

THE ROLE OF THE PUBLIC SECTOR IN THE ECONOMIC DEVELOPMENT OF THE GREATER CARIBBEAN: A SURVEY AND COMMENTARY*

*Fuat M. Andic and Suphan Andic,
University of Puerto Rico*

INTRODUCTION

THE PAST TWO DECADES HAVE SEEN AN ENORMOUS PROLIFERATION IN WRITINGS on economic development, planning, and programming. Equipped with the aggregative tools of economic analysis acquired since the Thirties, economists have searched for methods and policy measures by which to further economic development. In many developing countries the government has assumed the responsibility of pursuing a deliberate, rational, and consistent economic policy in achieving the objectives of development, in accordance with established priorities, by direct and/or indirect interventions into the performance of the economy. With this expanded role of the public sector, the budget has come to acquire an important role as a policy instrument, since it reflects the qualitative and quantitative aspects of public policy, and puts into effect public policy measures influencing economic activity.

The purpose of the present paper is to survey the research and writing on the role of the public sector, and hence of the budget, in promoting economic development in an area referred to as the Greater Caribbean. Basically the region is that bordered by the shores of the Caribbean Sea. It includes all the islands comprising the Greater¹ and the Smaller Antilles, the three Guyanas, Venezuela, and Colombia, and countries of Central America.

The inclusion of the Guyanas needs no specific justification. Historically they have been considered part of the Caribbean region, as the Caribbean colonies of the metropolitan powers. Geographically and economically, though not necessarily historically, Colombia and Venezuela can be considered part of the region. Economically they have commitments to the Latin American continent in that in 1961 and 1966, respectively, they opted to join the Latin American Free Trade Association (LAFTA). Recently, however, there has been great interest both on their part as well as on the part of the Caribbean countries in having closer economic ties and extending commercial interrelations. Colombia has extended its shipping routes to the Caribbean and Central America, and made overtures to participate in the Caribbean Regional Development Bank. The Dominican Republic has weighed the pros and cons of participation in LAFTA, especially in its Andean Community (a sub-

* Research was carried out with funds provided by the Ford Foundation. The authors thank Mr. Ramón Cao for his assistance in gathering a great portion of the basic material.

group composed of the lesser developed members of the Association), as well as in the Central American Common Market (CACM).² Moreover, the Economic Commission for Latin America, through its regional office in Port-of-Spain, has taken a vital interest in Caribbean affairs, especially in the Caribbean Free Trade Association (CARIFTA), organizing joint area conferences, conducting economic surveys, and providing technical assistance (UN/ECLA, 1969a,b).

Again, historically, Central America has been a world of its own, but today an attitude of economic complementarity with the Caribbean islands is gaining strength. Undoubtedly there are similarities between the economies as measured by global indicators such as per capita income, industrial structure, and degree of openness. Differences also exist which create, in many instances, conflicting interests; yet there are sufficient options to allow for constructive economic cooperation.

In short, by following the shoreline of the Caribbean Sea we are in fact considering an area in which individual members, in one way or another and to varying degrees of success, have collaborated with one another in the past (see U.K., 1955, 1956, 1962, 1963; Trinidad & Tobago, 1960) and are expected to collaborate in the future in an increasing degree in the many facets of economic, political, and social development.³

The definition of the public sector also needs to be specified and confined within certain limits. The concept of public sector, in its implications for economic activity and resource allocation, can be a very wide one. It can include the budgets of the central and local governments on administrative services and refer to the measures taken within this limited scope. It can also include a series of autonomous agencies whose number, nature, scope, function, organization, and title vary considerably from country to country. Among such agencies are, to give but a few examples, the administration of insurance funds, highway authorities, industrial development corporations, public housing authorities, agencies that serve the consumer's welfare, and land authorities. One must also consider the public corporations in areas which are usually, though not necessarily, conceived as pertaining to the functional sphere of governments, such as public utilities, bus lines, development banks, and industrial banks. Finally one can cite trading services, such as postal services, which differ from public corporations in that the latter are defined as possessing financial independence from the government with respect to keeping reserves, borrowing, and day-to-day control.

A survey of research and writings on the role of the public sector based on a concept so wide as to include all these ramifications for a relatively large number of countries can never be condensed into an article of this length. A limitation is in order. Thus the survey is limited to research and writings on the following aspects of the public sector: general surveys of the fiscal system relating to public revenues and expenditures of the central and local governments in their relation to economic development; proposals of general and specific fiscal reforms, again in the restricted sense—reforming, rearranging, reorganizing the government budget essentially, though not strictly, for purposes of economic development; fiscal incentive schemes and the analysis of their impact on economic development; and finally schemes of

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

fiscal harmonization and their function in promoting regional cooperation through a more equitable regional fiscal system of taxes and expenditures.

The scope of the present survey is restricted in another sense. No attempt is made to review in detail the numerous specific proposals for fiscal change. Rather, the emphasis is on the major issues raised and the manner in which such issues are treated within the frame of reference of development objectives. Only in this analytical fashion can a survey of past writings be constructive and effective in indicating the rationale of possible future policy actions and the areas which require greater attention and emphasis.

This survey covers basically the writings of approximately the past two decades. On rare occasions earlier works are also referred to. An extensive bibliography is given in the Appendix.

SURVEYS OF FISCAL SYSTEMS AND REFORM PROPOSALS

The extensive literature on problems of economic development includes a growing number of studies of the systems of public finance in developing countries. With very few exceptions, the published work, however, seems to be divorced from the mainstream of thinking about the analysis of development. In particular, it is not always easy to appraise the practical recommendations for reform which the literature contains, because the specific development strategy and the underlying economic model are not clearly spelled out and the relationship is not brought out, quantitatively at least, of the proposed fiscal changes to the achievement of aims.

Fiscal reform schemes ideally should suggest a set of optimal proposals of economic aggregates which specify the size and the structure of the government budget. This procedure is in compliance with the aim of any development policy, which is an optimal system in which the budgetary structure, together with the private sector, is to achieve the maximization of the various objectives envisaged. These objectives may be a specific annual rate of growth in aggregate output, a given level of employment, private investment, an acceptable distribution of income, reduction and/or elimination of the deficit in the balance of payments, price stability, etc. . . . The relationships between the objectives and the instruments of policy must be expressed within a given frame of reference and the policy action to satisfy the optimal conditions must be determined on the basis of these relationships; for the choice of the instruments and their value cannot be considered in isolation from the objectives. Naturally, the feasibility of the implied fiscal reform will have to be assessed within the political reality of the country for which the survey is being carried out.

The survey would then yield a budget showing the size and structure of all government transactions within the social accounts. A comparison of this optimal budget with one that would exist if no changes were made in the existing tax and expenditure pattern would then indicate the changes to be made to meet the objectives, and the priorities in the use of fiscal instruments. For instance, if the analysis were to yield the result that public investment must grow and that there is a constraint on the

size of the budget, because of limited taxable capacity or considerations of price stability, then care should be exercised in taking measures which will encourage private investment; for ultimately it has to be insured that demand on available resources—public and private—be neither too great nor too small in relation to the capacity of the economy. The implied budgetary changes may then indicate more clearly the required institutional and administrative changes.

If the objectives and the instrument variables in achieving them are not specified, then the danger may exist of not being able to assign priorities and of not being able to detect where and how the policy measures proposed with respect to one objective may be in conflict with the attainment of another. Specifically, if an increase in the tax burden is recommended, for example, to ward off inflationary pressures, consideration has to be given to the possibility of taxation being an impediment to growth, especially where unemployed resources exist, and stability may not be wanted at the expense of stagnation. Looked at in the proper perspective, the question becomes one of the level and type of taxation and public expenditure to maintain the rate of growth while controlling inflationary pressure under conditions of unemployment and perhaps deficit in balance of payments.

The logical implication of this short methodological introduction to the analysis of fiscal surveys is the consideration of the budget in its entirety within the context of development requirements. Taxation cannot be separated from public expenditure programs; the size and composition of public expenditures as well as of revenues affect the level of income, employment, foreign trade, and income distribution. Economic as well as meta-economic reactions of both tax and expenditure policies will have to be considered simultaneously. The marginal changes reflected in the budgetary structure can only be successfully pursued if there is co-ordination of tax expenditure policies; and that tax-expenditure combination can be selected which would further the achievement of economic and social objectives more than other combinations.⁴

The objection could be made that this kind of approach is overly elaborate and too difficult to implement in all its facets. Therefore, it has been maintained that one should concentrate one's efforts almost entirely on increasing revenue yields and in so doing assign priority to reform of tax administration (Kaldor, 1964). Granted, improving tax yields are a necessary condition for achieving the commonly accepted aims of developing countries; however, the investigator is thereby not absolved from having to justify his concentration on the tax side of the budget and from quantifying the results of administrative and/or institutional reforms so that their budgetary implications are clearly shown.

Obviously, within the general analytical framework of optimization for development, the distinction is made between surveys of global fiscal systems and implications of their change as opposed to the treatment of specific aspects of the budget, say a property tax reform. In practice, this may appear to be equivalent to the distinction between carrying out a drastic fiscal reform on a large scale and one of piecemeal remedies. In fact both distinctions are deceptive and unreal as seen from the

view of the optimization process. For whether one adheres to the concept of large-scale reform or accepts a more practical view that many developing nations, for one reason or another, are incapable of carrying out drastic overall changes, or whether one considers that the fiscal ills of developing nations can be solved with one single 'coup,' so to speak, or changes can be made only in piecemeal fashion, each type of reform will have to be implemented within the constraints represented by the structure of the economy and the actual or potential efficacy of the fiscal instruments in order to attain the optimum desired. No fiscal system can remain optimal if it is not revised in accordance with changes in circumstances, and if it is not devised to bring about the changes as reflected in the objectives of the society.

Any reform is simply a consequence of the objective function, on the assumption that the public authorities are serious in seeking to maximize this function. A consistent fiscal reform may throw up the necessity for radical change. Once the nature of the changes is known, the public authorities may realize that they have left out of the objective function some important elements. Once it is recognized and accepted that these elements have to be embodied in the objective function, the scope of the fiscal instruments becomes circumscribed and large scale reform is carried out, to be followed by piecemeal changes.

All this requires—whichever kind of change is contemplated at a given time—studies of the implications of the overall budgetary size and structure as well as of its particular aspects. Such studies are indispensable to the understanding of the ultimate role of the budget in the structural overhaul of the allocation of resources and as the mechanism through which this allocation works in order to assure the correspondence of the public sector to a given or desired socio-economic frame of reference.

Most of the surveys of the fiscal systems of some of the countries that fall within our specified region are the direct outcome of requests by specific governments and/or international agencies. Those undertaken out of scholarly curiosity are very few (Andic & Andic, 1965, 1968; Bird, 1970c). The remainder have either been commissioned by the specific metropolitan governments in question (Hicks & Hicks, 1955; Prest, 1957; Liefertnick & Goedhard, 1959, 1962), or by the governments of the particular nations (Wallich, 1951; Adler, 1952; Shoup, 1959, 1960; Musgrave, 1968, 1969; Cosciani, 1962; St. Vincent, 1967; Trinidad and Tobago, 1969),⁵ or by international agencies (OAS/IDB, 1964a, 1965b; Freyre, 1965), or have been undertaken by the international agencies themselves (UN/ECLA, 1957; IBRD—all country surveys include a chapter on public finances).

The principal reason for the surveys is an interest in taking stock, as it were, of the existing fiscal structure, to fill the gap in general information, and thereafter to take remedial action wherever necessary, given the economic and social values and aims. The determination of the steps to be taken requires providing answers to a check list of questions such as: what are the characteristics of the fiscal system; who pays which taxes; what is the effect of the system on resource allocation and distribution of income; is the tax system elastic; what do public expenditures consist of and how important are they, and so on.

Latin American Research Review

There are two pioneering works at the beginning of the period of the past two decades—Wallich, 1951; Adler, 1952. These are followed by the English-speaking Caribbean by Hicks & Hicks (1955) and Prest (1957), and in the Spanish-speaking Caribbean by Shere (1953), UN/ECLA (1956), Phillips (1958), and Shoup (1959). The Alliance for Progress gave rise to a series of purely stock-taking studies of the tax systems (OAS/IDB, 1964b, 1965d, 1966a, and numerous pamphlets by ROCAP) as well as increasing the awareness among governments of many nations and international agencies of the importance of a development-oriented tax reform.

The two OAS/IDB reports on Panama and Colombia embody the official acceptance of this very idea which has formed, albeit on the surface, the frame of reference of some of the later surveys. With few exceptions all surveys concentrate on the tax side, documenting the taxes and their shortcomings and making appropriate recommendations, general and/or specific, designed to achieve a more desirable revenue system. The prime purpose is to find substantially higher revenue in order to meet the future expansion in public expenditures, whether or not this expansion is derived from a development plan. The tax system is, therefore, judged by its ability to produce revenue, to improve the distribution of income, to encourage private savings and investment, and to promote efficiency in tax administration. In the main these goals are to be attained by structural changes in the tax system and in rate adjustments.

However, rarely is there any systematic elaboration of the quantitative implication of these goals of development policy on budgetary and tax structures. Nor is there an analysis of the effect of the tax system, far less the fiscal system, on investment and economic development. This is particularly true of the Panama and Colombia reports mentioned previously, of Freyre (1965), Shere (1953 and 1961), Phillips (1958), Andic & Andic (1965), UN/ECLA (1965), Trinidad and Tobago (1969) and British Virgin Islands (1967).⁶ It is also true of development plans which fail to make a calculus of the specific and quantitative implications for revenue adjustments of their budgeted expenditures and of evaluating the economic effects of such changes on the expenditure as well as revenue side.

