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## TOPICAL REVIEW

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### TAX RESEARCH AND TAX REFORM IN LATIN AMERICA —A SURVEY AND COMMENTARY\*—

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#### INTRODUCTION

IN 1961 TWENTY LATIN AMERICAN COUNTRIES SIGNED A DOCUMENT WHICH committed them "to reform tax laws, demanding more from those who have most, to punish tax evasion severely, and to redistribute the national income in order to benefit those who are most in need while, at the same time, promoting savings and investment and reinvestment of capital."<sup>1</sup> Both before and since this declaration a great deal of research on taxation has been carried out in Latin America, and even more has been said about the "need" for tax "reform."

The purpose of the present paper is to survey for the non-tax specialist interested in Latin America some of the major issues brought out in Latin American tax research which might be of interest to him. We have not attempted to review in detail the numerous specific proposals for tax changes which have been made: for such a review, see Schlesinger (1965).<sup>2</sup> Instead, we have concentrated on a few major changes of direction that our survey of the tax research conducted in Latin America during the last decade, mostly by foreign experts, indicates ought to be considered if further work in this field is to fulfill adequately either of its possible functions—to be more effective in influencing policy, that is, more operational, or to add something to our knowledge of the development process that is worth the effort put into the research. Our focus is primarily economic, but we are also concerned with the legal and institutional

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factors which are in reality so important in shaping tax policy in all countries, developed as well as less developed.<sup>3</sup>

The principal section of the paper—the survey of major issues in tax research in Latin America—is preceded by a brief descriptive summary of changes in Latin American tax systems in recent years. More detailed descriptive surveys appear in Fisher (1962), Sommerfeld (1966), pp. 43–63, 178–89, the Annual Reports of the Social Progress Trust Fund (1961–1966), and, for an earlier period, ECLA (1956).

An extensive, though still very selective, bibliography is appended to this paper. In addition to the items specifically cited in the paper, we have included a few other important studies in the bibliography, along with bibliographical references, including references to Spanish translations. A much more extended bibliography may be found in Harvard Law School (1962) and, especially, in the recent revision of that bibliography in Bird (1968).

#### RECENT CHANGES IN LATIN AMERICAN TAX SYSTEMS

This section does not pretend to review in detail the changes that have taken place in all or in any one of the Latin American countries in recent years. Its purpose is the more modest one of providing a brief and general summary of what seems to have been happening, as background for the more detailed consideration of tax research in the next section.

Table 1 contains some illuminating summary statistics. These figures must be interpreted with great care given the inherent complexity of international and intertemporal comparisons and the arbitrariness of the underlying classifications. Nevertheless, the broad picture of at most a small increase in tax revenues relative to national income in most countries and a slightly higher reliance on “income” taxes is probably correct.

Central government tax revenues in Latin America as a whole remained practically constant from 1961 to 1965, rising substantially in only a few countries. In the same period government expenditures on consumption rose sharply in most countries. The result of the failure of tax revenues to expand equally fast was that central government savings (the surplus on current account of revenues over expenditures) fell as a proportion of national income in Argentina, Bolivia, Colombia, Ecuador, Peru, Venezuela, and Uruguay in 1961–65 and showed a marked rise only in Brazil. A principal cause of this poor performance in most countries was the inability of the existing tax structure to capture a proportionate share of the inflation-generated increases in money income characterizing the period. For a more detailed analysis of recent trends, see Social Progress Trust Fund (1966) and Sommerfeld (1966).

Apart from the share of taxation in the national income, the other major

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TABLE 1

*Some Summary Statistics on Latin American Taxes*

Country	Index of Central Government Tax Receipts in Relation to Gross Domestic Product, 1965	Income taxes as per cent of total tax revenues	
	(1961 = 100)	1961	1965
Argentina	69	25	26
Bolivia	128	16	20
Brazil	120	30	34
Chile	112	30	37
Colombia	108	53	54
Costa Rica	115	15	20
Dominican Republic	104 <sup>a</sup>	19	19
Ecuador	104	16	15
El Salvador	108	11	16
Guatemala	103	9	12
Honduras	113	14	17
Mexico	116	40	48
Nicaragua	114	9	13
Panama	107	22	37
Paraguay	160	12	10
Peru	101	34	34
Uruguay	106	14	— <sup>b</sup>
Venezuela	95	75	73
Average for Latin America	104 <sup>c</sup>	36 <sup>d</sup>	39 <sup>d</sup>

Notes: a. Based on data for 1964.

b. Data unavailable.

c. Excludes Cuba, Dominican Republic and Haiti.

d. Excludes Cuba and Haiti; partly estimated for 1965.

