

Paul Sweezy and American Marxism

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North American radicalism had a lot to account for through the 20th century. The United States (and Canada) moved to the centre of world capitalism, in the process producing a society of unprecedented wealth and consumption that has remained unfathomable for the majority of the world's population. The U.S. emerged in the first half of the 1900s as the greatest financial, military and imperialist power the world had yet seen. In the second half of the century, the U.S.'s 'informal empire' continued to expand, through American dominance of the international economic institutions and its military bases and alliances spanning the globe, allowing it to exert control over the entire world market. The power of U.S. imperialism became an immediate, necessary calculation for all Left movements taking government, whether via revolutions or parliaments. Yet, despite the spectacular accumulation of wealth and power, American capitalism consistently produced great swaths of structural poverty and unemployment for American workers, deep racial divisions, ecological devastation at every turn in the ceaseless pursuit of profit, and peripherilization of societies outside its territorial boundaries in defence of U.S. foreign investment and interests.

For the radical Left in North America, these developments formed several theoretical and political pre-occupations. First, the rapid pace of growth interspersed with the major crises of the Great Depression of the 1930s and the stagflation shocks of the 1970s raised central concerns about the dynamics of capital accumulation. What forces sustained accumulation and what developments generated stagnation? Second, by the early 20th century it was already clear that tendencies toward the concentration and centralization of capital were producing massive international monopolies as the central agents of accumulation, and not mythical powerless firms operating in perfectly competitive markets. How did monopolization alter capitalist competition and what did this mean for the structure of the American ruling class? Third, the internationalization of capital led to ever-deepening exchanges and integration of the circuits of world capitalism. But the economics and politics of imperialism, with the U.S. at its core, sustained a rigid hierarchy between the centres of capitalism and its dependent peripheries. What were the limits and possibilities for Left governments to break out of the imperialist chain and to chart an alternate path of democratic, egalitarian development? Fourth, alongside the development of the productive capacity of industrial capital, financial capital of all kinds seemed to expand in tandem with capitalist development. Indeed, in both periods of boom and stagnation, financial innovation, speculation and the power of Wall St. prospered. What was the implication of financialization for the Marxist theory of capitalist development and crisis? How did the power of financial capital affect the nature of American capitalism? Finally, it was self-evident for radicals in North America that there was no structural economic processes which automatically produced a politically unified working class and socialist parties, even as market imperatives increasingly subordinated human labour to value creation and degraded work. What were the cultural and organizational priorities for developing an independent working class movement outside the grip of the two bourgeois parties dominating U.S. politics (and the reformist social democratic party that existed in Canada)? What struggles might an independent Left undertake to advance the socialist project beyond the stifling legacy created by the parties of Stalinism and its opponents?

It was the singular contribution of the American radical, Paul Sweezy, to provide more creative answers to these pressing questions than anyone else. In doing so, he not only contributed to building a space for formative Marxist thinking in North America, he advanced

Marxist theory around the world.

1. American Radical

This is not what would have been expected of an offspring of the American ruling class. The son of a Wall St. banker, Sweezy passed through the great halls of Exeter and Harvard where America educates its future rulers.¹ Studying and teaching at Harvard through the 1920s and 1930s, Sweezy was a student and colleague of many of the leading lights of American economics – Taussig, Hansen, Schumpeter, Lerner, Galbraith, Lange, Leontief, Samuelson, and many others. His writing was from the start highly original, but within the bounds of conventional economics. The governing concern was the economics of monopolies, and Sweezy contributed the now standard neoclassical notion of a ‘kinked demand curve’ and a unique historical investigation of monopolistic pricing within the coal industry.²

The turmoil of the Great Depression moved Sweezy towards Marxism and the eventual writing of his watershed 1942 contribution, The Theory of Capitalist Development, a remarkable assessment of Marxist economic writing up to that point combined with an original assessment of capitalist stagnation.³ The text also introduced the Bortkiewicz solution to the so-called ‘transformation problem’, while also making the distinction between the quantitative and qualitative value problems, separating the Marxian concept from Ricardian economics and serving as an antecedent to the value-form analyses of today. The Theory of Capitalist Development was a key marker of Sweezy’s intent “to make Marxism an integral and respected part of the intellectual life of the country ... to take part in establishing a serious and authentic North American brand of Marxism.”⁴ After working for the Office of Strategic Services during the war, Sweezy was notoriously overlooked for a post at Harvard, despite Schumpeter’s backing, two books, a slew of prominent articles behind him, and co-founding the Review of Economic Studies. Such was the welcome of Marxism in the American academy, the intellectual narrowness of North America’s elite universities remaining in place to this day. From there, Sweezy became involved in Henry Wallace’s Progressive Party; founded Monthly Review with Leo Huberman, famously subtitling it, “An Independent Socialist Magazine”; and shortly thereafter formed the Monthly Review Press. These achievements met with the all too typical response of state harassment and repression during the McCarthyism of the 1950s (with Sweezy v. the State of New Hampshire becoming a key Supreme Court case for academic freedom).

