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“Gained in translation: The French Edition of *The General Theory* by JM Keynes”

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Abstract

The 40 letter correspondence concerning the French translation of *The General Theory*, between John Maynard Keynes and his translator, Jean de Largentaye, is a testimony of their close collaboration, which also involved Piero Sraffa in 1938 and 1939. Largentaye’s lexicon appears at the end of the French edition, providing definitions in French of technical terms used by Keynes. After its publication by Payot in 1942, the French edition of *The General Theory* was well received in France and no doubt contributed to the economic and social successes of the country in the subsequent 25 years.

The French translation of *The General Theory* gave rise to dense and sometimes sharp exchanges between the author – John Maynard Keynes – and the translator – Jean de Largentaye - as revealed by the 40- letter correspondence between the two during the 20- month translation process, from April 1938 to the end of 1939².

When the translation started, in 1938, JM Keynes was recovering from a heart attack and was assigned to rest by his physician. He stayed most of the time at King’s College, working on *The General Theory*, which, published in 1936, had stirred up many debates. In 1939, at the approach of WW II, he resumed his activities as the Government’s adviser.

On 31 January 1938, Jean de Largentaye, a 34 year-old *Inspecteur des Finances* working at the French Treasury, wrote to John Maynard Keynes:

The wide distribution of your work in France, by contributing to dissipate the errors which are so deeply anchored in the public mind, would certainly facilitate a solution of the difficulties in the midst of which our country is at present struggling, (Largentaye, 31 January 1938, GTE / 3 / 49-50)

Two years after the German and Japanese translations had been published, in 1936 - the same year as *The General Theory*- Jean de Largentaye offered to translate *The General Theory on Employment, Interest and Money* into French. This translation was the last which Keynes prefaced and indeed the only one which he supervised in depth, to the extent that it became in fact an opportunity to clarify and correct a few passages of his *General Theory*.

This article is divided into two sections. The first recalls the economic and political context in France in the second half of the 1930s. The second, focuses on the methodology of the translation, on the lexicon and on the two introductions by the translator, written respectively in 1939 and in 1969. The conclusion assesses the impact of the translation on French economic policies immediately after WW II.

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² Available at King’s College Keynes Archives Centre in GTE / 3 file.

I. Background

Prior to WW II, economic culture was backward in France compared to Great-Britain. Due to this backwardness and to the lack of professional economists in France, the translation was going to be a huge task, involving the definition of new terms to express concepts used in *The General Theory* which didn't exist in French.

Where was Economics taught in France in the 1930s? What were the main schools of thought? What was the economic mind-set of politicians and political networks? What was the translator's economic culture? These questions will be explored in the next four sub-sections.

I.1. Teaching of Economics in France

Surprisingly, there was no Faculty of Economics *per se* in French universities until well after WW II. The elite of the French civil service, in particular the *Inspecteurs des Finances*, received training in economics (*économie politique*) at the Faculty of Law and at the *Ecole libre des Sciences Politiques* ("*Sciences-Po*"), a reputed semi-private school for post-secondary education in Paris.

Leading academics included Charles Gide (1847-1932), the Protestant founder of the *Revue d'Economie Politique* (1886), Clément Colson (1853-1939) and Charles Rist (1874-1955). Paul Leroy-Beaulieu (1843-1916) had taught finance at Sciences-Po at the end of the 19th century. These academics all belonged to the French "liberal", i.e. market-oriented tradition. However, Alfred Marshall, whose *Principles* had been translated into French in 1906, did not have the authority he enjoyed in Britain.

Gide's famous *Cours d'économie politique*, which comprised four parts – Production, Circulation, Distribution and Consumption – aimed chiefly at explaining how capitalism worked. The textbook made little reference to unemployment and used the word "*chômages*" in the plural form.

French opinion was suspicious of Keynes ever since his scathing criticism of France had appeared in his *The Economic Consequences of The Peace*, published in French by Gallimard for the *Nouvelle Revue Française* in 1920.

Nevertheless, Keynes was read in France. His *Nouvelles considérations sur les Conséquences de la Paix* was published by Stock in 1922. In *Réforme monétaire*, the French translation of the *Tract on Monetary Reform* (published in 1924), Keynes wrote a 12-page preface in which he advocated a devaluation of the French franc (which was duly devalued by 80% on 25 June 1928). *The Treatise on Money* (1930) however was never translated.

