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LATIN AMERICA

BY
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POLITICALLY, **economically, and intellectually the republics of Latin America are destined to play an increasing part in world affairs. Between them, the United States, and the British Empire, there are traditional and permanent bonds of mutual sympathy, interest, and ideals. This pamphlet gives a short introductory account of the geography, the recent history, and present political and economic situation of this vast and peaceful region, with its enormous richness in raw materials, and with its astonishing contrasts of climate, of prosperity, and of political organization.**

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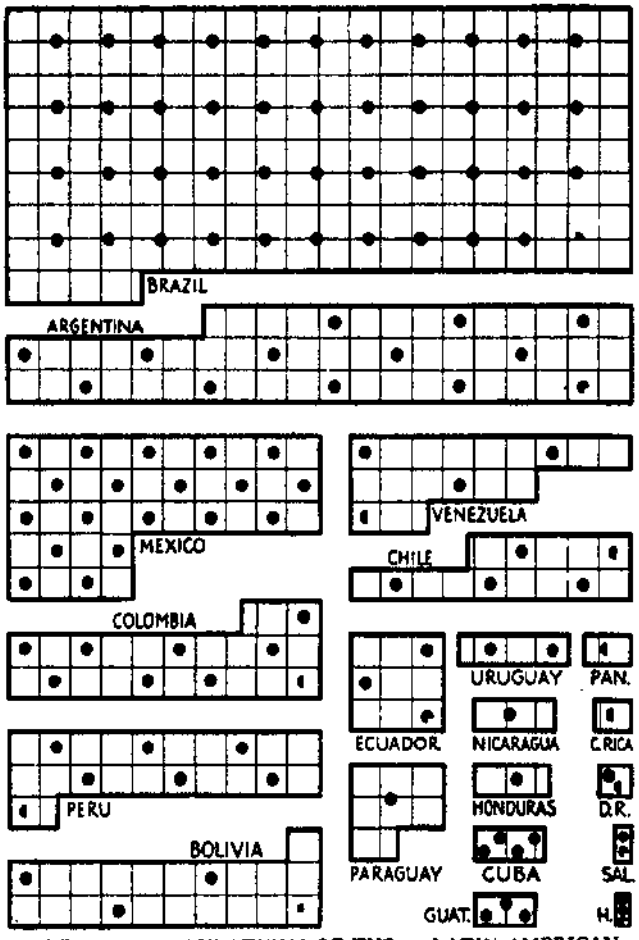
LATIN AMERICA

The Land

THE twenty Republics of Latin America cover an area more than two and a half times the size of the United States. Brazil, the colossus of South America, is itself larger than the United States. Argentina, richest of all the Republics, is five times the size of France. Peru, small in comparison with these great States, could comfortably contain the whole of the Union of South Africa, and even those tiny Republics which join the great cornucopia of Mexico to the vast southern continent together occupy an area larger than Spain.

South America itself is roughly a triangle. It lies, for the most part, to the east of the United States, so that at its most easterly extension it is less than 2,000 miles from Africa, and Rio de Janeiro and Buenos Aires are nearer to Lisbon than to New York. The rims of this triangle are elevated. On the west coast the great chain of the Andes, rising to formidable heights, stretches from Tierra del Fuego to the Caribbean Sea. On the east the highlands of Guiana form the northerly wall of the vast inland world of Amazonia, while the great plateau of Brazil rises steeply from the Atlantic shores. Four river systems—the Magdalena, the Orinoco, the Amazon, and the La Plata basin—drain the continent. More than 2,000 miles up the Amazon Peru has her Atlantic port at Iquitos. Two countries only—Bolivia and Paraguay—are landlocked, and even Paraguay has access to the sea by the Paraguay and Parand.[1]

[1] **The Paraguay, the most important tributary of the Paranå, is navigable for boats of 12 feet draught as far as Villa Concepcidn and for smaller vessels for almost its entire length.**



AREAS AND POPULATIONS OF THE 20 LATIN AMERICAN REPUBLICS

Each square represents 20,000 square miles, each dot 1,000,000 inhabitants. Based on figures taken from the *Foreign Commerce Yearbook*, 1938, published by the U.S. Department of Commerce.

