).

¹⁹⁵ ‘Bloomsbury’ is the name of the cultural and social group emerging around Virginia Woolf, Vanessa Bell, Duncan Grant, Clive Bell, Lytton Strachey, Desmond MacCarthy, Roger Fry, Adrian and Karin Stephen, Leonard Woolf and Maynard Keynes – they were writers, artists, editors “out to construct something new” in the words of Leonard Woolf: “we were the builders of a new society which should be free, rational, civilized, pursuing truth and beauty” (Raymond Williams in (Crabtree 1980, 47)). Raymond Williams describes their attitudes as “appealing to the supreme value of the civilized individuals, whose pluralisation, as more and more civilized individuals, was itself the only acceptable social form” The group was “in its personal instances and in its public interventions” “as serious, as dedicated and as inventive as this position has ever, in the twentieth century, been” (ibid, 62). To mention just two very important their ‘public activities’, not even going into the writings of Clive Bell, Virginia Woolf or the art of Vanessa Bell or Duncan Grant: Roger Fry organized the first Post-Impressionism exhibition in London 1910 – showing Cézanne, Gauguin, van Gogh, Matisse, Picasso. The reaction surprised even Roger Fry. The public was convulsed by ‘paroxysms of rage and laughter’ (Mini 1991, 92). Besides introducing the art of the continent to England, the group is also responsible for “effectively introducing Freudian thinking into English”. Adrian and Karin Stephen, and James Strachey had all studied with Freud in Vienna. James Strachey was the general editor of the *Standard Edition* of Freud in English and Leonard and Virginia Woolf’s Hogarth Press was its publisher (Winslow 1986, 554). Shone describes the fate of the group in following terms: What had appeared in the 1920s as a way of life that was refreshingly free of convention, liberal and delightfully pliant, seemed to many in the later decade as spineless, frivolous and uncommitted. The death of Julian Bell in the Spanish civil War appear appears as the most poignant symbol of that confrontation (cit. in Crabtree 1980, 27).

sectors of the ruling class” was a point of longstanding convergence between them and consisting of “saying bosh to that vast system of cant and hypocrisy which made lies a vested, the vested interest of the ‘establishment’, of the monarchy, aristocracy, upper-classes, sub-urban, the Church, the Army, the stock exchange” (Crabtree 1980, 48). The sense of crisis and worry about the future of the “Victorian synthesis” of order was there welcomed as a fresh breath of air.¹⁹⁶ The death of queen Victoria in 1903 could be the “beginning of the Age of Reason”¹⁹⁷ as Lytton Strachey put it, and Woolf recalled, that “in the decade before the 1914 war there was a political and social movement in the world, which seemed at the time wonderfully hopeful and exciting. It seemed as though human beings might really be on the brink of becoming civilized” (Crabtree 1980, 63). The search for “what it meant to be civilized” were the main preoccupation of the Bloomsberries, as they called themselves. This search also took place among the Apostles, the secret group of Cambridge students who were taken by the philosophy of Moore and his anti-utilitarian conception of the good.¹⁹⁸ From this

¹⁹⁶ As late as 1917, Keynes wrote to his mother about the probable “disappearance of the social order we have known hitherto”: “With some regrets I think I am on the whole not sorry. ...and as I lie in bed in the morning I reflect with a good deal of satisfaction that, because our rulers are as incompetent as they are mad and wicked, one particular era of a particular kind of civilization is very nearly over” (Skidelsky 2003, 174)

¹⁹⁷ “It’s no surprise that Bloomsbury would come to regard 1903 as the *anno mirabilis*, the dawn of a new era, ‘the beginning of the Age of Reason’, as Strachey put it” (Mini 1991, 81)

¹⁹⁸ Keynes became as an undergraduate in 1903 a member of the ‘Apostles’, “a secret society with a tradition of philosophical discussion”. The “indisputably dominant intellectual influence on Keynes and the Apostles at that time was Moore, his *Principia Ethica*...being their first text. (O’Donnell 1989, 12). Keynes reflects in looking back at this time “I never heard of the present generation having read it. But, of course, its effect on *us*, and the talk which preceded and followed it, dominated, and perhaps still dominate, everything else” (CW x, 435). Moorean philosophy offered an anti-utilitarian conception and individual judgment of the good, shedding it from consequences or achievement. As sort of neo-Platonism, in Keynes later judgment (ibid, 436): “We lived in the precious present, nor had begun to play the game of consequences. We existed in the world of Plato’s *Dialogues*; we had not reached the *Republic*, let alone the *Laws*” (ibid., 445). While being later somewhat appalled by the puritan and other-worldly character of these philosophical engagements, he still cherishes the way it offered out of the “Benthamite tradition” (ibid., 445). Bentham was the worm gnawing at civilization, “responsible for moral decay” based on the “over-valuation of the economic criterion” (ibid, 446). Keynes “This view

early period stemmed several pieces of Keynes' concerned with the notion of beauty, the good, and the state.

The intense preoccupation with the civilized individual, culture and character; the taste for literary style; the contempt for economic man; the urgency to attend to the world so as to secure the preconditions for such civilized life; these all form the points of departure from where Keynes approached the "crisis of the double constitution" and the re-envisioning of something new.¹⁹⁹ The traces of these departure points remain visible in Keynes' economic and political writings – not the least in his style of writing. Within Bloomsbury, the art of character study was practiced and praised; Virginia Woolf, otherwise rather distant to Keynes, was full of admiration of those works coming from his pen (Skidelsky 2003, 221). But there is more to this prominent position of "character-masks" in his writings than merely being a trace of Bloomsbury within the otherwise dry dramas of economy and bureaucracy. They are powerful means of rendering visible the workings – or rather mishaps – of the web of social relations mediated by money, objects and machines. They dramatize in person the outlines of the imagined order and its interruption, the making and the perversion of the body politic; the problematizations they contain have as their inverse image what ought to be. They need to be handled with care as they tempt to regard matters of

was the utilitarian and economic – one might almost say financial – ideal, as the sole, respectable purpose of the community as a whole; the most dreadful heresy, perhaps, which has ever gained the ear of a civilized people. Bread and nothing but bread, and not even bread, and bread accumulating at compound interest until it has turned into a stone" (CW xxviii, 342).

¹⁹⁹ It is important in this respect to note that Keynes' early pre-occupations with questions of probability in the context of radical uncertainty – it was to become his dissertation – belongs into this contexts of ethics and individual judgment about the goods to be striving for. Countering Bentham also entailed countering the model of certain knowledge, which stood behind the utilitarian calculus. It assumed that "all possible consequences of alternative courses of action were supposed to have attached to them, first a number expressing their comparative advantage and secondly another number expressing the probability of their following from the course of action in question." It was a "mythical system of probable knowledge" (CW xiv, 123/4).

social and political relations in terms of a moral judgment about different characters.

In this context, they were meant to expose – as in a panoramic site – the outlines of the *political problématique*. By attending to them, one can discern how economy has been firmly located by Keynes within the realm of conventions, proper judgment and the respective institutional settings and devices: stock market decisions, investment strategies, and monetary regimes have ceased to be manifestations of the most rational approach to the necessities of life and progress. Instead, they present outworn dogma, excessive anxiety and ignorance. Economic man has always been a conventional figure, most apt to the demands of civilization, the making of riches and political freedoms alike. But these conventions are presented by Keynes as limited, narrow, prone to perversion and growingly inept – not only in respect to civilization, but also in respect to the order of things. There is no “truth of the economy”, which could found the flights of political reason and ensure the progress and stability of the body politic. Both of the two halves are limited and lack foundation.

But as vivid as the characterization of political and economic institutions which Keynes provides might be, as plausible as it might be to read off of them the conventional character of economy, the question remains: what is the theoretical condition of possibility to present economy in this way? What understanding of economic objectivity guides Keynes’ own assertions? If the truth of the economy is not rendered any more within the passions and decisions of economic man, from where do these limits become visible? Questions such as these lead us into a philosophical inquiry of Keynes’ rendering of this specific reality, the modes in which he envisions the ‘whole’ of the body politic as it is no longer exhausted within the confines of economic man. Instead of resting with the characters of frigid businessman, jam savers, clergy-man, failed apostles, wagering stock-market brokers and femme fatales, it is necessary to know what kind of relations they dramatize and

encapsulate in their characters. Only later are they to be re-visited so as to see how these characters are employed in a moral story, which fits the new constitution.

CHAPTER 5
TEMPORALITY AND THE CONVENTIONS OF ECONOMY

“Sitting tight-buttoned in the present...with no hope or belief in the future” (CW xxviii, 345), the social body was shackled by some “abstruse financial reasoning”, by some “few old gentlemen tightly buttoned-up in [...] frock coats” full of timidity and “instincts to restrict” (CW ix, 125).²⁰⁰ “The patient” is “wasting away from emaciation” (ibid, 118), it needs exercise, “a breath of life” (ibid, 125) – Keynes did not shy away from colorful images to persuade the public of a rosy future.²⁰¹ The most pressing obstacles were fears and lack of conviction²⁰², such as the fear of uncontrolled dissipation of scanty resources, the concomitant worry over where their renewal would come from and the conviction that consumption in whatever form ‘eats the future away’. Saving had been the combined moral, economic and religious wisdom of the nineteenth century and still dominated the general mindset. It meant restriction and deferral of consumption, which in turn was taken to be the very cornerstone on which access to a better future for everyone rested.²⁰³ The echo of

²⁰⁰ See also (CW ix, 91) for Keynes’ rhetoric on the “mysterious, unintelligible reasons of high finance”, which “not only looks like nonsense”, “but *is* nonsense”.

²⁰¹ The essay “Economic Possibilities for our Grandchildren” appeared in the midst of the slump (1930), but projected that mankind will be “solving its economic problem” within the next hundred years – work-shifts of fifteen hours a week might then be feasible until man had learned to live happily without economic duties (CW ix, 326 and 328f).

²⁰² See (CW ix, 238, 336, 323). Concerning the budget question, Keynes maintains: “This is not to deny that there is a budget problem. Quite the contrary. The point is that the state of the budget is mainly a symptom and a consequence of other causes, that economy is in itself liable to aggravate...these other causes, and that consequently the budget problem, attacked merely along the lines of economy is insoluble” (CW, ix, 240). He utters the same opinion about “pious resolutions concerning the abatement of tariffs, quotas, and exchange restrictions”, which are “a waste of time” since “in so far as these things are not the expression of deliberate national or imperial policies” they are symptoms (CW, ix, 357).

²⁰³ For this use of the word economy see: “At this point the opponents of expansion...think that we must not only postpone all ideas of expansion, but must positively contract, by which they mean reduce

Malthus is still discernable in this unshaken commitment – exemplified for Keynes by the Treasury - to the virtues of postponing, the discipline of the balanced budget, and the promise for betterment it supposedly harbors.²⁰⁴ It answers, not surprisingly, to the requirements of scarcity: proper ‘economy’ is about making ends meet while restriction is exercised in the use of means. Marshall, at the end of the nineteenth century, still presents as eternal verities the findings of Malthus: “Everyone is aware that the accumulation of wealth is held in check...by the preference which the great mass of humanity have for present over deferred gratifications, or, in other words, by their unwillingness to “wait”” (GT 242). Financial discipline and the maintenance of the gold standard only secure and protect the necessary and tight circle knit by ‘economy’.

“There is”, Keynes remarks, a harmful “exclusive concentration on the idea of ‘economy’, national, municipal, and personal – meaning by this the negative act of withholding expenditure... - [which] may, if under the spur of a sense of supposed duty it is carried far, produce social effect so shocking as to shake the whole system of our national life” (CW ix, 238). What Keynes maintains here is not that the commitment to saving hampers political, culture or artistic life – although it does, to his mind - but that such concentration on ‘economy’ is unwarranted in respect to ‘the economy’ itself: “Yet, if we carry ‘economy’ of every kind to its logical conclusion, we shall find that we have balanced the budget at nought on both sides, with all of us flat on our backs starving to death from a refusal, for reasons of economy, to buy one

wages and make large economies in the existing expenditure of the budget” (IX 234).

²⁰⁴ “There are still people who believe that the way out can only be found by hard word, endurance, frugality, improved business methods, more cautious banking and, above all, the avoidance of devices” (CW ix, 336).

another's services" (IX 239).²⁰⁵

It seems as if the meaning of the word economy starts to multiply into incommensurable pieces. "Economy", Keynes asserts against the wisdom of his time, "can have no other purpose or meaning except to release resources" (CW ix, 148). Otherwise, the social bond and the relations of interdependence "by which we live" will be severed: only those "happy few" will be employed who grow their own potatoes" (CW ix, 147). The use of the word "economy" is here reminiscent of the hopes put to it by some thinkers in the eighteenth century, where trade and exchange induced reciprocity, equality and interdependent social life vis-à-vis sovereign claims for power. Indeed, Keynes emphasizes several times the inexorable link between economy and reciprocity, the complete separation of which can only lead to paradox; the "fate of Midas" awaits those who try to undo this link by taking rather than giving. To restrict expenditure as an "all-round remedy" is senseless and harmful (CW ix, 350 and 130f), the result of reasoning "by false analogy" (CW ix, 232) from what benefits the individual, "who finds himself in danger of living beyond his means", to what benefits the economy as a whole (ibid). Instead, what is necessary is a perspective on the economic problem "in the strictest sense...or to express it better, as suggesting a

²⁰⁵ "When we already have a great amount of unemployment and unused resources of every description, economy is only useful from the national point of view *in so far as it diminishes our consumption of imported goods*... But it is an extraordinarily indirect and wasteful way of reducing imports" (CW ix, 239). "[Y]et I doubt if one in a million of those who are crying out for economy have the slightest idea of the real consequences of what they demand" (ibid., 240); "This is not in the direction of denying that there is a budget problem. Quite the contrary. The point is that the state of the budget is mainly a symptom and a consequence of other causes, that economy is in itself liable to aggravate rather than to remove these other causes, and that consequently the budget problem, attached merely along the lines of economy, is probably insoluble" (ibid., 240); "To say that our problem is a budget problem is like saying that the German problem is a budget problem, forgetting all about reparations" (ibid., 240); "Their policy is to reduce the standard of life of as many people as are within their reach in the hope that some small portion of the reductions of standard will be at the expense of imports. Deliberately to prefer this to a direct restriction of imports is to be *non compos mentis*" (ibid., 242).

blend of economic theory with the art of statesmanship, a problem of political economy” (CW ix, 336).²⁰⁶

A breach thus appears between the “logic of economy”, revolving around scarcity of means, and the proper ways to think “the economy” of the social body. What Malthus sought to align closely in the hope of fashioning the order of the body politic ceases with Keynes to line up so smoothly: the senses, hopes and fears of economic man do not form the regulatory kernel of the whole. The cultural and epistemological doubts leveled at this figure – as exposed in the previous chapter – go hand in hand with a renewed need to fashion a perspective on the life of the social body as the epistemology of scarcity and its attendant logic of economy need to be substituted or at least supplemented *in toto*.²⁰⁷ A different foundation of the body politic is required.

For Keynes, economy never ceased to be an issue of “life and death” (CW ix, 4f), of civilized subjects and proper order. Nor would he entirely shun scarcity in his account of economy.²⁰⁸ Yet, for a moment, the anthropological figure of man, “who

²⁰⁶ “Nevertheless, as a contribution to statecraft, which is concerned with the economic system as a whole and with securing the optimum employment of the system’s entire resources...the early pioneers of economic thinking...may have attained to fragments of practical wisdom which the unrealistic abstractions of Ricardo first forgot and then obliterated” (GT, 340). These different meanings of economy are not newly fashioned and elaborated at the beginning of the twentieth century. They can all be found in it’s the word’s rich etymology, even if the second edition of *Palgrave’s Dictionary of Political Economy* in the 1920s refers to economy only in the sense of “the principle of seeking to attain, or the method of attaining, a desired end with the least possible expenditure of means.” Mitchell takes this as proof that “the economy” as a “general structure of economic relations” was only conceived as such in the wake of Keynes’ theory (Mitchell 1998, 85). The etymology of the word economy, or oeconomy and its history of different appropriations shows this double meaning: it refers on the one hand to the order of the whole, its overarching organization and rationale, and on the other to the logic of strategic calculation, relating means to ends. See for different accounts of the history of the word ‘economy’ (Stemmler 1985, esp. 32 and 57).

²⁰⁷ Keynes’ critique of the principles of *laissez-faire* economics repeats the same point and maintains that “[e]xperience does *not* show that individuals, when they make up a social unit, are always less clear-sighted than when they act separately” (CW ix, 288).

²⁰⁸ Keynes did not advocate a turn towards unqualified public expenditure: he made a distinction

spends, wears out, and wastes his life” in evading the “pressure of his finitude”, recedes from the forefront of the attempt to think the body politic.²⁰⁹ Keynes brackets the cornerstone of the wisdom of classical and neo-classical in his attempt to write a book that would “revolutionize the way the world thinks about economic problems” (CW xxviii, 42). Keynes approaches economy from the other end of things – from that economic fact, about which J.S. Mill said in the nineteenth century that there cannot be a more “intrinsically insignificant thing, in the economy of society”, that is: money (CW xiii, 254).²¹⁰

This turn towards money should not be mistaken as one topic of choice, although it was this, too. Historical circumstance drew attention to the issue of money. Keynes himself notes that “[t]he fluctuations in the value of money since 1914 have been on a scale so great as to constitute, with all that they involve, one of the most significant events in the economic history of the modern world” (CW ix, 59). Inflationary pressures and deflationary reactions “made us lose all sense of numbers and magnitude” (ibid, 11). They pointed to a missing foundation in the very medium in which economic facts are perceived, counted and constituted. On the whole, such monetary fluctuations certainly amplified the general perception of a crumbling and

between ‘current’ and ‘capital’ spending and wanted the capital budget to fluctuate with employment. The investment programs were to be treated as ‘off-budget’, but still subjected to the sense of “what things cost”, to “sound accounting in order to measure efficiency and maintain economy” (Keynes cit. in Skidelsky 2003, 160). Keynes distinguished between economy, or “cheapness” which was due to skill and efficiency in production and cheapness “which means he ruin the producer” being a “greatest economic disaster” (CW ix, 136). Most importantly, scarcity and the issue of population were incorporated into his theory, forming the “tunnel of economic necessity” which it was necessary to pass and through which the economist had to lead the way. But this belongs already to the new ‘double constitution’, to which we will turn in the next chapter.

