

best one of these. In six long and well documented chapters, neatly introduced by Gregory Flynn, the reader is provided with excellent analyses of the security policies of Belgium, Denmark, the Netherlands, and Norway (written respectively by Luc Reychler, Martin Heisler, Jan Geert Siccama, Arne Olav Brundtland), and of the factors causing their actual or supposed deviations in recent years.

Paramount among these factors has been a decline in the domestic consensus on foreign policy and defence since the early 1970s. This is the consequence not only of some wider political and social changes (like democratization), but also deliberately reinforced by the big socialist parties for mainly tactical political reasons. Similar developments took place in several larger countries (Germany, Britain) as well, as Josef Joffe points out in his superb comparative analysis of the "Scandilux connection". Taking opinion polls as an indicator, neutralist feelings are stronger in France than in any other West European country, while Norway is the most alliance-minded. The Dutch seem to be no more afflicted by "Hollanditis" than the British, Germans, Swiss, and Americans. It is true that the smaller allies tend to spend a little bit less on defence (as a percentage of their GNP) than the big European three (*i.e.* minus Italy), but the differences are marginal, and more or less compensated by their considerable financial assistance to the Third World. And this might also be considered as a way of helping to manage Western security problems, particularly since the number of out-of-area crises seems on the rise in recent years.

Nearly all contributors also mention the fact that people in West Europe are not so much against NATO or the alliance as such, but only against nuclear weapons. And yet this remains puzzling. For what does it exactly mean when you are pro-NATO but against the cornerstone of allied strategy? What conclusions should we draw when, say, people express themselves to be in favour of the European Community, but against the Common Market? A more reliable indicator of alliance-mindedness perhaps would be the willingness to strengthen conventional defence. And this willingness should not only be measured by opinion polls, but rather by, for instance, the acceptance and introduction of new conventional technologies and strategies. Another useful indicator might be the degree of West European support for US policies in Libya or Central America. If such indicators are used I am not so sure of the Atlantic faithfulness among West European countries, small or large. In this respect I doubt whether Joffe's thesis is true that the manifestations of the peace movement reflect rather a "cyclical burst", occurring every twenty-five years, than a "secular break". A good question, anyway, for future research.

The concluding chapter by Johan Holst adds usefully to the existing theoretical literature on the foreign policy and alliance behaviour of small states.

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*Interdependence in the Post-Multilateral Era: Trends in US-European Trade Relations*, by Stephen Woolcock, Jeffrey Hart and Hans Van Der Ven. Center for International Affairs, Harvard University and University Press of America, 1985. 138 pp. £19.50 hb, £7.75 pb.

The 1980s have seen persistent debate, both among academics and in the policy making arena, about what to do in a post-hegemonial or post-multilateral world economy. Perhaps the central question is that posed by Robert Keohane in his *After Hegemony* (Princeton University Press, 1985): given the tendency towards diffusion of power in the world economy, what are the incentives for countries to maintain their participation and collaboration in an increasingly contested set of international "rules" and institutions? One of the key relationships permeated by this questioning is that between the USA and the EC — the "two pillars" of the post-1945 international trading régime, whose relations are still at the core of the world economy in the 1980s. In this excellent study, Woolcock and his co-authors set out a stimulating set of arguments which add both to the theoretical and the empirical dimensions

of the debate.

The central premise of the book, as set out in its Introduction, is that the perceived decline in multilateralism during the 1970s and 1980s reflects an uneasy coexistence of pressures towards global competition and national regulation. It is important to note, though, that the "multilateral era" of the title is presented here less as an empirical phenomenon than as a powerful set of perceptions and conventions: in truth, there never was as much multilateralism as might be supposed, and as a concomitant the threat of protectionism may be less (or less uniform) than is feared. Differences of national cultures, practices and objectives have always acted to restrain or undermine the impact of trade liberalization, but at the same time the growth of interpenetration between outwardly national industries in specific sectors has created counterpressures that act to limit the benefits of protectionism.

A picture is thus presented of complexity and diversity, reflecting various national preferences and sectoral experiences. This is just the kind of approach which promises to put meaningful flesh on the bones of the general debate, and the main part of the book is devoted to case studies of three contrasting sectors: steel, automobiles and telematics. In steel, the crises of the 1970s and 1980s have led not to the reconciliation of national differences, but to a codification of them — a codification expressed in successive US/EC "deals" from 1982 onwards. Automobiles, however, exhibit a different pattern: here the interpenetration of seemingly "national" industries is more extensive, and the pressures for multilateralism correspondingly greater. As a result, there is less in the way of intergovernmental conflict or litigation. Telematics, a rapidly developing industry growing out of the fusion of telecommunications with data processing, illustrates the impact of dynamism and change: here, national governments and the EC itself are still working things out for themselves, and as a result there is relatively little by way of an international régime. The USA's comparative advantage in the field, intersecting with the perceived strategic importance of the area for all governments, is a likely source of tensions in the future.

These case studies lead the authors to a concluding analysis stressing the diversity of national contexts and international settings, and to a call for the enhancement of interpenetration between national industries. This may result from the logic of industrial development or from the conscious attempt to reformulate multilateral rules. Neither is sufficient in itself, and the authors predict an uneasy and shifting relationship between major actors in the Atlantic economy. The causes of the unease and the dimensions of the processes at stake are clearer as a result of their highly effective efforts.

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*The Economics of Intra-Industry Trade*, by David Greenaway and Chris Milner, Basil Blackwell, Oxford, 1986, 202 pp., £22.50.

*Imperfect Competition and International Trade: Policy Aspects of Intra-Industry Trade*, edited by David Greenaway and P. K. M. Tharakan, Wheatsheaf Books, Brighton, Humanities Press, New Jersey, 1986, 236 pp., £28.50.

Intra-Industry Trade (IIT) is the simultaneous import and export of different varieties of the same commodity. In the last decade this has been an area of much interest and activity amongst trade theorists, industrial economists and in the field of economic integration. In spite of this activity very few books have been published in this rapidly developing area of economics. *The Economics of Intra-Industry Trade* is a very welcome addition. The book is very well structured, superbly written and provides a comprehensive review of the work in the area. It succeeds not only as an invaluable text for the specialist researcher but also as an excellent introduction for the economist or economics student who wants to take an interest in IIT.

The book is divided into four parts which allows for easy reference. Part I deals with the variety of different theories of IIT. Separate chapters are devoted to theories involving competitive market structures, an oligopolistic structure and multi-product and multi-