In response to Engels's challenge in the preface to Volume 2 of *Capital* for theorists to anticipate Marx's treatment of values and prices, the debate about what became known as the transformation problem started even before Volume 3 was published. It was, however, Bortkiewicz's 'correction of Marx's fundamental theoretic construction' a dozen or so years later that proved most influential. It is still the reference point for discussion. In the collection of essays edited by Alan Freeman and Guglielmo Carchedi, Bortkiewicz is the author most cited.

At first sight Bortkiewicz's 'correction' appears an amendment of a detail Marx got wrong, albeit an important detail, but an essentially technical point of no great theoretical consequence in its own right. This, broadly speaking, was how it was viewed by Paul Sweezy who introduced it to an English speaking audience in *The Theory of Capitalist Development* in 1941, and this again broadly speaking was where matters rested for the next thirty years until they were reopened by economists drawing on the work of Piero Sraffa - *The Production of Commodities by Means of Commodities* (1960).

Sraffa himself was not primarily interested in Marx: his most important work aside from the *Production of Commodities* was the preparation of the collected writings of Ricardo and it was in a different field that his work had its first impact. In Cambridge in the 1950s a group of economists launched a scathing criticism of neo-classical theory, the prevailing orthodoxy. The original inspiration for this criticism was Keynes, but where Keynes had attempted to persuade his 'fellow economists' to look at things differently, the Cambridge School charged them with outright error and inconsistency. The problem was what to put in the place of the dilapidated orthodoxy. Sraffa’s work was the obvious place to turn.

If it were necessary to single out the most important contribution Sraffa made to the development of economic thought, it would undoubtedly be his reinstatement of the concept of surplus which neoclassical theory had reduced to a hollow abstraction. The ideas, first that economies can produce more than they need to maintain themselves, and second that the extent and disposition of this net product is the critical variable for understanding how economies work, are the oldest and most fundamental ideas of economic thought. They lay at the centre of classical political economy but the leading members of this school, most notably Ricardo, were unable to integrate the concept of surplus with their conviction that the real price of things, their real value, was the labour needed to produce them. In economic terms they found it impossible to specify a set of prices which allocates
surplus according to conditions laid down by the market (an equal average rate of profit in different branches of production) that is consistent with the labour theory of value as they understood it. Sraffa’s way out of this impasse was to retain the concept of surplus but to reject the labour theory of value by defining prices simply as those ratios in which commodities must exchange to satisfy the conditions of reproduction, on one side, and the equalisation of the rate of profit, on the other.

The relevance of Sraffa’s approach for Marxist theory became rapidly apparent but as soon as attempts to apply it were made Sweezy’s compromise with Bortkiewicz’s ‘correction’ fell apart. Bortkiewicz, it became clear, had not the followed the logic of his argument to its conclusion: had he not attempted to ‘correct’ Marx but concentrated instead on the problem of the prices which meet the requirements of reproduction and the equalisation of the rate of profit – the conditions he believed prices must satisfy but which Marx’s transformed values could not meet – he would, like Sraffa, have seen that it was possible to dispense with the concept of value altogether. The lessons which the parties to the ensuing debate – the Sraffians and the Marxists – drew from this could not be further apart. The former, adopting Bortkiewicz as the precursor of Sraffa, drew the lesson that to correct the problem in Marxism which Bortkiewicz had demonstrated, it was necessary to substitute Sraffa’s system for Marx’s theory of value; the latter, taking the theory of value as an indispensable element of Marxism, saw no alternative to rejecting Sraffa and Bortkiewicz out of hand. This turned out to be a much bigger undertaking than it first appeared and the project is still far from complete.

The first difficulty facing Marxists in this project is that Bortkiewicz and Sraffa were not simply wrong; in their own terms their theories stand up and their criticisms of Marx cannot be discounted by identifying obvious errors in their formulations. It is the terms of their theory which must be confronted: do these represent Marx’s theory accurately, or do they conjure up a version of the theory of value in their own likeness which bears little resemblance to the theory Marx advanced? A second difficulty is exactly what theory did Marx advance. It is possible that he would have said things differently had he anticipated the subsequent criticisms; as it is theorists have often to rely on the implications of passages which are not directly related to the issues in hand with the host of interpretative problems this creates. Connected to this is the possibility that Capital is not entirely consistent and that it is possible to find passages in the text which support quite disparate interpretations. A third difficulty is the problem of specifying the criteria by which a version of the theory of value which lies outside the range of the Bortkiewicz/Sraffian criticisms can be judged cogent.

These are the difficulties with which Freeman, Carchedi and the other contributors to Marx and Non-Equilibrium Economics, McGlone and Kliman, Ramos-Martinez and Rodriguez-Herrara, Naples, Saad-