



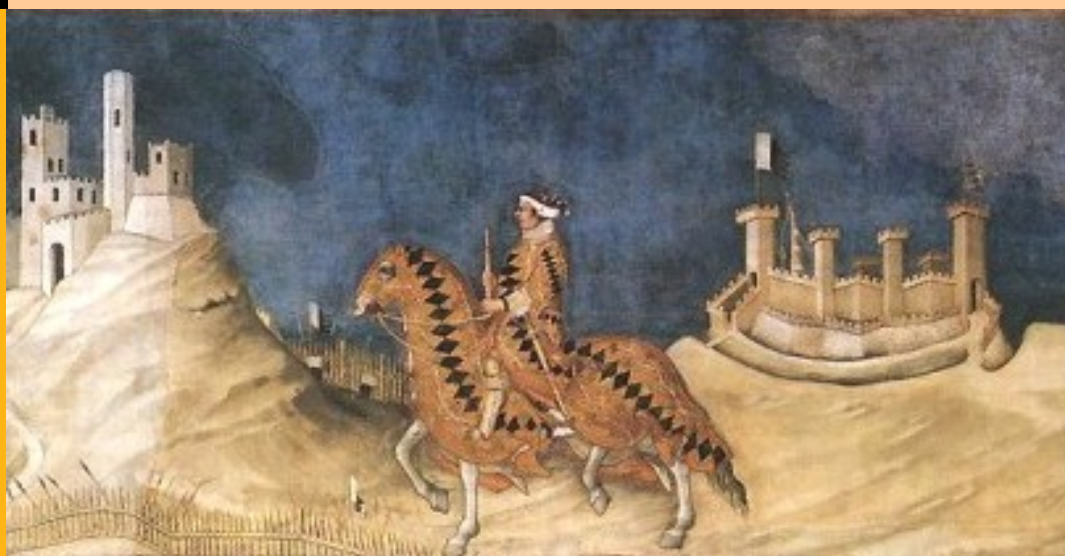
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On John Maynard Keynes's Anti-Semitism Once Again
A documentary Note

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Abstract - This note presents new archival evidence about John Maynard Keynes' attitudes toward Jews. The relevant material is composed of two letters sent by Robert G. Wertheimer to Bertrand Russell and Richard F. Kahn along with their replies. Between 1963 and 1964, Wertheimer – an Austrian-born Jewish immigrant then professor of economics at Babson College – wrote to Russell and Kahn asking for their personal reminiscences concerning Keynes' anti-Semitic utterance. In their brief but still significant responses, both Russell and Kahn firmly denied any hint of anti-Semitism in Keynes, thereby providing significant first-hand testimonies from two of his closest acquaintances.

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On John Maynard Keynes's Anti-Semitism Once Again

A documentary Note

(Forthcoming on Research in the history of economic Thought and Methodology)

Luca Fiorito¹

Keynes's visceral social repugnance would interest future historians less if it never contaminated his intellectual judgments. However early on, like Bertrand Russell, Keynes did recognize barbaric evils in Lenin's utopia. Strange though that instead of discovering the key role of Georgian Josef Stalin, it was the beastliness of Leon (Lev) Trotsky that Keynes's pen picks up on. (Samuelson 2009, 3 n2)

1. This note presents new archival evidence about John Maynard Keynes' attitudes toward Jews. The relevant material – which is reproduced at the end of this introduction – is composed of two letters sent by Robert G. Wertheimer to Bertrand Russell and Richard F. Kahn along with their replies. Between 1963 and 1964, Wertheimer – an Austrian-born Jewish immigrant then professor of economics at Babson College – wrote to Russell and Kahn asking for their personal reminiscences concerning Keynes' anti-Semitic utterance.² Interestingly, Wertheimer also refers to an epistolary exchange with Roy Harrod, but unfortunately no correspondence between the two men could be traced among the scattered Harrod's archival collections. In their brief but still significant responses, both Russell and Kahn firmly denied any hint of anti-Semitism in Keynes, thereby providing significant first-hand testimonies from two of his closest acquaintances. It should be pointed out from the outset, however, that no attempt is made here to draw any definite conclusion as to the crucial question “was Keynes anti-Semitic?” on the basis of this unpublished documents. More modestly, as we argue in what follows, the intent is to make available some new elements to the debate over one of the most controversial aspects of Keynes' multi-faceted personality.