EXCEPTIONS TO THE FISCAL SURVEY PATTERN

There are, however, exceptions. For instance, the fiscal survey of Venezuela (Shoup, 1959) proposes in Chapter 14 the integration of the government's budgetary totals with those of the economy's national budget⁷ and in Chapter 15 forecasts the cost of the elementary school education program and estimates the changes in income tax rates necessary to implement it. Other exceptions are the cases of Guatemala (Adler, 1952, Hinrichs, 1971), and El Salvador (Wallich, 1951). The studies by Adler and Wallich contain analyses of the impact of the budget as a whole upon the economy, specifically upon balance of payments, capital formation, and the size of the domestic output. Hinrichs takes into account the constraints introduced by fiscal harmonization requirements and CACM tariff uniformization, and develops reform

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

proposals and budget projections for the attainment of the development objectives within the realities of administrative difficulties. A further interesting exception is a neat analysis of a little group of islands in the Caribbean, namely the Turks and Caicos (1970). In a report entitled "Property and Tourist Development in the Turks and Caicos Islands," the working party chaired by Sir Derek Jakeway translate their proposed capital program into its expenditure and revenue components and come up with a system of land taxations and valuation.⁸ The three volume development plan for Surinam (Suriname, 1965) contains an elaborate public expenditure budget whose impact on the economy is, however, measured only globally as a per capita growth rate in output through the simple device of the incremental capital-output ratio, despite an extensive and quantitative introductory chapter on the various development objectives, their interrelationship, and the variables that affect them. It also estimates the revenue savings that would occur as a result of various efficiency measures to be taken and changes to be made in tax structure, and comes up with estimates of budgetary deficits. Again in the area of the Dutch cultural influence, not to say the political, the reports of the Advisory Council (Suriname. Adviesraad, 1959) and of Lieftinck & Goedhard (1959) provide quantitative estimates of the possible inflationary impact of the public and private investments.⁹ Last but not least, although not directly related to the impact of the public sector on economic growth, UK (1955, 1963) develop a rigorous methodology in working out the financial implications of a plan for a British Caribbean Federation (defunct in 1962) and for a Federation of Eastern Caribbean Territories (which never got under way) respectively, separating out expenditures and their revenue requirements and providing proposals to meet these requirements.

In view of what has been said in the preceding paragraphs, the outstanding features of the survey of Surinam and the Netherlands Antilles (Andic & Andic, 1968), of the Musgrave Report on Colombia (Musgrave, 1969), and of the tax-and-development study again on Colombia (Bird, 1970c), are that they adhere to what we consider a proper methodology to measure and evaluate the impact of the public sector on economic development, although it may not be possible to carry out fully such an evaluation at a given time. Thus, Andic & Andic make a thorough review of the existing budgetary structure, but because of various limitations indicate only globally the impact of alternative budgetary structures. The Musgrave Report views the tax system as one of the important tools in the hands of public authorities to be used to attain prescribed economic and social objectives, and translates these objectives into concrete proposals for tax reform. Bird's study (1970c) embodies the same approach with the level of discussion directed more to academicians than to politicians. He is also cautious of the desirability of overall reforms as opposed to piecemeal changes.

LITERATURE ON SPECIFIC DEVELOPMENT OBJECTIVES

The comments made so far refer to overall surveys of fiscal systems and reform

proposals, with special emphasis on methodology. We now turn to review a host of other writings from the point of view of specific objectives of development. In doing so we will refer to the overall surveys as well as writings of more limited scope. Our remarks are bound to be of a general nature, reflecting the tone of the writings themselves. We shall leave one sphere of fiscal policy—incentive legislation—to a subsequent section, because of its extensive use and special importance in the fiscal systems of the countries reviewed.

The need for more fiscal revenue is prevalent in all the writings, but as was argued earlier, as such it is unsatisfactory as the sole goal of the fiscal system. This, most writings recognize. But there is no doubt that the tremendously rapid rate of growth in development expenditures has faced governments with a situation in which they have observed a 'traditionally' surplus budget gradually convert into a hugely deficitary one under pressures emanating from changed ethical, social, and economic outlooks of societies. What has been less recognized is the relation of this increased requirement of revenue to, for instance, the balance of payments, or the rate of economic growth and employment, stability in real national income, and its distribution.

All the countries that fall within the scope of the present survey are open economies, some more so than others, where the ratio of imports to GDP can be as high as 0.9, when the same ratio for exports stands at around 0.2. All have deficits in their balance of payments.¹⁰ All suffer from high levels of unemployment, which are estimated in some to be as high as 30 per cent. With few exceptions, all have had not too insignificant rates of growth in real income per capita, and for various reasons income stability, conceived as lack of inflationary pressure, has also not been too significant, with the exception of the past few years and of the continental—as opposed to island—members of the selected group. Finally, in all countries on which information exists income is unequally distributed.

The attention to the objective of reducing, if not eliminating, the disequilibrium in the balance of payments is, at least for the British Commonwealth islands, not new and has accelerated with their gradual separation from the sterling bloc towards more export and import trading with the United States. Prest (1957) in his fiscal survey of the British Caribbean has very aptly and profoundly analyzed, in general terms and under the circumstances of the times, when political and economic patterns were very different, how cyclical fiscal policy could not be separated from balance of payments difficulties and maintained that it should aim at stabilizing the fluctuations in real income caused by slumps in exports. A later work, an analysis of public expenditure for growth, still remaining within the boundaries of the British Caribbean, emphasized the point further by maintaining that for plans to be economically viable, growth of the Eastern Caribbean had to be based on export industries to earn the foreign exchange required in the other branches of the economy (Tripartite Economic Survey, 1966), if one had to have growth at all. The balance of payments was a subject of serious consideration for the Committee to review the fiscal policy of Trinidad and Tobago (1969), which argued for reduced emphasis on direct tax-

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

ation and deliberate use of indirect taxes not only as a means of raising more revenue but also to discourage luxury imports and to slow down the rapid growth of consumption. This argument has been basically accepted by the Third Five-Year-Plan (Trinidad and Tobago, 1970).

For the remaining countries, where the balance of payments problem has also been endemic, writings have emphasized increased domestic savings rather than the importance of increased foreign exchange. The distinction between the two, i.e. the contrast between the savings-investment gap and the foreign exchange gap is a newcomer to development theory in reference to today's less developed countries, and this may partly explain why statements recommending agricultural taxation to expand imports and condemning specific customs duties (Froomkin & Lidstone, 1954), because they provide little protection for domestic products, can be found only widely dispersed in earlier works (OAS/IDB, 1964a, 1956b) and why sales and agricultural taxation issues are gaining strength in later studies (Bird, 1968a, c, 1970b, 1971; Sheahan, 1968), for failure to increase foreign exchange earnings could increase unemployment and reduce the rate of growth, if growth depends on imported investment.¹¹ The fiscal survey of Venezuela (Shoup, 1959) maintains that reduction in imports via indiscriminately set up protective tariff walls could lead into a shortage of capital, which could slow down investment and create acute unemployment. The argument for the need for policies to improve the availability and allocation of foreign exchange is taken up later on by Bird (1968b, c; 1970a, b, c) in connection with the objective of income redistribution, to which we now turn.

BUDGETARY REDISTRIBUTIVE EFFECTS

Taxes and public expenditures alter the allocation of resources not only among alternative uses but also among individuals and families. That the tax-expenditure mix should deliberately be used to increase the resources of those who have the least is accepted by all as a 'sacred' tenet, the extent of the redistribution being a question of the social judgment of the particular time. But, before any steps are taken in the direction of a change for a given purpose, it is essential to know what the present system of distribution actually is and how it is affected by the allocation of present taxes and expenditures.

Studies on the redistributive effects of the budget are not numerous in the Caribbean, nor in other less-developed countries for that matter. Granted, any such calculations are necessarily arbitrary in the extreme and give only the crudest indication of the probable effects on the distribution of income of the operation of the fiscal system. Moreover, the end results depend upon the assumptions made by shifting of various taxes and in the allocation of expenditures. Nevertheless, of the few that are available, some indicate that the allocation of taxes to the appropriate income brackets improves the distribution of income (Andic, 1963, 1964; Bhatia, 1964a), while others arrive at the conclusion that taxes do not alter the distribution of income (Shoup, 1959; OAS/IDB, 1965b). For Puerto Rico it can be indicated that excises

are progressive in the lower income groups, but become regressive in the middle and upper income groups (Andic, 1964; Bhatia, 1960). In Colombia the indirect tax structure is regressive on the whole, but the impact of total taxes is regressive on low and somewhat progressive on middle and upper income brackets. The overall mild progression in the tax system contributes only insignificantly to income redistribution (Mclure, in Musgrave, 1971). In Jamaica the tax structure appears to be somewhat regressive at the lower end of income distribution, proportional in the middle ranges, and distinctly progressive at the upper end (Lovejoy, 1963). That the budget as a whole tends to have a distinctively redistributive effect in favor of lower income brackets is corroborated by most related studies, except in Colombia where it is argued that the *relative* regressiveness of the tax system *does not appear to be significantly offset* by the incidence of expenditures (Bird, 1970a).¹²

These exercises in the calculus of redistribution are immensely valuable, despite the conflicting conclusions they may reach concerning the operation of the same fiscal system, because of the differences in the underlying assumptions.¹³ But two points should be kept in mind. One is that even if one is limited to the evaluation of the impact of the tax structure alone on the distribution of incomes, it is also necessary to obtain some idea of the pattern of the income distribution which would result from the potential application of the recommendations made concerning tax changes. More important still is the need to evaluate the redistributive effects of the proposed budgetary changes as a whole, since tax incidence, assuming that it can be measured, is concerned only with changes in the distribution of burdens arising from development. Growth must also provide benefits which accrue in different amounts to different recipients of income, since the size and type of budgetary expenditures affect the composition of output by industrial sectors and, therefore, influence functional and occupational distributions of income which in turn change the size distribution of incomes. An added factor is the possibility of a budget policy discriminating in favor of lower income groups and against higher, and thus the additional presumption of adverse effects on growth produced by disincentive effects on investment, or the abandoning of other development objectives, such as price stability or equilibrium in the balance of payments. There is no quantitative evaluation of these aspects of budgetary structure in any of the studies, simply because, we presume, such exercises require more sophisticated statistical information than is usually available in developing countries. One relative exception is Colombia where some (Bird, 1970a; Sheahan, 1968) argue that the savings and growth case against increased progressive taxation is not supported by the available data; that increased taxation of the upper income groups will not add to an already crushing tax burden, as is sometimes claimed; and that in this context one is relatively free in selecting the set of tax policies most appropriate for development. We would like to enlarge somewhat upon this point.

The usual growth argument for an anti-redistributive tax policy is that given the right incentives the rich will save and hence domestic savings will increase. The counter argument coming to us via Latin America (UN/ECLA; Mendive, 1964) is that the rich are not savers but spenders, hence a redistributive tax policy would be

more efficient in inducing growth. The final extension of the controversy is when growth is assumed to be foreign exchange limited and depends on imported investment. In this case, it is said that increased taxation of the wealthy, i.e. a redistributive policy, might increase saving. The argument is: when increased savings must be matched by increased imports of investment, increased savings alone with no change in foreign exchange availabilities may lead to lower income and more unemployment. This is well and good, but when combined with the argument that redistributive tax policy might be the more efficient method in achieving this aim, there seems to arise an inconsistency. For as a result of the redistributive policy (and assuming that the rich are spenders anyway, following Prebisch) part of final demand will escape into imported commodities, unless the assumption is made that the poor consume only domestic and the rich consume only imported goods, which is not too heroic an assumption, and unless the assumption is made that domestic goods are produced with domestic capital, and this is an heroic assumption. The controversy is very illuminating in that it indicates the direction into which research has to go and the necessity to have a vast amount of statistical information on consumption habits, import contents, relationship of domestic sectors with imports, etc., before any definitive statement can be made on whether a redistributive policy is growth inducing or not under the particular circumstances of a particular economy.

Another issue of concern is whether indirect taxation is a 'superior' policy solution, as opposed to progressive income taxation, or whether it contains inherent elements of regressivity. The sanctity of a decline in the indirect/direct tax ratio rule as economic development takes place is being questioned more and more even in developed countries.¹⁴ And in developing countries sales taxation, if properly structured, could be in many respects very well suited for developmental achievements of redistribution of incomes, increase in domestic savings, better allocation and increase¹⁵ of scarce foreign exchange resources, and possibly of warding off inflationary pressures (Mendive, 1964; Andic, 1972; Bird, 1968c, 1970b, c; Musgrave, 1969; Trinidad and Tobago, 1969). Bird, for instance, distinguishes between the short-term effects of sales taxation (reduction in consumption and investment) in Colombia and its long-term effects on income distribution, balance of payments, and productive structure. As it is, its incidence is moderately regressive, but it could be structured to have a progressive impact as well as providing sufficient funds to finance larger investments in a non-inflationary way.

