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IN SEARCH OF LOST REASON

BY SOROUSH MAROUZI

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CENTER FOR THE
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In Search of Lost Reason

By Soroush Marouzi*

Abstract:

I argue that the outbreak of the Great War facilitated a shift in the dominant view of human nature within the Cambridge-Bloomsbury intelligentsia, steering it away from an optimistic view toward a pessimistic one. The conceptualization of human reason and rationality within this group, however, remained intact throughout the war. Frank Ramsey and John Maynard Keynes produced some of their most notable works within this evolving intellectual context. They followed the interwar orthodoxy by adopting its description of human nature. But they departed from the orthodoxy by revising its underlying conceptual commitment concerning what constitutes human reason and rationality. I show that Ramsey and Keynes developed their ideas in tandem. They both argued for the pragmatist idea that our normative theory of human life ought to be sensitive to what we can ask from human nature. Ramsey made this argument in his philosophy. Keynes made it in his economics.

Keywords: Frank Ramsey; John Maynard Keynes; Reason; Intellectualism; Pragmatism

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They had their own way of life, swiftly moving away from the Victorian world and its morals, heading toward a distant place where “eminent Victorians” were not eminent but rather hypocrites, where new forms of art and literature were to be born, where homosexuality and free love were commonplace. The Bloomsbury group of the early twentieth century lived far from the land of orthodoxy. They were a set of British artists, writers, and intellectuals, bridging the gap between the dream and reality with their way of life. They were promised “a new heaven on a new earth,” believing that “human nature *is* reasonable,” said one of them - John Maynard Keynes.¹ But the bridge that brought their heaven to earth, that closed the gap between the natural form of human species and its ideal epistemic outfit, was among the first to be destructed by the war, and unlike factories and buildings that were going to be reconstructed later, that bridge remained shattered, forever.

The Great War, along with people, killed the optimism in human nature. It invited pessimism. Not only that; it demanded a new type of explanatory framework in human psychology to make sense of that pessimism. The Bloomsbury members and their associates thus revised their account of human nature to catch up with the collective mood. I argue that they replaced their pre-war intellectualism with the pervasive anti-intellectualism of interwar Britain.

Intellectualism was a tradition in psychology that advanced the thesis that, roughly put, human behaviors are typically supervised by the mental faculty of the intellect, a positive characteristic feature of human nature that was to set it apart from other animals deemed to have no capacity for reason. Anti-intellectualism was the competing tradition in psychology. It posited that human behaviors are typically driven by instincts, habits, impulses, and unconscious drives,

¹ John Maynard Keynes, “My Early Beliefs,” in *The Collected Writings of John Maynard Keynes - Volume X: Essays in Biography*, ed. Austin Robinson and Donald Moggridge 433-451 (Cambridge University Press, 1938 [2013]), on 435, 447, emphasis added.

thus framing human life within the context of the animal kingdom, where reason was scarcely found. On the common view after the war, a surgeon was a surgeon not because he had contemplated the expected consequences of his career choice, but because he had acted upon the instinctive need for violence, the habit of competing with friends, the unconscious thirst for power, and so on. Intellectualist psychology was considered naïve. Anti-intellectualist psychology was taken to give a faithful explanation of the unfortunate reality.

It was in this evolving intellectual context that Frank Ramsey and Keynes produced some of their most notable works in philosophy and economics in Cambridge. Influenced by the interwar orthodoxy, they adopted anti-intellectualist psychology to describe human nature. Nonetheless, they departed from the orthodoxy by revising its underlying conceptual commitment concerning what it takes to be reasonable. I show that Ramsey and Keynes were drawn to this conceptual project because they came to believe that the conventional account of reasonability leads to insuperable issues at both theoretical and practical levels. They were in search of lost reason, during a period marked by widespread concern over the declining vitality of reason in society. We will see that Ramsey and Keynes developed their normative theories of human life in tandem, arguing for the pragmatist idea that our account of reasonability must be sensitive to what we can ask from human nature. Ramsey made this argument in his philosophy. Keynes made it in his economics.

I begin by presenting a new historical account of the evolving intellectual context that hosted the Cambridge-Bloomsbury intelligentsia, focusing on the transdisciplinary debates surrounding human nature and reasonability before and after the Great War. Subsequently, I show a benefit of this historical account by using it as a backstory of the Ramsey-Keynes

intellectual friendship in the interwar years, thus adding a fresh perspective to how the philosophical and economic ideas of the two evolved in tandem.

1. Optimistic Intellectualism

“Cambridge rationalism” was at its “height;” this is Keynes’s short description of the intellectual scene in Cambridge before it had to grapple with the horrors of the Great War.² Keynes says these words in “My Early Beliefs,” a memoir he read to a close circle of his Bloomsbury friends in 1938. The bulk of the memoir is about how the philosopher G.E. Moore, with his *Principia Ethica* (1903), shaped the early beliefs of the Bloomsbury group. Cambridge rationalism was one of those early beliefs. It embodied the view that human nature *is* reasonable. Indeed, what exactly was Moore’s Cambridge rationalism? How did it render such an optimistic claim about human nature believable? And how did the Bloomsbury group come to embrace Moore’s optimism?

Keynes does not bother to elaborate what precisely “Cambridge rationalism” means, implying that he assumed the audience was already familiar with the term. Such an assumption would have been safe. “Cambridge rationalism” was a label that the Bloomsburian art critic Clive Bell had attributed to Moore. Bell was after a new renaissance in art, which he thought was possible only if Moore’s Cambridge rationalism was defeated. This was not an easy task for a number of reasons: Moore was a highly respectable figure, his Cambridge rationalism was in continuation of the philosophical outlook of Leslie Stephen (Bell’s father-in-law), and it was staunchly defended by other Bloomsbury members, including Leonard Woolf (Bell’s brother-in-

² Keynes, “My Early Beliefs,” (cit. n. 1), on 434.

law) and Keynes (once Bell's flat-mate).³ Bell eventually took up the challenge in *Art* (1914), while carefully adopting the necessary politics of expression that he hoped would prevent the expected coming tension: "Cambridge rationalists," Bell said, are "those able and honest people... headed by Mr. G.E. Moore."⁴ Those able and honest people, however, were clearly wrong-headed, Bell thought.

Cambridge rationalists, on Bell's characterization in *Art* (1914), held onto the epistemological thesis that the domain of reason (as what guides us to truth) is exhausted by human intellect (which is the business of science).⁵ Assuming a clear-cut distinction between the intellectual and non-intellectual facets of human psychology, this thesis implied that non-intellectual elements, such as human feelings and emotions, have no genuine epistemic value. This was in sharp contrast with a central message of Bell's renaissance. In *Art* (1914), Bell argued that one comes to know something about the world in virtue of having aesthetic experience, which consists in *feeling* the *emotions* excited by a work of art. Bell said all this while Moore's discussion of the aesthetic experience was centered around the idea that feelings and emotions are excluded from human cognitions and epistemic faculties.⁶ In Keynes's words, the chapter of *Principia Ethica* (1903) in which Moore's treatment of aesthetic experience appeared "left altogether some whole categories of valuable emotion," and Moore passed on a view to the Bloomsbury group that "ignored certain powerful and valuable springs of feeling."⁷

³ For Stephen's Cambridge rationalism, see, Noel Gilroy Annan, *Leslie Stephen* (Arno Press, 1977), chapter 4. For Leonard Woolf's attraction to this tradition, see, S.P. Rosenbaum, *Georgian Bloomsbury: The Early Literary History of the Bloomsbury Group - Volume III: 1910-1914* (Palgrave Macmillan, 2003), chapter 2. For the Keynes-Bell friendship, see, Robert Skidelsky, *John Maynard Keynes: Hopes Betrayed 1883-1920* (MacMillan London, 1983), on 166-175.

⁴ Clive Bell, *Art* (New York: Frederick A. Stokes Company, 1914), on 87.

⁵ For details, see Soroush Marouzi, "The Early John Maynard Keynes: An Intellectualist Becomes Disappointed" CHOPE Working Paper, no. 2023-05, Duke University.

⁶ G.E. Moore, *Principia Ethica* (Cambridge University Press, 1903), on §114-117.

⁷ Keynes, "My Early Beliefs" (cit. n. 1), on 448.

This is Keynes in 1938, looking back to his early beliefs with regret, suggesting that he turned his back on the epistemological thesis of Cambridge rationalism at some point. We will come back to Keynes's position later.

The epistemological thesis of Cambridge rationalism was sometimes called “intellectualism” during the first half of the twentieth century, perhaps because it confined the domain of reason to the intellect.⁸ Intellectualism thus conceived entails a *normative* principle of rationality: one's actions ought to be guided by the intellect. Nonetheless, around the same time, “intellectualism” sometimes denoted a *descriptive* claim about human nature. This descriptive form of intellectualism embodied the idea that the typical motives in human actions *are* intellectual elements. It was a view of human psychology grounded in the mind-body dualism. As far as human's mental life is concerned, intellectualism was the thesis that the mental act of human judgment gets shape through intellectual processes. Consequently, non-intellectual elements, such as feelings and emotions, were deemed to lack causal efficacy on the formation-process of judgments; they were rather taken to be the mere after-effects of those judgments already formed. As far as human's bodily life is concerned, intellectualism conceived human action as a two-stage process: initially, one engages one's intellect to generate thoughts, ideas, or judgments, and subsequently, those products of the intellect guide one's actions - one thing happens in mind, and then another in body.⁹ This descriptive form of intellectualism was sometimes known as “the intellectualist theory of action” or “intellectualist psychology;” it stood

⁸ See, for example, Clive Bell, *Pot-Boilers* (Chatto & Windus, 1918), on 147; Bertrand Russell, *History of Western Philosophy* (George Allen & Unwin LTD, 1922), on 502; J.C. Hardwick, “A Letter to an Archbishop,” in *The Hogarth Letters* (The University of Georgia Press, 1932 [1986]), on 295.