Nonetheless, Sweezy’s contributions to American Marxism continued apace. The assessment of capitalist development proceeded along two quite distinct angles. Sweezy was one of the main contributors to the touchstone debate of the 1950s on the transition to capitalism with Hilton, Dobb and others. Sweezy’s point of departure was that the decline of feudalism had to be placed in the context of the world market, and the role that profit-seeking exchange in urban centres played in the development of specifically capitalist social relations of production.⁵ In contrast, in the classic 1966 book with Paul Baran, Monopoly Capital: An Essay on the American Economic and Social Order, he addressed the latest monopoly stage of capitalism.⁶ Following the ‘surplus approach’ laid out in Baran’s 1957 Political Economy of Growth, and the efforts by Michal Kalecki and Josef Steindl to link monopolistic pricing behaviour with growth dynamics, this analysis sought to explain the reasons for the postwar boom, its limitations in preventing stagnation, and the irrationality of the social relations and ruling class that it supported.

The analysis of Monopoly Capital attested to Sweezy and Baran's intense dislike for the ruling order in the U.S., and the limitations they saw in existing social forces for overturning it. Instead, they placed a great deal of weight on breakthroughs for anti-capitalist politics in less developed zones (quite reminiscent of the anti-capitalist politics of today searching for alternatives in the peripheries in the face of neoliberal consolidation in North America). This position could be traced back to the brave stances of Monthly Review through the 1950s against the Korean War and for a vast range of decolonization struggles. It also made for a series of important interventions in defence of revolutionary regimes, notably China, Chile, Vietnam, and, crucially, Cuba.⁷ These books were not only politically important – part of the international solidarity Monthly Review was renowned for – but also practical explorations of Sweezy's theoretical views on the transition to socialism. This latter aspect was well-illustrated in his famed debate with Charles Bettelheim on post-revolutionary societies.⁸ Given Sweezy's analysis of the disciplining and polarizing aspects of the world capitalist market, he argued that increased use of market mechanisms would lead to the deepening of class divisions and the restoration of capitalism. Mechanisms of planning and defence of socialist measures must be coupled with decentralizing efforts that increased the initiative and responsibility of the workers themselves.

The economic crisis of the 1970s and the development of neoliberalism returned Sweezy's foremost attention to the political economy of American capitalism. With the death of Leo Huberman in the 1960s, Harry Magdoff became co-editor of Monthly Review with Sweezy (and much of his writing in this period is co-authored).⁹ In their analysis, the turmoil of 1970s appeared as the return of stagnation, with all the limits of the capacity of Keynesianism to address economic restructuring in an era of monopoly capitalism again apparent.¹⁰ But this was not merely classical stagnation with deflation: stagnation was now coupled with inflation and a new financial explosion. The consequences of overaccumulation of productive capacity relative to economic outlets was thus now also a question of finance and money-capital. These were the themes still being taken up in Sweezy's last essays written in the 1990s where he addressed the consequences of financial capital on accumulation and globalization as a process characteristic of capitalism from the beginning.¹¹

2. Contributions

It would not be easy to catalogue the wide range of Sweezy's contributions to Marxian political economy and the radical analysis of North American capitalism. It is possible, however, to isolate some themes, and key interventions into a few of the debates that occupied the attention of socialists in the U.S.

Capitalist Development and Stagnation:

The Theory of Capitalist Development combined a remarkable survey of Marxian economics with an original assessment of the tendencies of capitalism to stagnation.¹² Sweezy began his analysis with the analytical distinction between the quantitative and qualitative value problems, and a survey of Marxian crisis theory. Following much of the empirical economic thinking at the time, Sweezy rejected the falling rate of profit thesis on the basis that it was not all necessarily the case that the organic composition of capital rises more than the rate of surplus

value. Instead, Sweezy argued that the key to capitalist crises

...is to be found in the recognition that a contradiction between the ends of production regarded as a natural-technical process of creating use-values, and the ends of capitalism regarded as a historical system of expanding exchange value does exist. Not only does it exist; it constitutes the fundamental contradiction of capitalist society from which all other contradictions are ultimately derived.¹³

