line profits (p. 104) and an increase in traveler welfare (p. 82); but the results are for disparate periods and there is no analysis that combines these findings into an overall impact of deregulation on societal welfare. Moreover the traveler benefit results seem to vacillate between measures of compensating variation (p. 63) and simple measures of fare savings holding quantity fixed (p. 13). Given the substantial decline in real fares, and consequent increase in traffic, a true welfare index could well produce a very different result. Finally, some statements simply invite further analysis. For example the claim (p. 151) that every airline appears to be "trying to become a so-called low-cost carrier" fails to recognize Midwest Express' apparently successful venture—grounded in highly sophisticated yield management techniques—into the high quality, high cost niche.

The above points and others provide fertile ground for extensions, and that only adds to the benefits to be derived from this book. While students of the air transport industry go to work plowing these fields, observers of other deregulation efforts will find much to consider in this volume. Morrison and Winston conclude that deregulation has worked well in the airline industry, and that the one remaining role for government is to foster its extension to international traffic. While this conclusion is not necessarily surprising or novel, the two decades of perspective supporting it should provide a measure of comfort to those who still feel uneasy over airline performance or those who are nervous over the dawn of deregulation in gas, local telephone service, and electricity. Moreover, the authors' careful use of data and analysis covering an extended time period provides a model for those contemplating analysis of other deregulated industries.

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Scholarly publishing: The electronic frontier. Edited by ROBIN P. PEEK AND GREGORY B. NEWBY. Cambridge and London: MIT Press in conjunction with the American Society for Information Science, 1996. Pp. xxii, 363. $35.00. ISBN 0–262–16157–5. *JEL 96–0658*

This collection of conference papers is both provocative and disappointing. It is also difficult to summarize or briefly review: there are 19 papers, not organized around clear themes. Very broadly, most fall into one of two groups: thinking about how scholars disseminate ideas and discourse, and thinking about the economics of that activity. Some chapters defy even this taxonomy: what is one to make of David Rothman's fatuous 27-page op-ed piece in which he confidently proclaims "A virtual central database . . . would enrich U.S. citizens. . . . The ideas in this chapter . . . *might* also apply to other countries, such as Canada" (emphasis added). In fact, nothing he says is meaningfully specific to the U.S.

This is not an economics book; it is primarily authored by library scientists and information managers. Several chapters are about the economics of electronic publishing, but most of those are disappointing. Some of the other chapters, especially concerning the sociology of scholarly discourse, are much more stimulating.

In one chapter on economics, Ira Fuchs asserts that "Networked Information is Not Free." Unfortunately, nothing he says is unfamiliar to economists interested in electronic networks. When he is not merely repeating what has already been written about in widely read articles, he is making blunders, such as claiming that the inefficient regulated pricing system for telephony explains its good, guaranteed service quality compared to the unpredictable quality on the Internet (the technological difference between circuit and packet switching is the correct explanation—pricing could help, but not the type of pricing Fuchs attributes to telephony). Fuchs also perpetuates misleading myths about problems with usage-sensitive Internet pricing (why do not-for-profit institutions need to know their Internet expenses in advance when they don't know their phone bill in advance?), and information "haves and have-nots" (information costs have been plummeting: we are all have-mores, though as one famous writer pointed out, "there will be poor always").

Andrew Odlyzko, a mathematician at AT&T Labs, has written a superb article on "The Impending Demise of Traditional Scholarly Journals." Unfortunately, it is not in this volume, though a shortened and weak-

ened version is. I think Odlyzko misunderstands the value-added of a professional publisher, but the longer article is the best in this field I have seen. In the shortened version, he points out that in many fields active scholars mostly read pre-prints long before papers appear in print. Odlyzko argues that a mixed model with electronic pre-prints and refereed electronic journals will be a superior product that will largely replace the print-on-paper journal, and further that for-profit journal publishers will mostly close shop. In the longer version he includes a trove of cost and other data to support his arguments.

A nice counterpoint to Odlyzko is provided by Janet Fisher, the Journals Manager at MIT Press. (The two chapters are unfortunately separated by eight others, illustrating the careless organization of the volume.) Fisher makes the very sensible point that publishers perform numerous value-added tasks, at which they have a comparative advantage. It is hard to disagree with her observation that the recent Rooney-esque proclivity of a few scholars to "put on a journal" is almost surely an infatuation with new technological toys. Why would academics want to routinely engage in copy-editing, typography, marketing, order fulfillment, or enforcement of subsidiary rights? Any good economist understands why the authors should be authors, and the competitive market should be expected to deal with the rest. Interestingly, as a representative of a for-profit publisher with relatively few journal titles, Fisher does not fret that barriers to entry are somehow giving large publishers monopoly power.

