The authors and readings for the earlier periods (1890-1945) are of course more familiar; some of them are virtually automatic choices. For the postwar period, this is not the case, however, and the selection of readings on Cuba in particular shows a sensitivity to the theoretical and practical issues and the viewpoints on them that speaks well of the editor's sophistication.

Aguilar's introduction breaks no new ground and develops no new theory of Latin American Marxism. Also the division of the years covered into periods is conventional enough, and the content is narrative and descriptive. But the history is sound; the style is literate; and the footnotes (which the publisher sensibly puts at the foot of the page) are interesting and intelligent. In the introduction, as in the selection and presentation of the readings, one can appreciate not only the editor's considerable knowledge, but even more his attitude toward the subject. Especially notable in a Cuban exile writing about Marxism, this is rational, objective, unemotional understanding in the spirit of Spinoza's *non ridere, non lugere neque detestare, sed intelligere*—in a word, scholarly.

University of New Mexico MARTIN NEEDLER

Steel and Economic Development: Capital-Output Ratios in Three Latin American Steel Plants. By DAVID G. GREENE. East Lansing, 1967. Michigan State University. Institute for International Business and Economic Development Studies. Tables. Notes. Appendices. Pp. x, 124. $4.50.

In this study David G. Greene has attempted to evaluate the performance of three major Latin American integrated steel mills—the Companhia Siderúrgica Nacional (Volta Redonda) in Brazil, the Compañía de Acero del Pacífico (Huachipato) in Chile, and Altos Hornos de México, S.A.—from the time when their operations began (1947, 1951, and 1944 respectively) through the late fifties.

He finds that the ratios for the steel firms have fallen substantially since their initial years of operation. This was to be expected because a huge enterprise like a steel firm will take a few years to reach output levels close to capacity. Nevertheless, they were still substantially higher than the incremental capital-output ratios of the manufacturing sectors and of the economy as a whole in the late fifties in each of the countries. This is an indication that "more often than not, there were investments being made in manufacturing which had greater output increments associated with them than were found in the case of the investment in steel" (p. 91).

In one of the final chapters the author turns to a comparison of domestic steel prices in each of the countries with the price of imported U.S. steel. The latter was estimated by using the prices of steel products produced at Sparrows Point plus transport costs to ports near the steel consuming centers in each of the three countries. The steel prices of the three Latin American firms were found to be substantially higher than the price of imported steel, even after a decade of steel production. Greene takes this as additional evidence that investment in steel in Brazil, Chile, and Mexico was not an economically wise move and that therefore in the future "the lending policies of international development agencies, particularly the World Bank and the Export-Import Bank, should be re-evaluated" (p. 92).

Although Greene's computations of capital-output ratios were an interesting exercise, I doubt their value in leading him to such rash conclusions. His judgment based on these computations is open to even greater doubts when one considers a number of examples which reveal the author's lack of acquaintance in depth with the economies of the three countries and with steel technology. For example, Greene maintains that the Brazilian government took the first steps toward the expansion of the steel industry in early 1939. Actually the efforts towards creating a large integrated, coke-based steel industry in Brazil go back to the earlier part of the century, and the government began to get involved in a more active promotion during the early thirties.

In another place Greene comments on the fact that Volta Redonda operated for many years below capacity, and attributes this mainly to supply problems, insufficient rolling stock, etc. He never makes it clear that capacity is a hard concept to define for a steel mill. For example, the rolling mill section of a steel firm represents the most lumpy part of the investment. Thus for a long time a firm might have its blast furnace and steel shop work close to capacity, while rolling mills are operating substantially below capacity. This makes the capacity of any firm quite difficult to measure and makes it even trickier to estimate a meaningful capital-output ratio.

Greene's analysis might have gained in perspective had he compared some of his ratios to those in developed countries. Is the capital-output ratio of U.S. or European steel firms also higher than the incremental ratios to be found in the manufacturing sector or in the economy as a whole? Also, is it relevant to compare the ratio for steel with the ratio for the existing structure of the manufacturing sector?

Or should one not compare it to the ratios of sectors for which there is a potential market?

Vanderbilt University WERNER BAER

El desarrollo agrícola en América Latina. Situación actual y perspectivas. By MONTAGUE YUDELMAN. México, 1967. Centro de Estudios Monetarios Latinoamericanos. Tables. Pp. 188. Paper. $2.50.

This volume attempts to prove too much by the use of statistics. We learn in Chapter One that on the basis of agricultural production Mexico is in the same category of rapid growth as Venezuela and Nicaragua, whereas in the slow grower class are to be found Haiti and Paraguay, together with Argentina and Chile. The author does at least refer to his classification as somewhat arbitrary.

To be sure, Mexico has made spectacular progress in agriculture by concentrating on the more enterprising farmers in a limited number of regions. The result is that 3% of the farmers produce 50% of the crop sales, mainly on large commercial farms. It is highly significant—but not made clear in this volume—that the rest of the rural population, probably some 50% of the total, remains almost entirely unaffected by this material progress. As for Argentina, Buenos Aires, now generating 70 percent of the nation's capital, is filling up with rural Argentines, instead of with Italians as formerly. These country people have migrated not because they are low-income (or no-income) subsistence agriculturalists lured by city lights, but because they are being thrown out of work as agriculture becomes increasingly mechanized.

In Part II we learn that the Interamerican Development Bank has as its objectives acceleration of agricultural growth generally, aid to low-income farmers especially, and reduction of losses to a minimum. It is pointed out that underemployed, low-income farmers can greatly increase production if given access to land, technical help, an assured market, *and* credit. But it is not pointed out that loans alone will not do the job. If the farmer is given a loan to increase production and promised a market at a fixed price, only to find the price lowered at harvest time when he must sell, he will have learned his lesson the hard way and will remember it. As we learn in the chapter on exports, imports, and intraregional trade, the Latin American farmer finds it increasingly difficult to save profits for reinvestment in agriculture, since the *volume* of exports has increased at about 4 percent