

OTHER THINGS EQUAL

Keynes Was a Sophist, and a Good Thing, Too

Deirdre N. McCloskey
University of Iowa and
Erasmus University of Rotterdam

Every economist should read Robert Skidelsky's two-volume biography of Keynes. It's a great bedtime read, reminding you of what a sensationally good economist Keynes was, because he was more. And it makes you think about where economics is going. I guess no one will be surprised that the story of Keynes' life and thought makes me think about the "rhetoric" of economics. My thought is this: Keynes was a Sophist, not a Platonist. To read him as a Platonist, as economists mostly have, makes him nearly impossible to understand.

You know the definition of "sophist" as a term of contempt. Plato established the contemptuous usage at the beginning of Western philosophy, and ever after the philosophers have defined themselves against sophistry. Thomas Hobbes, for instance, that founder of the Economic Way of Thinking a century before Smith, was eloquent in *Leviathan* and elsewhere against rhetoric and sophistry, such as the misuse of metaphor, and used many striking metaphors to combat its evil effects.

"Sophistry" in Plato's sense means "mere verbal trickery," as against Really Knowing, the sort of thing a true philosopher Knows. True, how one would really know that one Really Knows is a detail the philosophers have not quite worked out in 2400 years of trying, but they are agreed that mere opinion created by exchange of words is to be loftily sneered at.

The contrary view, that of the sophists themselves (including arguably Socrates himself, Plato's teacher), is that we humans must get along on exchanges of words, and had better learn to use them well. Democracies and courts of law depend on an art of persuasion exercised in the here and now, not on a doctrine of Really Knowing established by an aristocracy with time on its hands. The sophists were, so to speak, professors of law. In later classical times the great Roman sophist Quintilian defined the ideal law student as "vir bonus dicendi peritus," the good man skilled at speaking. You don't have to believe this characterizes many law students, or economics students, to recognize it as an ideal, which recommends honest talk rather than dogmatic Truth.

Recently the words "sophist" and "rhetoric" have experienced rehabilitation. Certain members of the American Speech Communication Association have printed bumper stickers and T-shirts asking you to "Support Your Local Sophist." The historical sophists of ancient Greece have been reassessed in works such as W. K. C.

Guthrie, *The Sophists* [1971] and G. B. Kerferd, *The Sophistic Movement* [1981]. Sophisticated students of Greek philosophy no longer accept unthinkingly the philosopher's contempt for sophism. It is a plausible opinion, which Plato labored persuasively in his middle dialogues to make implausible, that persuasion is all we humans have, even we human economists.

The original sophist was Protagoras, a 5th century teacher whose writings are known only in fragments (and in Plato's dramatization of the historical figure, a contemporary of Socrates). His most famous fragment declares that "the humans are the measure of all things," a sentiment enraging to the Platonic mind, such as Francis Bacon's: "For it is a false assertion that the sense of man is the measure of all things. . . The human understanding is like a false mirror, which, receiving rays irregularly, distorts and discolours the nature of things by mingling its own nature with it" [Bacon 1620, xvi]. The sophist rejects the metaphor of the Mirror of Really Knowing (thus Rorty, 1979), substituting a social and conversational metaphor. The most obvious modern sophists are therefore sociologists, psychologists, philosophers, and literary critics with a talk-listen understanding of how we come to know things, such as Jurgen Habermas, Michael Billig, Richard Rorty, and Wayne Booth. In economics as in every other part of Western culture there are two schools of thought, Platonist and Sophist. Keynes worked in the Sophist school.

One piece of evidence, evident on every page of Skidelsky's biography, is Keynes' lifelong commitment to adversarial and sophistic styles of engagement. The most famous example is of course *The General Theory* itself, a dialogic book arguing against this or that, especially the classical economists, rather than stating axioms and deriving theorems as though no opponent was in view. But Keynes was always an enthusiastic party politician, all his life a left Liberal in the old British sense. He believed in politics in a way that Plato and the Platonist do not; that is, he believed in the worth of adversarial procedures.

A sign of a sophist—a sign considered by Platonic thinkers as the chief evil of sophism—is the ability to change one's mind. Keynes frequently changed his mind, about the desirability of free trade, to take a spectacular example. In economics, it is rare that people change their minds. (It is rare in any field of life, come to think of it.) I suppose the modal number of mind changes in economics is zero. John Stuart Mill changed his mind once, George Stigler, never. I can think of Robert Fogel as an unusual case of an economist who changed his mind as much as Keynes did. Keynes had a famous retort when someone complained about this sophism of his: "When I get new evidence I change my mind. What do you do?"