²⁰⁹ Those quotes stem from Foucault’s rhetorically embellished account of the *episteme* of the nineteenth century, as it manifested itself in the science of political economy. (Foucault 1970, 259).

²¹⁰ (Keynes 1971h) hereafter abbreviated as (CW xiii).

ruinous basis for material civilization.²¹¹

But it is not just a restricted, albeit different perspective on the monetary side of economy - necessitated by the experience of unprecedented monetary upheaval – that is at stake in the writings of Keynes. For him, the new importance of money involves a concomitant change in the constitution of the economy as a whole, specifically its boundaries and its dynamics. To think about money *is* for Keynes to introduce temporality into the heart of economy *and* vice versa. The following discussion argues that temporality and money become the kernels around which a new account of economic objectivity emerges. The philosophical reading offered here stresses, how such perspective on temporality and money opens economy to questions of convention, power, and institutions. These shape the dominant measures, which determine the dominant economic temporalities. Viewed from this angle, economic temporality is not due to an internally functional and necessary dynamic, closing ‘the

²¹¹ Before writing the *General Theory* Keynes had written extensively on monetary theory. Money and probability were his first two theoretical and practical passions. He had started his early – but intermittent – administrative career as a young clerk at the India Office, where he was concerned with the managed gold standard in India. His return to scholarly life in Cambridge was financed by his lectures on monetary theory. Thus biographical and historical circumstances favored money as a choice of subject matter. The two books on money before the *General Theory* were *The Tract on Monetary Reform* (1923) and *A Treatise on Money (Vol I: The Pure Theory of Money; Vol II: The Applied Theory of Money)* (1930). The editors describe the difference between Keynes’ early and later writings as follows “In his *Tract on Monetary Reform*... Keynes stood well within the limits of the Cambridge orthodoxy of his day... although his policy goals of price stability, erring if necessary towards slight inflation, his preference for national management and changes in exchange rates, and his emphasis on the short run were all at odds with the tempers of Marshall and Pigou. It was in his movement from the position of the *Tract* that he was to break new ground” (CW xiii, 15). See (CW xiii, 20f. and GT vii) for Keynes’ account of his leading tenets in the *Tract* and the new conclusions. In general, one can say that Keynes always granted money and bank policies a paramount influence for either interrupting or smoothing the system. The gap in which money and finance assumed their determining role resulted from his assumption that the motivations to invest and the motivations to consume or not are two different sets; they are not aligned mechanically (CW xiii, 93). See also (Skidelsky 2003, 160, 25, 49, 60). In these early writings, scarcity remains a primary focus, as his positions on the question of population show, thus saving is still a virtue, which a community could miss out on in the midst of violent fluctuations of the standard of value (CW iv, 27). See the last chapter for further discussion.

economy' back upon itself. Instead it is exposed as being fashioned at different sites, all determining intimately and at its center what a specific 'economic objectivity' is about.²¹² Those remarks might suffice to indicate initially what is at stake in this turn towards temporality and money, as it is impossible to deduce from the general notions announced.

The prominence given to the question of time in economic matters marked for Keynes a decisive distance between him and the inherited orthodoxy. While the "classical theory" wondered about the distribution of the given and projected an "instantaneous picture" of the economy (GT vii), Keynes occupied himself with the effects of an inherently unknown future on the process of creating wealth. "[T]he fact that our knowledge of the future is fluctuating, vague and uncertain, renders wealth a peculiarly unsuitable subject for the methods of the classical economic theory", since the creating of wealth is oriented toward future results (CW xiv, 112f). This uncertain view into the future and the relevance it assumes in Keynes' theory resonates with the general demise of deterministic conceptions at the turn of the century and the intense preoccupation with the future surrounding it. The nineteenth-century world of Laplace, in which "an intellect knowing at a given instant all forces" would face no uncertainty, neither in the future nor in the present, no longer existed.²¹³ Keynes maintained that the essentially uncertain future undermined the Benthamite calculus, on which classical theory had built its case. This "mythical system of probable knowledge", in

²¹² To strive for this closure and foundation is instead due to a "political-theoretical" decision, which is the subject of analysis of my last chapter.

²¹³ The cultural historian Kern has described these changes in the conceptions of time and space: "The philosophy of the future of the period was an emphatic repudiation of a body of determinist thought that had been building for a century from its foundation in the naturalistic determinism of Pierre Laplace"; "The new technology, the science fiction, Futurist art, and revolutionary politics looked at the future like a predator eyeing its prey" (Kern 1983, 100 and 104).

which every event has its comparative advantage and probability attached” (CW xiv, 123f), falters under the influence of shifting hopes and fears. “All these pretty, polite techniques, made for a well-paneled board oak room and a nicely regulated market are liable to collapse” (CW xiv, 115).²¹⁴ Expectations, beliefs and convention necessarily replace what cannot be known and - given their missing foundation - they fall prey to desires and moods.²¹⁵

All this implies for Keynes that the scientific rendering of this object “economy” falls outside of the “formally exact”, and has to deal with “discreteness and “discontinuity” (CW xiv, 300).²¹⁶ The sensitivity towards time also led Keynes to denounce the “haggling of the market” as a site of lesser importance: while there it might be figured what the given situation is, his interest was to account for the making of these facts that the market merely discovers²¹⁷. Expectations and fears about the

²¹⁴ Keynes’ first theoretical work on probability had resolved around refuting such beliefs. For Keynes, stochastic probability would eternally be unable to counter epistemological insecurities, which necessarily surround any attempt to predict future events or the consequences of action. Keynes maintained in his dissertation on probability that one looks in vain for reliable answers in mathematical frequencies of past events in order to gain certainty concerning the future. “A statement of probability always has reference to the available evidence and cannot be refuted or confirmed by subsequent events” (UA 19/2, 10). The profound ignorance about the future is not mended and controlled with such neat equations and yet decisions have to be taken. Pearson, who said that “the man of science may proudly predict the results of tossing half-pence, but the Monte Carlo roulette confounds his theories and mocks at his laws...it is chaotic in its manifestations.” Ignorance can only be answered to with due respect to what is known so far and for the near future, but certainty and ‘long views’ elude man.

²¹⁵ Keynes introduces the notion of convention prominently in this respect: “conventional judgments” refer to the orientation towards social standards. Here it has the connotation of majority, of average and of mass society (CW xiv, 114). Convention can also refer to more institutionalized regimes of value, like the gold standard. It is the latter meaning which is to be preferred, as it is broader and not tainted with the ‘critique of mass society’ Keynes seems to entertain.

²¹⁶ “[T]he theory we devise in the study of how we behave in the market place should not itself submit to market-place idols. I accuse the classical economic theory of being itself one of these pretty, polite techniques” (CW xiv, 115).

²¹⁷ “You are usually concerned with the haggling of the market,” Keynes answers a colleague, “the short-time lags lasting a few week during which everybody is discovering what the demand really is; whereas I am concerned with the forces determining the demand...and I am not much interested myself in the brief intermediate period during which the haggling of the market is discovering the facts (CW xiv, 27).

future, Keynes maintained, determine fundamentally the numbers of unemployment and output. Given that Keynes was not only statesman and philosopher, but also economist, the vision of “the whole” and its most pressing problems is aptly captured in these numbers (GT 292). Within the discipline of economics, the most radical appropriations of Keynes – called the “Keynesian fundamentalists” – accentuate this centrality of uncertainty and non-determination.²¹⁸

But my interest is not to repeat the economist’s view and to rest content in his constituted world, however uncertain it is and however much state intervention it needs. The turn towards temporality implies not only the recognition of uncertainty and expectations. The reading that is developed here suggests that thinking ‘economy through time’ *incites the question of the proper measure, which is given by ‘economy’ and given to ‘economy’*. The making of this measure in conventions and relations of power reveals a much more intimate relation between economy and the political – understood in the broad meaning of the terms – than the poles of market and state might suggest. The theoretical hope is that such finer understanding allows for a notion of the political, which neither forgets nor is subsumed to economy. This reading claims to be extremely close to the text, yet it strains the author’s intention. The proof of its plausibility can only lie in its effects and in the efficacy of translating and transforming the technical language of economics into the concerns of political and social theory. The texts of Keynes turn into an interlocutor within a theoretical conversation about how to think ‘the economy’ beyond the foundations of the old and the new ‘double constitution’. This explication of temporality, measure and economy

²¹⁸ For an account of these strands of interpretation, see (Hutton 2001; Sowdon 1994, 67f and 375f). The emphasis lies on the absence of any self-regulating, efficient mechanism going against the reversal towards the ‘realism of the market’ evident in the last decades.

begins at the same point Keynes chose for himself: money and time.

Temporality and Measurement

“Money in its significant attributes is”, Keynes states, “above all, a subtle device for linking the present to the future [...]. We cannot get rid of money even by abolishing gold and silver and legal tender instruments. So long as there exists any durable asset, it is capable of possessing monetary attributes and, therefore of giving rise to the characteristic problems of a monetary economy” (GT 294). The impact of money on the relations of exchange and production properly commences therefore not with the existence of coins circulating as medium of exchange, but only when “with the development of contract” when obligations are expressed in a “money of account” and are thereby fixed through time (CW xxviii, 226): “The introduction of a money, in terms of which loans and contracts with a time element can be expressed, is what really changes the economic status of a primitive society; and money in this sense already existed in Babylonia in a highly developed form as any years before the time of Solon” (ibid, 255). Stamping pieces of metal with a “local trademark was just a piece of bold vanity, patriotism or advertisement with no far-reaching importance”. The invention of “sealed money”, Keynes does not hesitate to claim, is of “very trifling significance” (ibid. 254): coinage does not constitute the “veritable introduction of money” (ibid. 255). Only when money becomes linked to time, contract and obligation does it “make [...] its entry into human institutions” (ibid, 226).²¹⁹

²¹⁹ “An article may be deemed to have some at least of the peculiar characteristics of money (1) if it is regularly used to express certain conventional estimates of value such as religious dues, penalties or prizes, or (2) if it is used as the term in which loans and contracts are expressed, or (3) if it is used as the

Contracts and obligations are of course of preeminent importance beyond relations of trade and work. But the quest for a standard of measure was equally paramount for political and religious obligations: guilt, penalties or sacrifices required measure. The first uses of money are therefore linked to these “conventional estimates of value”. But for these “semi-economic purposes” a vague and customary standard is “perfectly satisfactory” (ibid. 256). “On the other hand for trading proper in the strict economic sense, where each party is keen for a profit and a trading ‘turn’”, it is important to have a measure of value that “can be generalized and expressed without reference to the particular” and is “steady throughout the year”.²²⁰ Such a stable and generalized measure is to Keynes the specific modern innovation of “representative money”. It fulfills exactly the function described above in the classical account of money. But its virtues of representation have to be seen against the background of the inevitable lapse of time, the particularity of embodiment and its subjection to change. A cow, the customary ‘currency’ for religious duties or political penalties could never be estimated in abstraction from the particular and from the moment of time: its value would fluctuate very much depending on the concrete circumstances of existence. Because of its inexorable bonds to the particularities of time and place, it could never function as a ‘standard of value in the full sense of the word’ (ibid. 258).

“Representative money” thus achieves its stability over and above the vagaries

term in which prices are expressed, or (4) if it is used as an habitual medium of exchange. In the first three cases the article in question is the term in a *money-of-account*, in the fourth case it is used as actual money. Now for most important social and economic purposes what matters is the *money of account*; for it is the money of account, which is the subject of contract and of customary obligation. The currency reforms, which matter are those which change the money of account. (CW xxviii 253).

²²⁰ These aspects are emphasized here, but there are of course others, such as, for example, divisibility. The element of steadiness through time is of course of highest relevance – not for all transactions, but for those, which required long-term investments. Wages, Keynes mentions, “could be paid in corn, as they are paid daily” (ibid., 258).

of time and embodiment.²²¹ In order for something to be accepted as money, it has to maintain its “inelasticity”: if it were to be produced attendant on greater demand or if it were easily substituted by other particular goods, its general validity and stability would be jeopardized. Moreover, if the medium – which assumes the role of money – were subjected to the decay and costs that befall the storage of many goods, it would likewise eschew its own function, as it would change and threaten to lose its value (GT, 225).²²² All these characteristics of money contribute to its versatility and its magical character:²²³ it is liquid, in Keynes’ word, that is, it can be “re-embodied if desired in quite a different form” (GT 240). In a sense, “liquidity” might be translated as potentiality referring to the fact that money manifests sheer possibility (Simmel). These powers of money are due to its abstract nature: because it has shed the inexorable ties to the particularities of time and place, it acquires the ability to “re-embody” itself in a host of different things.²²⁴ “Money is only significant for what it

²²¹ For this use of the meaning of “representative” money see also: “Thus the long age of commodity money has at last passed finally away before the age of representative money. Gold has ceased to be a coin, a hoard, a tangible claim to wealth, of which the value cannot slip away so long as the hand of the individual clutches the material stuff. It has become a more abstract thing – just a standard of value” (CW ix, 163).

²²² See Chapter 17 of the *General Theory* for these issues, especially p. 230f.

²²³ Keynes did not think much of Marx, “dull”, most boring. Keynes did not share the revolutionary passion of Marx, nor his scientific commitment to Ricardian foundations in economics. But within the wealth of Marx’ theoretical observations, there are convergences – one out- doing the other in the rhetorical pleasures of poetic descriptions. So listen to Marx, the same abstract quality of money is rendered as following: “Nothing is immune from this alchemy, the bones of the saints cannot withstand it” (Marx 1990, 253f).

²²⁴ Keynes mentions that “liquidity,” in contrast to “carrying-costs” (the technical term for the costs of storage, maintenance and possible decay befalling particular embodiments), is a “question of degree; and that it is only in having the former high relatively to the latter that the peculiarity of ‘money’ consists” (GT, 239). The following definition of a non-monetary economy emphasizes the point made above: “Consider, for example, an economy in which there is no asset for which the liquidity-premium is always in excess of the carrying-costs; which is the best definition I can give of a so-called “non-monetary” economy. There exists nothing, that is to say, but particular consumables and particular capital equipments more or less differentiated according to the character of the consumables which they can yield up. . . .all of which, unlike cash, deteriorate or involve expense, if they are kept in stock, to a value in excess of any liquidity-premium which may attach to them” (ibid).

can procure” (CW ix 59)²²⁵ – its abstraction only manifests its powers if it relates back to the world of things.

This account of money draws time, representation and abstraction into a vexed relation to each other. Money is on the one hand defined by its very ability to form a link between past and future. On the other hand, it fashions this continuity through time by avoiding the exposure to time and the mishaps of existence. It suffers no waste and is not subject to decay; it neither costs to store it, nor loses its value by accumulation. It concentrates all powers of abstraction on its side. Money is a “bottomless sink” (GT 231). But this relation to time and the love for potentiality invites paradoxes. The pure storage of money for the sake of retaining an unspecified purchasing power is also folly, if one considers the matter of economy proper. If it were not for the “liquidity” money offers, only a “lunatic”, says Keynes, would use this medium as a store of value. For classical theory, which is blind toward this aspect, it would be “an insane use to which to put it!” This is because the course of time not only subjects things, bodies and machines to the threat of loss and decay, but also because it harbors the possibility of multiplication and surplus. “For it is a recognized characteristic of money as a store of wealth that it is barren; whereas practically every other form of storing wealth yields some interest or profit” (CW xiii, xiv, 116) Money, taken by itself, is in this regard not the wisest link through time – the miser as Marx already knew, is “merely capitalist gone mad”²²⁶. The relation of money to time, as paradoxical as it already is, requires further refinement: it needs thus to be seen in light of forming a particular economic temporality – one among others while exerting

²²⁵ See also (Keynes 1971k).

²²⁶(Marx 1990, 254). Liquidity-preference, Keynes says, is equivalent to the “propensity to hoard” (CW xiv, 117).

specific effects in regard to them.

Money is not the only link through time. The separation between the “real” and the “monetary” economy, which the classical tradition so strictly maintains, starts to fade²²⁷: both sides manifest commitments equally through time and thus exhibit a deep homology²²⁸. Just like money, capital is defined by the link through time it instantiates: “By capital technique I mean the relative importance of long processes as an efficient method of producing what is currently consumed” (CW xiv, 126). It draws resources of the “whole community” to transform them in procurement for the future (CW ix, 355). Keynes concludes the chapter on the marginal efficiency of capital: “It is by reason of the existence of durable equipment that the economic future is linked to the present” (GT 146)²²⁹ - just as “*the importance of money essentially flows from its being a link between the present and the future*” based on, if on nothing else, the “durability of an asset” (GT 293, emphasis in the text; and 294).²³⁰ The more degree of liquidity this link acquires, the more monetarized it is, so to speak, until it reaches that stage of barrenness that the miser cherishes. But of course, neither the barren store of value, nor the simple durability and processes through time have yet sufficiently captured economic temporality proper. Temporality is not determined by some

²²⁷For Keynes, it is a “false division”: “We have all of us become used to finding ourselves sometimes on the one side of the moon and sometimes on the other, without knowing what route or journey connects them, related, apparently, after the fashion of our waking and our dreaming lives. One of the objects of the foregoing chapters has been to escape from this double life” (GT, 294).

