

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

phenomena in Argentina in recent years, are causing considerable apprehension. The influence of large foreign-controlled enterprises with investments in not one but several countries, is of increasing concern to countries intent on managing their own economic affairs. Unfortunately, the author fails to explore adequately these and a number of other interesting questions he broaches.

Without prejudicing the substance of the issues treated, it must be concluded that this is not a useful book. It is not a book to be read if one wants competent technical analysis or a cogently set forth point of view. Nor can one obtain an over-all picture of actual foreign investment in Argentina, i.e., the total amount, its structure, recent trends, and its relative importance for the Argentine economy, although there are some interesting data, such as figures showing that foreign ownership of already existing ventures has risen appreciably in recent years. The author neither analyzes nor gives a reasonably adequate list of the economic, legal, and other factors that have affected the course of foreign investment in Argentina in the past nor does he discuss the factors that he feels should or are likely to have a decisive influence on such investments in future years. What the reader finds is a medley of many familiar arguments against foreign investment, including the old battlehorse of Hobsonian underconsumption in advanced countries impelling exploitative investment abroad, as well as more respectable views, such as that foreign investors tend to outcompete and thereby discourage domestic producers and enterprises. Yet, while the thrust of this book is that foreign investment is bad at the end, in two pages headed "conclusions," the reader is surprised to find an assurance that the author is not opposed to foreign investment *per se*. Such investment, he states, can be useful, but profits should be reinvested in Argentina and the authorities should see to it that it be channelled in accord with national priorities. There is also a brief chapter on foreign assistance where the International Monetary Fund is castigated, and the Agency for International Development's alleged influence through local currency expenditures is bemoaned; but the World Bank and the Interamerican Development Bank, both of which have played a more significant role in Argentina in recent years, must content themselves with a few paragraphs giving data which could easily have been more current had readily available reports of these institutions been used.

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