(D.R.—Dominican Republic; Sal.—Salvador; H.—Haiti)

Seven per cent, of South America itself is 10,000 feet above sea-level, and in these lands of sudden and surprising climatic and topographical changes, communications remain incredibly difficult. In Mexico the traveller who follows the route of Cortes from Vera Cruz to Mexico City passes within a few hours from the tropical heat of the *tierra caliente* to the chill of the *tierra fria,* more than 6,000 feet up. The journey from Lima to Iquitos takes two weeks by mule, by car, and by boat, so formidable is the mountain barrier. Even on the coast of Brazil to travel from Santos to Pará by any other means than air is as lengthy a journey as from London. No road links the southern to the northern continent. Even Tschiffely, on his famous ride from Buenos Aires to New York, was compelled to dismount near the borders of Panamá and to do that stretch by sea. Of the great Pan-American highway which is to link New York to Panamá and Panamá to Buenos Aires, large stretches still remain untouched and much is incomplete. A network of railways spreads out its antennae from Buenos Aires to connect the third city of the western hemisphere with Chile, Bolivia, and Uruguay. In the Peruvian and Bolivian Andes the railroads are miracles of technical achievement. But in Latin America the air unites, the land divides, and the student of Latin American history will do well to call the geographer to his aid.

The People

The whole population of this vast area of Latin America is under 125,000,000. It is unevenly distributed. Brazil contains nearly half the total population of the southern continent. Yet its interior is a 'desert of men* and its population density

less **than 13 to the square mile. Argentina,** Uruguay, and Chile account for almost another quarter, yet their combined population is only slightly more than that of Mexico in the northern continent. Nor is the nature of this population uniform. Argentina, Uruguay, and Costa Rica are almost exclusively peopled by whites. In Brazil, the true melting-pot of the western hemisphere, half the population is white, but Indians predominate in the interior, mestizos[1] in the north, and the negro element is strong in Bahia. In Bolivia and Peru, though a small white minority holds the reins of power, the mass of the people is Indian; and elsewhere, in these mainland countries, the native Indian blood, either pure or in varying degrees of admixture, forms the oasis of the population. Even in modern Mexico more than fifty Indian languages are spoken.

When the Spaniards came to the New World they found between the great plateau of Mexico and the highlands of Peru native civilizations of extraordinary interest and relatively high complexity. But Aztecs, Chibchas, and Incas, still less the more backward tribes of Indians, were no match for the white man with his guns and armour. In southern Chile, indeed, the mettlesome Araucanians were to preserve their independence till late in the nineteenth century. But, for the most part, there was little serious resistance to the *conquistadores,* and, after the first brutal onslaughts of the conquest, the Spaniards were concerned, not with the extermination, but with the conversion and the exploitation of the Indian. Immigration to the colonies was restricted and controlled. The Indian

[1] **The term 'mestizo', in its original sense, denotes a cross between white and Indian blood.**

remained the miner and the labourer. Spanish and native blood mingled, and at the beginning of the nineteenth century, out of a total population of some 17 millions in Spanish America, only three and a quarter were white to seven and a half Indian.[1]

Apart from the thin stream of Spaniards to the Indies and of Portuguese to Brazil in the colonial period, immigration to Latin America, on any considerable scale, thus came comparatively late in the nineteenth century. It was mostly directed to southern Brazil, to Argentina and Uruguay, and to Chile, and though the movement of peoples to Latin America in the nineteenth century and after was not comparable with the migrations to the United States, its relative importance was great. Next to Spaniards and Portuguese, the major elements in this immigration were Italian and German. Of the population of Argentina, 30 per cent, has Italian blood in its veins, and more than a third of all the immigrants entering Brazil between 1820 and 1930 were Italians. There are more than three-quarters of a million people of German stock in Brazil, mostly in the three southern States of Rio Grande do Sui, Santa Catharina, and Parand. Argentina has a German-speaking population of a quarter of a million (including Swiss and Austrians) and in south-central Chile three generations of Germans have lived and prospered. Asiatic immigration has been a twentieth-century phenomenon, and the 200,000 Japanese in Brazil are the result of colonization, carefully planned, highly centralized, and swift in development.

