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Åke E. Andersson and David Emanuel Andersson, *Time, Space and Capital* (Cheltenham, UK: Edward Elgar Publishing, 2017), pp. 320, \$170 (hardcover). ISBN 9781783470877.

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The book offers at the same time a summary and a critical review of previous contributions to capital theory while it advances the claim of the authors about the relevance of location to any meaningful discussion about the capital structure of society. In doing that, Åke E. Andersson's and David Emanuel Andersson's book brings one dimension in which the capital structure is composed of heterogeneous elements that,

with few exceptions,¹ normally does not receive the proper attention in the economic literature—and that dimension is space.

There are many implications to the fact that a substantial part of the stock of capital in any society is composed of real estate assets or composed of pieces of equipment that are immovable for practical purposes. More than that, the authors argue, the very structure of production is shaped spontaneously by the multitude of entrepreneurial agents, taking into consideration constraints given by the spatial distribution of factors of production and markets. In the same way that we cannot conceive trying to understand investment decisions without taking into consideration the time required for the capital investments to mature, our authors claim that neither can we understand those decisions without considering the location of the relevant factors of which the entrepreneur, in taking action, needs to be aware.

The treatment in the book about the time dimension of production is basically a critical review of the literature on the topic. Their review of time in capital theory is illustrative in itself. The page 84 chart, *Spatiotemporal theory and modeling choices*, and the page 161 chart, *Types of capital by rate of change and scope of effects*, alone make it worth buying the book. The description of *different continuous and interactive timescales* of economic processes on page 6 makes a difficult concept so easy to understand that it reminded me of the chronology of the 2017 movie *Dunkirk*. It also serves the purpose of helping to identify which capital goods are the most relevant ones to consider in regard to their location; and those are the most durable ones. That is also the criterion for them to emphasize the infrastructure necessary for production in their treatment of capital.

The book starts with a review of different ideas about capital, with focus on its temporal and spatial dimensions. It brings related topics such as the relevance of time for the formation of expectations, among both consumers and entrepreneurs. In the book, the authors discuss both static and dynamic economic models of production and the role of different forms of capital in them. They discuss particular forms of capital related to the spatial dimension, such as real estate properties and infrastructure (with particular attention to the factor of transportation in the economy, from both a theoretical and a historical perspective). The authors argue that an important insight, for instance, in paying attention to transportation costs is that “trade is advantageous even in the case where production possibilities and consumer preferences are identical in both regions” (p. 12), expanding the Ricardian argument of comparative advantages. Immaterial forms of capital are discussed as well. Among those, they focus their attention particularly on social capital and creative knowledge. Along the way, if we take the book *in totum*, we see the development of a unique approach to the understanding of capital formation, which is the original contribution of the authors to our discipline.

The book is not without flaws and omissions, though. The authors’ treatment of material infrastructural capital (p. 165) would be clearer, had they used the concept of exclusionary use of public goods. Whether the institutional framework is part of the non-material infrastructure (p. 174) or is a third form of infrastructure (p. 163) is left ambiguous. On page 179, in discussing what they call the “first logistical revolution in

¹The exceptions for the authors are von Thunen, Launhardt, Weber, Palander, and Losch (p. 10).

Europe,” around the twelfth century, they mention the *Lex Mercatoria*, but there is no reference to the Papal Revolution. The issue of the investitures and the establishment of the “peace of god” in many places was the beginning of private property acknowledgment by the recently institutionalized barbarian kingdoms, as proposed by Harald Berman (1983); arguably a more relevant historical reference to their thesis. In chapter 13, “Creative Knowledge Capital” (p. 250), the authors claim that knowledge was “rarely” treated by economists before the 1980s. I am disappointed with their treatment of the topic for two reasons mainly: first, they do not mention Hayek’s 1945 “The Use of Knowledge in Society” as a contrary evidence of the lack of attention to knowledge before the last two decades of the twentieth century; and second, and more importantly, there is no discussion whatsoever of knowledge that is not “scientific” in the chapter.