⁹ For more details, see, Michael Kremer, “Ryle's ‘Intellectualist Legend’ in Historical Context,” *Journal for the History of Analytical Philosophy* 5. no. 5 (2017): 16-39.

in opposition to “anti-intellectualist psychology,” which advanced the view that human actions are typically motivated by instincts, habits, impulses, and unconscious drives.¹⁰

The social psychologist William McDougall and the political psychologist Graham Wallas were among the influential critics of intellectualist psychology in the early twentieth century. McDougall’s anti-intellectualist psychology was in part motivated by his criticism of economics. He wrote in his widely read book, *An Introduction to Social Psychology* (1908): “the great assumption of the classical political economy was that man is a reasonable being.” McDougall, however, believed that “mankind is only a little bit reasonable.”¹¹ The bottom line of his theory of psychology was that human actions are typically guided by emotions or instincts, not the intellect. Wallas argued for something similar in *Human Nature in Politics* (1908). He said most political theorists have misconceived human nature by holding that human actions are generally guided by the “intellectual calculation” or “the idea of some preconceived end.” These political theorists commit “the intellectualist fallacy.” They fail to see that human actions are driven by non-intellectual elements.¹²

Anti-intellectualist psychologists believed that intellectualist explanations of one’s behaviors are ex-post rational construction of what goes into one’s mind with no corresponded reality. It is noteworthy to mention that anti-intellectualist psychologists shared the conceptual commitment of their opponents: to be *reasonable* is to act from *reason*, and the domain of reason is exhausted by the *intellect*.¹³ That is, both sides of the intellectualism debate in psychology

¹⁰ See, for example, William McDougall, *An Introduction to Social Psychology* (Methuen & Co LTD, 1908 [1919]), on 406; Bertrand Russell, *An Outline of Philosophy* (London: George Allen & Unwin LTD, 1927), on 2-3; Talcott Parsons, “Sociological Elements in Economic Thought – I: Historical,” *Quarterly Journal of Economics* 49, no. 3 (1935): 414-453, on 423, 435.

¹¹ McDougall, *An Introduction* (cit. n. 11), on 11.

¹² Graham Wallas, *Human Nature in Politics* (London: Archibald Constable and Co., 1908), on 22-25.

¹³ Kremer, “Ryle’s ‘Intellectualist Legend’” (cit. n. 10), on 22-23.

took the epistemological thesis of intellectualism for granted. But they disagreed over its descriptive significance in human life.

The primary objective of *Principia Ethica* (1903) was to give us an account of the nature of goodness and the proper method of moral investigation, not to offer us an account of human nature. Nonetheless, Moore's discussions at times *assume* an account of human nature that was grounded in intellectualist psychology. He asserts that ideas cause feelings or excite emotions (not the other way around) – an intellectualist account of human's mental life.¹⁴ He carries this intellectualist insight to the domain of human's bodily life, arguing with F.H. Bradley that “the motive to action” is “thought,” which comes in various forms.¹⁵

Thus, Moore's Cambridge rationalism embodied an inflated form of intellectualism: he adopted intellectualism as both an epistemological thesis (about what it takes to be reasonable) and a thesis of human psychology (concerning the nature of motives in human actions). The combination of these two theses of intellectualism motivates an optimistic account of human nature, for the psychological fact that the intellect is the typical motive in human actions suggests that there is an apt ground for human beings to be reasonable creatures. Moore, so to speak, popularized an *optimistic intellectualism*. It was in virtue of this optimistic intellectualism that one could find it thinkable to live in “a new heaven on a new earth,” and find it believable that “human nature is reasonable.”

Keynes became acquainted with the intellectualism debate in psychology as early as 1906, when preparing for the Civil Service Examination. During this period, he took extensive notes from some psychology books, which contributed to his eventual first-place ranking in the

¹⁴ Moore, *Principia*, (cit. n. 7), on §42, 131.

¹⁵ Moore, *Principia*, (cit. n. 7), on §42. For a critical exposition of Bradley's intellectualist theory of action, see, McDougall, *An Introduction* (cit. n. 11), on 376.

psychology section of the Examination. His notes reveal his awareness about the then intellectualism debate in the domain of human's mental life. He wrote, "[T]he process of judging is accompanied by a mental state known as belief... The precise psychological nature of belief is a problem of some uncertainty." He continued, "Most writers appear to regard it as an intellectual state: yet some (e.g. Hume) have spoken of it as a feeling or emotion."¹⁶ The fact that Keynes recognized intellectualism as the prevailing viewpoint highlights the nature of the intellectual environment within which his ideas were about to take shape. There were at least two other optimistic intellectualists in Cambridge whose work, alongside Moore's, could attract Keynes's attention. One was the economist Alfred Marshall, who laid the foundation for the Cambridge school of economics and played a major role in Keynes's approach to economic analysis and his career as an economist. Marshall argued for an intellectualist theory of action, holding that "sensations produce ideas of sensation, these induce ideas of action, and these cause action."¹⁷ The other was the Cambridge psychologist G.F. Stout, who trained Moore, and was one of the most influential figures of the intellectualist tradition in psychology.¹⁸ Stout argued that "man constructs 'in his head,' by means of trains of ideas, schemes of action before he begins to carry them out."¹⁹ His authority in Cambridge is underscored by the fact that Keynes took over 60 pages of notes from Stout's work while preparing for the psychology section of the Civil Service Examination.²⁰

¹⁶ John Maynard Keynes's Collection, King's College Archive Center, Cambridge University, GBR/0272/JMK/UA/4/2/22.

¹⁷ Alfred Marshall, "Ye Machine," in *Cognitive Economics: Volume 1*, ed. Massimo Egidi and Salvatore Rizzello 3-19 (An Elgar Reference Collection, 2004), on 3.

¹⁸ see, Kremer, "Ryle's 'Intellectualist Legend'" (cit. n. 10).

¹⁹ G.F. Stout, *A Manual of Psychology* (University Correspondence College Press, 1899), on 266.

²⁰ John Maynard Keynes's Collection, (cit. n. 16), GBR/0272/JMK/UA/4/3.

It is difficult to know the extent to which other Bloomsbury members were familiar with the details of the intellectualism debate in psychology before the war. Nonetheless, one did not have to delve deeply into the intricacies of human psychology to form an opinion on whether human nature is reasonable. Moore's influence on the Bloomsbury group was immense. For a devoted follower of him, simply listening to him rant about Wallas, reading his *Principia Ethica*, or witnessing his astonishment at those who struggle to be effortlessly reasonable in their moral investigation could suffice to convince them that human nature is indeed reasonable.

Shortly after reading *Principia Ethica*, in October 1903, the Bloomsbury writer Lytton Strachey, who would later make a name for himself with the publication of *Eminent Victorians* (1918), wrote to Moore with effusive praise. He declared, "I date from October 1903 the beginning of the Age of Reason," adding, "I hope and pray that you realize how much you mean to us."²¹ In Keynes's words, Moore had "completely ousted" other thinkers and his "influence" on the Bloomsbury members "was not only overwhelming" but also "exciting, exhilarating," and "the beginning of a renaissance."²² It was as if Moore and anti-intellectualists such as Wallas lived in two different worlds. While Wallas was deeply concerned with the rational capacities of the "masses," Moore consistently urged philosophers to integrate "common sense" into the formulation of their philosophical views. Moore believed, "Wallas is a beastly fool" who thinks he knows "everything" and wants to "educate the masses!" He then wondered, "educate them into what?!"²³ Moore's confidence in the epistemic capacities of ordinary people manifested itself in *Principia Ethica* (1903), where he frequently asserted that one comes to know what is good by the intellectual act of *intuition*, a natural epistemic capacity. Keynes reports that at times

²¹ Lytton Strachey, *The Letters of Lytton Strachey*, ed. by Paul Levy (New York: Farrar, 2005), on 17.

²² Keynes, "My Early Beliefs" (cit. n. 1), on 435.

²³ Quoted in Paul Levy, *Moore: G.E. Moore and the Cambridge Apostles* (New York: Holt, 1979:), on 179.

the Bloomsbury members found themselves in disagreement over what good things are. If one happened to question Moore's intuition, Moore's response was to greet the other's "remarks with a gasp of incredulity" and to say, "*Do you really think that*, an expression of face as if to hear such a thing said reduced him to a state of wonder verging on imbecility, with his mouth open and wagging his head in the negative so violently that his hair shook. Oh! He [Moore] would say, goggling at you as if either you or he must be mad; and no reply was possible."²⁴

The pre-war intellectualism debate in psychology featured two legitimate positions, each offering a distinct view of human nature. Keynes and his friends implicitly aligned themselves with the intellectualist camp, embracing the belief that human nature is reasonable. Their beliefs took shape in the heavenly world of Moore, where Cambridge rationalism was at its height, where there was an optimism in the air. However, that heavenly world was no longer habitable once the war broke out. After 1914, one could hardly believe that human nature is reasonable.