This was the consistent formulation of Sweezy's theory of underconsumption, which he traced particularly through Marx and Rosa Luxemburg, and eventually to Michal Kalecki and Josef Steindl. But it might best be seen as a theory of overaccumulation as his emphasis lay less with the restricted basis of workers' consumption, and more with an inherent tendency for the expansion of the capacity to produce consumption goods to grow more rapidly than the demand. In other words the productive capacity of Department 1 production of producer goods outstripping the demand for Department 2 consumer goods as a fundamental inconsistency for the expanded reproduction of capital. This was the guiding thesis of Sweezy that he never left. As he initially formulated the problem: "...stagnation of production, in the sense of less-than-capacity utilization of productive resources, is to be regarded as the normal state of affairs under capitalist conditions If this view is adopted, the whole crisis problem appears in a new light. Emphasis shifts from the question: 'What brings on crisis and depression?' to its opposite: 'What brings on expansion?'"¹⁴ This guided the rest of the book's observations on monopolies, the state and the world market. The problem with investment for Sweezy, as in Kalecki's wry quip, was that it was useful in increasing capacity.

While Sweezy's theorisation greatly extended the understanding of the patterns of reproduction necessary to sustain capitalist growth processes, it also raised several concerns. It is not at all clear why, for example, that conditions for market demand area also not transformed through capitalist production. For instance, workers producing means of production may also increase in numbers if the sector's expansion is strong enough thereby also increasing demand for consumption goods. More widely stated, disbursements out of gross profits are one source of surplus distribution and effective demand, but workers' struggles to attain an increase portion of the value they add is another, as are interest payments, tax receipts, and so forth. The case of wages is most critical since there is no theoretical reason why wages may not increase in line with productivity (or even take a larger portion of value-added) while sustaining accumulation, and it could be posited that a tendency for workers to collectively organize would make this an actual historical tendency. In any case, any tendency as to the social forces determining the division of the value-added are an effect of class struggles in their concrete determinations and these have to be investigated historically. Sweezy's argument in The Theory of Capitalist Development represented, therefore, a particular Marxian argument – against a host of Keynesians, including Alvin Hansen – that equilibrating growth conditions in terms of effective demand were unlikely to be met under capitalist production relations. But he left it unclear as to why this should be the case, and why his list of counter-forces to underconsumption – such as new industries, trade, failed investment, state expenditures – which added to demand but not capacity, should not be successful. The explanation he would come to offer would be contained

in his theory of monopolistic competition.

Monopoly Capital:

In The Theory of Capitalist Development, Sweezy did not place monopolisation at the centre of the formation of capitalist stagnation. Imperfect competition figured only as one of the forces affirming tendencies to stagnation through its impact on pricing power and profits. In Monopoly Capital, however, Baran and Sweezy tied the themes of monopolistic competition and stagnation together, drawing on the analysis of capitalist dynamics of Josef Steindl and Michal Kalecki, to address the question of why stagnation would be the general case of monopoly capitalism rather than the special case. If capitalist competition necessarily propels forward the capitalist capacity to produce value from developing the forces of production, the critical question becomes the mass of surplus being produced and the conditions under which it can be realised. It was contended by Baran and Sweezy that perfect competition between many capitals was now dominated by imperfect competition between monopolies, and that this altered fundamentally the conditions for realising the economic surplus. Indeed, monopoly capitalism produced a ‘law of rising surplus’ as monopolistic power widened gross profit margins at given levels of operating capacity.¹⁵

In an original formulation, this economic surplus could be calculated at market prices as the total actual (or potential) output produced minus socially necessary costs, all else such as advertising being dependent upon the particularities of the capitalist system. More importantly, with workers’ incomes relatively restricted and capitalist profit margins widening, the critical question for capitalist growth versus stagnation was, as Kalecki had long noted, what the capitalists did with the surplus. Baran and Sweezy argued that the spending outlets of capitalist firms in terms of consumption and investment out of profit income tended to lag the potential surplus. It follows that firms operate with under-utilization of existing capacity, in a condition of stagnation. Hence counteracting tendencies to increase demand – such as, increased sales effort, financial speculation, militarism – are necessary. In other words, the “hopelessly irrational system” of American capitalism. Without this irrationality, “the normal state of the monopoly capitalist economy is stagnation... Left to itself ... monopoly capitalism would sink deeper and deeper into a bog of chronic depression.”¹⁶

This conceptual move to place the concept of the ‘economic surplus’ as opposed to ‘surplus value’ at the centre of analysis carried some theoretical adaptations without doubt. Notably, the active social agency of workers in producing value and struggling over the appropriation and distribution of value-added is subordinated to system-wide questions of surplus absorption. This carried not insignificant analytical costs, in terms of assessing capitalist dynamics and the labour process and in addressing the political formation of the American working class. But it is not so clear that it entailed an abandonment of the labour theory of value, as often injudiciously charged, as so much juxtapose the sphere of circulation to the sphere of production for certain other analytical purposes. Sweezy’s own view was that it involved no change in his support (or that of Baran’s) for the labour theory of value.

