

velopment. With unconcealed satisfaction and pervasive optimism he also points out the degree of maturity evident in present-day Latin America. This maturity was considered quite remote even as recently as ten years ago, and it augurs a bright future for the region as a whole.

For various historical and circumstantial reasons, he says, Latin America has been a great "fragmented nation," but today the strongly felt need for industrial growth is turning economic integration into a tangible reality. He alerts Latin Americans to get ready for the political integration that will very likely result from it, giving greater stature and force to the legitimate aspirations of the Latin American community.

The reader is made to feel that he is listening to a wise, experienced, idealistic—yet eminently pragmatic, vigorous, persuasive, and trustworthy leader, urging Latin Americans to ever higher goals of economic well-being, social justice, democratic government, and human dignity.

Carleton College

ANTONIO H. OBAID

Capitalism and Underdevelopment in Latin America. Historical Studies of Chile and Brazil. By ANDRE GUNDER FRANK. New York, 1967. Monthly Review Press. Tables. Notes. Bibliography. Index. Pp. xx, 298. \$7.50.

Why are the countries of Latin America "underdeveloped?" The commonest answer today seems to be that their societies have failed to be completely modernized in some sense; they remain "traditional," or "feudal." This description suggests that the escape from poverty is a unilinear process in time, with some countries on one side of a historical watershed and some on the other, but all headed in the same direction. Frank wholly rejects this conception in favor of another. He believes that the Latin American countries are and always have been functioning parts of the European-centered system of world capitalist trade. Whatever "feudal" traces are to be found there are marginal phenomena, mere disguises for an underlying, fully developed market economy.

In support of this thesis, Frank presents historical and institutional analyses of the Chilean and Brazilian economies. Although the evidence is not systematically presented and is obviously being marshalled for what is at times a quasi-polemical debate, it is extensive and varied. The reader may well come to concede the point. He may not be pleased, however, with the further thoughts that such a re-

orientation inspires. As the author points out, it has been convenient for both bourgeois and Marxist analysts to label Latin America "feudal." The former is absolved of blame for the unpromising present; the latter is relieved of the need for revolutionary action.

If Latin America is part of the world system of trade, if its economic organization is capitalistic, why then has it not duplicated the experience of Europe and the United States? Why is it not "developed," industrialized, rich? The author's reply is emphatic: it is *because* it is capitalist. The capitalist system, as viewed by Frank, employs many devices for extracting surpluses from peripheral areas and applying them at the center. It is possible for a São Paulo or a Santiago to make a middleman's commission, and thus share in the prosperity, but the system as a whole is exploitative and monopolistic. The rural areas will never receive a fair proportion of its returns, and only a breakdown in world trade or a turn toward autarky will enable the national metropolis to attain the affluence of London or New York. The centers of finance and manufacturing have employed their disproportionate economic and political power to their own advantage. The "periphery" can never catch up; the system that bestows wealth on the industrialized countries simultaneously produces "underdeveloped development" everywhere else.

So far Frank is saying what many bourgeois critics of capitalism living on the periphery have already said (*vide* Walter Prescott Webb's slashing attack on Wall Street, *Divided We Stand*, a work insufficiently esteemed outside of Texas). Their response to the impositions of European bankers and exporters has always been Listian. But Frank's point of view is Marxist. A disengagement from the pattern of international capitalist trade does not resolve the class struggle or the exploitation of rural areas. His message is directed, therefore, to the Latin American Communist parties which he feels have used the concept of feudalism to argue that their countries are not ripe for revolution. He berates them for their easy assumption that the "national bourgeoisie" will make an economic declaration of independence. In Frank's opinion this bourgeoisie is too much the accomplice of the metropolis to think of taking such a risk.

Even if the reader does not accept the policy recommendations of the author, his "model" is as worthy of consideration as the one which he attacks, and his book deserves to be read. Frank's rhetoric, however, is at times excessive, and will put many off—see, for example, the phrase "underdevelopment-generating monopolistic metropolis-satellite structure of the contemporary capitalist system." In places he seems too anxious to make a point and falls into errors. On

page 196, for example, he draws conclusions from the alleged fact that since 1930 São Paulo has had an import balance in coastwise trade, whereas it actually had an export balance until 1953. The chapters on peasant and capitalist agricultural systems are admirable and well-founded. It seems strange, considering Frank's frame of reference, that he does not cite Lenin's classic, *The Development of Capitalism in Russia*, whose conceptions and purposes are very similar to those of this book.

University of Texas

WARREN DEAN

Five Years of the Alliance for Progress. An Appraisal. By SIMON G. HANSON. Washington, 1967. The Inter-American Affairs Press. Tables. Notes. Pp. ix, 210. \$7.95.

It is possible that someone may write a more devastating indictment of the Alliance for Progress than Hanson and support his charges with a more impressive bill of particulars. This, however, would take considerable doing, for Hanson has surveyed a wide area of Alliance activities and found them wanting in every instance.

He does not deny an extensive list of accomplishments in Latin America under Alliance auspices and with the aid of the \$4 billion given to the Alliance by the United States during the past five years. The list would include the building of houses, schools, roads, health centers, and the like. Hanson simply brushes aside such items on the ground that United States aid of this sort to Latin America has been going on for a long time. The Alliance for Progress, he declares, was created for a different purpose, that of enabling Latin American nations to mobilize effectively their own resources. With the assistance of both public and private capital from the United States, they were supposed to promote economic development and reform their social and political systems.

Instead of accomplishing these ends, he believes, Latin Americans have viewed the Alliance as a gimmick by which money could be secured from the United States. Even worse: the American government has actually encouraged them to believe that they have the moral right to put their hands in the pockets of American taxpayers, because American investors have made profits in Latin America in the past, or because the American government wants votes in the Organization of the American States.

As shown in Hanson's analysis, the mismanagement of the Alliance has caused actual decline in the rate of Latin American economic growth and complete failure to establish a climate favorable to foreign