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*Rejoinder on animal spirits in
Descartes and Keynes: a response
to Kurt Smith*

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Abstract: This essay serves as a response to Kurt Smith, who wrote a philosophical and historical commentary on my 2018 essay entitled ‘Crises, confidence and animal spirits: exploring subjectivity in the dualism of Descartes and Keynes’ in *The Journal of Philosophical Economics*. It also provides a rejoinder to my original commentary on the role of animal spirits in relation to dualism in the work of Descartes and Keynes. I address Smith’s historical-philosophical response to my work in three ways. First, I revisit Gilbert Ryle’s concept of the intellectualist legend with respect to understanding the Cartesian tradition of thought and expand upon my own exegetical approach in order to clear up the thorny issue of determining and asserting authorial intention. Second, I address the problem of establishing analogies between texts and disciplines. In order to do so I will revisit my earlier critique of the concept of ‘the Economy’ and show that, contra to Smith’s reading, it is not in fact analogous to Descartes’ ‘human being.’ Finally, I open up a fresh exploration of the nature of the relationship between economic rationality and economic system, looking at the broader economic vision of Keynes and some of his notorious opponents – Ludwig von Mises and Friedrich Hayek.

Keywords: animal spirits, economic rationality, dualism, the Economy, epistemological subjectivity

Introduction

In 2018 I wrote an essay entitled ‘Crises, confidence and animal spirits: exploring subjectivity in the dualism of Descartes and Keynes’ for *The Journal*

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of *Philosophical Economics*. The essay examines some of the nuances of the epistemological status of the subject in Keynes' work, alongside the physiology of the human subject in Descartes' *Passions of the Soul* (1631) and his *Treatise on Man* (1649). There, I argue that Keynes' use of the concept of 'animal spirits' has its provenance in Descartes' physiology, and conclude that Keynes' work contains an element of what Gilbert Ryle (1949) has termed the 'intellectualist legend' – i.e. the assumption that we must think first, and act second, relegating spontaneous action to the animal or the non-rational. In the same issue, one can find a brief historical-philosophical response to my work, generously offered by Kurt Smith. His response sets the terrain for a debate about whether or not the dualisms in the work of both Descartes and Keynes can be understood as being analogous. While on the face of it, this debate appears to be concerned primarily with animal spirits in Descartes and Keynes respectively, I would argue that Smith has in fact initiated a debate which bears most specifically on methodology.

In issuing this response I am not so much concerned with Smith's account of Descartes; indeed, apart from a few details we appear to share a common interpretation. Rather, it seems to me that the issue ultimately troubling Smith concerns the methodology of Gilbert Ryle, of Keynes, and as a consequence, my approach to these thinkers. Elements of Smith's critique appear to arise from what I take to be a number of misunderstandings about the above methodologies. So, it is to the root of these divergent interpretations that I will go in order to set our line of questioning back on track. Once we have settled these foundational problems, I will address a fascinating question that Smith raises about the nature of the relationship between economic reasoning and 'the Economy' itself. Even though I eschew the notion that Keynes was attempting to create an analogy or strict correlation between Descartes' categories and his own, the question opens up what I take to be very important considerations about how subjects think within economic systems, and how 'the Economy' can be understood in relation to the people who inhabit it. This rejoinder thus serves as a means to begin contemplating the relationship between economic rationality and economic system. First, however, a few comments on the genesis of my original article may be of some interest both to Smith and to other readers more generally.

In my monograph entitled *Architectures of Economic Subjectivity: The Philosophical Foundation of the Subject in the History of Economic Thought* (Scott 2013), I began to explore the provenance and significance of the concept of animal spirits for Keynes. At that time, I was examining the way in which

economists construct their economic systems (or their attempts to create economic architectonics) in and through specific subjects. In particular, I was interested in the epistemological character of economic subjectivity in much of European classical economics and its subsequent variations in the neoclassical and Keynesian traditions. Keynes is particularly interesting to me because while he preserves much of the subjectivity that forms the ground of the marginalist tradition (a subjectivity characterized by a knowing subject who is primarily concerned with price in relatively immediate exchange relations), he nonetheless grapples seriously with the questions of time and ignorance – questions so often ignored in earlier and simpler instantiations of the marginalist calculation (i.e., subjects are assumed to know what they want and to understand the future with relative certainty).

