

Tax Administration in Theory and Practice with Special Reference to Chile. By NORMAN D. NOWAK. New York, 1970. Praeger Publishers. Praeger Special Studies in International Economics and Development. Tables. Charts. Figures. Appendices. Pp. xi, 243. \$15.00.

Between 1962 and 1966 Chile carried through a comprehensive reorganization of the internal revenue service and tax collecting procedures. During much of this period the author, a distinguished U.S. authority on tax administration, was an advisor to the Chilean government in this effort. His book is a recounting in considerable detail of the changes made, their rationale, and the strategies pursued to smooth the changeover. Formally, at least, what emerged for Chile was an internal revenue service modelled along U.S. lines, with a substantial admixture of computerization, aerial mapping, and other artifacts of modern tax technology.

How well has this cultural transplant taken? Mr. Nowak thinks very well in the short run and is also optimistic about the long run institutionalization of the reforms, although he spends little space documenting either judgment. His main objective has been rather to write a "how to" book for the benefit of tax administrators and policy makers of other less developed countries plagued with rampant tax evasion and delinquency, inequitable property assessment and other ills that the Chilean reforms were designed to cure. Hence the book can be skimmed by scholarly generalists and the laity, since it tells us much more than we want to know about the specifics of the reorganization.

How well the reorganization has taken is, however, a fascinating question of more general interest. The reform of the Chilean tax collecting machinery had long been urged by many as a vital step toward stanching inflation, improving the efficiency of economic planning, and reducing income inequality. But, tax evasion, the periodic condonation of tax delinquency, and low property tax assessments also have been important counters in the Chilean political game, protecting the property and income of the Chilean wealthy while allowing Chilean politicians to draw some of the heat from the "social question" by legislating nominally progressive tax increases. Can these counters in fact be removed for long by tax reorganization, or will the efficacy of the reorganization gradually be eroded in order to restore the counters? Alternatively, should the efficacy of the reorganization hold up, will taxation become an effective instrument for egalitarianism, or will the "social question" take on new and pos-

sibly more lethal forms? Mr. Nowak left Chile after 1966, too soon to detect the outlines of answers to such questions. However now, when they may more easily be detectable, researchers on these questions would find Mr. Nowak's study a valuable guide.

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Tres ensayos de estabilización en Chile. By ENRIQUE SIERRA, with SERGIO BENAVENTE C. and JUAN OSORIO B. SANTIAGO, 1969. Editorial Universitaria, Ediciones Cormoran. Tables. Figures. Bibliography. Pp. 216. About \$3.00.

This unpretentious little paperback is an important book. Professor Enrique Sierra, of the University of Concepción and the Instituto Latinoamericano de Planificación Económica y Social (ILPES), has taken Chilean scholarship and analysis of inflation, already at a high level, up a quantum notch. Over the last fifteen years, concurrently with the evolution of the Structuralist Theory of inflation in the writings of Chilean and foreign economists working on Chile, that country's government has been involved in a concerted effort to solve the inflation problem. The administrations of Ibáñez, Alessandri, and Frei have, each in turn, mounted distinct and well-defined stabilization programs as the keys to their economic planning and policy-making. Each of the programs has been a failure, and Chilean inflation continues its upward spiral as a new president begins his term of office.

Tres ensayos begins with the presumption that "the Chilean inflationary process is of a structural character." It then proceeds on the proposition that although only the most recent stabilization program, Frei's, attempted to apply structuralist theory and all three programs failed, the experience of each has been of great value to the evolution of inflation theory and methods for dealing with the problem. Sierra and his collaborators are concerned with the fact that, "it is not the same to study inflation while it is developing freely—as in the period most analyzed by the structuralists, until about 1955—as when there is an effort at defeating it, as occurred in the period studied here." *Tres ensayos*, then, is conceived not only to explain Chilean inflation, but to set out "operative criteria for a stabilization policy consequent with the genuine nature of the phenomenon."

To these ends, the book carefully reviews the programs of 1956-1957, 1959-1962, and 1965-1967, detailing the announced policy of each regime, the concrete measures adopted to implement it (which were often inconsistent or counter-productive to the stated policy), its