To sum up, after six publications in French of Keynes's writings between 1919 and 1933 – the three mentioned, two articles published in 1928 (*Réflexions sur le franc et sur quelques autres sujets*) and the translation of *Essays in Persuasion* –, none of his further writings were published in France between 1933 and 1942 – a decade of considerable strides in Keynes's thought.

1.2. The political context

Leon Blum (1872-1950), a *Conseiller d'Etat*³ was the socialist leader who headed the Popular Front government from June 1936 to June 1937. However, despite his left-wing convictions, he was a defender of the liberal economy and rather unfriendly to the “*économie mixte*”, a system that favoured the public sector. His economic ideas were consistent with those of *Sciences Po*, as were Charles Rist's and Jacques Rueff's, who personified the economic mind-set. Interventionist ideas were suspicious as they had a fascist or communist flavour. Both Rist and Rueff held positions of influence in the French economy. Charles Rist sat on the board of the Banque de France. Jacques Rueff, (1886-1978), *Inspecteur des Finances*, was Director of the *Mouvement Général des Fonds* in the French Treasury from 1936 to September 1939 and also taught at *Sciences Po*.

While the laissez-faire doctrine dominated economic reasoning, Keynes's ideas were gaining ground in France along three different directions.

First was a direction followed by individual civil servants and intellectuals, such as Jean de Largentaye, Robert Marjolin (1911-1986), who met with the Reform Club in Pall Mall, London, of which Robbins and Hayek were members, and Georges Boris (1888-1960), a close friend of both Léon Blum and Pierre Mendès France (1907-1982). An English-speaking journalist, Georges Boris was an early reader of *The General Theory* and introduced Léon Blum to Keynesian ideas in the summer of 1937. Around the same time, he also convinced Pierre Mendès France, until then a “liberal” economist, admirer of Raymond Poincaré and influenced by Jacques Rueff.

The second direction was followed by members of French trade unions (the *Confédération Générale du Travail* – CGT – led by Léon Jouhaux, Secretary General) who met regularly in Geneva (headquarters of the International Labour Organisation) with Belgian and Swedish colleagues and with a British group including Fabians (Stafford Cripps and Hugh Gaitskell), who were acquainted with Keynesian ideas. This group, called *les planistes*, advocated a “constructive revolution” and studied foreign experiences – the first Soviet Five-Year Plan and the Roosevelt experience in particular – using information received from the International Labour Organisation.

The third direction was followed by a group of Polytechnique graduates (*X-crise*), who, as students, had followed Clément Colson's lectures in economics. Many worked in the French civil service and met to discuss social and political issues. Referred to as *les Mediateurs*, they were keen to break with economic “liberalism”.

The three directions rarely crossed but were influential in their respective circles.

As Gaston Cusin⁴ described the atmosphere fifty years later:

“People from different horizons got together with the idea to treat finance through the economy (*i.e.* subordinating the former to the latter) and not the other way round. At the time, the usual way of thinking was to give priority to financial affairs and even to budget and accountancy affairs. We were discovering that finance was but the pale reflection of the state of the economy and that the *rue de Rivoli* [the Ministry of Finance was thus designated by its street address] had in fact no economic views. Enlightened people did not have the levers of power.

...We were very seduced by Italy and Germany's economic mechanisms. In 1938, we had to set up a war economy. It was necessary to have economic planning and exchange controls. Germany didn't

³The *Conseil d'Etat* is, like the *Inspection Générale des Finances*, an elite body of the French civil service

⁴ Gaston Cusin (1903-1993) was a prominent left-wing civil servant who coordinated the reform of the Bank of France under the Popular Front government in 1936 and steered a task force in the winter of 1937-1938 which inspired the Blum economic recovery plan of 5 April 1938 (see p.5). This quote comes from an interview that Gaston Cusin gave to the author in the late 1980s.

have a ton of gold and knew how to produce five armoured divisions whereas we had a lot of gold and were unable to build a powerful industry. We, members of the Socialist Party (Robert Lacoste, André Philip,⁵ myself and the “marginals” of the Socialist Party), would take Dr. Schacht⁶ as a model in economy. I delivered conferences on Schacht’s economic policy. We were in favour of state-intervention and of economic planning and that made political circles suspicious. Communists had a bad opinion of an intellectual flirt with Italian fascists. Given the financial means which we had at our disposal, we could have set up a war economy and we could have produced armoured divisions. The French Navy was the second biggest in the world. Intelligently ruled, France would have built tanks. She was able to build battleships and arsenals were national companies.”