Source: Social Progress Trust Fund (1966), pp. 59, 61.

issue in tax policy concerns the structure of tax revenues. Table 1 indicates a small increase in the importance of the income tax in the early 1960's in most countries (though it should be noted that the average share of the income tax in total tax revenues dipped to a low of 34 per cent in 1964). In part this increase reflects rate increases, the introduction of new taxes, and improved collection methods, but in large part it reflects also the simple growth of the income tax base relative to other tax bases, notably foreign trade. There is little evidence in most countries supporting the claim (Social Progress Trust Fund, 1966, p. 61; and 1964, p. 99) that the increase in the importance of income taxes reflects increased progressivity, the avowed social objective of most recommendations for "income tax reform." In many Latin American countries, the

larger part of the "income" tax is paid by companies, often largely foreign extractive enterprises (note the high percentage in Table 1 for Venezuela), so that its importance reflects more the fortunes of world markets than successful domestic tax reform efforts.

In brief, our conclusion—the evidence for which is not presented here in detail<sup>4</sup>—is that the revenue performance of most Latin American tax systems in the last decade has been spotty and that the direction of many tax "reforms" has been different from that envisaged in the Charter of Punta del Este. There have been a great many tax changes in recent years, but those that have lasted in most countries have mainly been broader and higher sales taxes and increased "incentives" to investment and saving. Personal income taxes have, on the whole, been lowered about as many times as they have been raised. Similarly, there has been a great deal of activity and inventive gadgetry in the property tax field but apparently few substantive improvements. The principal new feature in the Latin American tax picture has been an increased concern with tax adjustments connected with economic integration, especially in Central America (see Watkins, 1967), but this is perhaps best viewed as one aspect of the general pressure to replace traditional taxes on foreign trade by taxes on internal trade (see Hinrichs, 1966 and Bird, 1966b)—a pressure which has been a principal determinant, along with inflation, of the need for and the nature of fiscal change in this period. Most tax changes, that is, have reflected fiscal expediency more than fiscal reform.

The current de-emphasis on tax reform in international speeches—the 1967 version of the Charter of Punta del Este, for instance, makes no mention of the need for tax reform at all—thus hardly reflects the fact that everything has been done in the tax field that should be done. Nor can it be explained by the fact that all conceivable desirable reforms have now been thoroughly studied and prepared as a result of the research activity of recent years, even if they have not yet been implemented: this too is hardly true, perhaps in part, as pointed out in the next section, because few tax studies have been much concerned with the problems of implementing their recommendations. What *has* been realized is that it is both more difficult to know what should be done by way of tax reform and much more difficult to do it than was apparently thought, at least by United States policy-makers, in the halcyon days of the early 1960's. The considerable volume of tax research in Latin America since 1961 thus has not as yet apparently resulted in much actual improvement of tax systems, though it might, if properly used, provide a basis for more operational success in the future, assuming this to be its appropriate goal.

#### SURVEY AND APPRAISAL OF TAX RESEARCH

The principal reason for and focus of most "tax reform" measures in most

Latin American countries in recent years so far as policy-makers are concerned has been the clear and pressing need for more fiscal revenue. Most outside study groups, on the other hand, appear to have been more concerned than governments with achieving fairness or equity ("equal treatment of equals") and some degree of income redistribution through taxation. Perhaps the main common ground between practice and research has been, to a limited extent, in the search for ever new and better tax incentives to stimulate economic growth. The conflicts in policy recommendations inherent in these different ways of approaching the fiscal problem have seldom, however, been made explicit. This section briefly discusses the different goals apparent in different studies and the policies proposed to achieve those goals.

The proper nature and task of the tax system in any developing country depends on (1) the development strategy appropriate for the country, (2) the institutional peculiarities and economic structure of the country, and (3) the targets other than economic growth which must be taken into account in designing the tax system. Unless set in some coherent policy framework no fiscal study of a developing country can do more than apply old adages to all too often inappropriate situations. Nevertheless, specific statements of the aims of economic policy and attempts to relate, quantitatively if possible, the achievement of these aims to the level and structure of taxation in any coherent way are rare.<sup>5</sup> The present discussion therefore is necessarily based more on influence than on explicit statement.

