



## Paul Sweezy

The death of Paul Sweezy removes one of the most distinguished economists of the United States whose intellectual maturity was precipitated by a brief but hectic period of study in London in the depths of the 1930s depression.

Paul Sweezy was the son of a vice-president of the First National Bank of New York (now Citibank). A gilded childhood brought him to study at Harvard University. In 1932 he arrived at the London School of Economics, where the arguments between the largely Austrian outlook of the Economics Department there, Marxists and socialists like Harold Laski, and the new ideas emerging from Cambridge provoked a crisis of confidence in his hitherto Austrian ideas. Briefly he was on the founding editorial board of the *Review of Economic Studies*, when it was established to publish the ideas of younger economists, its radicalism displayed by its refusal to accept on its editorial board any Professors or Readers. He returned to America in 1933 a convinced Marxist, and completed a doctorate on the coal cartel in the English industrial revolution. In 1942 he published *The Theory of Capitalist Development* which introduced many English-speaking readers to the ideas of Marx and his German and Austrian followers. After wartime service in the Office of Strategic Services he returned to Harvard. The refusal of the University to award him tenure elicited a strong protest from his supervisor, Joseph Schumpeter.

In the teeth of rising anti-Communism in the United States, he joined the labour journalist Leo Huberman in establishing the *Monthly Review: An Independent Socialist Magazine*. This continues today. In 1954, he was convicted for contempt, in refusing to hand over his notes for a lecture, which he gave at the University of New Hampshire. He fought the case up to the Supreme Court, which over-turned the conviction in 1957, in a landmark ruling that marked the beginning of the end of McCarthyism.

From the 1940s onwards, his economics was a Kaleckian version of Marxism, in which monopolist corporations control markets but have problems recovering their surplus because of their underinvestment. This was expounded in the book which he co-authored with Paul Baran, *Monopoly Capital An essay on the American Economic and Social Order*. Dedicated to Che Guevara, it was published in 1966 and made Sweezy arguably the best known American economist outside his country. In a paper later published in a volume that its editor John Davis dedicated to Sweezy's earlier study, *The Economic Surplus in Advanced Economies* (Edward Elgar 1992), Sweezy argued that the rise of finance had transformed his earlier vision of capitalism, and that a proper understanding of finance was now crucial for the analysis of contemporary capitalism.

*Monthly Review* took up the cause of liberation struggles in developing countries as well as labour issues in the United States, but prudently postponed judgement on the socialist experiments in the Soviet Union and China. It was one of the first American journals to welcome Fidel Castro's revolution in Cuba in 1959. Many distinguished writers and economists,

including Joan Robinson, published articles in the *Review*, and its offices in Manhattan became a place where any radical intellectual passing through New York had to visit. In recent years he welcomed and encouraged a new generation of radical and critical economists who linked up his analysis with the movements against 'global capitalism'.

Paul Sweezy published many articles in the *Monthly Review*, which were then collected and published as books. Many of his papers found their way into other volumes and publications. His theory of the 'kinked demand curve' albeit shorn of its macroeconomic implications, is still taught in universities even where his Marxism has been systematically excluded. His *Monthly Review* educated in political economy two generations of thinking, socially engaged individuals in America, whose desire for education in economics is not satisfied by the commonplace observations and technical puzzles of contemporary economics. For years the *Review* has served as a beacon for political activists and intellectuals in the developing countries. If he is to be measured by the impact of his ideas, then he stands among the greatest economists of the twentieth century.

Janek Toporowski  
South Bank University, London