2. Pessimistic Anti-Intellectualism

August 4, 1914; the United Kingdom declares war on Germany. Massive London crowds gather at Buckingham Palace to cheer. The royal family waves from the balcony. The British government relies on voluntary enlistment to build its army. A nationwide recruitment campaign is launched. The initial response is overwhelming: 300,000 men would come forward only in the first month of war. Even the War Office is surprised. Struggling to provide the necessary equipment and training for all volunteers, the authorities temporarily raise the minimum height

²⁴ Keynes, "My Early Beliefs" (cit. n. 1), on 438.

of recruits by three inches. In the first two years of the war, Britain would raise the second-largest volunteer army in history.²⁵ There appears to be *mass enthusiasm* for the war.

Such was the scene as observed by the once optimistic followers of Moore, even though we now have good reasons to think that the attribution of mass enthusiasm to British people is a simplistic generalization of their attitudes toward the 1914 war.²⁶ We shall see that the war led the Bloomsbury members and their associates to adopt the pessimistic view that human nature is *not* reasonable. Their pessimistic view was expressed in the language of anti-intellectualist psychology: they held that British citizens are unreasonable in virtue of the fact that their actions are typically driven by certain instincts, passions, and emotions. In this regard, they were aligned with a broader intellectual movement in Britain, increasingly troubled by what they perceived as a dual crisis of rationality and democracy.

“August 4, 1914;” this is the title of an unpublished note by Clive Bell, written in the early phase of war. In it, he vividly depicts how he and his friends began to perceive a growing chasm between themselves and the rest of the society, likely due to their pacifist stance on the conflict. He writes, “And now war was declared.” Almost everyone “were hurrying across Europe to join their respective armies, while we sat in the empty salon feeling dimly that life had become nonsensical.” It was not just about sitting alone; it was about losing their “faith in men.” Before the war, they believed “in the future,” they “kept the hope of a more ~~reasonable~~ rational world.” But now, of all their “losses the greatest was hope....” That “more or less rational vision” of the world had faded, and what was left to see was “the grand common hatred” driving

²⁵ G.R. Searle, *A New England? Peace and War 1886-1918* (Oxford University Press, 2004), on 664; Adrian Gregory, *The Last Great War: British Society and the First World War* (Cambridge University Press, 2008), on 9 and 73.

²⁶ See, Niall Ferguson, *The Pity of War* (The Penguin Press, 1998), chapter 7; Gregory, *The Last Great War* (cit. n. 20), chapter 1.

the “enthusiastic mass.”²⁷ In another unpublished note written in November 1914, titled “The Silly Season,” Bell writes that “during the first few months of war,” it became apparent that “men and women” had “ceased to be rational beings: their sense of reality and power of reasoning seemed to have been thrown out of gear.” This was “the first time” that Bell witnessed “the mind of a whole nation at the mercy of instinct and passion.”²⁸

Bertrand Russell, the Cambridge philosopher and a close associate of the Bloomsbury circle, who was highly respected by them for his pacifism, recounts walking the streets of London on August 3 and in the following days. He observed “cheering crowds” and “discovered” to his “amazement that average men and women were delighted at the prospect of war.” Russell found himself in “the highest possible emotional tension” during those days. The looming war filled him “with horror,” but what horrified him even more was that the “anticipation of carnage was delightful to something like ninety per cent of the population.” He recalls how “the London crowds” rapidly descended “down the slope to primitive barbarism, letting loose” their “instincts of hatred and blood.” In those days, “reason and mercy” were “swept away in one great flood of hatred.” These observations led Russell to revise his account of “human nature.”²⁹

Russell’s revised account was reflected in his *Principles of Social Reconstruction* (1915), which aimed “to suggest a philosophy of politics based upon the belief that impulse has more effect than conscious purpose in molding men’s lives.”³⁰ The book was the product of Russell’s emerging methodological insight of the time, according to which “politics could not be divorced

²⁷ Clive Bell’s Collection, Trinity College Archive Center, Cambridge University, Bell/1/3/4-5.

²⁸ Clive Bell’s Collection, (cit. n. 127), Bell/1/4/1.

²⁹ Bertrand Russell, *The Autobiography of Bertrand Russell 1914-1944* (An Atlantic Monthly Press Book, 1968), on 4, 6, 41.

³⁰ Bertrand Russell, *Principles of Social Construction* (London: George Allen & Unwin LTD., 1915), on 5.

from individual psychology.”³¹ In his interwar writings, Russell did not shy away from expressing his doubts about the explanatory power of what he came to call “an old-fashioned intellectualist psychology.”³² It is not a surprise that he counted Wallas’s *Human Nature in Politics* as an “excellent book.”³³

Russell reports that during the early phase of the war, though he was then ignorant of psychoanalysis, he independently arrived “at a view of human passions not unlike that of the psychoanalysts,” hoping this view would help him grasp the “popular feeling about the war.”³⁴ One of those psychoanalysts was most likely Freud, who revised his instinct theory in response to the war. Freud adopted the view that human aggression is an expression of innate destructive urges, which were to be captured by the concept of death instinct. He thus arrived at his dual instinct theory: human life is governed by the life instinct (Eros) and the death instinct (Thanatos).³⁵ His theory of psychology had it that one’s springs of actions are instincts and drives residing at the bottom of unconsciousness – one of the most influential theories produced within the anti-intellectualist tradition in psychology. It seems that the war led Russell to come close to Freud’s view that human aggression is an expression of the death instinct. While Russell developed an account of human nature like Freud’s without being aware of his work, the Bloomsbury members undertook a deliberate project to not only understand Freud’s work but also to introduce it to British culture. They laid the groundwork for Freud’s anti-intellectualist psychology to gain prominence in Cambridge, London, and beyond.

³¹ Russell, *The Autobiography* (cit. n. 20), on 11.

³² See, Bertrand Russell, *An Outline of Philosophy* (London: George Allen & Unwin LTD., 1927), on 2-3.

³³ Bertrand Russell, *Human Society in Ethics and Politics* (London: George Allen & Unwin LTD., 1954), on 16.

³⁴ Russell, *The Autobiography* (cit. n. 20), on 6.

³⁵ See, Louise E. Hoffman, “War, Revolution, and Psychoanalysis: Freudian Thought Begins to Grapple with Social Reality,” *Journal of the History of the Behavioral Sciences* 17, no. 2 (1981): 251-269.

The Bloomsbury member Leonard Woolf wrote a review of Freud's *Psychopathology of Everyday Life* in 1914.³⁶ He reported that "in the decade before 1924 in the so-called Bloomsbury circle there was great interest in Freud and psychoanalysis, and the interest was extremely serious."³⁷ This was a totally different Bloomsbury group from the one before the war that Keynes called "pre-Freudian" in his 1938 memoir.³⁸ Leonard Woolf and his wife Virginia played a crucial role in popularizing Freud's views inside and outside of the Bloomsbury group. They founded the Hogarth Press in 1917, which published various works of Freud in the 1920s, edited and translated by the other Bloomsbury member James Strachey.

Leonard Woolf's interwar political writings consistently presented a bleak assessment of the state of reason in Europe. He employed psychological insights to analyze social and political structures, believing that society and politics must be understood with the recognition that individuals are, by and large, not rational or reasonable. In his words, "all of us are politically not rational animals."³⁹ His books on politics, including *After the Deluge* (1931), *Quack Quack* (1935), and *Barbarians at the Gate* (1938), served an overarching purpose: acknowledging the irrationalities of the masses, helping them to find their rational capacities, and bringing positive political change as a result.⁴⁰

The Bloomsbury members and their associates were not alone. They were part of a larger British intellectual milieu who were highly concerned with the rational status of citizens after the war. Matthew Sterenberg convincingly shows that there was a prevailing sense during the interwar period that Britain, and indeed Europe as a whole, was teetering on the edge of a crisis

³⁶ Leonard Woolf, *Beginning Again: An Autobiography of the Years 1911-1918* (The Hogarth Press, 1964), on 167.

³⁷ Leonard Woolf, *Downhill All the Way: An Autobiography of the Years 1919 to 1939* (Harcourt, 1967), on 164.

³⁸ Keynes, "My Early Beliefs" (cit. n. 1), on 448.

³⁹ Leonard Woolf, *The War for Peace* (Garland Publishing, 1940 [1972]), on 121fn1, see also, 240-241.

⁴⁰ See, Lise Butler, *Leonard Woolf and the Politics of Reason in Interwar Britain* (Queen's University, 2010), chapter 3.

of rationality. There was too much to be worried about, including the rise of fascism and the relative success of propaganda, that seemed to threaten the very foundations of democracy. In response, a broad spectrum of British thinkers embarked on educational initiatives aimed at cultivating human rationality, with the hope of contributing to the improvement of social and political life. Russell and the London-based philosophers Susan Stebbing and John Macmurray were representatives of this intellectual movement. They delivered lectures, authored books, penned articles for periodicals, and participated in radio programs, all with the aim of teaching British citizens how to reason, thereby enabling them to fulfill their roles as rational participants in a proper democratic society. British thinkers were highly concerned with what might be termed the politics of rationality during the interwar years.⁴¹

But any educational initiative aiming to cultivate reasonable citizens had to begin with an assumption about what it takes to be reasonable. As Sterenberg notes, a recurring theme in the interwar efforts to promote rational citizenship was the emphasis on cultivating a balanced relationship between emotions and reason, rather than encouraging their separation. Russell, for instance, argued that “desirable emotions” are integral to the character development of rational citizens, and Stebbing ruled out the idea that “a strong emotion is incompatible with thinking clearly.”⁴²

Nonetheless, the secondary literature on the history of intellectualism in psychology and epistemology suggests that proponents of anti-intellectualist psychology, which included both

⁴¹ Matthew Sterenberg, “John Macmurray and the Politics of Rationality in interwar Britain,” *History of European Ideas* 45, no. 5 (2019): 737-753; Matthew Sterenberg, “Reason, Emotion, and the Crisis of Democracy in British Philosophy of the 1930s,” *Philosophies* 9, no. 22 (2024).