In his well-known chapters on 'The state of long-term expectations' and 'The psychological and business incentives to liquidity', Keynes breaks with the idea that economic subjects are strictly rational calculators of their own self-interest. Instead he considers the way in which individual economic subjects are thwarted by uncertainty about what the future may hold. From an investment perspective (i.e. when these economic subjects set out to move capital to productive spheres) this uncertainty is rendered even more dramatic when we consider the quick pace at which investment decisions can be made and reversed on the stock market. Indeed, the famous separation of ownership from control that defines the modern corporate structure opens up a chasm of epistemological difficulties in the form of speculative volatility and what Keynes terms the 'fetishism of liquidity.' So psychological categories such as 'confidence' and 'optimism' start to replace the firm calculations of the fictional (or archetypical) economic subject (purported to be all knowing in relation to this subject's self-interest, that is). Now, it is within this framing we first see the curious 'animal spirits' emerge. As Keynes famously writes:

Even apart from the instability due to speculation, there is the instability due to the characteristic of human nature that a large proportion of our positive activities depend on spontaneous optimism rather than on a mathematical expectation, whether moral or hedonistic or economic. Most, probably, of our decisions to do something positive, the full consequences of which will be drawn out over many days to come, can only be taken as a result of *animal spirits* – a spontaneous urge to action rather than inaction, and not as the outcome of weighted average of quantitative benefits multiplied by quantitative probabilities. Enterprise only pretends to itself to be mainly actuated by the statements in its own prospectus, however candid and sincere. Only a little more than an expedition to the South Pole, it is based on an exact calculation of benefits to come. Thus if the animal spirits are dimmed and the

spontaneous optimism falters, leaving us to depend on nothing but mathematical expectation, enterprise will fade and die; - though fears of loss may have a basis no more reasonable than hopes of profit had the day before. (Keynes 1936, pp. 161-162)

Keynes further elaborates that the primary purpose of his introduction of animal spirits in his theoretical framework is to remind us that,

human decisions affecting the future, whether personal or political or economic, cannot depend on strict mathematical expectation, since the basis for making such calculation does not exist; and that it is our innate urge to activity which makes the wheels go round, our rational selves choosing between the alternatives as best we are able, calculating where we can, but often falling back for our motive on whim or sentiment or chance. (Keynes 1936, pp. 162-163).

In my examination of Keynes's *General Theory*, the idea of animal spirits appeared as something of an anomaly. They connected to a non-rational component of human psychology that Keynes could explain in part, but also appeared also to be a gesture towards a solution to the problem of an exclusively 'rational economic man' without clearly specifying what this solution entailed. Spurred on by this ambiguity I began to investigate the provenance of the concept in Keynes and came upon a debate in the *Journal of Economic Perspectives* on the topic. I explored this debate at some length in my earlier work (Scott 2013), and to a lesser extent in the essay in question here (Scott 2018). I was ultimately convinced of the Cartesian provenance of the idea, not merely because of the historical reasoning and scholarship of those involved in the *Journal of Economic Perspectives* debate, but also because of the philosophical connection between the two thinkers. [1] Thus my essay on Keynes and Descartes was born of the need to explore the nature of the connections between the two, finding points of analogy, points of dissonance, and ultimately locating Keynes' conception of subjectivity within the Cartesian tradition insofar as he holds what Ryle terms the 'intellectualist fallacy' as his base, with animal spirits serving as the exception that proves the rule.