²²⁸His theory of a monetary economy, Keynes finds important to state, is not a “separate theory of money”; it remains a “theory of value and distribution” (ibid).

²²⁹Therefore, expectations about the future enter essentially into its determination, Keynes maintains in respect to the effects of uncertainty. The ‘marginal efficiency of capital’ – the yield it gives – is always an expected yield. Regarding it as severed from the link with the future is to “import an element of unreality” into the theory (GT, 145f, 210).

²³⁰See the quote above: “So long as there exists any durable asset, it is capable of possessing monetary attributes and, therefore of giving rise to the characteristic problems of a monetary economy” (GT, 239).

technical process of production, respective transportation or some natural process of growth, neither is it embodied in that “capitalist gone mad” although it has to take account of all of these.²³¹ Rather, it is the simple fact that it has “a yield over the course of its life in excess of its original cost” (GT 213). Economic temporality thus marks the point in time, where the promise of a yield is asked to materialize.²³²

Such a definition of economic temporality appears to be rather banal – it does not stray far from any common sense understanding of economic purpose.²³³ “We should not be too ready to shrug off such remarks as truisms or naivites”, advises Braudel in respect to such seemingly “too simple” beginnings (Braudel 1992, 173 and 141). So far, one has done not much more than point toward the circular structure of economic temporality: at the marked point in time, the return is demanded, the

²³¹ About the distinction between capital as a technical apparatus, or physical thing and the process of creation through time untouched by economy, see his discussion (GT 214f). Otherwise there would be an “optimum interval for any given article between the average date of input and the date of consumption”, since a “shorter process of production would be less efficient technically, whilst a longer process would be less efficient by reason of storage costs and deterioration” (GT, 216).

²³² To enliven this point apart from the more technical argument employed, Keynes uses the analogy of a cook making dinner and the desire to eat. Even though physical output might be increased by postponing delivery, the dinner is expected at a certain point in time. It is no use to defer this date – “except in so far as the prospect of a larger meal, so to speak, induces the consumer to anticipate or postpone the hour of dinner”. A date is marked, which might be much different if “time counted for nothing, one way or the other, and his [the cook’s] was to produce the absolutely best dinner” (GT, 215f).

²³³ A short note might here be necessary about such general definitions of economy, which seem to shed all relation to the concrete historical forms of “economy” it emanates from. The argument tilts, the wary reader might suspect, towards such a general definition of economy. This is in one respect a well-founded suspicion, but maybe the procedure is not as suspicious as it might seem. Marx, in his critique of the *Gothaer Program*, ridiculed the socialist dictum that each worker should be rewarded according to the share he contributed. They forgot to account for the surplus, which has necessarily to be retrieved for provision, for sickness and likewise expenditures. A circuit with return, one could say, will in any case be made, capitalist or not. Marx’ critique of both the lack of transparency of exchange and the utilitarian conception of “due share’ consequentially led him to portray an utopia, in which there is neither, but only abundance and no mediation between social relations and ‘economy’ as exchange or return. The circuit of return circumscribed by economic temporality is - to answer the suspicion in a second way – only the starting point for an inquiry into the shape and limits of this circuit, its length, its breaks, its returns and into the site of their making (Tucker 1978).

circle is to be closed and the calculation of loss and surplus is to be made. Several thinkers have dwelled on this circular structure; although they fit it to their own respective theoretical aims, they all point to the same rendering of economy and capital. Braudel puts the matter straightforwardly when he describes the economic logic of long-distance trade during the early modern period under the heading “no closure, no deal”: “Trade circuits are like electrical circuits: they only work when the connection is unbroken”(Braudel 1992, 144). Likewise, Marx took pains to distinguish the circular movement of capital, governed by the limitless drive to make ‘money beget money’, from more limited engagements for the sake of consumption.²³⁴ In contrast with the final dissipation of funds through consumption, the logic of capital lives by the closure of the circle so that the funds travel back to their site of emanation - hopefully with the highest return possible. Most recently, and seemingly most distant from more narrowly defined economic thinkers, Derrida has pursued the same line of reasoning, when he says in *Given Time* that one needs to attend to the odysseic structure of economy (Derrida 1992, 246).

Given this very general description of economic objectivity in terms of a circular temporal structure, different ways of theoretical engagement become possible. Marx, as is well-known, linked the circular structure to a “limitless” logic of capital, an “automatic subject” that “brings forth living offspring, or at least lays golden eggs” (Marx 1990, 255). The powers of this “subject” and internal – if catastrophic – consistency of the system it brings about were in Marx’ account so paramount that any

²³⁴ “Whilst in the simple circulation of commodities the twofold displacement of the same piece of money effects its definite transfer from one hand into another, here the twofold displacement of the same commodity causes the money to flow back to its initial point of departure” (Marx 1990, 249 and 256). Marx also likens this circulation to the “metabolic process” (ibid., 228) and quotes Galiani saying: “Things possess an infinite quality when moving in a circle which they lack when advancing in a straight line” (ibid., 255).

further questions about the source of such “limitlessness” and “powers” eluded the theoretical horizon. It marched towards one decisive battle of “life and death” – between the ever-growing machine-like and abstract rhythm of capital and the “pure humanity” of suffering on the other side. The economic and political stage was set in a single scene. Much less dramatic – rightly or wrongly so - and much more piecemeal is the picture emerging for Keynes. What sets Keynes apart from the classical tradition, including the liberal and the Marxian versions alike, is his willingness to consider the non-automatic and conventional ways in which these circuits are determined and become effective.²³⁵

Contained in the most technical discussions of interest rates, marginal efficiency or liquidity in the *General Theory* is the broader socio-theoretical question: What measure does economic temporality imply when it asks for a certain return within a circumscribed horizon of time? How and where is such measure determined? Keynes’ most prominent answers to these questions all turn around the paradoxes of money. The peculiarity of the monetary measure, says Keynes, assumes its significance against the multiple measures resulting from the particularities of time and place in which any project takes place. Keynes elaborates on this diversity of measures in a short but instructive chapter in the *General Theory*. It is a chapter on the rate of interest – a term that should not be left to hide in technical clothes the question of time and measurement it points to: the interest rate describes what is retrieved in the future for a given sum put down in the present.²³⁶ It circumscribes, so to speak,

²³⁵ The term “convention” refers here, as Keynes does himself, to the human artifice, to the made character of the measure given.

²³⁶ See (GT, 222) for a more technical version of this definition of the difference between “future” and “spot” prices. Or a less technical definition of the rate of interest of money: “Interest on money... is simply the premium obtainable on current cash over deferred cash” (CW xiv, 101).

economic temporality as it establishes the height of return and narrows the horizon of time. “For every durable commodity we have a rate of interest in terms of itself, - a wheat-rate of interest, a copper-rate of interest, a house-rate of interest, even a steel-plant rate of interest”, Keynes asserts, adding “there is no reason why their rates of interest should be the same” (GT 223). They differ since the probability of yield, the danger of loss and the cost of storing differs from one to the next (ibid. 225). The measure of their return is inexorably linked to their particularity, their corporeal qualities, their rhythm of growth and the temporal specificity of the demands they answer to.

The attention Keynes gives to the diversity of measures of temporality speaks to the wider theoretical import of his argument. If Keynes has been called the ‘Einstein of economics’, the analogy should find here its proper anchor.²³⁷ For most people, Einstein’s theoretical innovation lay in his argument against the universal measurement of time. The cultural historian Kern quotes him as saying “every reference body has its own particular time”. Kern elaborates: “[H]e contrasted the older mechanics, which used only one clock, with his theory which requires that we imagine ‘as many clocks as we like’. The general theory of relativity had the effect, figuratively, of placing a clock in every gravitational field in the universe...each telling a different correct time” (Kern 1983, 19). In one of Keynes’ early papers, read to the Apostles, he rehearses much the same argument: “time’s arrow did no always fly straight and true.” It is the “interaction of time and matter” that is the basis for

²³⁷ There are other ways to relate these two thinkers on the basis of their “systematic” approaches or the role given to the point of perspective. See (Galbraight 1994; Togati 2001). Keynes himself offers a way to link the two figures, as he relates his own *General* theory to the classical tradition, to which it is a special case (GT, vii) – just like Einstein’s challenge to Newtonian physics: while for most circumstances on earth, Newton’s ideas or economic orthodoxy would hold good, they were still special cases in a more general game – hence the *General Theory*.

Keynes' and Einstein's concerns alike (ibid., 29 and 32). "There is no absolute measurement of time that is intrinsically more correct than any other measurement" (UA 17, 3), Keynes maintains in these early reflections, and one might add that neither physical time nor economic time followed a single clock. Just as it was untenable for Keynes to conceive of a measure irrespective of the position to which it fits, it was paradoxical to assume to have found a general standard in money. An attempt to create a universal measure thus always stands in a vexed relation to the particularity of time of each body.²³⁸

Within a monetary economy, Keynes writes, monetary ways of measuring time will always "rule the roost". Money thus creates such universalizing measure, assuming the place of the single clock so to speak, but this measure of greater validity than others is still geared towards its own particularity: "Money is not peculiar in having a marginal efficiency measured in terms of itself" (CW xiv, 102).²³⁹ The universal measure has its own particularities, which determine the economic temporality it manifests and secures its widespread effects. This claim, innocent as it may appear, points to the theoretical site where Keynes seeks to breach the functional coherence of the orthodox image of the 'economy'. Keynes accounts for the monetary rate of interest in terms of conventions, which have the tendency to impose "too much economy" on "the economy". Both the question - how is the measure of economy

²³⁸ Keynes gave a significant amount of theoretical attention to the question of how the value of money in general would be ascertained, circling again around the same problem. Here the particularity of the situation, in which the "purchasing power" of money acquires its specific meaning, and the attempt to define such power or "value of money as such" (CW v, 72, 76f). But there is no "unique centre, to be called the general price level... There are various prices indexes, appropriate of various purposes. There is nothing else" (ibid 76.).

²³⁹ This rate of interest specific to money takes account of the peculiar advantages money offers – otherwise "no one would pay this premium unless the possession of cash served some purpose, i.e. had some efficiency"(CW xiv, 101).

constituted? - and the answer – it is found in the realm of conventions and institutions – point beyond the closed disciplinary space of economics proper. They open economic objectivity to the consideration of relations of power and visions of order.

His account of these conventions contains the central tenets of his theory and can serve as an exemplary and instructive case for the conventionality of economic facts. But before turning to this case, it is important to note that Keynes did not only stray from disciplinary boundaries and orthodoxies, he also kept some parts unchallenged. As much as he considered himself to belong to an “isolated group of cranks” in the tradition of economic thought and as a descendant of a long line of heretics, “a large part of the established body of economic doctrine”, he says, “I cannot but accept as broadly correct. I do not doubt it” (CW xiii, 489). To this large part belong concepts like marginal efficiency or the play among costs and demands in the determination of customary prices. The preservation of a large part of orthodox economic thought and its main concepts is only of concern here insofar as it delineates yet again the boundary that divides a realm open for questions of convention, contingency and power from a realm to be protected from further inquiry. But the account of economic objectivity in terms of a problematic of temporality, measurement and abstraction does not necessitate this line of demarcation by itself. It is thus worthwhile to take the time to imagine such extension into realms and questions not envisioned by Keynes, even if his own search for the visceral foundations of the body politic did not induce him to do so, as the next chapter argues.

Remaining within this theoretical horizon, the determination of the “natural rate of interest” of wheat, copper or steelplants – to use the examples Keynes gives –

refers not necessarily only to the calculation of loss, storage and the play of demand.²⁴⁰ The return they are supposed to bring and the horizon of time given to them can also be taken to refer to hierarchies of valuation, struggles over returns and pace of life. The particularities of existence are comprised of natural conditions, technical possibilities, bodily and mental dispositions no less than desires, cultural distinctions and disciplinary regimes –in addition to the calculations Keynes had mentioned himself. This panoply of material and cultural disposition, including the power relations they exhibit, is drawn together by the economic temporality which it is supposed to serve - at the same time the condition of possibility of a certain hegemonic measure of economic temporality and its very effect. Without having to assume the materiality of the laboring body as a foundational measure, as Marx following Ricardo did, it is possible to draw attention to the struggles about the respective temporal regimes, into which bodily life is made to fit. To mention an example pertinent to Keynes' own time, one might think of the turn to scientific calculations and rationalization of work in Taylorism. It was meant to fashion a bodily disposition, which could be the stronghold of an accelerated temporal regime. Rabinbach has shown that the wish for scientific standards was driven by the search for consensual measures in view of social peace. These standards took account of and came in the wake of fierce struggles about work-days and efficient use of time in the nineteenth century.²⁴¹ Viewed in this perspective, the measure of economic

²⁴⁰ The “natural rate of interest” is for Keynes the rate as determined by the normal “haggling of the market” and the account of usual business risks.

²⁴¹ “The claims of the Taylor system to provide a scientific solution of the “worker question” appealed to industrialists and engineers in Europe primarily because its modernizing and rationalizing thrust linked greater productivity with social peace.” (Rabinbach 1990, 240). See also (Sarasin 2003). About the dreams of rationalization and the political energies captured by it in the first years of the Soviet Union, see (Buck-Morss 2002, 241).

temporality has many sources – as it is not preempted anymore by the assumption of functional necessity, its contingent and conventional character becomes open to further inquiry.

The Conventions of Money

The money-rate of interest is a “measure of the unwillingness of those who possess money to part with their liquid control over it” (GT 167). It is the numerical expression of desire for the abstract potential of money’s power.²⁴² It is a “barometer of the degree of our distrust of our own calculations and conventions concerning the future...It takes charge at the moment when the higher, more precarious conventions have weakened...the premium which we require to make us part with money is the measure of the degree of our disquietude” (CW xiv, 116). The relation to money assumes thereby a self-reflexive character: it entails a judgment about the world. It happens such that all other judgments have to “fall in line” with the disquietude and unwillingness to part with money. The measure of economy given through money – that is, its interest rate determined by the “forces appropriate to itself” - assumes greater efficacy: it tends to be higher, less willing to give up on its measure and less forced to do so (GT, 229). Keynes spins two different, albeit related stories, about this

²⁴² Classical theory assumes that the rate of interest is the ‘price’, which brings into equilibrium the demand for resources to invest with the readiness to abstain from present consumption” (GT, 167). It channels the funds from saving into investment, rewarding those who do not consume. In this case, high interest rates indicate the need for more funds to be saved, as it promises a higher reward for those who do it. It falls neatly in line with the requirement of the ‘real economy’. It becomes apparent, how differently Keynes approaches the question, as now the interest rates has nothing do to with saving anymore. It eschews the moral story about the economic virtues of saving. No longer a drama between immediate desire and the discipline of deferring it, but the desire to hold onto abstract potentials: “In this respect I consider that the difference between myself and the classicals lies in the fact that they regard the rate of interest as a non-monetary phenomenon” (CW xiv, 80). See also (CW xiv, 92) for a lucid account of the difference and (CW xiv, 103).

measure of economy given through money. Both need to be told – one is about power and the other about hysteria; one points towards politics, the other towards morality.

The first story revolves around institutions, monetary regimes and their respective relation to the particular conditions of space and time. It takes places in the context of the gold standard, which had reigned unquestioned during the nineteenth century, but had been finally abandoned in 1931.²⁴³ Tying the currency to the gold standard promises to its adherents the stability of monetary values on the international stage, facilitates trade, contracts and investments across political boundaries.²⁴⁴ But this type of monetary stability comes at a price: maintaining the parity with gold requires a tight monetary policy and budget discipline – all in the service of ensuring a stable value of money in respect to the remote abstraction of gold.²⁴⁵ The interest rate follows suit, fitting itself to the requirements of tight money and uniformity.²⁴⁶ The

²⁴³ The gold standard had been abandoned in the wake of the First World War. Between the wars, the return to gold seemed to promise a return to normalcy and stability. Under Churchill the gold standard was restored in 1925 before being abandoned in 1931. See the relevant essays by Keynes on the gold standard in (CW ix, 161-252).

²⁴⁴ For the whole classical tradition of the nineteenth century – Marx was no exception – money was an afterthought to the movements of the ‘real economy’. Those were modeled under the assumption of a barter-economy. However different the presumed economic laws were – either based on the labor theory of value or on the calculation of marginal utilities – they shaped the fundamental side of economy as if they took place in absence of money. Such laws regulated allocation and production, brought about equilibrium or crisis. In respects to these dynamics, within the classical perspective, the highest aim of monetary arrangements is hence currency stability. During the nineteenth century the gold standard embodied such stability.

²⁴⁵ This discipline was intended: governments are often deemed to be the main culprits of such derailment between real and monetary economy: given their power to define legal tender, they are tempted to use their privilege to procure funds for themselves or to succumb to populist demands – accepting thereby an inflation of monetary signs and a loss of its value. Heightened instability results, since business calculation and distribution of purchasing power are challenged irrespective of the demands of equilibrium. In the long run all prices will merely reflect the larger quantity of money in the system, while it has unnecessarily suffered from that period of adaptation.

