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A CARTHAGINIAN PEACE. JOHN MAYNARD KEYNES ON THE EFFECTS OF THE TREATY OF VERSAILLES

ABSTRACT

This paper examines Keynes' thoughts on the Treaty of Versailles as per *The Economic Consequences of the Peace* and *The Revision of the Treaty*. In these two works Keynes showed how the personalities and world views of the victorious allied leaders were decisive in defining the terms of the Treaty. A century later, while Keynes' assessments of the economic consequences of the Treaty seem questionable, those of a moral nature have retained their validity.

Keywords: Keynes; Treaty of Versailles; Germany; Weimar Republic; Third Reich

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RIASSUNTO

Una pace cartaginese. John Maynard Keynes sulle conseguenze di Versailles

In questo contributo si esaminano una volta di più le considerazioni di Keynes sul Trattato di Versailles quali emergono da *The Economic Consequences of the Peace* e da " *The Revision of the Treaty*. In queste due opere Keynes mostra come le posizioni dei leader e la loro personalità furono determinanti nella definizione dei termini del Trattato. A distanza di un secolo, mentre le valutazioni di Keynes sulle conseguenze economiche del Trattato paiono discutibili, quelle di natura morale conservano intatta la loro validità.

1. INTRODUCTION

This essay attempts to explore Keynes' position on the Treaty of Versailles as it emerges from the pages of *The Economic Consequences of the Peace* and *The Revision of the Treaty*.

In these two works, Keynes explains the terms of the treaty in light of the different personalities and objectives held by the leaders of the victorious allied powers of the First World War.

According to Keynes, of these leaders, it was Prime Minister Clemenceau who succeeded in “imposing” his goals on the others, those goals being the product of a vision of international relations as based firmly on the balance of power. Keynes not only disagreed with this world view but also found the resulting treaty morally repugnant, believing that the reparations demanded from Germany were unsustainable and would provoke devastating economic damage on Europe. While Keynes’ economic arguments and predictions today seem questionable, his moral ones still retain their validity.

2. THE DIFFERENT PERSONALITIES AND OBJECTIVES OF THE LEADERS RESPONSIBLE FOR THE TREATY

This essay deals with John Maynard Keynes’ famous critique of the Treaty of Versailles, which the economist laid out in two books, *The Economic Consequences of Peace of 1919*¹, and *The Revision of the Treaty of 1922*². Both books had great impact, being translated into many languages, and provoking widespread controversy (especially, and perhaps understandably, in France; a notable example being the book by Étienne Mantoux (1946a), *La paix calomniée: ou les conséquences économiques de M. Keynes*, 1946a³).

In Italy, the Milanese publisher Treves first translated the *The Economic Consequences of Peace*⁴ in 1920; while in 1922 (the same year it was first published) the Italian edition of *The Revision of the Treaty* appeared from the presses of the Ausonia publishing house in Rome. It is worth mentioning that the first translation of Keynes’ book was actively promoted by Vincenzo Giuffrida, a politician very close to Francesco Saverio Nitti.

Nitti, in 1921, published the first volume of his trilogy on the state of Europe, *L’Europa senza pace*⁵ (followed, in 1922, by *La decadenza dell’Europa. Le vie della ricostruzione*⁶ and in 1923 by *The Tragedy of Europe. What will America do?*⁷). This time it was Keynes who pressed for Nitti’s book to be translated into English. *Peaceless Europe* (1922b) was in fact published in London

¹ See Keynes (1919).

² See Keynes (1922).

³ In the same year the book was translated into English: see Mantoux (1946b). In this book the French economist, in a punctilious manner and with the support of a great deal of data, argues that Keynes had, on the one hand, exaggerated the negative consequences of the treaty for Germany, and on the other had greatly underestimated Germany’s ability to pay reparations.

⁴ See Keynes (1922).

⁵ Nitti (1921).

⁶ Nitti (1922a).

⁷ Nitti (1924).

only a short time after the first Italian edition. Keynes' and Nitti's analyses largely coincide. For Nitti as well, Clemenceau and France had allowed themselves to impose a treaty inspired by a dangerous and aggressive spirit of *revanche* which, if the harsh clauses imposed on Germany were not modified, was destined to prolong the war.