Cusin noted that this was all the more remarkable as “the industrial production index was the same in 1936 as it was in 1920, whereas the financial situation was flourishing.”

Conservative business representatives caricatured as the “200 families”⁷ (i.e. the French economy’s main private stakeholders including members of the *Comité des Forges*, the powerful committee of coal, iron and steel industries) had almost all the seats of the *Banque de France*’s “regency council” until the reform monitored by Gaston Cusin (24 July 1936) under the Popular Front changed the balance of power within this institution in favour of representatives of the Nation.

1.3. The translator’s economic background

Born into a traditional family from Brittany, western France, Jean de Largentaye (1903-1970) attended a boarding school in Jersey around 1914-1918, where Jesuits had settled after the expulsion of religious teaching orders from France at the beginning of the 20th century. He thus learned English as a schoolboy in a French-speaking boarding school in Jersey.

In his letter to Keynes dated 31 January 1938 offering to translate *The General Theory*, he introduced himself as a graduate from the French Polytechnical School in 1923, entering the *Inspection Générale des Finances* in 1931 and attached to the Treasury Department from 1936 to 1939 where he was *chargé de mission* at the *Mouvement Général des Fonds* under the authority of Jacques Rueff.

Largentaye read in English *The meaning of money* by Hartley Withers, as well as the *Treatise on Money* and, of course, *The General Theory* by Keynes. On his bookshelves, there were also the French editions of two of Keynes’s books: *La réforme monétaire* (1924) and *Essais en persuasion* (1933).

1.4. The second Blum government (13 March – 5 April, 1938)

After the Popular Front won the legislative elections (3 May, 1936), Leon Blum became *Président du Conseil* (Prime Minister) on June 5th. This first Blum government remained in office for over a year,

⁵ Robert Lacoste (1898-1989) was a trade-unionist and French politician, a Socialist representative of the department of Dordogne in the French parliament. André Philip (1902-1970), lawyer, economist and Socialist politician. As a *député* he reported on the 40-hour week in 1936 when the *Front Populaire* was in government.

⁶ Dr. Hjalmar Schacht (1877-1970) was president of the Reichsbank, first from 1923 to 1930 and then from 1933 to 1939. He was also Minister of the Economy from 1934 until 1937 when he resigned. His economic policies proved successful first of all in eradicating hyper-inflation in Germany, then in eradicating unemployment, using capital controls, import controls and a state-monitored investment programme in infrastructure and armament.

⁷ The “200 familles” was a slogan used for the first time by Edouard Daladier (1884-1970), *Président du Conseil* (i.e. Prime Minister) at the Radical Party’s congress in 1934.

until 21 June 1937, and was followed by a moderate government led by Camille Chautemps, with the socialist Vincent Auriol and the radical-socialist Georges Bonnet as successive Ministers of Finance.

Much of the Popular Front's programme (the 40-hour week, paid holidays, collective bargaining agreements, wage increases - *Accords de Matignon* -, reform of the statutes of the *Banque de France*, creation of a price-regulating wheat agency...) was voted and implemented in the space of one year. The franc was devalued on 26 September 1936 and capital controls were enforced.

Alarmed by the *Anschluss* (12 March 1938), the Popular Front parliament sent Léon Blum back to the *Présidence du Conseil* on 13 March 1938, Chautemps having withdrawn. However, the second Blum government lasted barely three weeks, until 8 April 1938.

The French translation of *The General Theory* got underway during this brief second Blum government, as soon as Payot, a Swiss publisher who kept an office in Paris and had published many French books, accepted Largentaye as its translator.