⁴² Quotations could be found in Sterenberg, “Reason, Emotion” (cit. n. 41).

Russell and Stebbing, defended normative intellectualism between the wars.⁴³ They consistently adhered to the claim that it is the employment of intellectual operations of mind that renders one's actions reasonable. The occasional friendly tone of figures like Russell and Stebbing regarding the role of emotions in rational life should not be misconstrued as a desire to incorporate emotions into the domain of reason. Their point was that certain emotions, under specific circumstances, could aid or at least not impede the performance of reason. Sterenberg offers us a fresh insight by showing that the work of Russell, Stebbing, and Macmurray, among others, were exercises of the politics of rationality. However, we should be careful to discern their conceptual commitments concerning what constitutes reason or rationality. In *Reason and Emotion* (1935), Macmurray went so far as to predicate rationality on feelings and emotions, arguing that “feelings can be rational or irrational in precisely the same way as thoughts, through the correctness or incorrectness of their reference to reality” and that “reason is primarily an affair of emotion.”⁴⁴ He thus ruled out the thesis that the domain of reason is exhausted by human intellect. If Clive Bell rejected normative intellectualism in the specific domain of aesthetics, Macmurray rejected that thesis in all domains. His was a position much more radical than the one advocated by the normative intellectualists Russell and Stebbing.

The experience of war in fact further strengthened the determination of normative intellectualism advocates to safeguard their thesis against its opponents. Russell and Leonard Woolf, among others, either played a role in propagating or reflected on the narrative that kept warning about “the revolt against reason.”⁴⁵ Promoters of this narrative believed that those

⁴³ See, Kremer, “Ryle’s ‘Intellectualist Legend’” (cit. n. 10); Bryan Pickel, “Susan Stebbing’s Intellectualism,” *Journal for the History of Analytical Philosophy* 10, n. 4 (2022); Soroush Marouzi, “Frank Ramsey’s Anti-Intellectualism,” *Journal for the History of Analytical Philosophy* 12, n. 2 (2024).

⁴⁴ John Macmurray, *Reason and Emotion* (Humanity Books: Amherst, NY, 1935 [1992]), on 11.

⁴⁵ See, Bertrand Russell, “The Revolt Against Reason,” *The Political Quarterly* 6, n. 1 (1935): 1-19; see also, Woolf’s 1955 issue in *Political Quarterly* titled “The Revolt Against Reason.” Outside of the Cambridge-

philosophers or social theorists calling citizens to be guided by their faith or emotions, intentionally or unintentionally, encourage citizens to be unreasonable, and thus their unsound epistemological position is responsible for the unfortunate political state of the world.

We have seen that, before the war, participants of both sides of the intellectualism debate in psychology were committed to the conceptual claim that the domain of reason is exhausted by human intellect. During the war years, this conceptual commitment manifested itself when the prominent debating society of the Cambridge Apostles (the members of which included Russell, Keynes, Lytton Strachey, and some other Bloomsbury members) discussed the question “Instinct or Reason?”⁴⁶ After the war, the same conceptual commitment could be frequently found in academic circles, mainstream periodicals, and radio programs: Russell argued that “rational conduct generally involves some *control* of the emotions,” Woolf explored whether “rationalism in politics has failed and that its place is universally being taken by emotion,” Lytton Strachey wrote on how “a psychology that was dominated by emotion instead of reason” was treated in the past and found it difficult “to balance instinct and reason,” there was a heated debate on the revolt against reason in scholarly works and newspapers, and BBC aired a broadcast on “Reason and Emotion.”⁴⁷ Before, during, and after the Great War, very little changed regarding the

Bloomsbury intelligentsia under this study, other figures involved with this narrative included Ralph Barton Perry and Karl Popper - see, Kremer, “Ryle’s ‘Intellectualist Legend,’” (cit. n. 10), on 21fn9. We can also add Morris R. Cohen and John Herman Randall to the list – see, Morris R. Cohen, *Reason and Nature* (Harcourt: New York, 1931); John Herman Randall, “This So-Called Revolt Against Reason,” *The American Scholar* 5, n. 3 (1936): 347-360. This narrative attracted the attention of economists, too, when Ludwig von Mises devoted a full chapter of his *Human Action: A Treatise on Economics* (1949) to “Economics and the Revolt Against Reason,” a theme that F.A. Hayek picked up in his later work – see, F.A. Hayek, *Law, Legislation and Liberty: Volume I* (The University of Chicago Press, 1973), chapter 1.

⁴⁶ Minutes of the Cambridge Apostles Society, King’s College Archive Center, Cambridge University, GBR/0272/KCAS/39/1/15; emphasis added. The meeting was held on November 21, 1914. Moore responded Reason. Keynes abstained from voting, perhaps an indication of his unsettled mind during this period.

⁴⁷ Bertrand Russell, *Education and the Social Order* (London: George Allen, 1932), on 222-223, emphasis added; Leonard Woolf, “Is there a Revolt Against Reason?” in *the Political Quarterly* Volume 26, Issue 3, July 1955, 109; Lytton Strachey, *Elizabeth and Essex* (Harcourt: New York, 1928), on 254; From Strachey’s letter to Mary Hutchinson, dated July 4th, 1929, in Strachey, *The Letters* (cit. n. 23), on 603; for a discussion of the BBC program, see Butler, *Leonard Woolf* (cit. n. 40), on 28.

dominant view of the domain of reason and rationality within the Bloomsbury circle, and, indeed, in Britain. It was widely assumed that there is a conceptual distinction between reason and rationality, on the one hand, and instinct and emotion, on the other. Normative intellectualism prevailed.

As far as the Bloomsbury members and their associates are concerned, after the war, their perspective of human psychology shifted from intellectualism toward anti-intellectualism. Their conceptualization of human reason, however, relatively persisted without modification. Intellectualism lost its currency as a descriptive thesis of human psychology, but its normative significance survived the war. That said, the outbreak of the Great War replaced their *optimistic intellectualism* with *pessimistic anti-intellectualism*. It was in this evolving intellectual context that Ramsey and Keynes were busy with crafting their philosophy and economics.

3. Living Under the Shadow of Pessimistic Anti-Intellectualism

Ramsey was a school-boy at Winchester during the war years. The school underwent a transformation into an army camp and a hospital site, significantly disrupting the students' daily life.⁴⁸ The young Ramsey showed signs of attraction to anti-intellectualist psychology around this time. He read and wrote on Wallas and McDougall, asserting in a student essay that "social instincts" are the basis of "the moral and intellectual consciousness of man."⁴⁹

Ramsey started his undergraduate degree in mathematics at Cambridge University in the autumn of 1920, when Keynes was putting the last touches on the final draft of his *A Treatise on*

⁴⁸ Cheryl Misak, *Frank Ramsey: A Sheer Excess of Powers* (Oxford University Press, 2020), on 26-52.

⁴⁹ Frank Plumpton Ramsey Papers, Archives of Scientific Philosophy, University of Pittsburgh Library System, ASP/FPR.1983.01: 007-02-02; for details, see, Marouzi, "Frank Ramsey's Anti-Intellectualism" (cit. n. 43).

Probability (1921). Ramsey read Keynes's book carefully as soon as it was published, taking nearly 30 pages of notes.⁵⁰ We will see that he began expressing his worries about Keynes's system of probability beginning in January 1922, sometimes in private conversations with a friendly tone, sometimes in public. Keynes was a Bloomsbury intellectual, one of those who knew well that your intimate friends could be your most persistent critics. Ramsey's criticism did not spark any hostility from Keynes's side; it rather contributed to the formation of an intimate friendship that if not lasted more than about 8 years, it was only because Ramsey died early, at the age of 26, in January 1930 – “a heavy loss,” Keynes said, which “will take... long to forget.”⁵¹

Once Ramsey became fully integrated in the intellectual context of Cambridge, his favorite psychologist became Freud. In January 1924, he gave a talk to the Apostles Society, asserting that Freud's psychology is much more advanced than Mill's.⁵² A few months later, he went to be psychoanalyzed by Theodor Reik (Freud's student and colleague) in Vienna.⁵³ During his trip, he wrote to his mother that he has “read a great deal of psychoanalytic literature,” and that he has become “an enthusiast for psychoanalysis.”⁵⁴ Shortly after his return to Cambridge, Ramsey, along with a few Bloomsbury members, became a formative member of the 1925 Psych An Society group, a group dedicated to the discussion of recent works of the Freudian tradition.⁵⁵ Around this time, he delivered a few talks to the Apostles Society defending the explanatory

⁵⁰ See, Frank Plumpton Ramsey Papers (cit. n. 33), ASP/FPR.1983.01: 007-01-01.

