

Omissions department: no real discussion of the issues raised in Peter Groenewegen's Australian Economic Papers article "Three Notes on Ricardo". No recognition of these put forward as early as 1959 by Zauberman or in 1977 by Pasinetti in his Lectures on the Theory of Production concerning the interrelation of two lines of development in economic analysis (a) from Quesnay to Ricardo, Marx and through to Sraffa on the key issue of the distribution of economic surplus by the uniform rate of profit (and other mechanisms) and (b) from Quesnay to Marx to Adolph Lowe to Leontief (on input-output relations). Serious sustained treatment of these chains in the history of economic thought (to some extent sketched by Harcourt) would have been closer to the spirit and legacy of Meek - even the R.L. Meek of the second edition of Studies in the Labour Theory of Value - than the pot-pourri of conflicting ideologies produced by Howard and Bradley.

D.P. O'Brien and John R. Presley (eds.), Pioneers of Modern Economics in Britain (London: Macmillan, 1981). pp. xix + 272. Price 20.00. Reviewed by P.D. Groenewegen.

As the introduction states: "the eight essays in this volume discuss the work of major contributors to economics ... during a period when the U.K. was probably still pre-eminent in economic writings ... and its economists still, perhaps, rather insular". (p. xv) The pioneers included, and the authors of the essays on them, are W.S. Jevons (R.D.G. Black), A. Marshall (D.P. O'Brien), F.Y. Edgeworth (J. Creedy), A.G. Pigou (D. Collard), A.L. Bowley (A. Darnell), D.H. Robertson (J.R. Presley), R.G. Hawtrey (E.G. Davis) and F.A. von Hayek (G.L.S. Shackle). Seven of these are dead and British, the last is an Austrian and still living but no longer really active in economics. Let me say at the outset that all serious students of economics, and not only those interested in the history of economics, are greatly indebted to both editors and authors for bringing the works of these eight important economists to the notice of the present generation. As most of the authors point out with respect to their particular pioneer, their many sided contributions are still of considerable relevance to understanding economics today.

When faced with the task of reviewing such a diverse collection, one approach to take is to examine the nature and exhaustiveness of the selection. Here there are some puzzles, not all of which are explained by the editors in their introduction. Some pioneers were excluded "because they are still active in the profession" with Hicks and Robbins given as the examples (p. xv) but this category equally includes to name but a few, Kaldor, Meade and Joan Robinson. Other authors were omitted because of reasons of space - here the examples given by the editors are Cannan, Stamp and Nicholson - but a better case in some ways could be made for inclusion of some other notable economists of this generation: Wicksteed, Bastable and Ashley. More surprising omissions from the more recent no longer-living are Harrod and Maurice Dobb,<sup>1</sup> while the absence of Sraffa, clearly one of the pioneers in British economics, should also have been explained in the introduction.<sup>2</sup> The absence of Keynes is of course easily explained (p.xv) but to some extent the same might be said of Marshall on whose economics there is an extensive literature as well. In short, the representativeness of the sample can be questioned and the omissions here noted would supply ample material for a companion volume.

The selection (and the omissions) also clearly reflect the importance of Cambridge in the development of British economics at this time, as the editors point out in their introduction (pp. xv, xvii-xviii). Five of the eight pioneers were "Cambridge men". It would have been interesting to have had more discussion of this in the introduction but the fact is stated rather than explained. One simple explanation which suggests itself is the early introduction of formal economics teaching at Cambridge (the tripos was introduced in the first decade of this century) as compared with Oxford<sup>3</sup> but not, of course London, where the London School of Economics provided economics teaching from the 1890's onwards. The London sample is therefore underrepresented as already noted by the omission of Cannan and Robbins, but this list should be expanded to include T.E. Gregory, Allyn Young and Hicks (between 1930 and 1935) and the other members of the then younger generation of London economic theorists (R.G.D. Allen, Kaldor, Abba Lerner, Rosenstein-Rodan and Edelberg).<sup>4</sup> London is represented in this collection by Hayek (of which more later) and by Bowley (who was a Cambridge graduate).

Much of course has appeared in recent years on the Faculty at Cambridge during this period, and this book with its heavy Cambridge emphasis can be usefully supplemented by the Johnsons' sketches of Cambridge economics<sup>5</sup> and the picture provided from the inside by Austin Robinson.<sup>6</sup> However, as already pointed out, this introduction on pioneers is deficient in that it omits one of the major historical problems in the development of British economics in the 1920s and 1930s, the hostility between Cambridge and London and to some extent, the related emergence of the Review of Economic Studies in 1933.<sup>7</sup> This Cambridge-London dispute is briefly referred to later in connection with Shackle on Hayek.

