that consideration of organisational aspects of IT cannot simply treat the organisation as an internally structured grouping of employees. The mores of professional bodies are a good example of additional factors which need to be accounted for by software professionals in systems development. For this alone, the book is to be commended, but as a source of carefully gathered detail, rather than as a framework for understanding.

REFERENCE

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Strategic Trade Policy and the New International Economics *edited by Paul Krugman*
(MIT Press, Cambridge, Massachusetts, 1987) pp. x + 313, ISBN 0-262-11112-8

The editor of this volume has collected eleven papers and provided an introduction on the pros and cons of strategic trade policy, which can also be called neo-mercantilism. The 'new' international economics, a rebuttal of the Smith-Ricardo case for free trade which was based on perfect competition, centres on the 'real world' of imperfect competition, economies of scale, technological advances, and other features of the modern economic environment. To most authors, it is a product in international economics of the 1980s and there is no mention in the book of the pioneering contributions to trade theory in the late 1960s of such people as Posner, Linder, Hufbauer, Vernon, and their followers.

Nevertheless, non-perfect competition is now in the ascendency and the outdated ideas previously incorporated in international economic theory of efficiency and equity on a worldwide basis have been submerged under the so-called need for every nation to obtain the maximum benefits to be derived from world trade, at the expense of its trading partners. The new theory is based upon the assumption that, although free trade may be the most appropriate policy to follow in a world of perfect competition, it is not so in a world of imperfect competition. There is no proof anywhere in the book that this is so. The proponents of strategic trade policy argue that there are great benefits to be derived from economies of scale, oligopolistic production, external economies, and a mercantilistic attitude towards the rest of the world. Indeed, many of the changes which have occurred in international trade in the last twenty years support such a policy, especially in the case of Japan.

The theory predicts that if a firm or industry undertakes aggressive foreign marketing, it can gain a greater share of the profits to be earned by the worldwide industry for itself and at the expense of its foreign counterparts. By expanding production, a firm can increase its efficiency by sliding down its average cost curve as it reaps economics of scale and, in this way, the whole economy can be more efficient, especially if the output expansion provides external economies for other domestic industries. Government policy required to facilitate this end involves some forms of subsidisation to the favoured firms, increased barriers to the entry of foreign competing goods to allow the firms to discriminate in their pricing policy in favour of foreign markets, and a planning authority to ensure that the 'right' firms or industries are chosen. In the short run, at least, domestic consumers and taxpayers would bear the brunt of the costs associated with such a policy. The economy as a whole would gain if the benefits derived by the chosen firms outweighed the costs borne by these two groups.

For the world as a whole, a welfare improvement is said to occur because the subsidisation acts to reduce the monopoly distortion in imperfectly competitive industries. There is little consideration of the possibility that the enhancement of the oligopolistic structure in one country at the expense of that in another may increase the distortion, especially if less efficient firms increase their output at the expense of more efficient foreign firms which, presumably, by sliding back up their average cost curves, attract diseconomies of scale. For the world as a whole, the outcome must be uncertain, at the very least.

As a study of this volume will show, the contributors are far from agreement concerning the benefits to be derived, even in a country adopting such a policy. The major problem of choice of firms or industries to receive such favoured treatment receives much attention for the choice involves predicting the future outcome and any prediction may be far from correct. So, too, is the problem of retaliation from foreign governments, even if restricted to the imposition of countervailing duties. One major omission has been a consideration of the status of the subsidiaries of American multinationals in the scheme of the proposals. One could argue that, instead of obtaining benefits from strategic trade planning in the last thirty years, the United States has obtained alternative benefits through the setting up of thousands of foreign subsidiaries and competing against foreign-owned counterparts in their own markets in this way.

Among the contributions is an excellent paper by Kozo Yamamura on Japan's industrial policy since the 1950s. This paper shows a successful application of strategic trade policy during the last thirty years. That much of Japan's success in this period has been at the expense of the rest of the world raises the question of why it has been allowed under the GATT system.

If the United States, for example — and the committed authors of this volume argue for it — undertook a massive switch in its trade policy towards strategic planning, the impact on world trade could be horrendous. One large trading country may undertake such a programme without major repercussions, but if another, especially the largest trading country in the world, followed suit, retaliation and increased protection would inevitably follow, with major detrimental effects on world trade as a whole. Beggar-thy-neighbour policies would reduce world trade much as they did in the 1930s. Neo-mercantilism, if introduced globally, may benefit the economically powerful, the United States and the European Communities, as it has benefitted Japan, but the losers would inevitably be the rest of the world.

Yet the proposals may have some good attributes. First, they could be adopted as a defensive measure to counter Japanese trade policy, and, second, they could be considered as forming a basis for a new approach to trade by such countries as Australia, whose export trade has been damaged over the years through weak market access and an over-concentration on primary products. A concerted programme aimed at expanding the exports of manufactures could bring greater stability to export income without attracting much retaliation because of the smallness of the trade in manufactures already being recorded by such countries.

It can be seen from the comments above that this volume has as its major attraction the ability to influence readers into assuming a for or against position. It is very well balanced in that both sides of the argument are well presented and it should be listed as essential reading for the international economics and industrial policy sections of the discipline.

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Costs and Benefits of the Heart Transplant Programmes at Harefield and Papworth Hospitals *by Martin Buxton, Roy Acheson, Noreen Caine, Stuart Gibson and Bernie O'Brien.*
(Department of Health and Social Security, Research Report No. 12, HMSO, London, 1985) pp. viii + 171, ISBN 0-11-321033-7

This is a technical monograph. As the title indicates, it is concerned with an evaluation of two independently established heart transplant programmes in the UK, at Harefield and Papworth hospitals, which are funded on an *ad hoc* basis by the Department of Health and Social Security. It is quite exemplary in terms of the nature of the evaluation undertaken and in terms of the clarity with which the study's methodologies and findings are presented. The researchers recognise the probability of a diverse readership, and cater for the general reader through the use of non-technical summaries at the end of each chapter. Though these summaries necessarily incline towards rather balder statements, there is no tendency toward overstatement. For the more informed reader the main body of the chapters deals with the many caveats and cautions that the researchers unreservedly offer. Discussion of the study's methodologies and findings is amply supported by diagrams and tables.

The monograph is divided into four sections: Section I provides background about the size and nature of the two heart transplant programmes; presents data on the characteristics of patients (referred to the centres, assessed for suitability as transplant candidates, and transplanted, and of the donor population); and summarises broader parameters of resource use in the two hospitals, including their levels of activity, lengths of stay and bed use. Broad comparisons of this ilk are central to the remit "to show the position with respect to both centres individually and in terms of a more generalised statement drawing on data from both", and allow the researchers to reflect on the external validity of their findings.

Section II deals with the costing methodologies and conventions used to develop average unit costs, and presents an analysis of programme-related costs by treatment stage and by six-month post-transplant period, and of the extra NHS costs and other public sector costs incurred outside the two centres by patients assessed for transplantation and transplanted.

Section III presents information on patient outcomes in terms of their survival and quality of life. Section IV draws together the several elements of the evaluation and provides a preliminary basis for policy making. To give an