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countries, while in other cases the rules are strikingly different. The purpose of this book is to draw out these similarities and differences for nine industrialized countries (Australia, Canada, France, Germany, Japan, the Netherlands, Sweden, the United Kingdom and the United States). The analysis reflects the state of the law as of the spring of 1996.

The book begins with individually authored chapters on each of the nine countries. The chapters vary in length from ten to 24 pages. The topics covered are mostly the same for each country and appear in the same order: history of the income tax; statistical data on the tax mix; constitutional issues; rate schedule; type of tax system, such as whether global or schedular (different classes of income being taxed at different rates); style of statutory drafting; approach to statutory interpretation; administrative, taxpayer and judicial style; relation of tax and financial accounting; respect for civil or private law form; and anti-avoidance legislation. This is the least useful part of the book for the present audience, partly because there is too much material to cover in such short chapters and partly because the topics covered display a distinct law-school bias. For example, the chapter on Canada does not discuss the taxation of capital gains, tax depreciation for tangible or intangible assets, the taxation of dividends or the alternative minimum tax for individuals.

With the individual country chapters as background, the book proceeds to its main goal: the comparative analysis of tax provisions across countries. The discussion of each type of provision consists of a description of the problem addressed followed by a comparative analysis of the provisions used in the nine countries. This comparative section is divided into three parts: basic income taxation (inclusions, deductions, accounting issues and income attribution within the family); taxation of business organizations (corporate-shareholder taxation and partnership taxation); and international taxation (residence taxation, source taxation, transfer pricing, treaty shopping and tax sparing). As an example, the discussion of gifts in an employment or business context begins by pointing out that allowing a deduction to the giver and not taxing the recipient would cause widespread use of such noncash payments for tax-avoidance purposes. It then discusses which countries solve this problem by denying the deduction to the giver (e.g., Germany), which countries tax the recipient (e.g., Japan) and which countries simply ignore the problem if the amounts are not too large (e.g., France).

The book's major weak point is its lack of assistance to readers seeking to pursue issues in greater detail. Citations of particular court cases or section numbers of legislation are rare, although the 50-page selected bibliography, which begins by citing the major textbooks on the tax law of each country, should be of some help. Also, there are no references to research studies on the economic effects of the tax rules described. Fortunately, much of this work is cited in a series of ten country articles in *Tax Notes International* in 1994 and 1995 (see Ken Messere, "Taxation in Ten Industrialized Countries Over the Last Decade: An Overview," *Tax Notes International* August 21, 1995).

Few will want to read this book cover to cover. Nevertheless, as a handy reference and a source for short international comparisons of particular issues to put in course readings packages, it is well worth having on the shelf.

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SHELDON D. POLLACK, *The Failure of U.S. Tax Policy: Revenue and Politics* (University Park: The Pennsylvania State University Press, 1996, ix, 321, \$29.95)

The theme of Professor Pollack's discourse stresses that U.S. tax policy has been unstable, unpredictable, partisan and complex because policy makers have used the income tax for diverse and, at times, contradictory purposes. Professor Pollack's discussion includes (1) a history of U.S. tax policy; (2) description of the change in the late 70s and 80s of factors influencing tax policy; (3) explanation of the dominant theoretical model advanced to describe and explain the development and politics of U.S. tax policy; and (4) proposal of an alternate topology to explain long-term tax policy development. Overall, his discussion does an excellent job of addressing the instability in U.S. tax policy. However, Professor Pollack's failure definition is elusive because, unlike other policy writings which point to particular policy features that have "failed," Pollack suggests that the whole of U.S. tax policy fails the common definition of "policy." He suggests

that the unstable, partisan, complex and erratic nature of tax policy changes since the Civil War do not merit definition as "wise, expedient or crafty use or management."

This review does not quarrel with Pollack's definition or his assessment of the political climate that is the basis for that definition. Instead, it provides a summary of Pollack's discussion from the perspective of a reader interested in using the text as an assigned reading in a graduate tax policy course or a resource for integrating tax history in a graduate or undergraduate tax course.