In what follows I will address Smith's historical-philosophical response to my work in three ways, all of which I hope will help to clarify the role of methodology in the analysis of animal spirits in Descartes and Keynes. First, I will revisit Gilbert Ryle's intellectualist legend with respect to understanding a tradition of thought and expand upon my own exegetical approach in order to clear up the thorny issue of authorial intention. Second, I will address the problem of establishing analogies between texts and disciplines. In order to do so I will revisit my earlier critique of the concept of 'the Economy' and show that, contra to Smith's reading, it is not in

fact analogous to Descartes' 'human being' (Descartes 1631). Finally, I will open up a fresh exploration of the nature of the relationship between economic rationality and economic system, looking at the broader economic vision of Keynes and some of his notorious opponents – Ludwig von Mises and Friedrich Hayek. Throughout this all I hope to put to rest many of Smith's misgivings about the so-called 'dangers' that 'lurk' in my investigation of animal spirits in the work of Descartes and Keynes.

The intellectualist legend: finding the Cartesian legacy in Keynes

Smith is a scholar of Descartes, and in his commentary on my essay he provides a succinct yet nuanced account of mind-body dualism in Descartes' work. As such, the work of Gilbert Ryle [2] appears to him to be problematic, not least because he believes it to misrepresent the relationship between mind and body, which ought, if we are faithful to Descartes in his Sixth Meditation and even his *Passions of the Soul*, to be conceived as a union rather than as one object (mind) occupying another (body) like a 'sailor in a ship.' Specifically, Smith argues that Descartes 'had cast the human being as a union of mind and body,' and that 'the view isn't the one famously depicted by Ryle' who 'says that for Descartes the mind inhabits the body like a ghost in a machine' (Smith 2018, p. 30). Without descending into Ryle's text (for Smith has not done this in his critique either), it suffices to say that it was not Ryle's interpretation of Descartes proper upon which I rely in my essay, but rather his account of the 'intellectualist legend' which he believes to have been important in post-Cartesian thought. Since the post-Cartesian thinking in Keynes is the question at hand, this thread of investigation is particularly fruitful. I clarify this point in my original essay: 'Ryle is referencing a long legacy in Western philosophy that he terms the 'Cartesian tradition' instead of referring to the historical Descartes' (Ryle 1949, p. 12). Even if one were to reject Ryle's interpretation of Cartesian dualism (as Smith clearly does), it is still absolutely imperative that we understand the way in which this dualism is taken up – correctly or incorrectly – in post-Cartesian thought. This is the claim throughout my analysis. It is not that Keynes has produced a Cartesian system, nor that his use of animal spirits could be taken as a perfect analogy to Descartes' mind-body dualism; rather, the analogy provides a useful way of investigating how Keynes has integrated dualism into his depiction of 'economic rationality' and 'the economy' by means of the idea of animal spirits.

Since the issue at hand is one of exegetical and interpretive methodology, let us turn to the way in which I use the work of Gilbert Ryle to frame my analysis, specifically his concept of the intellectualist legend. What is this intellectualist legend to which Ryle refers? First, let us note that 'legend' already denotes the *legacy* of Descartes, and not an exegetical engagement with the work of Descartes proper. Just as we could say that Marx's legacy as a political and economic thinker is fraught with misinterpretations, misappropriations (willful and unwitting), and a vast spectrum of motivations, the intellectualist legend also diverges in a variety of ways from that which was intended by Descartes. Ryle explains what he calls the intellectualist legend as follows: 'To do something thinking what one is doing is, according to this legend, always to do two things; namely, to consider certain appropriate propositions, or prescriptions, and to put into practice what the propositions or prescriptions enjoin' (Ryle 1949, p. 29). In other words, it is to think first, and act second. It assumes that all action requires a thought which is prior to the act, and thus separated therefrom. Ryle elaborates: 'To put it quite generally, the absurd assumption made by the intellectualist legend is this that a performance of any sort inherits all its title to intelligence from some internal operation of planning what to do' (Ryle 1949, p. 31). Finally,

the crucial objection to the intellectualist legend is this. The consideration of propositions is itself an operation the execution of which can be more or less intelligent, less or more stupid. But if, for any operation to be intelligently executed, a prior theoretical operation had first to be performed intelligently, it would be a logical impossibility for anyone ever to break into the circle (Ryle 1949, p. 30).

