

A Marxist in Keynes' Court

Maurice Dobb was one of John Maynard Keynes' protégés - he was also a committed Marxist.



Illustration by Kotryna Zukauskaite

No economist— maybe no human— has ever been better at scorn than John Maynard Keynes. He was a masterful debater when he wanted to be. But, like the proper scion of Britain's elite that he was, Keynes preferred to laugh at his enemies. In 1925, sympathisers with the Soviet Union were treated to a world-class exhibition of this disdain. Keynes had just returned from his first trip to the USSR, and he was ready to wax polemical.

“How can I accept a doctrine,” he asked, “which sets up as its bible, above and beyond criticism, an obsolete economic textbook which I know to be not only scientifically erroneous but without interest or application to the modern world? How can I adopt a creed which, preferring the mud to the fish, exalts the boorish proletariat above the bourgeois and intelligentsia who, with whatever faults, are the quality of life and surely carry the seeds of all human advancement? Even if we need a religion, how can we find it in the turbid rubbish of the Red bookshops.” “It is hard,” he concluded, “for an educated, decent, intelligent son of Western Europe to find his ideals here, unless he has first suffered some strange and horrid process of conversion which has changed all his values.” Keynes had never taken Marxism seriously, and for the most part he never would. But despite the rhetoric, he could treat individual Marxists with respect. In 1925, there was one Marxist, in particular, that he had in mind when he set down his thoughts on the USSR — one person he was winking at when he

shuddered at the horrid conversions, one person who would have seen the job as the latest move in a long-running argument.

Maurice Dobb was one of Keynes' favourite students. He was also a Marxist and, after 1922, a member of the Communist Party of Great Britain (CPGB). Today, outside of a few small circles of radical academics, Dobb is almost entirely forgotten. But in his lifetime, even his critics acknowledged that he was one of the world's premier Marxist economists. From his outpost at Cambridge, where he mentored students ranging from Eric Hobsbawm to Amartya Sen, Dobb held forth with equal confidence on the history of capitalism, the practice of socialism, and the future of communism. Throughout, he displayed a creativity and intellectual dexterity that proved Marxism was a vital, living tradition. As a side project, he essentially founded the tradition of rigorous Marxist history in the English-speaking world with *Studies in the Development of Capitalism*, a sweeping account that traced the career of English capitalism from the middle ages to 1946, the book's publication date. If anyone could have forged a union between Keynes and Marx, by all rights it should have been Dobb. And there were times— especially in the 1930s, when the British left found itself engulfed in a civil war pitting advocates of Marx and Keynes against each other— that seemed to demand he preside over a synthesis. Yet Dobb largely watched on the sidelines while others fought this battle. He did not reach a settled position on Keynes until after World War II, and even then he was reluctant to make his views known. Dobb was not the type to keep quiet. Over the course of a career that spanned more than half a century, he wrote twelve academic books, more than twice as many pamphlets intended for general audiences, and hundreds of articles for publications ranging from the *Economic Journal* to the *Daily Worker*. On virtually every other subject, it was almost impossible to stop him from expressing himself. What was so special about Keynes?

It seems like a simple question. But answering it requires more than unraveling the mystery of the complicated relationship that united these two men. A full explanation opens up a much broader, though largely unknown, history— a history whose ramifications we still live with today.

Cambridge in 1919 was an unlikely home for a would-be revolutionary, but not an entirely inhospitable one. After a childhood spent bouncing around the lower edges of Britain's upper class, Dobb arrived at the university radicalised by World War I, transfixed by the revolutionary wave sweeping across Europe, and eager to do his part to save the world. He joined the University Socialist Society

and helped form a quasi-Communist clique dubbed the Spillikins. His room was a favourite meeting place for campus radicals, who knew their host's bourgeois upbringing guaranteed a steady stream of tea and éclairs for his guests. (He even taught one comrade how to tie a bowtie.) Yet Dobb was far from the ivory-tower socialist this image suggests. He was also a dedicated activist who helped coordinate rallies for striking union members and organised workers in the economically depressed region outside of Birmingham known as the Black Country.

Even as a teenager, Dobb was committed to uniting political activism with intellectual engagement. Although relatively few of Marxism's canonical texts were yet available in English, he devoured whatever he could get his hands on. He decided early that he wanted to be an economist. Philosophers had interpreted the world, but Dobb believed that in the twentieth century economists would be the ones who changed it. Cambridge was at the time arguably the world's leading centre for the study of economics, and Dobb quickly distinguished himself as one of his year's most gifted students. The University's cloistered atmosphere turned out to be a gift for Dobb: to those within its walls, the revolutionary struggles thundering across Europe were just distant rumbles, and a student's Marxism could be laughed off as another delightful Cambridge eccentricity.