More importantly, Monopoly Capital was, like Hilferding’s Finance Capital, deeply original in exploring the organizational basis of modern corporations, its marketing and financing practices, and its overall governance structure. There remains far too little serious

Marxist work on the organization of modern corporations and the implications for capitalist dynamics and power.¹⁷ But it is not self-evident why the posited changes in market structure noted by Baran and Sweezy should fundamentally alter – as opposed to modify their form – the effects of competition on accumulation. Market pricing power does not preclude the intensification of competition via technological change as firms struggle to maintain their share of the space of the market, new industries and sectors emerging or international competition. In this view, as Lebowitz has argued, monopoly capital is not an imperfection of pure capitalism, but a development of the inner logic of capital itself to unification so as to increase value production.¹⁸

This is a position that Sweezy himself came increasingly to adopt, but he remained with his market structure understanding of monopoly capital with its focus on the quantitative dimensions of barriers to entry, pricing power and differentiated profit rates. Notably, it was difficult to identify a rise in the pricing power of monopolies, a decline in the bargaining power of workers, and an overall shift in the distribution of income toward capital before the development of the economic crisis of the 1970s. While the monopoly capitalism analysis of Sweezy explained a great deal of why stagnation could be sustained through debt growth and the types of responses from firms that occurred through the 1980s, it left clouded why international and national competition would intensify and become a central contradiction of neoliberal globalization and why American capitalism would prove so resilient, irrationally or not given the balance of social forces particular to that society, and remain at the centre of the world economy.

Financial Explosion:

It was difficult to assess 20th century capitalism without taking into account financial capital in all its diverse forms and oscillations. Although finance was never fully incorporated into his theorisation of stagnation, as Bellamy Foster has noted,¹⁹ Sweezy contributed extensively to the analysis of the ‘financial explosion’ that came with the economic crisis of the 1970s. In his early writing, Sweezy traced out the interlocks between financial and industrial interests in composing the U.S. ruling class. Yet, in The Theory of Capitalist Development he critiqued Hilferding for over-stressing finance capital as “the dominance of bank capital is a passing phase of capitalist development.”²⁰ The industrial monopolies could increasingly take advantage of their differentiated profit rates to rely on internal corporate financing rather than the banking system.

The crisis of the 1970s meant that, for Sweezy, the dominant tendency to stagnation in capitalist development was again visible. With the faltering of investment, the formation of systemic excess capacity, and the shift to wage and government austerity, Sweezy (with his writing now most often in collaboration with Magdoff) contended that it was consumer, business and government debt that was the critical demand offset to economic crisis and stagnation. The effects of monopolistic competition was to dissolve Keynesian fiscal and monetary stimulus into inflation rather than increased output and employment. Indeed, money-capital was thriving while productive capital stagnated. This “financial explosion” was aided by the new financial innovations and the expansion of pure credit-money (with the formal linkage between gold and money broken), but its central determinant was stagnation. Monopolies increasingly concentrated wealth and income without their being profitable outlets for real investment.

Hence, more and more of the surplus according to Sweezy and Magdoff was “flowing into purely financial channels, giving rise to a vast expansion of the financial superstructure of the economy and an unparalleled explosion of speculative activities of all kinds.”²¹ Mountains of debt and deeper cycles produced by financial speculation were ineluctable consequences of mature monopoly capitalism. Indeed, in his final essays on globalization, Sweezy had come full circle: monopoly capital had evolved into the “triumph of financial capital”, with it now the key locus of economic and political power.²²

Sweezy’s comments were, indeed, always sly judgements on the issues being raised by financial activities, with the writings with Magdoff being trenchant social analysis as well economic studies. But the circuitous thesis on the waning and ascendancy of finance illustrative of the uneasy integration of money and production as integrated moments of the circuit of capital in his theory of stagnation. This is perhaps where Keynesianism implicitly penetrated Sweezy’s conceptualization the most with their parallel treatments of financial activities as purely speculative and rentier (although never falling into the Keynesian subjectivism that money is purely a fiction and arbitrary set of property rights rather than a social force and the object of accumulation). But besides bearing, at times, speculative excesses, financial capital plays a necessary directive and disciplining role in allocating money capital and extending credit to the most profitable activities without any social recourse other than pursuit of pure exchange value. And in this bank capital has always had some institutional specificity in capitalism apart from industry as, metaphorically, the central nervous system of capital accumulation. And new financial innovations extending the capacity of bank capital to spread risk through hedge funds and other derivatives markets have the effect, on the one hand, of pre-validating credit and thus the amount of speculative funds calculating the future, and, on the other hand, to underwrite new ventures and ever-larger and more complex investments in fixed capital. If Sweezy’s writings alerted us to the speculative aspects of finance, and particularly the explosive growth of credit as a new and central feature of American capitalism, an integrated theory of financial capitals has to take on all the ways credit-money shapes capitalist economies.