²⁴⁶ Different interest rates in different countries invite flows of money to those places where it is highest, eschewing the aim to maintain these differences. The problematization of the ‘flight of capital’ is very vivid in Keynes piece on ‘National Self-Sufficiency’, in which he contemplated the problems of free trade (Keynes 1971d). Hereafter abbreviated as (CW xxi).

whole arrangement is surrounded by the air of objectivity, as it seems to have firm foundations in its metal base. But for Keynes the choice of gold as a standard of value is itself a convention - and for the purpose of exchange a quite recent one -, “almost a parvenu” (CW ix, 162).²⁴⁷ It has some advantages, Keynes admits, but it also turns out to be a rather inappropriate convention if one considers it from the perspective of economic temporality. The uniformity of interest rates and the imposition of their tight measure is likely to be out of sync with the differences of economic temporalities. The prospects for yield are not always the highest. But instead of following this course of things, the measure remains high: “It is interesting to notice that the characteristic which has been traditionally supposed to render gold especially suitable for use as the standard of value...turns out to be precisely the characteristic which is at the bottom of the trouble” (GT 236). For someone looking at money solely in terms of representation, these limits remain unaccounted.²⁴⁸ Instead, any deviation from the

²⁴⁷ By 1914, it had reigned in England “*de jure* over less than a hundred years” and “in other countries over less than sixty” (CW ix, 162).

²⁴⁸ As shown above, Keynes locates money in a triangle of time, abstraction and representation. It is not the case that a stable “measuring rod” is not important. “Money has only meaning for what it can procure” (CW ix, 59) - for that reason the concern for the constancy of its purchasing power has its due place in monetary theory and policy, for the early as for the later Keynes. But the theoretical plane from which he later appreciates this concern is rather different from that of the classical discourse in political economy. The absolute commitment to the representational transparency of money will become “less heroic” (CW xiii, 90); deviations – if not too wide – are not any longer the direst sin of this medium. For a discussion of inflation in this ‘non-heroic’ light see (Kirshner 2001). Proper representation remains an issue, but the “essence” of money is not exhausted by this logic anymore. It is as if, to use the analogy often drawn between language and money, language is no longer defined exclusively in terms of representation, but has other structuring effects and roles, which need to be taken into account. Likewise, money turns out to play a role that exceeds representation: it models a particular temporality of economy and has in this respect far-reaching effects. Keynes never denied the importance of the stability of money values. Especially in his early books on money – when the break with the tradition had not yet occurred – the emphasis on the problem of inflation was just more pronounced. He argued at length against the destabilizing effects of unsound money. The instability of money as a “measuring rod” creates perceptual confusion, has “made us lose all sense of number and magnitude”, results in the “violent and arbitrary disturbance of contract and of the established equilibrium of wealth” (CW ix, 58) and turns “wealth-getting into a gamble and a lottery”. Worst of all, it strikes at the fundamental relation between creditor and debtor, this stronghold of the current order. “Lenin was certainly right. There is no

proper representation of the “real economy” becomes the worst for theorists and untenable for speculators.²⁴⁹ The belief in a “level established by convention”, which is “thought to be rooted in objective grounds much stronger than convention”, makes by this very reason every other level appear “experimental”, “unsafe” and thus fallible. The same level would work, if conviction of its reasonability is firmly entrenched and promoted by an “authority unlikely to be superseded” (GT 204). Thus, the uniformity of the measure for economy and its stability rest upon a convention mistaken about its own conventional nature.²⁵⁰ It is maintained in institutions, surrounded by a discourse of representation and unfolding in relations of power. It imposes a certain economic temporality - an ever tighter circle of time and yield – which appears as part of economic necessities, while it belongs to a particular and contingent convention.

The other story Keynes tells about the whereabouts of the measures of and for economy is a story about fetishism, hysteria and lack of conviction. With it, the character of economic man, degenerating in his fears, returns; with him the jam-saver, the frigid penguins and those who lack the “sanguine temperament” and the “animal spirits” necessary to “defeat the dark forces of time” (GT 162). In this story, uncertainty about the future looms large. The preference for money’s potential, instead of its transformation into proper objects of desire, is a fearful reaction to the uncertainty of the future. Money is loved for its own sake, not for the things it could

subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction” (CW ix, 57). What it involves is the connection of economy, money and temporality (CW xiii, 90f and 111f).

²⁴⁹ “For example, in a country linked to an international gold standard, a rate of interest lower than prevails elsewhere will be viewed with a justifiable lack of confidence; yet a domestic rate of interest dragged up to a parity with the *highest* rate...may be much higher than is consistent with domestic full employment” (GT, 203).

²⁵⁰ “For its actual value is largely governed by the prevailing view as to what its value is expected to be. Any level of interest which is accepted with sufficient conviction as likely to be durable will be durable...” (GT, 203).

procure and the technical term ‘liquidity preference’ is nothing but an expression of to this cultural flaw.²⁵¹ Keynes turns to psychoanalysis in order to account for this “delight in gold”, this “superstitious attitude” towards money, which mistakes means for ends.²⁵² The nineteenth century, according to Keynes, forgot the “fertility of the species in a contemplation of the dizzy virtues of compound interest (CW ii, 13). The borrowing of psychological categories and the allusions to reproduction concur in Keynes’ use of the concept of fetishism.²⁵³ Sexual and economic matters mingle conspicuously in the diagnosis of interrupted reproduction of the whole through misled desires. With Malthus, proper reproduction was halted by unbound sexual desire and the lust for immediate gratification; with Keynes the circuit is interrupted through the opposite: the link between deferral and gratification is severed and economic man shows his perversion as he loves the substitute instead of the real object.²⁵⁴ He is a sorry figure of civilization. This cultural and moral story is markedly different than the one Malthus tells, but it remains a story about similar faults.²⁵⁵

²⁵¹ Among the manuscripts of Keynes there are some outlines on a planned book called “An Examination of Capitalism”. He notes to himself: “Begin the problem is moral”. The first chapters would be devoted to this problem, called “The love of money” (A 2, 1).

²⁵² “The love of money as possession – as distinguished from the love of money as a means to the enjoyments and realities of life – will be recognized for what it is, a somewhat disgusting morbidity, one of those semi-criminal, semi-pathological propensities which one hands over with a shudder to the specialists in mental disease” (CW ix, 329). For the appeal of psychoanalytic accounts of money to Keynes see (Winslow 1986)

²⁵³ “Of the maxims of orthodox finance none, surely, is more anti-social than the fetish of liquidity, the doctrine that it is a positive virtue on the part of investment institutions to concentrate their resources” (GT, 155).

²⁵⁴ “[T]hey fall back on the grant substitute motive, the perfect ersatz, the anodyne for those who, in fact, want nothing at all: money” (CW ix, 320). The concept of fetishism Keynes employs bears Freudian rather than Marxian traces. While in each case, fetishism is about a form of misrecognition and perversion of social order – taking means for ends or confounding social relations and objects – the latter is much more about the lack of transparency involved, whereas the latter points to an interrupted circulation. See Böhme for an instructive account of the colonial history of concept of fetishism (Boehme 2000).

²⁵⁵ The distance Keynes entertains to the moral story about the threats to material civilization and order is no more visible than in the speculations in his *General Theory*, when he asserts that the reason “the

Instead of defeating the dark forces of time, which needs skill and conviction, the economic man is part of an “ignorant mass” flickering in unfounded judgments and speculative passions (GT 169).²⁵⁶ “It needs *more* intelligence to defeat the forces of time and our ignorance of the future than to beat the gun” (GT 157). We have encountered these character-masks before.

Theories of fetishism tend to project the problematic they diagnose onto a single element. Purging this element from society promises then to heal the rift it suffers from. Such imagined danger to society is then easily associated with a single group of people, who are demonized and stigmatized. The long history of the stigmatization of the Jew as the greedy moneylender and passive parasite of a vital society testifies to these dangers. Keynes’ anti-semitism is pronounced and he repeatedly conjures up the image of the “avaricious jew” (CW ix, 259f) who comes to embody the “moral problem of the age”.²⁵⁷ There is a marked difference between the

world after several millennia of steady individual saving, is so poor as it is in accumulated capital-assets, is to be explained, in my opinion, neither by the improvident propensities of mankind, nor even by the destruction of war, but by the high liquidity-premiums formerly attached to the ownership of land and now attaching to money” (GT, 242). Whereas Malthus pondered the laborer, whose pleasures of gambling and drinking showed that he had no proper senses for the future, Keynes wonders how to make gambling less prone to ruin the gambler. Asked in the Royal Commission if gambling would not undermine the discipline to work, he answered: “It would be much fairer than the present system if fortunes were distributed by lot...I should not have thought it would have any effect” (CW xxviii, 402). Gambling is for Keynes only a problem insofar as indulgence in it causes the person great loss of money (ibid. 404).

²⁵⁶ Speculation had a proper role to play, in Keynes view; even more so, since each investment had an element of gambling on the fortunes of the future. The problematic aspect of a rising amount of speculation resulted from its link to the desire for liquidity (GT, 195, 158).

²⁵⁷ In his biographical sketch of Einstein, written in 1926, Keynes contrasts him – “He is that kind of Jew – the kind which rarely has its head above water, the sweet, tender imps who have not sublimated immortality into compound interest” – with “the other kind of Jews, the ones who are not imps but serving devils, with small horns, pitch forks, and oily tails. It is not agreeable to see civilization so under the ugly thumbs of its impure Jews who have all the money and the power and the brains. I vote rather for the plump hausfraus and thick fingered Wandering Birds. The result of which is that *Left* and *Right* in German politics do not quite mean what we think they mean. The Right is Nationalist, anti-Semite, anti-Dawes Scheme. The Left is for twisting and turning and lying, and accommodations with International Finance and Red Russians and everything” (CW x, 383f). See also Toye on Keynes’ anti-

two stories. The former one emphasizes conventions, institutions and is open for the consideration of power relations, the latter one is a narrative in which culturally flawed characters manifest the calamities of the social body. It is unfortunately the latter one, which better suited the “double constitution” that Keynes envisioned and vice versa. But it is important to know that another story could be told as well.

semitism (Toye 2000, 149f).

CHAPTER 6

PLATO'S HEIRS

The economic machine has broken down – this is how Keynes diagnoses the inter-war period (CW ix, 232). In the face of a stock market crash, depression and unprecedented unemployment, his contemporaries probably did not need much argument in order to concur. In fact, Keynes admits, the economy had never been a properly functioning machine. He asserts that with respect to the nineteenth century the economy was more like a “juggernaut” crashing along all the way, while those who sat at the “top tier of the machine” could afford to ignore the mishaps of its mechanical alignment.²⁵⁸ While the economy had produced, for the time being, and in spite of everything else, the desired material progress, it turned out to be more out of sync than ever before – with itself as well as with the prevalent mood of the time, which would no longer accept its jumps and leaps.²⁵⁹

Keynes' play with the image of the broken and unyielding machine countered

²⁵⁸ “The idea of the old-world party, that you can, for example alter the value of money and then leave the consequential adjustments to be brought about by the forces of supply and demand, belongs to the days of fifty or a hundred years ago when trade unions were powerless, and when the economic juggernaut was allowed to crash along the highway of progress without obstruction and even with applause”. “[N]ot only the facts” he asserts, “but public opinion also have moved a long distance away”, in their wish to “control economic forces, so that they do not intolerably interfere with contemporary ideas as to what is fit and proper in the interests of social stability and social justice” (CW ix, 305f)

²⁵⁹ “We have changed, by insensible degrees, our philosophy of economic life, or notions of what is reasonable and what is tolerable; and we have done this without changing our technique or our copybook maxims. Hence our tears and troubles” (CW ix, 306). “[T]he theory of the economic juggernaut” “is that wages should be settled by economic pressure, otherwise called ‘hard facts’, and that our vast machine should crash along, with regard only to its equilibrium as a whole, and without attention to the chance consequences of the journey to individual groups. The gold standard, with its dependence on pure change, its faith in ‘automatic adjustments’, and its general regardlessness of social detail, is an essential emblem and idol of those who sit in the opt tier of the machine”. It would be stupid, Keynes holds, “to apply the principles of an economics...to a society which is rapidly abandoning these hypotheses” (CW ix, 224)

the inherited image of the machine as the harbinger of rational order, mastery and progress – an image that dominated the nineteenth century.²⁶⁰ The difference between Keynes’ position and the beliefs in determinism and laissez-faire is captured in this image of the “juggernaut”. Indeed, if one takes Keynes’ account of the nature of economic objectivity seriously, the economy could never hope to be a machine. The unruly assemblage of different temporalities, governed by hegemonic conventions, embodied in things, machines and money, cast by institutional traditions, and underwritten by the “haggling of the market” –hardly forms a smoothly arranged functional unit, closed upon itself. It resembles more a field of relations, interlaced within hegemonic regimes of measurement, and differing by the degree of economy, they are subjected to.²⁶¹

Yet, the economy was to become a proper machine - even if it never had been one. “The machine” had been “jammed” (CW ix, 129) and needed some conscious arrangement: “[T]oday we have involved ourselves in a colossal muddle, having blundered in the control of a delicate machine, the working of which we do not understand”. Economics was to help with that “muddle”, it was “even becoming a science”, Keynes announces (ibid. 126f). Since “individualistic capitalism in England has come to the point when it can no longer depend on the momentum of mere expansion, it must apply itself to the scientific task of improving the structure of its economic machine” (ibid. 200). He wishes that the economists would be like “dentists”, serving in the solution of the technical problem of economy – that “would

²⁶⁰ See Adas for the cultural role of technology in defining European superiority and the belief that mastery of technology manifested its civilizational merits (Adas, 137f).

²⁶¹ “[T]here is no machinery for effecting a simultaneous reaction to changes”, Keynes asserts – in this particular case he refers to the assumption that reduction of wages and prices would all happen at once, keeping the situation as before (CW ix, 211).

be splendid!” (ibid. 332).²⁶²

Such use of the image of the machine, which occurs quite frequently in Keynes’ writings, points to his vision of a new double constitution of economy and politics: a working machine and its wise governance in the name of the welfare of all. But the machine as a visual device to think social order had a different connotation this time than its nineteenth-century predecessor. It did not emphasize automatic and uninterrupted working; rather, it pointed prominently to the technician’s hand and the necessity of willful control.²⁶³ Keynes’ conception of the machine bears very much the signs of the time. Considering the political movements in the first decades of the twentieth century - Lenin’s vanguard party organizing the mechanics of material and social progress, Jünger’s vision of organic relations of submission to the machine, Sombart’s call for technological efficiency and national strength; Schmitt’s emphasis on necessity of political leadership in view of the apparent neutrality of machinic organization²⁶⁴ – the machine was a quite ubiquitous device to envision a political rationality and its attendant social body. Keynes use of the image of such “delicate

²⁶² “Our pressing tasks is the elaboration of a new standard system which will justify economists in taking their seat beside other scientists” (CW xxviii, 32).

²⁶³ See Blumenberg and Meyer on the different semantic and political implications of the image. Metaphors like the machine have a protean nature and it would be quite wrong to assume that there is a consistent juxtaposition between the image of the machine and the body throughout the history of its use. Blumenberg alludes to this when he asks if the dualism between organic and mechanic is itself a production of our historical period. The example he gives in order to point to the quite changing meaning of the machine is Lukrez’s *machina mundi*, which refers to an impressive and astounding effect, but not to the immanent perfection of a functional mechanism (Blumenberg 1999, 92f). Meyer traces the different uses and accounts of order associated with organisms, machines, organic-machines and mechanic organisms. (Meyer 1980)

²⁶⁴ Russia was for Schmitt a case in point; it demonstrates how the ‘anti-religion’ of technique has been taken to task by a strong political leadership, creating a state that is more ‘statist’ than any absolutist state has ever been. The more radical brother, Schmitt says, shows what it implies to think technology to its conclusion (Schmitt 1996, 80). For an account of Jünger and Sombart see (Herf 1984, 86f and 147). His discussion of Sombart contains a lucid description of how anti-semitism and the critique of capitalism were linked in these writings. Scott describes Lenin’s politics of the vanguard and the rationalizing dreams attendant to it (Scott 1998).

machine” as the economy entails one elaboration of a specifically liberal political rationality.

That Keynes’ account of economic objectivity did not fall neatly into the cast of a smooth and neutral functioning ‘hydraulic Keynesianism’, which introduces the economic expert for the neutral and benevolent management of economic order, becomes itself an intriguing fact. What are the lines of thought that govern the transformation of the field of inquiry about measurement, temporality and convention into an economic mechanism on the one hand and expert politics on the other hand? What political vision sustains this new ‘double constitution’? What notion of the political is implied by it? The quest for order and the imagination of political rationalities – this has been the guiding premise of the current project – affects both realms at the same time: political vision and accounts of economic objectivity emerge in a single stroke. This last chapter on Keynes is thus dedicated to the analysis of the political vision that underwrites this particular double constitution. It aims to give an overview of the broader concerns that animated this vision, and the particular theoretical and rhetorical strategies that allow economy framed as a neutralized and technical question yet again. The main contention is that it is the political dream to find *foundation* in a visceral order comprised of affective ties and desires, which favors the closure of this field of temporality and measure into a machine under the guidance of the ‘economic prince’.²⁶⁵ The fears of the conundrums of political

²⁶⁵ This is, of course, not only a liberal dream, but also characteristic of the conservative attempts to ‘make order’ as well. Within liberalism, such a dream stands in relation to the emphasis given to the political sphere with its legal encoding of freedom in terms of individual and political rights and the pre-eminent role given to the protection of property. There is pretension or hope in the liberal tradition to have thereby sufficiently dealt with the question of freedom, power and material existence. But a plethora of power relations and disciplinary techniques have been implicitly or explicitly included in order to work underneath the political sphere of rights, creating a rather particular form of order in juxtaposition to the claims of a universally guaranteed and most extended actualization of freedom.

judgment about questions of power and freedom pertaining to the “order of things” are at once settled and sealed in such foundation.²⁶⁶ While Keynes sought to break radically with the economic thought of the nineteenth century – at least its dominant and deterministic aspects – he not only remained close to the political horizon it carried with it but also was carried by. It was his encompassing political vision that made him prefer the economic machine.

