However, this weakness does not diminish the importance of the book. In this reviewer's opinion, it is an especially noteworthy effort of the empirical studies carried out.

The book should be of interest to STE and their venture partners (e.g., financiers) and to students and researchers who are specializing in small venture firms or interested also in business psychology. It could also be helpful to universities, research organizations and to other institutions which are associated with the problems of new, small firms, such as innovation centers, enterprise centers or business and technology centers.

My overall opinion of this book is that it is an interesting and quite stimulating study in the developing field that unites theory and practice.

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R. H. Frank, *Microeconomics and Behaviour.* McGraw-Hill, Inc., 1991. ISBN: 0-07021-870-6.

This is an excellent and innovative, new microtext with a difference. In addition to the careful and user-friendly exposition of the standard topics of rational consumer behavior and the theory of the firm, there is much on new developments that provides a more realistic view of the world than is customary in most textbooks. Another strong point is the wide variety of instructive applications of the theory to real-world problems in the text and by way of end-of-chapter exercises for students.

In contrast to most texts, Frank emphasizes the recent evidence that people systematically violate axioms of rational choice. Surprisingly, though, he does not discuss some important developments, such as "regret theory", that would fit naturally into his framework. The role of altruism and cooperation and the "necessity" of differing tastes (contra Stigler and Becker) is insightfully developed, reflecting the author's important, recent books on these matters. The chapter on information provides elementary accounts of search, signaling, lemons and auctions. There is also an excellent chapter on externalities and property rights, the role of transaction costs, and Coase's Theorem. All these parts are first-rate expositions with a minimum of technicality and, therefore, accessible to students with very limited mathematical backgrounds.

The chapters on the theory of the firm are, perhaps, more orthodox, and the most interesting, new developments in this area have not been included. There is no mention of recent work on incentives, including profit sharing as a group incentive, the role of worker participation in decision making and cooperative versus adversarial labor relations. The compative statics of perfect competition are surely as unrealistic (and often as misleading) as the perfectly informed consumer, and so could usefully be compressed to make space for more on industrial relations, labor markets, internal organization and firm behavior under uncertainty. More references for further reading would also be helpful.

While there is thus considerable scope for improvement in future editions, the present text can still be highly recommended as an excellent and thought-provoking introduction to economic behavior, with particular strength in the area of individual decision-making and consumer choice.

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Jeannie Wylie, *Poletown, Community Betrayed.* University of Illinois, ISBN: 0-25201-624-6.

Wylie tells a moving story about community called Poletown and its struggle to prevent General Motors, Inc. (GM) from building a new, huge, auto assembly plant in its midst. The struggle started in May 1980 when General Motors announced that it intended to build a new Cadillac plant on a 465 acre site in Detroit, known to the local residents as "Poletown". The plan was part of GM's "reindustrialization" effort in order to become more internationally competitive by adding a "state of the art" robotic plant.

City officials had lobbied company officials to site a plant locally in order to help provide much needed jobs for Detroit residents. Unfortunately, GM's plan required the total clearing of the proposed site of all existing buildings for the new construction project. This meant the wholesale elimination of homes, churches and local small business establishments to make way for a plant that employed over 3,000 workers. From 1980 to 1981, residents of Poletown resisted the efforts of GM and the city officials to take the land by a legal process called "eminent domain". The residents lost the fight and were displaced to make way for the new plant. *Poletown* is a story which needed to be told. Although Wylie's account is not the whole story, it is an important first step.

Wylie documents the struggle to resist the forces of what she calls "corporatism". Corporatism is defined as "the collusion of Business, government and labor" (p. 36). Wylie is not clear about the goal and purpose of corporatism although the reader is to assume that it's aim was to promote corporate interests at the expense of the residents of Poletown. The neighborhood fought a heroic battle and lost. The Poletown story contains elements of pathos especially in the details. Wylie lucidly presents sequences of events which come alive. We relive encounters in the courts, reexperience the pronouncements of city officials, review the press coverage and evaluate the credibility of company officials. She recites those facts and documents them well, always building her case against the evil of modern corporatism step by step, fact by fact.

In the end, Wylie suggests that "some will consider this book too harsh" (p. 219). I did not find her slant particularly "harsh," but I did find her book unfortunately one-sided. I would have preferred either a truly "harsh" judgmental stand or a more balanced account which presented the whole story.