There is now an extensive literature on Keynes' two books⁸. At the time of the Treaty, despite his young age, Keynes was already a well-known economist, having, since 1912, been the editor of an important periodical, the *Economic Journal* (a position he would continue to hold until 1944). During the years of the First World War he had been an advisor to the Chancellor of the Exchequer (Britain's Finance Minister) and indeed, in the opinion of David Lloyd George, Minister of War in the Asquith Cabinet, it was Keynes (a conscientious objector in 1916), who influenced the Chancellor (Reginald McKenna) to oppose Lloyd George's plans for arms production and procurement.

At the end of 1916 Lloyd George succeeded in forcing Asquith to resign and became prime minister of a coalition government himself, remaining in office until 1922. It was therefore he who was to act as one of the protagonists of Versailles, together with Wilson and Clemenceau responsible for establishing the new post war world order. However Keynes' prestige was such that he retained his role as a member of the British government's economic council and, in this capacity, was a member of the British delegation to Versailles. The large German delegation led by Ulrich von Brockdorff-Rantzau included Max Weber, who contributed in particular to the so-called *Professoren-Denkschrift* presented to the Conference President Clemenceau, in which the German delegation's considerations on the responsibilities of the conflict were set out in six points. It was, above all, the issue of Art. 231 (which declared Germany responsible for provoking the war) that was decisive in generating a climate of frustration and strong resentment in Weimar republican Germany. As is well known Clemenceau remained adamant, and on 28 June the Foreign Minister of Gustav Bauer's new government, the Social Democrat Hermann Müller, signed the Treaty in the same mirrored hall in which Bismarck had proclaimed the German *Reich* in 1871. At this moment, Clemenceau thought he had achieved his goal, to turn back the hands of time to 1870, to a Europe and, above all, to a France without a second *Reich*, freeing both Europe and France from Germany's imperialist aims⁹.

⁸ Among others see Peter (1997), Markwell (2006), Hölscher and Klaes, (2016) and Carter (2020, pp. 61-108).

⁹ See Keynes (1919; p. 32).

The meeting of Keynes and Weber therefore brought together two of the leading figures of 20th century social sciences, though on “opposing” sides. Who knows whether they had the opportunity to get to know each other more closely at that juncture. Probably not, Keynes’ meetings with the German delegation took place in an extremely frosty atmosphere, with little attempt at “civility”, not even handshakes.

Lloyd George and Keynes disliked each other. The former, a convinced interventionist, considered Keynes a defeatist, while Keynes did nothing to hide his pacifism, going so far as to declare himself a conscientious objector. But in addition to this there were also numerous and profound differences both in mentality and education, Lloyd George considered Keynes fickle, superficial, calling him a “salon economist”, Keynes was an exponent of the Bloomsbury group and a non-conformist, a member of an exclusive circle which was critical of Victorian England – a group viewed with deep suspicion by the bourgeoisie of the time. In addition to Keynes, the “bloomsbury” group included Virginia Woolf, Edward Morgan Forster, the painter Duncan Grant (for some years linked romantically to Keynes), the critic and essayist Lytton Strachey, another of Keynes’ important intellectual and also emotional relationships¹⁰. On the other hand, Keynes considered Lloyd George irresponsible, cynical, immoral and interested only in preserving his own position. However, Keynes was also keenly aware of the ambiguity of his own position: during the conflict he had held an important role in the financial management of the war, as his friends in Bloomsbury did not fail to point out and he could not but reiterate to them his deep personal torment. These biographical aspects are important; only a few weeks before the signing of the Treaty, in early June 1919, Keynes resigned in a letter to Lloyd George, speaking openly of his feelings of disquiet and sorrow, and of disappointment that the victorious powers were unwilling to work towards a just, wise and far-sighted document¹¹. This resignation is clearly also a way out of a personal anguish that had matured over the long years of the war while working in the service of a government that he had never loved.

Keynes’ first book appeared just six months after the signing of the Treaty. The initial part is devoted to an analysis of the situation in Europe before the war. Keynes describes a condition of equilibrium that reigned over the lives of almost three hundred million people spread across three great empires, Russia, Germany and Austria-Hungary. But the central pillar of the

¹⁰ On the importance of relations in the Bloomsbury circle for Keynes’ intellectual development see Mini (1991).

¹¹ See Keynes (1919; p. 6).