As a second example, the Tripartite Committee to Review Fiscal Policy for Trinidad and Tobago emphasizes the need for reduced emphasis on direct taxation and deliberate use of indirect taxes for the curtailment of the rapid rate of growth in personal consumption in relation to that of GDP. Examples from Puerto Rico and Latin America illustrate, however, the difficulty of implementing politically what is considered logical economically. Contrary to the recommendations of the Governor's Advisory Council (Puerto Rico, 1970) the Legislature reduced the progressivity of the automobile tax and converted a progressive license plate fee structure into a standard fee. In Latin America a systematic indirect taxation formula to increase the

savings of the national exchequer, to redistribute income, etc., has never been applied in an organized fashion; rather indirect taxation of this nature has been used to apply certain principles of control (Mendive, 1964) or as emergency measures to counter balance of payments crises (SIECA, 1968).

The case of the Bahamas is interesting in that there, given the structure of the economy, the tax system relies almost entirely on indirect taxation, i.e. customs duties; hence a more equitable distribution of the tax burden would require changes in their rates, rather than introduction of direct taxation (Musgrave, 1968).¹⁶

As has also been pointed out by Bird and Oldman (1968) for the case of Latin America as a whole, inadequate attention appears to have been paid in the Caribbean as well to the stabilization function of fiscal policy to offset short-run inflationary pressures often related to the foreign trade cycle. This aspect is one of the many basic pillars of the structuralist argument of inflation in Latin America, and has caught the attention of economists only after its popularization through UNCTAD, although related writings go back to earlier years.¹⁷ In the Caribbean, Prest (1957, 1960) had emphasized the importance of fiscal policy to mete out the effects of export fluctuations on real incomes; Shoup (1959) had stressed its great relevance in Venezuela, especially because of the overwhelming importance of the oil sector in the economy; and Levin (1968b) emphasized the relevance of import cycles to public sector economics in Colombia.

Fiscal policy to control inflation has not been a significant issue in the Caribbean except for the Spanish-speaking continental members of the region. The reason lies in the fact that Puerto Rico is in monetary union with the United States; the French Antilles, being overseas departments, have common currency with France; and in the British Commonwealth Caribbean inflation caused by budget deficits could not be a problem at the time, because of the monetary system based on Currency Boards, which allowed for such deficits—in the absence of loans or grants from abroad—if there were sufficient reserves accumulated during prosperous years or if foreign currency could be obtained by surrendering domestic currency to the Currency Board. This in fact explains the importance of budgeting for a surplus in time of boom in economies of this type with severe restrictions on borrowing. It still remains broadly true that the bulk of capital expenditure by the public sector is financed by overseas grants and loans. The extreme case of fiscal dependence can be found in the Leeward and Windward Islands where grants-in-aid form one-fourth of annual recurrent expenditure, and the entire capital budget is financed from overseas (see the country surveys of the British Development Division in the Caribbean of U.K. Ministry of Overseas Development).

In effect in the island territories of the Caribbean inflation has not been a serious problem, with the exception of the past recent years. Up to then prices had increased by 1–2 per cent annually in the Netherlands Antilles, Antigua, Barbados, and Haiti; by 2–3 per cent in Trinidad and Tobago, Surinam, and Puerto Rico; and by 4 per cent in the French Antilles. To a large extent local price increases were tied to price developments of imported commodities. This is clearly the case of the Netherlands

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

Antilles and the French Antilles. In the former, import prices were virtually stagnant; in the latter, imports from France had experienced sharp price increases due to developments in the French economy. This today is the case of Puerto Rico as well. Moreover, the monetary systems in all countries have been tied directly to international hard currencies which have prevented strong monetary pressures. Following the devaluation of the pound sterling in 1967, the British Caribbean currencies have also been devalued (with the exception of the Bahamas). This has made imports much more expensive in the British Commonwealth Caribbean, especially considering the shift of the geographic pattern of trade from the United Kingdom to the United States. In addition, in 1968 Trinidad and Tobago freed their sterling balances, i.e. declared them to be foreign assets rather than sterling assets. This meant that banks (mostly subsidiaries of British banks) were now in possession of liquid foreign assets which could be lent; and the lending has expanded consumer credits more than anything else. One result has been further pressure on prices and also increases in imports, which explains the Tripartite Commission's concern to curtail the rapid rate of growth of personal consumption expenditures and to redress the balance of payments.

Because of the special circumstances of each country, extensive attention is given to control of inflationary pressure in Colombia and Venezuela. The Colombian economy has experienced a relatively strong inflationary trend (of more than 12 per cent per annum) accompanied by trade imbalance, devaluation, and capital flights, all aggravated by budget deficits financed by the central bank (OAS/IDB, 1965b; Echevarría, 1967). This explains the great concern of most writings for adequate budgetary resources to contain inflationary pressures, some accompanied by considerations of growth (Bird, 1968c, 1970), as well as a more cyclically oriented investment program and prevention of revenue-sacrificing changes in good years and seeking of new taxes in bad (Levin, 1968b). The Venezuelan economy is extremely vulnerable to changes in oil prices and output which are beyond its control. Hence taxes are very sensitive to changes in prices and output (Malave, 1964). However, the sensitivity of the tax system cannot be counted upon to be an appreciable counter-cyclical influence in the case of fluctuations originating in the non-oil sectors. The major concern of fiscal policy in the Dominican Republic in recent years has been to reduce if not eliminate budgetary deficits in order to neutralize inflationary pressures. At all levels of government—central government, decentralized agencies, autonomous institutions, municipalities—deficits in current accounts are common. There has been an attempt to increase the level of public consumption to correct the imbalance in overall demand due to the growing private consumption as a result of wage adjustments, inasmuch as concern over inflationary pressure had dwarfed all other development objectives (see CIAP and IMF country reports).

The need for more fiscal revenue in the face of growing ex-post and ex-ante budgetary deficits has tilted the discussion towards tax aspects. For the attempt has been either to close the actual expenditure-revenue gap or it has been sacrosanctly assumed that planned capital expenditures for growth will necessarily entail further

increases in recurrent expenditures (Robinson, 1966). Almost resigning himself to his fate, so to speak, the researcher has emphasized discussion in especially three tax areas: new taxes; restructuring of the existing tax system; and introduction of efficient tax administration to increase collections by eliminating evasions and actually enforcing the statutes.

There has been no corresponding analysis quantitatively assessing the cost-effectiveness, for example, of public spending and inquiring into whether the same service could have been provided at a lower cost, thus leading to a slower growth in public expenditures. The only exception is perhaps the study of public enterprises, whose inefficiency in some countries is notorious and whose operational deficits are consequently large. This particular attention may partly be explained by the existence of accounting data on these enterprises, which reveal their revenues and expenditures and their degree of profitability. However, the rapid rate of growth of public expenditures is not usually due to the growth of the deficits of such enterprises, but rather to that of recurrent expenditure on various social services. The analysis of public expenditures as such in global or partial surveys is a complicated exercise, for the measurement of the benefits of public expenditures lies in nebulous spheres where not only is it impossible to identify the output of the public sector, but once identified, the measurement of the output itself is very difficult, as opposed to manipulations in taxes and their economic repercussions. For example, what can be said to be the product of health services? A cured patient? The number of patients treated, cured or not? The number of hospital beds? What exactly is the output of education? A diploma? The discounted value of a higher future income? The questions are numerous, but the answers not so conclusive.¹⁸

In contrast, given the spending on public services and any rate of increase therein, changes in taxes are a tangible object, one that can almost be held in one's hand, so to speak, that can be dealt with qualitatively, as well as quantitatively, one whose quantitative effects on private output and its distribution, spending, saving, imports, exports, etc., can be indicated with some degree of accuracy, provided, of course, relevant statistical information exists and the cost of obtaining and manipulating such information are not astronomical.¹⁹ The Venezuelan Committee to Study Public Expenditure (1967) is perhaps a leader in stressing the need for special and in depth studies of cost-effectiveness of public expenditures and provides a wealth of related information. This certainly is a welcome development.

The three tax areas mentioned above ultimately lead to the expansion of the tax base, while considering at the same time problems of elasticity and equity. Robinson explicitly states that fiscal reform is the enlargement of the tax base (accepting the need for development incentives) through improving tax collection methods and introducing new taxes. Best (1970) makes a similar point for Guatemala.

All writings relating to the region in question stress the inelasticity of the revenue system in response to changes in money national income. This is due in all countries mainly to four major reasons. One is the existence of incentive legislation to attract and promote private investment (as will be dealt with in the subsequent

section). The second is the shrinking of the tax base of certain taxes, such as import duties (Levin, 1968a), because of import substitution policies which have not so much succeeded in reducing imports but, again through incentive legislation, have succeeded in reducing the base on which such taxes are levied. The third reason lies in the nature of taxes collected that have no bearing on changes in national income. The shining examples are the 'centimes' in the French Antilles (Andic, 1965; Cotteret, 1962), and they do constitute a relatively large share of total revenue of local governments, i.e. departments; and property taxes in all areas, for the solution of the rigidity of which index adjustments have been proposed and discussed (Hicks, 1955; Bird, 1966a; Holland, 1966, 1970). A fourth factor can be found in the erosion of the 'net' tax collection because of the innumerable taxes on hundreds of commodities and services whose collection costs more than the revenue they yield (Coschiani, 1962 and Honduras. Banco Central, 1952; British Virgin Islands, 1967; OAS/IDB reports, etc.).

A simple calculation of the rates of growth of tax collection in response to GNP over a sufficiently long period of time obviously is indication enough of the inelasticity of the tax system (see also survey reports by UN/ECLA and development plans of the countries). The only extensive analysis that the authors are aware of, a comparison of income elasticity of income taxes between Puerto Rico and Jamaica, is that of Tirado (1965), who finds that income taxes are somewhat elastic in both countries, the elasticity being higher in Jamaica than in Puerto Rico. The difference is explained by the higher corporation rates and less generous incentive legislation in the former country.

The general concern with higher revenue needs has led some researchers into the assessment of actual and potential tax performance of developing countries and into discovering, through aggregative statistical analysis, the underlying economic and other factors which presumably account for differences in tax ratios and tax structures (Lotz & Morss, 1967; Chelliah, 1971). Indices of relative tax effort (relative in terms of a country's standing within the group of less developed countries selected) have been developed by which a country's performance is judged to be good or bad if the level of the index stands appreciably above or below unity. This index combined with income elasticities of total tax revenue would provide an appropriate evaluation of the tax performance. Thus, an above average tax effort index combined with a high elasticity coefficient would account for a successful tax performance. Accordingly, Guyana and Jamaica have a good ranking with an income elasticity of the tax system of 1.5 and a performance index of unity, while Honduras, Guatemala, Colombia, Trinidad and Tobago, and Costa Rica do not (Chelliah, 1971). These statistical exercises, although indicative of general areas of concern, are too general to be of use for policy formulations for the achievement of development objectives in an individual country. It is much more preferable to examine the elasticities of individual taxes, narrowing down the scope even further to the relationship between tax yield and tax base (Hinrichs, 1971 and Best, 1970).

The general concern with higher revenue needs has also not overshadowed two

aspects of principles of taxation. One is equity, the other is benefit taxation. In the case of equity, the concern has been more with vertical equity—as has been examined in paragraphs dealing with distribution and redistribution of resources—rather than with horizontal. In this connection the criticism is made that schedular taxes are impersonal and therefore do not treat equals equally (Freyre, 1965).²⁰

A recommendation for the principle of benefit taxation is seen in the case of the Bahamas (Musgrave, 1968) under the specific circumstances of the islands. Since in the Bahamas a substantial share of customs receipts is spent on public services for the tourist industry, the mainstay of the islands, a charge is recommended specifically on the tourist industry, even though such charge may not match the expenditures made on its behalf.²¹ Benefit taxation is also recommended for financing certain types of expenditures, such as those on urban services where there is a tangible relationship between the mean and the benefits (Rhoads & Bird, 1967).

Another interesting feature of proposals for tax change in the Caribbean is the use of earmarked taxes (so vehemently abhorred in earlier literature) to attain developmental objective. One such example is given in Colombia (Musgrave, 1969) where it is recommended that revenues from property taxation be earmarked for financing elementary education. Underlying the proposal is the understanding that the major factor for unequal distribution of incomes is an unequal distribution of wealth. It is thereby suggested that through increased elementary education the unequal distribution of wealth will be remedied to a certain extent (assuming after all that education is investment in human capital) and returns to capital will be more equally allocated, leading to an improved distribution of income.

FISCAL INCENTIVES

Fiscal incentives have, in recent history, occupied an inexorable part of the fiscal programs of many developing countries. The reasons for granting such incentives are twofold: either to reduce the cost of investment and thereby its risk, or to increase the rate of return on the investment made, both of which amount to the same thing. Two aims are expected to be realized thereby: added investment and/or expansion of existing capacity; and the redirection of investment towards production priority industries. Other than tariff protection the most widely used incentives are income tax exemption, commonly known as tax holiday, accelerated depreciation, which can be regarded as a variation on the tax holiday, and exemption from mainly import duties.²²

Research in fiscal incentives has found a large response in practice. Whether involving general considerations as to their form and effectiveness (Lent, 1967; Heller & Kauffman, 1963; Mendive, 1964, for instance) or providing detailed analysis of a single country's experience or relating to a comparative evaluation of the programs of a group of countries (Taylor, 1957; Ross, 1957; Chen Young, 1967; Prest, 1957; UN/ECLA, 1969a, etc.), most studies have concluded that such incentives are ineffective (Mendive, 1964, for instance), incorporate elements which conflict

with the requirements of development (Francis, 1968; Chen Young, 1970; Prest, 1957, 1960), and may be costly if put to the test of a cost-benefit calculus (Chen Young, 1967, 1970; Francis, 1968; Lent, 1967; Heller & Kaufman, 1963; Taylor, 1954; Hinrichs, 1971).

