A MARXIST CRITIC ON THE KEYNESIAN ANALYSIS OF THE ECONOMIC CRISIS

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Abstract: Two main theories exist about crisis: the Keynesian and the Marxist one. In this article, we try to analyze what can be the pertinence of the Keynesian analysis in a Marxist perspective. Keynes was in favor of regulated capitalism, not for a change of society. His main task as he defines it for himself was to find everything which can save the capitalist system. But his vision is fundamentally a short term one. Then he proposes a revival of investments, if not by private businessmen, by the State. But the effects, because he neglects the long term, are no new and durable growth and the development of public debt. It’s why Keynes’s theory cannot really solve crisis.

Key words: Marxism; Keynes; economic crisis; investment; public debt

John Maynard Keynes remains a key influence on current economic thinking. Even if the neo-liberal movement dominated over the last decades, the Keynesian ideas remain enduring, especially at times of recession.

When the subprime mortgage crisis started, it was clear that the liberal responses were inadequate. It was necessary to activate State intervention and therefore be referred to Keynes to justify it. As a French economist wrote: “During the crisis, we are all Keynesian.”

Actually, the British economist’s theory is the main analytical alternative of the economic crisis compared with Karl Marx’s theory. Consequently, in this point of view, it’s interesting to consider if Keynes’s theory stands the test of reality and, eventually, to compare the two great solutions: Keynesian or Marxist.
The Theory of an “Enlightened” Bourgeoisie

John Maynard Keynes was born in Cambridge in 1883, the year of Karl Marx’s death. His father was also an economist and a lecturer at the University of Cambridge. His family was unquestionably part of the Victorian elite. He was also a committed representative of the enlightened bourgeoisie.

This background determined his life and choices. He was admitted to Eton College, one of the oldest and most expensive English public schools. He left Eton College for King’s College at the University of Cambridge. There, he passed the mathematics examination. He was involved in several elitist groups, though they were critical of some of the moral principles of capitalism at that time. Then he studied economics.

From 1911 Keynes was editor of the Economic Journal, an influential periodical that promoted economic theory and had been published since 1891. He was to hold down this job until 1937. He worked for the Treasury during the First World War, which allowed him to attend the Versailles peace conference. He was disgusted with it and published a highly influential book: The Economic Consequences of the Peace.

Then he resigned and went into business. When he was a student, he had written in a letter: “I want to run a railway company or organize a trust. That’s so easy and so exciting being interested in these subjects.” After a first abortive attempt, he quickly became rich but went back to economic and political business.

From 1924 to 1929, Keynes tried to revive the dying Liberal Party. He refused the membership of the Labour Party. He explained this refusal: “To begin with, it is a class party, and the class is not my class. If I am going to pursue sectional interests at all, I shall pursue my own. When it comes to the class struggle as such, my local and personal patriotism, like those of everyone else, except certain unpleasant zealous ones, are attached to my own surroundings. I can be influenced by what seems to me to be justice and good sense; but the class war will find me on the side of the educated bourgeoisie.”

When he visited the USSR in 1925 (his wife was a ballet dancer from Russia), he wrote: “How can I adopt a creed which, preferring the mud to the fish, exalts the boorish proletariat above bourgeois and the intelligentsia who, whatever their faults, are the quality in life and surely carry the seeds of all human advancement?”

At the same time, he became a member of some prestigious clubs and in 1929 he was made advisor to the Macmillan Committee. He was in charge of giving economic advice to the Labour government of Ramsay MacDonald. He then became interested in the crisis that started with the Wall Street Crash of October 1929. He published two main works about this topic: Treatise on Money and above all, in 1936, The General Theory of Employment, Interest and Money.
During the Second World War, Keynes joined the Treasury Department again. He negotiated the Bretton Woods agreements on behalf of Great Britain. But Keynes was sick. He couldn’t correctly defend his theory at Bretton Woods. In 1937 he suffered a first, mild heart attack. On April 21, 1946, a second attack proved fatal.

His background, career and life show that he was a member of the bourgeoisie, as he himself recognized. What he wanted was a perpetuating capitalism but with the excesses in its workings eliminated. His analysis of crises reflects his thinking. He determined a macroeconomic analysis in which the national product is composed of consumption and investments. The first element is stable while the second is unpredictable. The hoarding and the speculation prevents what he saw as the ideal workings of capitalism: the investments.

