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The Economics of Alfred Marshall by David Reisman with a foreword by G.L.S. Shackle, Basingstoke, The Macmillan Press, 1986, pp. ix + 433.

The economics of Alfred Marshall which Reisman treats as the subject matter for his book is what the mature Marshall himself described as the core of the system of economic theory he had slowly constructed and reconstructed largely over the last three decades of the nineteenth century. This core of course consists of a theory of value founded on the analysis of supply and demand, frequently in a long term dynamic setting. This was used by Marshall to explain long period normal and shorter term prices of commodities as well as the prices of inputs which Marshall classified in terms of the four groups of labour, land, capital and organisation. This is why following his brief introductory chapter Reisman leads his readers successively through demand, supply, economies and size, diseconomies and size, market structures, distribution, land, labour, capital and organisation when the book abruptly ends. The book can therefore be said to ignore much of Marshall's economics: that of money, fluctuations, international trade, taxation, welfare economics and the economics of government intervention in general. However, this absence does not make the book little more than a lengthy precis of the _Principles_, as one of its reviewers implies (Blaug, 1986, p. 30). It is both a great deal more and less than this. It is more since Reisman (as demonstrated in the introduction to his hundred odd pages of notes -- p. 322) draws on _all_ of Marshall's published writings for the subject matter in which he is interested. For example, there are many citations from _The Economics of Industry_ (written with Mary Paley Marshall and first published in 1879), as well as from papers, lectures and other writings and (particularly in connection with chapters 4-6) from the later _Industry and Trade_. It is also less because examination of much important subject matter of Marshall's _Principles_ is excluded. Anyone fully familiar with the text of that work will know it contains much else beyond its essential core based on supply and demand, particularly in the area of welfare economics and taxation. More importantly, the complexity of Marshall's thought, of which Reisman frequently (and perhaps irritatingly) reminds readers, makes his self-assigned task of fairly and accurately representing Marshall's views on the core of his analytical system a significant contribution to the admittedly extensive Marshall literature. In my view, Reisman has performed this task exceedingly well, no mean feat when considering it consists of accurately reflecting the so often highly ambiguous views on value included in Marshall's classic treatment of the subject. The magnitude of this task was perceived _ex ante_ by Leslie Stephen in a letter written to Marshall. In it, he reviewed this aspect of Marshall's _Principles_, one which had rather irritated him:

> I will add the only general criticism which occurred to me... I think that it would contribute to greater clearness, if you made a rather broader distinction between the general principles and the modifications required by the complexity of actual circumstances. I know that this is a great difficulty and that it is a question of degree or rather of leaning to one side or other of an awkward alternative. I only mean to say that the side to which you seem to me to lean too frequently, is that of introducing the necessary qualifications rather too soon... (Leslie Stephen to A. Marshall, 2 March 1891, Marshall Library, Cambridge).

Stephen's perceptive letter (cf. Samuelson as cited by Reisman, p. 124) may have stung Marshall sufficiently to inspire a minor change in the text of the second edition (Marshall, 1961, p. 761 paragraph marked "c") in which he defended his more circumspect style while admitting its drawbacks in terms of reduced "simplicity and definiteness, and even apparent lucidity". However, what Stephen diagnosed as the Marshallian vice, Shackle has hailed as a great Marshallian virtue: "Marshall made clear by his bold practice that economics is an essentially imprecise subject" (cited p. 58 and cf. the foreword Shackle contributed, esp. p. viii). Despite the obvious difficulties this creates for the reader, Marshall's emphasis on the problem of being "precisely right" in economics is perhaps one of the more important legacies he left to his students, not least among them, I venture to suggest, the young Maynard Keynes.

Reisman performs at least one other important service in his book. His argument often illustrates what Marshall meant by "completing" the classics rather than "replacing" them. It thereby gives a more appropriate perspective on Marshall's role in the so-called marginal revolution. For example, Marshall's position as a "revisionist rather than a revolutionary" is highlighted at an early stage of Reisman's argument (p.8). This occurs in the discussion of demand theory and Ricardo, but this account neglects to mention the horrendous interpretation Marshall foisted on Ricardo's work in Appendix I of his Principles (Marshall, 1896, esp. p. 814). In the chapter on the supply curve, Reisman dwells (p.50) on the Smithian antecedents of real cost doctrine (wrongly in my view because Reisman fails to point out the misinterpretation of Smith this involves), but subsequently he reminds readers that Marshall's analysis of the "supply curve of labour [manages] to incorporate elements both of the classical and the neo-classical tradition" (p. 227). Likewise Marshall's adaptation of the classical notion of surplus from Smith and Ricardo is alluded to at the start of the general discussion of capital and labour (pp. 262-3) but Marshall did not apparently embrace it sufficiently to allow him to follow Ricardo's analysis of the effects of machinery on employment (pp. 263-4). Unfortunately, the matter of Marshall's complex relationship with the classical economists is nowhere systematically pursued by Reisman. This contrasts with his persistent warnings of the lack of simplicity in Marshall's value determination so often associated with that "chief difficulty of time".

The book has a number of shortcomings. First, its brief introduction of one and a half pages is trumped by the total absence of a concluding chapter. The text of the book ends abruptly with a discussion of Marshall's fourth agent of production or "organisation". Its last sentences however give the quintessence of Marshall: "Time is absolutely continuous. So are confusion and ignorance, creativity and innovations -- and change" (p. 321). This may also help to underline that Reisman dispells much confusion and ignorance in Marshall interpretation through his book. A second shortcoming is that no less than one quarter of its contents consists of end-notes; many of these embody substantive commentary and are therefore not simply devoted to minor qualification or the provision of references. This seeming imitation of Marshall's enormous appendices (created from earlier end-notes in many cases) should have been avoided. None of this seriously mars Reisman's presentation of the essential Marshall. As Shackle put it cogently in the closing sentence of his foreword: Reisman's "book provides those who wish to celebrate the joint birth in 1890 of the Royal Economic Society and Marshall's Principles with a superlative analysis of that great book and of the economics of Alfred Marshall".

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