Why is this intellectualist legend important to my argument about the nature of the dualism employed in the work of Keynes? As I argue in the introduction to my original paper:

Descartes' use of animal spirits in a mechanistic explanation of human physiology to illuminate mind-body dualism is particularly significant when compared with Keynes' account of the non-rational component of an otherwise rational economic subjectivity. While there can be no doubt that Keynes' conception of economic subjectivity extends well beyond the facile rationalism of many of his predecessors, the dualism presented in his work by means of the animal spirits is worth considering in philosophical terms. [...] Keynes' work perpetuates an element of what Gilbert Ryle has termed the intellectualist legend that follows from Cartesian dualism, that is, the philosophical assumption that we must think first, and then act, relegating spontaneous action to the realm of the 'animal' or the 'non-rational.' More specifically, in Keynes' theory of expectations there is a divide between the rational

and the non-rational, and it is the rational component of this theory that commits the intellectualist fallacy. (Scott 2018, pp. 4-5)

Note here that the argument is that Keynes creates a dichotomy between economic decisions that are *rational* (i.e., think first and act second) and *non-rational* (i.e., act without thinking in a spirit of optimism). If economic subjects were to be completely rational there would be an economic problem. The uncertainty inherent to investment, and the probabilistic analysis provided by economic statistics, would dissuade economic investment in a rather significant manner, and economic decline would become a self-fulfilling prophecy. Some almost magical ingredient is necessary as part of the human spirit in order to explain continued economic investment. And this magical ingredient, for Keynes, is pure spontaneity, or the animal spirits. Thus Ryle's work, and specifically his commentary on the intellectualist fallacy, helps us to understand why Keynes incorporates a non-rational (i.e. spontaneous) component of economic decision making into his treatise on economic expectations. Animal spirits, as an exception or outside to the rule of economic rationality (i.e., probabilistic expectations about the economic future), allow him to preserve the intellectualist legend at the core of his *General Theory*. Keynes' depiction of economic subjectivity reveals him to be an Enlightenment thinker, but animal spirits show us the struggle that he faced when trying to reconcile this subjectivity with rather murky economic realities.

A final comment on methodologies of interpretation is warranted in order to prevent further potential misconceptions. This has to do with the rather significant issue of how we as scholars are able to accurately ascribe authorial intent to ideas within the texts of those who we study. While I do not argue that historians of economic or philosophical thought are capable of discerning true authorial intention (so many issues not least of which the inevitability of anachronistic reasoning make this highly dubious), I do argue that Keynes never attempted to create a dualism of this sort in his thought, nor did he argue that his work should be understood as analogous in any way. In fact, as I draw out in my essay, there is debate as to the very provenance of animal spirits in Keynes' work precisely because he made no such claims. The key issue for me is whether Keynes' study of Descartes had an influence on the way in which he established his economic arguments. I argue that it did. It does not matter that it is not strictly analogous. It does not matter that it is not based on a 'correct' interpretation of Cartesian dualism, nor whether or not it was even intentional in the first place. Intentionality is a particularly thorny question for historians of thought seeking the fine lines of connection between ideas,

texts, and thinkers. In the absence of clear authorial statements or other substantive evidence we must often look at parallels and see what they might reasonably suggest. Often this will involve conducting close readings of texts we believe to be related. This process is not the same as constructing rigorous philosophical categories or strict parallels between concepts and cannot and should not reasonably be held to such a standard. That said, what remains is a critical interpretive understanding that influence and relationship can be discerned through these comparative exegetical projects, and that such connections are indispensable in highlighting the assumptions that go into the theoretical construction of economic subjects, the way that these subjects think, and the economy that the economist wishes to de- or prescribe.