His analysis can be illustrated with a small diagram (see Figure 1) in which, contrary to his introduction and analysis, the different situation between the workers (paid with a salary that mainly helps them to consume) and the capitalists (whose income is funded by profits and who are able to consume as well as save money) can be noticed. Consequently, the hoarding needs to be worthless and the money set in the financial markets needs to return to the profitable system in one way or another, otherwise there could be an imbalance.

Keynes suggests four macroeconomic solutions that aren’t expressed as such but can be found in his works. First, it’s necessary to consume and increase the consumption thanks to the incomes. Second, it’s necessary to organize the

![Diagram of the distribution and the growth of the capitalist system following Keynes](image-url)
investments influx thanks to an appropriate monetary policy: low rates of interest allow using credit and therefore favoring it. Third, if the private investment is lacking, the State has to take responsibility for it. Fourth, the State has to regulate the financial markets to prevent them from spinning out of control.

**Underinvestment or Overinvestment?**

For Keynes, the main cause of crisis is therefore located at the investment level. If the capitalists adopted a long-term rational plan of increasing production capacities, staggering these over some time, perhaps there would no longer be a problem. But according to Keynes, it is the decisions to stop this process that cause the recession. There wouldn’t be any crisis if the businessmen went on investing. Consequently, the problem results from a relative private “underinvestment.” Crisis unquestionably appears with the blocking in the economic process directly related to investment decisions. When investment falters, production is stopped and salaried employees who are considered to be surplus are booted out. But all this is not specific to the true reasons of these dysfunctions. Keynes appeals either to the uncertainties that come into existence in the markets, or to the financial excess that causes excessive perspectives of benefit. The problem is that it’s very difficult to empirically prove the Keynesian allegations. The data mainly show that, investments are extremely volatile, much more so than consumption and other elements of the macroeconomy. Keynes can mention these reasons, but not prove them. Figure 2 compares the annual growth of real GDP (i.e. without the consequences of price increases) and the real net stock of fixed assets in the United States since 1960.

It is the GDP level that undergoes important fluctuations and the investment that appears relatively stable. Notice that investments follow the growth of GDP rather than precede it. In the 1960s, as Figure 2 shows, there was a rise in GDP first, and then a progressive increase of the stock of fixed assets. In the 1970s, despite the serrated growth rate of GDP, the stock reached record levels (4.3 percent on average from 1964 to 1981 inclusive). It decreased while the economy recovered in the 1980s. Afterwards the rise of investments always followed the rise of GDP. But the rise of GDP always precedes the rise of investments before the recovery of investments. It happened like this in the 1990s. Then, in 2000, GDP began to shrink before the stock of fixed assets did the same. It recovered from 2002, while investment waited until 2004. With the subprime mortgage crisis, investment only dropped in 2008, while production struggled from 2007.

In these conditions, it seems risky to pretend that the recession mainly came from a lack of investments. It’s clear that, at the time of the crisis, the capitalists slowed down or stopped their outlays of fixed assets, probably because they understood they
couldn’t sell anymore and that it was impossible to go on at this rate. And there was a slight adaptation delay, because some operations needed a large immobilization that was difficult to stop. For example, there may be a gap of two to three years between the decision to build a car factory and when the first cars actually roll off the production line. This process is stopped or slowed down only when it’s really necessary, so when the crisis is fully apparent and appears to be long-lasting.

Therefore it’s essential to understand not why the capitalists stop their investments, but why they aren’t able to sell their goods anymore. Here again is the small diagram that allows an explanation of where Keynes located the problem, simplifying it to the maximum (see Figure 3).

The production is always distributed among incomes, i.e. salaries and profit, which are used for consumption and investment. Now there is no distinction between saving and investment. Investments are used for increasing production and therefore ensuring economic growth. Keynes thinks this diagram is perfectly sound but corrupted by hoarding or speculation.

We think this mechanism is totally vitiated within a capitalist environment. Why? Because capitalists’ objective is increasing profits, sometimes by accumulating funds rather than immediately investing. Capitalists also attempt to cut wages to increase profits, especially when the economy is growing slowly. To the extent that
they succeed, a given level of investment will represent a higher share of gross domestic product. Cutting wages, obviously limits consumption, which tends to create overcapacity.

Therefore, managers will increase their income by cutting the salaries of workers. This is the subject of a class war. The capitalists won’t always achieve their objective, but they keep chasing it. Similarly, with an increased benefit (or even without it), they tend to increase the proportion they devote to investment, because this is the way to grow and become powerful, and if they don’t do that, the competition will force them to.

