【書　評】

Yuji Sato and Susumu Takenaga, eds., *Ricardo on Money and Finance: A Bicentenary Reappraisal*

London and New York: Routledge, 2014, 220 pp.

Two hundred years have passed since the publication of Ricardo's *Principles* in 1817. The world economy of today has changed from that of the early 19th century, but to be sure, not a few problems have been remained unresolved. Most will agree that one such challenge has been the establishment of stable money and finance system. In August 1971, the convertibility of the US dollar into gold was suspended. Consequently, the stability of the international monetary system was lost. As a result, the current global economy witnessed significant volatility that continues to reverberate into the present. In a similarly unstable monetary system (the Bank restriction period of 1797–1821), though it was rather an internal problem, Ricardo continued to criticize inconvertibility of notes and worked towards creating an ideal monetary regime, such as the establishment of a National Bank. This background may have necessitated a reappraisal of Ricardo's money and finance theory, resulting in this book.

In interpreting Ricardo's theory of money, however, there has been an aporia, that is, in the relationship between the monetary and real aspects of the theory. For example, why did Ricardo insist on the one hand that the high price of gold in his times was caused solely by the over-issuances of notes by the Bank of England? Why did he deny on the other any other real causes that could have increased the price of gold, like payments for grain that had been imported on account of a poor harvest? According to Glasner (Chapter 1 Monetary disequilibrium and the demand for money in Ricardo and Thornton), Ricardo's theory relied heavily on the tight integration of the world market for traded goods including gold and grain, and Ricardo believed that international arbitrage would obviate financing overseas purchases with gold. The suspension of convertibility interrupted the arbitrage of gold, which resulted in a high price of gold. On the same problem, however, De Boyer des Roches (Chapter 2 Prices, value and seigniorage in Ricardo's monetary economics) asserts that Ricardo rejected "the arbitrage mechanism of gold points" resulted in an equilibrium that featured a high price of gold. As for the conversion of notes, Ricardo focused on the quantity of money rather than on the source of supply and demand in the gold market. Unlike Glasner, De Boyer des Roches concedes Ricardo's reliance on Humean Quantity Theory of Money (QTM) and Price–Specie Flow Mechanism (PSFM).

Sato (Chapter 3 Old and new interpretations of classical monetary theory) presents an overview of this book with his agreement on "new" interpretations (since the late 1970s) that have distinguished classical monetary theory from that of Hume. According to Sato, as Smith, Thornton, and Ricardo were connected in terms of the development of classical monetary theory, Ricardo should not be considered as an adherent of QTM, but rather as a proponent of flexible combination of rules and discretion in monetary policy. In Ricardo's descriptions, there is much discussion that is interpreted as being consistent with QTM; however, one cannot deny that he understood money to be a commodity. Takenaga (Chapter 4 The value of money: labour theory of value and quantity theory in Ricardo's economic theory) and Deleplace (Chapter 5 The role of the standard in Ricardo's theory of money) explore implications of this coexistence of QTM and the theory of commodity money in Ricardo's economics. Takenaga finds room for QTM in the condition that money is a particular commodity that does not flow freely into or from circulation in comparison to other commodities. Deleplace presents a formula of Ricardo's theory, wherein a change in the value of money is regulated by two independent factors—a change in the value of gold, and (with a negative sign) a change in the market price of gold. Given this formula, QTM might work only indirectly in Ricardo's monetary theory.

Controversy extends to interpretation of Ricardo's finance theory. According to Diatkine (Chapter 6 Interest rates, banking theory and monetary policy in Ricardo's economics), Ricardo insisted that banks' credit market needed not be taken into account. Additionally, that National Bank proposed by Ricardo intended to issue (and not lend) money by buying gold without operationalizing any discretionary policy. In contrast, Otomo (Chapter 7 Ricardo's theory of central banking: the monetary system and the government) points out that Ricardo called for government intervention to secure the stability of the currency value by fixing the price of gold and by allowing the reformed National Bank to manage the amount of currency by carrying out discretionary control of securities and gold in the open market.

M. Smith (Chapter 8 Ricardo versus Tooke: on the enduring value of their respective monetary theories to classical economics) and Sember (Chapter 9 Interwar reflections on the balance of payments: Taussig and the influence of the Ricardian bullionist tradition) discuss "the aftermath of Ricardo's monetary thought." According to M. Smith, Ricardo had an important role in the development of the modern classical theory of value and distribution since Sraffa, but Tooke's banking theory offered a greater contribution than did Ricardo's uncompromising QTM. Analyzing the interwar controversies between Taussig and J. Hollander on the balance of payments, Sember not only shows the pervasive influence of the debate developed in the Bullion Controversy but also the shift of emphasis after Word War I to the mechanisms of adjustment of balance of payments and to new theoretical developments *vis-à-vis* purchasing-power theory, *inter alia.*

In addressing various aspects of Ricardo's thinking on money and finance, this book, in the reviewer's opinion, surely contributes to a bicentenary reappraisal of Ricardo. At the same time, however, the relationship between real and monetary aspects in Ricardo's theory remains an open question for further study.

This book is based on papers presented at two international conferences organized by the Ricardo Society in Tokyo, September 2011, and Kyoto, March 2012.

（Shigeyoshi Senga: Yokohama City University, Emeritus）