The quality of the essays in this volume is in some ways rather uneven. My favourites in this collection are David Collard on Pigou and Shackle on Hayek, but this is because of the nature of the essays rather than their subject matter. My predictions on the latter would give greater preference by far to Marshall and D.H. Robertson, and probably to Hawtrey and Edgeworth. Black on Jevons taught me little which I was not aware of from my own studies of Jevons. O'Brien on Marshall seemed to me a dull, accurate and mechanical summary of the economics, which tells us nothing of the economist. Presnell on Robertson leaves all my Robertson puzzles, particularly on Banking Policy and the Price Level, unanswered. Davis on Hawtrey unfortunately omits what I consider to be Hawtrey's most lasting contributions, the fascinating historical material in Currency and Credit and A Century of Bank Rate. I found the treatments of Bowley and Edgeworth interesting but rather colourless. In my evaluation, Collard and Shackle get the prizes, for reasons which I must now state.

To start with the "second best". David Collard has provided a first-class survey of Pigou's manifold contributions to economic theory in a readable, intelligent and expert way. It should be supplemented by Johnson's sparkling "obituary" of "the Prof." (cited by Collard on p. 133, n.4) which adds to the person. Collard's treatment (excusable because of reasons of space) omits Pigou's interesting excursions in applied economics Essays in Applied Economics (1923), Economics in Practice (1935) and Aspects of British Economic History 1918-1925 (1947) which reveal a quite different Pigou from the books on welfare economics, public finance, monetary theory and theory of employment. Particularly meritorious I find Collard's emphasis on Pigou's Employment and Equilibrium (1941) which anticipated much current work on "pattern and duration of unemployment, wage regulation, labour mobility, regional markets and labour supply" (p. 133). The essay also underlines the wide-ranging nature and quality of Pigou's many contributions which in the post-war period became a casualty of the Keynesian revolution largely because of Keynes' harsh criticism of Pigou's 1934 book, which is so prominent in the General Theory. Now, however, a Pigou revival may be on the way<sup>8</sup> and this essay provides an admirable readers-guide to his vast output.

Shackle's piece on Hayek is last but also first in this volume. For a start, it is the most perceptive piece on this interesting and difficult economist of which I am aware. This is not surprising. As Harcourt has told us, Hayek's Prices and Production was one of the first books studied by Shackle in his economics education and his comparison of it with Keynes' Treatise formed the inspiration for his first journal article which appeared in the first issue of the Review of Economic Studies. Harcourt also points out that in this manner Shackle formed a bridge between London and Cambridge (or rather, Austria and Cambridge), which was strengthened when he left L.S.E. for Cambridge towards the end of the 1930s.<sup>9</sup> Shackle's "road to Damascus" was his attendance at the London-Oxford-Cambridge seminar in October 1935 which converted him in part to some of the leading ideas of the General Theory. To return to Shackle on Hayek. This essay is particularly interesting and informative from a historical perspective because it reflects the views of an "LSE man" on an "LSE man" while also it is the only essay in this volume where student comments on former teacher and professor. In addition, it fills in a gap in Shackle's masterly Years of High Theory which rather interestingly "dismisses" Hayek from invention and tradition in economic thought between 1926 and 1939 by only mentioning him as the editor of an essay by Myrdal, that is, the German version of Monetary Equilibrium.<sup>10</sup> It is impossible to give the flavour of this highly concise essay on Hayek's economics in summary but two points can be noted. It awards generous marks for Hayek's contributions to the theory of expectations (esp. pp. 240-41) and provides a most useful introduction for those wishing to tackle Hayek's Pure Theory of Capital which spelt out in the finest detail both the logical strengths and weaknesses of the famous Austrian theory of capital.<sup>11</sup>

Let me close on a more personal note. My first reaction on looking at the contents of this book was a reminder that I am getting older; since my undergraduate training in economics at the University of Sydney in the late 1950s (but excluding the then compulsory full year study of History of Economic Thought) included work by six if not seven of these eight "pioneers" as essential reading for the economic theory courses. (In addition, I myself as a teacher during the 1960s and occasionally later, have used work of at least four of them as references for seminar courses in economic theory to honour students at third and fourth year level). To make it more explicit, at Sydney University in the late 1950s, essential reading for economics students included: Marshall's Principles and part of his Industry and Trade for the theory of the firm; Edgeworth on taxation for public finance; Pigou for welfare economics; Bowley for mathematical economics; Robertson and Hawtrey on money and business cycles (with Robertson on utility as well); Hayek on the theory of economic planning. (I used him for capital theory). Large doses of Jevons were provided in History of Economic Thought, though I personally came earlier in contact with his work through his work on business fluctuations included in that excellent volume of reading by Hansen and Clemence,<sup>12</sup> which was then a text in Economics III. These pioneers for me were therefore mentors rather than figures of the past (the study of whose works has since then been omitted for most if not all generations of undergraduates in economics who now only get the antiseptic treatment of theory from modern American texts or their generally pale Australian imitations). If this book can inspire current students of economics to read the pioneers it will have made a far more important contribution to economics than its editors probably realised when they gathered this selection together. Despite the caveats contained in this review, this book is therefore a most useful addition to the economist's bookshelf and indispensable to the historian of economic thought who teaches developments in twentieth century economics.