On the one hand, the increasing demand of investment makes the profits increase, which makes the role of income of capitalists and managers more important, as it is their income that increases the demand of investment. But, on the other hand, they cause a relative decrease of the means devoted to consumption. This happens in two stages: first by cutting as far as the salaries that are used for consumption; and second—which is too easily forgotten—by reducing the amounts relative to the capitalists’ consumption. The income that will be spent on consumption is restrained, while the production capacity is constantly rising. Inevitably, a large gap follows: overproduction.

The example of the car industry, particularly in the United States, makes this subject clear. Figure 4 shows a comparison between the growth of car sales and production capacity set up since 1960. You can see some parallelism between the two curves until 1989, when they clearly differed. Capacity continued to rise, at an even greater speed than in the past. As for sales, they settled down. This was logical because the car ownership rate was close to 75 percent (i.e. three in four US citizens
had a vehicle"). But first the Japanese manufacturers, then the Koreans, and finally the Europeans, were keen to get into the market and establish new plants—even if the consequence was the complete bankruptcy of the specifically American sector. There were too many investments, not too few.

To get back to Keynesian theory, the capitalists may hoard or speculate and the money invested in the financial markets may not come back to the usual economic circuit. This will cause more problems in the system. But, fundamentally, it’s in the heart of the system and its mechanism that the crisis is located, as Marx had noticed in his day.

It’s also obvious that the system isn’t either constantly going into recession, which our very simplified example could mean. Actually, the gaps or the malfunctions can easily be resolved by the mortgage: if consumers haven’t enough means to buy products, they can obtain them thanks to bank loans… until they become unable to pay back, as in the subprime case.

**The State Marginal Tendency to Get into Debt**

Keynes’s analysis is mainly based on short-term concerns, once dismissing long-term considerations with his famous quote: “In the long run we are all dead.” So why do we have to take an interest in it?
The problem is that he reproduced this scheme for his analysis of crisis. Keynes estimated the private investment consequence, and the necessity, at some point, to substitute it for the State one, from the economic cycle, which others (Juglar or Schumpeter for example; also Marx moreover) had considered important. According to him the extended recession is an unhappy blunder, linked to an excess of capitalism, but which authorities can counteract with a countercyclical policy. The investment that is lacking will be momentarily provided by the State, which will allow a breaking of the deadlock and a boosting of the economic engine. This is what Keynes wrote.

However, if the crisis is more important and can’t be resolved in the short term, if the problem doesn’t simply stem from a lack of temporary investment, the authorities invest from funds that dwindle because of decreasing incomes (due to the crisis), they persist, they widen budget deficits then they extend the size of public debt. Yet, it can be seen that this is what happens in every crisis.

Back in the 1930s, it was the consequence of measures decided by different governments—first Hoover’s, which was far from being non-interventionist, and then Roosevelt’s. Figure 5 shows the growth of State outlays in relation to GNP (Gross National Product) from 1920 to 1940. After a first crisis in 1920 to restructure the war economy from the period 1914–18, government outlays went down again to the rate of 3 percent of GNP. The first measures taken by President Hoover brought the proportion to 8 percent and the New Deal program brought it to about 10 percent. This was not much, when compared with the current situation (45 percent GDP before the beginning of the subprime mortgage crisis). Nevertheless, the amount used trebled in relation to GNP and also trebled in absolute terms (the GNP in 1940 was roughly the same as in 1929).

Consequently, public debt increased. This is what Figure 6 shows. Let’s make a comparison between it and GNP. Public debt, which had tended to settle in the 1920s, rose sharply in the years 1929 to 1933. Actually, this was the conjunction of two facts: first, GNP dropped by half in this time; second, public debt rose by a third. From 1929 to 1940, the public debt doubled in absolute terms.

What happened afterwards? We will never know precisely. Most economists admit that what permitted the United States to pull out of this situation was the Second World War.

In the 1970s, however, the problems repeated themselves. By 1973, production stagnated periodically. Governments tended to refer to Keynesian techniques: pump-priming policy by the authorities. It is unquestionable that this weakened the social and economic consequences of emerging crisis. But the outlays quickly became unmanageable.

