

JORLAND (GERARD). *Les Paradoxes du Capital*. Paris: Editions Odile Jacob, 1995. Pp. 520. 220F paperback. ISBN 2 7381 0295 9.

This is scholarship of the highest order: a history of thought on the Marxian transformation problem from its origins to the most recent discussion. It is by far the most detailed and comprehensive survey that exists. After a presentation of the problems of the labour theory of value in Ricardo, the approach of Marx himself is examined; this involves dealing with complex issues of chronology and logic in Marx's economic writings. The problem, that is, the incompatibility of labour values and cost prices – dialectical contradiction to some, simple error to others – is then pursued through debates both in the academy and in Marxist political groups across 3 continents and 150 years. Not only is the work of each contributor analysed; every formal examination of the problem is expressed in a consistent notation; where writers have relied on arithmetical examples these are presented in a uniform format. In addition there are two detailed chapters on the Cambridge capital controversies which in many ways were an ironic echo of the Marxist debate, since the aggregation conditions for neoclassical 'parables' of capital accumulation turned out to be analogous to those required for the exchange of commodities according to their labour content. The bibliography lists some 700 items in English, French, German, and Italian. Jorland concludes with a reflection on the role of mathematical analysis in economics: on the one hand, the mathematicians are able to resolve some doctrinal disputes, since all parties acknowledge the validity of the formal results which are reached; on the other, intractable problems of measurement, above all measurement of capital, exclude the construction of a genuinely predictive science. No scholar of Marxist economic doctrines should neglect this extremely impressive contribution.

JOHN GRAHL

PERELMAN (MICHAEL). *The End of Economics*. London and New York: Routledge, 1996. Pp. viii + 204. £40.00 hardback. ISBN 0 415 13737 3.

I was completely underwhelmed by this book. It reads like an attempt to spice up some potted American economic history and some equally potted history of American economic thought with a provocative thesis about the imminent demise of economics as a subject. Economics is finished, we are told, because of the increasing importance of long-lived fixed capital in modern industry, which renders the standard claims of mainstream economists about the virtues of competition both irrelevant and misleading. Now, to be sure, there is much double-speak about competition in modern economics but the author of this book seems to be totally unaware that the concept of 'perfect competition', which is the principal butt of his diatribes, came into mainstream economics only in the 1930s, as McNulty and Stigler and Backhouse have shown; none of these famous papers is cited by the author and their content is clearly lost on him. Likewise, there is no reference to the well-known Baumol–Panzar–Willig contestability doctrine, which at least has the merit of placing the idea of sunk costs firmly in the centre of industrial economics. Even the notion of 'natural monopoly', an item in every standard introductory textbook, is never discussed or even mentioned, and a long chapter on railroad economics passes by without recognition of the fact that railways were always the standard 19th century example of market failure in the case of natural monopolies. In announcing and indeed welcoming the end of economics, the author admits that he has no alternative road map to guide us to the future. But that only makes us look more closely at his critique of standard economics, which is superficial beyond belief. By all means let us slay the dragon of orthodox economics but let us do it with a sharp sword.

MARK BLAUG

VERDON (MICHAEL). *Keynes and the 'Classics': A Study in Language, Epistemology and Mistaken Identities*. London and New York: Routledge, 1996. Pp. ix + 235. £45.00 hardback. ISBN 0 415 14072 2.

The present monograph can be seen as part of the long running saga on the 'what Keynes really meant to say' theme. In accordance with the spirit of the majority of the previous works, this book calls for a reconstruction of economics based on a reinterpretation of Keynes' thought. Its central thesis is the following: the cosmology of neoclassical economics has not incorporated the basic ideas of Galileo's and Newton's revolution but has remained essentially an Aristotelian science. In particular, neoclassical economics has no role for the real individual, it has failed to incorporate money either at the theoretical or conceptual level, and it is basically an economics of commodity behaviour. Keynes, by contrast introduced the real individual into economics – an individual who operates in real time and in social space. This implies that Keynes' economics constitutes the core of a classical cosmological revolution. However, there are still important Aristotelian survivals such as the rate of interest, user costs, effective demand, and investment. Finally, the author suggests a new language which would give back to economic activities their true individualist, probabilistic and sectoral meanings. Although I am not unsympathetic to many of the arguments presented, I am not sure that there are significant original elements in this monograph. The fact that the author seems to be unaware of some important works on similar themes does not add to his attempt to persuade his readers.