[1] **Of the remainder about three-quarters of a million were negroes. The proportion of negroes *in* the Portuguese colony of Brazil was much higher, and negro slavery persisted in Brazil till 1888.**

Immigration has given something of a European outlook to Argentine society. It has contributed greatly to the social and material welfare of the River Plate countries and of southern Brazil. It has helped to emphasize the distinctions between the several Republics. For Latin America is not a unity, and the differences between these States are at least as important as the resemblances. There is a certain family feeling. There is a common heritage (except in Brazil) from Spain. There is a common glory in the establishment of independence. There is a sense of Americanism, a consciousness of similar interests and ideals and of a shared experience. But differing in size, race, and population, the twenty Republics differ also in wealth and power, in social and political development. In most of these countries there is a highly developed national consciousness. There is no such strange creature as a Latin American. A Mexican is a Mexican, a Brazilian a Brazilian, citizens of no mean countries.

The Spanish Empire

The Spanish Empire in the New World was built on a gigantic scale. Even at the end of the eighteenth century Spain still held sway (with the exception of the Portuguese colony of Brazil) from California to Cape Horn. In North America the English colonists in the middle of that century sparsely populated a sea-board strip from the Green Mountains of Vermont to the pine woods of Alabama. Their western frontier marked the edge of civilization bordering on the wilderness. A century or more was to elapse before the relentless movement of western expansion had carried that frontier from the Alleghanies to the Pacific, and

before the process of exploration and exploitation of the continent was complete. But in Spanish America this process of exploration and colonization had been more or less completed by the end of the sixteenth century. And in contrast to the slowly moving westward frontier of North America, by the end of the sixteenth century most of what are to-day the chief cities of Spanish America already dotted the map, like Roman *coloniae* at far-flung intervals.

Parts, no doubt, remained unsubdued; parts were never explored. But the achievement was spectacular. And for a further three centuries Spanish America remained a closed and almost unknown continent to the rest of the world. The empire itself was administered as a centralized absolutism, with elaborate checks and balances designed to prevent maladministration on the part of the servants of the Crown. Few codes of law have been more benevolently intended than the Laws of the Indies. But great gulfs existed between theory and practice; and whereas in North America the English colonists from the first were educated to self-government, in Latin America the colonials were almost, if not quite, excluded from the work of government and administration.

The Spanish Empire was not only vast and long-lived; it was fabulously wealthy. In the eighteenth century Spanish (and Portuguese) America still remained the world's greatest source of supply of the precious metals. And Spanish America was not only a source of supply; it was a market of vast potentialities. Yet Spain failed to exploit it, and failed also to participate in the commercial expansion of Europe. The stream of gold and silver which flowed from the New World itself contri-

buted to the perversion of her economic development, and while she rigidly applied and maintained a monopolistic system, she lacked the economic organization successfully to enforce it. Her enemies exhausted her first by plunder, then by contraband; and her economic and administrative reforms in the eighteenth century came too late and did not go far enough. In the colonies themselves they contributed, like the American and like the French revolutions, to a freer play of ideas and a greater intellectual activity, while the control of Spanish American trade by a small group of monopolists became yet more unbearable. Finally, at the beginning of the nineteenth century, threatened on the northern border-lands by the territorial expansion of the United States, faced by the sea power and commercial expansion of England, the empire collapsed.

The Achievement of Independence

The Napoleonic invasions of Spain precipitated the Spanish American Revolution. It began ostensibly as an assertion of freedom from French control. It ended as a war of independence against Spain. And the Latin Americans won their own independence. It was an epic achievement, carried out in the face of incredible difficulties. Though each of the States has its own bounding fathers, all unite to honour the two greatest of the liberators, San Martin and Bolivar, respectively liberators of the south and the north of the southern continent, whose marches across the snow-clad Andes surpass the passages of the Alps by Hannibal and Napoleon, and who are revered not only as great leaders in battle, but also as statesmen. The tasks, first to achieve freedom, then to organize that freedom,

were stupendous. Their fulfilment by the Latin Americans themselves is a legitimate source of pride to peoples whose past has been too little understood and whose achievements have been too little appreciated.

