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How the Bureaucracy Makes Foreign Policy: An Exchange Analysis. by David Howard Davis

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contribution. Repetition and wrong guesses aside, they stand the test of time and balance the previous chapters better than expected, due to the continuities in McCloskey's approach. Unfortunately, they do not provide a complete picture of the Warren Court. Major decisions such as *Miranda v. Arizona* came after his seminal overview in 1965, "Reflections on the Warren Court," which concludes this work.

These omissions cannot be helped, of course. But the foreword leaves unclear whether McCloskey intended to evaluate the Warren Court further or to let these essays stand for the whole. The mystery is compounded by minor changes in texts and, contrary to editorial comment, in footnotes. (See, for example, p. 266, fn. 14.) This ambiguity obscures fascinating changes in the observer's outlook. Hardly had McCloskey concluded that the people exalted the court because it learned to be a political institution which seldom strayed from popular will, than the justices became boldly activist, more motor than brake of the body politic. This transformation in role, for all his wariness of government by judiciary, required a reappraisal of "our traditional ideas about the range of judicial capacity . . ." (p. 10).

One can only regret that McCloskey was unable to complete the task. This book, nevertheless, is an important contribution to the literature of the Supreme Court and, in the death of its author, a measure of what our profession has lost.

J. WOODFORD HOWARD, JR., *Johns Hopkins University*

How the Bureaucracy Makes Foreign Policy: An Exchange Analysis. By DAVID HOWARD DAVIS. (Lexington, Mass.: Lexington Books, 1972. Pp. xvii, 164. \$12.50.)

This book is an attempt to apply elementary microeconomic theory to the study of foreign policy making in the United States. The author believes that many foreign policy activities are the result

of a process of exchange of resources among government departments with an interest in foreign affairs, and that this process is amenable to analysis in the language of standard economic theory. The reader's attention is drawn to the contrast between the emphasis of this book and that of books stressing either hierarchical bureaucratic relationships or conflict among departments with foreign-policy responsibilities. In addition, the book is somewhat unusual for its emphasis on day-to-day routine rather than dramatic crisis situations, and on relations between the Department of State and departments with primarily domestic responsibilities.

The book is based on a study of four executive agencies: the Department of State (including AID), the Department of Labor, the National Aeronautics and Space Administration, and the Treasury Department. It concentrates on three main policy areas: labor, space, and finance. Each of these policy areas is supposed to have its own peculiar characteristics, but little is made of these characteristics, or their differences, in the course of the analysis.

Indeed, the book is not organized around these policy areas at all, but around some of the main concepts of exchange theory: commodities, utility, specialization, monopoly, bargaining, production, price, and investment and insurance. An effort is made to show what commodities are exchanged among these agencies, what "production" of them involves, and what sorts of market relationships develop among the agencies concerned.

The book succeeds in illuminating some aspects of foreign policy not frequently examined by students of the subject. It also casts some light on the goals of bureaucratic subunits and what explains them. However, its contribution either to the theory of policy-making or to the explanation of any American foreign-policy decisions is small. The basic contribution of the book is to show, by copious illustration, that exchange does take place among agencies, that it is an important part of the organization of resources for foreign policy making, and that it is amenable to analysis by traditional economic theory.

The book fails to do more partly because the theory employed is exceptionally simple. The discussion of other relevant work might lead the reader to believe that it does not exist. The basic structure of the bureaucracy is simply taken as given, and the relation

between hierarchy and exchange is not explored. The literature on intraorganizational pricing is ignored. The analysis of bargaining goes no further than the Edgeworth box. And the treatment of decision making under uncertainty and the economics of information—which one would expect to be at the core of any economic analysis of organizations—is scarcely touched on. Thus the analysis is limited to those relationships most easily and obviously interpretable in the language of elementary economic theory.

Moreover, the usefulness of the analysis is somewhat obscured by organizing the book around a series of illustrations of basic concepts. Thus the ability of the theory employed to explain decisions of interest to potential readers may not be immediately clear. Despite these limitations, this is a useful and interesting book.

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Theory and World Politics. By ROBERT J. LIEBER. (Cambridge, Mass.: Winthrop Publishers, 1972. Pp. ix, 166, \$6.95 cloth, \$3.95 paper.)

Every scholarly field, from time to time, needs to have a balance sheet of its activities drawn up by someone willing to read carefully what others write and report, someone capable of stepping back and seeing whether all that is being done adds up to a coherent and purposeful whole. Robert Lieber (who freely acknowledges his intellectual debt to Karl Deutsch) has now performed this task for a large part of the "scientific" International Relations literature of the 1960s. In succinct chapters he presents brief, well-rounded treatments of what he regards as five of the most promising and fruitful approaches to this subject: Game Theory, Integration Theory, Cybernetics and Communications Theory, studies of Power and Conflict, and Systems Theory. In each case he sketches briefly the context of the approach, summarizes the arguments and the findings of the chief works, asks and answers the most important