2. A number of critics have discussed to a various degree Keynes' dislike of Jews, producing elaborate textual analyses of all of his problematic passages (see Weintraub 2012 for an exhaustive review of the literature). Although these several accounts differ in style and conclusions, they all acknowledge the element of reproduction of anti-Semitic clichés that permeated Keynes' own cultural milieu. According to Anand Chandavarkar (2000, 1619) “Keynes seems to have shared the commonly accepted anti-Semitism of the British middle and upper classes of his time;” while Geoffrey C Harcourt has recently referred to Keynes' anti-Semitic attitudes as the “thoughtless anti-Semitism of his class and time in England” (2012, 15; see also Paulovicova 2007). In a quite similar vein, Keynes' celebrated biographer Robert Skidelsky had observed some twenty years ago: “Stereotyping of Jews was common in Keynes's circle and the stereotypes were usually unfavourable [...]. Individual Jews were exempted

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² Robert G. Wertheimer (1909-1988) was born in Austria and around 1938, after receiving his Ph.D. from the University of Vienna, he fled to the United States to escape from Nazi persecution. A fortuitous encounter with Alvin Hansen in 1939 opened him the doors of Harvard: first as an assistant to the famous Fiscal Policy Seminar jointly conducted by Hansen and John H. Williams; then as a graduate student in economics. As Wertheimer recalls in a letter to Walter S. Salant: “It was Hansen who cordially advised me ‘to familiarize myself’ to American academic ways and take some courses. Obedient Wertheimer took all and so it worked out that after 2 years 1939/41 at the Fiscal Policy Seminar and after I enlisted in the War II, I returned to take more courses after 1946 and so became finally a doctorate candidate” (Robert G. Wertheimer to Walter S. Salant: October 20, 1975. Alvin H. Hansen Papers, Pusey Library, Harvard University). Wertheimer graduated in 1956 with a dissertation on “Tax incentives for savings and investments in the German Federal Republic, 1948-1954.”

by the devices of exceptionalism or misrecognition of their Jewishness, Thus was decency reconciled to prejudice" (Skidelsky 1992, 238-39).

In this connection, the Bloomsbury intellectual circle appears to have played a decisive role in projecting this kind of "aristocratic anti-Semitism" – as one of the "Apostles" once labeled it³ – upon Keynes. Even the Bloomsburries, in fact, who prided themselves on tolerance and open-mindedness, were far from immune to the pervading anti-Semitic prejudices and clichés of their time. Evidence on Virginia Woolf abounds. In 1909, in a brief narrative called "Jews," she wrote about her wealthy Jewish neighbor: "One wonders how Mrs. Loeb became a rich woman. It seems an accident; she might be behind a counter [...] She is a fat Jewess [...] coarsely skinned, with drooping eyes, and tumbled hair [...]" (quoted in Diment 2003, 43). Virginia's hostile stereotyping did not spare even her own Jewish husband, Leonard Woolf. "I do not like the Jewish voice, I do not like the Jewish laugh," she wrote in her diary in 1915 (Bell 1977, 6) – three years after she married Leonard. "How I hate marrying a Jew – how I hate their nasal voices, and their oriental jewelry, and their noses and their wattles," she later confessed to a friend (Nicolson 1978, 195). "Jew" became Leonard's nickname, used freely by Virginia and her friends, and often in his presence (Alexander 1992). Keynes himself in 1917 would candidly inform Vanessa Bell – Virginia's older sister – that when he visited the Woolfes, her sister was there but "No Jew, nor did he appear at all, which gives great pleasure" (quoted in Felix 1999, 231).⁴

In a rejoinder to Chandavarkar, Isaiah Berlin sought to contextualize the notion of anti-Semitism within Bloomsbury and the English educated class in general. "In the case of Keynes, as that of several members of Bloomsbury," – Berlin wrote – "it seems to me that they simply did not care for Jews socially, did not like their company; they sometimes rationalized this by picking on certain real or alleged characteristic of Jews as a reason for this, even a justification" Berlin somewhat downplayed Keynes' anti-Semitism describing it as "a kind of club anti-Semitism," quite distant from the "deep, acute hostility to Jews" of figures like Hilaire Belloc or Gilbert Chesterton (in Chandavarkar 2000, 1623). For Melvin Reder (2000), instead, Keynes was guilty of "ambivalent" anti-Semitism. The adjective *ambivalent* becomes crucial for Reder's case since it allows those intentionally exploiting anti-Semitic prejudice to be close to certain Jews, and even count Jews among their closest friends. Reder affirms that Keynes was well aware of his own anti-Semitism and perceived no contradiction between his close friendship with his Jewish protégés at Cambridge, Richard Kahn and Piero Sraffa, and his continuous reiteration of the anti-Semitic stereotypes of the time.⁵ Reder interprets the incongruity of Keynes' "pervasive anti-Semitism" with his close, even affectionate, relations with particular Jewish individuals as a manifestation of a "class-oriented attitude toward personal relationships in general" (2000, 840). All considered, Reder's interpretation appears to be to some extent more critical than Berlin's "club anti-Semitism" or Nina Paulovicova's (2007, 47) perception of Keynes anti-Semitism as "a matter of contemporary fancy in stereotyping rather than a sign of political anti-Semitism or xenophobia."⁶