There are British names associated with this achievement—Lord Cochrane who brilliantly commanded the navy of Chile and carried the army of Buenos Aires from Chile to Peru; Admiral Brown, the Irishman in command of the ships of Argentina; the men of the British Legion who served under Bolívar. And the resources of Britain's merchants and bankers, and still more the protection of her fleet, were of vital importance. 'Only England, mistress of the seas, can protect us against the united force of European reaction', wrote Bolivar in 1823. Lord Castlereagh, one of the greatest of British Foreign Secretaries, had made the position of Great Britain absolutely clear in a famous memorandum circulated to the European courts in 1817. No other Power than Spain should ever be allowed to use force against the Spanish colonies. From that moment the independence of Latin America was assured. What Castlereagh had done was to prevent European intervention on behalf of Spain when the issue was still in doubt. Once again, in 1823, when there were fears of European intervention (fears which we now know to have been groundless), a British Foreign Secretary, this time George Canning, secured from the only European Power that was potentially dangerous, France, a disavowal of any such intention, and appointed at the same time consuls and commissioners to go to the new States with a view to their recognition. It was at this time, too, that President Monroe sent that celebrated message to the United States

Congress which has gone down in history as the Monroe Doctrine—a doctrine whose importance for the future was great. The American continents, declared the President, were not to be considered as subjects for future colonization by any European Power; and he could not view any interposition for the purpose of oppressing or controlling the new States in any other light than as a manifestation of an unfriendly disposition to the United States.

Yet though both Great Britain and the United States stood forth as the protectors of the new States, it is to the Latin Americans themselves that the glory of the achievement of independence must go, and by 1824 that achievement was complete. Latin America was free. By 1830 twelve new republics and one new empire had been added to the number of independent States.[1] Mexico (where the course of the revolution was somewhat different from that in the rest of Spanish America) had passed from colony to empire and from empire to republic. The vast republic of Colombia, which Bolivar had created, had split into the three States of Ecuador, Colombia, and Venezuela. Brazil, by a singularly peaceful revolution, had thrown off the dominion of Portugal, and in 1822 had established an empire, under the House of Bragan^a, which was to survive almost till the last decade of the nineteenth century. Great Britain exerted her in-

[1] There were sixteen new Republics if the 'Five Republics of Central America' are counted separately. These, in 1823, were theoretically united in the confederation of the United Provinces of Central America, which survived till 1838. Cuba did not attain self-government till 1902, nor Panama till 1903. Haiti declared its independence from France in 1804, but the Dominican Republic, after declaring its independence of Spain in 1821, fell under the dominion of Haiti and did not begin its independent life till 1844. It was again incorporated with Spain from 1861 to 1865.

fluence to secure its recognition by Portugal in 1825, and Great Britain also helped to obtain the acknowledgement of the independence of Uruguay by both Brazil and Argentina in 1828.

The boundaries of the new Spanish American States roughly followed old colonial administrative and judicial divisions. But they were ill defined, sometimes unmarked, and frequently disputed. They were to be a major source of inter-State conflict. Independence, moreover, had been achieved at the cost of fifteen years of devastating warfare, and the wars had developed the military rather than the political virtues. Like the earlier revolution in North America, the Spanish-American revolution had been not only a struggle for home rule but a contest to decide who should rule at home. But the masses were poor and uneducated, and for the most part the revolution brought a change of masters rather than of systems. Experience in self-government was lacking, and the brave new world which idealists wished to build was contradicted by the facts of poverty and ignorance, of isolation, and of regional and personal selfishness. Dictatorship was inevitable, even necessary. Self-government and democracy are not to be won overnight. Few peoples have set out on a career of independent nationhood with such initial disabilities.

The Frontiers of Europe

The independence of Latin America ranks with the American and French revolutions as one of the formative influences of modern history. Henceforth, to a degree unequalled before, the frontiers[1] of the Old World lay in the New. It was the policy

[1] **I use the term 'frontier' in the American sense of a zone of expansion, not in the European meaning of a political boundary.**

of Great Britain to link the new States to Europe and Europe to the new States by every means in her power, and though the United States opposed to this the idea of an American system, both supported in Latin America the principle of the Open Door. Though there were great differences between them, both were conscious of a certain community of purpose. Latin America was not to be the stage on which the European Powers should fight out their colonial and imperial rivalries. The familiar pattern, cause of so many wars, of a disintegrating area subject to partition by the European Powers was not here to be repeated. But if Latin America was an American continent, it was also a European frontier. The door was open to trade and capital investment, open too to European immigrants. The movement of capital and people to the Mississippi Valley and to Argentina in the nineteenth century was part and parcel of the same great process—the rising importance of the Atlantic basin.