The main argument for the ineffectiveness of fiscal incentives is that an enterprise which expects to obtain high profits in the absence of incentives would not need additional stimulus for its establishment (Schreiberg, 1965). The provision of incentives under such circumstances would constitute unfair tax discrimination. On the other hand, if there are no profit prospects, they cannot be conjured up by tax exemptions. For all practical purposes then the effectiveness of incentives would be confined to activities with low profit prospects (Mendive, 1964).

Considerations of the elements conflicting with development requirements relate to the effects of the incentive programs on employment creation, on the balance of payments, on erosion of government revenues, and on limited contribution of preferentially treated industries to the economy as a whole.

A generalized system of incentives often does not reflect the particular requirements and industrial potential of the country and may be quite inappropriate and ineffective in encouraging local factor utilization, especially labor. With the exception of Surinam, where a comprehensive incentive system has been introduced (Andic & Andic, 1968), none of the countries in question has an incentive program which is explicitly and directly geared towards generating employment, i.e. greater use of the surplus factor, by, for example, varying the investment allowance with labor intensity. In 1957, Prest argued that when capital is scarce and labor plentiful the right general principle is not the labor-saving but rather the capital saving one. He questioned the rationale of provision for accelerated depreciation rates, which insofar as they represent an interest-free loan to industrialists, encourage the use of capital intensive methods for any one project and those industries which are more than normally capital intensive.²³ Similarly Shoup (1959), while maintaining that protective tariff walls could lead into a shortage of capital, found a justification for protection in the near-to-zero social opportunity cost of labor when capital was very scarce; thus the need to give preference to labor intensive methods in manufacturing industries competing with imports. (We should note that the OAS/IDB surveys on Panama and Colombia do not dwell upon the employment creation aspect of development objectives). Chen Young (1970) in his brief survey of Puerto Rico, Antigua, Barbados, Trinidad and Tobago, Jamaica, and the Central American countries concluded that because of changes in relative factor prices resulting from favorable discrimination of capital both in the tariff structure and in the provisions for investment allowances, accelerated depreciation allowances, and several types of tax exemptions, there is a distinct bias in favor of greater use of capital relative to labor, notwithstanding the fact that capital and labor may not be substitutable for various operations. Granted, given the economic circumstances of the countries, incentives alone are not sufficient for employment creation; however, one of the major criteria for providing the most generous benefits ought to be employment in labor surplus economies if

social and economic instability is to be avoided. Hence a restructuring of the incentives policy to that end would at least set the proper framework. These considerations also underly the arguments of UN/ECLA (1969a), which maintain that incentive policy must directly articulate the relative supply position of various factors and seek to secure maximum employment of the relatively abundant factors. The Tripartite Committee to Review the Fiscal Policy of Trinidad and Tobago (1969) also adhere to the same position in recommending the discontinuation of investment allowances and revision of accelerated depreciation allowances in accordance with the development objective of promoting, where feasible, labor intensive industries. An interesting variation in employment promotion is the case of the U. S. Virgin Islands (Oldman & Taylor, 1970) where, because of the preponderance of aliens in the labor force, incentive legislation is geared towards hiring local manpower.²⁴

The incentive programs of all the countries concerned contain provisions for the promotion of exports in order to achieve growth and to redress the balance of payments deficit which occur for reasons related as well as unrelated to such provisions. Special incentives are offered not only to encourage home based industries to venture into the export market but for the establishment of enclave industries which manufacture exclusively for export. UN/ECLA (1969a) is in favor of such selectivity (in addition to others) while Chen Young (1970) maintains that the requirement, in Barbados and Jamaica, for example, that total production be exported to be eligible for benefits results in the foreign ownership of nearly all companies operating under these laws, a view corroborated for the case of Guatemala (Pimentel, 1969).²⁵ Increased dependence on foreign investment could then mean a continued or increased level of outflow of factor payments and commit the governments to allow free repatriation of the original capital; and corrections in the balance of payments need not necessarily occur.

We know of only one study which attempts to indicate quantitatively the balance of payments implications of incentive programs (Chen Young, 1967). The author examines the economic contribution of some industries (as defined by SIC categories) and quantifies the social marginal product that corresponds to their operations.

Meaningful measurements of the incentive program are difficult to make. They require an extensive appraisal of whether or not investment in some activity can be or has been fostered either by reducing import duties on capital goods or by increasing the level of protectionism on the final goods produced locally in order to encourage import substitution. They also require the assessment of the net effects of tax holidays on the flow of funds to a specific sector or sectors.

Moreover, relevant and complete information to evaluate incentive programs in terms of their costs and benefits, i.e. in terms of their impact on the public budget, private investment, employment, value added, and balance of payments, does not exist for all countries. Even if it did, it would have been impossible to determine conclusively the success or failure of any incentive program simply because we cannot know what the record would have been in its absence.

Nevertheless, attempts have been made to indicate the magnitude of the costs

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

and the benefits of such programs quantitatively as well as qualitatively. Quantitative evaluations have distinguished between costs and benefits to the government (Chen Young, 1967; Ross, 1957; Taylor, 1957) and those that accrue to the economy as a whole (Chen Young, 1967; Taylor, 1957; Armstrong, 1967). The evidence is rather inconclusive and varies from country to country. In Puerto Rico the overall impact is one of success (Ross, 1957; Heller & Kaufman, 1963) which is regarded as being primarily the result of its tax holiday (Barton, 1959; Moscoso, 1953) as well as of the attraction offered by relatively low wages (Taylor, 1957). This success has received qualified acceptance in that the experience is said to have been one of regional rather than national development since Puerto Rico is economically integrated into the U. S. market (Mendive, 1964), and there was a unique conjuncture of economic, political, and psychological circumstances (Taylor, 1954). Yet, Martinique and Guadeloupe, which are more of a region of France than Puerto Rico is of the United States, have not had the same success from their fiscal incentives program for industrial development (Andic & Andic, 1965). In Central America tariff protection of import substitutes and other factors have been found to be much more important than tax incentives in bringing about a favorable investment decision (Schreiberg, 1965). In Jamaica costs to the government have been found to exceed benefits, while the reverse was true for the economy as a whole (Chen Young, 1967). All this indicates that there is no innate characteristic of a fiscal incentive program which assures its automatic success; rather each country has to tailor a program, if necessary, according to its special circumstances and requirements.

Qualitative studies evaluating the impact of incentive programs may throw much light on the general and particular aspects of the programs as well as on the economies within which they operate. The information thus obtained, when combined into an appropriate perspective, may succeed in designing the most appropriate incentive system. Such qualitative studies, which take the form of surveys inquiring into the views of businessmen, have been made in Puerto Rico (Taylor, 1957), Central America (Schreiberg, 1965), and Trinidad and Tobago (Francis, 1968); they would be extremely useful in future policy formulations for the achievement of developmental aims.

Tax incentive schemes have proliferated and rivalry has increased among countries to attract foreign investment. There is much concern over the possible undesirable consequences of such competition. Moreover, two economically integrated blocs have been formed in the area: CARIFTA and CACM. The sustained development of such blocs in harmony and without serious conflicts between opposing economic interests requires efforts to harmonize the differences in fiscal systems and to examine seriously the compatibility of several measures which are applied indiscriminately in the member countries. We now turn to this last aspect of our survey and commentary.

FISCAL HARMONIZATION

International economic theory and policy took a sharp turn in mid-twentieth cen-

tury in laying great emphasis on the study of economic integration among nations. Not only did a strong concentration of the tenets of the various branches of economic theory upon a single aspect of the economic scene take place, but integration, as a common action to eliminate barriers between nations, has come to be looked upon as a politically powerful instrument in achieving various objectives in both the developed and the developing nations. The latter look upon it as a *modus operandi* of overcoming poverty and ultimately breaking through their centuries-long economic stagnation and dependence upon industrial countries.

The various regional groupings formed, among them CACM and CARIFTA, have been searching for and have partially found solutions to a number of problems which arise from the association of individual sovereign nations to achieve a harmonious cooperation without actually giving up their sovereign rights. Among such problems is that of a common fiscal policy and harmonization of budgetary measures according to the form of integration agreed upon; but whatever the form, there are bound to be differences in the public finances of the member countries. The relative importance of public receipts and expenditures with respect to GNP may vary; the taxable capacity of one member country may be larger than that of another; one country may rely more on indirect taxes than another; the nature of direct and indirect taxes may differ; the public expenditures may reveal an entirely different pattern or magnitude.

One would speak of fiscal harmonization in the public finances when a series of tax and expenditure measures of the member countries create the same impact on their economic activities. Fiscal harmonization is quite distinct from, and should not be confused with, fiscal uniformization. The latter involves the same rates on the same types of taxes and the same expenditure patterns and magnitudes, whose incidence in the respective economies might be very different from one another, owing to the differences in the structure of the economies. For instance, if it is asserted that the tax system should not interfere with the best location of production and consumption in an integrated area, fiscal harmonization implies that the effects of taxes or effective rates must be equalized but *not* the formal rates. Or if the shifting possibilities are different in the two member countries, in order to have an equal effect on cost and profits, different taxes or the same tax with different rates (say a sales or a value added tax) may be required. Again a number of examples can be given to show that government expenditures in different member countries may be of different magnitudes as well as of different compositions in order to be able to achieve the same impacts. All this implies a theory of public finance in pursuing policies which will impede least the movement of goods and factors within the integrated area, leave an equal effect on similar economic activities carried out in different members, and promote economic growth by providing incentives where incentives are due. If the goals of the regional grouping are to be realized, changes are required in the fiscal sphere relating to domestic taxation, public expenditures, provision of fiscal incentives, and sharing of cost of supra-national public expenditures among the member countries.

This approach is analogous to that sought for in fiscal surveys, in that given the

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

objective function of the integrated community specifying the rate of economic growth to be achieved, the acceptable degree of stability in incomes and prices, employment, balance of payments, and equity considerations, the task to fulfill is the specification of the budgetary changes required. If the changes turn out to be unacceptable, then at least it will have been shown that the ultimate objectives of policy are inconsistent with one another under the prevailing conditions.

The logical conclusion of the above comments is that meticulous research for tax and expenditure harmonization is extremely difficult to carry out, which may, in turn, explain the dearth of writings on the subject. An added factor is, of course, the fact that such bloc formations are new. (Effectively, CACM dates from 1961 and CARIFTA from 1968).

The members of CACM offer identical fiscal incentives for industrial development by virtue of the San José Convention of 31 July 1962, which entered into effect on 23 March 1969. They may not offer additional incentives over and above those specified in the convention. The only exception is Honduras, which being the least economically developed of the five is permitted to grant, for instance, longer periods of exemption.²⁶ There are no rules for harmonizing income taxes, but the idea of a common income tax policy is accepted and SIECA is carrying out work on the subject.

The CARIFTA agreement similarly stipulates (Art. 23) that no member may introduce more generous tax concessions than the most generous already existing and gives authorization to the CARIFTA council to recommend, on its own initiative, proposals for the approximation of tax incentives with the free trade area. The long-term objective is the harmonization of industrial incentives in the region on a rational basis which could enhance increases as well as reduction in concessions already being offered.

Research and writings on the subject matter do not go very much beyond general considerations, the synopsis of which is given in the two previous paragraphs. CABEI (1968) gives a general description of the scheme; Gillim (1967) emphasizes that fiscal incentives need particular attention in relation to fiscal harmonization. Most of the works are descriptive in nature. The most important piece of analysis is the report by UN/ECLA (1969a) which proposes a general outline for a scheme of harmonized fiscal incentives within CARIFTA, in analogy to the CACM Convention. Taking into consideration the need for export promotion, labor intensive industries to generate employment, and increased domestic savings, the report recommends differential treatment of industries within a given member according to these three criteria, in addition to differentiated treatment of the same industry among members according to the level of economic development. It adds a third differentiation principle, to be applied uniformly in the area, according to the proportion of value added locally by a given operation. One further recommendation is the reduction of tax concessions to lower the revenue-sacrifice cost of such programs, in view of the deficitary public budgets prevailing in all member countries.

OAS/IDB has done studies with the specific purpose of proposing a tax harmonization scheme for CACM and of analyzing each member's tax system within the

Latin American Research Review

proposed framework. There is no writing yet on considerations of public expenditures, nor on quantitative implications of tax and expenditure harmonization for development requirements.

CONCLUSION

Research and writings reviewed in the present commentary on the role of the public sector on economic development appear to be heterogeneous; however, common elements are discernible. There is a preponderance of research, mainly on taxation, financed and motivated by international and/or regional organizations. There is a relative abundance of tax studies commissioned by individual governments, each with an emphasis that depends upon the approach of the person or team in charge. But there is a scarcity of research in global budgetary problems, whether independently carried out or commissioned. The scarcity of independent research stems from various reasons, but one reason alone overpowers the others: the costliness of research on a scale to embrace all aspects of the budget. There is a good case to be made, therefore, for further research in the field consistent with and complementary to a well-rounded sphere of government action, fully integrated with development objectives.