3. Given such an emphasis on the "ambivalent" character and social dimension of Keynes' anti-Semitism, the unpublished evidence presented here acquires particular importance. As a religiously observant Jew, in fact, Kahn should have been particularly sensitive to the apparent contrast between Keynes' positive regard for individual Jewish friends, like he was, and his generalized anti-Semitic stereotyping. Russell's views, on the other hand, are relevant because he was not just an intimate

³ The name will be revealed at the end of this note. The Apostles "was essentially a debating or conversational society; its methods were Socratic, and by its nature it was subversive of all authority and all orthodoxies" (Alexander 1992, 45: quoted in Reder 2000, 841). Keynes was an Apostle, as were many of the (male) members of the Bloomsbury circle.

⁴ In "My Early Beliefs" (1938, 435), Keynes referred to Leonard Woolf as the "rabbi."

⁵ As significantly, Keynes' anti-Semitism did not prevent him to be the only non-Jewish member of a high-powered advisory committee responsible for preparing a report on Zionist efforts to establish a national home in Palestine. See the discussion in Chandavarkar (2000).

⁶ In addition to Keynes Reder, addressed also the possible ambivalent anti-Semitism of Joseph Schumpeter and Frederick von Hayek. In commenting upon Reder's essay, Paul Samuelson (2009, 3 n2) wrote: "Unexpectedly, I was forced in the end to conclude that Keynes's lifetime profile was the worst of the three. In the record of his letters to wife and other Bloomsbury buddies, Keynes apparently remained in viewpoint much the same as in his Eton essay on that subject as a callow seventeen-year-old."

acquaintance of Keynes but, like Keynes, he was himself associated to – and to some extent himself influenced by – the Bloomsbury group (Rosenbaum 1984). Our starting point is Wertheimer's correspondence with Kahn, which actually took place after his exchange with Russell.

On November 28, 1964, Wertheimer – who introduced himself as a student of Alvin Hansen – sent Kahn a long letter addressing him as “the most authentic interpreter of some thoughts of Keynes.” As the interested reader will note, Wertheimer's letter to Kahn touches upon several theoretical aspects of Keynesian economics that are deliberately left out of the picture in this note. In the passage that concerns us, Wertheimer wrote:

Some years ago I was rather struck by some anti-Semitic remarks I could not fail to detect in some of the writings of Keynes like in the *Essays in Persuasion*. In a pleasant correspondence, two great gentlemen Mr. Bertrand Russell and Roy Harrod assured me that there was nothing but the kindest spirit in Keynes (which I assumed too). Prof. Harrod visited here this summer and I had more occasion to clear this problem. But I almost wrote you, too, as I assumed that your close contacts with Keynes did familiarize you with his inner feelings.⁷

Wertheimer's main reference was to the essay a “Short View on Russia,” where we found Keynes indulging in some explicit anti-Semitic remarks. For instance, in one oft-quoted passage he affirmed: “I do not mean that Russian Communism alters, or even seeks to alter, human nature, that it makes Jews less avaricious or Russians less extravagant than they were before” (1931, 303). A few pages later Keynes expressed his disapproval of the mass terror and extermination, due to the speed of the revolutionary transformation but also, he added, to “some beastliness in the Russian nature—or in the Russian and Jewish natures when, as now, they are allied together” (1931, 310).

In his reply – which left Wertheimer rather unsatisfied⁸ – Kahn dismissed in a few words any charge of anti-Semitism on the part of Keynes. “As to anti-Semitism,” – he wrote – “I suppose the best comment is my own close friendship with Keynes. The only passage that I can call to mind is the one about Reading in the essay on ‘Dr. Melchior,’ published in Two Memoirs, in which this Jew is unfavorably compared with the nice Jew Dr. Melchior.”⁹ What we find here is the well-known defensive strategy to point out the befriending of Jewish individuals (Kahn himself in this case) as a form of exculpatory behavior for one accused of anti-Semitism. Of course, it must be taken into account that Kahn may have felt too indebted to his mentor to have any openness to the question posed. Significantly, Kahn says nothing about Keynes' referring to him as “the little Rabbi” (Skidelsky 1992, 288) – an epithet he may have interpreted as an expression of endearment from his mentor, rather than hostility.¹⁰

Kahn also calls Wertheimer's attention on Keynes' well-known passionate portrayal of Carl Melchior, the prominent Jewish banker whom he had met at Versailles as a member of the German delegation. Kahn's reference to Lord Reading, however, is mistaken: it is the French finance minister Louis-Lucien Klotz and not Reading the other Jew who is negatively compared to Melchior.¹¹ Whereas

⁷ Robert G. Wertheimer to Richard F. Kahn: November 28, 1964. Alvin H. Hansen Papers, Pusey Library, Harvard University. Harrod's denial of Keynes' anti-Semitism – as reported by Wertheimer to Kahn – is by no means surprising. His authorized *Life of John Maynard Keynes* (1951) does not even refer to Keynes's attitude towards Jews much less discuss it. As Chandavarkar put it: “The devout Harrod was as concerned to overlook Keynes's anti-Semitism as he was to suppress any reference to his androgyny. The icon just could not be besmirched” (2000, 1619; see also Tøye 2005).