'The Economy' as elusive subject

In his response, Smith works systematically to undercut the claim that there is a clear and rigorous analogy between the dualism in Descartes and Keynes. In order to do so he sets out to identify analogous categories in my interpretation of the two thinkers. One of these categories is the 'the Economy' which he asserts would be the correlate of 'human being' in the Cartesian schema. Before we get to that particular issue, let us re-establish what 'the Economy' signifies in my analysis. Smith's account reduces my use of 'the Economy' to a vague generality. He argues that

Scott identifies [the economic body] as the economy itself, where she goes on to say (e.g. in footnote 2) that by 'economy' she means nothing other than what is commonly understood by the term. If so, the economy will be taken to be a system or network of consumers, producers and distributors of goods and services. Consequently, this economic body will be this entire economic system (Smith 2018, p. 32).

I have already shown that this was *not* the case in my original essay, [3] but will elaborate here in order to provide yet more nuance. I do not simply mean, as Smith claims, that the Economy is 'nothing other than what is commonly understood by the term' (Smith 2018, p. 32). There are several problems with this representation of the idea. First, I would argue that a common understanding of 'the Economy' doesn't really exist, despite the fact that it is used discursively in a way that relies upon shared meaning. Second, the understanding of the term by economists requires a certain type of theorization and certain assumptions about the coherence of economic activity and life. As I argue in my original essay, 'The Economy is a term which I use to refer to the coherent economic totality theorized by most economists

from the 1930s onwards. Its particularity lies in the fact that while ostensibly representing a measurable and observable totality, 'the Economy' is actually far more complex and difficult to contain' (Scott 2018, p. 23). On the one hand, popular conceptions of the Economy include the idea that it is a coherent totality (implicitly it is understood as its own subject or entity) replete with health, volition and an internal logic. On the other hand, economic conceptions of the Economy depend on coherent models created for measurement, description and prediction. In these models, only a limited number of variables may appear, and so the explanatory scope must necessarily exclude a great deal of economic activity and life, even if the economists creating such models do not acknowledge this fact. Of course, no explanation can be adequate to the phenomenon it seeks to describe, especially not in the social sciences. So that alone is not the locus of my critique. But so often economists proceed *as if* their models could capture the totality of economic activity (even if they characterize it as the most relevant economic activity), and this raises doubts as to the truth value of their claims, both empirically and in the abstract.

Smith asserts that I have implicitly made the Cartesian categories of *mind – body – human being* analogous to the categories of *economic rationality – economic body – the Economy* in Keynes. First, I should clarify that while the latter categories can be applied in our analysis of Keynes (i.e. we can use these terms in order to describe, explain and theorize what is happening in Keynes' work) they are not Keynesian categories in and of themselves. Smith has mistaken my explanatory apparatus for that which it intended to explain, and as such his aim to hold my exploration of the relationship between animal spirits in Descartes and animal spirits in Keynes to some sort of strict analogy is flawed. Second, I should also clarify that I do not engage with Descartes' conception of the human being in my analysis, and do not believe that Smith can rightly posit 'human being' and 'the Economy' as even implicitly analogous in my assessment of Descartes and Keynes. Upon reflection, the attempt to create such an analogy would not work, 'the Economy' is a rather more nebulous entity than Descartes' human being, as I have already shown. But the consideration of the categories of 'the Economy' and human being in tandem is nonetheless of value, as it raises questions about the separability of 'the Economy' from the subjects that purportedly inhabit it.