In spite of this, the book can be of use to those who are not familiar with the relevant literature and still are not satisfied with the current state of mainstream economics.

STAVROS A. DRAKOPOULOS

C. *Mathematical and quantitative methods*

BHATTI (M. ISHAQ). *Testing Regression Models Based on Sample Survey Data*. Aldershot and Brookfield, VT: Avebury, 1995. Pp. xvi+200. ISBN 1 85628 642 8.

This book is somewhat more specialist, both in its content and in its presentation of the material it covers than its title might suggest. While it is not clear whether or not this book was based on the author's PhD thesis, it certainly reads in that style. The problem it addresses is the following. In practice sample surveys are rarely completely random, commonly being made up of blocks, reflecting the sample design (for example, a two stage cluster sample). This introduces the possibility that intrablock correlations may exist which, if ignored, would lead to inefficient estimates and misleading inference. The book is concerned with testing for such intrablock correlations, in various different representations, and the power of alternative tests is considered. The parallel is drawn between this problem and the econometric modelling of panel data using random effects models, though unfortunately never really developed. In summary, while the problem considered here is certainly a valid one, it is rather specialist, and the way in which the book is written makes it readily accessible only to those who already have some knowledge and understanding of the problem.

ANDREW MCKAY

D. *Microeconomics*

DEBREU (GERARD), (Ed.) *General Equilibrium Theory: Volumes I, II, and III*. Aldershot and Brookfield, VT: Edward Elgar, 1996. Pp. xii+1, 720. £325.00 hardback. ISBN 1 85278 417 2.

General Equilibrium (GE) Theory, unquestionably one of the cornerstones of modern economics, is represented in these volumes by 98 papers (3 of which are corrective notes) selected by the pre-eminent modern contributor to the field. The papers are arranged in strict alphabetical order by author across the three volumes and, should guidance be needed to the coverage of topics, the editor's introduction (Vol. I, pp. ix-xii) provides an admirably concise overview. Not surprisingly, the existence of a competitive equilibrium price vector in variants of what has come to be known as the 'Arrow-Debreu model' is the subject of the largest group of papers. Similarly, the core, welfare economics, stability, game theory, uniqueness, and the computation of GE prices are all represented by the seminal works in their respective areas. But the coverage extends beyond these to include major contributions to the study of non-convexities, incomplete markets, securities, and price rigidities, to mention but a few of the topics represented. The editor employs several devices to choose papers for inclusion from among the vast array of candidates. First, and perhaps most significantly, Debreu adopts a self denying ordinance by excluding his own single-authored papers (on the ground that they are readily accessible elsewhere). Secondly, articles published in the 1990s are excluded, as are papers published before 1940 (though several were clearly written in the preceding decade). Thirdly, priority is accorded to pioneering contributions at the expense of works which serve to codify, clarify, and extend the subject. The outcome is a collection of classics (in the commonplace sense of works frequently cited but rarely read) that will be of greater interest to scholars of the past than to those pushing at the frontiers of GE theory. Those who do consult the volumes will, however, be most disappointed by the poor quality of reproduction of the originals, many of the facsimiles being imperfect and even, in a few cases, almost illegible.

R. E. BAILEY

DECHERT (W. DAVIS), (Ed.) *Chaos Theory in Economics: Methods, Models and Evidence*. Aldershot and Brookfield, VT: Edward Elgar, 1996. Pp. xviii+596. £120.00 hardback. ISBN 1 85898 216 2.

After years of turbulent discussions about stochastic versus deterministic sources of randomness chaos theory is still far from being an accepted strand of economic theory. Under this aspect the inclusion of this collection of papers in the library of critical writings in economics seems more than justified. The volume is divided into 3 parts: methods, models, and evidence.. The papers date from 1987 to 1993, and with W. D. Dechert as editor it comes as no surprise that they are representing a kind of main stream in this field. Among the 11 contributions to the first part, there are 3 from William Brock, one of them with a co-author. The third part shows a similar clear weighting with a focus on authors like Murray Frank and Thanasis Stengos (3 papers) and David Hsieh (2 papers). One of the merits of this volume is that it contains some, although few, contributions that are hardly accessible to a wider research community. Examples are a paper by Jean-Paul