

consequence of deficient consumer demand (pp. 78-9). Possibly this makes Strachey out to be more consistent than he actually was, but there can be no doubting the influence, throughout the 1930s, of his vision of a capitalism ground between the Scylla of a falling rate of profit and the Charybdis of working-class impoverishment and, thence, deficient demand' (pp. 126-7).

For the best part of a decade after 1936 Strachey drifted in the direction of a less apocalyptic, broadly Keynesian perspective, first as a loyal supporter of the Popular Front and then as a social democrat more and more hostile to Communism. Thompson stresses, however, 'that important elements of Marxism remained in Strachey's thought and the legacy which he was to carry forward into the post-war period was considerable' (p.181). Unlike Anthony Crosland, whose revisionism reeked of 'complacency' (p.197) - smugness might be a more appropriate word - Strachey never doubted that capitalism still existed, nor that it remained objectionable and full of contradictions. Thus he remained a socialist, committed not just to redistribution but also to the extension of public ownership and the regulation of market transactions, especially the foreign exchanges. He did, however, abandon his earlier enthusiasms for the Leninist theory of imperialism and became a Cold Warrior in late middle age. Like Aneurin Bevan, Strachey was apparently concerned at the prospect of 'going naked into the conference chamber' (in the event neither man need have worried about that).

John Strachey died in 1963, just too soon to see his doubts about the taming of capitalism fully vindicated by the traumatic experience of the Wilson government. Thompson's is a well-written and comprehensive intellectual biography. In an age when governments throughout the world are adopting macroeconomic policies which would have horrified the majority even of conservative economists in the 1930s, it is also a timely one.

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Pier Luigi Porta (ed.) *David Ricardo: Notes on Malthus's Measure of Value* (Cambridge University Press, 1992), pp. ix + 62, ISBN 0 521402 980. £70.

Relative Value or Exchange Value as used in classical economics, measures a relationship between commodities. Absolute Value, by contrast, refers to the amount of labour embodied in the production of a commodity.

Towards the end of his life, Ricardo became more and more committed to the importance of Absolute Value as an analytical category both for itself and as a *measure* of value, a kind of index number. Sraffa, in his celebrated *introduction* to the 10 volume edition of Ricardo's *Works*, argued that Ricardo's use of the embodied labour concept, together with his rent theory and the principle of diminishing returns, formed the whole foundation of Ricardo's system. He pointed out that earlier interpreters of Ricardo - Professor Cannan etc - had not had the advantage of reading one of Ricardo's last manuscripts "Absolute and Exchange Value" found in Ireland only in 1943. Sraffa argued that in contradistinction to those who upheld a *labour commanded* theory of value such as Adam Smith (in some places) and Malthus, Ricardo rejected this in favour of labour embodied.

Let us recall Malthus' argument in his *Principles* of 1819 the value of a commodity, he says, ought to be measured not by the quantity of labour required to produce it (as Ricardo maintained) but rather by the quantity of labour which it would "command" on the market. This meant in practice, the quantity of labour which the amount of *money* obtained for the commodity could hire at the current wage rate. Malthus was led to this approach because he thought capital accumulation required that the amount of labour a commodity will command should be greater than the amount of labour incorporated in it, for the amount of profit received by the capitalist depended on this excess, and on its size. For example, if a capitalist hires ten men for a day to produce a commodity, he will not be prepared to repeat the process unless the price he gets for the commodity is sufficient to enable him to hire more than ten days labour.

In 1823, Malthus returned to the fray, again defending a "labour commanded" approach in a pamphlet *The Measure of Value Stated* on which Ricardo wrote Notes which remained unpublished till now. Porta has published this volume as an "extra" to the Royal Economic Society edition of the *Works and Correspondence of David Ricardo*, edited by Piero Sraffa with the collaboration of Maurice Dobb. The editor considers the publication of Ricardo's marginal notes on the pamphlet by Malthus of 1823 completes the record on Ricardo's value theory.

As he puts it (p x, n.6): "The proper place for Ricardo's Notes should have been in *Works* Vol IV, first published (by Sraffa) in 1951... immediately *after* the Notes on Blake and *before* "Absolute Value and Exchange Value"." Then Porta adds, without any comment or criticism, that "[The Notes] are in fact only *mentioned* [by Sraffa] in Vol X Appendix B containing final survey of Ricardo's manuscripts, which appeared four years later, in 1955."

The editor enthuses over the "Notes" as further proof of Ricardo's rejection of "labour commanded" in very precise and indeed, aggressive terms. This is also clear from a careful reading of Ricardo's Notes. They accused Malthus of arbitrary and circular definitions, of ignoring Thomas Tooke's empirical evidence on prices and failing to understand the role of a labour embodied theory of value in analysis.

We have, then, a condundrum. Porta's volume contains, with editorial annotations the only known writing of Ricardo not included in P. Sraffa's 10-volume *Works and Correspondence of David Ricardo*: "Notes on Malthus's Measure of Value". However, its appearance at this time is enigmatic. Porta's decision to