Imperialism and Dependency:

Sweezy always understood the processes of accumulation as the development of forces of production and their interdependence with the series of exchanges that formed the capitalist world market. This was his reckoning of the market as one of the forces making for the transition to capitalism, in spurring changes to social relations in the urban centres and in transforming peripheries through primitive accumulation. In The Theory of Capitalist Development, imperialism is identified, as with Lenin, as a defining feature of the monopoly stage of capitalism, and a good portion of the text is devoted to it. Here, imperialism arises from the expansion of the production of fixed capital relative to the increase in the demand for consumption goods as the normal course of capitalist development. As the dominance of the tendency to overaccumulation relative to consumption increased with monopolization, so too did the intensification of imperialism. In a passage that reverberates today, Sweezy noted that,

...the renewed rise of empires and the growth of militarism imply an augmentation in the power of the state and an extension of its scope and functions. The maturing contradictions of the accumulation process in the

epoch of imperialism provide additional grounds for increased state activity, particularly in the economic sphere.²³

Modern imperialism was an historical manifestation of monopoly capitalism seeking outlets for the absorption of the economic surplus through capital export.

With Baran's Political Economy of Growth, the themes that Sweezy had raised about the consequences of the dynamics of accumulation in the centre for 'backward regions' were made central by beginning from the place of the peripheries in global capitalism.²⁴ This was found in the way that processes of primitive accumulation incorporated non-Western zones into the emergent world market. Colonial penetrations began an historical process by which the actual economic surplus being produced in the peripheries was absorbed – or the potential surplus prevented from forming – by domestic class structures in a way that blocked capitalist development from following the same path as the advanced capitalist zones. Capitalism was undeniably present through the international division of labour, exchange relations and the organization of the economy for profits, but it was a distorted capitalist development. The economic surplus, moreover, continued to be extracted out of the peripheries to the centres by new mechanisms of financial capital and monopolies. In Monopoly Capital, Baran and Sweezy argued "that except possibly for brief periods of abnormally high capital exports from the advanced countries, foreign investment must be looked upon as a method of pumping surplus out of underdeveloped areas, not as a channel through which surplus is directed into them."²⁵

These theses all became central themes of the 'dependency theory' interpretation of imperialism, and Sweezy and Monthly Review were founding contributors, giving particular empirical emphasis to the role of American imperialism in Latin America and Indochina. Capitalism is, as Sweezy put it, a "global system embracing both the (relatively few) industrializing countries and their (relatively numerous) satellites and dependencies."²⁶ Economic backwardness was, paradoxically for the dogmas of liberal modernisation theory, not caused by a lack of capitalism, but by capitalist modernization itself when seen as a world market process. But there was also now a cruel ironic twist for Sweezy's overall conception: the export of capital to absorb the produced surplus in the economic centres in turn generated a flow of surplus back thereby exacerbating the system-wide dilemmas of stagnation. The central contradiction in the economic system of capitalism now fell between the developed and underdeveloped parts, and not within the centre itself.

Sweezy's writing, like Magdoff's parallel writing on imperialism,²⁷ was some of the first to re-think the nature of the postwar world market, and it still reads remarkably fresh compared to so much of the technological determinism in contemporary writing on globalisation from the political centre, and treatises marginalising the state and American power as an integral aspect of the world market from some quarters of the Left. But the weight of the explanation of the hierarchy of the world market resting on exchange relations and the political force that lay behind them, and thus how exchange relations conditioned domestic class structures. A number of limitations could be raised how adequately this penetrated the variegated class configurations of states, and the particularities of relations of exploitation, appropriation and labour processes in different places. The relations of production of many developing countries, for instance, were often extensively pre-capitalist, with little in the way of generalized commodity exchange and

free labour, even if their surplus product was being increasingly offered on the world market. Exchange relation often reinforced pre-capitalist class relations rather than undermined them. In other cases, capitalist social relations clearly formed and the forces of production began to systematically accumulate, and this needed to be carefully explored in their own right. Even with a deeply penetrated and compromised national bourgeoisie, as in the case of several of the East Asian industrialized countries, some countries advanced significantly toward the levels of development of the economic centres. But even in less dramatic cases, capital systematically accumulated, bringing dramatic transformations in class relations with it, but failed to close systematically the relative income and development gaps with the economic centres. Indeed, contrary to the neoliberal theses of world market equalising zones as capitalism developed, the world market demonstrated remarkable stability in the hierarchical relations between states. Sweezy and dependency were quite right to insist on this stark reality. But it still suggested more careful treatment of the modalities by which international exchange reinforced international hierarchies through the free flow of commodities, such that the value being transferred from the peripheries to the centres allowed higher rates of investment, innovation and development of productive forces. It also suggested that the class relations being formed within states by the internationalisation and inter-penetration of capital were no longer mainly ones of external imposition: foreign capital was being internalised within national ruling blocs and domestic capitals even in peripheries were forming a stake in the international economic order. If so, the main line of social fracture was not to be found in the world market between the centres and peripheries, although this plainly remains a central characteristic of the uneven development of capitalism as Sweezy was right to insist, but internal to each of the states of the world market and their specific class configurations and relations of production.