The first German settlement in southern Brazil dates back to the eighteen-twenties, and in the troubled forties German refugees sought new homes in Brazil and Chile as well as in the United States. But though the German agricultural communities of Brazil are old established, it was later tides which swept the main contingents of European immigrants to the Rio de Ia Plata as well as to Brazil (as we have seen, the major immigrant areas of Latin America), and in lesser degree to Chile. In the seventy years before 1928 five and three-quarter million immigrants entered Argentina alone (though not all of them, in particular not all of the Italians, remained); nearly four and a half millions entered Brazil in the first hundred years of her independent history.

The migration of capital ana the growth of trade,

particularly in the second half of the nineteenth century, were more spectacular. As in the United States at the end of the nineteenth century, so in England at the beginning, capital looked abroad. Britain made the first public loans to Latin America. Her citizens were the first to engage in private enterprise on any considerable scale. Already by 1825 more than twenty million pounds sterling had been invested one way or another by British capitalists in Latin America. By 1914 this sum had grown to nearly £1,000,000,000. From 1914 to 1930 it increased by less than another £200,000,000. United States investments, starting late, and till the Great War lagging far behind, had by 1930[1] passed the total of the British, while French and German investments were considerable, and by 1940 British investments had fallen almost to the 1914 figure.

The New Nationalism

Foreign immigrants, foreign investment in shipping, ports, and public utilities, have played a decisive part in the swift and spectacular rise of some of these States, which to-day are legitimately proud of their civilization and development. Even before the Great War of 1914-18 they were taking their place in the society of nations; the war brought them into closer relations with the world around them; and to-day this large and peaceful area of Latin America is becoming ever more significant in world affairs. The twenty Republics, increasingly self-conscious each of its own individuality, its historical traditions, and its national

[1] **In 1930 British investments in South America were still considerably greater than those of the United States. In Central America (including Mexico, Cuba, Haiti, and the Dominican Republic) United States investments left the British far behind. British investments were largest in Argentina, Brazil, and Mexico.**

ideals, are in different stages of political, social, and economic development. All profess a common democratic faith, though this is frequently the substance of things hoped for, the evidence of things not seen. All avow a common mistrust of totalitarian theories, of whatever variety, imported from the Old World. But dictatorship remains, particularly in those countries which have large aboriginal populations, a recognized and respectable form of government, though, different in kind from the dictatorships of Europe, it is more and more a dictatorship within limits. Even in Central America (apart from tranquil and democratically inclined Costa Rica) dictators prefer to have their power 'constitutionally' prolonged. Politics, in the Andean Republics[1] (except in Colombia, which claims, with some justice, to be the most democratic of all Latin American countries), is still the monopoly of a small privileged group. Unhappy Paraguay has not yet recovered from a devastating war (1865-70) with Brazil, Uruguay, and Argentina, in which two-thirds of her people perished, still less from her conflict with Bolivia (1932-5) in the 'Green Heir of the Chaco; and behind the political disorder which has characterized Bolivia, Paraguay, and Ecuador (though Latin American 'revolutions' frequently resemble European only in name) lie the solid facts of ignorance and poverty, of social and economic distress.

Argentina, however, after a period of anarchy and civil war and the ruthless dictatorship of Rosas, attained her political unity and institutional organization in the decade before the American Civil War (1861), and since then she has advanced with the stride of a giant. With economic progress came also the rise of labour and of a middle class to give

[1] Colombia, Ecuador, Peru, Bolivia.

increasing stability to politics, and to achieve, in the twentieth century, a growing liberalization of government and political institutions. If political life has shown an exuberance of corruption, it is well to remember Lord Bryce's strictures on United States politics in the eighties. Buenos Aires to-day is the centre of a vigorous intellectual life. In *La Nación* and *La Prensa* it possesses two of the worlds leading newspapers, and the work of Argentine historians, scholars, and men of letters displays the increasing maturity of a country destined by nature (it has been well said) to be the seat of a great civilization. In Argentina democracy, if not invariably a practice of government, is a habit of mind.

