Measurement in Public Choice. Edited by STEINAR STRØM. (London: Macmillan, 1981. Pp. ix + 212. £15.00.)

There comes a time in the development of any new discipline, such as public choice, when abstraction and speculation must stop and real hard application must start. *Measurement in Public Choice* edited by Steinar Strøm, gives us clear evidence that the practitioners of public choice theory have made this transition and made it quite well. The book contains a set of well-written papers of rather high quality (for such a collection) written by an impressive set of economists. For the most part, the papers deal with either the empirical or theoretical difficulties involved in implementing the vision of public choice theorists, i.e., creating a formal model of political and collective choice.

For instance, Section I, entitled 'Estimating Willingness to Pay for Public Goods' starts with a paper by Peter Bohm which first questions why we need incentive-compatible mechanisms for providing public goods, and then lays down some criteria which any mechanism must satisfy if it is going to be successful (i.e., if it is going to be understood by the population and advocated by politicians). The next three papers in this section by A. Myrick Freeman III, Melville L. McMillan, and Gregory G. Hildebrandt and Timothy Tregarthen discuss the problems in estimating environmental impacts on housing values (Freeman and McMillan) and the preference for educational quality (Hildebrandt and Tregarthen) using both the hedonic price technique (Freeman and McMillan) and the weak complementarity approach (Hildebrandt and Tregarthen).

Section II entitled 'Public Goods Decision Mechanisms' presents an interesting mix of experimental papers by Vernon Smith designed to test the incentive-compatibility properties of three particular mechanisms, as well as theoretical papers by Ted Bergstrom and Jean-Jacques Laffont and Eric Maskin. Bergstrom's paper generalises Bowen's results concerning the optimality properties of majority rule decision mechanisms, while Laffont and Maskin present some impossibility results relating to the implementability of social welfare functions which include variables in them other than merely the weighted sum (with constant weights) of individual utilities.

Section III entitled 'Inequalities and Income Distribution' starts off with a simple paper by Louis Gevers, Herbert Glejser and Jean Rouyer which evaluates results of a survey given to 123 students asking them about ways to allocate hypothetical fellowship money to two students. They find that inequality aversion is more pronounced when the amounts of fellowship money to be distributed (i.e. the amount of each fellowship) increases. The next paper by Vidar Christiansen studies the child support programme of Norway and concludes that with respect to the preferences of the population as revealed by their preferences for indirect taxation, the allocations of child care allowances is not optimal – a reallocation in favour of larger families seems advantageous.

Next Aanund Hylland and Richard Zeckhauser discuss the interaction of income taxation and government programmes in the redistribution of income.

They prove that under certain conditions, when income taxes are available, government programmes should be selected strictly on their efficiency (as opposed to redistributive) effects. This paper is followed by one by Amartya Sen which discusses the appropriate way of measuring poverty in societies and presents an axiomatization yielding a poverty measure which is shown to be a function of the 'head count ratio' (i.e. the fraction of the population in poverty), the 'income gap ratio' (i.e. the ratio of the sum of the incomes of all people in poverty – below the poverty income π – to the amount of money necessary to give them all π), and the Gini coefficient of income distribution among the poor.

The final section is entitled 'Econometric Models of Government Behaviour.' In the first paper, Bruno Frey discusses the politometrics of government behaviour by summarizing the results of models whose objective is to estimate the effects of economic variables on the election and popularity of politicians. Next, Martin Paldam investigates the existence of an electoral cycle in 17 OECD countries and finds that although such cycles exist they may turn out to be weak. Finally, Lars Jonung and Estil Wadensjo investigate the effects of unemployment, inflation and real income on the popularity of the Swedish government. They find that unemployment and inflation did exert strong influences on the popularity of the Social Democratic Party. The effect of real income growth was smaller.

To conclude, I found this collection of papers to be of generally high quality, and despite the fact that authors tend not to put their strongest works into such collections, there is much worth reading in the book. One could criticize the lack of an index, a skimpy editor's introduction, and the fact that the divisions specified in the table of contents are not clearly indicated in the text of the book, but these are obviously minor complaints about an otherwise competent volume.

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Crisis in the Making: The Political Economy of New York State since 1945. By PETER D. MCCLELLAND and ALAN L. MAGDOVITZ. (Cambridge: Cambridge University Press, 1981. Pp. xvi+522. £25.00.)

This expensive book is the product of research undertaken by the authors at Cornell University's Center for the Study of American Political Economy. After an introductory chapter, two chapters are devoted to an analysis of the changing economic structure of New York State and City and of the emergence of problems in the local economy in the decades leading up to the much-publicised 'bankruptcy' of New York City in 1975. After summarising the main components of the fiscal problem, the authors then proceed to discuss in detail the role played by successive State Governors from 1942 onwards, paying particular attention to Governor Nelson Rockefeller. They highlight the growth of parastatal authorities and the contribution they made to the growth of public debt. And they review the progressive relaxation of effective control