## FOOTNOTES

- 1 Recent biographical sketches of these two economists are Maurice Dobb, 'Random Biographical Notes', Cambridge Journal of Economics, Vol. 2 no. 2, June 1978, pp. 115-120. (the whole issue is devoted to Dobb's work), John Eatwell, 'Dobb, Maurice', in Encyclopaedia of Social Sciences, Biographical Supplement, New York, Free Press, 1979, Vol. 18, pp. 142-144; and H. Phelps-Brown, 'Sir Roy Harrod: A Biographical Memor', Economic Journal, Vol. 90, No. 357, March 1980, pp. 1-33. Harrod's important contribution and his pioneering work in growth theory is referred to by H.G. Johnson, 'The Shadow of Keynes', in Elizabeth Johnson and Harry Johnson, The Shadow of Keynes, Blackwells, Oxford, 1978, pp. 156-157, 230 and especially p. 169 note, where Johnson argues that future historians of economics should assign appropriate credit to Harrod's contribution on growth in stimulating British economics (and American economics) in the post-war period. My own preliminary view on this is that directly and indirectly it stimulated more of the post-war theoretical debate in economics than anything else.
- 2 A recent appreciation of Sraffa's contribution is G.C. Harcourt, 'The Sraffian Contribution: An Evaluation', in M.C. Howard and I. Bradley (eds.), Classical and Marxian Political Economy: Essays in Honour of Ronald Meek, London, Macmillan, 1981. See also A. Roncaglia on Sraffa in J.R. Shackleton and G. Locksley (eds.), Twelve Contemporary Economists, London, Macmillan, 1981.
- 3 As Phelps-Brown points out in his memoir on Harrod, *op.cit.*, pp. 7-8, formal economics teaching started in Oxford in the early 1920s and Harrod, when appointed lecturer in Modern History and Economics had to take a quick course on economics at Cambridge from Keynes. See also Harrod, Life of John Maynard Keynes, London, Macmillan, 1966, pp. 317-330, esp. pp. 317, 323-5. The Drummond Chair of Political Economy (then held by Edgeworth) dates back of course to the 1830s but Oxford had until then no equivalent of the Cambridge tripos.
- 4 This list of young "London men" is derived from the preface to the first edition of Hicks' Value and Capital, Oxford at the Clarendon Press, 1939. Apart from these acknowledged London influences on Hicks' seminal work, debts are acknowledge to Piero Sraffa, presumably incurred during Hicks' short Cambridge period as a lecturer there in 1935 and 1936. Kaldor switched from London to Cambridge after the war.
- 5 That is, Elizabeth and Harry Johnson, *op.cit.*, especially chapters 7, 10 and 13 (on Pigou).
- 6 Austin Robinson, 'Keynes and his Cambridge Colleagues', in Don Patinkin and J. Clark Leith (eds.), Keynes, Cambridge and the General Theory, London, Macmillan, 1977, pp. 25-38.
- 7 The diligent reader can find clues to this dispute in Donald Winch's Economics and Policy, Fontana Books, London, 1972, esp. pp. 158-159, 199-207.
- 8 An indication of such a revival can be found in J.R. Hicks, Wealth and Welfare, Blackwells, Oxford, 1981 and see my review of this in the Economic Record, March or June 1982 (forthcoming).

- <sup>9</sup> G.C. Harcourt, "G.L.S. Shackle", Journal of Post Keynesian Economics, Vol. 4, no. 1, Fall 1981, esp. pp. 137-140.
- <sup>10</sup> G.L.S. Shackle, The Years of High Theory, Cambridge University Press, 1967, pp. 96n, 220. This was published in 1933 in Hayek's Beiträge zur Geldtheorie, which also included a contribution in German by Holtrop.
- <sup>11</sup> In some ways this remark is unfair to Wicksell, whose Lectures clearly stress these advantages and weaknesses.
- <sup>12</sup> That is, A.H. Hansen and R.V. Clemence, Readings in Business Cycles and National Income, Allen and Unwin, London, 1953, chapter 6, pp. 83-95.

CORRESPONDENCE

ANNOUNCEMENT

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Research in the History of Economic Thought and Methodology will be published as an annual one-volume work commencing either late 1982 or early 1983. The research annual will be published by JAI Press of Greenwich, Connecticut, and will be edited by Warren J. Samuels of Michigan State University assisted by an international advisory board. The volumes will publish original research in the history of economic thought and in methodology and will be open to all points of view. Manuscripts should not exceed fifty printed pages, typed double-spaced, including reference materials. Manuscripts should be submitted to

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Recent Activities of the Society for the  
History of Economic Thought, Japan

BY

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The records of recent activities of Japan HET Society since the meetings previously reported are only about the branch activities. But the papers read at the six meetings of the four branches were 17 in all, which may suggest the rather active regional research activities in Japan.