Figure 7 shows the growth of public debt in relation to GDP in Europe and in the United States. The growth of public outlays has been almost continuous since
Figure 5  Growth of State Outlays in Relation to GNP, USA, 1920–40 (%)
Source: Office of Management and Budget, Historical Tables, Table 11—Summary of Receipts, Outlays, and Surpluses or Deficits (–): 1789–2015: http://www.whitehouse.gov/sites/default/files/omb/budget/fy2011/assets/hist01z1.xls

Figure 6  Growth of Public Debt in Relation to GNP, USA, 1916–40 (%)
1977 with regard to Europe and since 1979 to the United States, despite Reagan and Thatcher. This lasted until the beginning of the 1990s, with Clinton in America and the Stability and Growth Pact (or the Treaty of Maastricht in 1991) in Europe, the objective of which was to get public debt lower than 60 percent of GDP. But the new crisis since 2007 has brought rapid increases to public deficits.

And we haven’t presented Japan’s statistics which show an even more important growth. Extremely low in 1970 (11 percent of GDP), Japanese public debt rose to 72.5 percent of GDP in 1983. It stabilized at this level until 1991. With the property market and the banking crisis specific to the islands, the State launched many pump-priming plans which boosted the country’s debt to incomparable highs: 235 percent of GDP in 2008.

Keynesians can argue that the government programs are badly targeted. It’s probably true, particularly now.\textsuperscript{10} Nonetheless, the impact of Keynesian measures taken to mitigate recession is immediate on public outlays, and therefore on debt, while the impact is totally uncertain on economic activity, since the measures are to boost the economy and not to resolve the basic problems of society. It’s like drugging up a patient and declaring that this will permit him to emerge from his hell.

\textbf{Figure 7} Growth of Public Debt in Relation to GDP—Europe and USA, 1970–2009 (%)

Source: AMECO, European Commission, Economic and Financial Affairs: http://ec.europa.eu/economy_finance/ameco/user/serie/SelectSerie.cfm?CFID=1693359&CFTOKEN=6fcd0067b30521b7-80fbd00-8c80-3030-39cc1124eeB6688&clientid=24065e9d6533524e7f

Note: The European Union is composed of 15 Western Europe countries. Data is unavailable for France, the Netherlands and Portugal from 1970 to 1976.
But every doping substance has undesirable side effects. The State debt is a money creation: it puts on the market currency that didn’t exist previously. Yet, if you have a constant production (or one that rises only slightly with the recession), you put more money into circulation, which means a rise in the general level of prices, that’s to say inflation. This is what happened in the 1970s. At the same time, the authorities’ money demand (which means debt) absorbs a part of this money at the expense of businesses that need it too. Yet, in a market, if demand surpasses supply, prices increase. In this case, it’s about the interest rate. In other words, this is a series of reasons for capitalists to be dissatisfied.

In 1979, it was the American banks that asked the Federal Reserve, the central banking system of the United States, and its new president, Paul Volcker, to curb inflation. Volcker increased interest rates so high that he caused a significant recession at the beginning of the 1980s, which stopped growth in prices, but at the expense of salaried employees who were either made unemployed or had their payments blocked. Today it is the financial companies influencing the public debt purchase that damage the countries’ rating, fearing a non-payment, and force them to borrow at a more prohibitive rate.

Therefore, the Keynesian policies can be a short-term solution in view of economic blocking problems. But if they have to persist they lead to solutions that can be worse than the problem itself, because they don’t strike at the root of this problem. In this way, in the 1980s the United States adopted a solution to the demand deficit and the income stagnation because of the debt of most people. Consequently, they could boost the economy again thanks to consumption.

However, today household private credit has risen to the extent of becoming unmanageable. It has reached about 100 percent of American GDP: in other words, people have already consumed the GDP that was to be produced next year. This is unbearable and banks require repayments, hence massive compulsory purchases, hence the growth of poverty, hence a half-hearted economy. A little time has been gained. But how much? The crisis is inexorably coming back and it’s infinitely more powerful.

“Moral” Capitalism

Keynes held a last ace up his sleeve: the moralization of capitalism. Developing in an intellectual and critical environment, he integrated the concept of general interest. He couldn’t be reproached for it. It led him to consider concepts of honesty, integrity, duty, etc., which was unquestionably better than authors singing the praises of capitalists’ greed.

However, his general interest concept is the same as that of capitalism. Therefore this one should necessarily work in good condition: the search of one’s self-interest
should be in “harmony” with the search of the other’s self-interest, and the capitalists should be motivated by savings and wealth, not the loss of workers or competitors. He wrote in 1923: “The economic doctrine of normal benefits, that is vaguely understood by everyone, is essential to the capitalism justification. The businessman is only tolerable as long as his savings can be considered as having some contact with what roughly corresponds to his activities usefulness for society.”