On 5 April, 1938, the second Blum government presented its programme in the form of a bill authorising defence expenditures in the face of the Nazi threat. The "*exposé des motifs*" of the 30-page bill explained how military expenditure was to be financed. Pierre Mendès France, the under-secretary of the Treasury (*Trésor*) who presented the bill, later wrote (Mendès France, P. (1984) *Œuvres Complètes, Tome 1, S'engager (1922-1943)*, Paris, Gallimard):

"Its special feature is that, for the first time in France, a document produced by the government applies the theory of the monetary circuit and Keynesian ideas which would become well-known in the 20 following years. "

A Keynesian rationale permeates the government's reflation programme. Investment in defence was expected to induce multiplier effects on economic activity and boost employment. Low interest rates required capital controls: indeed, capital flight surged in 1936 and 1937 just after the Popular Front was voted in. However, ordinary Keynesian concepts, such as full employment, effective demand and aggregate income, etc., are missing, which is natural since *The General Theory* had not yet been translated. And the text of the bill makes the common "crowding-out" mistake of presenting savings as a prerequisite to funding investment (namely, the "Treasury view")

The bill was rejected and the second Blum government had to resign. It was a capital tax with a marginal rate of 17%, introduced at the last minute, together with capital controls and the devolution of "*pleins pouvoirs*" (full powers) to the Government which brought about this rejection by the French Senate which was more conservative than the *Assemblée Nationale*. In fact, the cabinet probably organised its own political suicide in order to enable the formation of a grand coalition⁸ as desired by France's allies, namely Great Britain and the USA. Nonetheless, the "PMF bill" received a favourable review in *The Times* (6 April 1938):

"For the first time since the days of M. Poincaré, an attempt is made to see the economic problem as a whole, and to solve it not by improvised expedients but by a bold plan worked out in detail. [...] Now, at last, the truth is seen; France has reached the parting of the ways; the choice lies between the maintenance of a liberal economy and the introduction of a strictly regulated one. If confidence returns, French money will be repatriated and the Government will get all the money they want. If it does not return, and the Blum Plan is based on that assumption, the Government will be forced to

⁸ "From Thorez to Kerillis", i.e. across the political spectrum from Thorez, who was then the leader of the French Communist Party, to Kerillis, a right-wing MP representing the affluent Neuilly-sur-Seine constituency.

create new money and to take steps to prevent it leaving the country. That means financial regimentation.”

The Blum government was followed by governments headed first by the moderate Edouard Daladier (12 April 1938-20 March 1940), then by the conservative Paul Reynaud (20 March- 15 June 1940), and finally by Philippe Pétain who took over from Reynaud and signed an armistice with the German Nazi regime on 22 June 1940. The French parliament voted to bequeath full powers to Petain on 10 July 1940 ; he then became head of the Vichy state.

Thus, the French translation of *The General Theory* which had started just after the fall of the second Blum government was completed in June 1939. Proof-reading was finished in November 1939, so that all of the translator’s work was done in 20 months, under the Daladier government.

In the meantime, on 3 September, 1939, France and Britain declared war on Germany.

The French edition of *The General Theory* was published only in 1942. The three –year delay between the end of the translation and its publication was due to the German occupation forces’ censure.

II. The 20- month translation process

Keynes was 55 when Largentaye started the translation in April 1938. Until the declaration of war, he spent most of his time at King’s College, recovering from his heart attack of early 1937, clarifying certain aspects of *The General Theory* (letters to Robertson, Harrod, Tinbergen, Haberler etc.; articles including *Mr. Keynes and Finance* [June 1938] and *The Process of Capital formation* [sept 1939] in “*CW Vol XIV Defence and Development*” and *CW Vol XIX The General Theory and After, A Supplement*). He went for a holiday in France (baths of Royat, near Vichy) in mid- August 1939 with his wife Lydia but their stay was interrupted by the mobilisation after the declaration of war. From the second quarter of 1939 onwards, he was busy working on war finance and rearmament expenditure (see Skidelsky, R. [2000] *John Maynard Keynes Fighting for Britain 1937-1946*, p.38-45)

Hence, the 12 months between April 1938 and April 1939 were probably a relatively calm period for him and indeed a favourable one to supervise the French translation.

As for Jean de Largentaye who was 35, his professional occupation at the French Treasury in Paris gave him enough spare time to concentrate on the translation despite being conscripted for military training, which forced him to interrupt his work at several occasions.

In a first sub-section, we will describe the method followed for the translation. The second sub-section will focus on the “Lexicon” of the *Théorie Générale*, a dictionary of 10 pages added to the French version of *The General Theory* and which was endorsed by Keynes. The third sub-section will briefly present the translator’s two introductory notes -the one he wrote for the first edition and the one he wrote for the revised 1969 edition.