However, my main problem with the book is their treatment of the value of land. I understand it fits their model to link it to costs of transportation, but if it is to create a general rule, it is difficult for me to accept any other proposition than that the value of land is a function of its capacity to produce a service, a utility. If it is to make a formal statement, the value of any real estate property is the present value of the discounted stream of income that is possible to generate with it. Granted, such utility may be, usually is, determined by its location, but not only that, zoning is also a key element that is not adequately discussed in chapter 11, “Real Estate Capital,” in my opinion. In the section “Land-Use Regulations” (p. 223) there is a discussion about why urban planning is so anti-market—Marxist influence on the universities, according to the authors. There is a discussion about negative externalities and the failure by many urban planners to see how entrepreneurship may solve that problem; but, crucially, there is no discussion about the relevance of zoning to the determination of real estate value, not even when discussing the artificial limitation on the supply of urban land (p. 224). Not even in the section “Regulations, Expectations and the Value of Real Estate Capital” (p. 228) can we find a discussion about the impact of regulation on how much and what you can do with your property as relevant for the determination of property prices. In that section, there is only a limited example about the impact of regulations on expectations; no discussion about changing zoning or the uncertainty of permits or rent-seeking activity to extract rent in the licensing process; nada. There is, to be fair, an explicit mention of transaction costs created by regulation as driving away new entrants; however, it seems to me that that is a parallel discussion, not the same thing.

Closing that chapter (p. 230), there is a discussion about the impact of ideology on transaction costs, with a comparison between Texas—where the distinction between Dallas and Houston is not perceived—and California. That discussion could certainly have been enriched by references to Douglass North (1992) on ideology and economic performance, and to Bernard Siegan (1972) on land use. Those flaws and omissions, I hope the reader has noticed, are not sufficient to compromise the valuable addition to the literature on capital resulting from the authors’ efforts and only give reasons for anyone interested in the field to pay attention to their future contributions.

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Richard P. F. Holt, ed., *The Selected Letters of John Kenneth Galbraith* (New York: Cambridge University Press, 2017), pp. xlii + 701, \$34.99 (hardcover). ISBN: 9781107019881.

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Among today’s economists, John Kenneth Galbraith (1908–2006) is known primarily thanks to a handful of expressions belonging to contemporary English parlance—at least among educated people—such as “conventional wisdom,” “countervailing power,” “affluent society,” “technostructure,” and “financial euphoria.” The broader theoretical context whence these expressions originate is, overall, ignored by most, and so are Galbraith’s extensive, more articulate contributions to economics (cf. Dunn and Pressman 2005). Even a fellow openly liberal economist such as Paul Krugman has been largely dismissive of him for quite some time, deeming Galbraith’s views irrelevant to the ongoing economic debates and essentially antiquated. In his review of Galbraith’s book *The Good Society*, Krugman (1996) goes as far as to state scornfully that its author “is simply unaware that other people’s ideas have changed” since the glory days of Galbraith’s “old-fashioned Keynesianism.”

At the same time, all around the world, many people owe their familiarity with economics to Galbraith’s immense production: more than fifty books alone between the end of the Second World War and the year of his death, the last one being *The Economics of Innocent Fraud* (2004). To this date, Galbraith is still the second-bestselling economist in known history, having sold more than six million copies of his works and, unlike his friend and colleague Paul Samuelson, without ever writing a textbook. (The number-one bestselling economist is still Karl Marx, though Galbraith objected that nobody was ever forcibly compelled to read his books, unlike Marx’s.) These figures attest to Galbraith’s accomplishment *qua* intellectual entrepreneur on the open market; whatever sales may occur of Holt’s *Selected Letters* will have to be added to the tally.

Holt’s selection of epistolary exchanges from and to Galbraith displays how the Canadian-American economist engaged well into old age with leading politicians, established scientists, major businessmen, and at least some noted academic colleagues, including Galbraith’s long-time friend and conservative guru Milton Friedman, whom Galbraith claimed flippantly in a 2003 letter to be responsible for his election to president of the American Economic Association in 1972. As Galbraith jibes: