of the "units" in which to measure capital goods output. It only holds when
the utilisation of capacity in the consumption sector is the same in the situa-
tions compared. Firms were, however, assumed to "operate with excess
capacity as a normal state of affairs" (p. 43), because of the imperfection of
competition, so that if plant utilisation is fixed it must be because of an
assumption of full employment of labour. This assumption should have been
made explicit; it is more a feature of Kaldor's work than that of Joan Robin-
son's on which this exposition is said to be based. I feel that Kregel has
overemphasised Robinson's work on golden age paths and not paid sufficient
attention to her attempts to provide a basis for a realistic description of
growth processes in capitalist economies. He does not refer to her reformula-
tion of Kalecki's degree of monopoly to explain prices in manufacturing
industry (Joan Robinson, "A Further Note", Review of Economic Studies, 1969,
pp. 260–2).

Joan Robinson has written an interesting Foreword to this book in which
she briefly describes some of the influences of her writings in economic
theory. She notes that, starting with the theory of imperfect competition,
her "aim was to attack the internal logic of the theory of static equilibrium
and to refute, by means of its own arguments, the doctrine that wages are
determined by the marginal productivity of labour" (p. x). It should be
gratifying for her to realise that her writings over the years provide, for all
who are prepared to learn, convincing demonstration of the sterility of
static equilibrium theory and of the emptiness of the marginal productivity
doctrine.

A. Asimakopoulos

Monash University and McGill University.


Teachers of the theory of international trade now have many texts and
collections of important papers available to them, whereas my generation
had to be taught from stray and often obscure articles, supplemented by
classroom handouts. Batra's volume is a valuable addition to the new texts.

It is pitched at a simpler and more accessible level than Kemp's two
theory texts but it is substantially more advanced than the American-under-
graduate-level texts of Kindleberger and Caves-Jones. It will compete closely
with Takayama and Södersten, as it reflects basically the same interests in
the pure theory of trade: and it is not clear whether any one of them Pareto-
dominates the other two. Batra's volume, however, has the unique advant-
age of having been written by a prolific author who has already established
himself as a young trade theorist of some distinction and has extensively
researched and published in the many areas on which he writes for the student.

The topics covered in the volume range over the usual treatment of
production and trade equilibrium, the Ricardo and Heckscher-Ohlin theories, gains from trade, the theory of nominal tariffs in both its positive and normative aspects, and the comparative-static theory of trade and growth. Batra covers a great deal of ground here, including the latest developments in the theory of distortions and welfare and immiserising growth.

Among the relatively novel, and important, topics covered are his and Melvin-Warne's analysis of trade equilibrium and gains under monopoly, and an extended treatment of non-traded goods and intermediates. With a chapter each on the theory of effective protection, on capital mobility and on dynamic models of trade and growth, the volume therefore is, despite its inevitable selectivity (e.g. omission of customs unions theory and of the literature on factor supplies varying in response to rewards), a fairly comprehensive, lucid and neat review of the present state of knowledge and concerns in the pure theory of international trade. It certainly provides an eminently suitable volume to put into the hands of most students of trade theory in British-undergraduate and American-graduate courses.

JAGDISH N. BHAGWATI

M.I.T. and Berkeley.


DR. LLOYD's book contains a wealth of information about non-tariff policies in Australia, especially those that affect imports competing with domestic production. The book will be welcomed by specialists in trade policy and much of it will interest the general reader. The style is clear and direct, and little technical knowledge is required to follow most of the arguments advanced by the author. But the reader may find that the analysis of policies so carefully detected and discussed in this book is severely limited, and he is to be warned that the author's views are sometimes more specific or contentious than the text acknowledges.

Studies of this nature should probably contain a comprehensive statement of the relevant policies and procedures that are adopted, some analysis of their effects, and then, if the author so desires, some recommendations based largely on the analysis and in the light of openly stated goals of policy. The author succeeds admirably in terms of the first of these requirements. The book explains pertinent aspects of import licensing, statutory prohibitions, by-laws, anti-dumping legislation, governmental purchasing policies, quarantine, copyright and technical regulations and a variety of other forms of assistance to Australian producers. Some procedures, policies or discriminatory interpretations have been discovered by the author or publicised here for the first time. But discussion of obvious aspects of the Tariff itself is apparently impermissible in the studies encouraged by the Trade Policy
Copyright of Economic Journal is the property of Blackwell Publishing Limited. The copyright in an individual article may be maintained by the author in certain cases. Content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.