The "need" for more fiscal revenue as such is most unsatisfactory as the sole goal of a revenue system reform. Even at the macroeconomic level the relation of total tax revenue to the balance of payments, the rate of economic growth, and the stability of national income and employment has seldom been specified except in the crudest ways: for a typical national planning example, see Colombia (1962), chapter 6. The importance of increased foreign exchange availability rather than simply increased domestic saving—which might even increase unemployment and have a negative effect on growth (Vanek, 1967, p. 144)—seems never to have been adequately taken into account in any major tax research study in Latin America, even though much recent research in development economics indicates that the foreign exchange constraint on growth is the dominant one in the present situation of many Latin American economies (see Linder, 1967; Vanek, 1967; Johnson, 1965). Where this is the case, the principal need is less for additional public saving through increased taxes for the traditional purpose of reducing inflationary pressure than for policies to improve the availability and allocation of foreign exchange: see Bird (1966), Sheahan (1966) for further elaboration of this point.

Similar to the neglect of the interaction between fiscal policy and the balance of payments, inadequate attention appears to have been paid to the stabili-

zation function of fiscal policy. While fiscal policy is downgraded in some writings, especially for export-oriented economies (Heller, 1954; MacBean, 1966, Chapter 11), other recent work indicates that the need for increased public saving (which usually means more taxes) in many Latin American countries is at times less to provide funds for non-inflationary financing of more public investment than it is to offset short-run inflationary pressures, often related to a foreign trade cycle (see Levin, 1967a). If fiscal policy is not employed adequately to restrain total monetary demand, too heavy a load may be thrown on monetary policy with subsequent unwanted effects on private industrial output through restrictions on working capital (Maynard, 1966; Mallon, 1966). The role of the tax system in the face of the foreign resources gap and the (related) trade cycle is a difficult problem to resolve in any country.

Up to the present time, it is not unfair to say that in few tax reports do there appear such explicit links between general economic development policy and tax policy as those sketched above. Only in the very recent past have the issues mentioned above come to the fore, despite the potential of the tax system as a set of planning instruments to achieve both macroeconomic and microeconomic goals, such as stabilization and improved efficiency of resource allocation through partial correction of the distorted prices resulting from the market imperfections characteristic of Latin America. Hard-pressed governments of Latin American countries would seem well-advised to examine this potential more closely than they, or most of the outside experts who have advised them, have apparently done up to now. For partial exceptions, see Hart (1966), and Kaldor (1965)—both of whom prove the rule (stated by Schlesinger, 1965) that the “best” tax missions in some senses have been those including general economists, and also a corollary rule that good general recommendations to have any chance of being put into operation need to be carefully formulated by tax specialists, whether economists or lawyers, or, perhaps preferably, both. Only a combination of economic and tax expertise—a combination achieved in Latin America up to now only in the Shoup (1959) report on Venezuela (but see also the earlier studies by Adler, 1952, and Wallich and Adler, 1951)—is likely to produce both good *and* usable results. Most research in the field suffers from inadequacy in one or the other aspect.

The general concern of tax research and tax reform with revenue needs, whether warranted or not by the economic facts of the case, is reflected in three types of proposals: to introduce new taxes, to change existing taxes, and to improve the administration of existing taxes. Stress on administrative improvement (see generally Joint Tax Program, 1965b) arises usually from the general concern of tax experts with “tax fairness” and is often coupled with improvement in public administration as a goal in itself.<sup>6</sup>

The most important administrative aspect so far as revenue is concerned

is improving the elasticity of the revenue system—the response of tax revenues to changes in money national income—in order to reduce the inflation-generated deficits (which are thus both cause and effect of inflation) prevalent in so many Latin American countries (Hinrichs, 1967). In the income tax, this concern leads, for example, to recommendations for withholding and current payments systems, index adjustments in tax payments (as in Chile), and accelerated collection procedures.

In indirect taxes, similar concern motivates recommendations for ad valorem taxes and tariffs (as seen in the shift of the Brazilian and Colombian systems over the last decade) and broader based indirect taxes in general. Heavier reliance on internal indirect taxes has become necessary in part also because of the reduction of the taxable foreign trade base implicit in the import-substituting industrialization strategy followed by most Latin American countries in the post-war period: see Levin (1967b), Bird (1966b), Hinrichs (1966).<sup>7</sup>

In the property tax, index adjustments and other ways of keeping property valuations up to date have been much discussed (Strasma, 1965; Holland, 1966; Hicks, 1955), and occasionally put into practice (Bird, 1966a; Strasma, 1966). Despite the severe fiscal problems caused by rising local government revenue needs in some countries—for example, Argentina (Hinrichs, 1967)—surprisingly little attention has been paid until recently to the problem of financing urban improvements in the rapidly-growing urban areas: see Shoup (1960), Oldman (1967), Netzer (1966), and Rhoads and Bird (1967).