European economic system was Germany, whose industrial development had given its neighbours a market for their goods and at the same time allowed them the opportunity to import from Germany on favourable terms. Thus, the prosperity of that single country largely ensured that of the rest of the continent. For Keynes, the statistics clearly indicated a strong interdependence between Germany and the other European countries¹²: Germany was the principal customer for Russia, Italy, Austria-Hungary, Great Britain's second and the third for France. And on the other side it was the primary source of goods for Russia, Italy, Austria-Hungary; and the second for both Great Britain and France¹³. Even before the war, this equilibrium was being undermined by various factors, rapid population growth, unstable food supplies from the New World and accumulation mechanisms based on great inequalities in the distribution of wealth¹⁴. Keynes could, perhaps should, have added that this system of fragile economic interdependence between European countries had long before experienced violent turmoil of a political, and indeed military, nature with the Franco-Prussian conflict. Faced with the economic difficulties of the Great Depression at the end of the 19th century, the dominant political sentiment, not exclusively but particularly in Germany, surrendered itself to the violent passions of imperialistic nationalism.

An important chapter of the book, the third, has a position that is extremely close, albeit undoubtedly unconsciously, to Max Weber's individualistic-understanding orientation in the interpretation and explanation of historical and social events in general. In order to understand and explain the great events of history (as well as the small events of everyday life), it is necessary to be guided by the motivations of the individual protagonists of those events, and then to trace them back to the meaning that they had in the context in which they matured (in Weber's terms: to the sense and connection of meaning). Keynes follows a path of this kind: asking how this "Carthaginian peace" of Versailles was possible, a "peace" similar in its intent and conditions to that which the Romans had imposed on Carthage after the Second Punic War, a peace that was impossible to achieve and morally wrong?¹⁵. Keynes' answer is clear: it is necessary to start from the characters and motivations of the main protagonists of the Treaty, and thus from the interactions within the Council of the four victors, the French Prime Minister

¹² Keynes, like many economists before him, believed that economic interdependence between states contributed significantly to the preservation of peace. On this aspect see Markwell (2006). On the limits of this view especially with reference to the years following the First World War see Pittaluga (2022).

¹³ See Keynes (1919; pp. 16-17).

¹⁴ See Keynes (1919; pp. 22-26).

¹⁵ See Keynes (1919; p. 36).

(and President of the Peace Conference) Clemenceau, the British Prime Minister Lloyd George, the American President Woodrow Wilson and the Italian Prime Minister Vittorio Emanuele Orlando.

Keynes speaks little of Orlando, mentioning him only regarding the linguistic difficulties between the four: Orlando could speak Italian and French, Wilson and Lloyd George only English, Clemenceau was the only one able to speak both English and French, his position was further reinforced by his strong and determined temperament.

The Italian Foreign Minister, Sidney Sonnino, spoke English, but as is well known, there was bad blood between him and the Italian Prime Minister. Both claimed respect for the London Memorandum of 1915, but while Orlando cared above all about Fiume and was prepared to give in on Dalmatia, Sonnino held the exact opposite stance. The lack of agreement between them facilitated Wilson's intransigence, Wilson did not feel bound by the London pact and, above all, thought that the Italian demands were contrary to the principle of self-determination enunciated in his Fourteen Points (particularly point nine, in which it was stated that the Italian borders should be revised "along clearly recognisable lines of nationality"). The result is well known, Italy would have neither of the two territories, Orlando humiliated by Wilson and mocked by Clemenceau (who described him as theatrical and "of easy tears") leaves the Conference, followed shortly after by Sonnino. Both later return, but fail to change Wilson's views, views which also had the support of Clemenceau (worried that an Italian Dalmatia would put Italy in a more favourable position in trade with the Danube area).

Lloyd George is also little discussed in this chapter. He is, after all, his premier and his direct superior. At the insistence of his friends, he would subsequently add a few more pages on the British Premier, but he remained unconvinced and, in the end, decided not to publish them. He is held back for reasons of discretion and would only publish them fourteen years later, in 1933, in *Essays in Biography*, presenting them as an extension to the 1919 chapter that is republished in this later book. The reasons for Keynes' compunction had long since disappeared, and perhaps, one might add, Lloyd George's star had also waned. Reconstructed in its entirety that chapter is a masterpiece of style: the portraits of the three greats are presented to the reader with a few brief strokes, but also with supreme and elegant perfidy.

