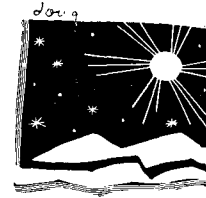


## Enlightened Diplomacy



**"Chile Through Embassy Windows,"** by **Claude G. Bowers** (Simon & Schuster, 375 pp. \$5), is a former American Ambassador's highly personal account of his fourteen years' stewardship of American affairs in "The Long Land" of Chile during and after World War II. Rear Admiral Arthur A. Ageton, U.S.N. (Ret.), our reviewer, was for nearly three years American Ambassador to Paraguay. He is author of a novel, "The Jungle Seas," and, with William D. Standley, of "Admiral Ambassador to Russia."

By Arthur A. Ageton

My theory of a diplomat is that he should cultivate friendly relations with frankness, reason and justice, and I am convinced that so-called shirt-sleeve diplomacy is the most effective means.

**I**N THESE rather lengthy memoirs of his fourteen years (1939-1953) as American Ambassador to Chile, the well- and favorably-known author, historian, journalist, politician, and diplomat, Claude Bowers, demonstrates the effectiveness of his theory. He also makes a good case for his principal thesis—Chile was not just another Latin-American dictatorship but one of two effectively functioning democracies in South America. In fact, he makes the point that, "like most nations in Europe, Chile suffers from a multiplicity of political parties," and he notes that, in the three presidential elections which he observed, with no candidate receiving a clear majority, the issue was resolved in the Congress according to constitutional procedures, the candidate with the plurality winning.

The other democracy to which he referred was probably Uruguay, which also possesses a multiplicity of political parties or "lists" and a committee exercising the executive power instead of a president, an overdemocratic arrangement (if such be possible) that makes decision and action in the executive branch of the government always difficult and sometimes impossible.

Since Ambassador Bowers left Chile in August, 1953, the trend in Latin America has been away from the dictatorships, about which he complained,

toward more democracy. With the present standard of living and lack of education in the remoter regions of the *campo* in several of the "less well-developed" countries of the hemisphere, the best opinion would not write off the probability of an eventual return to dictatorship where democracy has recently known its first flowering.

However, in the years since 1953 we have seen one dictator, General Odría of Peru, voluntarily retire. Three other dictators, Perón, Rojas Pinilla, and Perez Jiménez, toppled from their seats of autocratic power through making the same three mistakes: muzzling the press, offending the business community and the students, and ultimately attempting to dominate the Church. We have also seen the heartening results of free elections recently held in Brazil, Ecuador, Costa Rica, Peru, and Guatemala. Uruguay and Chile are no longer unique among Latin American nations which follow democratic processes.

But there has also been a rise in Communist activities, with especially

strong parties in Brazil and Uruguay, and established (if sometimes outlawed) Communist Parties in every country. Even the smallest is well organized for infiltration and subversion and follows closely the Party line of International Communism, as the author tellingly notes in his description of the radical change in attitude towards the United States by the Chilean Communist Party immediately after World War II.

**A**MBASSADOR Bowers also makes a good case for the "technical aid" which the United States initiated in 1942 as a military measure, giving dramatic illustrations of the improvement in health, education, and agriculture brought about by the United States and Chilean technicians working together with jointly appropriated funds in these fields. He also notes one great disadvantage to these programs, the inability of the Chilean Government to take over and operate them once United States financial support be removed. He goes on to say, "Had a small portion of the billions we have spent in preparation for



## Your Literary I. Q.

Conducted by John T. Winterich

"BY ANY OTHER NAME"

Below are the scrambled nicknames by which the writers listed (not all of them full-time writers) were known in at least one stage of their careers to family, friends, schoolmates, or other associates. Please sort them out. Answers on page 50.

- |                               |     |           |
|-------------------------------|-----|-----------|
| 1. Heywood Broun              | ( ) | Ba        |
| 2. Elizabeth Barrett Browning | ( ) | Bob       |
| 3. Willa Cather               | ( ) | Bobs      |
| 4. George du Maurier          | ( ) | Cully     |
| 5. George Eliot               | ( ) | Drina     |
| 6. Clifton Fadiman            | ( ) | Fluff     |
| 7. Edna Ferber                | ( ) | Kicky     |
| 8. Ulysses S. Grant           | ( ) | Kip       |
| 9. Thomas Gray                | ( ) | Mr. Guy   |
| 10. A. E. Housman             | ( ) | Mouse     |
| 11. Charles Lamb              | ( ) | Orozmadés |
| 12. Sinclair Lewis            | ( ) | Polly     |
| 13. Somerset Maugham          | ( ) | Red       |
| 14. Edna St. Vincent Millay   | ( ) | Rube      |
| 15. William Morris            | ( ) | Sam       |
| 16. Carl Sandburg             | ( ) | Sefe      |
| 17. Bernard Shaw              | ( ) | Topsy     |
| 18. Cornelia Otis Skinner     | ( ) | Tydeus    |
| 19. Queen Victoria            | ( ) | Willie    |
| 20. Horace Walpole            | ( ) | Willie    |

a war which the hydrogen bomb has made improbable been used for economic aid, we would have waged a more intelligent war against Communism than we have."