⁸ Wertheimer later wrote to Alvin Hansen: “I am delighted to send you copy of my correspondence with R. Kahn as promised. I regret that the reply seems not too productive.” Robert G. Wertheimer to Alvin Hansen: January 7, 1965. Alvin H. Hansen Papers, Pusey Library, Harvard University.

⁹ Richard F. Kahn to Robert G. Wertheimer: December 16, 1964. Alvin H. Hansen Papers, Pusey Library, Harvard University.

¹⁰ In this connection, however, Berlin observed: “Kahn was a true friend to him [Keynes], and promoted his interests in every way; nevertheless, I remember being told at King's College, of which both were Fellows, that he sometimes said [of Kahn] “my little Jew—half affectionately but half contemptuously I, fear.” (in Chandavarkar 2000, 1623)

¹¹ Lord Reading (Rufus Isaacs), the Jewish viceroy of India (1921-26), was a personal friend of Keynes who was very supportive of Edwin Montagu's nomination of Keynes as the vice-chairman of the Indian Fiscal Commission. Keynes “liked immensely” both the Readings (Skidelsky 1986: 342).

in fact Klotz was described by Keynes as “a short, plum, heavy-mustached Jew [...] well kept, but with an unsteady rowing eye, and his shoulders a little bent with instinctive deprecation” (1949, 422), Melchior was a source of admiration. Keynes describes how he was immediately attracted to Melchior who spoke in “moving, persuasive, almost perfect English [...] always deliberately, but without pause, in a way which gave one an extraordinary impression he was truthful.” Keynes, who had not initially recognized Melchior as a Jew, stressed that he was “he only” among the members of his delegation who “upheld the dignity of a defeat.” He spoke – Keynes wrote – “with the passionate pessimism of a Jew” (1949, 403).

Although David Felix (1999, 230) has called attention to the “fine equilibrium” that was achieved in Keynes’ depiction of these two Jewish men, it should be pointed out that, according to Keynes’ own account, the anti-Semitic hostility of the British delegation toward Klotz was mainly due to its senior representative, David Lloyd George, “who had always hated and despised him; and now saw in a twinkling that he could kill him.” Keynes admitted that he was charmed by Melchior’s dignified hearing and “passionate pessimism,” but he also acknowledged that, in Klotz’s case, “anti-Semitism, not far below the surface in such an assemblage as that one, was up in the heart of everyone” (1949, 422). One may well wonder whether that “everyone” included Keynes himself.

4. We finally come to Bertrand Russell. As in the case of Kahn, Wertheimer had contacted Russell to receive an opinion, based on his personal experience, on Keynes’ attitudes towards Jews. Wertheimer, albeit irritated by the anti-Semitic content of Keynes’ remarks’ on the Russian Jews referred above, phrased his query in quite cautious terms:

The reason that I am writing this letter is to ask you as you were a close friend of Keynes, and not only because his Treatise on Probability brought him close to your monumental work, whether he was nasty about “Jews.” I am not asking this in any religious or racial context. Indeed I cannot get involved in these miasmas, but I should wonder whether a man of such horizon should be extremely prejudiced in some quarters.

“I know from more recent experience” – Wertheimer added in the following passage – “that Keynes was most helpful to some of his German colleagues in the thirties who were persecuted as Jews and so I cannot assume that he held deep convictions about the Jews like Werner Sombart.”¹²

Interestingly, our archival research has allowed us to trace two different responses written by Russell to Wertheimer. In the first reply – dated March 27, 1963 – the British philosopher wrote with great honesty:

I am disappointed and surprised to see the passages that you quote which suggest that John Maynard Keynes was capable of anti-Semitism. I had not encountered this during my personal friendship with him, and it pains me to see the references you mention.¹³

The second reply – dated April 17, 1963 – contains no such admissions of “surprise” or “disappointment” and is phrased in a quite different tone. There, Russell categorically (and almost impolitely) stated: “It is not true that Keynes was anti-Semitic. He loathed anti-Semitism. I knew him personally and can say this with authority.”¹⁴ Although it cannot be determined with certainty, it seems plausible to assume that this is the letter that was actually sent to Wertheimer.