This led Keynes to distinguish two categories of capitalist, which many Keynesians analyze too: roughly the “goodies” and the “baddies.” The former are the ones who invest, the industrialists, who care about the legality of their acts, and possibly who abide by codes of ethics. The latter are the speculators, the greedy managers, who will stop at nothing to make a saving, who despise the laws, other people, and morality. Therefore the first type of capitalist has to be favored. This is one of the functions of the State, itself composed of men of integrity and who are driven by this general interest. In words that Keynes didn’t use but that others wrote: favoring industrial capitalism over financial capitalism. In this way, constant growth should be well ensured.

Once again, the suitability of such analysis can be called into question. First, the morality concept is often the prerogative of a well-established establishment. Indeed, when you are sat up at the top you can consider being generous. It’s even a reasonable strategy, as it’s a way to secure the loyalty of customers who may be useful someday (in case of protests against power, for instance). On the other hand, people keen to rise up the social ladder should forget their scruples and possible ethics, because they will probably need to climb over bodies to succeed.

Consequently these are mainly the circumstances and the socio-economic position that determine the positive or negative way to work, and not the personal ideas (even if these can also play a part). But capitalism is firstly a system based on the proverb “might is right,” as slavery, feudalism or other social formations were. The power is the rule, in this case, not according to individual strength, family reputation or declared luxury, but to the ability to amass money (or capital). Such a system can’t be moral, ethical or generous in essence.

There can’t be normality. There is no acceptable profit. The people who amass most are those who impose their willpower; no matter how they got their wealth (unless a competitor can operate the law system to contest its legality). If the rule is to sacrifice labor, to contract out to the maximum or to relocate in, say, Mexico, Eastern Europe or East Asia, then watch out for the capitalists who don’t conform to this rule!

If capital on the stock exchange produces more profit than capital invested industrially, then watch out for the businesses that don’t have a financial department that runs money to take advantage of this godsend! What great firm over the last years did not buy back its own shares to increase the stock prices.
The Keynesians recognize the nature of speculative financialization but do not recognize this as a symptom of a fundamental weakness in capitalism. Instead they believe that capitalism is permanent and their task is merely to make capitalism more stable. Blaming crises on irresponsible speculators demonstrates a superficial understanding of capitalism, that does not address why all the profitable activity was previously brought to a halt. If the phenomenon were merely financial, it might be enough to close the financial markets and make the businesses financed by public banks. If it were only a property disaster, it would be possible to limit it and prevent it from corrupting the rest of the economy. It would probably be necessary to face particular interests opposed to this kind of measures. But if that goes for the general interest of capitalism…

As Marx said:

As is always the case, prosperity very rapidly encouraged speculation. Speculation regularly occurs in periods when overproduction is already in full swing. It provides overproduction with temporary market outlets, while for this very reason precipitating the outbreak of the crisis and increasing its force. The crisis itself first breaks out in the area of speculation; only later does it hit production. What appears to the superficial observer to be the cause of the crisis is not overproduction but excess speculation, but this is itself only a symptom of overproduction. The subsequent disruption of production does not appear as a consequence of its own previous exuberance but merely as a setback caused by the collapse of speculation.¹²

That’s precisely the moment we know we have to reverse the perspective. The finance and the speculation aren’t developed as part of a “normal” capitalism, but are developed because they meet needs or necessities of this system at some point. Today it can be seen that the United States has been running on credit since the beginning of the 1980s and that this private debt has fueled an increasingly complex financial mechanism. Without that debt American consumption would have been much lower and, therefore, the growth would have been even more anemic.

It’s true that crisis erupted in the most important speculative sphere. That’s the way it had to be, where the risks also were the highest. However, the recession was reflected in other fields, because speculation had a specific function within the system: ensuring loans to homes for their consumption. Consequently, if the crisis erupts, it will not only depreciate the assets of some unlucky investors; it will affect the entire mechanism and the functions of the current capitalism system. The issue is all in the system and not an ordinary excess, even if these ones also exist.

This brings us back to Figure 3. If the crisis is definitely generated by the two emphasized tendencies, that is to say the tendency to relatively increase benefits against salaries and the tendency to invest rather than consume, then this also shows the limits of a capitalism controlled, jugulated and cleared out of its eccentric slides.
Indeed, can we influence the two natural tendencies of capitalism? It’s precisely this question that we can have doubts about.