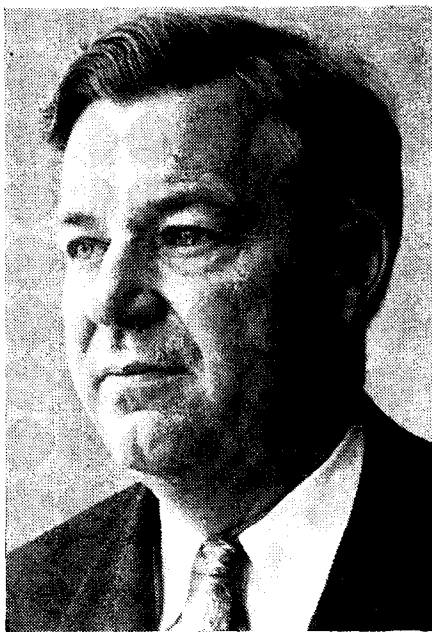
**T**HIS has been well recognized in Washington in recent years. Without abandoning technical aid, the disposition now is to channel government economic funds for loans to other governments into roads, river transport, airfields, and other transportation facilities which will help expand the economy, and also into the more rapid development of private enterprise.

That government-to-government loans are not the final answer, Mr. Bowers demonstrates in his chapter "Yankee Capital and Chilean Economy." With regard to the opportunity for investment in Latin American countries, he concludes,

All that [Yankee] capital requires is the assurance of fair play, without discrimination, with freedom from prejudice. When foreign capital enters any country it is under the obligation to observe strictly that country's laws. . . . On the other hand, they have a right to reasonable profit on their investment, and should be free from discrimination and prejudice.

But there is much more to Ambassador Bowers's book than this. As its reader, you will meet the leaders and the VIPs he knew and entertained during his fourteen years in Chile, as well as the "little people" he visited and demonstrates that he knows so well. You will learn much about Chile and Chileans, the government and politics, the sunsets on the frozen peaks of the Andes, the lovely lake region and forested and snow-capped mountains of the south, where you are apt to think you are in another Switzerland or in Bavarian Alpine community. You will ramble with the author through a number of Chilean cities and along "the road to Quilota." You will learn about Nazi intrigues during the war and the Communist machinations afterward. And you will read of Ambassador Bowers's master diplomatic stroke when he arranged for Eleanor Roosevelt to head the American delegation to the inauguration of the current President, Carlos Ibañez.

Ambassador Bowers writes with the facility of his long years of practising authorship of such notable works as "The Tragic Era," "Jefferson and Hamilton," "My Mission to Spain," and "Party Battles of the Jackson Period," but, more important than that, with the genuine affection he felt for Chile and the Chilean people.



—Pix.

Gunnar Myrdal—" . . . illuminating."

## The World's Economy

**"Rich Lands and Poor,"** by Gunnar Myrdal (Harper, 168 pp. \$3), offers new insights into the reasons for the wide and still widening economic gap between highly developed and underdeveloped countries. The book is reviewed by Eugene Staley, Senior International Economist at Stanford Research Institute.

By Eugene Staley

**T**HIS is one of those seminal books in which new and illuminating ways of thinking are brought to bear on a complex subject. In the rapidly growing literature of the field the absence of an adequate theoretical framework to tie together the masses of economic, social, and political facts that are relevant to development problems is often deplored. Myrdal's small book (it is based on lectures he gave in 1955 at the invitation of the National Bank of Egypt) puts forward some concepts and hypotheses that bring us several steps nearer to a usable framework for a general theory of development and underdevelopment. This is its major significance.

Gunnar Myrdal is an eminent Swedish economist who is perhaps best known in this country for his study of our Negro race-relations problems, "An American Dilemma."

In "Rich Lands and Poor" he first paints a factual picture of economic inequalities in the world. There is a small group of highly developed countries which are quite well off

and a much larger group of underdeveloped and extremely poor countries. The richer countries are on the whole firmly settled in a pattern of continuing economic progress. But among the poorer countries economic progress is much slower. Some are even losing ground, if income per person is the test. Consequently, economic inequalities between developed and underdeveloped countries have been increasing. The underdeveloped countries, which are developing more slowly, make up much the larger part of the world; also, population growth has been more rapid in these countries than in the small group of richer countries.

How can we account for these great international inequalities and for their tendency to grow? The inherited theory of international trade and general economic theory do not help us much, says Myrdal. They were never worked out to explain economic underdevelopment and development. They are strongly influenced by two assumptions which are seriously misleading.

One is the assumption that every disturbance tends to provoke a reaction which leads back towards stable equilibrium. In contrast to the stable equilibrium assumption Myrdal expounds "the principle of circular and cumulative causation." Economic and social life are full of vicious circles or—when things are moving in the favorable direction—upward spirals. Thus, disparities once established between rich and poor regions or countries tend to become greater, unless measures are taken to counteract the normal play of market forces.

The other misleading assumption is that a theoretical analysis can be rationally restricted to "economic factors." In reality, says Myrdal, the so-called non-economic factors are among the main vehicles by which circular causation and cumulative processes of economic change are made effective. To leave them out leads to wrong conclusions. The distinction between factors that are "economic" and those that are "non-economic" should be replaced by a distinction between "more relevant" and "less relevant" factors. The dividing line will not be the same for different problems.

Myrdal's analysis, combined with his stated value premises, which favor economic egalitarianism and political democracy, brings theoretical support to "welfare state" policies, to national economic planning for the purpose of economic development, and to international policies designed to assist underdeveloped countries by trade and aid much more substantially than today.