Keynes’ political vision was thoroughly steeped in the tradition of English liberalism; he saw himself as part of a long intellectual heritage, connecting Locke and Hume, Burke and Malthus.²⁶⁷ Liberalism was for him, as for the dominant self-understanding of political culture in Britain in general, a trait of English national character.²⁶⁸ It was so encompassing that he grouped almost the whole political spectrum under its name; even the young communists whom he “liked” and

They seem to be especially welcomed in the liberal political vision, for, they maintain its commitment to freedom and its fear of the political passions and insecure foundations of political judgment at the same time.

²⁶⁶ Very rarely does Keynes put the matter in terms of power, as for example, when he refers to the “cumulative oppressive power” linked to the “scarcity value of capital”, meaning nothing else than the measure imposed by the money-rate of interest elaborated in the previous chapter (GT, 376). He does explicitly refer to relations of power in the context of international relation, which will be discussed later in the text, but these allusions do not lead to a substantial theoretical effort, to think the question of power in conjunction with the specificity of “economic temporalities” and their institutional manifestations. That this question is not only left open, but also is not properly posed, is due to Keynes’ political vision of Keynes, as will be shown in the following.

²⁶⁷ As Keynes writes in his biographical account of Malthus, the intellectual tradition of “Locke, Hume, Adam Smith, Paley, Bentham, Darwin and Mill” – a company “to which Malthus belongs” contains “an extraordinary continuity of feeling” (CW x, 86).. The tradition combined, so enumerates at another point, “the conservative individualism of Locke, Hume, Johnson, and Burke with the socialism and democratic egalitarianism of Rousseau, Paley, Bentham and Godwin” (CW ix, 274f). It would not be wrong to locate Keynes’ sympathies with the first half of this combination.

²⁶⁸ Colls gives a good overview of this assumption that it was “the good fortune of the English to have the idealist-historicist mix deep within themselves. Self-help and the freedom it engendered might indeed be a universal quality, but it also had to be quintessentially English. Freedom... has in all times been a marked feature in the English character, and furnishes the true measure of our power as a nation” (Colls 1986a, 35).

“respected”, were in some sense liberal descendents.²⁶⁹ Liberalism in England was about tradition, paternalism, reform and civilization as much as it was about the praise of property, rights and individual judgment in personal matters. The strong emphasis on inheritance and cultural-political tradition gave English liberalism its specific conservative taste. Edmund Burke’s writings are exemplary in this respect. His defense of a nationally tangible and culturally rooted freedom against the ‘abstraction’ of rights of the French revolution won out in the articulation of English liberal ethos for the nineteenth century, which coupled forthwith property rights with aristocratic difference, the valuation of eccentric individualism with admiration for custom and the utilitarian zeal for reform.²⁷⁰ It was indeed Burke to whom Keynes resorted as the intellectual authority in political matters; he treasured him as “perhaps the only political writer, the direct bearing of whose works is wholly topical and contemporary” (UA 20/3/1, 4).

Burke, Keynes explained to the Apostles – this secret society of Cambridge scholars, of which he was a member – “laid bear the fallacies of those philosophers who saw intrinsic merit in institutions and methods of government and forbade us to translate our doubtful means into the securer position of intrinsic goods.”²⁷¹ Burke

²⁶⁹ “I believe that the real convictions of at least three-quarters of the country to-day are...liberal...There is no one in politics to-day worth sixpence outside the ranks of liberals except the post-war generation of intellectual Communists under thirty-five. Them, too, I like and respect. Perhaps in their feelings and instincts they are the nearest thing we now have to the typical nervous nonconformist English gentleman who went to the Crusades, made the Reformation, fought the Great Rebellion, won us our civil and religious liberties and humanized the working classes last century” (A 39, 2).

²⁷⁰ Its counterpart would have been the radical democratic reading of liberalism, as presented by Paine. Arendt points out that “the concept of inheritance, applied to the very nature of liberty, has been the ideological basis from which English nationalism received its curious touch of race-feeling ever since the French Revolution... Without encroaching upon the rights of the privileged class within the English nation, Burke enlarged the principles of these privileges to include the whole English people, establishing them as a kind of nobility among nations” (Arendt 1994, 176).

²⁷¹ The quote continues as follows “In fact the various enthusiasms for man and for mankind which

“did not look to establish his ultimate goods by political considerations; those he sought for elsewhere; the science of politics is with him a doctrine of means, the theoretical part of a device intended to facilitate the attainment of various private goods by the individual members of the community. It is his antagonism to those who maintain that there are certain ends of a political nature, universally and intrinsically desirable” (UA 20/3/1, 9). Thus, “we cannot, in fact, set before ourselves anything more particular than general welfare” (UA 37, 3).

Keynes aligns himself with this dislike of the political as being of “intrinsic excellence”. It is important to clarify the meaning given in this context to this notion of the political. On the one hand, it refers to “political ideals in the remote future”.²⁷² It is the utopian content of a politically envisioned scheme, against which Keynes levels – with Burke - his doubts. The organization of the social is so complex and the final aims of radical change so far ahead that epistemologically and ethically it is problematic to incur grave sacrifices for such insecure benefits²⁷³. The cautious hesitation in respect to the effects of revolutionary overhaul colors his attitude towards the communist political program and the radical and violent change it announces.²⁷⁴

have animated thinkers in the past have usually had for their basis a belief in the efficacy of some doctrine which would go far towards achieving its object, if only its value and its truth were widely or universally perceived” (UA 37, 2f). “It has been thought that some alteration in the recognized theory of politics leading to a change in political institutions, or in political method and organization would automatically lead to the millennium” (ibid).

²⁷² “It has been thought that some alteration in the recognized theory of politics leading to a change in political institutions, or in political method and organization would automatically lead to the millennium. There is, it is argued a certain intrinsic virtue in particular institutions that can make men good. And the true believer points to our halfheartedness to-day as largely due to our skepticisms regarding the existence of any such ultimate or paramount ends of a political nature (UA 37, 3).

²⁷³ “Our power of prediction is so slight, our knowledge of remote consequences so uncertain that it is seldom wise to sacrifice a present benefit for a doubtful advantage in the future. Burke ever held, and held rightly, that it can seldom be right to sacrifice the well-being of a nation for a generation...for the sake of a supposed millennium in the comparatively remote future (UA 20/3/1, 18).

²⁷⁴ “But what counsel of hope can revolution offer to sufferers from economic privation which does not arise out of the injustices of distribution but is general” asks Keynes (CW ix, 31) and certainly hopes

Reform was his preferred form of change, very much in concurrence with the liberal tradition he wanted to propel into the future. This was, he admitted, “somewhat dull and uninspiring” and very much oriented to “choosing means calculated to deal with the peculiar circumstances of the day” (UA 37, 4). But it was also appropriate to the situation, where the grand recipes for change were not convincing and the matters seemed to be too complex to answer to violence.²⁷⁵ But the cautious attitude was itself to be treated with caution, Keynes noted, and Burke was rather too timid.²⁷⁶ Indeed, to

that his *General Theory* could give the proper counsel. Keynes consistently posited intellectual erudition, thought and ideas against the danger of ‘war between the classes’, revolution and bitter strife. “The revolution is to be a supreme example of the means justify by the end. The soldier of the revolution must crucify his own human nature, becoming unscrupulous and ruthless, and suffering himself a life without security or joy – but as a means to his purpose and not its end” (CW ix, 259). Those calling for revolution and those calling for the “economic juggernaut” were both under the spell of a badly thought theory: “I ask Shaw and Stalin to allow the possibility that mere intellectual cogitation may have something to contribute to the solution, and also that their traditional interpretation does not fit the present facts...Shaw has forgotten that he and Stalin are just as completely under the intellectual dominance of that standard system [of economics] as Asquith and Inge. The system bred two families – those who thought it true and inevitable, and those who thought it true and intolerable. There was no third school of thought in the nineteenth century. Nevertheless, there is a third possibility – that it is not true” (CW xxviii, 32). Against Trotsky he maintains most clearly that the lack of proper vision is the root of the political question, not force: “He [Trotsky] assumes that the moral and intellectual problems of the transformation of society have been already solved – that a plan exists, and that nothing remains except to put it into operation...Trotsky’s book must confirm us in our conviction of the uselessness, the empty-headedness of force at the present stage of human affairs. Force would settle nothing – no more in the class war than in the wars of nations or in the wars of religion. An understanding of the historical process, to which Trotsky is so fond of appealing, declares not for, but against, force at this juncture of things. We lack more than usual a coherent scheme of progress, a tangible ideal...The next move is with the head, and fists must wait (CW x, 66f). About the power of ideas, Keynes promises, “I am sure that the power of vested interests I vastly exaggerated compared with the gradual encroachment of ideas...soon or late, it is ideas, not vested interests, which are dangerous for good or evil” (GT, 383f).

²⁷⁵ In a talk given to the Apostles under the title “Have we panacea?” Keynes summarizes the political state of mind as it presents itself to him: “We have probed political philosophy to its depth, but we have triumphed – we believe in nothing whatever...and find the world the colder for our lack of clothes...In fact the various enthusiasms for man and mankind which have animated thinkers in the past have usually had for their basis a belief in the efficacy of some doctrine which would go far towards achieving its object” (UA 37, 1f).

²⁷⁶ “But Burke’s timidity was often extreme to the point of absurdity; it is true that human laws and customs are closely interdependent and form a whole of the utmost complexity. But Burke was often as anxious for the outworks as for the central structure itself...which the most innocent innovation might disturb” (UA 20/3/1, 42).

Keynes' mind, allegiance to Burke's unconditional commitment to the laws of property and scarcity could hardly offer inspiration for the beginning of the twentieth century.²⁷⁷ According to Keynes, some change and some overhaul of outworn conventions and traditions had to happen. Burke's philosophical stance, his cautious and circumspect attitude towards the complexity of the social organism, required the political leader at his side to induce change and the passion for it. Although Keynes exhibited reservation with respect to respect to the Russian revolutions, he also had a profound estimation for the political energy they mobilized and the qualities of leadership of Lenin or Stalin under which they were eventually concentrated.²⁷⁸ When one sifts through his writings it becomes apparent that the skepticism of Keynes towards political schemes of change and experimentation was very much dependent on the question of whose auspices they unfolded under. Russia was thus at once cherished as a place of bold experimentation and inspiration, *and* feared as the country being "in the hands of the most incompetent and ignorant members of the population",

²⁷⁷ Keynes approves in part of Burke's plea against the "greater equalization of wealth", [but its validity is very much less when it is directed against any attempt whatever to influence the channels in which wealth flows or to regulate either its management or its distribution...All this is a matter of great complexity and difficulty..., but Burke's treatment is wholly inadequate and he seems to convince himself in passages which certainly ought to convince nobody else" (UA 20/3/1, 28f).

²⁷⁸ "The leaders, in Russia as elsewhere, were politicians not economists...The histories of revolution contain nothing more remarkable or more coldly and splendidly glittering than the carrier of Nicholas [*sic*] Lenin, now closing, not in capitulation or eclipse but in clouds of physical weakness...By 1921...it was safe for Lenin to embark his administration on the slope of compromise known as the new economic policy. The myths had done their work, and it was now clear that, whatever the future held, the old regime was *permanently* destroyed. The infamous was wiped out and its record rubbed away. In the evolutionary struggle one kind of beast had become extinct, and Lenin's work was done" (CW xvii, 437). In a review of Webb's book on Russia he comments approvingly: "There is little or nothing left which bears any special relation to Marx and Marxism as distinguished from other systems of socialism. They are engaged in the vast administrative task of making a completely new set of social institutions work smoothly and successfully...Methods are still changing rapidly in response to experience. The largest scale empiricism and experimentalism which has ever been attempted by disinterested administrators is in operation" (CW xxviii, 334). Here Burke's view on government and politics and socialist Russia conjoin with respect to administrative experiment for the sake of welfare.

which just adds to the “incapacity of Russians in organization and administration” (FI 4, 9). The “stupidity” of the “dictatorship of the proletariat” was to him a worse assault than the reference to autocratic control in itself – likewise, the fact that the “inner ring” of the conservative party in Britain “can almost dictate the details and the technique of policy” spoke in its favor (CW ix, 295). The worries about misleading political judgment and overambitious passions had thus a very circumscribed social location: the masses, erupting discontented from their lot and having nothing in mind but “jealousies” and demands to “gratify their passions” (ibid).

These were old and persistent fears, known to Burke and Malthus as well as to Keynes and his contemporaries; we have already encountered them in the previous chapters. The skepticism towards the virtues of the political, which Burke pronounced and which Keynes adopted, are very much tied to these fears and relate not only to the disbelief in the possibilities of a radical overhaul in the face of the inscrutable complexity of human matters.²⁷⁹ While those are certainly reminders of general import against the self-indulgence of transparent rationality or single-handed attempts to design the new, they remain here in the context of the suspicions about the exercise of political judgment by the many.²⁸⁰ Against those suspicions, the liberal and conservative tradition tended towards the virtues of a visceral mode of order. It seems to be absurd to Keynes to hold that “no good which government can provide compares

²⁷⁹ Burke’s fault of “pushing matters too far”, and thereby falsifying the element of truth in his theory, retired to the background, so Keynes, where his “practical precepts of government and the place that the democratic elements ought to hold” are concerned (UA 20/3/1, 38).

²⁸⁰ Keynes qualified his judgment of democracy as follows: “Democracy is still on its trial, but so far has not disgraced itself...The temper, which Burke feared, may be better restrained and modified by a means of expression, than by confinement under an authority however well-intentioned...it is an aspect that cannot be overlooked in weighing the advantages of the system (UA 20/3/1, 62). But he also maintained, that “there is not very general a priori probability of arriving at desirable results by submitting to the decision of a vast body of persons, who are individually wholly incompetent to deliver a rational judgment on the affair at issue” (UA 20/3/1, 60).

in intrinsic excellence with the mere possession of direct political power. Burke's arguments fall to the ground if we admit that one of the best possible things in the world is the possession by the bulk of the people of the power of immediately carrying into effect whatever they will, and of directly supervising their own affairs, regardless of the nature of their desires or of their performances" (UA 20 3 1, 55). While the many, of course, must have "some general control over the end of government", "the selection of particular means and policies must be wholly beyond their competence", "their transient will and their uncertain judgment" (ibid. 57). Good government is rather about governing the existing passions to a proper end – as, for example, the "money-making passion" Keynes talks about at the end of the *General Theory*. Hume, with his emphasis on the passions as the ground for order, stands out as the common antecedent of Malthus and Keynes: All that "moralists or politicians" "can pretend to is to give a new direction to those natural passions" (Hume 1948, 86). Thus the "task of managing human nature" by "wise and prudent statesmanship" is to reckon with existing opinions and passions, allowing the game to be played, but limiting its worse effects (GT 372).²⁸¹

Keynes describes Burke "politically" as a utilitarian.²⁸² This should have been ground for disapproval, if one considers how intense Keynes' theoretical opposition to the utilitarian aspects of the liberal tradition was in other respects.²⁸³ But Keynes finds

²⁸¹ This view on 'government' finds confirmation in comments Keynes makes on various issues.

²⁸² "Politically he may without serious inadequacy, be described as a utilitarian; for, with the exceptions of an occasional lapse, he sets before him the happiness of the community as the sole and ultimate end of government. But ethically he can in no wise claim to have anticipated his distinguished contemporary" (UA 20/3/1, 10). He is one of the "earliest exponents of a modified political utilitarianism" (ibid. 21).

²⁸³ (CW x, 445f). Utilitarianism, as mentioned before, designated for Keynes, on the one hand, the "mythical system" of complete knowledge and, on the other hand, the prevalence of economy and the "treasury view" with respect to the whole of civilization.

that the “doctrines of utilitarianism” “do not form an unsatisfactory basis to a *political theory* [emphasis added, ut]” (UA 20 3 1, 84)²⁸⁴. Attention to the passions and opinion as existing with “mercy and moderation” would enlarge the “efficient power” and increase the “general happiness (ibid. 42).²⁸⁵ “Traditions and prejudices” support society, and “duties” define those rules, which, though not immutable”, have such a general validity “that they ought to be obeyed as universally as if they were themselves universal. We may accept the experience of the race in certain matters – in fact we ought so to accept it – and not all cases of action ought to be decided by us individually” (UA 22 1, 2f). “In social life duty is our method”, Keynes asserts in a paper directed to the question of whether such duties are about to change together with the “social organism” and its “colossal mechanisms” to apply “human energy” (ibid. 4).²⁸⁶ It is a question posed from the beyond of this machine: “We are not in the grip of the machine, but we consume its products; we have hardly any duties” (ibid. 7). But it does not give reason “to ignore the outside world, real life – London, and New York and Paris and Vienna, whose fortunes are made and tragedies are enacted, ... where some are hungry and others are cruel and rapacious...because they are in the grip of the machine” (ibid.). Caught within means and ends, duties and mechanisms, the “social organism” requires proper utilitarian government. But “the first and greatest

²⁸⁴ “It was known before Burke’s time that government ought to aim at the happiness of the community, but there were innumerable minor aims and so-called rights that eternally stood in the way and occupied the minds and energies of men. It is by virtue of these ‘rights’ that tyranny slips in; and where tyranny has been kept out, legality in administration has usurped the place of morality” (ibid. 84).