American Socialism:

There has been a certain easy judgement of Sweezy's assessment of the advance of socialist politics in the U.S. under the charge of 'Third Worldism'. This needs more careful statement. For Sweezy, revolutionary change was linked to capitalism being constituted as a world system and the politics surrounding the absorption of the economic surplus. Given that both of these were determined by the dynamics of capital accumulation, the integration of the working class into the politics of monopoly capitalism and imperialism could not but be, for Sweezy, the central strategic parameters for socialist politics. In Theory of Capitalist Development, in the midst of World War II, he observed that "capitalism is still very firmly entrenched in the United States, and the forces of socialism are as yet of negligible importance." But with socialism in advance in many parts of the world, "it might turn out that imperialism has suffered a mortal wound from which it will never recover."²⁸ In such a context, the external outlets offsetting stagnation would be cut off, and the rational organization of economic activity to match productive capacity would have to be placed on the agenda to compete with the rival system. In this case, a peaceful transition to socialism was possible as an alliance between liberal reformers and socialists could advance beyond the obstacles thrown up by capitalist power over democracy. This made sense for a period of world upheaval and the Popular Front, when systematic socialist advance seemed not just possible but likely. But Sweezy was quite silent on the development of working class politics in the centres of capitalism. Despair at the political setting in the centres gave way to the hopes at the margins.

The development of the Cold War and the integration of U.S. unions and much of the Left into the Democratic Party registered similar notes in Sweezy's political analysis. Lacking in both revolutionary and social democratic parties, but gaining a share of the postwar surplus, American workers formed a classic "aristocracy of labour".²⁹ In Monopoly Capital, Baran and Sweezy contended that workers within the advanced capitalist countries were 'integrated' into the system and the centre of revolution had fundamentally shifted to the peripheral zones. In the much quoted words of that text,

Industrial workers are a diminishing minority of the American working class, and their organized cores in the basic industries have to a large extent been integrated into the system as consumers and ideologically conditioned members of society. They are not, as the industrial workers were in Marx's day, the system's special victims... The system of course has special victims. They are the unemployed and the unemployable, the migrant farm workers, the inhabitants of big city ghettos ... in a word, the outsiders... If we confine attention to the inner dynamics of advanced monopoly capitalism, it is hard to avoid the conclusion that the prospect of effective revolutionary action to overthrow the system is slim.³⁰

But, as they made clear, capitalism is constituted by a world market and revolutionary agency could be found in the "exploited masses of these dependencies"³¹ created by imperialism.

The Baran and Sweezy assessment was, at the end of the day, a harsh but realist reading of the balance of social forces in the U.S. and the struggles raging against American imperialism at the time. It could not be denied, moreover, that it was a political imperative that American radicals above all others hold the American state to account for U.S. imperialism and to defend to their utmost the rights of revolutionary – and reformist ones to boot – regimes to form alternate development paths de-linking from – or modifying their relationship with – world capitalism. But what social actors would carry the anti-imperialist struggle forward in the U.S.? Intellectual dissenters like Sweezy himself, of course, and Monopoly Capital drew a line from there toward marginalized peoples of colour in the U.S. and radicalizing students. Plausible answers, to a degree, in the context of the 1960s, but deeply unsatisfying ones at the same time: the development of a necessary socialist and working class internationalism left to others than the American working class itself.

This clearly was a mis-calibrated strategy for developing a viable socialist politics in the U.S. necessary to sustain anti-imperialist struggles. It severely under-theorized working class agency. It implicitly assumed a singular working class interest that, once not having turned revolutionary in the course of capitalist development, was now uniformly reformist, and could only be shaken by external events and actors. But working class interests, agency and resistances – as Harry Braverman himself pointed out in Labor and Monopoly Capital³² – are deeply complex in their formation and need to be contested rather than 'essentialised' as one thing or another. Baran and Sweezy's strategy proposed an anti-imperialist politics and socialist strategy in relative isolation from American workers. This was a political strategy that was quite specific to the U.S. It was not even generalizable to Canada where the New Left took these same struggles into the union movement and built a genuine anti-imperialist and socialist current within the Canadian working class.³³

Sweezy allowed greater openness to radical labour developments in the capitalist centres during the course of the 1970s strike waves and the initial struggles against neoliberalism. But he did not alter his assessment. To the end, he contended, as he did reflecting upon Marx's legacy, that "it is impossible to make out a reasonable case for the view that the proletariat in the advanced countries is destined to be the agent of revolutionary change."³⁴ The silences on the political strategy for working class formation and agency in the U.S. remained.

