AN ANALYSIS OF THE GERMAN TRANSLATION OF SAMUELSON'S AND SOLOW'S 'ANALYTICAL ASPECTS OF ANTI-INFLATION POLICY'

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ABSTRACT

This paper analyses one German translation of the famous 1960 paper by Samuelson and Solow on the Phillips curve. The discussion will in particular highlight how this 1974 translation did not fully grasp the intellectual climate of the 1960s which was rather optimistic about fine-tuning the economy. Furthermore, it will show how omitting just a small adjective changed the interpretation of crucial parts of the text. The example will particularly show how the implicit definition of full employment (or at least what may not be considered full employment) in the original contribution was unintentionally changed in the German translation.

Besides the original Phillips curve paper (Phillips 1958) and Friedman's 1967 presidential address to the American Economic Association (Friedman 1968), a third article which was published in 1960 also shaped the Phillips curve discussion to a great extent: Samuelson's and Solow's 'Analytical Aspects of Anti-Inflation Policy'. In particular this contribution, at least at first sight, seems to interpret the Phillips curve as a tool for economic policy since Samuelson and Solow (192) present the Phillips curve as a 'menu of choice between different degrees of unemployment and price stability'. As this research paper aims at focusing especially on one German translation of this most important contribution and not on a further discussion of the paper as such, the interested reader regarding this possible trade-off interpretation might want to have a look at previous research articles (Humphrey 1985a,b; Laidler 1997; Leeson 1997a; Forder 2010; Schwarzer 2013) discussing particularly this menu of choice interpretation. In sum, the article by Samuelson and Solow (1960) can be interpreted as offering a trade-off view, although with many qualifications. Furthermore, the authors are very sceptical with respect to the long-run stability of the trade-off between inflation and unemployment. Nevertheless, Friedman's 1968 critique was an important contribution as for the first time the role of inflation expectations and the implications for the Phillips curve trade-off were emphasised that rigorously.

This paper will analyse the translation of an excerpt of Samuelson and Solow (1960). The translator, Herbert Pönisch, also translated parts of Friedman's presidential address.[1] The excerpt comprises the pages 185 to 194 of the original 1960 contribution. Hence, important aspects of the original discussion are not covered in the translation: In particular, the background of the cost-push vs. demand-pull debate and the difficult search for an explanation regarding the phenomenon of inflation despite ongoing slack in the economy is not covered by the translation. Probably this is one reason why Pönisch (198) chose to not translate the terms 'cost-push' (186) and 'demand-pull' (186) as such a translation would have required a deeper discussion of these phenomena at

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[1] An analysis of the translations of Friedman's presidential address is also available at the EE-T website.

first (or the translation of the whole original paper). By sticking to the original expressions, this issue thus was solved in an 'elegant' way. The choice of translating only an excerpt, however, removes the whole cost-push demand-pull context in which the Phillips curve is embedded in the original contribution. Exactly these debates about the causes of inflation were one major reason why Samuelson and Solow (186) present the Phillips curve as a promising and alternative tool to analyse the inflationary process.

With respect to the quality of the translation two points are worth noting: One typographical error in the translation renames A. W. Phillips to W. A. Phillips (198). Also the author Schultze (187) is written as Schultz (199). Besides these two typos, the translation in most cases succeeded in grasping the main arguments of Samuelson and Solow. Nevertheless, one example of a flawed translation is the one of the word 'engineered' (191) with 'bewerkstelligen' (204). Even though the meaning of 'bewerkstelligen' comes very close to that of the original term, the German translation misses the specific intellectual climate of economic theory at that time, in particular with respect to the Phillips curve: Phillips himself had been a trained engineer so that he tried to capture, analyse, and influence economic dynamics with tools first developed by engineers. This new way of analysing the economy is probably shown best by the 'Phillips machine'. This machine, also known as MONIAC, served to visualise the working of the British economy by flows of coloured water (see Phillips 1950; see also Curzio 2011). In this spirit, Allen in 1955 wrote an article titled 'The Engineer's Approach to Economic Models' while Coddington (1976: 1265) remarked that these attempts started an episode of 'hydraulic Keynesianism' (see also Coddington 1983: 38ff.).

Even though Phillips was well aware of the dangers of activist stabilisation policies, he nevertheless was optimistic about the possibility of stabilising the economy by appropriate economic policy (see e.g. Leeson 1997b). This idea of 'engineering' the economy hence was lost due to the translation, even though from a sole technical perspective the translation is correct.

Another example of how the translation failed to fully grasp the more illustrative language of the original paper is related to the translation of the term 'menu of choice' (192) used to describe the trade-off between inflation and unemployment. Pönisch translates this by 'Auswahlmöglichkeit' (206). This translation is without doubt correct, but unfortunately misses the metaphoric image of a policymaker being presented a menu at a restaurant from which she or he may choose – or, as Rees (1970, 227) explains:

> The dishes listed in the left-hand column of the menu are states of over-full, full or less than full employment; the column of prices on the right-hand side gives the cost in terms of inflation that must be paid for each.

Hence, even though the translation was correct from a mere economic point of view, it nevertheless somehow missed to also grasp the optimistic notion of a possible trade-off between inflation and unemployment.

A very important detail, however, was left out by Pönisch when it comes to describing the diagram. Samuelson and Solow (192) remark that an unemployment rate in line with price stability (that is, wages rise hand in hand with an assumed productivity growth of 2.5 percent) would be as high as 5 to 6 percent. Reducing unemployment to a 'nonperfectionist's goal of high enough output to give us no more than 3 per cent unemployment', an inflation rate between 4 to 5 per cent seems to be the necessary price to pay. Samuelson and Solow (193, my italics), however, expect that the 'tug of war of politics will end us up in the next few years

somewhere in between these selected points. We shall probably have *some price rise and some excess unemployment*.' Pönisch translated this part of the sentence (in italics) without also translating the word 'excess' as his translation (206) is 'einige Preissteigerungen und etwas Arbeitslosigkeit'. This is important insofar, as the adjective 'excess' indicates that Samuelson and Solow do not consider this expected unemployment rate to be the full employment level (which would be the case if all unemployment was only frictional unemployment). This is not clear in Pönisch's translation referring to 'some unemployment' instead of 'some excess unemployment' as the implicit reference point has been removed in the translation. Hence, even though it is not exactly defined which rate of unemployment is regarded as full employment, it can at least be said that an unemployment rate in line with price stability was not interpreted by Samuelson and Solow as also being in line with full employment. From this it follows that for Samuelson and Solow (and contrary to Friedman 1968), full employment and price stability were conflicting policy objectives. By omitting this small but important word, the reader of the translation hence misses an important item of information.

The analysis of this translation hence shows that even though a translation might be technically correct, it might not always also transport the same message to the reader since it may miss out some of the additional connotations. In this case, the idea of engineering and fine-tuning the economy in the 1960s, or the optimistic attitude towards making use of an empirically derived relationship, is not as strong as in the original paper. Furthermore, by omitting a seemingly unimportant word, the reader misses some very crucial information and insights as 'reading between the lines' in order to fully understand the meaning of the text becomes close to impossible.

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