²⁸⁵ About the appropriate form of judgment in respect to political issues, Keynes maintains: “The only practicable course is to form a judgment of probability based on our view of the temper of the country, its motives and ideals, its public opinion in the broadest sense, and the sort of people likely to be in power from time to time in the near future. It is on such a judgment, and on such a judgment alone, that we can arrive at a reasonable conclusion whether we wish this country to be strong or weak” (CW xxviii, 52).

²⁸⁶ “It may be possible, a hundred years hence, to investigate for ...the influence of railways on morality” (ibid. 7).

prophet of ends, Plato, will remain the prophet of those who live apart of the machine” (ibid. 9f). The Plato of the *Dialogues* did not teach the art of “statecraft” for the machine and its ascendancy to the world of ends.²⁸⁷ The “political and social dreamer” of the “school of Plato” needs the economists to give him a “platform from which his imagination can leap” (CW xxviii, 32): an ‘economic prince’, so to speak, to assist the philosopher king, in order to steer the whole. He is to announce what is “economically sound” in order to lead the way for affording what is “economically unsound” – enjoyed by a few at first but promised for the many²⁸⁸ - in order to reach the “Ideal Republic” (PS 5, 114).²⁸⁹

The field of what is “economically sound” provides the economic prince with his role and circumscribes his elaboration of modes of governing. It remains a question, however, what hides behind this phrase. The orthodox theory has been found wanting. “Laissez-faire” appeared like a belief-system, more fitting a political utopia than a depiction of ‘economic reality’, which certainly could not claim the status of science: “Economists no longer have any link with the theological or political philosophies out of which the dogma of social harmony was born, and their scientific analysis leads them to no such conclusions (CW ix, 281).²⁹⁰ What formerly belonged

²⁸⁷ Keynes’ had mentioned in his “Early Beliefs”, that he and his friends lived in the world of Plato’s *Dialogues*, but had not reached the *Republic*, let alone the *Laws*. (CW x, 445).

²⁸⁸ This is Keynes’ definition of socialism: “For my part I would define the Socialist Program thus: To obtain political power with a view to doing what is economically sound in order that the community may become rich enough to afford what is economically unsound”. He considers economically sound “improvements in organization” desirable because they increase wealth; economically unsound ones may have the opposite effect (PS 5, 109f).

²⁸⁹ Also Malthus and Marshall referred to Plato – is it that many economists have a special liking for Plato, who sought to find the device for the good, the true and the beautiful residing above the well-ordered social body. Keynes’ reports about Marshall that he had planned to write a book on Plato’s republic, trying to imagine what kind of Republic that Plato would wish for had he lived in Marshall’s time (CW x, 231).

²⁹⁰ Again, the “Utilitarians” bore the main guilt, as it was they “who admitted Hume’s egoism and Bentham’s egalitarianism” at the same time. The “popularity of the doctrine” of laissez-faire “must be

to the absolutely un-affordable turns out to be ‘economically sound’ – in contrast to the “penny-wisdom of Gladstonian finance” (GT 362). The epistemology of scarcity, deemed to regulate the social body into material civilization, could not be relied on any further as the sole means to fashion the “social duties” and the progress of the “machine”. The body politic was required to “have the welfare of the giraffes at heart” and not to overlook “the sufferings of the shorter necks” or the “evil look of anxiety or struggling greediness which overcasts the mild faces of the herd” (CW ix, 285), while, at the same time, not making the “possibility of rising...too easy (UA 6 15, 44). Even the conventions of finance and the treasury – so criticized from the point of view of new “ideas and methods of government” – had to be recognized as “essential bulwark against overwhelming wickedness” to be retained so that there “is no positive waste; that money is drawn away upon useless activities” (PS 2, 81f).²⁹¹

The firmness of the ground of what is ‘economically sound’ and the technical expertise attending to it seem to be much more uncertain than the metaphors of “dentists” or “electricians” suggest (CW xxviii, 32). The epistemology proper to the guidance of the social body is thus not translatable into a formalized system. The more delicate the ‘machine’, the more delicate its knowledge: “The object of our analysis is not to provide a machine, or method of blind manipulation, which will furnish an

laid at the door of the political philosophers of the day...rather than of the political economists” (CW x, 278) In Keynes’ manuscript an instructive set of notes can be found about the politicians’ desire for rules as simple as the ones laissez-faire presents. Keynes quotes Dugald Stewart with the following words (the topic is the administration of Colbert): “...under the shelter of a few general principles, a systematical politician enjoys a perpetual calm. By the help of one alone, that of a perfect liberty of trade, he would govern the world...he insists that the result cannot be judged of till after a century or two shall have elapsed. If his contemporaries, in consequence of the disorder into which he has thrown public affairs are scrupulous about submitting quietly to the experiment, he accuses them of impatience” (A 2, 58).

²⁹¹ Behind all of the conventions of finance lay, after all, so Keynes, “a large measure of wisdom” and “protection against ill-regulated enthusiasms” (ibid.).

infallible answer, but to provide ourselves with an organized and orderly method of thinking out particular problems” (GT 297).²⁹² The ‘economic prince’ had indeed to be all at once – the statesman, the philosopher and the economist – in order to be properly concerned with the “economic system as a whole”, that is, with the proper order of the body politic (GT 340).

The vision of order that Keynes procured against the failed epistemology of economy molded itself into the prevalent political currency of the time: the nationally framed body politic. The cohesion of the national body politic was to be fashioned in terms of culture, civilization and affection – while the ‘logic of economy’ had to be complemented with a political perspective geared towards stitching the breaks within it. For Keynes, the questions of measure, convention and institution did not invite a general elaboration of political reason that would be able to put the questions of freedom and power towards the ‘order of things’; instead it required the good judgment of the ‘economic prince’ for the right measure, all things already considered and all institutional wit already applied. For those comprising the body politic what mattered was “bread and circus” – something, which the ancients knew, but which was unfortunately forgotten over the course of the nineteenth century (CW xxviii, 341). The “duty and purpose, the honour and glory of the state” was even taken to be uneconomic to finance. Keynes complains about the “dreadful heresy” of the “utilitarian, economic and financial ideal”, which “has ever gained the ear of a civilized people”. In addition to providing monuments of “dignity and beauty”, and to

²⁹² The appropriate knowledge of economy was made in between “the caterpillar of a moral scientist” and a “chrysalis of an historian”, Keynes’ praise of Malthus seems to suggest (CW x, 107). In his biographical sketch of Newton, Keynes emphasizes his “muscles of intuition, being the strongest and most enduring with which a man has ever been gifted”, while his formal proofs had just been “dressed up afterwards”, without being “instruments of discovery”. Newton was rather a “magician”, looking at the universe as a riddle, than he was a sober, rationally proceeding scientist (CW x, 365, 366).

transforming “the south banks of London” into the “most magnificent, the most commodious and healthy working-class quarters in the world”, it was vitally important to finance “ephemeral ceremonies, shows and entertainments, in which the common man can take his delight and recreation after his work is done, and which can make him feel, as nothing else can, that he is one with, and part of, a community, finer, more gifted, more spending, more care-free than he can be by himself” (ibid. 343f). These “mass emotions” could be “exceedingly dangerous”, but capitalist democracies were weakened by their lack and the “solidity of our institutions”, Keynes worried, might be thus undermined.²⁹³

But the “false gods” of hostile nationalism were not what Keynes had in mind after the end of the First World War. The reference to the nation-state belongs rather to a changed “geo-political” imagination, directed at once towards re-figuring internal and external relations. Esty aptly suggests understanding the *General Theory* as one among other “self-conscious attempts of modernist writers in the 1930s” to “recover a usable core of English national culture from the derelict body of British imperialism”: “Keynesian economics, then, can be seen as both a representative case and a cause agent within a larger intellectual transformation that brought the concept of social totality from the imperial periphery back to the national center” (Esty 2000). This new “social totality” emerged vis-à-vis the changed international context: the waning strength of empire and the rising dominance of the United States. It is not that Keynes envisioned Britain without its networks of empire or the commonwealth, but that the European nations would have to cease nourishing the imperialist strife between them,

²⁹³ This piece, titled ‘The arts and the State’, was written in 1936. The success of the “authoritarian states” in garnering the emotional support of their citizens was the background of Keynes’ argument and figured as a negative template (ibid. 347).

which, if unchecked, would reproduce the danger of a new war carried overseas (W 6 1, 53). In a secret proposal from 1941 for an international currency unit, Keynes writes that the idea that the British Commonwealth could “stand safely” on its own feet with enough “economic solidarity within” harbored the danger of “isolating us from the United States” without “real security that we had constructed a reliable economic unit within the Empire” (W 6 1, 78). The debtor-position Britain was facing after the two World Wars and the necessities and difficulties of procuring the financial resources from the United States in its wake framed much of Keynes’ thinking about a new international order.²⁹⁴ The Empire and the dominant British position therein could not obtain much support, financial or otherwise, from the United States.²⁹⁵ Schumpeter once said that Keynes’ advice was in the first instance “always English advice, born of English problems” (Schumpeter 1952, 274). But he also knew that “it is not with our problems of ways and means that idealistic and internationally-minded Americans will be particularly concerned”, and he thought that it is strategically and substantially most wise to “collaborate with them to larger ends”: “The assistance for which we can hope must be indirect and a consequence of setting the world as a whole on its feet and of laying the foundations of a sounder political economy between all nations” (W 6 1, 76f). This did not challenge the special relation of Britain to its

²⁹⁴ “Only since the German War has the United States disputed with Asia the right to wear the ass’s ears of Midas” (CW xxviii, 227f). Against the hostility of the Bank of England to the compromise worked out with the United States about the financial help after the war, Keynes states the structures of dependencies he perceived: “They do not allow for the fact that our post-war domestic policies are impossible without further American assistance. They do not allow for the fact that the Americans are strong enough to offer inducements to many or most of our friends to walk out on us, if we ostentatiously set out to start up an independent shop” (cit. in Skidelsky 2003, 751).

²⁹⁵ Much of the needed finance for World War II “went into defining the Empire against Germany and Italy in the Middle East and against Japan in the far East... Britain would start the peace not just with an export trade 30 per cent of pre-war, but with approximately ...\$14bn of external debt – the largest in its history” (Skidelsky 2003, 634). About Keynes’ role in negotiating the financial support from the States see (ibid., 669f.).

Empire or newly baptized commonwealth for Keynes.²⁹⁶ Rather, it shows that the quest for a “sounder political economy between all nations” was foremost in answering the problem of financial dependence newly experienced by Britain itself. This was the site where he most explicitly and most publicly reflected about the question of power and the desire for freedom to experiment with modes of life with respect to economic matters. Already after the First World War, he warned that a “huge scale of indebtedness between governments has special dangers”, creating “paper shackles” and binding the interests of creditor nations to a “particular type of government or economic organization” in the debtor countries: “entangling alliances or entangling leagues are nothing to the entanglements of cash owing” (CW ix, 26). The gold standard had been another financial entanglement that dictated a certain measure of ‘economy’ in a nation that might require another (Treatise, 255; 276f); it limited unduly the “powers of the central bank to deal with its own domestic situation” (ibid.). Much of Keynes’ energies during the last years went into designing an international monetary regime that would mitigate the immediate dependencies and uniformity commanded by an ‘automatic standard’ that linked “rigidly the City and Wall Street” (CW ix, 198).²⁹⁷

But within the body of the nation the question of power relations or freedom to experiment, however limited they have already been framed in terms of two already

²⁹⁶ One instance might serve to illustrate how Keynes assumed Empire as an unquestioned frame: in 1938 he produced a note on the “policy of government storage of food stuff and raw materials”, suggesting that the British government should “offer storage to all Empire producers” free of charge, hoping to produce a steady input and price of these materials. In addition it would be a “gain to our prestige...and security...an accumulation which others could not afford to imitate” (PS 6, 244).

²⁹⁷ “If gold and short credits and foreign bonds can flow without restriction or risk of loss backwards and forwards across the Atlantic, fluctuations of given magnitude will produce on us effects altogether disproportionate...it would be a mistake to believe that in the long run they will, or ought to, manage their affairs to suit our convenience” (ibid. 199).

constituted national bodies encountering each other on the international scene, was not asked, but subsumed in the right measure given by the ‘economic prince’. It was, as elucidated before, a comprehensive moral-political measure as it had in view the making of a visceral, affective order. The question of freedom pertaining to modes of life – and not exclusively to individual rights as the liberal framework suggests - lay beyond it, but apparently it was not out of reach. In the speech “Prospects for our Grandchildren”, given in 1930 in the midst of the slump, Keynes announced that “*mankind is solving its economic problem*” “within a hundred years”, which means “that the economic problem is not – if we look into the future – *the permanent problem of the human race*” (CW ix, 325f). Free from “pressing economic cares” and the “delicate machine”, it seems as if the “Ideal Republic” would now dawn for everybody; for now only a few as the “advance guard” are “spying out the promised land” (ibid. 328). Living in such promised land, Keynes warns, will force man to face “his real, his permanent problem: how to use his freedom, how to occupy his leisure, how to enjoy his abundance and how to “cultivate” the “art of life” (ibid.). This is a problem that Keynes assumes to cause a “nervous breakdown”, already experienced by the “wives of the well-to-do classes”, who prove unable to live without “the spur of economic necessity” (ibid. 327). Mankind, “deprived of its traditional purpose” when the economic problem is solved, might present a “depressive picture” (ibid. 328).

As depressing, one might wonder, as Kojève’s depiction of the dangers of post-historical life in which “Americans appear as rich Chinese Soviets”, representing the arrival in the “eternal present” after the march through history has been fulfilled, and the return of man to animality appears a pending prospect. The ‘philosophy of history’ of the nineteenth century asserts itself yet again and economic and philosophical elaborations of the status of man and his orders conjoin. Foucault’s dictum that man has a history because he is finite can here be asserted with its full

argumentative weight: between the original scarcity and the promised land, history – or rather the philosophy of history - unfolds itself. Malthus, Ricardo, Marx, Mill and Keynes – to name only a few – are in entire agreement in this respect. Keynes might have wanted to knock the Ricardian foundations of Marxism away, and Marx might have wanted to put as much distance as possible between him and Malthus. For all of them history was made between lack and abundance. True freedom was to be had, if at all, only in the end; it was something still to come, while the fear of halting the march towards civilization, the necessity to succumb to its course, or the dread of its boredom run as an undercurrent to these prospects. This historical line of material progress had different shades, and it would be wrong to align Marx and Keynes too closely under its heading. But is it too bold to see in Keynes’ depiction of the ‘promised land’ and its question of freedom the unwitting and inverse exposition of the attempts to devise a political rationality that projects scarcity as its innermost kernel and most imaginary point of cohesion? Does not the anonymous writer to Keynes point in satirical and witty ways to this project of making order through economy and scarcity when he addresses him in the following words: “Dear Malthus...It was you and your school who from 1789 onwards exalted work and childbearing into virtues and so disturbed nature’s balance. If men work, women labour. If men are idle, women are too. Paris lives up to it” (CW xix, 142).²⁹⁸

A politics of time then abstracts the promise from the “tunnel of economic necessity”--from “daylight” (CW ix, 331). It cordons off the sphere where questions of power and freedom can effectively be asked from the sphere governed by interlacing desires, visceral ties, and necessity, all of which answer to the kernel of ever-present

²⁹⁸ (Keynes 1971b) here abbreviated as (CW xix).

and ever-evanescent scarcity. “The time for all this is not yet. For at least another hundred years we must pretend to ourselves and to everyone that fair is foul and foul is fair; for foul is useful and fair is not”. Only then, “we shall be free” to discard “all kinds of social customs and economic practices...which we now maintain at all costs, however distasteful and unjust they may be in themselves” (ibid. 331; 329).

The neutrality and technical expertise of the “economic prince” hinge on this maintenance of ‘necessity’ and ‘scarcity’ as the points of flight for order. He is leading the last steps through the “tunnel”. The critique of scarcity, as the regulatory epistemology of the social body, the questions of convention and power that Keynes posed, were not maintained in their theoretical potential but were subsumed in a historical narrative of development.²⁹⁹ Scarcity was its point of commencement and economic men had been well-placed for the time being. They had a historical duty to fulfill: to “carry us all along with them into the lap of economic abundance” (CW ix, 328). It only turned out that their virtues had become insufficient: the social body was more “sclerotic” and less apt to be propelled further by the striving for only but the highest gains and, worst of all, the descendants of the powerful makers of the world were anything but impressive – the ‘economic prince’ enters onto the historical stage.

The Theoretical Temptation of Money and the Levers of Economy

The limits to the ontology of scarcity are thus historical and developmental, which means the search for the levers of a visceral mode of ordering the social body must be redirected. But they were geared neither towards the exploration of the intimate links

²⁹⁹ Keynes adopts the categorization of an “eminent American economist, Professor Commons” in order to distinguish the era of scarcity from the era of abundance and its subsequent stabilization (CW ix, 303f).

between economic objectivity and political rationality, nor to the play of power and freedom within it. Therefore, Keynes' announcement, that his *General Theory* was to encompass the orthodox tradition as its special case (GT vii) exposes here its full political meaning. The more general perspective had to be able, Keynes emphasizes again and again, to think 'the economy as a whole' (GT 340). It is a perspective of "statecraft", but it is not about opening the economy towards the concerns of the political, here understood to include the potential for contention. The whole that Keynes delineates is about "output" and "employment", nothing more or less.³⁰⁰ The aim of the *general* theory is to get a hold on those levers that would be able to integrate the "waste" (CW ix, 93) of unemployment and the "fetish of liquidity" into a well-tempered social body, to mitigate its excesses and to give each individual its place. The measure of economy appropriate to the social body depended on the judgment of the prince: more "distribution" or more "capital", more immediacy or more deferral, more dissipating consumption or more accumulation – these were the options contained in such a vision of the whole (GT 368f). The simultaneous task and threat of scarcity was its horizon. "As Hayek put it to Keynes: 'It is reassuring to know that we agree so completely on the economics of scarcity, even if we differ on when it applies'" (cit. Skidelsky, 2003, 589).