II.1 The method followed for the French translation of *The General Theory*

Keynes wanted to test Largentaye’s ability to translate *The General Theory* by asking him to submit a “table of correspondence” (see next sub-section) as he wrote in his letter to Largentaye (Keynes, 9 April 1938, GTE / 3 / 60-1). Largentaye also submitted the translation of chapter 11 “The marginal efficiency of capital”, probably because he had read it the year before, in May 1937, when he was working for the French Treasury and was asked to draft a note on whether France was suffering from “monetary asphyxia”. It was this chapter in Book IV “The inducement to invest” which opened Largentaye’s understanding of Keynes’ s rationale: the problem explaining France’s economic

anaemia was not a lack of money but rather a shortage of outlets for firms, i.e. insufficient “prospective yields”.

Having received these two documents a month later, i.e. May 1938, Keynes asked his young Italian colleague, Piero Sraffa, at that time a lecturer at King’s, to give him his advice on the translation. Sraffa’s comment was very harsh: he criticised Largentaye’s “dog French” - a rather strange opinion as Largentaye was a civil servant used to writing official reports- as well as for the inadequacy of technical terms in French (see next sub-section).

A few weeks later, Largentaye submitted a second draft of both documents which Sraffa and Keynes found much better and which made them change their minds on the Frenchman’s ability to carry on with the translation.

Five months later, in October 1938, he had translated the first 20 chapters including Chapter 17 “The essential properties of Interest and Money”, the most difficult chapter according to Keynes. Largentaye, Sraffa and Keynes all three worked hard on it. Sraffa sent a three- page list of amendments which, with one exception, were all accepted by Largentaye. It is worth noting that the latter suggested a change in the concept of “own interest rates” –a subject discussed two years earlier between Keynes and Hicks (see Hicks to Keynes 16 October 1936 CW XIV P.77-79). In his view, it could be expressed in any common standard of value. Keynes’s did not object to this amendment which was hence adopted in the French edition. Despite numerous amendments in the translation of Chapter 17, in the end, both Keynes and Sraffa praised the “remarkable understanding of economics” of the translator.

After a careful word for word examination of chapters 11 and 17, Keynes trusted Largentaye for the rest of the translation, i.e. 22 chapters. These other chapters were not thoroughly read over but Keynes answered all of Largentaye’s questions and looked into his suggestions including mistakes to be corrected and specifications to be added. These corrections exist in the French edition but not in the English one which Keynes never revised in his lifetime. The subsequent English editions do not take account of these small differences approved by Keynes.

In February 1939, when the translation process was almost finished, Keynes wrote the preface to the French edition. It is the longest of the prefaces for the three foreign editions (the other two being the German and the Japanese editions, the prefaces for which were written in the last quarter of 1936). Keynes was probably keen to correct his reputation in France, where he was judged pro- German and anti-French after the publication in 1920 of the French edition of *The Economic Consequences of The Peace*.

He writes that France would offer less resistance to his ideas...

“...for in France there has been no orthodox tradition with the same authority over contemporary opinion as in my own country”

This is probably underestimating the influence of the French economist J.B Say (1767-1837) and his “fallacy that demand is created by supply” still quoted today as a principle which should guide economic policies.

The preface ends as follows:

“Perhaps I can best express to French readers what I claim in this book by saying that in the theory of production it is a final break-away from the doctrines of J.B. Say and that in the theory of interest it is a return to the doctrines of Montesquieu”

At the end of the translation process, Keynes wrote:

“What a heavy work this has been! I hope you have not felt overburdened by it. I much appreciate how much trouble you have taken, and the success with which you have tackled an awkward task.” (Keynes, 3 April 1939; GTE / 3 / 129)

II.2 The lexicon

The work on the Table of correspondence, which became a lexicon, took over a year. Closely linked to the translation of the 24 chapters of *The General Theory*, it was key to understanding *The General Theory* and its concepts.

Once the publisher Payot had accepted Jean de Largentaye’s project of an *in extenso* translation of *The General Theory*, Keynes wrote to the translator (Largentaye, 9 April 1938; GTE / 3 / 60-1):

“The most important task, I think, is to obtain suitable equivalents for my set of technical terms. My German translator took particular trouble about this and in fact supplied, at the end of the volume, a table of the equivalents between English and German of the terms he had adopted. I think it might be useful if you would let me have a list of your suggestions in this respect. “

On 4 May 1938, Largentaye sent a list of 29 terms with their translations into French. Evidently, he did not follow Keynes’s advice to use the German translator’s method, namely a translation of most of the terms of *The General Theory*’s 15-page index (compiled by D.M. Bensusan-Butt). Its German equivalent – the “*Vokabularium*” - comprises around 200 terms against the 29 selected by Largentaye.