We do not know why Russell decided to change his response to Wertheimer; nonetheless his firm denial of Keynes’ anti-Semitism is of the highest significance. It comes in fact from a man who in 1963 – just one year before receiving Wertheimer’s letter – had contacted a number of prominent people around the world to sign an appeal to Nikita Khrushchev on behalf of the soviet Jews after the recrudescence of violent anti-Semitism in Russia. The statement, with twelve signatures, was sent

¹² Robert G. Wertheimer to Bertrand Russell: March 9, 1963. Bertrand Russell Papers, Mills Memorial Library, McMaster University.

¹³ Bertrand Russell to Robert G. Wertheimer: March 27, 1963. Bertrand Russell Papers, Mills Memorial Library, McMaster University

¹⁴ Bertrand Russell to Robert G. Wertheimer: April 17, 1963. Bertrand Russell Papers, Mills Memorial Library, McMaster University

privately to Khrushchev on December 2, 1963. When no reply was received, the text was released publicly in February and widely reported in the media. As we learn from Nicholas Griffin (1992), Russell's campaign for the soviet Jews was one of the most extensive he undertook in the last decade of his life – comparable in extent only to those on nuclear disarmament and against the Vietnam War. As reported by Griffin:

In addition to general appeals to policy matters, he took up many individual cases, working both independently and in conjunction with Jewish organizations around the world. He wrote dozens of letters to persecuted Jews in the Soviet Union, to members of their families outside, and to the Soviet authorities on their behalf. He even sent parcels of clothing where he thought they were needed – and got his secretaries to write follow-up inquiries when it seemed the parcels might have been impounded by the authorities (1992, 573).

Russell's philo-Semitic feelings and his public activism are out of dispute (see Porat 1981 for a discussion).¹⁵ What concerns us here, however, is whether his retrospective defense of Keynes is to be considered sufficiently "objective" and free from any kind of personal or social bias. To put it differently, to what extent was Russell himself immune to (and ready to acknowledge the pervading influence of) the very same cultural milieu that had generated, in the words of Mark Blaug (1994, 1213), Keynes' "mild anti-Semitism, so typical of educated people in the interwar years"? We are certainly aware that this is a quite complex issue that goes well beyond the limits of this note – and of our expertise. Still, there is an episode that we would like to report and whose significance the reader can judge for herself. In 1968, Leonard Woolf reviewed for the *Political Quarterly* the second volume Russell's *Autography* (1968), the one covering the years between the wars. By then, the general opinion had become more sensitive as to issues of anti-Semitism and the "use of expressions indicative of the 'mild anti-Semitism [...] so typical of educated people in the interwar years' has become cause for social rejection among 'educated people' generally, and especially in academic circles" (Reder 2000, 849). In the last passage of his review – that we cannot forbear quoting in its full length – the eighty-eight years old Leonard felt (now) free to write:

It is strange and disturbing to find that so profound a philosopher should allow reason to play little or no part in his political theory and practice. It is not only that emotions, and in particular the emotion of hatred, mainly determine his politics; it is also that they are in fact continually determined by the most vulgar kind of prejudice. His anti-Americanism has always been shocking; it is no better and no worse than the snobbish anti-Americanism habitual in the British upper class in which he was born. His absurd statement about the American soldiers which landed him in jail in the 1914 war was characteristic. His *aristocratic anti-Semitism* is of the same kind. It is amusing and yet painful to see how ingrained it is in him. In one letter he says that being in prison is like being a book in a library where no one reads; and he adds: "Imagine if you knew you were a delicious book, and some Jewish millionaire bought you and bound you uniform with illustrated the completeness of his System." Apparently it would not matter if the millionaire were Christian, Muhammadan, or Buddhist. In another letter he makes the false statement that the Bolsheviks were "an insolent and unfeeling aristocracy composed of Americanised Jews"—Lenin, Stalin, Dzerzhinsky! And he adds: "Imagine yourself governed in every detail by a mixture of Sidney Webb and Rufus Isaacs, and you will have a picture of modern Russia" (Woolf 1968, 345-347: emphasis added).

"In these sentences" – this was Leonard Woolf's sour conclusion – "he obtains the best of all his worlds—dislike and hatred of Americans, Jews, and even his personal friends" (Woolf 1968, 347).¹⁶

¹⁵ With his distinctive irony, Russell had written in 1951: "If you ask a modern anti-Semite why he dislikes Jews, he will tell you that they are unscrupulous and sharp in business and merciless to their debtors; he will tell you that they are always on the make, always intriguing, always supporting each other against Gentile competitors. If you say you have sometimes found similar characteristics among Christians the anti-Semite will say: 'Oh, of course I don't deny there are ruffians who are not Jews. And I have some good friends among Jews. But I am speaking of the average.' If you question him when he is off his guard, you will find that whenever a Jew engages in a bit of sharp practice he says, 'how like a Jew,' but when a Gentile does likewise he says, 'and, you know, the astonishing thing is that he is not a Jew.' This is not a scientific method of arriving at averages" (1951, 103).