Undoubtedly, research and writings of the past two decades have added considerably to our knowledge, even though they may not have yielded as much in operational results. There are serious political difficulties and obstacles in implementing reform proposals or changes. But part of the fault lies in the unfulfilled need for in-depth studies, within the perspective of the objective function of development, rather than in a vacuum. This is especially true of the field of public expenditure, which is even more of a political thorn than taxation. But unless the cost-effectiveness of government expenditures on public services can be evaluated, there is no way of finding out truly the effect of any tax changes on the economy. The definition of such expenditures are wide enough to include tax-subsidies which have mushroomed in all countries under the disguise of fiscal incentives. After many years of operation we are still in the dark, as it were, on the overall efficacy of such schemes.

Finally, there is a newcomer to the field as well as to the region, but especially to the island-Caribbean: fiscal harmonization, its understanding, evaluation, and implementation. It is indispensable that politicians and scholars alike look carefully into the fiscal readiness of their public sector vis-à-vis common incentives, common customs duties, and harmonized taxes and expenditures. There is no doubt of the desirability of immediate awakening of intellectual curiosity and interest in this respect.

NOTES

1. Research and writings on Cuba have been excluded from the present bibliographical survey. The exclusion stems partly from Cuba's political isolation in the region, in that Cuba adheres to a different political system and organization in which the public sector has acquired a distinct active role from that of the remaining countries. In consequence research and writings on the public sector of the pre-Castro period lose their relevance. Since the revolution of 1958, research in Cuba on the subject matter, if any, is inaccessible, and outside Cuba nonexistent.

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

2. See, for instance, IDB/INTAL. *Las alternativas de la República Dominicana frente a la integración económica de América Latina*. Informe preparado por Ramón Tamames Gómez. Santo Domingo/Buenos Aires, 1967.
3. This regional definition of the Caribbean is identical with that of the Institute of Caribbean Studies of the University of Puerto Rico.
4. Ideally, the differential impact of the budget upon private expenditure decisions should be computed and considered. The sum of the direct and indirect impact of each tax, expenditure, and transfer upon aggregate output would be the measure of the leverage exerted by the fiscal system as a whole (Musgrave, 1964). This is a very difficult exercise, since such effects cannot be estimated reliably and differ in the short and the long run.
5. The authors are aware of the existence of two fiscal surveys prepared by the firm Deloitte, Robson, Morrow & Co. of London for the Governments of Antigua and Dominica. At the time of writing copies of these could not be obtained, since official clearance had not yet been given by the respective Governments.
6. The appropriate chapters of the various IBRD reports are sketchy, as are O'Loughlin (1968), David (1969), Pierre-Charles (1965), and OAS/PAU/ICAP reports on external financing. The case of the British Virgin Islands is to a certain extent justifiable. The development potential is seen only in international finance à la Bahamas, tourism which already exists, and in very light industries which have an extremely narrow base. Given this limited potential for development, the emphasis necessarily becomes a planned fiscal structure so that recurrent and eventually capital assistance can be dispensed with. Therefore, the Fiscal Review Committee examines the tax structure and makes recommendations to increase revenues.
7. There is much to learn from their analysis of the complete inadequacy of the country's accounting system in providing the information needed for planning and policy making.
8. Under assumptions of limited types of economic growth (because of the miniature size of the islands), an aimed level of employment, a desired level of public capital programs, a balanced budget, and inappropriateness of income taxation. (In fact, the Report recommends that the Government declare the intent not to introduce direct taxation—excluding land and property taxes.)
9. On the basis of assumed marginal propensities to consume and import content of investments.
10. We should note that the balance of payments for Puerto Rico and the French Antilles does not have the same connotation as it does in other areas, since the former is, for all practical purposes, a region of the economy of the United States, and the latter are departments of France, and hence also internal regions.
11. It is interesting to note, that in 1950 Wolfgang F. Stolper in an article entitled "Notes on the Dollar Shortage" (AER, 40: 285–300) discussed the possibilities of an import multiplier in connection with postwar European circumstances. Still earlier in 1943, J. J. Polak in his "Balance of Payments Problems of Countries Reconstructing with the Help of Foreign Loans" (QJE, Vol. 57) fervently argued for export-oriented growth.
12. Our italics, for in the first case, according to the figures provided by the author, the arithmetical effect is more of proportionate taxation, which according to vertical equity and ability to pay principles may be considered regressive; and in the second case the difference in the redistribution in favor of lower income groups is only of 3.6 percentage points.
13. The allocation of tax burdens and expenditure benefits to the appropriate income brackets is a complicated exercise and provides only a rough indication of the direction of change because of the inherent methodological and conceptual difficulties. An explanation of such difficulties may be found in Andic (1964); in A. H. Conrad, "Redistribution through Government Budgets in the United States," In: *Income Redistribution and Social Policy*, A. T.

Latin American Research Review

- Peacock, ed. (London, 1954); and in A. R. Prest, "Statistical Calculations of Tax Burdens," *Economica* (Aug., 1955).
14. See Canada. *Report of the Royal Commission on Taxation* (Carter Report). (Ottawa: The Queen's Printer, 1966); also Richard M. Bird, "The Tax Kaleidoscope: Perspective on Tax Reform in Canada," *Canadian Tax Journal* (Sept./Oct. 1970), 455–456; and D. Dossier, "Indirect Taxation and Economic Development," In: *Government Finance and Economic Development*, A. T. Peacock, ed. (Paris: OECD, 1965).
 15. If especially high, excises on luxury commodities curtail importation of such products.
 16. The Musgrave report actually proposes the introduction of an income tax, but does not enter into its technicalities, since it does not find it feasible.
 17. See R. Prebisch, "Commercial Policy in the Underdeveloped Countries" (AER, 49: 2), 251–273; and *idem*, "Economic Development or Monetary Stability: The False Dilemma" (EBLA, 6: 1), 1–25.
 18. For interesting conceptual and statistical examinations, see the essays by Peacock, Contini, and Hutton in Peacock (1969).
 19. We should note that over time the theory of public finance has been able to develop quantitative theories of taxes and tax behavior, whose contents naturally have changed according to changing economic circumstances of the times. But the theory of public expenditure is still in its making. And well-tested theories on the behavior of public expenditures, such as Wagner's law, do not seem to hold for the six Caribbean countries (Goffman & Mahar, 1971), although there are indications in individual countries of a certain degree of concentration effect (Thomas, 1963).
 20. Freyre argues that schedular and complementary taxes *together* make the tax burden more equitable, although the statistical example to verify his contention (Table 15) is irrelevant in that it assumes that the relative shares of the components of income (wages, professional income, interest, etc.) remain constant as the level of income rises.
 21. Uses of the benefit principle in certain types of indirect taxation are not rare, such as discrimination between vehicles in terms of weight in determining their license plate fees, on the assumption that a heavier vehicle uses up the road more than a lighter one. They have also been recommended (Andic, 1971), though not necessarily implemented in all the Caribbean countries. Surinam is one of the exceptions (Andic & Andic, 1968).
 22. All the major surveys of fiscal systems of individual countries in question contain descriptions of the fiscal incentive program existing at the time. These can also be found in: Chen Young (1967, 1970), Pimentel (1969), Tonos (1969), UN/ECLA (1969a), Armstrong (1967), Francis (1968), Taylor (1954, 1957), Heller & Kauffman (1963), Oldman & Taylor (1970), SIECA (1963), Arango Londoño (1968). For a general and detailed examination of the factors influencing investment incentives, their types and different provisions see Lent (1967), Andic (1968), Heller & Kauffman (1963), and Mendive (1964).
 23. Prest obviously recognizes exceptions to this general principle, especially when capital is specific in character and when companies provide their own capital funds on condition that they be allowed to use the production methods to which they are accustomed.
 24. To benefit from tax and other advantages, enterprises must hire at least 75 per cent of their workers from local residents.
 25. One interesting aspect of foreign ownership is the onus it puts on capital exporting countries to match reliefs granted at the place of investment. Unilateral action by a capital importing country alone without the complementary action of the other is likely to be ineffective and wasteful, since it would only be a device to transfer revenue from the treasury of the developing country to that of the country of origin of the investment (Andic, 1968; Francis, 1968).

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

26. Extractive industries, fishing, agriculture, services, and manufacture of building materials for low cost housing are excluded from the common incentive policies. The remainder are divided into three groups with differentiated benefits given to them according to the importance attached to such activities. Detailed description of the Fiscal Incentives Convention can be found in, for example, Watkin (1967), Wardlaw (1966), Baca Muñoz (1968).

BIBLIOGRAPHY

- ADLER, JOHN H., EUGENE R. SCHLESINGER, AND E. C. OLSON
1952 Public Finance and Economic Development in Guatemala. Stanford: Stanford University Press. 282 p.
- ALMEIDA, JOSE
1968 Incentivos fiscais e desenvolvimento industrial na América Central. RBE, 22: 2: 53-71.
- ANDIC, FUAT M.
1963 The Measurement of Inequality in the Distribution of Taxable Income in Puerto Rico, 1955-58. SES, 12: 1:72-77.
1964 Distribution of Family Incomes in Puerto Rico. Río Piedras: Institute of Caribbean Studies, Univ. of Puerto Rico. Ch. VII: Distribution of Income in Puerto Rico and Government Finance, 116-135.
1967 Fiscal Aspects of Economic Integration with Special Reference to Selected Caribbean Countries. In: Caribbean Integration. Río Piedras: Institute of Caribbean Studies, Univ. of Puerto Rico. 38-57.
1968 Fiscal Incentives: A Brief Survey. SES, 17: 1, 35-48.
1972 Phases of Fiscal Reform: The Case of Puerto Rico. FA, 31: 2 (in print).
- ANDIC, FUAT M. AND SUPHAN ANDIC
1965 Fiscal Survey of the French Caribbean. Río Piedras: Institute of Caribbean Studies, Univ. of Puerto Rico. 108 p.
1968 Government Finance and Planned Development; Fiscal Surveys of Surinam and the Netherlands Antilles. Río Piedras: Institute of Caribbean Studies, Univ. of Puerto Rico. 395 p.
- ANDIC, SUPHAN
1968 Economic Development and Fiscal Requirements; the Case of Surinam. FA, 27: 3: 504-520.
- ANDIC, SUPHAN, AND ALAN T. PEACOCK
1966 Fiscal Surveys and Economic Development. K, 19: 4, 620-641.
- ARMSTRONG, ERIC
1967 Import Substitution in Jamaica and Trinidad and Tobago. Part A: Incentive Legislation in Trinidad and Tobago. Mona: Univ. of the West Indies. Institute of Social and Economic Studies.
- ARANGO LONDOÑO, GILBERTO
1968 Incentivos tributarios en Colombia. In: Centro de Investigación Acción Social, 50-84.
- BACA MUÑOZ, MAURICIO
1968 Estudio introductorio al problema de la armonización tributaria en el mercado común centroamericano. San José, Costa Rica: ICAP (ICAP/CAP/CR/211/150/68-1804. Mimeo.). 80 p.
- BACCHUS, M. K.
1969 Patterns of Educational Expenditure in an Emergent Nation: A Study of Guyana, 1945-65. SES, 18: 3: 282-301.
- BARBADOS
Annual Financial Statement and Budget Proposals. Bridgetown: Government Printing Office.

Latin American Research Review

- BARBADOS. OFFICE OF THE PRIME MINISTER. ECONOMIC PLANNING UNIT
Annual Economic Survey. Bridgetown: Government Printing Office.
(n.d.) Development Plan, 1969–72. Bridgetown: Government Printing Office. 178 p.
- BARKER, ROBERT M.
1950 Puerto Rico's Program of Industrial Tax Exemption. *GWLR*, Vol. 18.
1952 Tax Exemption as a Means of Attracting Industry. *GWLR*, Vol. 20.
- BARTON, H. C.
1959 Puerto Rico's Industrial Development Program 1942–1960. Paper Presented at the Center for International Affairs, Harvard Univ.
- BAUDENDISTEL, JOHN W., ROBERT G. MOUNTAIN, AND GONZALO DIAZ
1963 Tax administration and modernization program for the Republic of Honduras. Tegucigalpa: USAID (Mimeo.)
- BEST, MICHAEL H.
1970 A Tax Bases Approach to Measuring Tax Capacity: A Case Study of Guatemala. (Mimeo.). 64 p.
- BHATIA, MOHINDER S.
1960a Redistribution of Income through the Fiscal System of Puerto Rico. San Juan: Puerto Rico Planning Board, 49 p.
1960b Tax Exemption in a Developing Economy. *NTJ*, 13: 4: 341–349.
- BIRD, RICHARD M.
1966a Local Property Taxes in Colombia. In: Proceedings of the 58th Annual Conference of the National Tax Association, 1965. Harrisburg. 481–501.
1966b Tax-Subsidy Policies for Regional Development, *NTJ*, 19: 2: 113–124.
1967 Stamp Tax Reform in Colombia. *BIFD*. June, 247–255.
1968a Coffee Tax Policy in Colombia. *IAEA*, 22:1: 75–86.
1968b Income Redistribution, Economic Growth, and Tax Policy. In: Proceedings of the Sixty-First Annual Conference on Taxation. Harrisburg: National Tax Association. 146–152.
1968c Sales Taxation and Development Planning. In: Papanek, 1968, 239–266.
1970a Income Distribution and Tax Policy in Colombia. *EDC*, 18: 4: 519–535.
1970b Optimal Tax Policy for a Developing Country: The Case of Colombia. *FA*, 29: 1, 30–53.
1970c Taxation and Development; Lessons from Colombian Experience. Cambridge: Harvard Univ. Press. 277 p.
1971 Agricultural Taxation in Developing Countries: Theory and Latin American Practice. Paper prepared for the Conference on Fiscal Policy for Industrialization in Latin America. Gainesville: Univ. of Florida, February 17–20. (Mimeo.)
- BIRD, RICHARD M., AND OLIVER OLDMAN
1964 Readings on Taxation in Developing Countries. Baltimore: Johns Hopkins. 556 p.
1967 Readings on Taxation in Developing Countries. Revised edition. Baltimore: Johns Hopkins.
1968 Tax Research and Tax Reform in Latin America—A Survey and Commentary. *LARR*, 3: 2: 5–23.
- BOLETIN DE LA INTEGRACION
1970 Problemas fiscales de la integración económica latinoamericana. 5: 56: 423–426.
- BRAND, LEO
1968 ¿Tienen los impuestos indirectos una justificación en economías subdesarrolladas? In: Centro de Investigación Acción Social, 198–217.
- BRITISH VIRGIN ISLANDS
1968 Position Paper on the Report of the Fiscal Review Committee (Mimeo.) 7 p.
- BRITISH VIRGIN ISLANDS. OFFICE OF THE FINANCIAL SERETARY.
1967 Report of the Fiscal Review Committee. Tortola (Mimeo.) 63 p.