Journalist Brian Hayes penned a stimulating discussion, in "The Economic Quandary of the Network Publisher." Unfortunately, he doesn't provide much analysis, although he raises a number of provocative research questions. For example, what can scholarly publishing learn about the management of intellectual property from the music publishing industry, which has dealt with electronic distribution and easy, high fidelity copying for years? His most interesting point is that the publisher's business is not to deliver paper and ink to readers (which would make publishers anachronistic in the electronic age), but to deliver readers (present and future) to authors, who desire wide readership, archiving for future readers, and the certification of the formalized editorial and refereeing readership. This economics of reader acquisition is offered as an explanation for the proliferation of niche journals when "first copy" (fixed) costs are so high: it must be cheaper to find readers for articles in niche journals.

More than half of the chapters concern ways in which electronic publishing may affect scholarly dissemination and discourse. Most social scientists, including economists, could benefit from some reflection on discourse and methods of persuasion. The case for reflection is stronger when technological change is transforming the familiar methods of communication and persuasion: we should not trust our unexamined habits and instincts. Unfortunately, I could not find a convincing case that new information technology has yet or will change scholarly conversation, though several of the authors provide intriguing discussions of how it might.

Of these, the chapter by Kling and Lamb is the most interesting and useful. These authors provide two services: they characterize and assess different modes of discourse that are commonly used in the social sciences, and then cogently discuss how the modes may be affected by changing technology. The characterization of discourse would be quite useful for many economists, by helping us to understand some hidden assumptions in our own communications. For example, they note that utopian discussions of computerization

> emphasize ways that a technology should work ideally, under conditions where all the participants are highly cooperative. Other kinds of social relationships in work groups—such as those marked by conflict, competition, coercion, and even combativeness—are not considered. (p. 27)

This is a useful observation not only about many noneconomic discussions, but a useful warning for economic analyses of technological change.

There are a few interesting ideas in this book, but the economics chapters especially are mostly underwhelming. Readers particularly interested in the future of scholarly

publishing will learn more from the non-economics chapters.

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N Economic History

Europe's post–war recovery. Edited by BARRY EICHENGREEN. Studies in Monetary and Financial History. Cambridge; New York and Melbourne: Cambridge University Press, 1995. Pp. ix, 357. $49.95. ISBN 0–521–48279–8. *JEL 96–1566*

This set of papers is part of the expanding literature by economic historians on Europe's recovery after 1945. Like other studies, it aims at drawing lessons for Eastern Europe today, but concludes that, in general, the situations are so different that the lessons cannot really be applied. The focus of this book shifts from the Marshall Plan to the role of international institutions, which is appropriate after the volume edited by Dornbusch et al. (1993). It shows that U.S. policy in the form of the Marshall Plan and subsequently the European Payments Union (EPU), set up with money from the former, was effective in fostering more market-oriented economies and more openness to international trade in European countries.

The book starts with a survey written by the editor, followed by three main sections. In the first, two chapters deal with the Marshall Plan (Reichlin, Esposito). The four chapters of the following section address the role of the international organizations created in the late 1940s: the IMF (James), the GATT (Irwin), the European Coal and Steel Community (Gillingham), and the EPU (Eichengreen). The remaining papers are country studies on Germany (Berger and Ritschl), Belgium (Cassiers), United Kingdom (Crafts), France (Saint-Paul), and Germany "in the European context" (Wolf).

A strong thread of political economy argument runs through three chapters. James explains that the European Recovery Program (ERP, the official name of the Marshall Plan) sidestepped the IMF, which was seen in Europe as an arm of the U.S. Treasury. He then stresses that there was no overall agreement in Washington regarding the launching of the EPU. The State Department supported the idea propounded by the Economic Cooperation Administration (the agency in charge of coordinating the ERP), while the IMF and the U.S. Treasury were opposed to what they saw as a denial of liberal trade policy. On the contrary, there was a general attitude against private capital flows until the mid-50s.

Eichengreen shows that the EPU had a considerable liberalizing effect on European trade, and that it did not lead to the distortions that are the potential costs of a payments union. The alternative to the EPU for fostering international trade was convertibility. This would have implied the devaluation of European currencies and the erosion of national incomes through the terms-of-trade effect. The EPU therefore helped to maintain the post-World War II social pact. The argument is plausible, although the political rhetoric in some countries was so violent as to mask the existence of this social pact. The impact on national income is small enough (1 to 2 percent, p. 189) to weaken the importance of the EPU.

Berger and Ritschl show how the EPU was a commitment mechanism after it successfully handled the German balance of payments crisis at the beginning of 1951, which helped to reintegrate Germany in European trade. They conclude that the Marshall Plan and the EPU cannot be separated and were both part of a broader U.S. strategy, based on using German rather than U.S. capacities to provide for Europe's reconstruction. This idea of U.S. leverage is shared by Eichengreen and seems at odds with the chapter by Esposito, who argues that the ECA was unable to influence aid recipients. This claim addresses the internal financial stabilization of Italy and France, while the former addresses trade policy. More puzzling is the counterfactual contemplated by Saint-Paul, who argues that an optimal French exchange rate policy would have implied large capital inflows, which were deemed infeasible by James and Eichengreen.

Irwin's thorough analysis of the GATT's contribution leads him to conclude that the significant trade liberalization of the 50s took place outside the GATT, and that it is there-