¹⁶ Roy Weintraub has pointed to the present writer that Russell's inconsistent attitude towards Jews may be also due to his own ambiguous personality. As Ray Monk, Russell's biographer learned to his dismay, Russell would

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say contradictory things, lie, dissemble, and so on. Monk was so disgusted by this that he nearly abandoned that two-volume biography since he began to really dislike Russell (Monk 2001, xi-xii).

The correspondence

Robert G. Wertheimer to Bertrand Russell: March 9, 1963

Bertrand Russell Papers, Mills Memorial Library, McMaster University

Dear Lord Russell:

I have been appreciative of Maynard Keynes for many years, not that I am a “follower” (I am a follower of no one) or that I am “for” or “against” him. However, in having formed my economic philosophy – which is very flexible (and should be) – I feel very touched by his genius and quick-witted grasp. Reading over the *Essays* & Harrod’s appraisal which I asked for my 50th (or a little above, 54) birthday from my wife, gave me again great pleasure. By the way, my library is so poor in writings by Keynes that I should like to buy a few writings of his so if some gentleman you know should like to dispose of some duplicates, I shall be glad to purchase them (I could not find old issues here).

One more word about Keynes. He was born when Marx died. I cannot look at this coincidence as sheer accident. Indeed, it looks as if there was born a sequel to Marx that, in due time, will un-Marx the former. I do wish though that the same rejuvenation and sensible reform Keynes procured – and still is procuring – for our WAYS OF ECONOMICS (the use capitalism has to be modified too much) will be done in due time for Marxism. Indeed, if there is an involvement beyond our grasp, the man – or woman – who will reform Marxian economics should be now soon entering College being 17 years old (born about the year Keynes died).

The reason that I am writing this letter is to ask you as you were a close friend of Keynes, and not only because his *Treatise on Probability*¹⁷ brought him close to your monumental work, whether he was nasty about “Jews.” I am not asking this in any religious or racial context. Indeed I cannot get involved in these miasmas, but I should wonder whether a man of such horizon should be extremely prejudiced in some quarters. He surely was an English patriot, deeply, but he also seemed to be the most fair-minded. Therefore, I cannot understand the meaning of several passages in his *Essays in Persuasion* (p. 303 in a *Short View on Russia* “I do not mean that Russian communism ...alters human nature ...that he makes Jews less avaricious ...” and p. 310 “...of some beastliness – in the Russian and Jewish natures”).¹⁸ I did not look for other references but I don’t get the gist. I know from more recent experience that Keynes was most helpful to some of his German colleagues in the thirties who were persecuted as Jews and so I cannot assume that he held deep convictions about the Jews like Werner Sombart.

I am not asking you this matter because you rightly expressed horror to the Russian Prime Minister about executions of predominantly Jewish entrepreneurs. It is rather incredible that benefactors of the economy providing needed goods at lower prices, are punished as traitors. I suppose human tendencies have to be exterminated by the sword to set examples of deterrence for others. This is simply one more proof of the brutalizing against men.

When we look over this century, it is incredibly sad to notice the passing of humanism that inspired a Schiller and Goethe to the highest accomplishments. I suspect that excesses in numbers are replacing quality and ideals. Historically, as [Maurice] Maeterlinck pointed out, the tight organization of ants and termites preceded man by millions of years and now has a better chance than ever to sway this globe without peer.

Among all nations, only the United States really was founded with a nobility of purpose to “set an exalting” example of propriety and liberty to the world as George Washington so beautifully put it. As I like to point out in our Economic History classes, our breath of life comes from our destiny in history for which we were set up: to give a good example to man’s living in liberty and to aid the needy and oppressed throughout the world. This is our task and, if we fail in it, our purpose as a nation in the world plan would vanish. I do recommend to look into the many references of above objective of which I picked only a few. Read over the letters of Washington, and books of his life and you will find in them the true American spirit. I have a pamphlet on Washington that I prepared and while it is only for freshmen use (as if that were the cheapest commodity on hearth), I should like to send it to you.

I hope that you may see for many years that man’s folly as Erasmus would put it, remains below a tragic involvement. As a mathematician, you are spotting too many variables that may go

¹⁷ Keynes, John M. 1921. *A Treatise on Probability*. London: Macmillan.

