

PAUL SWEEZY—MARXIST POLITICAL ECONOMIST—1910 TO 2004

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Paul Sweezy died on 27 February 2004 at the age of 93. There can be no question of the enormous influence that he exercised on the left and most particularly on Marxist political economy. Indeed, he dominated Marxist political economy from the forties down to the mid-seventies. There have been a number of obituaries that have given an account of his life, I will rather describe his importance to Marxism, as I see it, over the last half century.

Born in 1910, he went to Harvard to study economics, where he received a Ph.D. for a thesis on monopoly and competition in the British coal trade. He left Harvard, without getting a permanent post, although Schumpeter supported him, and thereafter devoted himself to left publishing. Sweezy was clearly influenced both by one of his professors, Schumpeter, and by the new Keynesian doctrines of the time. Schumpeter had played a brief role in the German revolution in 1918 and was one of the few bourgeois economists who looked at the economy over the long term.

Paul Sweezy exemplified the contradictory nature of his times. He evolved from an early support for Stalinism to a more complex position. He supported the purges in the USSR in that period. Indeed, when I invited Tamara Deutscher to be on the advisory editorial board of *Critique*, she refused on the ground that I had asked Sweezy, and she produced her husband's second volume of the Trotsky trilogy to confirm the point that Sweezy had supported the Stalinist purges. I had not known that fact before, as Sweezy had become critical of the Soviet Union by the time *Monthly Review* came on the scene.

His textbook of Marxist economics, *Theory of Capitalist Development*, dominated the teaching of Marxist political economy from the time of its publication during the War. The book itself is clearly Stalinist, though without the obligatory quotes. He predicted that the continent of Europe would go socialist after the war, clearly regarding the USSR as socialist. Here I am using

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the word “Stalinist” in its technical sense of one who supports the doctrine of “socialism in one country.” Sweezy was also a Stalinist in the sense that he supported the structures of a Stalinist country. As late as 1961, *Monthly Review* supported the building of the Berlin Wall. A few years later, he came out openly in support of Mao in China. He supported Cuba as socialist early on but then withdrew his backing.

At the same time, the textbook owes much to Keynesianism. Sweezy and his associates, like Paul Baran, were underconsumptionists. Paul Sweezy is quite clear in his book that the falling rate of profits theory, based on the rising organic composition of capital, does not apply. He also implicitly rejects the disproportionality theory by producing a description of its operation no different from that of underconsumption. That leaves him only with underconsumption as a reason for crisis.

In fact, he enlarged on it to turn it into a long-term theory of the nature of capitalist development when he and Baran produced their highly influential work—*Monopoly Capital*. He and Baran argued that capitalism had entered an era of economic surplus, which could only be absorbed through a series of forms of waste. The argument was not put into classical Marxist terms, and critics then demanded to know what kind of surplus it was. Sweezy replied that it was surplus value, nothing less. But the argument of Baran’s book, the *Political Economy of Growth*—where the concept had first been aired—could not be sustained in value terms.

It is clear that modern capitalism has a rate of profit sufficient to produce a stream of profits that cannot be absorbed by productive expenditure. At the same time, US capital is not prepared to accept higher levels of taxation in order to pay for a large public sector providing free health and education services. Nor is it willing to keep raising real wages instead of profits. Sweezy therefore concluded that capital had invented highly efficient methods of absorbing the surplus. These included the vast expenditures on direct and indirect advertising and on the war machine. He took the example of the car, pointing out how the cost could be a fraction of what it is today if the implicit selling costs were removed.

Critics emphasized the fact that Sweezy had not used Marxist categories and that his analysis was left Keynesian. His writing, however, had two great merits. Firstly, they were eminently readable, while they were, secondly, always innovative.

In spite of his Stalinism, Sweezy had produced an analysis that went beyond Stalinism. The whole concept of the surplus product had been effectively banned under Stalin, for the obvious reason that the Stalinists could not admit that surplus product was extracted from workers by a ruling group in the Soviet Union. Indeed, I have met at least one person who was sent to a camp for five years, for arguing in a lecture precisely that case, as late as 1952. In the 1920s, the discussion of the Asiatic Mode of Production was banned precisely for the same reason. They too had to use the concept of the surplus product. It is clear that Sweezy and Baran were ignorant of this history, and their concept of the surplus was always vague in permitting a reader to understand surplus either in a Keynesian or Marxist direction. The term “surplus” permits the reader to think in terms of money and prices rather than value.

Nonetheless, their resuscitation of the concept permitted its reintroduction into Marxist analysis by a number of scholars, usually unconscious of the re-emergence of the category.

Surplus value is clearly defined by Marx, as is the more general category of the surplus product, which runs across social formations. When I came to formulate a theory of how the USSR functioned in 1973, I used the concept of the surplus, deriving it from Sweezy and Baran, and then moved over to the Marxist concept of the surplus product.

Marx's *Capital* speaks of a contradiction between use-value and exchange value, and it is understood that the use-value form runs across social formations whereas the commodity or exchange-value form is more or less specific to capitalism. The implication of Sweezy's analysis is that use-values are altered by being subordinated to the exchange-value form. Cars are designed in a particular way to be sold, and made to be rapidly obsolescent. Other use-values such as military goods, but also junk food, are positively harmful. Although Sweezy never analysed the economy either in terms of contradictions or the

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alteration of use-values, his work helped Marxists to proceed in those directions. The implications are enormous and have yet to be spelled out properly.