To return to the correlation between Descartes and Keynes, let us consider finally the function of animal spirits within the respective systems of thought. If we are to agree with Smith's suggestion that animal spirits don't really explain the connection between mind and body in Descartes, [4] we could also agree that animal

spirits don't really solve the puzzle of why people behave optimistically towards investment when there are no rational grounds upon which to do so. Perhaps Smith would agree with me that for Descartes and for Keynes, animal spirits serve, albeit unintentionally, as placeholders for that unknown bridge between categories. In Descartes' case it is mind and body, and in Keynes' case it is investor and economic body. We can see this relation while at the same time acknowledging that the correlate between 'human being' and 'the Economy' is not applicable, given that 'the Economy' exists as a conceptualization of a radically different kind. Some of the questions that Smith subsequently poses of me are grounded in assumptions that do not adequately pertain to my analysis. But there are nonetheless fascinating questions that deserve comment. For this I turn to the last section of this rejoinder in order to consider the relationship between economic rationality and the economic system to which it pertains.

Economic rationality and economic system: can we think outside 'the Economy'?

Smith argues that if we do not understand there to be a strict dualism between economic rationality and the Economy (or between rationality and the economic system more generally) that it might be best to characterize what is happening with animal spirits in Keynes in metaphysical Aristotelian terms, distinguishing form and matter rather than positing Cartesian dualist categories. Following from this, Smith poses the following questions:

Will it even make sense, for instance, to talk of economic rationality as something to be encountered independently or outside of an economic system? [...] Or, should we instead read Keynes as holding that the economy, the system, is the 'thing,' the phenomenon to be explained, and that economic rationality and economic body make their appearance as the result of conceptual analysis, where neither can really exist independently of the system or of one another? (Smith 2018, p. 33)

Certain economists, most notably Ludwig von Mises (1949), have argued that economic rationality can exist independently of an economic system. This belief is rooted in 'radical apriorism' which allows us to understand that universal laws guide human action, independent of time, place or social configuration. I should note that 'human action' as used by Mises and other subjectivist economists is not of the same order as spontaneous action in Keynes. Instead it can be defined as a universal calculation based on ranking. In other words, humans must choose (i.e. rank) first and then act. Here the intellectualist legend rears its head again, and

this time even more forcefully than it did in Keynes' *General Theory*. Indeed, for Mises human action is universal for it is a fundamentally comparative (i.e. abstract) operation, rather than being a question of measurement or situationally contingent probabilistic reasoning.

Mises' explanation of monetary calculation reveals the way in which he understands economic calculation to be a form of ranking:

Monetary calculation is not the calculation, and certainly not the measurement, of value. Its basis is the comparison of the more important and the less important. It is an ordering according to rank, and act of grading (*Cuhel*), and not an act of measuring. It was a mistake to search for the measure of value in goods. In the last analysis, economic calculation does not rest on the measurement of values, but on their arrangement in an order of rank (Mises 1933, p. 160).

This is the science of praxeology, which is centered upon the study of human action and at the same time relies on methodological individualism (i.e., the individual is universal). Mises explains that

No less from an action of an individual, praxeology begins its investigation from the individual action. It does not deal in vague terms with human action in general but with concrete action which a definite man has performed at a definite date and at a definite place. But, of course, it does not concern itself with the accidental and environmental features of this action and what distinguishes it from all other actions, but only what is necessary and universal in its performance. (Mises 1949, p. 44)

A thinker can paint the picture around the action, but this contextual image takes us away from the universal value at its core. From this point of view, we could start to distinguish between economic rationality and economic system, as the economic actions of individuals (based upon *a priori* economic knowledge) may not be best supported by the system at hand, or may even be thwarted by the system.

Mises was influential upon Friedrich Hayek who spent a great deal of his career attempting to demonstrate how planned economies were an impediment to individual freedom. He was a notorious adversary of the Keynesian macroeconomic program, aligning it with socialism and excessive state control. In his work, Hayek argues not only against the socialist organization of the economy, but in favour of understanding that free markets are causally related to the increased freedom and autonomy of individuals. This is not in his view a historical or ideological argument, but rather a universal claim. Nonetheless, the origin of the price system

(the subject of Hayek's famous knowledge essays) is outside of the domain of our free will or control, it is an involuntary language that resides outside of what subjectivist economists consider the *a priori* rational structure of the human mind. Hayek explains that

the price system is just one of those formations which man has learned to use (though he is still very far from having learned to make the best of it) after he had stumbled upon it without understanding it. Through it not only a division of labour but also a coordinated utilization of resources based on an equally divided knowledge has become possible (Hayek 1948, p. 88).

