dently primary—needs to have its claims asserted against historical, ideological, and social externalities.

To the extent that Alpers means to argue the importance of Rubens's innate creative impulses—whether masculine, feminine, or modishly mixed—her project is significant. Rubens and his individual genius, not Flanders or politics or posterity, made Rubens. But oh for a bit more Poussinian clarity of line in the argument.

Contemporary Affairs

THE CONFIDENCE GAME: How Unelected Central Bankers Are Governing the Changed Global Economy. *By Steven Solomon. Simon & Schuster. 606 pp. $30*

Solomon's book couldn't be more timely. Since the end of 1994, the U.S. dollar has plummeted nearly 20 percent against the Japanese yen and 15 percent against the German deutschemark. Such volatility is one of the hallmarks of today's anarchic global economy: trillions of dollars of stateless capital slosh around the world every day, beyond the control, and sometimes even the comprehension, of government officials and central bankers.

How did the world's economy expand so rapidly into this vast, stateless swirl? Solomon, formerly a reporter for *Forbes*, cites several causes: the 1970s breakdown of the Bretton Woods system of fixed exchange rates, new communications technologies that allow for instantaneous, worldwide trading 24 hours a day, and marketplace innovations that permit relatively small investors to control huge sums of money. Amid such changes, central bankers in Europe and Japan, as well as the United States, have worked diligently to prevent global economic crises. Remarkably, they have often succeeded—as in their handling of the debt crises of less-developed countries in the early 1980s, and their quick response to the 1987 stock market crash.

Unfortunately, central bankers appear to have more power than they actually possess. Their effectiveness, according to Solomon, lies in perpetuating what is at least partly a myth: that they are, in fact, in control. Within the parameters of their own currencies, they still manage the money supply (by increasing or reducing banking system reserves) and short-term interest rates (by raising or lowering the rates financial institutions must pay to borrow from their central banks). But central bankers have less power to affect global exchange rates. To influence the foreign exchange value of the dollar, for example, the Federal Reserve needs the cooperation of the president and Congress on fiscal policy—something the Fed only rarely secures.

Solomon recounts instance after instance in which many of the central bankers' threats—to each other, to governments, to market speculators—were at least partially empty. But for the last 15 years, their bluffs have seldom been called, and the confidence game has largely worked. The question, though, is how much longer their luck can continue.

The answer depends largely on how much longer Americans are willing to give unelected officials so much power over the nation's—and, indeed, the world's—economy. Though the subtitle of his book suggests otherwise, Solomon argues that central bankers are the heroes of the new stateless economy. The independence of central bankers needs to be strengthened, he says, rather than weakened. Elected officials are the "bad guys" of his story. Either they don't understand the complexities of the global economy, or they do and nevertheless pursue bad policy for political gain. In either case, Solomon believes, elected officials cannot be trusted with managing their nations' money supplies or their currencies.

But central bankers have weaknesses as well. For one, Solomon says, they lack a coherent theoretical model for dealing with economic reality. Indeed, according to many of the central bankers Solomon interviewed, they have no idea what that "reality" is. No one, for example, knows at any given time whether the dollar is fairly valued. Was it overvalued relative to the yen and mark in late 1994, and fairly valued now? Or was it fairly valued then, and undervalued now? There is nothing even approaching a consensus on this question among so-called experts.

If central bankers can't fully comprehend all of what's going on in the global economy, neither can any of the rest of us. That's the important, if unsettling, message of this book.

URBAN LEVIATHAN: Mexico City in the Twentieth Century. *By Diane E. Davis. Temple. 391 pp. $24.95*

In 1940, 1.7 million people lived in metropolitan Mexico City; today it is home to more than 16 million. What was once a charming city with a leisurely air has become, in the words of the writer Octavio Paz, "a monstrous inflated head, crushing the frail body that holds it up." What went wrong? Why has the development of Mexico City proceeded so disastrously? And what have been the consequences of its unchecked growth for the political and economic well-being of the nation? Davis, a sociologist at the New School for Social Research, provides disturbing answers.

While many observers blame Mexico's current crisis on corrupt and power-hungry politicians in the party that has ruled for more than 60 years, the Partido Revolucionario Institucional (PRI), Davis links it to the physical concentration of social, political, and economic resources in Mexico City, the country's capital and geographic center. According to Davis, the PRI lavished its attention on Mexico City, to the exclusion of other regions, in order to secure the loyalty of its sizable population (today, about 20 percent of all Mexicans). This strategy led to the state's long-standing protection of an uncompetitive class of Mexico City industrialists, who produced primarily for local consumption rather than for export. Their loyalty to the party was rewarded with hefty state subsidies.

Moreover, Davis maintains, the PRI's preoccupation with social and economic forces within Mexico City led it to forgo competitive democratic politics and to rely on a pact with urban labor (based mainly in Mexico City), urban industrialists, and the urban middle classes. The system worked so long as party leaders plowed enough money back into Mexico City to keep its residents and party constituents loyal, or at least acquiescent. But when the PRI could no longer guarantee prosperity or congenial conditions in the city, Davis claims, grassroots opposition flared.

Davis's history helps to explain both the poverty and the political opposition now so evident in the other regions of Mexico, notably Chiapas, where outright rebellion erupted in 1994. If Mexico's current woes have many causes, Davis's account sheds valuable light on why the endangered PRI is now courting rural populations, advocating regional development, and scrambling to compensate for decades of provincial neglect.

IN RETROSPECT: The Tragedy and Lessons of Vietnam. *By Robert S. McNamara with Brian VanDeMark. Random House. 414 pp. $27.50*

Last spring, after almost three decades of reticence, Robert McNamara finally issued his version of what went on in the highest government circles during the Vietnam War. Predictably, the former secretary of defense drew hot criticism from many quarters for his admission that he remained at the Pentagon even after developing grave doubts about the prosecution of that badly conceived war. Read carefully, however, his memoir is less a mea culpa, as advertised, than an often artful sharing of the blame ("We were wrong") with the Joint Chiefs of Staff and his former colleagues in the Kennedy and Johnson administrations. Nevertheless, to the abundant historical literature he adds a useful, albeit truncated, chronicle of high-level obfuscation and strategic confusion during 1961–68, the years of growing U.S. commitment in Southeast Asia.

As the United States sought to "contain" Sino-Soviet expansionism, both Kennedy and Johnson feared being accused at home of "losing" South Vietnam to the tenacious men in Hanoi. Johnson wanted to "win," but at the lowest possible political cost lest he lose his Great Society programs. That meant no congressional declaration of war, no mobilization