⁵¹ John Maynard Keynes, “Frank Ramsey.” In John Maynard Keynes, *The Collected Writings of John Maynard Keynes (Volume X: Essays in Biography)*, ed. by Austin Robinson and Donald Moggridge 335-346 (Cambridge University Press, 1931 [2013]), on 335-336.

⁵² Frank Ramsey, “An Imaginary Conversation with John Stuart Mill.” In Frank P. Ramsey, *Notes on Philosophy, Probability and Mathematics*, ed. by Maria C. Galavotti 302-312 (Naples, Italy: Bibliopolis-Edizioni, 1924 [1990]), on 308.

⁵³ Misak, *Frank Ramsey* (cit. n. 32), on 150-177.

⁵⁴ Laurie Kahn Ramsey Collection, Thomas Fisher Rare Book Library, University of Toronto, TFL MS/COLL/735, 3/3.

⁵⁵ John Forrester and Laura Cameron. *Freud in Cambridge*, (Cambridge University Press, 2017), chapter 6.

power of Freud's psychology and using it as a basis of his welfare policy appraisal.⁵⁶ We will see that when Ramsey developed his pragmatist philosophy, he continued to embrace an anti-intellectualist account of human nature, holding that human actions are typically guided by instincts or habits. He was a close friend of the Bloomsbury members when they had come to acknowledge the long distance between their desired heaven and the existing earth, when they were attracted to Freud's pessimism, not Moore's optimism. Ramsey lived under the shadow of pessimistic anti-intellectualism.

Keynes breathed the very Cambridge air that Ramsey breathed. He repeatedly voiced his regret in his 1938 memoir: before the war, the Bloomsbury members, including himself, "completely misunderstood human nature," held a "pseudo-rational view of human nature," and had "no solid diagnosis of human nature".⁵⁷ Richard Braithwaite, a Cambridge philosopher with close connection with the Bloomsbury group, aptly characterized "the genuine volte-face reported" in Keynes's memoir as "the abandonment," around 1914, "of the belief that 'human nature is reasonable.'"⁵⁸ After the war, Keynes made his point by using the metaphor of human heart: "as the years wore on towards 1914, the thinness and superficiality, as well as falsity, of our view of man's heart became, as it now seems to me, more obvious."⁵⁹

Keynes's economic writings in the second half of the 1920s reveal clear signs of attraction to anti-intellectualist psychology. He said that "the essential characteristic of capitalism" is its "dependence upon an intense appeal to the money-making and money-loving

⁵⁶ Soroush Marouzi, "Frank Plumpton Ramsey and the Politics of Motherhood," *Journal of the History of Economic Thought* 44, no. 4 (2022): 489-508; Marouzi, "Frank Ramsey's Anti-Intellectualism" (cit. n. 10).

⁵⁷ Keynes, "My Early Beliefs" (cit. n. 1), on 448-9.

⁵⁸ Richard Braithwaite, "Keynes as a Philosopher," in *Essays on John Maynard Keynes*, ed. Milo Keynes, 237-246 (Cambridge University Press, 1975), on 245.

⁵⁹ Keynes, "My Early Beliefs" (cit. n. 1), on 449.

instincts of individuals as the main motive force of the economic machine,”⁶⁰ that businessmen fail to sublimate “their abundant *libido*,”⁶¹ and that we should appeal to “Dr Freud” to understand the “peculiar reasons deep in our subconsciousness” that explain “why gold in particular satisfy strong instincts and serve as a symbol.”⁶²

In *The General Theory of Employment, Interest and Money* (1936), Keynes lists five “motives” to consumption: “Enjoyment, Shortsightedness, Generosity, Miscalculation, Ostentation and Extravagance.” He also finds eight “motives” for saving: “Precaution, Foresight, Calculation, Improvement, Independence, Enterprise, Pride and Avarice.”⁶³ He mentions these exact eight motives for saving in one of his 1934 lectures, in which he discusses spending behavior in terms of habit, claiming that “the *habit* or propensity to spend... depends upon” the eight motives for saving.⁶⁴ His choice of the term “habit” is not an accident – he uses the term in the very same way for at least five times in this lecture. In a lecture given in the following year, Keynes mentions three motives for liquidity preference, which are transaction motive, precautionary motive, and speculative motive, and then goes on to claim that “in the long run,”

⁶⁰ John Maynard Keynes, “The End of Laissez-Faire.” In John Maynard Keynes, *The Collected Writings of John Maynard Keynes (Volume IX: Essays in Persuasion)*, ed. by Austin Robinson and Donald Moggridge 272-294 (Cambridge University Press, 1926 [2013]), on 293.

⁶¹ John Maynard Keynes, “Clissold.” In John Maynard Keynes, *The Collected Writings of John Maynard Keynes (Volume IX: Essays in Persuasion)*, ed. by Austin Robinson and Donald Moggridge 315-230, (Cambridge University Press, 1927 [2013]), on 320.

⁶² John Maynard Keynes, *A Treatise on Money (Volume II: The Applied Theory of Money)*. In John Maynard Keynes, *The Collected Writings of John Maynard Keynes (Volume VI: A Treatise on Money in Two Volumes)*, ed. by Austin Robinson and Donald Moggridge, (Cambridge University Press, 1930 [2013]), on 258. For details, see, Ted Winslow, “Keynes on the Role of the ‘Insane and Irrational Springs of Wickedness’ in War.” In *Economists and War*, ed. by Fabrizio Bientinesi and Rosario Patalano 189-206 (Routledge, 2017).

⁶³ John Maynard Keynes, *The General Theory of Employment, Interest and Money*. In John Maynard Keynes, *The Collected Writings of John Maynard Keynes (Volume VII: The General Theory of Employment, Interest and Money)*, ed. by Austin Robinson and Donald Moggridge, (Cambridge University Press 1936 [2013]), on 108.

⁶⁴ John Maynard Keynes. *Keynes’s Lectures: 1932-35*, ed. by Thomas K. Rymes (Palgrave MacMillan, 1989), on 147, emphasis added.

transaction motive “will depend upon changes in *banking habits*.”⁶⁵ He believed that motives in economic behavior go way beyond the intellectual acts of mind.

Keynes’s skepticism toward intellectualist psychology in economic environments is clearly reflected in one of his widely quoted remarks in *The General Theory*. He claims that “the characteristic of human nature” is that “most” investment “decisions” of entrepreneurs in real capital are driven by “animal spirits.” He specifies animal spirits as “our innate urge to activity which makes the wheels go round,” explicitly contrasting it with calculative thinking to find the expected values of outcomes.⁶⁶

There are concrete suggestions in the Keynes scholarship as to the major sources of inspiration for Keynes’s psychology of economic behavior: Craufurd D. Goodwin and Kevin D. Hoover cite the Bloomsbury group, Ted Winslow points to Freud, and Bradley W. Bateman and Bill Gerrard reference Ramsey.⁶⁷ There seems to be a grain of truth in all these narratives. By and large, these figures were all active members of the interwar orthodoxy of pessimistic anti-intellectualism. Keynes’s distinctive contribution to this orthodoxy laid in broadening its domain of application - introducing anti-intellectualist psychology to economic theory. That said, the interwar orthodoxy of pessimistic intellectualism shaped the psychology of Keynes’s economics,

⁶⁵ Keynes, *Keynes’s Lectures* (cit. n. 47), on 175, emphasis added.

⁶⁶ Keynes, *The General Theory* (cit. n. 46), on 161-163.

⁶⁷ Craufurd D. Goodwin, “The Impact of Bloomsbury on John Maynard Keynes.” In *Back to Bloomsbury: Selected Papers from the Fourteenth International Conference on Virginia Woolf*, ed. by Gina Potts and Lisa Shahriari, (The Center for Virginia Woolf Studies Housed at California State University, 2008); Craufurd D. Goodwin, “Maynard Keynes of Bloomsbury.” In “John Maynard Keynes of Bloomsbury: Four Short Talks,” Economic Research Initiatives at Duke (ERID), Research Paper no. 23, February 24, 2009, <http://ssrn.com/abstract=1348679>. Kevin D. Hoover, “Keynes and Economics.” In “John Maynard Keynes of Bloomsbury: Four Short Talks,” Economic Research Initiatives at Duke (ERID), Research Paper no. 23, February 24, 2009, <http://ssrn.com/abstract=1348679>; Winslow, “Keynes” (cit. n. 45); Bradley W. Bateman, “Pragmatism and Probability: Re-examining Keynes’s Thinking on Probability.” *Journal of the History of Economic Thought* 43, n. 4 (2021): 619-632; Bill Gerrard, “Ramsey and Keynes Revisited.” *Cambridge Journal of Economics* 47, n. 1 (2023): 195-213; “Keynes, Ramsey, and Pragmatism.” *Journal of the History of Economic Thought* 47, n. 1 (2023): 195-213.

as much as it shaped the political psychology of Woolf and Russell, and the philosophy of Ramsey.

4. What is Rational Belief in the End?

Ramsey and Keynes lived under the shadow of pessimistic anti-intellectualism. But they soon looked for the sunlight. In this section, I discuss what I take to be the most plausible motivations behind Ramsey's and Keynes's move toward alternative views. In the remaining sections, I discuss what those alternative views entailed.