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

- CABALLEROS, JORGE LUCAS
1967 Estudio sobre el impuesto sobre la renta en Guatemala. Guatemala: Instituto de Investigaciones Económicas y Sociales, Facultad de Ciencias Económicas.
- CABEI (CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION)
1968 Investment opportunities in the Central American Common Market. Tegucigalpa, Honduras. 65 p.
- CENTRO DE INVESTIGACIONES ACCION SOCIAL
1966 Impuesto y desarrollo económico de Colombia. Bogotá: Ediciones Tercer Mundo, 236 p.
- CHANG, WILFRED S.
1967 Recent Experience of Establishing Land Value Taxation in Jamaica. In: International Seminar on Land Taxation, Land Tenure and Land Reform in Developing Countries, Archibald M. Woodruff, et al., eds. West Hartford, Conn.: John C. Lincoln Institute, Univ. of Hartford. 210–238.
- CHELLIAH, RAJA J.
1971 Trends in Taxation in Developing Countries. IMFSP, 18: 2: 254–331.
- CHEN YOUNG, PAUL L.
1967 A Study of Tax Incentives in Jamaica. NTJ, 20: 3: 292–308.
1970 Report on the Role of Fiscal Incentives for Employment Promotion in the Manufacturing Industries in Central America and Selected Countries in the Caribbean. Prepared for the United Nations. (Mimeo.) 33 p.
- CLARK, G. J. ET AL.
1963 Some Aspects of the Economy of Jamaica. IMFSP, 10: 2: 246–274.
- COLOMBIA. CONSEJO NACIONAL DE POLITICA ECONOMICA Y PLANEACION. DEPARTAMENTO ADMINISTRATIVO DE PLANEACION Y SERVICIOS TECNICOS
1962 Colombia: Plan General de desarrollo económico y social. Primera parte—El programa general. Cali.
- CONTRERAS NIÑO, VICTOR
1962 Financiación pública del transporte; carreteras nacionales en Colombia. Bogotá: Centro de Estudios sobre Desarrollo Económico, Universidad de los Andes.
- COSCIANI, CESARE
1962 Informe sobre la reforma tributaria en Honduras. OAS (Mimeo.) 92 p.
- COSTA RICA. OFICINA DE PLANIFICACION
1965 Características de la economía de Costa Rica, 1950–1962 (San José). 368 p.
- COSTA RICA. UNIVERSIDAD NACIONAL. ESCUELA DE CIENCIAS ECONOMICAS Y SOCIALES. DEPARTAMENTO DE INVESTIGACIONES
1958–62 El desarrollo económico de Costa Rica. No. 1–5.
- COTTERET, J. M.
1962 Fiscalité directe et sous-développement: l'exemple du développement d'outre-mer de la Martinique. RSF. July.
- CROCKETT, JOSEPH P.
1962 Tax Pattern in Latin America. NTJ, 15: 1: 93–104. Reprinted in Bird and Oldman, 1964.
- CRUZ SANTOS, ABEL
1958 La nueva orientación del presupuesto. EC, 17: 50: 569–578.
- CURRIE, L.
1966 Accelerating Development: The Necessity and the Means. New York/London: McGraw Hill. 255 p. Part Two: Application of Breakthrough Plan to Colombia.
- DAVID, WILFRED
1969 The Economic Development of Guyana, 1953–1964. Oxford: Clarendon Press. 399 p. Chapter 6: The Financing of Economic Development; Chapter 7: Public Expenditure and the Development Process.

Latin American Research Review

- DAVIS, L. HARLAN
1967 Economics of the Property Tax in Rural Areas of Colombia. Univ. of Wisconsin Land Tenure Center, Research Paper No. 25. (Mimeo.)
- DAZA ROA, ALVARO
1967 La repartición de los ingresos. RBR, July. 880–889.
- DUE, JOHN F.
1966 The Retail Sales Tax in Honduras: A Breakthrough in Taxation for Economic Development, IAEA, 20: 3: 55–69.
- DUSSELDORP, D. B. W. M.
1963 Het centralplan voor Suriname. Wageningen: H. Veenman en Zonen, N. V.
1967 Meerdimensionale overheidsplanning. De overheidsplanning van Suriname in de periode 1952–1964, getoetst aan een relatimodel. Wageningen: H. Veenman en Zonen, N. V. 215 p.
- ECHEVARRIA, FELIPE
1963 La inflación en Colombia. E. 1: 2: 196–207.
- ECHEVARRIA, HERNAN
1967 Economic Development of Colombia. In: Economic Development Issues: Latin America. New York: Committee for Economic Development/Praeger, 143–172.
- EDER, GEORGE JACKSON, ET AL.
1965 Taxation in Colombia. Cambridge, Mass.: Harvard Univ. Law School (World Tax Series).
- EKELUND, R. B., JR.
1969 Tax Reform in Latin America: the ECLA Proposals. AJES, 28: 1: 93–105.
- FEDERATION OF EAST CARIBBEAN TERRITORIES
1963 Report of the Fiscal Commissioner. London: HMSO (Cmd. 1991), 106 p.
- FERNANDEZ, MARIO ALBERTO
1965 El impuesto sobre la renta en El Salvador. ES, 14: 31: 77–159.
- FRANCIS, FITZGERALD A.
1968 A Review and Analysis of the System of Incentives for Industrial Development in Trinidad and Tobago. Port-of-Spain: Government Printery. 117 p.
(n.d.) The Analysis of Fiscal Impact: Its Measurement and Implications for National Development Financing. (Typewritten).
- FREYRE, JORGE
1965 Reforma fiscal para la República Dominicana. Informe preparado para el BID (Mimeo.) 141 p.
- FROOMKIN, JOSEPH N.
1957 Some Problems of Tax Policy in Latin America. NTJ, 10: 4: 370–379.
- FROOMKIN, JOSEPH N., AND H. K. LIDSTONE
1954 Tax Problems of Export Economies—Taxation of Coffee in El Salvador. NTJ, 7: 3: 264–273.
- GILLIM, MARION HAMILTON
1967a The Fiscal Aspects of the Central American Common Market. In: Fiscal Harmonization in Common Markets. Carl S. Shoup, ed., New York: Columbia University Press. 2: 479–523.
1967b Some Fiscal Aspects of the Latin American Free Trade Association. In: Shoup, 1967. 2: 524–552.
- GOFFMAN, IRVING J., AND DENNIS J. MAHAR
1971 The Growth of Public Expenditures in Selected Developing Nations: Six Caribbean Countries, 1940–1965. PF, 26: 1: 57–74.
- GRAU, WERNER
1970 Problemas fiscales de la integración latinoamericana. Rio de Janeiro: Fundación Getulio Vargas, Escuela Interamericana de Administración Pública. (Mimeo.) 86 p.

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

GRENADA. DEVELOPMENT PROGRAMME COMMISSION

1965 Five-Year Development Plan, 1964–1968. Port-of-Spain: Government Printery. 188 p.

GRIFFIN, K. B.

1968a Coffee and the Economic Development of Colombia. *BOUIES*, 30: 2: 105–127.

GUATEMALA: CONSEJO NACIONAL DE PLANIFICACION ECONOMICA

1957 Plan de desarrollo económico de Guatemala, 1955–1960. Segunda edición. Guatemala. 204 p.

1960 Planificación económica en Guatemala. 29 p.

1970 La evolución de las finanzas del Gobierno Central durante el período 1961–1969 y las perspectivas para el próximo quinquenio. Memorandum.

HAYDEN, E. D.

1968 The Economy of Guyana and its Fiscal Policy since Independence. *BIFD*, June.

HELLER, JACK, AND KENNETH M. KAUFFMAN

1963 Tax Incentives for Industry in Less-developed Countries. Cambridge, Mass.: Harvard Law School, International Program in Taxation. 288 p.

HICKS, JOHN R. AND URSULA K.

1955 Report on Finance and Taxation in Jamaica. Kingston: Government Printer. 171 p. Reprinted in: Bird and Oldman, 1964 and 1967.

HICKS, URSULA K.

1961 Development from below: Local Government and Finance in Developing Countries of the Commonwealth. London: Oxford University Press. 549 p.

HIDALGO, CARLOS F.

1963 De estructura económica y banco central: la experiencia de Honduras. Madrid. 133 p. Ch. 5: La política tributaria Hondureña.

HINRICKS, HARLEY H.

1971 Taxation Reform Constrained by Fiscal Harmonization within Common Markets: Guatemala, a Case in Point. Paper prepared for the Conference on Fiscal Policy for Industrialization in Latin America. Gainesville: University of Florida, February 17–20. (Mimeo.)

HIRSCHMAN, ALBERT O.

1963 Journeys toward Progress: Studies of Economic Policy-making in Latin America. New York: Twentieth Century Fund. Partly reprinted in: Bird and Oldman, 1964, 416–435.

HOLLAND, DANIEL M.

1966 The Taxation of Unimproved Value in Jamaica. In: Proceedings of the 50th Annual Conference of the National Tax Association, 1965. Harrisburg.

1970 A Study of Land Taxation in Jamaica. In: Land and Building Taxes, Arthur P. Becker, ed. Madison, Wisc.: Univ. of Wisconsin Press, 239–286.

HONDURAS. BANCO CENTRAL

1957 Historia financiera de Honduras; informes de las misiones Arthur N. Young (1920–21), Bernstein (1943) y del Fondo Monetario Internacional (1950). Tegucigalpa: Banco Central de Honduras. 207 p.

HUGHES, WILFORD M.

1964 Tax Incentives of Manufacturing in the Caribbean: An Analysis of Four Jurisdictions. *JT*, 21: 3: 180–186.

IBRD (INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT)

1950 The Basis of a Development Program for Colombia. Washington, D. C.

1951 The Economic Development of Guatemala, Baltimore: Johns Hopkins. 305 p.

1952 The Basis of a Development Program for Colombia. Baltimore: Johns Hopkins.

1953 The Economic Development of Nicaragua. Baltimore: Johns Hopkins. 424 p.

1954 Surinam: Recommendations for a Ten Year Development Program. Baltimore: Johns Hopkins. 271 p.

Latin American Research Review

- 1961 The Economic Development of Venezuela. Baltimore: Johns Hopkins. 494 p.
- ICAP (INSTITUTO CENTROAMERICANO DE ADMINISTRACION PUBLICA)
- 1965a Diagnóstico y macroanálisis administrativos del sector público del istmo centroamericano. San José, Costa Rica. (ESAPAC/INV/002/1300/64/RE/3500/65). 65 P.
- 1965b Informe del Seminario Regional sobre Administración Fiscal, 5 a 9 de octubre de 1964. San José, Costa Rica (ESAPAC/SEM/014/800/65). 133 p.
- 1966a La administración tributaria en Centroamérica y el proyecto de armonización fiscal. San José, Costa Rica: ICAP (ESAPAC/SEM/019/01/70/66-1519. Mimeo.) 97 p.
- 1966b Estudio comparativo de sistemas tributarios de los países centroamericanos. San José, Costa Rica. (ESAPAC/EXT/019/2000/66/RE/1000/66). 31 p.
- 1967 Informe de la primera reunión de directores de tributación de Centroamerica y Panamá (del 14 al 18 de noviembre de 1966). San José, Costa Rica (ICAP/SEM/021/800/67). 2 vols.
- JAMAICA
- 1963 Five Year Independence Plan, 1963-1968. Kingston.
- JOEL, CLARK
- 1971 Tax Incentives in Central American Development. EDCC, 19: 2: 229-252.
- JONG, C. DE
- 1961 Suriname's streven naar ontwikkeling. *Economie*. 26: 3.
- KALDOR, NICHOLAS
- 1964 Essays in Economic Policy. London: Duckworth. Papers 11 and 12.
- KOLINSKI, R.
- 1969 Custom Unions of Underdeveloped Nations: The Case of Central America. *EI*, 22: 1: 116-133.
- LENT, GEORGE E.
- 1967 Tax Incentives for Investment in Developing Countries. *IMFSP*, 14: 2: 249-323.
- 1971 Tax Incentives for the Promotion of Industrial Employment in Developing Countries. *IMFSP*, 18: 3: 399-419.
- LEVIN, J.
- 1968a The Effects of Economic Development on the Base of a Sales Tax: A Case Study of Colombia. *IMFSP*, 15: 1.
- 1968b Import Cycle and Fiscal Policy in Colombia. *NTJ*, 21: 3: 314-325.
- LIEFTINCK, PIETER, AND C. GOEDHARD
- 1959 Rapport inzake de vermoedelijke expansieve invloed op de Surinaamse volkshuishouding en de uitvoering van het Brokopondoplan en andere daarmee tegelijk te entameren ontwikkelingsprojecten tevens houdende advies over het in verband hiermee te volgen regeringsbeleid. 's-Gravenhage.
- 1962 Rapport over de vooruitzichten voor expansie van de economie der Nederlandse Antillen in het licht van de bestaande ontwikkelingsplanen, met advies over de financiële draagkracht van buitenlandse leningen. Curaçao.
- LIZANO F., EDUARDO
- 1968 La integración económica centroamericana y la distribución del ingreso. 152 p. (Mimeo.)
- LONDOÑO ANGEL, ALVARO
- 1968 Estudio sobre la estructura fiscal de Colombia. San José, Costa Rica: ICAP (ICAP/CAP/CR/205/150/68-1795. Mimeo.) 58 p.
- LOTZ, J. R., AND E. R. MORSS
- 1967 Measuring 'Tax Effort' in Developing Countries. *IMFSP*, 14: 3: 478-499.
- LOVEJOY, R. M.
- 1963 The Burden of Jamaican Taxation, 1958. *SES*, 12: 4: 442-458.