Chapters 2 through 5 provide the reader detailed history of federal taxation from the founding of our nation through changes up to and including the Republican Congress' "Contract with America." It contains an excellent discussion of the conflicting goals of raising revenue vs. implementing social policies imposed on tax policy makers during this period. Chapters 4 and 5 describe in detail the "deluge" of tax legislation experienced during the 1980s and 1990s. It is this period that Pollack claims has, in large part, contributed the most to the "failure of U.S. tax policy."

It is difficult to put current policy issues such as complexity and equity in perspective for students without supporting documentation of how and where such issues have arisen in the past. For example, Professor Pollack provides insight into public concerns about the complexity of the income tax imposed during the Civil War through various quotes from the popular press of the time. These chapters are likely to be most useful to the instructor incorporating tax history or a discussion of tax policy at either the graduate or undergraduate level. For instructors needing a more in-depth look at particular issues or specific tax acts over the last century, Pollack's list of references includes numerous readings from renowned lawyers and economists intimately familiar with the political and tax-policy process.

Professor Pollack discusses factors influencing tax policy in chapter 6, with more-in depth consideration of tax professionals and tax experts in chapters 7 and 8. Pollack proposes that several important structural changes in American politics have had an impact on the tax-policy process. He believes that one of the most significant is the post-Watergate changes to the congressional committee system and subsequent involvement of a number of new players in the tax-policy process. Pollack identifies these new players as policy entrepreneurs, tax experts, journalists and the media, think tanks and public interest groups. He provides an excellent discussion of how these players have contributed to the extreme instability of the tax process since the 1980s. Chapter 7 specifically considers tax professionals' contribution to the "quagmire" that tax policy has become and chapter 8 discusses how tax experts (primarily academics) have influenced the concept of "tax reform." A former practicing attorney and current academic, Pollack is not reluctant to identify the limited success these groups have had in developing a system of tax law based on general principles rather than a series of complicated rules. The discussion in these chapters is best suited for a graduate policy course, although chapter 7 may be suitable for an upper-level undergraduate course that includes discussion of issues related to being a tax professional.

In chapter 9 Pollack describes how the incrementalist/pluralist model applies to normal income tax policy making during most of the postwar period and expresses the rules of the tax game during periods of "politics-as-usual." Pluralism is the dominant model applied by political scientists to describe the American political system. In a pluralist system, power is widely dispersed and policy making is readily accessible to numerous groups with no single group dominating the decision-making institutions or outcomes. Incrementalism is policy development using minor adjustments to existing policy that do not achieve all goals but do not invite unforeseen consequences.

Pollack suggests this model fails to explain the pattern of tax policy in the 1980s and the policy making that occurs during periods of wartime crisis. He offers a topology that emphasizes three interrelated factors: the influence of crises, the rise of new players in a more open political system and the assertion of ideologically grounded views. His model distinguishes between "normal" and "crisis" tax politics. One limitation of Pollack's arguments is his definition of the crisis existing during the 1980s and 1990s. Pollack points to the economic slowdown beginning in the 70s and the budget pressures of the 80s as the underpinnings of the "crisis tax politics" of this period. Neither model has value in making forecasts about tax-policy changes; a point that Pollack takes great pains to stress about his crisis politics model. Overall this chapter is interesting, but probably suited only for discussion in a graduate policy course and may be excluded from readings without interfering with the content of earlier chapters.

Pollack's postscript on the flat tax is recommended for any tax class discussing alternate tax systems. It provides an excellent summary of the current political climate surrounding the flat tax and a discussion of the issues surrounding its adoption. Pollack stresses the point that a "flat tax" would not offer a long-lasting solution for the complexity of the current income tax because it

only replaces the current tax law and not the political process. The same factors that led to the current system complexity would eventually lead to a complicated "flat tax."

Overall this book is an indispensable source of historical information and provides the structure necessary for meaningful discussions of tax issues of concern to policy makers, academics and tax professionals. I highly recommend this book as supplemental reading for both graduate and undergraduate courses.

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