It all started from Keynes's characterization of rational belief that appeared in *A Treatise on Probability* (1921). *A Treatise* presents what is known as a *logical* interpretation of probability, as it takes probabilities to be a matter of logical relations between propositions. The probability relation, Keynes argues, is a degree to which one proposition (premise) warrants the truth of another proposition (conclusion). The probability relation thus conceived has nothing to do with one's subjective degree of belief, or the frequency of events, or whatever non-logical elements that other interpretations of probability might invoke. Keynes's probability relation is objective, fixed, and not "subject to human caprice" or "opinion."⁶⁸

Keynes's conception of the ontology of probability relations provides the ground for his account of rational belief. One may hold that a premise *P* warrants the truth of a conclusion *C* to a degree. This degree of belief is rational if, and only if, it corresponds to the objective, fixed probability relation that in fact holds between *P* and *C*.⁶⁹ But how come one is to grasp

⁶⁸ John Maynard Keynes, *A Treatise on Probability*. In John Maynard Keynes, *The Collected Writings of John Maynard Keynes (Volume XIII: A Treatise on Probability)*, ed. by Austin Robinson and Donald Moggridge (Cambridge University Press, 1921 [2013]), on 4.

⁶⁹ Keynes, *A Treatise* (cit. n. 52), on 6-8, 10-12, 17.

probability relations? Keynes's answer would be short: by the intellectual act of *intuition*.⁷⁰

Keynes thus expanded Moore's epistemology: intuition could grasp not only goodness but also probability relations. Ramsey worried that Keynes's probability relation was like Moore's "objective or intrinsic good;" it was "a mysterious entity not easy to identify."⁷¹

A Treatise was a product of a mind in change, for Keynes started writing this book in 1906 (when he believed in Moore's optimism) and finished it in 1920 (when he no longer retained that optimism). Moore's optimism, in Keynes's words, entailed that "human race... consists of reliable, rational, decent people..., who can be safely released... to their own... reliable intuitions of the good."⁷² From this it follows that Keynes began his project on probability with the belief that people are capable of forming reliable intuitions about probability relations, but he ended it with growing skepticism about this very idea. We can trace Keynes's shifting perspective by comparing pre-war drafts of *A Treatise* with the post-war published version of the book.⁷³ The central claims and themes of *A Treatise*, including Keynes's characterization of the ontology of probability and his account of rational belief discussed earlier, can be traced back to these pre-war drafts. Nonetheless, there is at least one passage with important implications for Keynes's account of rationality that only appears in the published version of the book, implying that Keynes added it sometimes after his war experience. This passage reveals Keynes's skepticism regarding people's epistemic capacity of forming reliable

⁷⁰ For details, see, Rod O'Donnell, "The Epistemology of J.M. Keynes," *The British Journal for the Philosophy of Science* 41, n. 3 (1990): 333-350.

⁷¹ Frank Ramsey, "Paper to the Society – Autumn 1922." In Frank P. Ramsey, *On Truth*, ed. by Nicholas Rescher and Ulrich Majer 120-123, (Springer Science & Business Media, 1922 [1991]), on 122; see also, Frank Ramsey, "Truth and Probability." In Frank Ramsey, *F.P. Ramsey: Philosophical Papers*, ed. by D. H. Mellor 52-94, (Cambridge University Press, 1926 [1990]), on 57.

⁷² Keynes, "My Early Beliefs," (cit. n. 1), on 447.

⁷³ Only two complete drafts of *A Treatise* have survived, dated 1907 and 1908. These drafts were originally submitted as Keynes's King's College dissertation fellowships, from which *A Treatise* was born. I select these two drafts as the basis of my comparison. John Maynard Keynes's Collection, (cit. n. 16), GBR/0272/JMK/TP/A-C.

intuitions of probability: after admitting that in some cases “the weakness of our reasoning power prevents our knowing what this [probability relation] is,” Keynes says, “the degree of probability, which it is rational for us to entertain” is “relative to human powers” and what we are capable of “comprehending.”⁷⁴

Keynes appears to have eventually failed to come up with a consistent view. His remark above (that the concept of rational belief must be sensitive to the agent’s limited epistemic capacities) is in contrast with his characterization of rational belief appeared in the earlier part of the book (that says a degree of belief is rational if, and only if, it corresponds to the relevant probability relation). This charge of inconsistency should not be understood as my original criticism of Keynes’s work. The original element of this story has to do with how this inconsistency came about: Keynes of *A Treatise* had one foot in Moore’s distant heaven and the other in the post-war existing earth; his changing conception of human nature around 1914 led him to present an inconsistent account of rational belief. Ramsey was alert to this tension within Keynes’s work and did his best to bring him completely down to earth.

Ramsey’s most articulated criticism of Keynes’s system of probability appeared in “Truth and Probability” (1926). In it, having quoted Keynes’s passage above, Ramsey says, “this passage seems to me quite unreconcilable with the view which Mr Keynes adopts everywhere except in this and another similar passage.”⁷⁵ Ramsey expressed different variations of this concern in at least three other instances: in his private notes on *A Treatise*, his review of the book published in January 1922, and a private letter he sent to Keynes on February 2, 1922.⁷⁶ He took

⁷⁴ Keynes, *A Treatise* (cit. n. 52), on 35.

⁷⁵ Ramsey, “Truth and Probability” (cit. n. 55), on 60.

⁷⁶ Frank Ramsey, *Notes on Philosophy, Probability and Mathematics*, ed. by Maria Carla Galavotti, (Naples: Bibliopolis, 1991), on 274; Frank Ramsey, “Mr Keynes on Probability.” *The British Journal for the Philosophy of Science* 40, n. 2 (1922 [1989]): 219-222, on 220; John Maynard Keynes’s Collection, (cit. n. 16), KCA/JMK/TP/1/1/9395.

the inconsistency in Keynes's view seriously. We will see that his pragmatism was to demonstrate how such inconsistency could be avoided. He agreed with Keynes's post-1914 view that a proper account of rationality must be sensitive to limitations of people's epistemic capacities. However, he remained unconvinced that such an account could be built upon Keynes's system of probability.

Ramsey offered additional critical commentary on Keynes's work on probability.⁷⁷ But for the purpose of this discussion, it is his concern with Keynes's formulation of rationality that is most significant, as it suggests that Ramsey had compelling reasons to seek an alternative account of rationality. The ground was ready. He turned to pragmatism.

5. Pragmatism Comes to Cambridge

In January 1924, just weeks before travelling to Vienna to be psychoanalyzed, Ramsey devoted extensive time to studying C.S. Peirce's work on pragmatism.⁷⁸ He would soon develop his own version of pragmatism. Here I confine my discussion to his pragmatist accounts of human nature and rationality.

Ramsey is known as one of the founders of the modern Bayesian decision theory. This is because his joint axiomatization of probability and utility in "Truth and Probability" (1926) laid out the ground for one of the earliest versions of what is now known as the subjective expected utility framework. This theory models one's decision-making based on the idea that "a person's actions are completely determined by his desires and opinions."⁷⁹ Ramsey imposes two distinct

⁷⁷ The curious reader should consult the literature on the Ramsey-Keynes exchange on probability; see, e.g., Bradley W. Bateman, "Keynes's Changing Conception of Probability," *Economics & Philosophy* 3, n. 1 (1987): 97-119.

⁷⁸ Misak, *Frank Ramsey* (cit. n. 32), on 144.

⁷⁹ Ramsey, "Truth and Probability" (cit. n. 55), on 69.

structural constraints on the agent's decision-making process. First, the agent's mental content (i.e. desires and beliefs) must satisfy a set of axioms. For instance, the agent's desires are well-defined and rank-ordered, and the agent's degrees of belief obey the axioms of probability theory. Second, the agent's choice behavior is governed by a simple rule: pick the course of action with the highest amount of expected utility. I shall argue below that Ramsey took this decision theory to have both *limited explanatory power and limited normative force*. This will lay the foundation for a clearer understanding of his pragmatist accounts of human nature and rationality.

Shortly after presenting his decision theory, Ramsey calls it a “fiction” or an “artificial system of psychology,” which only gives us “a useful approximation to the truth particularly in the case of our self-conscious or professional life.” If we are looking for a more accurate psychological theory of human behavior, he claims, we are better to turn to a theory that accounts for “unconscious desires and unconscious opinions;” that is, Freud's theory of psychology.⁸⁰ Ramsey thus believed his decision theory has a limited explanatory power of human behavior. He invented this theory because it was a helpful methodological tool to address some theoretical problems in economics, not because it explained the psychology of human behavior.⁸¹

One might be tempted to argue that while Ramsey's theory may have a limited explanatory power of human behavior, it provides a clear criterion for what should be counted as rational behavior. The pragmatist Ramsey would disagree, for he believed that such a criterion of rationality fails to account for human nature and, consequently, becomes impractical in daily life.

⁸⁰ Ramsey, “Truth and Probability” (cit. n. 55), on 69.

⁸¹ See, Pedro G. Duarte and Cheryl Misak, “Frank Ramsey's Place in the History of Mathematical Economics: Not What You Think,” *Cambridge Journal of Economics* 46, n. 1 (2022): 41-56.

Ramsey says that “it is the business of logic to tell us what we ought to think” or “what it would be reasonable to believe.”⁸² He then calls the logic suggested by his decision theory “formal logic” or “the logic of consistency.” This is most likely because, on the normative interpretation of this theory, one *ought* to hold a belief-system that satisfies the axioms of probability theory, and satisfying these axioms brings consistency to the belief-system. In fact, Ramsey famously showed that one who holds such a consistent belief system would not be willing to accept a set of bets that leads her to a systematic loss, come what may.

