cess for the new conservative formulas. The reason: Today's market is ruled by an "invisible handshake"—a tacit agreement among business, labor, and consumers to disregard temporary economic conditions. During recessions, many companies no longer cut wages or fire workers; they have found it too costly to rehire when conditions improve. Consumers reluctant to "shop around," in effect, agree to let businesses pass along expenses. All parties concur that price adjustments based on cost increases are fair, while those based on demand fluctuations are unfair. Thus, wages and prices rise, even when business is bad. Okun contends that the federal government could control stagflation with such measures as the reduction of indirect taxes (e.g., sales taxes) and adoption of his proposed "tax-based income policy" (rewarding workers who accept smaller wage gains with tax breaks). But he sees little hope of the country's going this route. The more likely scenario for the 1980s: "deep and prolonged" recession, or a "protracted period of rigid mandatory wage and price controls." Either, explains Okun, may cancel the "handshake."

**THE DOMESTIC
CONTEXT OF SOVIET
FOREIGN POLICY**
edited by Seweryn Bialer
Westview, 1981
441 pp. $35

In 1948, President Harry Truman remarked (naively) that Joseph Stalin "is a decent fellow but he's a prisoner of the Politburo." Just as American analyses of the Soviet system have grown more sophisticated over the past three decades, Soviet politics has become far more complex—as the mixed diagnoses by the 15 eminent scholars who contributed to this volume make clear. Harvard's Adam Ulam argues that Soviet communism is now the mere servant of Russian nationalism; Stanford's Alexander Dallin stresses that nationalism does not provide a "master key to an understanding of Soviet conduct"; and Columbia's Bialer maintains that nationalism cannot be separated from ideology. Bialer points to paradoxes: Economic strains and the consequent need to import grain and technology have forced the Soviet Union to-

ward accommodation with the West, but growing military strength has encouraged it to expand its influence around the world. Beneath such inconsistency lies a fundamental shift among Soviet leaders: Having long coerced their people in order to bring about social change, they now do so in order to arrest it. Thus, Bialer reasons, of all industrialized nations, the USSR is "undoubtedly the most frozen, conservative, and Victorian," even as its leaders continue to ally Russia with "liberation" movements elsewhere. Brezhnev's Soviet Union has become a nation at once reactionary *and* revolutionary.

THE U.S. COAL INDUSTRY:
The Economics of Policy Choice
by Martin B. Zimmerman
MIT, 1981
205 pp. $25

A vital product whose market drastically declined after World War II, American coal has been making a steady recovery since the early 1960s. Spurring the upsurge has been Americans' rapidly rising consumption of electricity, for which coal is the most popular fuel (ahead of nuclear power). But the comeback has had a geographic twist. In 1960, some 95 percent of U.S. coal was mined east of the Mississippi; by the year 2000, if current projections hold true, more than 50 percent will come from the West. Federal restrictions on sulfur dioxide emission are largely responsible for the shift, writes Zimmerman, an MIT energy management specialist. Though the environmental costs of its mining (mainly, strip mining) will be high, and though its heating value is considerably lower than that of Appalachian coal, only "clean" Western coal *easily* meets the federal standard. Sticking with the present federal limits could cost Americans $5.4 billion in added processing and transportation in 1985 alone. And Easterners will suffer the brunt of the increase. Neither coal nor nuclear power competes with oil for most energy markets, so their accelerated development is unlikely to affect U.S. oil imports. But tradeoffs will have to be made between environmental goals and sufficient production of electricity using coal and nuclear power.