¹⁸ Keynes, John M. 1931. *Essays in Persuasion*. London, Macmillan.

astray and, therefore, sit on hot coal. I rather approach things emotionally and still feel with the 2 quotations from Goethe: "Ich bin der Böse Geist der stets das Böse will und nur da Gute schafft;"¹⁹ und "der Mensch in seinem dunklen Drange, ist sich des rechten Weges stets bewusst."²⁰ We can continue to hope that these statements come closer to the Zeitgeist than the recreation of the medieval spirit with torture, witches, intolerance, and hell.

With kindest regards
Most sincerely yours,
Robert G. Wertheimer

Bertrand Russell to Robert G. Wertheimer: March 27, 1963
Bertrand Russell Papers, Mills Memorial Library, McMaster University
Dear professor Wertheimer,

Thank you very much for your interesting letter. I am disappointed and surprised to see the passages that you quote which suggest that John Maynard Keynes was capable of anti-Semitism. I had not encountered this during my personal friendship with him, and it pains me to see the references you mention.

By the way, there are many anti-Semitic comments by Marx, oddly enough. It has always struck me as extraordinary that he should call Lassalle a "Jew Negro," because he disputed Marx at a Socialist conference.

Thank you for your interesting letter.
Yours sincerely,
Bertrand Russell

Bertrand Russell to Robert G. Wertheimer: April 17, 1963
Bertrand Russell Papers, Mills Memorial Library, McMaster University
Dear professor Wertheimer,

Thank you very much for your interesting letter. It is not true that Keynes was anti-Semitic. He loathed anti-Semitism. I knew him personally and can say this with authority.

Curiously, Marx was an anti-Semite and thought it sufficient an attack on Lassalle to dismiss it as a "Jew Nigger."

Thank you for your letter.
With good wishes,
Bertrand Russell

Robert G. Wertheimer to Richard F. Kahn: November 28, 1964
Alvin H. Hansen Papers, Pusey Library, Harvard University
Dear Mr. Kahn:

This is a long-over-do letter. As the most authentic interpreter of some thoughts of Keynes, I wanted to get in touch with you on several occasions. I was trained by Alvin Hansen and I am pleased to have him near-by for some other interpretations!

Some years ago I was rather struck by some anti-Semitic remarks I could not fail to detect in some of the writings of Keynes like in the *Essays in Persuasion*. In a pleasant correspondence, two great gentlemen Mr. Bertrand Russell and Roy Harrod assured me that there was nothing but the kindest spirit in Keynes (which I assumed too). Prof. Harrod visited here this summer and I had more occasion to clear this problem. But I almost wrote you, too, as I assumed that your close contacts with Keynes did familiarize you with his inner feelings.

Today, I have some questions further stimulated by the just published volume of Seymour Harris on the Economics of the Kennedy Years.²¹

¹⁹ "Part of that Power, not understood, Which always wills the Bad, and always works the Good." Goethe, Johann Wolfgang von. 1912. *Faust*, 2. Vols. Tr. Bayard Taylor. New York: Modern Library, p. 47.

²⁰ "A good man, through obscurest aspiration, Has still an instinct of the one true way." Goethe, Johann Wolfgang von. 1912. *Faust*, 2. Vols. Tr. Bayard Taylor. New York: Modern Library, p. 21.

²¹ Harris, Seymour E. 1964. *Economics of the Kennedy Years, and a Look Ahead*. New York: Harper & Row.

1. As you are the master and creator of the multiplier concept, I wonder, did this mechanical relationship mean an automatic solution to Keynes, of the GNP problem, for example. Harris, in this book writes all the time as if the recent tax cut of \$10 billion could not fail to add \$30 billion to the GNP; I think he is careless in this relationship.

2. Putting first thing first, did Keynes think more highly of public spending increases, or investment spending increases, in order to achieve employment (I think his analysis was never cast in GNP growth figures)? In other words what was more important to Keynes to get employment? Investment spending (private, if you could get it somehow) or public spending?

3. Keynes identified the price level, more or less with the wage level and operated from a level of stability. Did he think much of the relationship between wages and the productivity gains, an aspect we are pushing now to extremes? Did Keynes even want wages rise according to gains in productivity to bolster demand? I don't recall any powerful discussion of this – I have the impression he wanted wages neither reduced nor increased, but how did he allow for the effect of gains in productivity in the economy as a whole? As a spur to profits – with some desirable profit inflation (like Schumpeter?)

4. I have seen little reference by Keynes to what he thought about the repayment of the Federal debt in the twenties which was reduced from \$26 billion to \$16 billion in 1929. Did he relate this factor to one of the powerful depressing factors; also (adding to question 3), did he consider the lagging of wage increases behind the gains in productivity in the US from 1923 to 1929 as a powerful depressing factor?

In this connection, I wanted to quote Harris, again and the statement by the late President “that Federal deficits do not bring inflation.” Did Keynes have any specific ideas on that or even draw a mechanical limit (such as 2% as annual Federal deficit is non inflationary; 3% is inflationary ... etc. ... ?)