Nonetheless, Ramsey clearly denied that the logic of consistency is his favored norm of rationality. His chief concern was that even if “we wish to be consistent,” we would not “always able to be.” He asks us to consider an extreme example. Suppose that there is a true mathematical proposition “whose truth or falsity cannot as yet be decided” by us. What is the rational degree of belief in the truth of this proposition? If we adopt the logic of consistency as a norm of rationality, we must be committed to the claim that the rational degree of belief in this proposition is 1, for this proposition, in principle, could be deductively derived from some basic mathematical propositions that we already know. This is, according to Ramsey, what “Mr Keynes’ system” of probability suggests. He then disagrees with the suggestion, holding that in this case, “it may humanly speaking be right to entertain a certain degree of belief in” the unproven mathematical proposition “on inductive or other grounds.”⁸³

Ramsey’s point becomes clearer when we examine his private letter to Keynes dated February 2, 1922. He wrote this letter when the so-called “last theorem” of the esteemed mathematician Pierre de Fermat had yet to be proven. (The theorem was eventually proved by

⁸² Ramsey, “Truth and Probability” (cit. n. 55), on 80, 89.

⁸³ Ramsey, “Truth and Probability” (cit. n. 55), on 87.

the Oxford mathematician Andrew Wiles in 1994). He tells Keynes that on his system of probability the rational degree of belief in Fermat's last theorem (if true) is 1. Ramsey, however, suggests that in such cases, we must take our "lack of mathematical ability" into account and look for another ground for rational belief. He asks us to suppose that "Fermat died having asserted 6 mathematical propositions without proof, of which 5 had been subsequently proved." He then suggests that we may use this piece of evidence as the ground of our inductive inference to hold that it is highly probable that the Fermat's last theorem will be proved like his previous ones. For Ramsey, such a degree of belief is *rational* to hold, be it falling short of the certainty that the logic of consistency demands in this case.⁸⁴

Thus, in "Truth and Probability" (1926), Ramsey reiterates the critical point made in his 1922 letter, implying that Keynes failed to offer a convincing response to him during these four years. Ramsey's mind was clearly busy articulating an alternative account of rationality in this period, an account that he eventually presented in his piece in 1926. After reiterating his critical point, Ramsey concludes that "this point seems to me to show particularly clearly that human logic or the logic of truth, which tells men how they should think, is not merely independent of but sometimes actually incompatible with formal logic."⁸⁵ Recall the structure of Ramsey's argument against adopting formal logic as our normative guideline: *even if* we wish to be rational in the sense suggested by formal logic, *we are not always able* to be. He was against the norms of rationality that were "too high a standard to expect of mortal men" and suggested that "we must agree that some degree of doubt or even error may be humanly speaking justified."⁸⁶ Ramsey's negative treatment of the normative force of formal logic is an apt indication of his

⁸⁴ John Maynard Keynes's Collection, (cit. n. 16), KCA/JMK/TP/1/1/93-95.

⁸⁵ Ramsey, "Truth and Probability" (cit. n. 55), on 87, emphasis added.

⁸⁶ Ramsey, "Truth and Probability" (cit. n. 55), on 80.

pragmatic approach, which aimed to render philosophical concepts relevant and useful to everyday life experiences. He wanted to ground his account of rationality on what he took to be the right account of human nature - what his *human* logic was supposed to offer. For Ramsey, to be rational was to take our very human nature into account, and only then, from that angle, look for possible options for improvement.

Ramsey's characterization of his preferred norm of rationality (or human logic) starts with the following advice: "consider the human mind and what is the most we can ask of it."⁸⁷ He then adds in a footnote: "what follows to the end of the section is almost entirely based on the writings of C.S. Peirce."⁸⁸ The first thing coming from Peirce is his account of human nature, the account grounded on anti-intellectualist psychology: "the mind works essentially according to general rules or habits," where "habit" means "simply rule or law of behavior, including instinct." This fact about human nature leads Ramsey to "state the problem of the ideal" as follows: "what habits in a general sense would it be best for the human mind to have?" He suggests us to narrow down our focus on a "fairly definite conception of human nature" by examining human habits on a case-by-case basis. He subsequently discusses the habits of forming opinion, inference, observation, memory, and induction.⁸⁹ The best kind of habits, for Ramsey, are "useful habits," those that serve our purposes and lead us to successful actions.⁹⁰ Thus, to be reasonable, on Ramsey's account, is to possess a complex nexus of habits, which dispose us to meet the future well.⁹¹

⁸⁷ Ramsey, "Truth and Probability" (cit. n. 55), on 90.

⁸⁸ Ramsey, "Truth and Probability" (cit. n. 55), on 90fn2.

⁸⁹ Ramsey, "Truth and Probability" (cit. n. 55), on 90-4.

⁹⁰ Ramsey, "Truth and Probability" (cit. n. 55), on 93-4.

⁹¹ Frank Ramsey, "General Propositions and Causality." In Frank Ramsey, *F.P. Ramsey: Philosophical Papers*, ed. by D. H. Mellor 145-163, (Cambridge University Press, 1929 [1990]), on 149.

There is something quite unusual about Ramsey's pragmatism given the intellectual context of the time: he predicates reasonability on habits, and thus expands the domain of reason beyond human intellect. Ramsey was in fact very clear on this point. In the last section of "Truth and Probability" (1926), he discusses various senses of the word "reasonable." Sometimes "to be reasonable means to think like a scientist, or to be guided only by ratiocination and induction or something of the sort (i.e., reasonable means reflective)." We use this sense of the word "when we contrast reason and superstition or instinct." Nonetheless, Ramsey favors another sense of reasonableness: if we investigate "the root of why we admire the scientist," we will see that the scientist's beliefs are the outcomes of certain "mental habit[s]."⁹² This aspect of his pragmatism was inspired by his reading of Peirce. He writes, "Following Peirce, we predicate it [reasonableness] of a habit not of an individual judgment."⁹³ For Ramsey, there was no contrast between reason or rationality, on the one hand, and habit or instinct, on the other. He was busy with crafting his account of reasonability at a time when the controversy over "the revolt against reason" had become a matter of public debate, and before the history of reason and rationality became dominated by the allure of rules-as-algorithms.

The Nation and Athenaeum, a popular weekly newspaper, featured a series of five essays penned by the British economist and social scientist J.A. Hobson across its issues from October to December 1925. The topic of the second essay, printed on November 14th, was evident from its title: "The Revolt Against Reason." Hobson belonged to the British intellectual milieu who were concerned with the rational capacities of citizens. In September 1920, he wrote an article for *Political Science Quarterly*, arguing that the war came as a surprise because "human relations

⁹² Ramsey, "Truth and Probability" (cit. n. 55), on 90fn2.

⁹³ Frank Ramsey, "Reasonable Degree of Belief" (cit. n. 69) on 97.

were believed to be grounded in rationality.”⁹⁴ The November 28th issue of *The Nation* featured a letter to the editor titled “The Revolt Against Reason.” In it, the author asserted that Hobson’s view implies “the rigid demarcation between reason and instinct.” The next issue of *The Nation*, on December 5th, printed Hobson’s reply in which he denied the view attributed to him, implying that he eventually took a position like Macmurray’s. Hobson’s series of essays appeared on pages of *The Nation* when Keynes was its chairman and Leonard Woolf was its literary editor. These essays would later be published by the Woolfs’ Hogarth Press in 1926, titled “Notes on Law and Order.”

BBC aired a program on “What Society Means” on November 23, 1927, featuring the Cambridge graduate journalist Kingslay Martin, a close friend of Ramsey. The program’s description had it that “if men were altogether rational and applied their logical powers to every day idea presented to them, this would be a very different world.” But this was taken to be mere an expression of a dream: “Actually, reason is often suspended in favor of traditional loyalties, instincts, and prejudices.” Martin was invited to address this topic two weeks after he discussed “Human Nature and Politics” in the same program.⁹⁵ Ramsey’s pragmatism embodied his response to widespread concerns on what constitutes rationality and how it could be cultivated.

Ramsey’s presentation of formal logic and his comfortable shift toward human logic as his preferred norm of rationality marks a pivotal moment in the history of rationality. This shift would become anything but comfortable in the decades following his death. Since the mid-twentieth century, at least in much of Europe and the United States, the dominant conception of rationality evolved into more sophisticated variants of what Ramsey called formal logic: a rule-

⁹⁴ J.A. Hobson, “Why the War Came as a Surprise.” *Political Science Quarterly*, 35, n. 3 (1920): 337-359, on 338.

⁹⁵ See, *The Radio Times*, issues 214 (November 4, 1927) and 216 (November 18, 1927).

governed behavior where the underlying rule was understood as an algorithm - a specified step-by-step procedure built upon the solid ground of axioms and akin to the choice rule Ramsey introduced in his decision theory. The rise of rules-as-algorithms and their triumph in the realm of rationality were responses to the challenges of the time, notably the political puzzles created by the Cold War in the age of atomic bombs. These puzzles could be now left to the supposedly capable hands of mindless machines, which had mechanized the procedure of rational rule-following by operating with algorithms that promised precision, speed, and the end of disputes over how to follow the rules, or more generally, how to respond rationally to the complex world.⁹⁶ Decades after Ramsey's death, while his human logic failed to attract the attention of the later theorists of rationality in philosophy or social sciences, his formal logic became widely appreciated because of its elegance and maturity considering the time of its creation.⁹⁷ The seemingly strange birth of Ramsey's human logic and the unintended fate of his formal logic is no longer strange if we examine them against the backdrop of the history of rules and rationality in the twentieth century.