3. Political Impasse

Sweezy opened more new lines of thinking within Marxist theory, indeed, across the field of political economy as a whole, than practically any other Marxist economist of the 20th century. It is impossible even to imagine American Marxism without his contributions. The stagnationist theoretical position clarified a great deal about why structural crises tend to continue to reproduce themselves rather than directly create conditions for a new boom, and how monopolization created new competitive contexts rather than simply quantitatively reduce them. Stagnation remained the normative conceptualization of capitalism across all of Sweezy's writings. This undermined idealized neoclassical theorizations of self-equilibrating markets, pointed to the limits of Keynesian redistributive policies and compelled Marxian theory to delve into a whole range of new problems. It revealed a great deal less about the resiliency and dynamics of capitalist expansion across the globe and the reasons why American capitalism did not enter into a spiral of decline and simply wither away.

This is also, it must be said, the sense of Sweezy's contribution to American radicalism. Nobody did more to establish the intellectual integrity of the independent socialist left. This is above all what Sweezy and Monthly Review have stood for. He early on recognized that the existing communist parties – and their counterpoint in the Trotskyist movement – had become more obstacles than ways forward for American socialism. Similarly, social democracy (including its component in the Democratic Party) had long made peace with capitalism. This political clarity did not mean pushing a sectional line in opposition to these parties, but supporting the autonomy of new radical movements – such as black liberation, feminism, and environmentalism – in their struggles and insisting that a new political formation would be a necessary development to establish a viable socialist politics in the U.S.. This, of course, became defining features of the New Left in North America. And it established socialist and Marxist thinking as an integral element of the intellectual landscape of the U.S. and Canada. But here was also the impasse of Sweezy's and the New Left's politics. Organizational experimentation in developing a new socialist politics has been fleeting, and, under the weight of neoliberalism, is now a marginal enterprise. The critique of all the faultlines of American capitalism and society is in place and these cracks have never been more exposed for all to see. Sweezy did more than anyone else to point them out. But seldom has there been less organizational creativity and utopian spirit on the North American Left testing our capacity to overcome the limits of capitalism. We know what we no longer want to be, but we are hesitant to dream, express and struggle for what we want to become. With the barbarism that has opened up the 21st century, with U.S. imperialism once again its central agent, Paul Sweezy, above all others, would have insisted on continuing the critique of American capitalism and the fearless, moral necessity for re-imagining and making a new socialist project for North America.