In 1920, Keynes plucked Dobb from undergraduate obscurity and asked him to join the Political Economy Club, an invitation-only society reserved for the best of Cambridge's aspiring economists (as judged by Keynes). Meetings were held weekly in Keynes' rooms amidst paintings he had acquired from one of his lovers of scantily clad young men picking grapes and dancing. One person—sometimes a student, sometimes an outsider— would read a paper, then the rest of the group would comment. When Dobb's turn came to present, he delivered an ardent defence of Marx's economics. Keynes shredded him in the subsequent discussion but admired the young man's audacity. A few years later, after Dobb had finished a PhD at the London School of Economics, Keynes helped secure him a post at Cambridge. When Keynes travelled to Moscow, Dobb came along as his companion. Decades afterward, Dobb would remember with affection that even wariness of socialism and ignorance of the USSR could not stop Keynes from lecturing Soviet officials on monetary policy.

But Dobb was never entirely comfortable at Cambridge. In a letter to a fellow CPGB member, he grumbled about days spent "teaching embryo exploiters how to exploit the workers in the most up-to-date humane way." Keynes had declared "the end of laissez-faire" in 1926, but Dobb complained that that whenever he raised the question of class, Keynes would "simply misunderstand

you, or else say that you are introducing ‘sentimental’ considerations which do not concern him & do not seem to him important.” What Keynes regarded as “sentimental,” Dobb considered essential to any understanding of economic theory — or of the world, for that matter.

Soon not even Keynes could shrug off class conflict. In the 1920s, Keynes had insisted that all the major questions in economics had been answered, most of them by his teacher Alfred Marshall. The Great Depression ended all that, launching Keynes on what he referred to as a “struggle of escape” from his prior beliefs. The result of that struggle appeared in 1936: *The General Theory of Employment, Interest, and Money*, the most significant tract in economics since *The Wealth of Nations*.

Much of *The General Theory* was first hashed out in discussions with a small collection of young Cambridge economists. Dobb was not among them. He had still been part of the inner circle a few years earlier when he had composed a short but thoughtful review of *The General Theory*’s predecessor, Keynes’ two-volume *Treatise on Money*, which Dobb judged a “milestone.” But as the 1930s advanced, he drifted outside Keynes’ inner circle, standing apart from the debates that swirled around *The General Theory*. In part, his voluntary exclusion was a matter of academic politics. Keynes’ vocal repudiation of Marshall had divided Cambridge’s economics department. The feud was bitter, often personal, and some of Dobb’s closest allies were on the opposing side. By then Dobb was spending less time on his academic work anyway. In 1932, CPGB higher-ups had initiated a campaign designed to punish Dobb for perceived violations of the party line. It was a strange decision, since from almost any perspective Dobb seemed a model Communist. He spent countless hours working for party organisations, cultivating young Communists as a teacher in summer schools, serving as “chairman of the faculty of economics” for the party’s educational institute, and even helping to start a CPGB film company. Whatever the forum, he offered staunch defences of the Soviet Union in general and Stalin in particular. But sometimes those forums included newspapers targeted at what hardliners dismissed as bourgeois audiences — a sin that, when combined with his academic day job, was enough to turn a sizeable portion of the CPGB’s hierarchy against him. Articles in the party press condemning his work proliferated under headlines like “Maurice Dobb’s Distortions of Marxism.” These public chastisements were coupled with a deeply personal indictment from his comrades in the CPGB’s Cambridge chapter. A shaken Dobb defended himself in front of his accusers in Cambridge, but when the meeting ended, he rushed to the bathroom to vomit.

Another person might have left the party after receiving such treatment. Many,

in fact, did leave for precisely that reason. Not Dobb. He still believed that only Communists united “the kind of organisation, combining discussion with discipline and a tradition of political theory with realistic thinking in face of changing situations, that offered . . . the practical possibility of leading society out of contemporary chaos.” Dobb filled his schedule with party work that left him little time to reflect on what the CPGB had done to him. He lectured constantly, thundering against “permanent enslavement, which seems the answer of Capital to any serious attempt to improve the position and status of the mass of the population in this monopolistic age.” This was activism everyone in the CPGB could approve of.