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

- McFARLANE, DENNIS
 1964 A Comparative Study of Incentive Legislation in the Leeward Islands, Windward Islands, Barbados and Jamaica. *SES*, 13: 3. Supplement. 63 p.
- MCLEOD, D.
 1969 The Personal Income Tax in Jamaica. *SES*, 18: 3: 254–262.
- MALAVE MATA, HECTOR
 1964 El sistema tributario venezolano y el sector petrolero. *TE*, 31: 2: 258–284.
- MARTINEZ MEDINA, ANTONIO
 1964 Algunas consideraciones sobre la política fiscal venezolana. *EA*, 3: 3: 109–284.
 1965 Algunas reformas al sistema venezolano. *EA*, 4: 3: 71–79.
- MAY, STACY, ET AL.
 1952 Costa Rica: A Study in Economic Development. New York: The Twentieth Century Fund. 374 p.
- MENDIVE, PEDRO
 1964 Tax Incentives in Latin America. *EBLA*, 9: 1: 103–116.
- MIHALY, Z. M.
 1968 Tax Aspects of Puerto Rican Manufacturing Operations. Oxford: Equity Publishing Corporation. 149 p.
- MISION CONJUNTA DE PROGRAMACION PARA CENTROAMERICA
 1965 Reunión inter-institucional para discutir el documento de la Misión Conjunta: Bases para un Programa Centroamericano de desarrollo industrial. Guatemala. 28 p.
 1966 Resumen de los planes centroamericanos de desarrollo económico y social para el período 1965–1969. Guatemala. (Mimeo.)
- MOHR, HERMANN J.
 1968a Estrategia de la política fiscal en los países subdesarrollados. In: Centro de Investigación Acción Social, 20–49.
 1968b Impuestos directos. In: Centro de Investigación Acción Social, 122–159.
- MORGAN, CECIL
 1967 Property Taxation in Central America. US/AID/ROCAP. (Mimeo.)
- MORSS, ELIOTT R., AND ALAN T. PEACOCK
 1969 The Measurement of Fiscal Performance in Developing Countries. In: Quantitative Analysis in Public Finance, A. T. Peacock, ed. New York: Frederick A. Praeger. 171–197.
- MOSCOSO, TEODORO
 1953 Industrial Development in Puerto Rico. AAPSS, January.
- MURRAY, J. F. N.
 1957 Report to the Government of Jamaica on Valuation, Land Taxation and Rating. Kingston: The Government Printer, 85 p.
- MUSGRAVE, RICHARD A.
 1964 On Measuring Fiscal Performance. *RES*, 46: 2: 213–220.
 1968 Report on Improvements in the Tax Structure of the Bahamas. 21 p.
 1969 Fiscal Systems. New Haven/London: Yale University Press. 397 p.
- MUSGRAVE, RICHARD A., ET AL.
 1969 Bases para una reforma tributaria en Colombia. (Informe Musgrave—Report of the Colombian Commission on Tax Reform, R. A. Musgrave, President). Bogotá: Biblioteca Banco Popular. 321 p.
 1971 Published in English in 1971 as: Fiscal Reform for Colombia. Final Report and Staff Papers of the Colombian Commission on Tax Reform. Richard A. Musgrave, President; edited by Malcolm Gillis. Cambridge, Mass.: International Tax Program, Law School of Harvard Univ.
- NEDERLANDSE ANTILLEN. EILANDGEBIED ARUBA
 1962 Ontwikkelingsplan Aruba. Willemstad, Curaçao.

Latin American Research Review

NOVAK, JOSEPH A.

1964 A New Appraisal of Puerto Rico in Light of Recent Tax Legislation. TLR, 19.

OAS/IDB. JOINT TAX PROGRAM

OEA/BID. PROGRAMA CONJUNTO DE TRIBUTACION

1964a Fiscal Survey of Panama: Problems and Proposals for Reform. Baltimore: Johns Hopkins. 212 p.

1964b Sistemas tributarios de América Latina. Guatemala. Washington, D. C.: Unión Panamericana. 71 p.

1965a Fiscal Policy for Economic Growth in Latin America. Papers and Proceedings of a Conference held in Santiago, Chile, December 1962. Baltimore: Johns Hopkins. 462 p.

1965b Fiscal Survey of Colombia. Baltimore: Johns Hopkins. 276 p.

1965c Problems of Tax Administration in Latin America. Papers and Proceedings of a Conference held in Buenos Aires, Argentina, Oct. 1961. Baltimore: Johns Hopkins. 574 p.

1965d Sistemas tributarios de América Latina. Costa Rica. Washington, D. C.: Unión Panamericana. 76 p.

1966a Sistemas tributarios de América Latina, Honduras. Washington, D. C.: Unión Panamericana. 61 p.

1966b Sistemas tributarios de América Latina. Nicaragua. Washington, D. C.: Unión Panamericana. 82 p.

1967 La administración tributaria en Centroamérica y el proyecto de armonización fiscal. Washington, D. C.: Unión Panamericana. 106 p.

1970 Primer seminario sobre tributación interna del istmo centroamericano (30 de Noviembre al 4 diciembre de 1970). San José, Costa Rica (Mimeo., various documents).

(n.d.) Proyecto de armonización fiscal de Centroamérica. El sistema tributario de Nicaragua: diagnóstico y recomendaciones. Washington, D. C.: Pan American Union. (Mimeo.). 234 p.

OAS/PAU (PAN AMERICAN UNION)

OEA/UPA (UNION PAN AMERICANA)

1964 Economic Survey of Latin America, 1962. Baltimore: Johns Hopkins. 444 p.

1966 Latin America: Problems and Perspectives of Economic Development, 1963-64. Baltimore: Johns Hopkins.

1967 Meeting of American Chiefs of State, Punta del Este, Uruguay, April 12-14, 1967. Washington, D. C. 287 p.

OAS/PAU/IA-ECOSOC (INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL)

1963 Fiscal and Financial Policies and Administration. Report of the Second Meeting of Special Committee III to the LA-ECOSOC. São Paulo, Brazil (OEA Ser. H/X.4). 59 p.

1964 The Alliance for Progress; Its Second Year, 1962-1963. Washington, D.C.

OAS/PAU/ICAP (INTER-AMERICAN COMMITTEE OF THE ALLIANCE FOR PROGRESS)

1966 L'effort interne et le financement externe requis pour le développement d'Haiti. OEA/Ser. H/XIV. 122 p.

1967 El esfuerzo interno y las necesidades de financiamiento externo para el desarrollo de la República Dominicana.

OLDMAN, OLIVER

1964 Tax Reform in El Salvador. IALR, 6: 2: 379-420.

OLDMAN, OLIVER, AND MILTON TAYLOR

1970 Tax Incentives for Economic Growth in the U.S. Virgin Islands. CS, 10: 3: 182-194.

O'LOUGHLIN, CARLEEN

1961 Problems in the Economic Development of Antigua. SES, 10: 3: 237-277.

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

- 1962 A Survey of Economic Potential, Fiscal Structure and Capital Requirements of the British Virgin Islands. SES, 11: 3, Supplement, 60 p.
- 1963a Long-term Growth of the Economy of Jamaica. SES, 12: 3: 246–282.
- 1963b A Survey of Economic Potential and Capital Needs of the Leeward Islands, Windward Islands, and Barbados. London: HMSO, 185 p.
- 1968 Economic and Political Change in the Leeward and Windward Islands. New Haven/London: Yale Univ. Press. 260 p. Ch. 11: Administration and Public Finance.
- PANAMA. DIRECCION GENERAL DE PLANIFICACION Y ADMINISTRACION. DEPARTAMENTO DE PLANIFICACION
- 1970 Estrategia para el desarrollo nacional, 1970–1980. Panamá. 247 p.
- PAPANEK, GUSTAV F., ed.
- 1968 Development Policy: Theory and Practice. Cambridge, Mass.: Harvard Univ. Press. 359 p.
- PARRA-PEÑA, I.
- 1967 El sector público y un crecimiento con desequilibrios: el caso de Colombia. TE, 34: 4: 689–720.
- PEACOCK, ALAN T., ED.
- 1969 Quantitative Analysis in Public Finance. New York: Praeger. 266 p.
- PHILLIPS, CHARLES FRANKLIN
- 1958 A Tax Program to Encourage Puerto Rico's Economic Growth. Washington, D. C.: National Planning Association. 36 p.
- PIERRE-CHARLES, GERARD
- 1965 La economía haitiana y su vía de desarrollo. (Translated from the French). México: Cuadernos Americanos. 331 p. Part V: Sector público y desarrollo económico.
- PIMENTEL RODRIGUEZ, ALFONSO
- 1969 Los incentivos fiscales y el desarrollo industrial de Guatemala. Guatemala: Univ. de San Carlos.
- PINCUS, JOSEPH
- 1954a Breve historia del arancel de aduanas de Honduras. 163 p.
- 1954b Sistema tributario en Honduras. 177 p.
- PREST, ALAN
- 1957 A Fiscal Survey of the British Caribbean. London: H.M.S.O. 136 p.
- 1960 Public Finance. In: The Economy of the West Indies, G. E. Cumper, ed. Kingston: Institute of Social and Economic Research, Univ. of the West Indies, 181–222. Adapted from sections of Prest 1957.
- PUERTO RICO. GOVERNOR'S ADVISORY COUNCIL FOR THE DEVELOPMENT OF GOVERNMENT PROGRAMS
- 1970 Fiscal System. San Juan. 6 p.
- PUERTO RICO. JUNTA DE PLANIFICACION
- 1968 The Four-year Economic and Social Development Plan of Puerto Rico, 1969–1972. San Juan. 241 p.
- QUINTERO ORELLANA, OSCAR
- 1964 El desarrollo económico y las inversiones públicas. ES, 13: 29–30, 7–12.
- REPUBLICA DOMINICANA. COMISION NACIONAL DE DESARROLLO
- 1970 Programa de promoción social. Santo Domingo. 112 p.
- REPUBLICA DOMINICANA: SECRETARIADO TECNICO DE LA PRESIDENCIA: OFICINA NACIONAL DE PLANIFICACION
- 1966 Bases para el desarrollo nacional. Santo Domingo. 212 p. + Anexo Estadístico. (Mimeo.)
- 1968 Plataforma para el desarrollo económico y social de la República Dominicana (1968–1985). Santo Domingo. 605 p.

Latin American Research Review

RESTREPO, JUAN CAMILO

1968 El Municipio y el Departamento frente a la encrucijada fiscal. In: Centro de Investigación Acción Social, 85–121.

RESUMIL ARAGUNDE, MANUEL

1959 El estado como agente activo de la industrialización de la República Dominicana. Tipografía Faro de Vigo, España. 69 p.

RHOADS, WILLIAM G., AND RICHARD M. BIRD

1967 Financing Urbanization in Developing Countries by Benefit Taxation: Case Study of Colombia. LE, 43: 4: 403–412.

1970 The Valorization Tax in Colombia: An Example for Other Developing Countries? In: Land and Building Taxes, Arthur B. Becker, ed. Madison, Wisc.: Univ. of Wisconsin Press, 201–238.

ROBINSON, A. N. R.

1966 Fiscal Reform in Trinidad and Tobago. An Address to the Economic and Statistical Society of Trinidad and Tobago delivered on Tuesday, 31st May, 1966. Port-of-Spain: PNM Publishing Co. 33 p.

ROCAP (REGIONAL OFFICE FOR CENTRAL AMERICA AND PANAMA—AID)

1971 Comparative Revenue Performance of the Central American Countries. Guatemala. (Mimeo.) (This is a continuous series. 1971 is the latest).

ROSS, DAVID F.

