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Book Review — Digitized Version

[Book Review of] World tax reform: a progress report. Report of a conference held in Washington, DC, on November 12 - 13, 1987, sponsored by the Brookings Institution, Joseph A. Pechman (ed.), Washington, Bookings Institution, 1988

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Pechman, Joseph A. (Ed.), *World Tax Reform: A Progress Report*. Washington 1988. The Brookings Institution. X, 294 pp.

In the early eighties tax policy became a dominant economic topic in developed countries. Since then a number of countries' tax systems have changed dramatically, with other countries following suit and adapting their rules of taxation while still others plan to follow in the reform process. These reforms were the theme of a conference held at the Brookings Institution in November 1987.

The eleven papers presented are the subject of this book. For each country a description is given of the development of the specific tax systems, their main defects, and the most important aspects of the reforms. For some countries the process of reform and the political difficulties involved are also presented. The structure of the papers is similar. Useful information concerning the tax systems is given, allowing for comparisons of both the systems themselves and their recent specific changes, e.g., taxation of capital income or capital gains or integration of income and corporate income taxation.

Because the papers were written by government experts of the specific countries, the descriptions are very good. The assessment of specific items of the tax system, however, or of the changes decided upon sometimes is biased in favour of the official government view. Potential disincentive effects are especially often judged to be small while distributional aspects are stressed.

The most brilliant paper is contributed by Ian Byatt from the U.K. It includes a very clear assessment of the incentive effects of the British tax system; e.g., the problems resulting from the poverty and unemployment traps. The author was in a favourable position because of the courageous tax changes that occurred in his country during the last decade. Other fundamental changes such as the abolition of domestic and non-domestic rates and the introduction of a poll tax will only become effective in 1989 and 1990.

Since the conference at the end of 1987 world tax reform has continued. In 1988, Austria adopted substantial reform measures while the Japanese parliament decided upon a fundamental change and Italy introduced a new income tax tariff. As a consequence, the book in some respects is already outdated and needs revision. Nevertheless, the main ideas underlying the tax changes described are still valid: lower tax rates, broader tax bases, and reduction (though small) of the overall tax burden as instruments for achieving efficiency.

Alfred Boss

Scott, Anthony (Ed.), with the assistance of John Helliwell, Tracy Lewis, and Philip Neher, *Progress in Natural Resource Economics. Essays in Resource Analysis by Members of the Programme in Natural Resource Economics at the University of British Columbia*. Oxford 1985. Clarendon Press. VII, 440 pp.

Johansson, Per-Olov, Karl-Gustaf Löfgren, *The Economics of Forestry and Natural Resources*. Oxford, New York 1985. Basil Blackwell. XIII, 292 pp.

The Club of Rome has been warning the world since 1968 that economic progress is subject to a limited supply of natural resources. Twenty years later evidence supporting such a pessimism is, however, still missing. What went wrong? It seems that if the Club had taken the economics of natural resources more seriously at the moment of forecasting future growth, it would have had the chance to discover that not physical resource