sponding implications for the discipline of psychology are understood. However, it is well worth the time.

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The Political Economy of Information

Mosco, Vincent and Janet Wasko, (eds.)
Madison, Wisconsin: The University of Wisconsin Press, 1988.

For some reason, political scientists, sociologists and those who teach in departments of communication occasionally feel the need to masquerade as economists. When this happens they call themselves political economists, and they generally make a hash of things. *The Political Economy of Information* is a case in point.

In the introductory essay the senior editor provides his views of the information society and an overview of the other thirteen chapters in the book. His views and those of the other authors mesh nicely. He suggests that the chapters fall into three groups. The first provides the theory ("How to Think About In–formation"), the second identifies "specific domains in the political economy of information" and the third considers some international aspects of information.

I do not, however, find three precise divisions to the work in this book. Much of each chapter seems interchangeable with parts of any other chapter. Here is the senior editor discussing a fundamental issue:

> Yet computer communications are eliminating the jobs that provide the income necessary to keep consumption going. Certainly there are ways of maintaining an economy based on concentrating consumption in a fabulously wealthy elite. But how will that society control the millions who are denied? For example, will the millions of women and racial minorities who have struggled for years for some degree of economic, political and social equality yield easily to deepening inequalities? I think not.

There, in a nutshell, is the book. Bad economics. Bad history. A nod to minorities to arouse our sympathies. And a touch of the self-righteous. Certainly, economic historians will be baffled by the view of recent technological innovations (the new information revolution) that seems ignorant of past innovations.

This time, according to several of the authors, there will be secular unemployment in the wake of technological change and permanent harm to workers, women and minorities. History says otherwise, of course, but the authors ignore this embarrassment. They show shocked surprise that recent innovations such as personal computers are marketed to the wealthy (thus widening the rift between the wealthy and workers,

women, etc.). Historical analysis of anything from Wedgwood china to automobiles, radio, television or telephones might have removed most of the surprise and shock.

With one exception, the authors in this book do not deal with any subtle economic arguments. Most are innocent of basic economics, which surely must be counted a drawback as they are intent on analyzing economic behavior and promoting enlightened economic policy.

Take as an example of this point the chapter by Herbert and Anita Schiller, "Libraries, Public Access to Information, and Commerce". The Schillers assert that the free flow of information is essential to democracy, and they point to the so-called free access principle as a "cornerstone of American librarianship" and, accordingly, condemn any move towards user cost for libraries. Unless by "free" the Schillers mean no more than that there should be no unnecessary restrictions on the access to information, the assertion is naive.

The problem is that information is costly to produce. And when anything is costly to produce, what to produce and how much to produce become very important questions. Should every library in the country receive a ten foot high stack of government publications or should another hospital for children be built? We can phrase less loaded questions, of course, but in a world of limited resources the problem of choice remains, so we better pay attention to opportunity costs and economic efficiency.

Eileen R. Meehan, in a chapter dealing with a cable TV experiment in Ohio, has absolutely no idea what economic efficiency might mean. She sees profits and cost efficiency at odds with consumer welfare and uses the phrase "corporate imperative" as an undefined explanation for the evils of capitalism. She stumbles across some interesting issues such as privacy but says nothing intelligent about them.

Once again, the basic economic concept of opportunity cost is ignored in the chapter. Here is Meehan on one of the short–comings of capitalism: "Despite the technological potential for a hundred channels filled with a thousand very different programs, the imperatives of profit and cost efficiency systematically limit the number of channels and the kinds of programs available".

Well, yes. There are many things that are technologically possible and several that are less frivolous than a thousand very different television programs. But in a world of scarcity we must make choices—between, say, more television programs and the books and government documents that the Schillers want.

The best chapter in terms of an understanding of economics is by Benjamin J. Bates ("Information as an Economic Good: Sources of Individual and Social Value"). He does, however, provide some idiosyncratic analysis, so the chapter is not a useful introduction for anyone without a good grasp of economics. Bates, for example, coins the term "ancillary value" which he sometimes uses to mean a reduction in transaction

costs of a market exchange and sometimes to mean an externality (that is, the effect caused by a market exchange on someone not a party to that exchange).

There is a huge and growing literature relating transaction costs and externalities, but they are distinct concepts. Nothing is gained by lumping them together under a new term; in fact, doing so leads to unnecessary confusion, as Bates' discussion of advertising and education shows. Along with other authors in this book, Bates sees the imperfections in private market transactions, but then views the government sector as smoothly functioning and well informed.

If the term "political economy" is to mean anything useful, it must be related to the economics that is taught in most recognized universities. *The Political Economy of Information* is an example of false advertising. It will certainly mislead any student curious about the real world.

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Measuring the Information Society

Frederick Williams (ed.)
Newbury Park, Calif.: Sage, 1988, 286 pp.

The collection of 16 research reports and three abstracts provides a detailed and useful look at how Texas has waged a systematic campaign to adapt from a cattle, cotton and oil economy to a high-tech one. Although the campaign hit a downturn in the mid-1980s as the overall Texas economy dipped, the strategy seems to be taking hold as Texas emerges as an important component of the information society.

No claims are made that the Austin corridor is another Silicon Valley or Route 128 in Boston, but a major high-tech organization, comprising 20 companies as shareholders, has settled in, and in turn, spawned a number of new high-tech companies. The parent corporation, Microelectronics and Computer Technology Corp. (MCC), includes Eastman Kodak, General Electric, Westinghouse Electric and Hewlett-Packard Co.

The text, which includes an overview chapter by its editor, Frederick Williams, provides a case study, in effect, of an orchestrated process in which a state fights for economic independence. Tying its fate to a post-industrialized economy based on a growing army of "knowledge workers", Texas is seeking to develop computing and telecommunication technologies—the keys to an information society. At the same time, in an economy where knowledge is a raw material, education and training have become a critical value and the University of Texas at Austin is playing a major role.

Somewhat self-serving in its approach to Texas and the university, the text—which could use some informational graphics in addition to charts—helps provide a