5. Did Keynes have many favorable views on the growth of the Federal debt? Did he draw any limits of how much would be enough or “too much” or did he measure it only functionally namely until full employment is created, an expansion of the debt is good but did he see any limits to inflation from this?

6. Keynesian thinking was in a period of slow population growth and slow additions to the labor market. Presently, we have a rapid growth of the labor market – 26 million young will enter it in one decade from now; did Keynes have special ideas on such a situation or did he assume that his system – consumption function; investment and government spending – would normally cope with any rate of labor force growth?

7. The concept of the rate of growth is so popular today. Did this approach have much meaning for Keynes? I never saw many references to it or was it wrapped up in the general idea of full employment? This brings us to the current drive for growth; now our growth rate will amount to 6% this year but still no unemployment relief. Did Keynes look at the problem in this light? The Harris discussion of the “proper” growth rate seems muddled and steadily mixed in with permissible inflation – as if one had exact choices in this matter.

There could be many more questions but, I am afraid, I have already exceeded tolerable limits but many of these points have arisen over the years. I should be very happy if you would reply to one or the other or all points if that is not too strenuous an order. But I feel that I owe it to my students to bring them the very best thoughts of the master!

With kindest regards,
Robert G. Wertheimer

Richard F. Kahn to Robert G. Wertheimer: December 16, 1964
Alvin H. Hansen Papers, Pusey Library, Harvard University
Dear professor Wertheimer,

I was much interested in your letter of the 25th November, but if I write you a rather short – and apparently curt – reply, this is not intended to be discourteous but simply because I am working under considerable pressure. Also you are asking me to take my memory back some thirty years and I am afraid that so much has happened since that you simply cannot rely on my memory, which, under best conditions, is not good.

As to anti-Semitism, I suppose the best comment is my own close friendship with Keynes. The only passage that I can call to mind is the one about Reading in the essay on "Dr. Melchior," published in Two Memoirs, in which this Jew is unfavorably compared with the nice Jew Dr. Melchior.²²

On your specific points:

1. I agree.

2. Keynes would always have preferred, within reason, something that was productive, i.e. investment as opposed to consumption.

3. The problem of rising money wages, as it now exists in most countries, simply did not exist before the war; partly, no doubt, because wide-spread unemployment. Keynes certainly did not sufficiently face the problem of the behavior under conditions of full employment. This was first brought to light by Joan Robinson in her essay (which Keynes approved) on "Full Employment" (Essays in the Theory of Employment, 1937).²³ Joan Robinson made a further contribution in her articles published in The Times in January 1943 on "Planning Full Employment" (republished in Collected Economic Papers, Volume 1).²⁴

Because there was no problem of the behavior of money prices, the question of the growth of productivity did not really arise in this context. Keynes was essentially dealing with a short period, but it is also true that while he laid great stress on the influence of capital accumulation on productivity, he did not make sufficient allowance for technical progress (this accounts for the final chapter of the General Theory).²⁵

4. I can recall nothing about this.

5. I can recall nothing about this.

6. Keynes' ideas on this subject were post-General Theory and are to be found in "Some Economic consequences of a Declining Population," Eugenics Review, Volume XXIX, No. 1, (this was delivered as a lecture in February 1937 before the Eugenic Society).²⁶ You will find that Keynes took just the opposite view to that implicit in your question.

In the final chapter of the General Theory, Keynes failed to make adequate allowance for population growth as well as for technical progress.

7. See under 3. above.

In sending you these comments I should mention that I imagine that you are far more up to date on the text of Keynes' writings than I am. My memory is certainly very defective, not only on what Keynes may have discussed with me, but also on what he wrote.

Yours sincerely,

Richard F. Kahn

²² Keynes, John M. 1949. Dr. Melchior: A Defeated Enemy. In Elizabeth Johnson and Donald Moggridge. eds. 1972. *Essays on Biography, The Collected Writings of John Maynard Keynes*, Vol. X. London: Macmillan, 389-429.

²³ Robinson, Joan. 1937. Full Employment. In *Essays in the Theory of Employment*. London: Macmillan, 3-39.

²⁴ Robinson, Joan. 1943. Planning Full-Employment I: The Need for a Constructive Approach. *The Times* (London), 22 January: 5. Reprinted in Joan Robinson. 1951. *Collected Economic Papers*, Vol. 1. Oxford: Basil Blackwell, 81-88.

²⁵ Keynes, John M. 1936. *The General Theory of Employment, Interest and Money*. London: Macmillan.

²⁶ Keynes, John M. 1937. Some Economic Consequences of a Declining Population (1937), *The Eugenics Review* 29(1): 13-17.