

PREFACE

The economies of the modern advanced countries are characterized by the enormous extension of the markets, the rapid development of the technologies, and the further monopolization of the markets by small numbers of big companies. These characters of the markets are mutually related and, at least the last two of them belong to the Marshallian tradition of the economic thought. The modern general equilibrium theory which has essentially grown out of the Walrasian tradition so far, therefore, is not sufficient for considering the problems arising from the markets with these characters. In order to tackle these problems successfully, I believe that one has to go back to Marshall and construct the theory which unifies the ideas of the two great masters of the equilibrium analysis. The following chapters try to be a first step toward such a theory. I want to show in this book that the main body of the Marshallian concepts including the increasing returns and the monopolistic competition does indeed fit into the scheme of the modern general equilibrium theory. At the same time, I hope that this book will be a text book of the general equilibrium theory for graduate students. Therefore, its purpose will be achieved if it becomes a good companion for the students who are ambitious to contribute to any further developments of the theory.

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