While long-run revenue recommendations constitute an important part of recent tax research, the actions taken by Latin American governments have been much more short-run in focus. In general, the principal discernible long-run trend in tax changes in the recent period has been the move toward more general sales taxes, perhaps largely because of the pressure exerted by the shrinking revenue base afforded by the traditional excises and by foreign trade (Levin, 1967b). The propensity to respond to fiscal crises, which in Latin America as elsewhere are almost always the proximate cause of tax change, with temporary measures (Dunkerley, 1966) and a proliferation of minor taxes (Bird, 1967) has been undiminished.

The long-run revenue concern of tax reports, then, has resulted in little improvement in practice, so far. The even greater concern of the reports—and of the Alliance for Progress in its original incarnation—with income redistribution has had, so far as one can determine, even less effect in practice. In part this is perhaps because of the general failure of the reports to relate tax policy to development goals explicitly enough. There is, for example, not just a social and esthetic case for income redistribution in many Latin American countries but also an economic one. That is, it may be argued that a more equal

income distribution is not only a desirable goal in itself—a value judgment, and therefore debatable—but more equality would lead also to a pattern of production and consumption more conducive to economic growth, for example, because the consumption of the well-to-do has a higher foreign-exchange component than that of the poor (Kaldor, 1959; Currie, 1966; Taylor, 1967a).<sup>8</sup> This line of argument, combined with the elasticity consideration stressed above, might lead to increased emphasis not only on personal income and net wealth taxes (see Tanabe, 1967) but also on capital gains taxes, which have traditionally been supported on equity grounds (Harvard Law School, 1959).

The concern of tax missions with income taxation whether for these or more “ethical” reasons, has not been without influence in Latin America, as is witnessed by the number of major income tax reforms in recent years—in Guatemala, El Salvador, Mexico, Venezuela and Colombia, for example—but on the whole it does not seem unfair to say that no Latin American country has changed its tax system as much in the direction of progressive, personal taxation as seems economically desirable. The major reasons for this reluctance are perhaps three: (1) the interests of the ruling political-economic groups in most countries; (2) the alleged inability of their weak tax administrations to cope with these taxes—a factor not unrelated to the first; and (3) the fear that increased taxation will damage private saving, usually viewed as the well-spring of economic growth. The third point appears to reflect less statistical truth than the ideological conviction (possibly often correct) that much government spending is wasteful and the (generally incorrect) assumption that public saving must finance public rather than private spending. None of these three issues has been adequately researched: each seems a suitable focus for useful work by political scientist, sociologist, economist, lawyer, and administrative expert alike.

The same is true of a special case of the income redistribution argument—land reform through land taxation (see Hirschman, 1963), which also relates to another greatly under-researched question of taxing for development in Latin America, the transfer of resources from the agricultural sector (see Lewis, 1967). Equally, the use of presumptive techniques of taxation is often proposed—for example, by Jarach (1966), but there appears to be no careful study in existence of the costs and benefits of this approach (though see Holland, 1966).

A further concern of tax research besides revenue and equity—and one which has found much more response in practice—has been to devise new and better ways to provide tax incentives to private investment and saving. Most studies of such tax incentives have concluded either that they are ineffective given the general business-government *ambiente* in Latin America (Lauterbach, 1966) or that the benefits are not worth the cost in revenue foregone



(Heller and Kauffman, 1963; Ross and Christensen, 1959; Taylor, 1957 and 1960; Lent, 1967), but there are some respectable arguments pointing the other way (see Bryce, 1965 and Hirschman, 1967). In view of the marked propensity to create new special incentives without adequate evaluation of the success or otherwise of existing incentives, this seems yet another area in which more empirical research and less tax gadgetry is badly needed if in fact the tax system is to make the contribution it ideally can to the achievement of a country's development goals.

