

About Keynes and Keynesians

Interview with Paul M. Sweezy

Did you ever accept Keynesian economics, or did you go beyond Keynesian economics and feel his approach had lost the essence of what the problem was?

One thing you should understand is that Keynesian theory permits an enormous variation in political and ideological positions. Later on what Joan Robinson came to call Bastard Keynesianism was the opposite of what I, at any rate, understood to be Keynes's real intentions during the 1930s. Keynes came on not as a socialist -- far from that -- but as an extraordinarily liberal experimental mind who was prepared to do whatever was necessary -- he thought it *could* be done -- under the property arrangements and class arrangements that existed at that time. I think he was dead wrong in a lot of the things he advocated, like redistribution of income, social control over investment, which were totally antithetical to the political and ideological structure of the society and would never get through without a very basic change in the nature of society. I still think that.

But that doesn't mean that, as economic logic, Keynesian ideas weren't miles ahead of anything else available at the time. It wasn't really that they were put into effect as ideas by the New Deal or by anybody else. As a matter of fact, paradoxically, many of the policies of Nazi Germany were very much in line with Keynesian recommendations for overcoming a depression, and the German depression in general was overcome. Hitler's Germany came out of the depression long before the United States did, and that was because they spent a lot of money, deficit financing, controlled investment, on a war program. As a matter of fact, the Great Depression never was over in the United States until the war. The New Deal did not act on Keynesian policies at all.

The history of Keynesian theory and policy is full of paradoxes. It is important that you really understand the complexities of the history of the period.

In a sense it was possible to be a Keynesian and be much more radical than Keynes. One could use his ideas for much more radical purposes than he had any intention of fostering. Joan Robinson is a good example: she was a Keynesian to the day of her death, but she was one of the most radical people I knew from that whole period. She was far to the left of many of the Marxists, in terms of her instincts and sympathies. So that, when you say you're a Keynesian, it is not exactly easy to see what you're saying; you could be a kind of left-wing socialist Keynesian or a conservative business Keynesian.

As I got to know more and more about Marxism and Marxist ideas, I realized that they weren't at all the sort of simple-minded formulas which get into the textbooks and histories of economic thought -- that there was a huge body of ideas that cannot be really systematized into a neat collection of formulas at all. You can fit a lot of Keynesian ideas very easily and compatibly with a much more radical perspective on the political and general ideological levels. I've never really sat down and tried to sort out my ideological perspective. In fact, I don't think I could do

so because I've been changing my ideas, and I still do change quite often. I don't know how to fit all the pieces together into a coherent story. I think, if I did, it would probably be made up -- imposed from later on. The development of ideas has no coherent structure.

Paul M. Sweezy (1910-2004) was a Marxist economist and founding editor of *Monthly Review*. This is the last paragraph of the interview with Sweezy (conducted on 24 September 1987) that was published in David C. Colander and Christian A. Johnson, *The Coming of Keynesianism to America: Conversations with the Founders of Keynesian Economics* (Edward Elgar Publishing, 1996), pp. 83-84; it is reproduced here for non-profit educational purposes.

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