



# Keynes vs. Versailles

Economic and Political Criticisms of the Peace Treaty

How John Maynard Keynes Warned the World in 1919

ALENJAKE LINDO

# The Paris Peace Conference

In January 1919, the Paris Peace Conference convened to formally end the Great War. Four leaders—Wilson of America, Lloyd George of Britain, Clemenceau of France, and Orlando of Italy—dictated terms to a defeated Germany without meaningful negotiation.

The conference would redraw Europe's borders and impose unprecedented conditions upon the Central Powers.



# Who Was Keynes & Why Did He Object?

John Maynard Keynes served as Britain's Treasury representative at the Paris Peace Conference. Deeply troubled by the treaty's terms, he resigned in protest in June 1919.

He immediately published *The Economic Consequences of the Peace*, a scathing critique that became an international sensation, translated into twelve languages within a year.

"The policy of reducing Germany to servitude for a generation is abhorrent and detestable."



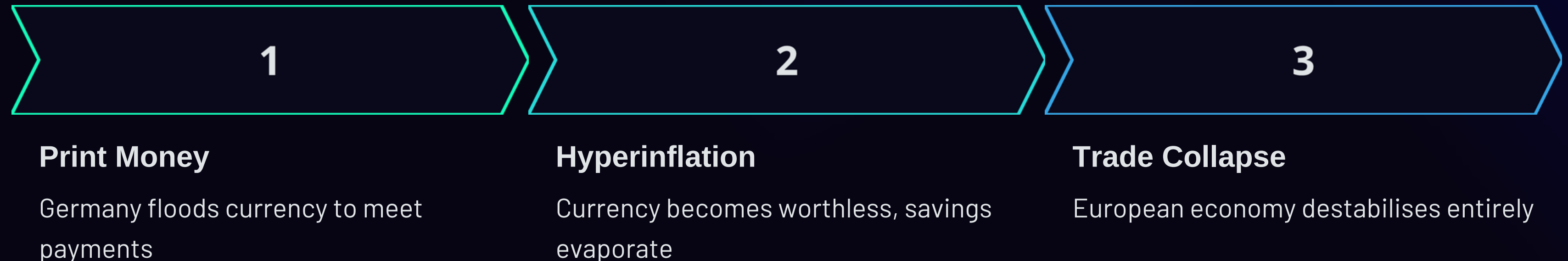
# Economic Criticism: The Reparations Trap

## £6.6B

### 1921 Reparations Sum

Amount demanded from Germany—economically impossible to pay

Keynes argued that the reparations figure was not based on economic reality but on political vengeance. Germany could not possibly pay this sum without collapsing its own economy and destabilising all of Europe.





# Economic Criticism: Dismembering German Productivity

## **Territorial Losses**

Versailles stripped Germany of the Saar coalfields, its merchant fleet, overseas colonies, and key agricultural land.

## **Structural Impossibility**

Keynes demonstrated that you cannot extract wealth from an economy deliberately crippled of its productive capacity.



# Political Criticism: Wilson's Failed Idealism

Keynes was scathing in his assessment of Wilson's performance. The American president arrived in Paris promising a just peace through his Fourteen Points, but surrendered them one by one to Clemenceau's demands.