In this sense, we can see that economists who are attempting to theorize the relationship between the epistemological capacities of rational subjects and the organization of the economic system that they inhabit are struggling to determine the inside and the outside of economic rationality. For them, thinking subjects are not necessarily requisite in order for the price system to exist, it is universal language to which we ought to strive, but which purposive economic organization or control often attempts to prevent. One might argue that the ultimate motivations of these economists is ideological (i.e. we need to transition to a different system because the current system does not accord fully enough with the price system, which depends upon universal law), but we have already addressed the difficulties of discerning authorial intentionality.

No doubt Smith and others will point out that Mises and Hayek stood very much in opposition to Keynesian thought, often explicitly so, and of course they would be right. The question remains to be considered, therefore, as to whether Keynes could understand economic rationality outside of the system within which it was operating in the way that Mises and Hayek did. Again, we return to Keynes' conception of animal spirits, for they appear to allow for an exception to the correlation between economic rationality and economic system. Animal spirits are the 'outside' of rationality that solves the incongruity between strict probabilistic calculation and continued investment in the face of uncertainty. As I have mentioned, Keynes himself does not lay claim to a Cartesian dualism. It is precisely that economic rationality is embedded in social and economic relations that makes descriptions of 'the Economy' so difficult and blurs the lines between categories. Further yet, Keynes hopes to explain the 'thing' of the economy *at the same time* that he explains the way that those who operate within it diverge or converge with its purported logic. However, an answer to Smith's question also lies in Keynes' work more broadly, outside of his use of animal spirits. As we saw with thinkers like Mises

and Hayek, some of the most relevant contemplation of the relationship between the thinking subjects and the economies they inhabit relies upon universal claims about the nature of human action, human knowledge and even human civilization. In this respect Keynes was no different. If we were to really delve into this aspect of Keynesian thought an extended study would be required. But an outline of the answer can be drawn here by way of conclusion.

In a rather optimistic essay entitled 'Economic Prospects for our Grandchildren' (Keynes 1928), Keynes describes a future 'a hundred years hence' in which the capitalist system creates the context for social and human liberation, both despite and because of its most pernicious components. In other words, Keynes thought that within a hundred years (which would be a few short years from today!), 'the economic problem' would be solved. What does this mean? Keynes believed that it meant that both the unemployment rate and the marginal efficiency of capital would be reduced to near-zero. This means that all seeking employment would be employed, and that volatile speculative endeavours would be almost completely curtailed because they wouldn't yield any surplus. Without poverty or the pathological excesses of speculation the economic problem is solved. The implications of this solution would create a new problem, however. People would need to radically alter their way of living, to transform both their rationality and their morality to accord to the reward brought by a century-long run of capitalism:

the love of money as a possession – as distinguished from the love of money as a means to the enjoyments and realities of life, will be recognized for what it is, a somewhat disgusting morbidity, one of those semi-criminal, semi-pathological propensities which one hands over with a shudder to the specialists in mental disease (Keynes 1928, p. 329).

The purposiveness of the acquisitive profit-seeker would no longer be of use, and both the lived practices and moral character of the economic subject would be forced to shift. Thus, the economic system can indeed be separated from the rational character of those who live within it, even if for Keynes this only appears to happen in moments of crisis, transition or contradiction.