What Russell, Woolf, and their allies considered as "the revolt against reason," Ramsey took as a timely invitation for the reconceptualization of reason and rationality. What the typical philosopher and social scientist of the second half of the twentieth century considered as the best formulation of rationality, Ramsey considered not useful to adopt in everyday life. Ramsey's

⁹⁶A history of the rise of rule-as-algorithm in the twentieth century is told by Lorraine Daston, *Rules: A Short History of What We Live By* (Princeton University Press, 2022). For a study of the role that the institutional and political context played in the rise of algorithms and their advent in the realm of rationality, see, Paul Erickson et al. *How Reason Almost Lost its Mind: The Strange Career of Cold War Rationality* (University of Chicago Press, 2013). The relevant conceptual and methodological debates to this history is discussed by Catherine Herfeld, "Between Mathematical Formalism, Normative Choice Rules, and the Behavioral Sciences: The Emergence of Rational Choice Theories in the Late 1940s and early 1950s," *The European Journal of the History of Economic Thought* 24, n. 6 (2017): 1277-1317.

⁹⁷ See, Misak, *Frank Ramsey* (cit. n. 32), on 270-278.

pragmatism remained faithful to the anti-intellectualist description of human nature. However, its underlying conceptual commitment regarding what constitutes human reason and rationality stood in contrast with the dominant view of the interwar orthodoxy. Ramsey sneaked out of the shadow of pessimistic anti-intellectualism and relaxed under the sunlight of pragmatism. We shall see that Keynes followed him.

6. Pragmatism Comes to Economics

There has been a recent breakthrough in the vast literature on whether and how Ramsey's ideas in philosophy influenced Keynes's later economic writings. While previous scholarly works exclusively focused on the Ramsey-Keynes exchange on probability, Bradley W. Bateman and Bill Gerrard have recently invited us to take a different approach by studying the extent to which Ramsey's overarching pragmatist philosophy had any relevance to Keynes's economic ideas.⁹⁸ I shall follow their lead, arguing that Keynes, like Ramsey, adopted a pragmatist-friendly account of rationality in his 1930s economic writings.

In his obituary note on Ramsey, Keynes says that in the last years of his life, Ramsey was moving toward "a sort of pragmatism." He then writes that Ramsey "was led to consider 'human logic' as distinguished from 'formal logic.'" According to Keynes, "Formal logic is concerned with nothing but the rules of consistent thought. In addition to this we have certain 'useful mental habits' for... arriving at or toward truth; and the analysis of such habits is also a sort of logic."⁹⁹ Keynes admits that "the application of these ideas to the logic of probability is very

⁹⁸ Bateman, "Pragmatism and Probability" (cit. n. 51); Gerrard, "Ramsey and Keynes" (cit. n. 51); Gerrard, "Keynes, Ramsey" (cit. n. 51).

⁹⁹ Keynes, "Frank Ramsey" (cit. n. 35), on 338.

fruitful” and gives credit to Ramsey’s criticism of his logical interpretation of probability. However, he immediately goes on to propose a mild skepticism about an aspect of Ramsey’s notion of rationality:

But in attempting to distinguish ‘rational’ degrees of belief from belief in general he [Ramsey] was not yet, I think quite successful. It is not getting to the bottom of the principle of induction merely to say that it is a useful mental habit. Yet in attempting to distinguish a ‘human’ logic from formal logic on the one hand and descriptive psychology on the other, Ramsey may have been pointing the way to the next field of study when formal logic has been put into good order and its highly limited scope properly defined.¹⁰⁰

Two clarifying comments should be in order. First, Ramsey argued that induction is “a very useful habit” and that it is “reasonable” to be guided by it. He thus departed from the skeptic’s treatment of induction as he thought the skeptic wants us to prove an unprovable.¹⁰¹ Ramsey believed induction often leads us to successful actions, and this suffices to think of it as a reasonable habit. But his overarching claim that induction is a very useful habit could not offer much help to the economist Keynes. As Keynes put it later, in an economic environment, it is only *sometimes* useful to hold the assumption that the future highly resembles the past.¹⁰²

Second, Keynes’s obituary note suggests that he sympathized with Ramsey’s pragmatic approach to the formulation of rationality. He believed Ramsey had “properly defined” the “limited scope” of formal logic and he had shown that we have “useful mental habits... the analysis” of which “is also a sort of logic,” meaning that the analysis of habits is integral to our

¹⁰⁰ Keynes, “Frank Ramsey” (cit. n. 35), on 339.

¹⁰¹ Ramsey, “Truth and Probability” (cit. n. 55), on 93.

¹⁰² Keynes, *The General Theory* (cit. n. 46), on 154.

analysis of what it takes to be rational. Keynes's later economic writings suggest that he moved in a similar direction as Ramsey did: he did not hold onto formal logic as an apt norm of rationality, held that a norm of rationality ought to be sensitive to what we can ask from human nature, and ruled out normative intellectualism.

After telling us that investment decisions of entrepreneurs are generally guided by animal spirits, Keynes quickly writes that “we should not conclude from this that everything depends on waves of irrational psychology.”¹⁰³ The very fact that Keynes finds it important to discuss and reject this conclusion is itself an indication of his awareness about a popular view in his vicinity – this was the very conclusion that Russell, Woolf, and other advocates of normative intellectualism would make from the premise that economic behaviors are guided by animal spirits. Keynes continues,

We are merely reminding ourselves that human decisions... *cannot depend* on strict mathematical expectation, since the basis for making such calculations does not exist; and that it is our innate urge to activity which makes the wheels go round, *our rational selves* choosing between alternatives *as best we are able, calculating where we can, but often falling back for our motive on whim or sentiment or chance.*¹⁰⁴

Keynes did not argue for the counter-intuitive idea that we should not do calculative thinking when such thing is in fact doable. Like Ramsey, he pointed to the limitations of human nature, and then questioned the norm of rationality that demanded calculative thinking as a *necessary* antecedent of all rational economic behaviors. He said that in many cases human decisions “cannot depend” on calculative thinking and that our *rational selves* pick the preferred

¹⁰³ Keynes, *The General Theory* (cit. n. 46), on 162.

¹⁰⁴ Keynes, *The General Theory* (cit. n. 46), on 162-3, emphasis added.

course of action by calculative thinking only “where we can.” For Keynes, in situations of high uncertainty, where calculative thinking loses its normative force (as we would not be able to employ it), it is *rational* if we take certain non-intellectual elements as our guide. An instance of rationality might be the case of being guided by animal spirits. It might also be the case of being guided by certain background assumptions formed by existing conventions or the matter of acting upon “habit, instinct, preference, will, etc.”¹⁰⁵

The careful interpreters of Keynes have insisted that he encouraged us to embrace a broad account of rationality – one that loosens the assumption that calculative thinking is necessary for rational action.¹⁰⁶ Nonetheless, no historical explanation of such an account has been provided. Whether or not Ramsey was *the* source of influence of the Keynes’s conception of economic rationality, they both adopted an account in the spirit of pragmatist tradition. That said, Ramsey and Keynes were representatives of an emerging pragmatist-friendly tradition that was to challenge the conceptualization of reason and rationality assumed by the interwar orthodoxy. They ruled out normative intellectualism.

¹⁰⁵ John Maynard Keynes, “The General Theory of Employment.” In John Maynard Keynes, *The Collected Writings of John Maynard Keynes (Volume XIV: The General Theory and After, Part II, Defence and Development)*, ed. by Austin Robinson and Donald Moggridge 109-123, (Cambridge University Press, 1937 [2013]), on 114; John Maynard Keynes, *The Collected Writings of John Maynard Keynes (Volume XXIX: The General Theory and After)*, ed. by Donald Moggridge, (Cambridge University Press 2013), on 294.

¹⁰⁶ Tony Lawson, “Keynes and Conventions.” *Review of Social Economy* 51, n. 2 (1993): 174-200; Alexander Dow, and Sheila C. Dow, “Animal Spirits and Rationality.” In *Keynes’s Economics: Methodological Issues*, ed. by Tony Lawson and Hashem Pesaran 34-48, (Routledge, 1985). Alexander Dow, and Sheila C. Dow, “Animal Spirits Revisited.” *Capitalism and Society* 6, n. 2 (2011); Roman Frydman, and Michael D. Goldberg, *Beyond Mechanical Markets*, (Princeton University Press, 2011), on 124.

7. Concluding Remarks

The description of facts of human life is necessarily grounded on conceptual commitments required for the interpretation of those facts. The collective pathological inquiry into human nature that emerged in the wake of the Great War claimed the empirical discovery that human actions are typically guided by non-intellectual elements, all the while holding onto the conceptual commitment that to be reasonable is to be guided by the intellect. This was how the inter-war orthodoxy made sense of the view that human nature is *not* reasonable. Influenced by this orthodoxy, Ramsey and Keynes adopted the insight that the primary driver behind human actions are habits, instincts, and animal spirits, not intellectual acts of mind. Nonetheless, they diverged from this orthodoxy by holding that a new account of human nature calls for a new account of human reason and rationality. This was because they believed in the pragmatist idea that our normative theory of human life must be sensitive to what we can ask from human nature. They thus adopted the orthodox description of facts of human life, while pushing to change its underlying conception of what constitutes reason and rationality along the line of pragmatism. Ramsey's philosophy and Keynes's economics were developed in tandem.