Looking back in 1965, Dobb would say that in the 1930s he dedicated himself primarily to “political activity (mainly on a local and regional basis) and polemical writing” rather than scholarship. He attributed the shift to his recognition of the dangers posed by fascism, which was partially true. That account, however, erased the experience that catalysed his about-face— an experience that, even decades later, Dobb resisted discussing. After his painful reminder of the importance of demonstrating his commitment to the cause, and with so many other duties agitating for his attention, it was easy to let mastering *The General Theory* fall to the side.

Dobb also had a powerful intellectual argument for keeping his distance from Keynes. In the early days of the depression, before the CPGB assault, Dobb predicted that economists would soon be forced to choose between two paths. They could adhere to the discipline’s current conventions, producing narrow studies concerned with the behaviour of prices in markets. Or they could recover a lost tradition and return to the study of deeper social forces that had occupied their greatest predecessors: Smith, Ricardo, even Marx. This was the tradition of political economy, the study of “macroscopic problems of society” rather than “microscopic phenomena” of exchange. In Dobb’s eyes, Keynes’ chest pounding about a great escape from orthodoxy was a mixture of melodrama and marketing. The truly groundbreaking work lay ahead— and he could be the one to do it.

Political Economy and Capitalism was Dobb’s attempt to fulfil this promise. From the moment of its 1937 appearance, it was obvious that the book was one of the most brilliant contributions to Marxist economic theory since *Capital*, and undoubtedly the greatest from a British author. It ranged across an intimidatingly vast array of subjects: value theory, the legacies of classical political economy, the origins of economic crises, the character of imperialism,

and the laws governing a socialist economy, to name a few. The analysis of imperialism, especially, shows Dobb at his best, tying sharp history to rigorous economics and using the resulting synthesis to address a problem of enormous relevance to his moment— namely, fascism.

Yet Dobb concluded almost immediately that, whatever its partial successes, the book as a whole had failed. He revised it substantially for a 1940 edition, but even that did not satisfy him. In 1949, he toyed with rewriting the book, calling it a work that “for a number of years now I’ve disliked too much to dare to open,” but abandoned the project to save energy for new material. Reflecting in the 1960s, he complained that it was “was too hurriedly written and not based sufficiently deeply in theoretical thinking” so that “to academic economists it seemed too polemical and negative and remote from contemporary discussion; to many Marxists it seemed to make too many concessions to Marshallian language and to have too academic a form.”

These were reasonable, albeit harsh, criticisms. But the vagueness of his references to “contemporary discussion” conceals a more specific regret: when Dobb wrote the book, he still had not grappled with *The General Theory*. Dobb later told a friend that Keynes’ work “was seldom comprehensible except to specialists who had followed a particular discussion,” adding that “I couldn’t understand what it was driving at for some time; and it’s supposed to be my job to teach it.” A collection of notes from 1938 shows Dobb wrestling with the subject. He seems to have regarded Keynesianism as chiefly a theory of expectations, one whose reluctance to confront “objective” realities of production, distribution, and exploitation would lead to— and here he sounded every bit the Cambridge don— “quite a lot of nonsense” and “any sort of economic ballyhoo.” *Political Economy and Capitalism* devoted only part of a single chapter to an oblique appraisal of Keynesianism, just a fraction of the many pages Dobb gave to explication of a subject he believed would have much greater relevance to the future of economics: the labour theory of value, that guardian of objectivity and defender against economic ballyhoo (and, presumably, tomfoolery, horseplay, shenanigans, hijinks, and monkeyshines). Dobb had more practical concerns as well. He saw countercyclical spending as a gimmick that would leave the structural problems behind capitalism’s boom-and-bust cycle unaddressed. If anything, boosting state expenditures would make a nation more prone to crisis by directing money to less productive ends than what entrepreneurs would discover without government intervention. This was a curious thesis for an exponent of planning, and to contemporary readers the family resemblance to arguments advanced by today’s conservatives is perplexing. Yet Dobb’s thesis had a lineage among Marxists that reached back

at least to Engels, who observed that an active state “can do great damage to the economic development and result in the squandering of great masses of energy and material.” Ultimately, Dobb’s central objection to Keynes was the same as it had always been: he was a reformer in times that demanded revolution. Conveniently enough, this position excused Dobb from figuring out the details of those reforms.