The missing chapters of *Poletown* are the chapters which describe the *context* in which these events occur and also those which describe the reality of the other players: managers struggling to keep their company alive; the politicians of Detroit interpreting trends and hoping to keep the economy from falling into a tailspin; the judges of the courts trying to uphold rights of *both* individuals and the larger groups of our society.

Wylie assumes a context of "corporatism" or "collusion" in which the events she describes play themselves out. Although contemporary capitalism is far from an ideal free market, I would not go to the extent to say that the system has evolved to a level of "collusion" between business and government. Collusion implies conscious, coordinated strategy for actions that I do not think is evident at all among the many blundering efforts of our government and businesses. By assuming this context, Wylie limits her account to a micro perspective. She ignores the external and contextual forces which set the scene in which business, government, labor and local communities interact.

The context for the Poletown story raises the specter of the dance of wounded elephants. Hurt elephants go on a rampage, ripping trees, hurling things and generally tearing up the countryside. GM has been a hurt elephant for some years. The international competition would not just go away. Political responses have been driven by the assumption, "if General Motors hurts, so do both the state and national economies". But politicians seem unaware that there are serious risks to administering to the cries of a wounded animal. Predictability is not a strong factor, and the old models will not necessarily work. In administering to GM, Poletown and union officials responded mainly to symptoms of the pain and ignored the causes. This explains why the reality of 1990 is very different from what was expected in 1980.

The conditions of corporate survival are changing rather rapidly these days, and this is the real threat faced by American corporations. Betting on corporate promises becomes increasingly risky. The citizens of Detroit are beginning to discover this as they pay the price of the concessions granted to GM. The union is also beginning to realize this as they see potential jobs being turned over to automated processes. The solutions to questions about economic growth and welfare do not lie in the politics of blame but rather in using our intelligence to sift through the complexity for creative solutions.

With the clarity of hindsight, one could argue that Poletown was the result of too many hands in the pot trying to do too many "good" things. If GM had ignored the pleas of the politicians to keep a plant in Detroit for the jobs it would provide, they might have more effectively located the plant in Tennessee or even Mexico. They might have cut costs more dramatically, become more efficient and improved their international competitive position. In this scenario, the politicians would not have been left with the legacy of the real political costs of the incentives they so freely granted GM. Poletown would not have been deliberately destroyed, and the residents could have had a chance to respond with their ingenuity.

Wylie does not attempt too much in the way of overt interpretation of the facts presented. Although she acknowledges her slant, readers are left to draw their own conclusions. Certainly, Poletown is but one example of a species of conflict that often occurs in the United States economy. Interests of individuals and larger groups will always be in conflict. As the frontier is populated and society becomes more intertwined and complex, the chances of additional conflict increase. What are the significant lessons of *Poletown*? It cannot be just that the forces of corporatism are evil. If we are to progress from this point, there must be a lesson about how we can do it better the next time.

The facts presented in *Poletown* provide some clues as to where we can begin to look for these answers. For example, it appears that some Poletown residents had an alternative compromise plan which provided for a GM plant but destroyed much less of their community life. What can be done to see that a process is in place to solicit and properly evaluate these alternatives? It is not sufficient to leave the reader concluding that GM was narrow-minded and did not *want to* listen to the community. What were the barriers within GM? If a corporation *wanted* to be able to hear alternatives, what processes would work to this end?

The real question is not which is "right" or "better" in these unfortunate situations, but rather, can we find a way to discover the "best" solution? Wylie's book documents a colossal failure. The solution reached at Poletown was obviously not the best solution. It cost the city and hence the taxpayers lots of money. GM took a public relations hit and has not recouped since. The Poletown plant has not performed as expected. In the end there was little gained for any interest. One thing is certain. The best solutions will *not* be discovered by shutting our eyes and ears to the whole story.

It is time to abandon the politics of destructive condemnation and engage in constructing feasible alternatives. I would like to see the story of Poletown used to feed that construction rather than encourage condemnation. Wylie, unfortunately, neither tells the whole story nor provides any analysis whatsoever. By sticking to the "facts", she leaves her readers feeling very sorry for the Poletown residents and, perhaps, angry at the powers of business and government which abandoned or "betrayed" the interests of these people. The larger questions remain unstated. Wylie's account encourages one-sided condemnation rather than a balanced weighing of possible solutions.

Poletown, as Wylie portrays it, is an important part of the picture, and this perspective should not be ignored. However, if we are to move forward from here, it would be useful to consider the accounts of the GM managers, the Detroit politicians and the union leaders, for without their perspectives, we are left little choice but to assume "corporatism" at work and face futility.

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