Across the River Plate, one of the greatest highways of international commerce in the New World, Uruguay escaped, at the beginning of the present century, from a turbulence of politics, if not unrivalled, at least hardly surpassed, in Latin America, and flowered into new and fruitful life. Montevideo (from its association with international conferences) became the Geneva of the New World; and as the State entered into business and industry, embarked on a programme of State socialism and advanced social legislation, Uruguay offered to the world what has been termed 'the first New Deal in the Americas'. Its population doubled. Trade and commerce increased. The smallest of all the South American Republics, and one of the most backward, became in the course of a few years one of the most vigorous and most progressive.

The 'crowned democracy* of Brazil offered in the nineteenth century a marked contrast to her neighbours. That Brazil, a country of strong local patriotisms and competing regional interests, whose frontiers march with every South American State

save one, should have avoided disruption is sufficiently remarkable. But Brazil, also, under the benign rule of her scholar-emperor, Pedro II, enjoyed the reputation of being the most enlightened and liberal ot the Latin States until, in 1889, a bloodless revolution prepared the way for the federal republic. The fall of the empire was due to a sudden *coup (Vital.* But the great landowners had been offended by the abolition of slavery without compensation; the aged Emperor had become increasingly alienated from the Church and the Army; and Republicanism enjoved a fashionable vogue amongst the professional classes. The establishment of the Republic was followed by great economic advancement, but politically the consequences were less happy. In 1929 the world crisis destroyed both the political and economic systems, ana' President Vargas, who came into [>ower in 1930 and has remained there ever since, llas established the nearest approach to a totalitarian State in the New World. Yet the most significant features of European totalitarianism are absent in Brazil; and the *Estado Novo* (New State), President Vargas maintains, is exclusively Brazilian, aiming at the establishment of Brazilian unity, at the exploitation of Brazil's great natural resources, at the development of the interior, and at social and economic reform.

Chile, like Brazil, enjoyed in the nineteenth century a reputation for stability, under a landed aristocracy which evolved something approaching a parliamentary system. But power, wealth, and education remained the preserves of an oligarchy, until the rise of industry, labour, and a middle class raised new social and political problems, and made more glaring the great discrepancies in wealth.

Economic dislocation in the nineteen-twenties, the collapse of the nitrate market and its effect on the public revenues, social distress, and the efforts to meet these problems, brought revolution and dictatorship. A Popular Front formed in 1936, composed of middle and left wing parties, came into power in December, 1938, and representing a programme of Chile for the Chileans, and of social reform, has been attempting to carry into effect a policy no less and no more radical than the New Deal in the United States.

Latin America to-day is a laboratory of political, social, racial, and economic experiment. The movement for social regeneration in Chile, Uruguay's political and social innovations, President Vargas's regime, all these are evidence of new and vigorous life. Even in the Andean republics of Bolivia and Peru, there are movements for the reincorporation of the native Indian into national life. The Indian, the forgotten man of Latin America, is being discovered anew by painters and poets, folklorists and sociologists, and even by Governments, and it is increasingly obvious that both the Indian and the mestizo are destined to play a more important part in the future of the continent. Mexico, finally, has presented the example of the first genuine social revolution in the New World.

The Mexican Revolution

The Mexican Revolution, with its emphasis on the peasant and the worker, its vigorous nationalism, its trend to socialization, is seven years older than the Russian. It is as distinct from Communism as President Vargas's *Estado Novo* is different from Fascism. It is entirely Mexican, the product of Mexican history and Mexican conditions, and to

identify this remarkable experiment with Communism is to fall into a confusion of thought which engenders more heat than light.