From their meetings over the course of months it is Clemenceau's personality that stands out, he is the "real" winner of the conference. Keynes likens him to a seemingly somnolent old feline, comfortably slumped in a large square chair, his hands always gloved, of few words and many cynical, almost cunning glances. He turns into a tiger, however, when discussing the power and security of France; for him, Wilson's Fourteen Points are the sentimental expression of an abstract policy, his own vision is instead firmly rooted in the past, he sees things in terms of France and Germany, not humanity in general or European civilisation in search of a new order. The irreconcilable conflict is between Germany and France and is the fundamental feature of European history, inevitably destined to recur in the years to come. France has won the war, avenged Sedan, and must now take advantage of its current position of strength to humiliate Germany both politically and economically. With "the German" he believes, one does not negotiate nor does one flatter. The German must be commanded, because intimidation is the only thing that will bend him¹⁶. President Wilson arrived in Europe welcomed as the man or, rather, as the prophet of peace in the West and the world, the charismatic hero of the Fourteen Points. But months pass, and little by little this image fades. He is not a hero or a prophet or even a philosopher, he is just a man of good and generous intentions. His temperament is that, writes Keynes, of a Presbyterian pastor, capable of solemn sermons and fervent prayer, but without a clear plan, without any real knowledge of the complex European situation, and above all without the intellectual means to oppose, face to face in the Council of Four, the fierce determination of the tiger Clemenceau and Lloyd George's almost telepathic talent for laying bare his (Wilson's) character and weaknesses, taking advantage of them to patiently weave his web of accommodation and compromise. This blind and deaf Don Quixote entered the stone heart of the "old" world day after day, thinking to the end that he had done his duty as a peacemaker, and that what was decided was perfectly in line with his principles. This trait of the man was quickly understood by the other protagonists of the Council, and so they set to work "subtlest sophisters and most hypocritical draftsmen"¹⁷ to conceal the inflexible harshness of the text under a thick blanket of apparently moderate linguistic formulas¹⁸.

Even Lloyd George did not arrive at Versailles with the preparation that would have been necessary. But during the six months of negotiations, he is guided by his diviner's instinct.

¹⁶ See Keynes (1919; pp. 32-33).

¹⁷ Keynes (1919; p. 51).

¹⁸ See Keynes (1919; pp. 50-51).

Although he believes that a punitive treaty with Germany would endanger the very existence of Europe, and in this his position is not far removed from Wilson's, he quickly senses that the President's ideas make him appear to the public as someone who takes the side of the Germans, and goes against the widespread feeling of hostility towards Germany in Europe, and what matters to him most, in Britain¹⁹. Thus, his role is essentially to beguile Wilson, to get him to sign the treaty by making him believe that the spirit of the Fourteen Points has not been betrayed. Keynes refers to him as *the Welsh witch* because in the relationship between the three he represents the "female" role of "seducing" the president into agreement. Wilson's masculine character falls into Lloyd George's web of flattery, acuteness, perception and charisma. Keynes (1933; p. 31) writes:

"How can I convey to the reader, who does not know him, any just impression of this extraordinary figure of our time, this siren, this goat-footed bard, this half-human visitor to our age from the hag-ridden magic and enchanted woods of Celtic antiquity? One catches in his company that flavour of final purposelessness, inner irresponsibility, existence outside or away from our Saxon good and evil, mixed with cunning, remorselessness, love of power, that lend fascination, enthrallment, and terror to the fair-seeming magicians of North European folklore".

Keynes thus closes his addition in *Essays in Biography*:

"Clemenceau, aesthetically the noblest; the President, morally the most admirable; Lloyd George, intellectually the subtlest. Out of Mr. Lloyd George their disparities and weaknesses the Treaty was born, child of the least worthy attributes of each of its parents, without nobility, without morality, without intellect"²⁰.

3. THE MORAL INIQUITY OF THE TREATY

The fourth and fifth chapters of the book are devoted to an analysis of the treaty from a predominantly economic point of view, as the title indicates: the clauses on imports and exports, the customs regime, the transport system, the German river system. Keynes pays particular attention to the provisions regarding coal resources, which he judges not only vexatious, but also irrational: possession of the Saarland mines is transferred to France, but at the same time Germany is required to deliver an enormous quantity of coal (an average of 25 million tonnes per

¹⁹ See Keynes (1922; pp. 2-3).

²⁰ Keynes (1933; pp. 40-41).

year) to France, Belgium and Italy for ten years. A measure that even if it were theoretically possible for Germany would put its entire production system in crisis, with the consequence of deterring all other commitments, including the payment of reparations to the victorious powers (especially France)²¹. Approximately half of the book, the extensive fifth chapter, is devoted to this theme, and it is inevitable that Keynes' critique will be remembered above all for the meticulous analysis of what the Treaty required and what Germany would reasonably be able to pay. In the light of what happened after the publication of his first book and the one of 1922, it is the part that also, inevitably, reveals weaknesses.