The first tendency is linked to the class war. Yet, in capitalism this one is often to the managers’ advantage. They have more means, including the State apparatus (government, justice, police, army…), to achieve their aims. Nevertheless, under certain circumstances, the workers might achieve victories, even important ones.

This was the case at the end of the Second World War. The situation was such that at that time in many countries the bourgeoisie adopted a very advanced social security system, highly developed mechanisms of progressive tax, and business nationalization and economy planning measures that had never been seen before. As a result, there was quite a lengthy stability in the distributions of incomes among salaried employees and capitalists, which certainly favored the most important growth in human history for most countries, in particular in Europe, Asia and America.

Consequently this experiment proves that it’s possible, but only in exceptional conditions, to control this aspect. However, as soon as the balance of power inclines again towards the management, as it was the case at the end of the 1970s, it can be seen that this insecure compromise is immediately unsteady and the disparity naturally regains the upper hand.

On the other hand, it’s extremely difficult, not to say impossible, to get a regulation of the second tendency, that is to say the tendency to constantly increase investment and, therefore, strength of production, to a degree that largely exceeds what people are able to buy.

For example, a journalist writing in the Belgian economic periodical *Trends-tendances* has pointed out the will of every car manufacturer to increase its market share and, as a result, to adapt its production. He wrote: “Yet, today you only need to add all the capacities in place to realize that the market should reach 115 percent or 120 percent compared with its current percentage to satisfy everyone.” He put this to Alain Batty, Ford Belgium Director at that time, who answered:

This overcapacity problem can also be tackled differently. If you remain at the global capacity level, you can make this calculation and tell that ten factories will have to cease trading. But ten factories, that’s the size of a big manufacturer! It won’t happen like this. The overcapacity concept is not inevitable. The future will tell us, and the customers above all, when buying what is best for them. If you have a product that is attractive, and that’s precisely the true challenge, you won’t speak about overcapacity anymore and you can plan production rises even.¹³

It’s interesting to consider how this manager understands the macroeconomic concept of the global overcapacities existence in an individual challenge to produce more and more. We are in the heart of the capitalist anarchy justification: the production is only justified by the individual research (for each business) of the
benefit; no matter the societal consequences such as the overcapacities and the recessions they can cause or the loss of employment they can generate. This is what can’t be controlled, regulated, jugulated, and this is why crises are inevitable and periodically appear in capitalism.

Conclusions

John Maynard Keynes unquestionably deserves credit. His analysis is one of the most remarkable and the richest in economic theory. If a program of immediate boosting within the framework of current capitalism were to be promoted, his work contains many suitable and often justified solutions. That’s a source of inspiration, but also of criticism.

Indeed, here is where the interest in his analysis stops. If you want to go further, to examine in depth the causes of the crisis and its origins, and to find solutions that truly cure the patient, then Keynesianism is more limited. Yet, it seems to us that it’s in this direction we should go to in view of the current crisis, as in the 1930s one.

There is a real solution to the current recession only if the system ends and a society based on equality and solidarity is put in place, if the economy of this society is run by a State that guarantees the interests of most people, the ones who work, from a relatively centralized planning. In other words, that’s socialism. If this is not where humanity heads for, then the results will be half-measures and solutions that might temporarily improve the most tragic consequences of recession, but that risk making the difficulties worse. Today this is already the case: competitiveness policies that will possibly allow the people who follow them to recover, but at the expense of everyone else—a scenario which can only increase tensions, contradictions and, therefore, the possibility of conflicts.

Socialism or barbarity! And, in this perspective, Keynes tried to find a way to avoid the chaos, without having recourse to socialism. But everything shows that his theory, even more complex than the liberal movement theory, doesn’t permit what he hoped. Even with Keynes, capitalism is on the road to chaos and war.

Notes

1. Founded in 1440 by Henry VI. Eton is 40km from London, opposite Windsor Castle.
5. In the United States and elsewhere, the most detailed calculations concern quarters of a year.
6. It’s impossible to have more precise data concerning the net stock of fixed assets.
7. Actually, some people had more, which explains these high numbers.
9. There were GDP assessments only from 1929.
10. In the 1930s, Keynes also said that the government measures are inappropriate.
11. Keynes, *A Tract on Monetary Reform*. [Translator’s note: This is a translation from the French version.]