Keynes was dissatisfied both with the selection of technical terms and with their French translation and asked Sraffa to look over Largentaye’s work. The extent of Sraffa’s corrections reveals the lack of French economic vocabulary in the 1930s: aggregate, disinvestment, effective demand, liquidity preference, propensity to consume or schedule of marginal efficiency of capital were all terms which simply did not exist in French.

A few months later, Largentaye sent Keynes “a new list of technical terms” after having read various reviews of the *The General Theory* which had either been directly written in French (Mantoux, E. [1937] “La « Théorie Générale » de M. Keynes”, *Revue d’Economie Politique*, Paris; Moisseev, M. [1938], « La Théorie Générale de Mr. Keynes », *Revue des Sciences Economiques*, Liège [Belgique]) or had been translated into French (Lerner, A. [1936]” La théorie générale de M. Keynes sur les rapports entre l’emploi, l’intérêt et la monnaie “ *Revue internationale du travail* 1936, International Labour Organisation).

After various drafts, Largentaye’s list contained 51 terms instead of the 29 in the initial table of correspondence. For the first time, and contrary to the presentation of the German *Vokabularium*, the translator followed the alphabetical order of the French terms, i.e. the translations of Keynes’s English terms, consistent with the French reader’s logical requirement. He also gave the definitions in French of these terms.

In the spring of 1939, Jean de Largentaye convinced a reluctant Keynes to accept his *Lexique* (i.e. glossary, including definitions) rather than a simple table of correspondence comparable to the German one. Keynes disapproved of this initiative, on grounds that it wasn’t necessary and indeed

could be confusing, so long as the definitions were in the text of *The General Theory*. He also disapproved of the arbitrary choice of the 57 terms in this glossary. But a few weeks later, he finally accepted the second version of the glossary and wrote:

“...Now, as regards the glossary: I feel very much happier about it in its revised form, with reference to its being the work of the translator, and with the English terms in brackets and page references to the main text of the book. In principle, I accept the lexicon on these lines, and agree with you that it may be very helpful to French readers. The difficulty is that perhaps fifty years have passed since any modern work on economics was actually composed in the French language; though, from what you tell me, the absence of established technical terms for English phrases, which have not been invented by me but have been established in Anglo-Saxon economics for some decades, goes further than I realised. ...” (Keynes, 3 April 1939, GTE/ 3 / 129-31)

We shall now look at a few terms, the translation or definition of which were particularly controversial.

Apart from “liquidity preference” and “full employment”, which Largentaye translated by terms he had invented -respectively *préférence pour la liquidité* and *plein emploi* - the terms “expectations” and “investment” were discussed at length.

As regards “expectations”, Sraffa, quoting E. Mantoux’s French review of *The General Theory*, wrote that “expectations” could mean in French *anticipations* or *prévisions*.

Largentaye, after discussing the subject with Mantoux himself, finally translated expectations by *prévisions*.

Today, one could think that *anticipations* could have been a better choice. (cf. “*Anticipations rationnelles*”, the French translation for “Rational expectations”). Other translations were possible, *attentes* and *espérances* for example. *Attendu*, *espéré* or *escompté* can be used for “expected”. In German, expectations is translated by *Erwartung* which is close to *attentes*.

As for “Investment”, it is translated into French by *investissement* or *placement*, depending on its context in English: *investissement* for addition to capital equipment (“current investment” is then generally used by Keynes) or *placement* for investment in securities on the financial market. We should stress that the existence of two words in French (*investissement* and *placement*) instead of only one in English - investment – may be considered an advantage. This was Richard Kahn's view, expressed in his 5th Mattioli lecture (1984) on “*The making of Keynes’ General Theory*”⁹ :

“Considerable confusion is caused – Keynes was not immune to this confusion – by the ambiguity of the word “investment”, which is used to mean both real investment and the purchase of Stock Exchange securities. This is one of the occasions on which the French vocabulary is richer than the English. For over twenty years Joan Robinson, acting on a hint from Hicks, has avoided the confusion by borrowing from France the word *placement* to mean the purchase of securities (Joan Robinson, *The accumulation of Capital*. London: Macmillan, 1956, p.8).”