Endnotes

1. John Bellamy Foster, "Paul Marlor Sweezy, 1910-2004" at www.monthlyreview.org/paulsweezy.html (April 2004); Michael Lebowitz, "Paul M. Sweezy," in Maxine Berg, ed., Political Economy in the Twentieth Century (Oxford: Philip Alan, 1990). Sweezy follows in the predominant pattern of intellectual formation that Perry Anderson identified in Considerations on Western Marxism (London: New Left Books, 1976).
2. "Demand Under Conditions of Oligopoly," Journal of Political Economy, 47 (1939); Monopoly and Competition in the English Coal Trade, 1550-1850 (Cambridge: Harvard University Press, 1938). He also contributed to the famous U.S. Keynesian tract, An Economic Program for American Democracy (New York: Vanguard, 1938).
3. The Theory of Capitalist Development: Principles of Marxian Political Economy (New York: Monthly Review Press, 1942). This was the first major writing in Marxian economics in North America, with prior work coming from Louis Boudin and the Italian-American Lewis Corey (Louis Fraina). See: L. Boudin, The Theoretical System of Karl Marx (Chicago: Charles Kerr, 1907); L. Corey, The Decline of American Capitalism (New York: Arno Press, 1972; original publication 1934); P. Sweezy, "The Influence of Marxian Economics on American Thought and Practice," in D.D. Egbert and S. Persons, eds., Socialism in American Life, Vol. 1 (Princeton: Princeton University Press, 1952); Paul Buhle, Marxism in the United States (London: Verso, 1987). Comparable Canadian contributions were only forthcoming in the 1960s and 1970s. In the English speaking world as a whole, there were few contributors to Marxian economic thought through the 1950s, the main ones being Maurice Dobb, Ronald Meek, Joan Robinson, Paul Baran, Oskar Lange, and Joseph Gillman.
4. Paul Sweezy, Four Lectures on Marxism (New York: Monthly Review Press, 1981), p. 13.
5. See: Rodney Hilton, et al., The Transition From Feudalism to Capitalism (London: Verso, 1978).
6. (New York: Monthly Review Press, 1966).
7. Most important here were the two books authored with Huberman: Cuba: Anatomy of a Revolution (New York: Monthly Review Press, 1960); Socialism in Cuba (New York: Monthly Review Press, 1969). Also see (with Huberman and Harry Magdoff): Vietnam: The Endless War (New York: Monthly Review Press, 1970).
8. Paul Sweezy and Charles Bettelheim, On the Transition to Socialism (New York: Monthly Review Press, 1971). See also his Socialism (New York: McGraw-Hill, 1949); Post-Revolutionary Society (New York: Monthly Review Press, 1981); "Questions on the Transition to Socialism," Studies in Political Economy, 18 (1985)..
9. See the following, all authored with Harry Magdoff: The Dynamics of U.S. Capitalism (New York: Monthly Review Press, 1970); The End of Prosperity (New York: Monthly Review Press, 1977); The Deepening Crisis of U.S. Capitalism (New York: Monthly Review Press, 1970); Stagnation and the Financial Explosion (New York: Monthly Review Press, 1970); The Irreversible Crisis (New York: Monthly Review Press, 1970).
10. "Keynesian Chickens Come Home to Roost," Monthly Review (April 1974). Sweezy's earlier writings on Keynes, which remains full of insights, are largely gathered in: The Present as History: Essays and Reviews on Capitalism and Socialism (New York: Monthly Review Press, 1953).
11. "The Triumph of Financial Capital," Monthly Review (June 1994); "More (Or Less) On Globalization," Monthly Review (September 1997).
12. For a full treatment of the tradition that this work founded see: J. Bellamy Foster and H. Szlajfer, eds., The Faltering Economy: The Problem of Accumulation Under Monopoly Capitalism (New York: Monthly Review Press, 1984); J. Bellamy Foster, The Theory of Monopoly Capitalism: an Elaboration of Marxian Political Economy (New York: Monthly Review Press, 1986).
13. The Theory of Capitalist Development, p. 172.

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14. The Theory of Capitalist Development, p. 177.
 15. Monopoly Capital, p. 72. This should be read alongside the discussion in S. Tsuru, Has Capitalism Changed? An International Symposium on the Nature of Contemporary Capitalism (Tokyo: Iwanami Shoten, 1961).
 16. Monopoly Capital, pp. 363, 108.
 17. But see: S. Hymer, The Multinational Corporation: A Radical Approach (Cambridge: Cambridge University Press, 1979).
 18. M. Lebowitz, "The Theoretical Status of Monopoly Capital," in S. Resnick and R. Wolf, eds., Rethinking Marxism: Essays for Harry Magdoff and Paul Sweezy (New York: Autonomedia, 1985). Compare the assessment in: M. Howard and J. King, A History of Marxian Economics: Volume 2, 1929-1990 (Princeton: Princeton University Press, 1992), Ch. 6.
 19. Bellamy Foster, "Paul Marlor Sweezy, 1910-2004."
 20. The Theory of Capitalist Development, p. 268.
 21. P. Sweezy and H. Magdoff, "Capitalism and the Distribution of Income and Wealth," Monthly Review (October 1987), pp. 13-4.
 22. "The Triumph of Financial Capital," Monthly Review (June 1994).
 23. The Theory of Capitalist Development, p. 317.
 24. The Political Economy of Growth (New York: Monthly Review Press, 1957). Sweezy had laid out some of the main theses in The Theory of Capitalist Development, pp. 304-6.
 25. Monopoly Capital, p. 105.
 26. Modern Capitalism and Other Essays, p. 163.
 27. The Age of Imperialism (New York: Monthly Review Press, 1969); Imperialism: From the Colonial Age to the Present (New York: Monthly Review Press, 1978).
 28. Theory of Capitalist Development, pp. 360, 359.
 29. P. Sweezy, Modern Capitalism and Other Essays (New York: Monthly Review Press, 1972), p. 163. This is from his 1967 essay, "Marx and the Proletariat". See the response to it in R. Edwards, "Sweezy and the Proletariat," in S. Resnick and R. Wolf, eds., Rethinking Marxism: Essays for Harry Magdoff and Paul Sweezy (New York: Autonomedia, 1985).
 30. Monopoly Capital, pp. 363-4.
 31. Modern Capitalism, p. 165.
 32. (New York: Monthly Review Press, 1974).
 33. This was a point Maurice Dobb early on with respect to applying the political strategy to Europe. See: "Marxism and Monopoly Capital," Science and Society, 30 (Fall 1966), p. 475.
 34. "Marxism and Revolution 100 Years After Marx," Monthly Review (March 1983), p. 6.