To achieve all this, the 'economic prince' had one main lever: money. It has its flaws as a lever, Keynes admits, it might not have the desired effects.³⁰¹ Yet, it is a tempting device: "[T]here is no part of our economic system which works so badly as

³⁰⁰ Portraying these concerns in terms of a limit is not meant to discount the issues of work and wealth; after all, both refer to means of making a life. The limits result from the exclusive rendering of the question of "the whole" in these terms, their separation from a broader perspective and thus the constriction they effect with respect to the question of what the political entails.

³⁰¹ At several instances, Keynes reflects upon the limits of monetary policy. See (CW ix, 357).

our monetary and credit arrangements; none where the results of bad working are so disastrous socially; and none, where it is easier to find a scientific solution” (PS 2, 237). It is a cause as general as the theory itself – so general, that it transcends the aims of political struggles and revolutionary impetus (CW ix, 225). Money is a temptation for the ‘economic prince’ as well as the political philosopher, who searches the working foundation of the body politic. His task is to counter the excesses of fear and fetishism, excessive claims of debt and excessive counter fetishism, excessive fear and excessive hope, undue rights of inherited wealth and undue claims of the many. Cheap money promised to do all of it: it lured the investor with higher prices and it cast a veil of plenty over the reward of labor so that all would seemingly benefit from the increase of such produced wealth, giving labor its retroactive rewards and filling the funds, which had been used before the fact. The performative power of money - due to the credit it garners for the supposed stability of value - allows leaping into the future and smoothing the muddled machine. Herein lies the main theoretical intervention of the *General Theory* that such a ‘leap’ will and “has” to bring about material effects, however indirect and vague they might be. The monetary step into the future, once it is not caught in the fearful fetishism but thrown into the world as capital, will drag the rest behind it. The savings used beforehand will retroactively be materialized; the equation knows no exception. Meanwhile, cheap money eases the “dead hand of the past”, that is, former credits whose value falls with cheaper money, and it appeases social strife: “unconscious economists”. Step by step all claims to income from money alone would fade, offering no advantage, but rather disadvantage in respect to the productive circles of the body politic. Above all, it would close the gap between the measures of economic temporality pertaining to a particular time and place and the measures imposed by money: as money becomes cheaper and the interest rate is steadily and authoritatively brought down, the gap closes. The ‘money-

wizard' had but one precondition: a system closed upon itself, whose boundaries would ensure that the performative effects of money come full circle. The equation of leaps into the future and lags behind the productive actualization of rising incomes and rising margins knows no exception. The *oikos* of the nation is secured in the *nomos* of such assumed closure.

This portrayed assumption of closure should not be misunderstood in terms of a “self-sufficient” national body tout court. Keynes did consider its merits during the thirties, but he did not mean to call Britain to “grow its own vine.”³⁰² Towards the end of the war his institutional imagination and theoretical endeavor was to design an international monetary regime that would facilitate trade without restricting the “making of measure” fitted to the respective circumstances of each national body. In fact, he applied the same kind of argument – pointing towards the possibility of expenditure and its leap into the future without forcing restrictions somewhere else - towards the international provision of funds. The ordered exchange between these well-kept national bodies was not to be undermined by the liquidity and abstract measure of money, forcing all to adhere to a single ‘clock’ and penalizing those who do not by withdrawal and flight into abstraction. Thus, the national body envisioned is not a hermetically closed and isolated monad. It is rather a member in wider networks but geared towards its own internal dynamic and demands of livelihood. The paradigm of national developments, which became so dominant in the post-war years and

³⁰² “I sympathize, therefore, with those who would minimize rather than with those who would maximize economic entanglement among nations. Ideas, knowledge, science, hospitality, travel--these are the things which should of their nature be international. But let goods be homespun whenever it is reasonably and conveniently possible, and, above all, let finance be primarily national. Yet, at the same time, those who seek to disembarrass a country of its entanglements should be very slow and wary. It should not be a matter of tearing up roots but of slowly training a plant to grow in a different direction” (CW xxi, 233f).

underwrote the discourses of Third World development, emulate this political vision as much as “hydraulic Keynesianism” bespeaks this political hope for closure.

The significance of this nationally minded political vision with its monetary levers emerges when viewed in light of the *problématique* to which it answers. The conventional and hegemonic nature of economic facts and the limits of “scarcity” as a regulatory epistemology of the social body are here met with an equally visceral order involving a fear of political judgment and experiment beyond the wisdom of the “economic prince”. Contained within this vision is certainly a theoretical sensibility towards the dangers of abstract measure, its making, its performative powers and its relation to the particularities of time and place. But this framework is not likely to open this *problématique* to the analysis of relations of power working within it. The internal drama of this social body evolves around misguided fears and fetishized desires, which need to be mended into a properly producing and reproducing social body. Keynes knew that the lever of monetary policies on which he pinned his liberal hopes could prove to be of limited efficacy. In this case, the public body of the state had to undertake the investments not forthcoming from those for whom the promises for return were not sufficient, regardless of the fact that the interest rate did not diverge from what could be expected. Returns too low and circuits too long seem to soften the boundaries between public and private, between economy and an-economy. But at stake for Keynes were not the boundaries of economy and hegemonic measures but the social body integrated and reproducing, circumscribing the horizon for thinking the role of the political: the state, which mended the productive body, both together forming a viable body politic. In so far as the desire for foundation and closure worked within this account of monetary policies and promised effects, it is not so surprising that the neat equations of ‘hydraulic Keynesianism’ did not provide solutions – as if indeed the whole problem was to cure fetishism and uncertainty.

As the above analysis has attempted to suggest, framing the question of economy as a technical matter had its roots in the “politics of time”, which revolved around the kernel of scarcity. Scarcity remained a part of economic objectivity via this historical narrative and served thereby as a foundation for Keynes’ ‘double constitution’. As the genealogy of scarcity presented in the first chapters was meant to elucidate, scarcity has always been about establishing the question of economy in terms of functional and necessary cohesion and an internally regulated social body, apt to make the foundation of the body politic. As much as scarcity ceased to provide the sufficient regulatory epistemology of the social body, so much did the outlines of the social body need to be delineated in different terms. The strong references towards national culture and its affective grounding take upon this role. The question of population is like a prism that it shows how these modes of imagining the visceral foundation of the body politic shift, changing from the internal regulation of scarcity to the more explicit concerns with unified culture and civilization, “innate quality” and degeneration. In each case, there is a ubiquitous orientation towards civilization and the making of it. Keynes remains deeply embroiled in the hegemonic distinctions between those who are not yet civilized and those who are, those who need to be governed by scarcity and fear and those who do not, those who are able to live in freedom and those who are not, those, who need the morality and necessity and those who do not. It is thus instructive to consider how Keynes dealt with the question of population, and it might provide evidence as to how the social body was kept in the role of founding and displacing considerations of power relations and political judgments within their desirable limits.³⁰³

³⁰³ Population was a continuous topic in Keynes’ writings beginning early on with the manuscript on population in 1912 and concluding with the Galton Lecture in 1937, including a lecture on population in

Keynes' writings on the question of population have gained less attention than his economic theories or even his political writings.³⁰⁴ It is, as Toye writes, "something not altogether familiar" and something less conducive to "his glory" (Toye 2000, 4); they bring to the fore the racial prejudices of Keynes and his consideration of eugenics as a proper object of state policy.³⁰⁵ As the chairman of the *Malthusian*

1914, remarks in parts of *Economic Consequences of Peace* and the paper on Malthus, published in *Essays in Biography* (CW x). The lecture of 1914 is not published in the *Collected Works*. In his book on Keynes Toye offers a transcript of this lecture, otherwise found in the King's College Archive. The *Galton Lecture* given to the *Eugenics Society* in 1937, is printed in (CW xiv).

³⁰⁴ In his comprehensive study Toye quotes only two predecessors, Rostow (1960) and Peterson, whose books did not yet take into account the unpublished lectures on population by Keynes, which only became available much later (7). It is interesting that Toye felt the need to preface his book on Keynes and population with a defense that "there is not intention, even if it were possible, to deny what already stands to his eternal credit, or to snatch away the laurels long since won". "Keynes's high achievements", Toye assures, "should never be forgotten" (4). He presents the reaction to his first article in 1997 as "causing a passing storm. The article received extensive national newspaper coverage... On the one hand, there was outrage that I dared to say such a thing about a cultural icon like Keynes... On the other hand, there were elaborate expressions of indifference... since in those days everybody who was anybody was racially prejudiced" (4f). It seems in general that Keynes either elicits unconditional praise or accusations. Toye himself is quick to assure the reader that "it was not clear to me how Keynesian policies could be applied to development strategies except as austerity policies to permit capital accumulation" and that he had "provided an excellent early critique of Soviet economic policies" (5). But the question of publication and public reaction has much wider bearings than the story about Toye himself. It remains a curious circumstance that the lecture on population has not been published in the *Collected Writings of John Maynard Keynes*. "Keynes manuscript on 'Population', the basis of a lecture he delivered on 2 May 1914, was not finally published in any form until 1993, and then only as one small part of the archive of Keynes' papers that was made available by King's college. See Toye (p. 44f) for an account of the editorial policy. The lecture notes were not published in the omissions, while others, the much less substantial preface to the 1922 Cambridge economic handbook on population, was. Given that the lecture of 1914 has no parallel in other writings of Keynes, Toye finds the omission unintelligible (48). He refrains from any imputation of editorial intent, concluding only that "there is still work to do for the editors" (47).

³⁰⁵ "[K]eynes revealed himself as much more of a neo-Malthusian and a Social Darwinist than Marshall ever was, even in his later years" (Toye 2000, 29). Marshall himself exhibited the strong link between population, civilization and racial distinction: "Since the whole English people, except the residuum, is a long way above the average of the world, it is scarcely possible to suppose any curtailment of English population which would not lower the average quality of the inhabitants of the world, their average wealth and average well-being" (Marshall, 1975/ 1867-90: 390-393, cit. In Toye 2000, 26). "There can be no doubt that his extension of the English race has been a benefit to the world. A check to the growth of population would do great harm if it affected only the more intelligent races, and particularly the more intelligent classes of those races... if Englishmen multiply less rapidly than the Chinese, this spiritless race will overrun portions of the earth that otherwise would have been peopled by English vigour" (ibid., 387).

League - a society for the propagation of birth control – Keynes had announced in a speech to its fiftieth anniversary: “I believe that for the future the problem of population will merge in the much greater problem of Heredity and Eugenics”. The manuscript continues with the crossed out sentences: “Quality must become the preoccupation” (PS 3, 113f). The social body, regulated internally and implicitly through scarcity, became the conscious project of the state, but in both cases it was cast as the cohesive foundation of the body politic.

In his early writings, in which he was still thinking on the basis of the inherited economic orthodoxy of scarcity, the population issue retained its original Malthusian outlines and it stood at the center of economic objectivity:³⁰⁶ “While it might be rash to argue from overpopulation to unemployment”, he concedes, “unemployment might be a symptom of a maladjustment very closely connected with population, namely that which results from an attempt on the part of organized labour or of the community as a whole to maintain real wages at a higher level than the underlying economic conditions are able to support” (CW xix, 121). Within the context of industrialized Britain the fact of overpopulation took on the air of a counterfactual, a “deep cause” for the economist to ascertain: “Is not a country over-populated when its standards are lower than they would be if its numbers were less? In that case the question of what numbers are desirable arises long before starvation sets in, and even before the level of life begins to fall. Perhaps we have already sacrificed too much to population. The average conditions are not good enough relatively to material progress” (ibid, 124).

³⁰⁶ This is apparent not only in the writings on Russia (Keynes 1971c), but also in the lecture given to the “Political Philosophy and Science Club” in 1914, in which he maintains that Malthus’ thesis is “simple, clear, and irrefutable... and that the question of population is the first and perhaps the most urgent and important of the problems facing those who seek to improve the material condition of mankind” (SS 1/215, 15f).

All the Malthusian fears of uncontrolled masses and disorder in these early writings, point towards the eternal ontology of scarcity: “That man are not better off than they are is because there are too many of them...(CW xvii, 270)³⁰⁷” but they “might cease to trample on another to the wall” if they succeed to control the birth rate.” “Can we check the unborn hosts in time?” (ibid. 449) he asks and contends, just as Malthus did over hundred years earlier, that all schemes of improvement have to attend to the question of population, “for, in population, lying behind all other economic influences, is the deepest origin of the instability of our society” (CW xvii, 267).³⁰⁸

Keynes wrote this in the wake of the First World War, with the horrors of it in mind. As for Malthus, the “pressure of population” looms as the cause of war (CW xvii, 451). Remember that the search for self-inducing limitation of numbers was in Malthus’ writings the recipe for material progress, civilization and peace at the same time; only the barbarians, with their unbridled fecundity, furnished the material for ever-recurring war. But at the beginning of the twentieth century, after the colonial and imperial regimes of the nineteenth century, the double constitution of Malthus had been subjected to some changes, and the unconditional love for peace was replaced

³⁰⁷ (Keynes 1971a).

³⁰⁸ “Since the days of Malthus and his followers, enthusiasts for new social schemes have always been disposed to regard the theory of population as an intellectualist device for pouring cold water on generous ideas. Yet the solution of this problem is fundamental to any social scheme, which aims at guaranteeing a certain minimum standard of life to everybody. The conception of the ‘minimum’ leads immediately to the proportion between aggregate numbers and aggregate resources – which is simply another way of stating the problem of population. To treat the question as primarily one of the redistribution of existing resources, without regard to the long-period effect of the new social order on the proportion between numbers and resources is a far-reaching error. In the light of present knowledge I am unable to see any possible method of materially improving the average human lot, which does not include a plan for restricting the increase in numbers (CW, xvii, 452f). Commenting on the Russian situation in 1922, he maintains, in the guise of scientific objectivity: “But it is clear that many deaths from special causes of persons in the prime of life are necessary year by year even to maintain an equilibrium. The diminished birth rate and the death from hard circumstances of children and of the aged afford some immediate relief to the pressure on the supply of food, but does not much affect the labour market for many years to come” (ibid., 435).

with a conditional acceptance of the necessity of war. The uninterrupted line of progressive civilization linking the savage abroad to the race of the labourer at home had become more divided than ever before into distinct races and firm cultural traits. In his early lecture on population from 1914 and the manuscript of 1912 Keynes argued that the problem of population now staged a different, international drama: “[I]n civilized countries the automatic increase in population does *not* put a perpetual barrier against the permanent improvement of the working class. But we are now aware of a new problem, hardly less serious...In a given country it is the poorest and least intelligent part of the population which reproduces itself most rapidly; and it is in the most civilized countries that the birth rate is falling off fastest” (Toye 2000, 40f).³⁰⁹ “If we look to the East, I believe that the Malthusian doctrine has never ceased to be applicable there to its fullest extent” (SS 1/215, 21).³¹⁰ The drama consists now of the struggle between the races and against the degeneration of one’s own race. “[I]f Darwin had learned from Malthus before, it is now the turn for Malthus to be qualified by Darwin”. The struggles become inescapable from the economists’ point of view, since the differences in the degrees of civilization will continue to impinge on mankind. While they might be couched in the worst prejudices, the deeper reality of them matches the patriots’ cause: “The patriot has something on his side. What is the use of weakening intentionally the stock which we think is the best, by a course of

³⁰⁹ The cultural and racial hierarchies are ubiquitous in Keynes. In one of his early papers on *Egoism to the Apostles* (1906), he frames the problem as follows: “I wonder if in our heart of hearts we would blame a man who would chose the most splendid flights of passionate and mutual affection...rather than linger through eternity...with the lowest feeling...although...the sacrifice were to lead to the enlightenment of two Negroid negroes from Central Africa and to their participation in the paradisaic supper party” (UA 26, 5).

³¹⁰ He goes on to explain in this lecture, how the material improvements due to “the advantages of settled, humane and intelligent government” have been eaten up by the growth of population. “It is a point of honour with the government of India to keep skeletons just alive”. Toye points out that Keynes took a harsh view on the in any case very small helps granted.

action which, if it is isolated action, will have but negligible effect on the material prosperity of the world” (ibid, 27).

These early perspectives on the unyielding problem of scarcity for two-thirds of mankind, the worry about hidden overpopulation, its racist inflection and the prospects of inevitable political strife seem to cease somewhat with the thirties – that is, with the experience of the First World War and Keynes’ re-articulation of the economic orthodoxy. By 1937 Keynes left the *Malthusian League* opposing the policies of positive selection (Toye 2000). In the end it was not the Malthus, theorist of scarcity and population, who received Keynes’ praise, but the Malthus who had theoretical sensibilities as to the temporal nature of economic matters, knew about the role of demand and opposed the system-building of Ricardo (CW x, and SS 1, 215)³¹¹: “Malthus himself was overwhelmed by the “sophisms of the economists”. “A hundred years were to pass before there would be anyone to read with a shadow of sympathy and understanding this powerful and unanswerable attack on the great Ricardo. So Malthus’ name has been immortalized by his Principle of Population, and the brilliant intuitions of his more far reaching Principle of Effective Demand have been forgotten” (ibid). What remained of the issue of population was the field of intervention for the “economic prince”: the decision about levels of consumption and investment between the extremes of dissipating funds for the many and the accumulation of more things as well as the integration of all and each into productive circulation. Population still circumscribed the objectivity of what is “economically sound” and provided the ground for the ‘technical decision’ of the economic prince. In all his envisioning of the future, governed more or less by the rod of “economic necessity”, population belonged

³¹¹ (Keynes 1971f)

to the few items of the state's agenda, beside peace.