1957 The Costs and Benefits of Puerto Rico's Fomento Programme. SES, 6: 3: 329–362.

RUDICK, HARRY J. AND GEORGE S. ALLEN

1952 Tax Aspects of Operations under the Puerto Rico Exemption Program. TLR, 7: 4: 403–437.

SCHREIBERG, SHELDON L.

1965 The United States Private Investor and the Central American Common Market. In: U. S. Congress—Joint Economic Committee. Latin American Development and Western Hemisphere Trade. Hearings before the Subcommittee on Inter-American Economic Relationships (89th Congr., 1st Sess.).

SHEAHAN, JOHN

1968 Imports, Investments and Growth—Colombia. In: Papanek, 1968, 93–114.

SHERE, LOUIS

1953 A Tax Program for Puerto Rico. San Juan: Department of Education.

1961 A Tax Program for Colombia. (Mimeo.)

SHOUP, CARL, ET AL.

1959 The Fiscal System of Venezuela: A Report. Baltimore: Johns Hopkins. 491 p.

1960 The Fiscal System of the Federal District of Venezuela: A Report. New York. 162 p.

1963 Finances publiques des pays d'Amérique Latine, zone de libre échange et marché commun. RSF. January.

1966 Taxes and Economic Development. FA, 25: 3: 385–397.

SIECA (SECRETARIA GENERAL DE INTEGRACION ECONOMICA CENTROAMERICANA)

1963 Convenios centroamericanos de integración económica. Vol. II. Guatemala. 23 p.

1966 Informe del relator. Primera Reunión Conjunta. Guatemala. (Mimeo.)

1968 Medidas de Emergencia para la defensa de la balanza de pagos en Centroamérica. Nota de la Secretaría. (SIECA/CEC-CMCA-11/D.T.2). Guatemala. (Mimeo.) 98 p. + Appendices.

SOMMERFELD, RAYNARD M.

1966 Tax Reform and the Alliance for Progress. Austin/London: Univ. of Texas Press. 217 p.

ST. VINCENT

1967 Report of the Fiscal Survey by Athole S. Mackintosh. Norwich, England: Overseas Development Group (Mimeo.). 23 p.

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

- STICHTING NEDERLANDS ECONOMISCH INSTITUUT
1960 *De economische ontwikkeling van Curaçao; een overzicht van mogelijkheden en voorwaarden.* Rotterdam.
1962 *Tienjarenplan Curaçao; algemeen overzicht.* Curaçao. (Mimeo.)
- SURINAME. ADVIESRAAD VOOR DE HERZIENING VAN HET TIENJAREPLAN.
1959 *Van 1960 tot 1965.* Paramaribo. (Mimeo.)
- SURINAME. STICHTING PLANBUREAU SURINAME
1957 *Nota inzake een instelling voor de bevordering en de financiering van de industriële ontwikkeling.* Paramaribo.
1963 *Raamwerk integraal ophouwwplan Suriname, 1963–1972.* Paramaribo.
1965 *National ontwikkelingsplan Suriname.* Paramaribo. 3 vols.
1966 *Ontwikkelingsplan voor Suriname met begroting van de uitgaven verband houdende met het tienjarenplan 1966.* Paramaribo.
- TANZI, V.
1966 *Personal Income Taxation in Latin America: Obstacles and Possibilities,* NTJ, 19: 2: 156–162.
- TAYLOR, MILTON C.
1954 *Industrial Tax Exemption in Puerto Rico.* NTJ, 7: 4: 359–371.
1955 *Tax Exemption as Compared to Other Factors in Operating and Locating New Industrial Firms in Puerto Rico.* SES, 4: 2: 121–132.
1957 *Industrial Tax Exemption in Puerto Rico.* Madison: Univ. of Wisconsin Press. 172 p.
1959 *Income Tax Administration in the Republic of Honduras.* Report prepared for the Pan American Union. 66 p.
1960 *What Happens when Exemptions End: Retrospect and Prospect in Puerto Rico.* In: *Taxation and Operations Abroad.* Princeton: Tax Institute Inc. Reprinted in: Bird and Oldman, 1964.
1967 *Tax Policy Goals and Economic Development under the Alliance for Progress.* NTJ, 20: 4: 412–423.
- TAYLOR, MILTON C. AND RICHMAN, R. L.
1964 *Fiscal Reform and Development Needs in Panama.* NTJ, 17: 2: 173–186.
- THOMAS, R. D.
1963 *Local Government Financing in Jamaica, 1944–1959.* SES, 12: 2: 141–159.
- TIRADO, IRMA G.
1965 *La elasticidad-ingreso de los impuestos a individuos y corporaciones en Puerto Rico y Jamaica, 1955–1963.* Río Piedras: Institute of Caribbean Studies, Univ. of Puerto Rico. 142 p.
- TONOS, EDUARDO
1969 *Nuestro problemático industrial y los resultados de la ley de incentivo.* Conferencia dictada el 20 de junio de 1969. Santo Domingo: Colegio Dominicano de Economistas, 20 p. (Mimeo.)
- TRINIDAD AND TOBAGO
1966 *The Finance Act, 1966. (5th Session First Parliament, Act. No. 29).* Port-of-Spain: Government Printery, 333–426.
- TRINIDAD AND TOBAGO. HOUSE OF REPRESENTATIVES
Annual Budget Speech (by the Min. of Finance).
- TRINIDAD AND TOBAGO. MINISTRY OF FINANCE
1969 *Report of the Tripartite Committee to Review the Fiscal Policy of Trinidad and Tobago.* Port-of-Spain: Government Printery. 25 p.
- TRINIDAD AND TOBAGO. NATIONAL PLANNING COMMISSION
1963 *Draft Second Five-year Plan, 1964–1968.* Port-of-Spain: Government Printery.
1970 *Third Five-year Plan, 1969–1973.* Port-of-Spain: Government Printery. 453 p.

Latin American Research Review

TRINIDAD AND TOBAGO. OFFICE OF PREMIER AND MINISTRY OF FINANCE

1960 Economic Development of the Independent West Indies Federation. I—The Case for United Kingdom Assistance. Port-of-Spain: Government Printery. 59 p.

TRIPARTITE ECONOMIC SURVEY

1966 Report of the Tripartite Economic Survey of the Eastern Caribbean.

TURK AND CAICOS ISLANDS

1970 Property and Tourist Development in the Turks and Caicos Islands. Report of a working party, Sir Derek Jakeway, Chairman. (Mimeo.)

TURNER MORALES, DAVID

1958 Estructura económica de Panamá: El problema del canal. México: Editorial América Nueva. 264 p.

UNITED KINGDOM. COLONIAL OFFICE

1955 The Plan for a British Caribbean Federation. Report of the Fiscal Commissioner. London: HMSO (Cmd. 9618). 71 p.

1956 Report by the Conference on British Caribbean Federation. London: HMSO (Cmd. 9733).

1962 Report of the Commission of Enquiry into the Control of Public Expenditure in Grenada during 1961 and Subsequently. London: HMSO (Cmd. 1735). 23 p.

1963 Federation of East Caribbean Territories. Report of the Fiscal Commissioner. London: HMSO (Cmd. 1991). 106 p.

UNITED KINGDOM. MINISTRY OF OVERSEAS DEVELOPMENT. BRITISH DEVELOPMENT DIVISION IN THE CARIBBEAN

This Division periodically puts out up-to-date publications entitled *Economic Survey and Projections* for the individual members of the group forming the Associated States and Dependencies of the Commonwealth Caribbean (Antigua, British Virgin Islands, Cayman Islands, Dominica, Grenada, Montserrat, St. Kitts, St. Lucia, St. Vincent, and Turks & Caicos Islands), as well as a series entitled *Comparative Data: Associated States and Dependencies*. The publications provide statistical information on national income accounts, government revenues and expenditures, population, and foreign trade.

UN. DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS

1957 Analysis and Projections of Economic Development: The Economic Development of Colombia. Part Two, Chapter I: Fiscal Policy and the Promotion of Economic Development, 87–138. Geneva.

UN/ECLA (ECONOMIC COMMISSION FOR LATIN AMERICA)

1959a El desarrollo económico de El Salvador. México. 175 p.

1959b The Economic Development of Panamá. EBLA, 4: 2: 48–59.

1960a El desarrollo económico de Honduras. México. 222 p.

1960b Economic Developments in Venezuela in the 1950's. EBLA, 6: 1: 21–61.

1966a Evaluación de la integración económica en Centroamérica. New York. 295 p.

1966b El desarrollo económico de Nicaragua. New York. 220 p.

1967 The Economic policy of Colombia in 1950–66. EBLA, 12: 2, 90–106.

UN/ECLA. COMITE DE COOPERACION ECONOMICA DEL ISTMO CENTROAMERICANO

1956 La política tributaria y el desarrollo económico en Centroamérica. 141 p. Partly published in: TE, 24: 1: 1957, 33–67.

UN/ECLA. OFFICE FOR THE CARIBBEAN

1969a Report of the United Nations Expert Team on Harmonization of Fiscal Incentives to Industries in the Caribbean Free Trade Area. Port-of-Spain, Trinidad and Tobago (E/CN. 12/845). 99 p.

1969b Report of the Commonwealth Caribbean Regional Workshop on Harmonization of Fiscal Incentives to Industries. Port-of-Spain, Trinidad and Tobago (E/CN. 12/844). 35 p.

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

- UN/IDO
1967 *El desarrollo industrial de América Latina: Panamá.* (ID/CONF. 1/R.BP./3/Add. 11). (Mimeo.)
- URBINA, RENE AUGUSTO, ET AL.
1962 *El equilibrio presupuestario en El Salvador en el pasado y en el presente.* ES, 11: 25–26, 45–104.
- UWI. INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH
1969 *The Development Problem in St. Vincent.* Kingston. (Mimeo.)
- VANEK, JAROSLAV AND R. BILSBORROW
1967 *Estimating Foreign Resource Needs for Economic Development: Theory, Method and a Case Study of Colombia.* New York: McGraw Hill. 180 p.
- VEGALARA, HUMBERTO
1968 *La tributación de las sociedades freno al desarrollo.* In: *Centro de Investigación Acción Social*, 160–197.
- VENEZUELA. ADMINISTRACION GENERAL DEL IMPUESTO SOBRE LA RENTA. DIVISION DE PLANIFICACION. DEPARTAMENTO DE INVESTIGACIONES Y ESTUDIOS FISCALES
1969 *Sistema tributario Venezolano.* 71 p. (Mimeo.)
- VENEZUELA. COMISION ASESORA DEL PRESUPUESTO
1969 *Informe preliminar.* Caracas. 31 p.
1970 *Informe preliminar sobre el proyecto de medidas impositivas del Ministerio de Hacienda.* Caracas. 80 p.
- VENEZUELA. COMISION EVALUADORA DE GASTO PUBLICO
1967 *Informe sobre la evaluación de los ingresos y gastos públicos para el período 1967–70. Conclusiones y Recomendaciones.* Caracas. 257 p.
- VENEZUELA. MINISTERIO DE HACIENDA
1971 *Programa de impuestos que presente el ejecutivo nacional para el ejercicio fiscal 1971.* (Mimeo.)
(n.d.) *Incentivos fiscales para la inversión en Venezuela.* 18 p.
- VENEZUELA. OFICINA CENTRAL DE COORDINACION Y PLANIFICACION
1965 *Plan de la nación, 1965–1968.* Caracas. 567 p.
- VRON, L. J.
1963 *Voorgeschiedenis, opzet en resultaten van het Surinaamse tienjaren plan.* NWIG, 43: 1.
- WALLICH, HENRY C. AND JOHN H. ADLER
1951 *Public finance in a developing country: El Salvador—A Case Study.* Cambridge: Harvard University Press. 346 p.
- WARDLAW, ANDREW B.
1966 *The operations of the Central American Common Market.* 103 p. (Mimeo.)
- WATKIN, VIRGINIA
1967 *Taxes and Tax Harmonization in Central America.* Cambridge, Mass.: Harvard Law School International Tax Program. 519 p.
- WHITE, WILLIAM H.
1951 *Measuring the Inflationary Significance of a Government Budget.* IMFSP, 1: 3: 355–378.

ABBREVIATIONS OF JOURNALS

AAAPSS	The Annals of the American Academy of Political and Social Sciences
AER	American Economic Review
AJES	American Journal of Economics and Sociology
BIFD	Bulletin for International Fiscal Documentation

ROLE OF PUBLIC SECTOR IN DEVELOPMENT OF CARIBBEAN

BOUIES	Bulletin of Oxford University Institute of Economics and Statistics
CS	Caribbean Studies
E	Economía
EA	Economía y Administración
EBLA	Economic Bulletin for Latin America
EC	Economía Colombiana
EDCC	Economic Development and Cultural Change
EI	Economía Internazionale
ES	Economía Salvadoreña
FA	Finanzarchiv
GWLR	George Washington Law Review
IAEA	Inter-American Economic Affairs
IALR	Inter-American Law Review
IMFSP	International Monetary Fund Staff Papers
JT	Journal of Taxation
K	Kyklos
LARR	Latin American Research Review
LE	Land Economics
NTJ	National Tax Journal
NWIG	Nieuwe West-Indische Gids
PF	Public Finance
RBE	Revista Brasileira de Economia
RBR	Revista del Banco de la República
RES	Review of Economics and Statistics
RSF	Revue de Science Financière
SES	Social and Economic Studies
TE	El Trimestre Económico
TLR	Tax Law Review