⁹ Kahn, Richard F. (1984) *The making of Keynes’ General Theory* , Raffaele Mattioli Foundation, Cambridge University Press

Finally, although it is not in the French lexicon, nor in the 15- page Index of *The General Theory*, the expression “animal spirits” (Chapter 12 “The State of Long term expectation” sect VII) – a hallmark of *The General Theory* - which Jean de Largentaye translated into French by paraphrases, *enthousiasme naturel* (1942) and *dynamisme naturel* (1969), deserves special attention.

In old French, *esprits animaux* has a double-fold meaning, first a religious meaning (i.e. physical instincts as opposed to spiritual forces), second a medical meaning (Descartes R., 1637, *Discours de la Méthode*, chapter 5).

Largentaye could have used a literal translation, adding “*esprits animaux*” to the lexicon and inventing a definition.

Today, “*esprits animaux*” has become a common expression in French economics, no doubt under the influence of *The General Theory*, with a different meaning from the one it had three or four generations ago, i.e. the same one as in the 17th century.

To conclude, the Lexicon, when published in 1942, was a major breakthrough for French economics, as it introduced a new vocabulary and new concepts. It was the scaffolding of *The General Theory*, and meant to replace mainstream principles. Moreover, this lexicon was aimed at extending the understanding of the *Théorie Générale* to non-professional economists (thus going against Keynes’s initial intention which was to address only the small category of his fellow economists). From this perspective, it was more than a mere substitute of the *Index* or of the German *Vokabularium*. Nonetheless, the French lexicon probably didn’t totally fulfil its ambition, judging by the fact that most French readers who claim they have read the *Théorie Générale* have not understood it. Today, it would be worthwhile adding words to the list of the terms which are defined, including some proper names.

II.3. The translator’s introductory notes (1939 and 1968)

The translator wrote two introductory notes, the first one in 1939 for the first French edition, the second one 30 years after, in 1969, when Payot asked the translator to review the original translation for a new pocket-book edition which was to be sold at a low price. We shall look into each of these two notes.

II.3.1 The translator’s first introductory note (1939)

In the second quarter of 1939, once the translation was finished, Largentaye wrote an introductory note for the *Théorie Générale* in response to Payot’s request for a comment in order to increase the sales of the book. The publisher feared that on account of its length and its austere tone, it would not be a best-seller in France.

The note explains why *The General Theory* represents a major break with the Classics “for some a revolution, for others a mere evolution” and in doing so, it gives a summary of the book.

Methodology represents the main break: *The General Theory* does away with the traditional sequenced approach to production, distribution, circulation and consumption, thus introducing an important difference in its choice of “variables”.

“The idea that income can be considered as constant ...is what one finds at the root of most contemporary economic sophisms. In *The General Theory* on the contrary aggregate income is the essential dependent variable; the very object of this theory is to identify the factors which determine it.”

Among other differences with the Classics, this summary emphasizes that, except at full employment, neither the demand for, nor the supply of, labour depend on the level of money- wages which “appears as an independent variable which can take any value”.

Finally, the translator’s comment points out practical influences of *The General Theory* principles in different countries: the UK (monetary policy after 1931), the USA (interest rates and corporate fiscal policy after 1934) and Germany (Dr. Schacht’s monetary policy after 1933) but it doesn’t mention Leon Blum’s still-born economic programme (April 1938, see p.6).

Keynes was pleased with this note and wrote to Largentaye:

“let me thank you sincerely for your comment. This, if I may say so, seems to be excellently done, and I have no material criticisms. I thank you for it.” (Keynes, 22 June, 1939; GTE/ 3 / 136-8)

This six page note was never translated into English.

II.3.2. The translator’s second introductory note (1969)

In 1969, on the occasion of the publication of the second “entirely revised” French edition of *The General Theory*, which actually contains few changes compared to the first 1942 edition, Payot added a second introductory note by the translator. Written just one year before he died, this note can be regarded as his legacy to economics.