The political perspective, which was invoked in the limitation of economy to a foundation of the body politic, does not, therefore, stray from the horizon that economy has delineated for political reason all along in creating a social body that could be a foundation and a visceral displacement of political judgments about the powers inherent in the "order of things".

CONCLUSION

ECONOMY AND THE QUESTION OF THE POLITICAL

At the beginning of this dissertation stood the suggestion that scientific accounts of modern economic reality are themselves a form of ‘doing political philosophy’. This suggestion clandestinely assumes that the notion of the political can be fruitfully extended to a much more general realm than the liberal sphere of rights or the republican agora. Taking distance from a discussion of the political in abstraction from the subject matter at the beginning, only some intimations were given about what ‘doing philosophy’ would entail. It relied more implicitly than explicitly on Sheldon Wolin’s rendering of political philosophy as imagining the conditions and foundations of a desirable and viable order. He explicitly refers to the element of an “imaginative vision” pertaining to it in its aims to conjure the well-ordered whole (Wolin 2004, 10, 17-20).

Modern Economic thought - this is the most general claim of the thesis – fully partook in this “architectonic impulse” (Wolin) for building and founding order. The political genealogy of modern economic objectivity attempted to show how the reflection on economic matters is inflected by this foundationalist desire. The work of historian Emma Rothschild, who was not too shy to assert that “we still live, at the onset of the twenty-first century, in a world which is defined, in important respects, by the French Revolution and of the Post-Revolutionary restoration,” encouraged me to state the thesis in this bold form (Rothschild 2001, 6). Against the “inner shuddering” upon the high running political passions and the new breadth of political claims in the context of the French Revolution and British Radicalism, the “circumscription and circumspection of political economy” (ibid.) belong to the making of a new foundation of the modern body politic. The first chapter corroborated this claim by showing that

Malthus was not only an economist, but also a political philosopher, who was troubled by a *political problématique*, which stood at the onset of his scientific account of economy and population. The threats resulting from the uncertain foundations of political judgment and the fears attached to its democratic extension were heightened, as questions of life and subsistence even introduced more complexities onto the political stage. The effects of this impending intermeshing of politics and issues of life, could result according to Malthus only in a “monstrous” mob, “clamouring for want of food”, which subjected political order to unceasing “carnage”. The social body, governed by laws of its own and severed from the political stage, was posited by Malthus against the “inner shuddering” about the vagaries of judgment. The “architectonic impulse” of political philosophy leads at the beginning of the nineteenth century to a ‘double constitution’, which ordains an ‘order of bodies’ at a distance from political follies.

In the wake of the making of this ‘double constitution’, the reflections on economic matters become inflected by this foundationalist impulse in prominent ways – which is the thesis expounded by the subsequent two chapters on Malthus. The second chapter offers a close reading of the concept of scarcity, which stands at the core of the definition of the subject matter of modern economics. The concept of scarcity refers not to a natural predicament of life. It belongs instead to a particular envisioning of a general condition of order, involving as its inner kernel a similar figure, which Malthus, the political philosopher, feared most: akin to the passionate and senseless mob, a raw force of life, which is governed by blindness about its own conditions of existence, follows its own immediate desires and turns any natural gift of abundance into misery. Against this blindness of life and its catastrophic disorder, Malthus posits the making of a proper order of the social body through a regulatory epistemology of scarcity. It belongs to the lasting effects of Malthus’ envisioning of

order, that he ties the recognition of the condition of existence to the experience of fear and scarcity, whereas the experience of abundance is akin to impending misrecognition. A close reading of Malthus' principle of population has revealed the constitution of 'economic objectivity' as a constitution of a social epistemology - working internally in the social body - which guarantees the making of a viable and progressive body politic. Going back to the initially uttered astonishment regarding the epistemological privilege granted to economy to expose the fundamental reality of socio-political order, we might now place the very anchor of this privilege: it resides in the fact that economy established itself as an epistemology, without which blinding catastrophe is awaiting.

The last chapter on Malthus then elaborates the issue as to how this general account of order, epistemology and scarcity is translated into the more recognizable categories of economy. The chapter traces the mechanisms through which economy is consistently established in terms of such regulatory epistemology, which links the experience of scarcity, deferral of desire, civilization, material wealth and a viable political order into an uninterrupted chain. While modern economy promises to lead away from scarcity to material plenty, this promise is always tainted by design: the 'body in pain', the experience of scarcity remains and is supposed to remain an ever present threat and reality, since without it blinding abundance would ensue and the forces of savage life would remain unregulated. Reflections on economic matters thus remain caught in ensuring self-producing and reproducing order, satisfying the "architectonic impulse" of building foundations against the monstrous mingling of life and political reason.

How inextricably the notion of economy has been tied to the making of civilization, of proper subjects of order, and to the foundational figure of scarcity is revealed at the close of the nineteenth century. Answering to the crumbling

foundations of the Victorian order in the imperial rivalries, revolutionary upheavals, colonial uprisings and social strife at home, Keynes announced the figure of economic man to be not only the most sorry figure that civilization has ever produced, but also charged it with the faults of utter misrecognition. Economy entered into an epistemological vertigo as bankers turned out to be blind, stock markets were on the verge of a nervous breakdown and the gold standard was more akin to the old-worn morality of bishops than to a proper measure of economic exchange. Keynes was, like Malthus, faced with a catastrophic historical situation, which he took as a result from the folly of political reason; neither imperial aspirations nor the politicization of the masses at home seemed to exhibit the proper exercise of political reason. But unlike Malthus, Keynes was also faced with the epistemological vertigo of economy.

From this double de-stabilization, traced in the fourth chapter, the fifth chapter exposes Keynes' envisioning of economic objectivity, which goes beyond the morality of scarcity and the epistemological foundation of economy. Starting with the notion of temporality and money, the question of economy is developed as a question of giving measure. This measure is not determined in a closed space of functional necessity. It opens economic objectivity to conventions of measurements and - extrapolating this vision somewhat beyond Keynes - to relations of power. Upon a close reading of Keynes' reflections on money and time and of his critique of the notion of economy inherited from the nineteenth century, it seems to be possible to retrieve an account of economic objectivity which remains cognizant of the specificity of economic relations, while it is not yet subjected to the demands of giving foundation. His reflections on money in terms of the vexed relations between abstraction, representation, materiality and temporality suggests an understanding of economic matters, which opens the field of economic thought to social and political theory and economy to political reason. But Keynes did neither eschew the foundationalist desires of political philosophy, nor

the desires for scientific authority (one is thereby fuelling and shaping the other). Like Malthus, he envisioned a proper body politic upon the foundation of economy. This foundation did not reside any more in an unqualified epistemology of scarcity. Economy would only function as a foundation, if its measure was adjusted, tinkered to appease the regulatory needs, but also to undo the excesses of the ‘economy of scarcity’. The economy was to become a machine in the hands of the ‘economic prince’, serving the higher ends of the “ideal republic.” Keynes’ envisioning of the body politic stands in the tradition of British liberalism: his economic machine was not modeled upon the planned control, but put all its hope on the indirect machinations of money, wisely used to lure capital, cast a veil labor’s rewards until plenty turns around to it and to undo the “dead head of the past”. Like the corn laws of Malthus, which had to bear the weight of ensuring the viable order of the body politic, the Keynesian hopes on money belonged to the political vision of the proper ways to found a body politic.

Aside from the political hopes Keynes put on money – of whose limits he was also aware –, the political vision of a machine in the hands of the economic prince relied on grounds which were much more problematic. Keynes’ account of the social body unified in culture and measured reproduction, would have confirmed all of what Hannah Arendt thought to be most problematic about modern political reason. To her, modern political reason reduces its horizon to the maintenance and administration of biological life, thereby transforming the *polis* into a huge household to be efficiently run (Arendt 1974, 33, 218). The fact that Keynes asserted the limits of economy and took utilitarianism to be the most “dreadful heresy” which has ever “captured the ear of civilized people” would have given her only a slight moment of theoretical concurrence. Keynes surrounded the newly found limits of economy and utilitarianism with the Platonic search for the good, undertaken by those individuals, who were

civilized and strong enough to live outside of economic necessity. But for Arendt, the Platonic search for the good and the *polis* belong merely to an older variation of the same subjugation of the political space of plurality and freedom to a philosophical foundation of good order. Viewed from her perspective, it is quite unsurprising that economists have a liking for Plato's philosophy, given how they both tend to search for the proper installment of the good order by a principle beyond doubt.

To disclose the economists as political philosophers and ask for the recognition of this element in their rendering of economic objectivity does therefore not provide the opening of other possibilities of thinking about economic and political matters by itself. The foundationalist desires pertain not only to political philosophy in the clothes of economic reasoning. As the few remarks on Arendt's critique of Plato have indicated, the hope to find unquestioned grounds and the worries about the uncertain basis of political judgment belong prominently to the tradition of political philosophy. Ranciere has also used Plato as his touchstone to exemplify the problematic hopes political philosophy put into the well-ordered whole. Ranciere thus takes Plato's republic as a "masterpiece of economy", in which individual needs and the means to satisfy them are already distributed into useful positions and assembled into a working whole serving higher ends (Ranciere 2004, 3, 10f). Political theorists, like Arendt and Ranciere are thus problematizing the notion of the political, which remains caught in attempt to undo the uncertainties of political judgment by conjuring up foundations for it. Bonnie Honig described this tendency, which concerns the political philosophy and economic thought alike, "to confine politics (conceptually and territorially) to the juridical, administrative, or regulative tasks of stabilizing moral and political subjects, building consensus, maintaining agreements or consolidation communities and identities" (1993, 2). Against this hope to undo uncertainty and contingency, the theorists mentioned here have sought to develop an understanding of the political,

which includes the virtues of the contestation of these “partitioning of the sensible” (Ranciere). They, and others, have all done so in different ways, concluding with different definitions of the political, which would include these modes of contestation. An in-depth discussion of these notions and how they relate to the findings of the present project would already point beyond the argument of this work, and can only be intimated here.

Hannah Arendt’s account of the political realm insisted on recognition of the fundamental plurality of different voices and the ability to begin anew. Both aspects were eschewed by a regime of necessity, be it by the rule of an ‘invisible hand’ or through the social organization of the life processes. While for her the reign necessity belonged to the universal condition of life itself, the necessities pertaining to social organization belonged to the predicament of modern societies. Both always threatened to impose themselves onto the precarious reality of the political sphere, which belongs to human artifice and as to be maintained by continual actualization of addressing the others as equals with plural voices. The necessity of life could thus not be addressed in this sphere, and especially in her account of the French Revolution, such views on issues of life and economy were prominently articulated.

“The most power necessity of which we are aware in self-introspection,” Arendt says, “is the life-process which permeates our bodies”. These natural and biological necessities gained political import during the French Revolution “when the poor, driven by the needs of their bodies, burst onto the scene of the French Revolution...”. “[N]ecessity appeared with them and the result was...that the new republic was stillborn”. The new revolutionary government was subjected to the law of welfare of the people and to the reproduction of their species.” Happiness, not freedom, was their aim – this is how Arendt bemoans the course of this political beginning (Arendt 1963, 53). Apart from the fact that there is always also an

imputation that the appearance of the “downtrodden multitude” on the political stage is governed by nothing but immediate bodily desires, as they do not have the taste for freedom, Arendt here reproduces the tight bond between economy, life and necessity. This is a bond that is itself knit in the search for foundation, created in a political vision and preserved under the heading of “economic facts”. But as the genealogy of scarcity might have shown, and as its surpassing in the account of economic objectivity in Keynes might have made visible, it is a self-inflicted restriction of the “space of freedom and plurality” that political philosophers lament. Arendt’s strategy to shield the political sphere from the questions of life thus accepts the very effects of the foundational reasoning she is opposed to.

Ranciere has always been adamant of the problematic division of the political from the socio-economic sphere and has criticized the attempts to strife for a pure republican account of the political world of speech and deed, which remains oblivious to the socio-economic realm. Without addressing in sufficient ways his way of envisioning how the political horizon can address the question of the “partitioning of the sensible,” it might be sufficient to point out that a different account of economic objectivity, as it became apparent with Keynes, can underwrite and support his attempts to undo the strict division between these two realms in sensible ways. Likewise, contributions to the burgeoning debates around biopolitics and governmentality become possible on the basis of the work done here. The figure of ‘naked life’ in the epistemology of scarcity envisioned by Malthus at the beginning of the nineteenth century adds towards a careful historical genealogy of the question of life, which is so generally and pervasively discussed now.

The present work has engaged economic thought with a *political problematique* of foundationalist political reasoning. Within the accounts of economic objectivity and facts itself, it has searched for the traces of both, the yearning to find

foundation in economy and the contingencies and “fissures” it is wrought with (Honig 1993, 5). It presented the economists Malthus and Keynes as interlocutors for political theory, and showed their reliance on political categories and the much broader philosophical, cultural and social-theoretical strands in which they partake.

By explicating these strands and by opening the functional and foundationalist account of economy to the discussion of its implicit political theory, this dissertation hopes to contribute, in however modest ways, to a re-thinking of the economy and its relation to the political. The traveling experts of modern times, the “dentists”, “electricians”, “doctors” or ‘economic princes’ assume a technicality of economic questions which hides the political-philosophical foundations, on which these assumptions rest. But the theoretical conversation within the realms of political and social theory about the questions of power, the notion of the political and the making of forms of life pertain intimately to them and their field of expertise, thereby disrupting the purely functional, technical or scientific authority, which is claimed when questions of economy are at stake.

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The titles given here indicate the subject matter and/or the title given by Keynes to his notes, presentations, letters, etc. The signatures give the exact archival reference, whereas the headings indicate the relevant content in the context of this work. Official titles or titles given by Keynes himself are written in italics.

A 2, 1-8	<i>An Examination of Capitalism</i> (1926)
A 2, 35ff	Keynes' reading reports or notes on Fisher "Problem of Decay of Civilization", D.H. Lawrence, Peter Drucker "End of Economic Man", Dugald Steuwart, Max Weber (1926)
A 36, 24ff	On Art and Beauty (1936)
A 39, 1-2	Interview with Kingsley Martin on <i>Democracy and Efficiency</i> , published in <i>The New Statesman and Nation</i> , 28 January (1939)
A 24, 84f	<i>Fear and the Business Man</i> 1924
A 36, 32	On readiness to experiment (1936)
FI 4, 9	Conference on Russia, Report of a Meeting held at King's College December (1919)
L/24, 46	Notes on the Prolegomena to a New Socialism (1924)
PP 45/111, 1	Greeting sent by Freud (1936)
PS 2, 236-237	Keynes on Monetary Policy (1918-1924)
PS 2, 293-294	On the loan to Russia (1918-1924)
PS 2, 79-89	Lecture given to <i>The Society of Civil Servants</i> on Finance and Convention (1920)
PS 3, 107-114	Keynes and the <i>Malthusian League</i> 1877-1927 (1927)
PS 3, 60-64	Notes on 'Einstein' (1926)

PS 5	Notes on economic crisis (1932)
PS 5, 109-122	Speech given to the <i>Society for Socialist Enquiry on the Present Position of Socialism</i> (1931)
PS 6, 242-263	Notes on the faults of the competitive system. Paper given to the British association about the “policy of government storage of food stuffs and raw material” (1938)
PS 6/6, 69-71	Some quotes by Jevons (1935)
PS 7, 522 -531	Keynes and the <i>Eugenic Society</i> (1946)
RV/1, 39-42	<i>The Economic Transition in England</i> (1925)
SS 1, 11-35	'Population', delivered to the Political Philosophy and Science Club (1914)
SS 1, 67-94	'Malthus', read to the Political Economy Club (1924)
SS 1/215f	An allocution to the memory of Thomas Robert Malthus', written as part of the Faculty of Economic and Politics' commemoration of the centenary of his death (1935).
SS/3, 12	Letter to Keynes by the C.B.C. <i>The Society for Constructive Birth Control and Racial Progress</i> (1923)
TM 3/2, 11-12	Plans for a book on money (1924-1929)
TM/3/2, 76	<i>The requisites of an Ideal Money</i> (1929)
UA 17, 1-21	Notes on Time (1903)
UA 18, 1-8	Notes on Truth (1904)
UA 19/2, 1-21	Notes on Probability (1903)
UA 20/3, 1-85	<i>The political doctrines of Edmund Burke</i> (1904)
UA 21, 2-24	Notes on Ethics (1905)
UA 22, 1-10	Notes on <i>Modern Civilization</i> (1905)
UA 23, 2-34	<i>A theory of Beauty</i> (1905)

UA 24, 2-14	Notes on Virtue and Happiness (1905)
UA 26, 1-12	Notes on <i>Egoism</i> (1906)
UA 31, 1-7	Notes on Religion: <i>Paradise</i> (1908)
UA 32, 2-5	On Science and Art (1909)
UA 36, 14-15	On the hateful love of money (1921)
UA 37, 1-6	<i>Have we panacea? (Do we love mankind</i> [crossed out title]) (undated).
UA 6/15. 43-45	Notes on <i>Ethics and Economics</i> (1909)
UA 6/9, 16-25	Notes on the 'Growth of Population' (1911)
W 6/1	Notes on German policy (1941)
W/6/1, 76-78	<i>Proposals for an International Currency Union</i> (1941)