Nine-tenths of the Mexican people are Indian and mestizo.[1] Seventy per cent, of the population is engaged in agriculture—on the 7½ per cent, of the land which is under cultivation. At the end of the colonial period one-fifth of the population (it has been estimated) owned everything, four-fifths owned nothing. The *hacienda,* the great landed estate, had triumphed at the expense of the land-owning village, itself older than the conquest, deep-rooted in tradition and practice, and enjoying, at least theoretically, the protection of the Spanish Crown. For the Indian and the propertyless, independence meant not new freedom but new masters. The war of independence began, indeed, as a social revolution; it ended as a political movement, with separation from Spain as its goal. For the next fifty years the history of Mexico was a tragic record of anarchy and civil war, of economic distress, and of the loss of more than a half of the national territory to the United States. In the middle of the century a liberal reforming movement, primarily associated with the great name of Benito Juárez, swept to a crest, and survived civil war, foreign intervention, and the brief empire of Maximilian of Austria (1864-7). Juárez saved the country; Porfirio Diaz (1876-1911) modernized it. Roads, railways, ports, and telegraphs were built. Foreign capital poured in. The shattered finances of the country were restored. Trade spectacularly increased. Administration became efficient. Banditry

[1] **In 1921 60.5 per cent, were of mixed blood, 20-9 per cent, were Indian. But the proportion of Indian blood in the mestizo is very much greater than of white.**

was suppressed. Outwardly **Mexico presented a** picture of social regeneration.

Yet when Diaz trod the path of exile in 1911 he left 70 per cent, of his people illiterate. The mineral wealth, the oil resources, the industry of the country were for the most part in foreign hands. Concentration of landholding had advanced at a prodigious speed; and the landholding villages had still further decreased in number. Despite a number of small farms, 'by 1910 the rural inhabitants of Mexico who had no individual property were probably more numerous than they had been at any previous time in the history of the country V Of the population that tilled the land 95 per cent, owned none of it. From three-fifths to two-thirds of the people were in debt servitude. Agricultural wages had not risen since 1792. Less than three thousand families owned nearly one-half of Mexico, and 27 per cent, of the area of the republic had been sold to a few individuals for less than twelve million dollars.

The revolution which broke out in 1910 was inspired by no particular political or social theory. Unlike that of 1810, it began as a political movement. It ended as a social reformation. Labour wanted relief, the peasant wanted land, and the pent-up passions of the people, the suppressed desires for national and social liberation burst into conflagration. For ten years Mexico passed through the fires of civil war. In 1917 a new Constitution expressed the aspirations of a new order. There were two famous articles. Article 123 guaranteed to labour those rights which labour commonly enjoys in a progressive State. Article 27 declared that the ownership of lands, minerals, and waters is

[1] G. M. McBride, *The Land Systems of Mexico* (New York, 1923)i pp. 155-6-

vested in the nation, which may grant a title, or in respect of minerals a concession, thereto to private persons and has the right, subject to indemnification, of terminating that grant for reasons of public utility. Villages deprived of their common and were to have that land restored, and all villages were given the right to receive land by outright grant. The size of the great estates was to te limited. 'Titles to public land alienated under the Diaz regime were to be investigated. It was not till 1920, however, that the work of reconstruction really began. The revolutionary programme, put together in somewhat piecemeal fashion, called for political democracy, education, land reform, labour organization, nationalism, and limitations on the power of the Church. But though Mexico had now begun to move (it has been well said) in a spiral rather than a circle, progress was slow, haphazard, and half-hearted. By 1934 it seemed, indeed, that the revolution had run its course. Tired revolutionaries and enriched politicians doubted the utility of further advance.

Yet the revolution was now to enter on its most advanced and active phase. Under President Cirdenas (1934-40), a sincere idealist as well as a skilful politician, its scope was broadened and its goal became clearer. Land distribution was given a new impetus. In 1930 less than 2,000 individuals still owned one-third of Mexico. By the end of 1939 the Government had distributed sixty-two and a half million acres (forty-four million having been distributed in the last five years); it had embarked on an extensive programme of agricultural development, rural education, and public works; the number of primary schools had increased from 7,500 in 1934 to over 20,000 in 1940; and the ideal of the

village community operating within a nationally planned agriculture had become more precisely defined. At the same time while Government control of industry and labour had increased, labour organization had made rapid strides; and it was made clear that if the peasant was to occupy a more significant part in the nation's agriculture, the worker was to play a more commanding role in the nation's industry. Finally, the trend towards the creation of an independent economy, and the strengthening of national sovereignty by the control of natural resources, was spectacularly illustrated by the expropriation of the foreign oil companies in March 1938; and expropriation became the test of national sovereignty and national independence.