The Treaty, as is well known, did not directly specify the total reparations, but referred the determination of the debt to a special Inter-Allied Commission (art. 233). Keynes however made a fairly accurate estimate of what the total figure might have been based on the Treaty clauses, which he calculated as roughly £8 billion, or 160 billion gold marks, an amount fairly close to what was initially demanded²². The Paris Conference of 24-29 January 1921 actually reached an even higher calculation (226 billion), but the Reparations Commission in the same year proposed 132 billion gold marks²³. The proposed *Revision* of the Treaty arrived on the brink of the Genoa Conference (as pointed out by Claudio Treves in his *Preface*²⁴), and as we know at Genoa, France opposed any proposal to re-discuss the question of reparations. But we shall see shortly the developments on this point returning to Keynes, and to 1919. In the book he is not opposed in principle to the demand for war reparations from Germany, provided, that they are reasonable and do not endanger the country's immediate future, and consequently that of Europe²⁵. Thus, in addition to a significant reduction of German debt, Keynes in his conclusions suggested two other substantial changes, namely a relaxation of the sanctions on coal resources, and the establishment (under the aegis of the League of Nations) of a free trade agreement between countries that undertook not to establish protectionist measures²⁶. In this way, especially through this last proposal, the reasoning developed in the initial part of the book mentioned above is complete: the European economic system before the war for Keynes was substantially interconnected and Germany constituted its central pillar both in terms of

²¹ Keynes (1919; pp. 81-87).

²² Keynes (1919; p. 200). In Keynes (1922; p. 84) the valuation is lower, 110 billion gold marks.

²³ See Keynes (1922; p. 119).

²⁴ See Keynes (1922; p. XII, of *The Treaty Review*).

²⁵ Keynes estimates that two billion pounds, or 40 billion gold marks, is the maximum amount that Germany could plausibly be expected to pay.

²⁶ Keynes (1919; pp. 265-269).

geographical position and degree of development. If, however, a treaty were to be implemented with the economic destruction of Germany as its main objective, the consequence would be the ruin of Europe as a whole.

“If we aim deliberately at the impoverishment of Central Europe, vengeance, I dare predict, will not limp. Nothing can then delay for very long that final civil war between the forces of Reaction and the despairing convulsions of Revolution, before which the horrors of the late German war will fade into nothing, and which will destroy, whoever is victor, the civilisation and the progress of our generation”²⁷.

The book is that of an economist, one who fully develops precise assumptions about Germany’s role in Europe and the economic consequences of an unreasonably oppressive treaty. Often the German tragedy of the Third Reich and the ensuing disaster of the World War have been traced back to Keynes’ prophetic words. I believe that two considerations challenge such a reading. The first is that the history of reparations is much longer and more complex than the one Keynes dreaded, in fact it only ended on 3 October 2010, but with outcomes that were far less devastating for Germany than he had foreseen. And this Keynes, who died in 1946, evidently could only partly have imagined. His overall judgement of the spirit of the Treaty remains, and this judgement is, no doubt, largely shared. The other consideration is that history always resists overly simplistic and one-sided causal relations, even more so when confronted with one of the most tragic and devastating events in human history.

I will start with the first point. Germany, as Keynes recalls in the *Treaty Review*²⁸, had started to pay reparations, making a payment of 1 billion gold marks on 31 August 1921. But only a few months later, on 14 December 1921, Joseph Wirth’s government announced that it could not meet the obligations of the subsequent deadlines. It is worth noting that it was Wirth who led the German delegation to Genoa. As a consequence of the German default, France and Belgium proceeded with the occupation of the Ruhr in 1923, to which the Germans reacted with strikes and various forms of passive resistance. However, Germany’s evident inability to pay the debt led, in the following year, to the so-called Dawes Plan of the committee of experts appointed by the Reparations Commission and chaired by Charles Gates Dawes (awarded the Nobel Prize for this plan and from 1925 to 1929 vice-president of the United States). The plan envisaged the resumption of German payments in increasing instalments, without however indicating an

²⁷ Keynes (1919; p. 268).