Jean de Largentaye points out two limitations in *The General Theory*: first, the acceptance by Keynes, from Marshallian microeconomics, of the law of diminishing returns. According to this law, the marginal productivity of labour declines with an increase in the volume of employment. But in a world of growing technical complexity, producers tend to join up to increase scales of production, reduce unit costs and stretch workers’ marginal output. Thus, in advanced capitalist economies, the law of diminishing returns simply does not apply. (*Journal of Post Keynesian Economics* [Spring 1979, Vol 1, Issue] including Nicholas Kaldor’s “introduction to ‘A note on The General Theory’ ”).

Largentaye pointed out another misleading opinion derived from the same unfortunate law of diminishing returns:

“...when techniques advance, real wages cannot rise more quickly than productivity without causing a decline in employment.”

Here, Largentaye finds that, in times of technological progress, real wages must increase more rapidly than productivity, otherwise employment will be depressed and production discouraged.

The second limitation of *The General Theory*, according to Largentaye, is to be found in the nature of the monetary system – credit or fiat money (as opposed to money backed by gold, precious metals or other commodities) - for which *The General Theory* is designed. The translator recalls the teaching of *The General Theory*:

“the theory of employment and the theory of money are merely the two facets of one and the same analysis”...“ by increasing the quantity of money, it is possible to bring down the rate of interest, and by that means, increase, in the first place, investment, in the second place aggregate demand, and finally employment.” (de Largentaye, J. [1979]“A note on The General Theory of Employment, Interest and Money”, *JPKE*, Vol.1, n°3, Spring 1979)

But in reality, an economy using credit (or debt or fiat) money doesn't work that way. When employment rises, monetary wages also rise, complicating the reconciliation of price stability with full employment. Indeed, inflation was the issue of the day when the translator wrote (in 1968) his second introductory note. The only way to avoid a trade-off between price stability and full employment would be, in Largentaye's opinion, to have a commodity-standard money with commodity stocks backing the currency. In his view, "involuntary unemployment" could not occur in an economy with a commodity-standard money.

Conclusion

At the beginning of his second introductory note, Jean de Largentaye wrote:

"It is because it offered a plausible solution to the distressing problem of unemployment that *The General Theory* was received with so much interest in 1936. The solution even seemed so simple and full employment so largely attainable that several governments did not hesitate to include it amongst the constitutional rights of their nationals."

So, how exactly was the French edition of *The General Theory* received in France after its publication in 1942?

Resistants, intellectuals, politicians, trade-unionists who would work on the reconstruction of France became acquainted with Keynes' ideas during the war years. They read *The General Theory* in English or in French. Such was the case of Robert Marjolin (who published a thesis on Keynes in 1941) and of Alain Barrère (an academic who had read *The General Theory* while he was a prisoner of the Nazis), not to mention George Boris, journalist and political commentator and advisor.

Full employment was referred to in the preamble to the 4th Republic's Constitution which was approved by the two Houses of the French Parliament on 27 October 1946 in the following terms:

"Each one has the duty to work and the right to obtain an employment."

In Algiers, in the provisional government of General de Gaulle (September 1943 - April 1945), a group of civil servants worked for Pierre Mendès France, *Commissaire aux Finances* and subsequently Minister of *l'Économie nationale*. While organising the post-war economy, they formed the incubator for people who were to hold senior positions in the French administration after the Liberation.

Contrary to what happened in the period following WW I, when the market economy was left unchanged and liberalism ruled in economics, groups coming from the Resistance movement extended state intervention in banking, industry and agriculture. Economic policy aiming at high levels of output and employment as well as at social welfare was a new concept, the objectives of which were closely intermingled.

The material destructions of the war were considerable - far worse than during WW I (human casualties were however inferior). Output had plunged (the industrial production index fell from 100 in 1938 to 38 in 1945). There was therefore an urgent and vital need for production to catch up. The new priorities were economic and social, encouraging growth and setting up the national Social Security system, rather than financial, i.e. balancing the accounts and looking after the stability of the currency.

Shortly after WW II, *The General Theory* was taught at the *Ecole nationale d'administration*, the school for civil servants founded after the war and, from the mid- 1950s onwards , in French universities.

Despite headwinds, both international (Mc Carthy's witch-hunt in the U.S and U.N., *Mont Pélerin* Society, etc.) and in France, the "Keynesian revolution" gained momentum in western democracies. In France, the post-war generation of civil servants who were influenced by *The General Theory* and held economic, financial and government positions, no doubt helped France achieve high growth and high levels of employment for over a quarter of a century after 1945.

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