Equally important in this regard is the basic structure of the taxation of business income, whether at the corporate or individual level. While a good deal of useful technical work has been done on this subject (Shoup, 1959; Oldman, 1964; Prest, 1965), no one has ever shown that what system is employed makes much difference in economic results on saving and investment. The same is true of the taxation of foreign business—on which the literature is even larger (Oldman, 1966).<sup>9</sup>

As noted earlier, the growing, though quantitatively still unimportant, moves toward economic integration and the great importance of international corporations in many countries are both factors pushing towards increased tax harmonization (Shoup, 1963; Watkin, 1967; Gillim, 1967a and 1967b). More research on this subject may perhaps be confidently expected in the near future, though it may be doubted that a rational weighting of Latin American tax research needs would attach a very high priority to this subject.

One area in which the traditional prescription of tax experts apparently remains valid always and everywhere is that of fairness. The importance of being fair and of being seen to be fair, with its concomitant attributes of avoiding administrative arbitrariness through improved recruitment, training, and promotion of tax officials, routinization of administrative decisions, better communication with taxpayers, improved review and appeal procedures, codification of tax laws, etc., is continually stressed in tax mission reports (see also Surrey, 1958, and United Nations, 1967). A great deal of improvement has in fact come about in this area, though seldom to the extent desired, or, indeed, necessary if tax policy is to be adequately improved: on the close relation between good tax policy and good tax administration, see Surrey (1967). It is true that many Latin American countries have a different tax "style"—on this useful notion, see Hinrichs (1966), Chapter 4—than that familiar in English-speaking countries, so that one might expect a greater propensity toward indirect taxes and discriminatory treatment of different kinds of income than in, say, Canada or the United States; but every piece of evidence we have confirms the importance of fairness in administration in all countries if the tax system is to fulfill its developmental task adequately.

A major related problem on which little work has been done is the ap-

parent need to have improved expenditure policies in order to render tax reform—which in Latin America almost always means “more taxes”—acceptable. The propensity to earmark, that is, to assign revenues to particular expenditures, and the apparently greater acceptability of earmarked taxes is at least in part explained by the common doubts on general government expenditure policies: see Hirschman (1963), Bird (1966a).

It is in fact hard to overrate the importance of improved administration in facilitating and providing the underpinning for reforms in any area of taxation (see Joint Tax Program, 1965). Unfortunately, it is equally hard to overrate the difficulty of attaining this needed improvement, since so many problems of tax administration are in microcosm those of the state of being underdeveloped itself. The major needs for research on tax administration, in addition to those outlined at the end of Surrey (1958), cover a wide range of topics and disciplines. Organization theory and practice in the context of Latin American tax administration needs study beyond that begun by Haberstroh (1965). Similarly, the identification and solution of the problems of tax evasion need Latin American research beyond that of Oldman (1965). Tax evasion, the related topic of penalties and other sanctions, and such other aspects of tax administration as tax collection require the development of a better understanding of Latin American legal systems including the operation of courts. Tax techniques and information systems need to be devised which can produce desired results without depending upon a generous supply of trained and skilled personnel in tax administration (see Hart, 1967, and Morag, 1957). Of course, tax administration need not stand still pending the fruits of research. In the particular case of income tax, despite traditional objections (Goode, 1952), there is every reason to expect that almost any country can, if it desires, effectively impose taxes on upper income groups (Tanzi, 1966) by putting the accountants and lawyers, who now so effectively (and usually legally) help their clients avoid taxes, to work on the side of the government.

The principal problems we see in tax research in Latin America are often simply reflections of those of development at large. There are, of course, some inherent conflicts of value judgments and special interests. These can only be resolved through the political process, not by legal or economic analysis. What is needed to clarify the issues in this area is more study of the decision-making process. No such studies now exist in the tax policy field—even though one would think the naked play of vested interests in tax policy decisions would make this a particularly attractive subject for interdisciplinary study by social scientists.

There are also conflicts which might perhaps be at least partly resolved by more facts, such as the magnitude of the effects of progressive taxes on

personal saving and of tax incentives on the flows and patterns of investment: such issues should provide a useful focus for much future empirical work by tax and general economists. Finally, there are a good many unresolved issues of tax design<sup>10</sup> which call for much effort by all tax experts if anything more useful is to emerge from future tax research than the repetition of conventional platitudes which inevitably characterizes much existing work, prepared as it is under severe time pressures and at the request of official bodies. Sometimes, of course, these platitudes are quite correct, but seldom is enough evidence gathered to enable either tax policy-makers or other observers readily to assess their applicability in any particular case.