The tangle of personal, political, and intellectual complications that made it so difficult for Dobb to talk about *The General Theory* gnarled through his career. In 1960, almost fifteen years after Keynes’ death, Dobb agreed to give a lecture on Keynes at a CPGB summer school. But he soon had second thoughts and sloughed off the duty to Brian Pollitt, one of his students (and the son of the longtime head of the CPGB). When Pollitt objected that he was too young — he had only finished his first year as an undergraduate — Dobb told him, “That’s why you can do it and I can’t.” In the discussion that followed Pollitt’s talk, Dobb did not say a word.

Of course, he could not always be so quiet. Keynes was if anything even more prominent in death than in life, and it would have been impossible for Dobb to evade the matter altogether. Fortunately, time and further reflection gave him a better vantage on *The General Theory*. By the 1950s, the emphasis on expectations had faded, replaced by recognition of the importance of Keynes’ attention to what Dobb called “the economic system as a whole” and, especially, that system’s vulnerability to crisis. This was not what Dobb had envisioned in 1930 when he called for a revival of political economy, but he acknowledged that it offered a “breath of fresh air” in an otherwise stifling environment.

Yet that was not the only purpose Keynes’ work had been made to serve. Here, Dobb tied his interpretation to a larger philosophy of history. “It commonly happens,” he asserted, “that schools of thought and movements in a class society fulfil an objective role which is different from (sometimes contrary to) their subjective design.” Keynes had declared that in a crisis the actual purposes of fiscal policy were almost irrelevant: ditch digging, ditch refilling, and ditch exploding could all be effective stimuli so long as money was spent. But Dobb warned that capitalist states had proven far readier to devote resources to immense military buildups than to quaint public works projects, a trend that was especially pronounced in the United States. Keynes’ naiveté licensed the buildup of warfare states under the guise of disinterested macroeconomic management. “Once economic theory is allowed to employ the *deus ex machina*

of an impartial, classless state, actuated by social purposes and ironing out the conflicts of actual economic society,” Dobb commented acidly, “all manner of attractive miracles can be demonstrated.”

To make matters worse, in the aftermath of World War II a strange political alchemy had transformed Keynesianism— “always a ‘save-capitalism,’ or ‘make-capitalism-work,’ doctrine” — into the essence of democratic socialism. Somehow, much of the Left had signed onto a platform that required the perpetual escalation of military spending and guaranteed the entrenchment of American global hegemony. Full employment became the horizon of the Left, strangling the more ambitious programs that had flourished in the Depression. Structural contradictions within capitalism went unaddressed, robust economic planning was taken off the table, and a return to crisis was assured. Quoting Stalin with approval, Dobb insisted that “To abolish crises, capitalism must be abolished.” The supposedly novel variety of democratic socialism trafficked under Keynes’ name was, according to this view, another instance of utopian bourgeois fantasising that duped its adherents into submitting to the vulnerable status quo— a political project justified by an ostensibly apolitical Keynesianism, properly misunderstood.

Economists had fancied themselves counsellors to the sovereign for centuries, hence the “political” in political economy. Even Marx fit into this tradition— what else is *Capital* but a guidebook to the capitalist mode of production for the future ruling class; *The Prince* for the proletariat? By the middle of the twentieth century, however, economists had gained an influence over policymaking that their predecessors could not even have conceived. This was the dawning of the age of the wonk, and amidst growing armies of experts— demographers, agronomists, mathematicians, anthropologists, international relations theorists, and many more each contributed their share— economists had a special value. Only they could claim to have mastered a subject that had become an obsession across the globe: economic growth.

Political leaders had long sought to achieve prosperity, but the identification of prosperity with a steadily growing economy was a recent invention. Before the twentieth century, economists simply did not have the tools— like national income accounting, or sophisticated mathematical modelling— that could allow them to claim they had made the economy as a whole governable. That had all changed by the 1950s. The grand ideological clashes of the first half of the century had dulled, and political debate increasingly revolved around what the historian Adam Tooze has called “the tiresome squabbles of discontented