We see that the answer to the question of the relationship between economic system and economic rationality is complicated within this long historical vision. Keynes is optimistic that a pernicious self-interested form of economic rationality and an inequitable form of systemic organization will lead to a future state so prosperous that its pernicious elements (self-interest, profit-seeking, greedy speculation,

economic competition at the expense of social growth) will be expunged. In other words, the obsession with money that is inherent to the capitalist system will ultimately lead to the prosperity that we need in order to negate its subjective effects. In part Keynes is able to hold such a vision because of the evolutionary understanding of economic history that he shares with precursor Alfred Marshall. And so Keynes did not think that we could think our way out of the economic system, indeed the force and push of 'the Economy' would drive on for at least a hundred years before our subjectivity would enjoy the material conditions of prosperity that it would need to transform in a positive manner. He warns that

for at least another hundred years we must pretend to ourselves and to everyone that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still. For only they can lead us out of the tunnel of economic necessity into the daylight (Keynes 1928, p. 331).

Keynes, Mises and Hayek were all fundamentally concerned with the epistemological problems in economics. For Mises and Hayek, the frustration lay in the disjuncture between *a priori* economic reasoning and the imperfect (i.e. socially controlled) economic systems that thwarted our capacity to use this reasoning to our full emancipatory potential. The radical apriorism of their thought, coupled with an unwavering commitment to methodological individualism, makes them far greater Enlightenment thinkers than Keynes ever was. But through the work of all three of these economists we nonetheless find ourselves confronted with the preponderance of the 'intellectualist legend' in economic thought. And while Misesian praxeology fits most squarely within the frame of the 'intellectualist legend,' (rank and order first, act second) it is only in Keynes' work that there any attempt to reconcile apparently dualist categories by means of animal spirits.

To return to Smith's question, therefore, it is true that economic rationality is found within the system that Keynes' sought to describe. It is also true that at the same time there is a significant divergence between the myriad of complex elements that make up the subjectivity of economic actors and the often-contradictory operation of the capitalist economy. We can see now that Keynes' hope for his grandchildren was perhaps too optimistic, but we nonetheless continue to grapple with the contradictions between the demands and logic of a capitalist economic system, and the demands and logic of a just and moral society.

Endnotes

[1] There is in fact direct evidence that Keynes studied Descartes' *Passions of the Soul* at Cambridge and found the idea of animal spirits in Descartes interesting. D. E. Moggridge has demonstrated Keynes' familiarity with the work of Descartes, most notably by means of a set of lecture notes on Descartes' concept of animal spirits with 'unconscious mental action' (Moggridge 1992, p. 208) appended in the marginalia. Moggridge cites Keynes' notes on Descartes: 'The body is moved by animal spirits – the fiery particles of the blood distilled by the heat of the heart. They move the body by penetrating and moving the nerves and the muscles; animal spirits are always in motion – the will only directs them' (Moggridge 1992, p. 208). Both Anna Carabelli (1988) and Don Patinkin (1990) use this same evidence as a link between Keynes and Descartes. Further, there is evidence of Keynes' collecting of Descartes' work during the period that he was writing the *General Theory* (Moggridge 1992).

[2] Gilbert Ryle wrote *The Concept of Mind* (1949) as a practical critique of what he terms Descartes' myth. While the text is often polemical, and has been received by many as controversial, it is an engagement above all with the long legacy of certain Cartesian conceptions of mind through Western philosophy.

[3] The original footnote to which Smith refers reads as follows:

The Economy is a term which I use to refer to the coherent economic totality theorized by most economists from the 1930s onwards. Its particularity lies in the fact that while ostensibly representing a measurable and observable totality, the 'Economy' is actually far more complex and difficult to contain. On the one hand, in popular conceptions of 'the Economy' we see a coherent totality replete with health, volition and an internal logic. In the popular conception 'the Economy' is its own subject, and as individuals we learn to navigate it or respond to its logic and demands. On the other hand, economic conceptions of the Economy will depend upon what is included within the models created for its measurement and description. Depending on how it is conceptualised, models will also be required in order to anticipate its future state (predictive models), or in order to control it by regulatory or state forces (Scott 2018, p. 23).

[4] Smith claims that 'The introduction of the animal spirits will not solve this problem, and there is no evidence to suggest that Descartes thought that his having introduced them solved it' (Smith 2018, p. 35).

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