

Equilibrium, Stability, and Growth—A Multi-Sectoral Analysis. By MICHIO MORISHIMA. New York: Oxford University Press; Oxford, The Clarendon Press, 1964. Pp. xii, 228. \$9.60.

In this book Professor Morishima covers extensively and intensively a special but highly important domain of modern economics which with an appropriate general term may be called the economics of constant real cost structures. In the main, the book represents the author's contribution to this domain which he had previously communicated in a series of articles. But for the occasion, the material has been reorganized into a unitary presentation and amended by several new results. The Preface states with unusual clarity and conciseness the topics treated in the book and relates them to the writers who first broached them: from Walras to Leontief and von Neumann, from Hicks to Samuelson and Joan Robinson. Thus the author himself recognizes that, broadly speaking, the topics are not new. In fact, throughout the book he aims at giving ample credit to every writer he knows to have preceded him in each topic. One should not be surprised that the author, in his eagerness to be both modest and gracious, gives, in a couple of instances, credit to the wrong author. But one should not be misled by the author's modesty either; in the book he also explores some new and highly interesting avenues for the first time.

The book opens with an analysis of a multiple-exchange market along the lines initiated by Slutsky and rediscovered in a more interesting form by Hicks. A host of contributions—almost everyone cited by the author—already exist for the case of gross substitutability between all goods which, in contrast with the more realistic situation where gross complementarity also is present, has proved to be highly fertile in mathematical results. Morishima, too, confines his analysis to the case of general gross substitutability, for which he generalizes and extends some previous results. The author succeeds in proving this particular group of theorems without recourse to differential calculus or determinants. Certainly, this represents—as he claims—a progress in simplification over his predecessors in the same field. But at the same time, the achievement veils the formal analogy between the problems concerning a multi-exchange of gross substitutes and those raised by the shifts in the final demand in a Leontief system. Thus the uninitiated may have some difficulty in realizing why Morishima places the two topics under the same cover, Chapter 1.

Of all the theorems in this chapter, that which he calls the "LeChatelier-Samuelson principle in strong form" will certainly arrest the attention of every reader by its novel and interesting content. In essence, it states that if all goods, say G_0 , G_1 , G_2 , are strong gross substitutes, and if tastes shift in favor of G_1 at the expense of G_0 alone, then the new equilibrium price of G_1 will increase less, in case the supply of G_2 is adjusted so as to keep the price of G_2 the same, than if the market is left to its own fate (pp. 11-15). From the context, one gathers that the author had in mind a rather artificial situation from the economic viewpoint. For the proof implicitly assumes that there is absolutely no relation between total supplies and consumers' incomes. The reviewer doubts that the proposition is true for a more realistic situation where