

*The Economics of Managing Library Service.* By BRUCE P. SCHAUER. Chicago: American Library Association, 1986. Pp. xii + 278. \$49.00. ISBN 0-8389-0453-X.

During the past fifteen to twenty years there has been a significant advance in the number and sophistication of applications of economics, statistics, and operations research models to library problems. An in-depth synthesis of these tools and applications has been noticeably missing from the library literature. Schauer's book fills the gap.

His most important contribution is integrating economic theory with its application to libraries. Standard economic texts usually present illustrative examples of theory from public and private enterprise. Upon examining such texts, even the most creative reader may fail to see the relation between, say, Engle curves, isoquants, or Pareto optimality and library problems. This is the strength of Schauer's work: it provides a good introduction to economics, and it illustrates economic concepts with library examples. Readers seeking intermediate or advanced treatment of the concepts should turn to the myriad economic texts available at those levels.

The book's coverage is broad. It reviews not only micro-, macro-, and parts of public economics but statistics and operations research as well. The first part deals with microeconomic theory and includes chapters on consumer preference; supply, demand, and equilibrium analysis; and production functions. The second part of the book is the weaker of the two, perhaps because Schauer is trying to cover too much material, but it is still well done. The first chapter in this section superficially covers probability theory, and the next two chapters combine discussions of statistics and operations research tools with library operations research models. Like the economics literature, the operations research literature is enormous, and Schauer only scratches the surface to provide enough background to show how the models work.

The second part of the book also includes chapters and sections on cost-benefit analysis, public finance, economies of scale, and pricing library services.

There are minor problems with misspellings of authors' names and a lack of use of subscripts in equations in the text, which makes them painful to read. Also, some authors' works that should be cited in the text are not. The index, which was prepared by "Answers Unlimited, Inc.," is good on subjects but poor on authors' names.

These oversights do not detract from excellent figures prepared by Nolan Anderson or, most of all, from Schauer's lucid writing style. Those considering the book as a text for an economics of information course will be pleased to find a set of well-prepared exercises at the end of each chapter, along with a list of suggested additional readings.

Michael D. Cooper, *School of Library and Information Studies,  
University of California, Berkeley*