²⁸ Keynes (1922; p. 44).

overall sum, and above all it allowed the inflow of US capital into Germany which boosted the German economy for some years (these were the best years of the Weimar Republic, linked to the figure and actions of Stresemann). But it was precisely the country's excessive dependence on the American economy which, as a result of the 1929 crisis, had such a devastating effect (I will say more of this in the conclusion)²⁹. The last years of Weimar began, and it is on these that I believe we must focus our attention when searching for the causes of the dictatorship and the subsequent world war. The Lausanne conference in June-July 1932 came close to sanctioning the cancellation of the German debt, which had by then fallen from 132 billion marks in 1921 to 3 billion. A few months later Hitler became chancellor and payments and reparations would not be spoken of again for twenty years. The matter was resumed and finally concluded with the Agreement on German Foreign Debts signed in London in August 1953 which covered both war debts and debts incurred by Germany with other countries. A total of 15 billion marks was agreed to be repaid over a period of more than thirty years; in fact, it was only on 3 October 2010, on the 20th anniversary of German reunification, that Germany announced that with the payment of the last instalment, it had paid off all its outstanding debts, including the war debts from the Treaty of Versailles.

And here we return to the question of the causes of the German and European tragedy. Can we speak of a prophecy, that of Keynes, being fulfilled? I would say no, sticking to the Keynesian reading of the Treaty, the interpretation of an economist who focuses, right from the very title, on the economic effects of peace. There were these effects, no doubt, but it is also clear that they were not on the scale that the Treaty and the French had imagined. There remains the circumstance of a peace sustained by punitive rather than conciliatory intentions, of a peace contrary to the values of righteousness and justice. In this respect I believe Keynes is most effective not when he argues as an economist with data and calculations, but when he voices his feelings of moral indignation. For example, at the end of chapter five when he writes³⁰:

“The policy of reducing Germany to servitude for a generation, of degrading the lives of millions of human beings, and of depriving a whole nation of happiness should be abhorrent and detestable, even if it were possible, even if it enriched ourselves, even if it did not sow the decay of the whole civilised life of Europe. Some preach it in the name of Justice. In the great events of man's history, in the unwinding of the

²⁹ Macroeconomic data from the last years of the Weimar Republic can be found in Broszat (1984).

³⁰ Keynes (1919; p. 225).

complex fates of nations Justice is not so simple. And if it were, nations are not authorised, by religion or by natural morals, to visit on the children of their enemies the misdoings of parents or of rulers”.

Certainly, then, a profoundly unjust Treaty deserves to appear among the causes that led to dictatorship and a new war. At the same time going beyond Keynes’ direct and inevitably limited reading, it would be important to reconstruct, though this is not the place, the Germans’ point of view on their perception of the injustice of the Treaty. And here one would probably see how the feelings of humiliation and resentment were directed not so much at the question of reparations, but at the issue of Article 231 – the responsibility for the war being solely attributed to Germany (and its allies) combined with the issue of territorial losses. But in no case can Versailles appear as the sole cause of the end of the Republic and the advent of Nazi madness, the factors are multiple, and the ways in which they intersected are complex. The list is long, and it could not be otherwise: the imperfect architecture of the Constitution of 1919, Hindenburg’s victory in 1925 due to the refusal of the Communists to withdraw their candidate and channel their support to Marx (the candidate of the Catholics supported by the Social Democrats), the premature death of Stresemann, the anti-Republic stance of the Communists growing in support in the last years of Weimar, a stance in fact shared with the Nazis, the rigid austerity policy of the Brüning government which further aggravated the ongoing economic crisis. And starting from here, if one really must find a cause of greater impact than the others, there is no doubt that this should be sought above all in the Great Crisis of 1929, which plunged Germany back into an extremely profound economic and social crisis due to the flight of American capital. Production plummeted, so that in the winter of 29-30 there were already 3 million unemployed, a figure that rapidly doubled in the fatal year of 1933. It was the economic crisis then that was the main cause of the Nazi disaster. One can consider these few figures, before 1929’s Black Thursday, in the 1928 general election the Nazi party won 2.8% of the vote, down from the 1924 result (3%). But in 1930 the Nazis were suddenly at 18.3% and two years later they were the leading party with almost 38% of the vote. Thinking about the tragic developments of the 1930s a good “title”, one which perhaps Keynes would have approved of, might be: the political and military consequences of the economic crisis.

4. CONCLUSIONS

In *The Economic Consequences of the Peace* and in *The Revision of the Treaty* Keynes highlights the moral iniquity of the Treaty of Versailles and its potentially tragic economic impact both for Germany and the whole of Europe. While the moral judgement on the Treaty can be shared, as, moreover, supported by the fact that the Germans considered Article 231 of the Treaty to be particularly humiliating and unjust, Keynes' assessment of its economic consequences today appears questionable. By no means, in fact, can the Treaty of Versailles be regarded as the decisive cause of Hitler's rise to power. The latter was due to a multiplicity of causes, the main one being the crisis of 1929 and the fiscal austerity pursued by the Brüning government.

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