One conclusion which can be drawn with certainty from existing research is that there is no one optimal tax structure for all Latin American countries. A corollary of this conclusion is that there is, for any one country at any particular moment in time, some tax system which would be optimal in the sense of best helping to achieve the objectives of that country. A major current problem in tax research is therefore to determine the relation of the tax system to the achievement of these objectives, difficult as it may be to determine what the objectives are. This problem should be a primary focus for future research in Latin American taxation, if this research is to become more operationally useful or to add substantially to knowledge.<sup>11</sup>

#### WHITHER TAX RESEARCH?

The title of this final section in a way simply sums up the contention of this survey that the respectably large body of research on Latin American taxation has as yet yielded relatively little in either operational results or additions to knowledge—except in a descriptive sense, as in the publications of the Joint Tax Program and the Harvard Law School—in large part because of the way most of it has been conducted. It is not sufficient to attribute the lack of meaningful tax reform to political difficulties alone, important as these are. At least some of the fault lies in the fact that the necessary independent and in-depth research has not yet been carried out to support tax change in any country.

A second need is for at least equal attention to be devoted to how to do things as to what should be done. Again, it is not sufficient to point to political and administrative obstacles. Most tax research has been carried out allegedly for operational reasons, and it is therefore appropriate to stress its relative uselessness in the problem of actually implementing fiscal changes. What is needed is closer study of the process of institutionalizing tax analysis and reform—study which has only in the last few years begun in the field of tax administrative reform (see Moss, 1967, and Internal Revenue Service, 1967) and has barely

started in the field of tax policy (see the Harvard-Chile Tax Project, described in Oldman and Owens, 1966, and the summary of the activities of the Joint Tax Program, 1967a).

NOTES

1. "Declaration to the Peoples of America, Punta del Este, Uruguay, August 17, 1961," *Alliance for Progress*, OAS Official Records, OEA/Ser. H/XII.1 (English), (Washington, D.C.: Pan-American Union, 1961), p. 3. See Sommerfeld (1966), pp. 16–42, for a detailed textual analysis of the tax reform objectives of the Alliance; see also Taylor (1967a).
2. See also Andic and Peacock (1967) for a perceptive commentary on three major tax studies—Shoup (1959), Joint Tax Program (1964), and Joint Tax Program (1965c); the two Joint Tax Program studies are reappraised by their principal author in Taylor (1967a).
3. For two recent studies on legal aspects of Latin American taxation, see Crockett (1962) and Joint Tax Program (1967b).
4. This summary is largely based on the Social Progress Trust Fund Reports (1961–66). We are grateful to Juan M. Terán for his assistance in summarizing these Reports, as well as the World Bank Studies, for us.
5. This comment is especially applicable to fiscal studies such as Joint Tax Program (1964) and (1965c), Shere (1961)—and the numerous unpublished studies (see Harvard Law School, 1962) of which the Shere study is representative. There are exceptions, however, such as Chapter 2 of Shoup (1959) and parts of Adler (1952) and Wallich and Adler (1951). The tax chapters, in general economic studies such as those by the World Bank (1950–1961), though they presumably had the benefit of the larger economic study of which they are a part, are usually so sketchy that our comment applies to them also.
6. For further general references on administration, see United Nations (1967) and Surrey (1958).
7. Although most Latin American countries have ended up with some sort of manufacturers' sales tax (occasionally in the value-added version), one country, Honduras, has apparently made a real breakthrough by successfully introducing a retail sales tax: see Due (1966).
8. One reason for the lack of stress on the economic aspects of unequal income distributions is no doubt the lack of basic information on income distribution in general and fiscal redistribution in particular: see Musgrave (1965), Joint Tax Program (1965c), Chapter 11, Shoup (1959), Chapter 1, and Taylor (1967b), for examples of the data available in the past. The Economic Commission for Latin America has in progress a thorough study of income distribution in a number of countries, the first results of which are reported in ECLA (1967).
9. See also the forthcoming bibliography by Owens (1968) for further references on the taxation of international business.
10. The Harvard Law School International Tax Program has in preparation a series of handbooks on income tax techniques—depreciation, business expenses, the treatment of corporations and shareholders, etc.—which should help clarify many issues of tax design.
11. The difficulty of ascertaining objectives in this field is not going to disappear, given the uses of ambiguity to political decision-makers, but more could be done than has characterized most tax research to press for clear establishment of priorities and to point out policy choices and their implications in relation to assumed objectives.

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