affluence.” Steadily rising national income had come to seem the foundation of a regime’s legitimacy, and economists emerged as the economy’s ideal technocratic managers. To be sure, the older style of economic planning—nationalisation, price controls, rationing, and the other measures Dobb considered the true essence of economic governance—endured. But the character of economic debate, just like the character of economics, had changed. A new kind of planning was born, and it was christened “Keynesianism.” Meanwhile, a rising generation of largely American economists was remaking their discipline. *The General Theory*’s messy text was converted into a simple model that soon became a staple of introductory economics textbooks. Keynes’ emphasis on capitalism’s instability was lost among soothing assurances that growth was all but guaranteed, and that even aggressive countercyclical spending would only be needed in emergencies, like oxygen masks in airplanes. Economic debates between the Right and Left came to centre, as Dobb saw it, “merely as to whether half a million or a million and a half unemployed will suffice to restore the capitalist mode of production to an even keel.” Keynes’ closest associates at Cambridge furiously distanced themselves from Americanised Keynesianism. The ironies must have seemed cruel. Their work was displaced by rivals who depicted themselves as heirs of Keynes, conquered the genre of introductory textbook writing once dominated by Marshall, and did it all with seemingly no concern for the howls emanating from the rightful successors to these masters. The term “Keynesian Revolution” itself was popularised not by one of their own but by Lawrence Klein, a native of Omaha and a product of MIT’s PhD program. Joan Robinson, a former Keynes protégé and one of Cambridge’s most prominent voices after his death, labeled the new style “bastard Keynesianism” and wondered aloud: “Why have the Americans forgotten all that we have taught them?” The answer should have been obvious: the Americans did not care, not when there were papers to publish, growing ranks of students to teach, and desperate governments to advise.

To Dobb, it all seemed a waste of time. He complained to friends outside Cambridge that the department was mired in an academic war of attrition between self-appointed inheritors of Keynes’ legacy and an array of skeptics. In his words, the conflict had “become altogether stultifying (if it was ever anything else in essence),” replete with battles that were “stale to watch and reeking increasingly of dead issues.” This held true not just for Cambridge but for “bourgeois economics” as a whole, which had entered “a period of intellectual sterility.” The technical innovations that his colleagues found so

alluring seemed to him distractions from the world-historical facts of capitalism's decline and socialism's ascent. Dobb continued to place his hopes, as he had for decades, in the promise of the Soviet Union — the economic powerhouse he predicted in 1953 would soon provide its citizens with a better standard of living than that enjoyed in the United States; the beacon for socialists across the globe that presented an image of the civilisation to come; the promise that had given him hope for a better world since he was a teenager. Dobb died in 1976, before this Soviet vision had collapsed completely. But it suffered enough blows in the remaining years of his life to prompt him to reevaluate his earlier enthusiasms. He never quit the CPGB — a fractured left, he thought, was an impotent left, and he did not lose faith in the party's ability to reform itself — but shame at what he now considered a lunatic adherence to the party line spurred him to repudiate his earlier Stalinism. In his last decade, he dedicated much of his energy to building what he called a “political economy of socialism” for a post-Stalinist age.

With so much work to do, it was natural that Dobb let Keynes recede into the background. Except for the occasional stray remark, Keynes did not surface again until Dobb's last book, a lively survey of economic thought titled *Theories of Value and Distribution since Adam Smith*. There, as he had in the 1950s, Dobb admitted that *The General Theory* had stripped economists of some of their most pernicious delusions, but he still insisted that Keynes had left much more of the edifice of mainstream economics intact than his incendiary rhetoric let on. Seen from Dobb's perspective, it was a reasonable enough conclusion. He was, after all, correct that Keynes harboured no aspirations for capitalism's overthrow. Yet Dobb's analysis, right as far it went, was insufficient — powerful but too easy.

Though Dobb considered himself an inheritor of a noble tradition of political economy, he was a political economist who did not take the political seriously. Tactics, yes — how best to wage the struggle against capital was a question of endless fascination to him. But he never moved beyond the materialism that, despite protests to the contrary, framed his thinking about politics. He failed to grasp a truth that events in his own lifetime supplied abundant evidence for: that how people understand their world shapes what they can make out of it. His 1930 prediction that economists would either rediscover “the macroscopic problems of society” or retreat into irrelevance by maintaining an obsession with “microscopic phenomena” went unfulfilled. Instead, the discipline followed a third path by redefining macroscopic. Casting politics as a debate over the management of the economy allowed economists to address “macro” subjects without relying on the vocabulary — of capitalists, workers, and the

conflict between them— that had sedimented around discussions of what earlier generations called “the social question.”

It was an extraordinary transformation, and economists were indispensable to its realisation, including one of Dobb’s own mentors. But Dobb himself was too occupied with the impending revolution to bother with the details of a present he assumed would soon be consigned to history. While his eyes were fixed on the future, his critique lost purchase on its times, and he was left sparring with the shadows of his opponents. Broadsides against the status quo have their place, but the most effective indictments are usually the most precise— the sharper the blade, the deeper the wound. Too often, Dobb forgot this lesson. Those of us who still believe in the promise of universal emancipation cannot afford to make the same mistake.