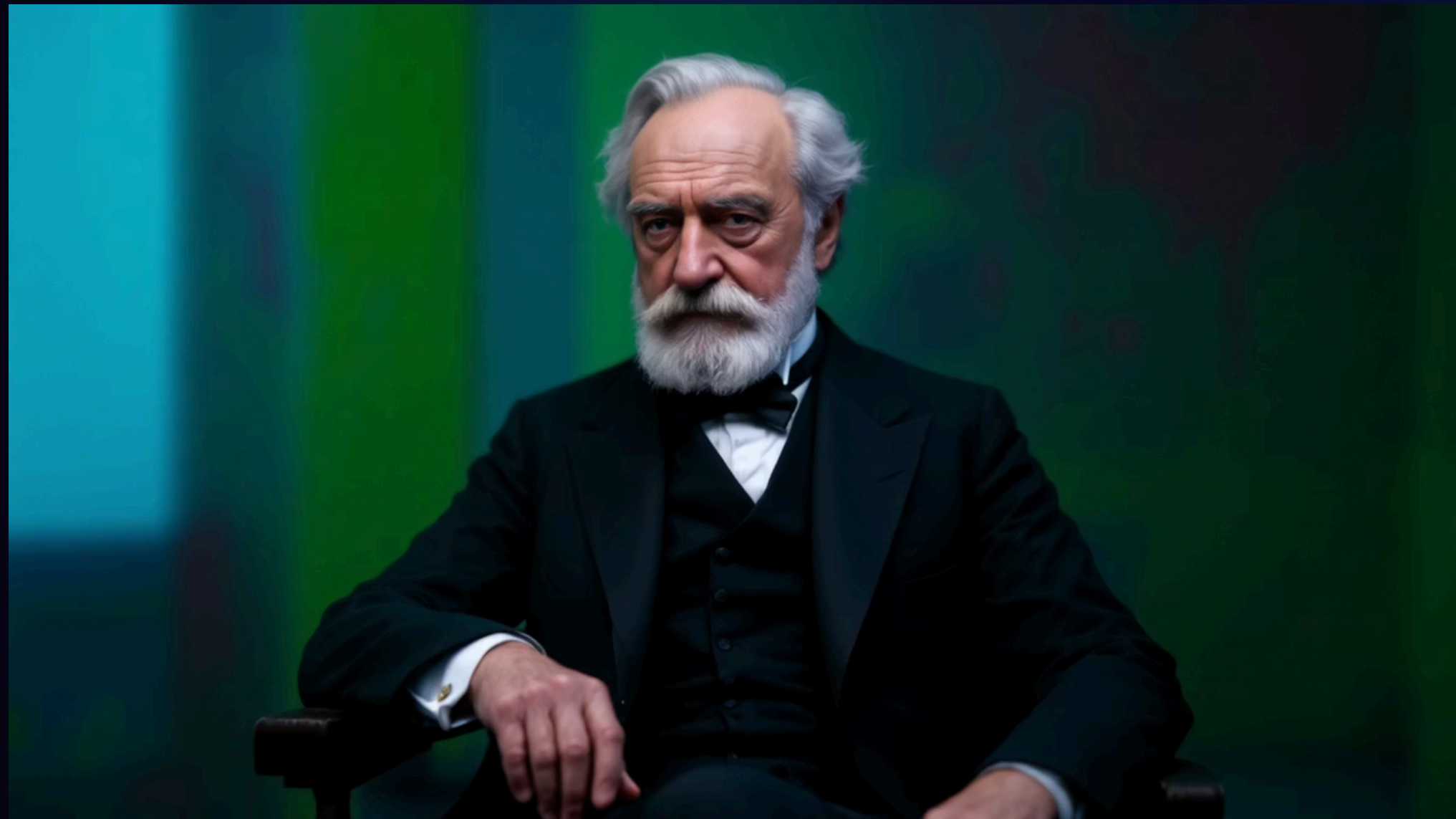


**"The president was bamboozled."**

– J.M. Keynes

Wilson's idealism proved no match for European realpolitik.

# Political Criticism: Clemenceau & the Carthaginian Peace



## National Revenge, Not Stability

Keynes accused Clemenceau of pursuing France's security through Germany's permanent annihilation rather than European stability.

## A Carthaginian Peace

Like Rome's destruction of Carthage, the treaty aimed to permanently annihilate Germany as a power, breeding resentment rather than lasting peace.