So what? Suppose Keynes is better read as a sophist than a Platonist. Well? This: Keynes is misunderstood by modern Platonists, who keep trying to find his Truth, keep trying to stuff him into a stable Platonic theory. Right from the beginning Platonic thinkers like Friedrich Hayek and J. R. Hicks could not grasp his method. The method was "encompassing," as David Hendry puts it, that is, trying to see how opponents could have thought what they thought, and then encompassing their theories in one's own. The very title of *The General Theory* embodies this sophistic tactic. The joking form of the tactic is Stigler's spoof of Conference Com-

ment Number 4: "I can understand how Prof. Jones is so misled, because up until recently I was thinking along the same lines."

I would claim that Keynes is one of a long if thin line of economic sophists as against the massed phalanx of economic Platonists. Most economists have been Platonists. The Platonists believe that Truth is out there on the blackboard somewhere, or less commonly out there in the econometrics or in the experiment. That their program has failed repeatedly does not discourage them any more than it has discouraged Platonists in philosophy these two-and-a-half millennia past. They carry on seeking the one immutable Truth for the ages, and scorn the practical sophist like Maynard Keynes making arguments for the day.

The sophists believe with Keynes that truth, small 't', (to which Keynes was much attached), is always contingent, always arguable, always the result of a particular set of assumptions being true for now, not forever. General theories, Keynes said, are useless—this from the writer of one—unless they are applied.

Though as I have said a minority view, the sophistic tradition in economics is old. Adam Smith is an example. The very duality of his two books (yes, he wrote another one) drives the Platonists to distraction. Platonists have a terrible time with Smith if they read both books, *The Wealth of Nations* and *The Theory of Moral Sentiments*, as Unified Truth with a capital "T". "All right, Professor Smith, what is it? Love or Money? You can't have it both ways." To which Smith replies, why not, if situations vary, if one alters the other, if both are in constant dialogue? If situations differ I come to differing conclusions: What do you do? (The point is made brilliantly by Vivienne Brown in her recent book *Adam Smith's Discourse*).

Jeremy Bentham is the canonical example in economics and in modern Western thought generally of the opposite, a maker of Platonic/Cartesian/Comtean monologues. The monologue is the favored form of modern economics, exhibited in the works of Stigler, Becker, Lucas, and others.

But—lest you draw the wrong conclusion from that list—the Good Old Chicago tradition is sophistic. Friedman is the most obvious and famous example. He resisted and resisted and resisted the axiomatic turn in modern economics, so damaging to changing one's mind or seeing two sides of an argument. His students Becker and Lucas then proceeded to give into it, with alacrity. But there were other sophists at Chicago, such as Frank Knight (who started at the University of Iowa) and Theodore Schultz (who started at Iowa State: is a generalization, true for the age not the ages, forming in your mind?). Nouvelle Chicago is unattractively Platonic, as are many economists nowadays.

In the old paperback version of his *Price Theory* Friedman explained why he had not formed the whole into a proper book; I once thought I would, said he, but as an empirical scientist I have had to admit that it looks like I'm not going to. Maybe the empirical scientists in philosophy or economics should by now admit that it looks like Platonism is never going to work. We'd better get back to sophism, to real arguments for the real problems of the day. One way back is through that great economic sophist J. M. Keynes, compliments of Robert Skidelsky.

REFERENCES

- Billig, M. *Arguing and Thinking*. 2nd ed. Cambridge University Press, 1996.
- Bacon, F. *Novum Organum*. 1620.
- Booth, W. *Modern Dogma and the Rhetoric of Assent*. University of Chicago Press, 1974.
- Brown, V. *Adam Smith's Discourse*. Routledge, 1994.
- Guthrie, W. K. C. *The Sophists*. Cambridge University Press, 1971.
- Kerferd, G. B. *The Sophistic Movement*. Cambridge University Press, 1981.
- Rorty, R. *Philosophy and the Mirror of Nature*. Princeton University Press, 1979.
- Skidelsky, R. *Hopes Betrayed: 1883-1920*. Macmillan, 1986.
- _____. *The Economist as Savior: 1920-1937*. Macmillan, 1992.

Other Things Equal, a column by Deirdre N. McCloskey, appears regularly in this *Journal*.