I met Paul Sweezy for the first time in the early seventies and invited him to be on the advisory editorial board of *Critique*, at the point when the journal was still being conceived. He accepted the invitation, although he resigned a year later. My own conception of the advisory board was naïve at the time. I thought of inviting three Marxists of different views to be on the advisory board to emphasize the non-sectarian nature of the journal. The problem was that the journal was explicitly conceived to develop theory on the Soviet Union, based on direct knowledge of the Soviet Union. For this purpose, knowledge of Russian language, of Russian publications, and of the real empirical relations themselves was essential. But it was clear that the writing on the left from the late thirties onwards on the Soviet Union was often little more than speculation or worse. As a result, it was not surprising that my writing and the journal itself soon clashed with the standard viewpoints. The new viewpoint that I came to espouse surprised me as much as anyone. However, essential to it was the concept of the surplus and hence its predecessor and alter ego the surplus product, and as indicated above, I had used it precisely because of the Sweezy-Baran emphasis on it. Indeed my own political education owed much to *Monthly Review*, as I had read it from 1955 onwards.

Monthly Review appealed to those Marxists who were to the left of the Communist Party. Sometimes they were in the CP and sometimes they were outside it. Its great strength was its non-sectarian nature, something that Sweezy clearly cultivated, even though he clearly had a worked-out viewpoint, critical of the Communist Parties as well as organisations to its left. A second aspect of *Monthly Review*'s appeal lay in the fact that Sweezy in particular had a fresh and innovative approach to Marxist political economy, which allowed him to analyse the contemporary world in a much more meaningful way than either the official Stalinists or Marxists to his left.

In a sense, he was a child of his times, and he lived up to the times. In a period of Stalinist dominance, Marxists critical of the Communist Parties were consigned to a limbo where few intellectuals and even fewer workers dared tread. Whatever his subjective intentions, he avoided open criticism of Stalinism

and seldom criticised the Soviet Union until he became a Maoist. Instead, he concentrated on analysing capitalism, something very few Marxists seemed capable of doing in a meaningful manner, from the time of Lenin and Trotsky.

Sweezy's style was always lucid and easy to follow. This was greatly helped by the fact that he eschewed dialectics and usually adopted a semi-Keynesian analysis. There was no question of the investigation of laws, of essences, or of the movements of the poles of a contradiction. (When I submitted a contribution for *Monthly Review*, he rejected it precisely because it did use that terminology and specifically asked what the term "higher level of contradiction" could mean. I had explained the term in reference to the fact that in a transitional period there would be several sets of contradictions operating, deriving from the old and new orders. While he was correct to demand a detailed explanation of the meaning of the phrase, it was clear that it was way out of his mode of thinking.) While Marxists who are Marxists, as opposed to hyphenated Marxists, are necessarily dialecticians, the non-dialectical Sweezy was able to hold the Marxist fort in a remarkable way precisely because there were no other substantial Marxist political economists down to the early seventies. In a sense, he was a Marxist in a period of non-Marxism, when classical Marxists were few in number and most of them were engaged in a battle for the continued existence of Marxism itself.

Sweezy resigned as advisory editor in the year following the appearance of the first *Critique*, and he explained himself in a detailed letter to me and then to one of the editors at the time, David Ruben, who visited him. (*Critique* documents are now deposited in the archives of the library of Glasgow Caledonian University.) As I understood it, he had become a supporter of Maoism, seeing politics being in command as it were, and that was what his letter to me was about. However, I think that he probably misunderstood the direction of *Critique*, thinking that it would support this or that Trotskyist group. In fact, it has never done so. There can be no question that *Critique* is anti-Stalinist, rejecting the concept of socialism in one country, and that it sees much to learn from Trotsky, as from the other great Marxists.

By the seventies a new generation of Marxists had come into being, foremost among them Ernest Mandel. Mandel did indeed develop Marxist political economy, tackling the questions of the time. His textbook rivalled that of

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Sweezy in its influence, and his book *Late Capitalism* ploughed a different furrow. Mandel was an orthodox Marxist and as such was the first to produce a political economy for our times. At the same time, a number of other socialists began to develop specific aspects of Marxist political economic theory. Nonetheless, Sweezy's books, somewhat remarkably, still stand precisely because there is a rigour and a depth to them often missing in Mandel, even when Sweezy is wrong. I think Sweezy's view of Marx's method is simply wrong, and his understanding of crisis is mechanical. Indeed, in a sense, he is responsible for the development of a whole school of mechanical rather than dialectical Marxist political economy. Nonetheless, the very fact that he is wrong makes him worth reading precisely because of the qualities alluded to above. He has a rigour and depth that are seldom shown in his successors.

In short, whereas the genuine Marxists kept Marxism alive like monks guarding the heritage in the dark days of Stalinist dominance, Sweezy, Baran and the *Monthly Review* school broke through the bounds of Stalinism, often in spite of themselves, and showed what Marxism could be capable of once its Stalinist bounds were removed.