# Political Criticism: A Dictated, Unjust Peace

## A Diktat, Not a Treaty

1

### Germany Excluded from Negotiations

Terms drafted without German participation or meaningful consultation

2

### Terms Violated Pre-Armistice Promises

Wilson's Fourteen Points promised fair treatment, but final terms were punitive

3

### No Revision Mechanism Built In

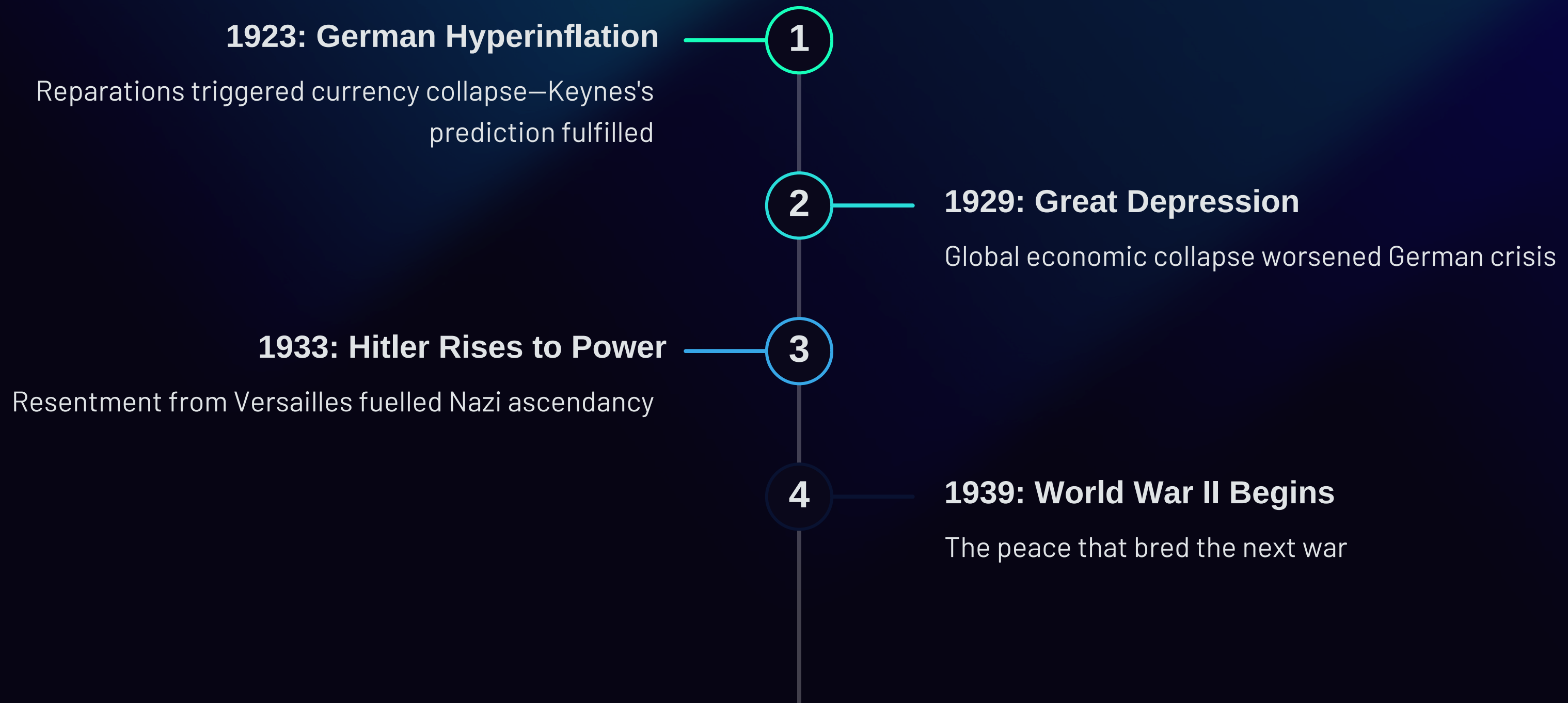
Treaty offered no peaceful path to adjust impossible demands

4

### Imposed, Not Negotiated

Germany forced to accept or face renewed military invasion

# Was Keynes Right? The Historical Verdict



**Keynes's warnings proved prophetic.** The treaty's economic impossibility and political injustice created the conditions for catastrophe.



# Legacy & Conclusion

## Immediate Impact

*The Economic Consequences of the Peace* reshaped public opinion across Europe and America, turning intellectuals and policymakers against the treaty's harsh terms.

## Post-WWII Influence

Its lessons directly influenced the generous Marshall Plan after 1945—rebuilding rather than punishing defeated nations.

"A peace which, if it is carried into effect, must impair yet further... the delicate and complicated organisation already shattered by war."

— J.M. Keynes, *The Economic Consequences of the Peace* (1919)

# Bibliography & Further Reading

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