

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

collapse, and a painstaking statistical analysis of its effects. In its comprehensive treatment of stabilization efforts since 1956, *Tres ensayos* is probably well beyond anything else available at the present time, and particularly so in the case of Frei's program, to which it devotes its longest analysis.

The second part of the book, which attempts to develop a new theory and pragmatic guidelines for effective stabilization programs, does not pretend to be a specific blueprint for a step-by-step program to halt inflation. Sierra is too astute to perpetrate anything so simplistic. Instead, he and his co-authors note that any stabilization program must be tailored to a particular politico-socio-economic situation. They then proceed to give the reader the sorts of criteria and studies which must be applied to derive a viable program. There are no easy answers here; politicians and their economic planners will have to do their homework to take advantage of *Tres ensayos'* teaching.

There is a better-than-average chance that at least some of them, both in and out of Chile, will. This edition is a condensed version of the text which accompanied an extensive four-volume study published by ILPES, including exhaustive statistical tables which have been left out of *Tres ensayos*. These volumes and accompanying materials prepared by Sierra were used by him to teach the basic approach outlined in the book under review to economists from other Latin American countries studying at ILPES. Its basic framework is also being used by students in Concepción to monitor the evolution of economic policy and its effects in Chile; a recently-published monograph brought the data and analysis pertaining to the Frei administration's economic-policy performance up to date.

Thus, as its authors hoped it would, *Tres ensayos'* schema has already gotten wide exposure and application. It should get more in the future, both in government and academia.

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Las inversiones extranjeras en la Argentina. By GUILLERMO MARTORELL. Buenos Aires, 1969. Editorial Galerna. Colección problemas latinoamericanos. Tables. Chart. Documents. Pp. 168. Paper.

While this book cannot be recommended, this reader must confess that at times it captured his interest. Martorell reflects contemporary attitudes on foreign investment in the "developing" countries that are widely held and should not be disregarded. Thus, competition of foreign concerns with domestic producers in highly protected markets and the acquisition of existing assets by foreigners, significant