What is in progress in Mexico to-day is an attempt to transform Mexico from a colonial to an independent economy, from a semi-feudal to a democratic nation; to Mexicanize the Indian and to make the Mexican master in his own country; to achieve a sort of economic democracy. This programme has met with immense difficulties. Agriculture has been disorganized. Labour problems have been acute. The oil companies boycotted the sale of Mexican oil and were accused of seeking to disrupt economic and political life. But President Cárdenas persisted in his course, though a tendency towards consolidation rather than further advancement has recently been apparent; and despite the prophets of gloom and disaster, in December 1940 the President was able to resign his office peacefully to his successor, President Avila Camacho. That event marked a new stage in the evolution of Mexican democracy, in its progress towards the creation of a free Mexico for free Mexicans, and the consolidation of gains already won.

Economic Development

To-day Latin America is the richest raw material producing area in the world free from the domination of any Great Power. Exports are its life-blood, and nearly 70 per cent, of the exports of almost all of these republics is made up ot one or two traditional products. Bolivia is mainly dependent on tin, Venezuela on oil. Nitrates and copper are still the principal exports of Chile, metals and oil of Mexico. Coffee leads in Colombia, with petroleum a growing second. Cuba is the world's greatest exporter of cane sugar. Brazil has turned from sugar to rubber, from rubber to coffee, while cotton is increasingly important. The Central American countries depend on coffee and bananas. Argentina and Uruguay export the products of the farm and the ranch. Argentina is not only one of the world's great granaries, but its largest exporter of beef.

In 1037 Latin America sold abroad one-third of the value of its primary production. Its exports were valued at more than 10 per cent, of the world's total. It accounted for more than three-quarters of the world's exports of coffee and bananas, nearly three-quarters of its maize, nearly a half of its sugar, and more than a quarter of its wheat, cocoa, and copper. Besides this, Latin America supplied to the rest of the world over 60 per cent, of total nitrate exports, and it produced 42 per cent, of the world supply of silver, and 15 per cent, both of petroleum and wool. In general about 40 per cent, of Latin American exports is sold in the western hemisphere and 60 per cent, outside it.

There is, however, a great distinction between the States 'above the bulge' of Brazil and the States below it. The countries of the Caribbean area,

including Colombia and Venezuela, are closely linked to the United States both strategically and economically. The United States has been their principal customer (except for Venezuela), and their principal source of supply. Their economies are, for the most part, complementary to that of the United States, and the influence of the United States in this region has been, and remains, profound. But outside the Caribbean bloc the principal South American countries have found their chief markets in Europe. Argentina, Uruguay, Brazil, and Chile alone account for more than half of the total exports of Latin America, and the pastoral and agricultural products of Argentina and Uruguay are competitive with those of the United States. In 1Q38, though the United States took about one-thirci of the exports of Brazil, it took less than 9 per cent, of those of Argentina, and only one-fifth of those of the West Coast Republics.

With the partial severance of the European life-line as a result of the war, the immediate and practical problem of the Latin American countries is the problem of the disposal of huge surpluses of foodstuffs and raw materials. But while this problem is vast and serious, the Latin America of 1940 is not that of 1920. A striking change is in progress. The Great War of 1914-18, which changed the United States from a debtor to a creditor nation and in part substituted United States for British capital in Latin America, had already itself demonstrated the dangers of the simple relationship between farmer, rancher, miner, on the one nand, and manufacturer on the other, which had been that of Latin America to Europe. World conditions in the thirties drove home the lesson.

'Having been mined for three

for one, the Republics, particularly the more advanced Republics of Brazil, Argentina, and Chile, determined to do a bit of the mining and milking themselves. Beginning early in the thirties with currencies generally devalued, economic nationalism became orthodox south of Panamd. Tariffs went up. Subsidies went in. And the principal South American Republics began to change with disconcerting rapidity from countries everybody used and nobody thought about to countries everybody thought about and fewer and fewer could use.'[1]

This development was in part spontaneous; it was in part stimulated by the conditions of the outside world. The prices of the principal Latin American exports fell. The flow of capital to Latin America declined. European countries adopted policies which faced the Latin American States with a growing stringency of foreign exchange. The United States tariff of 1970 itself caused difficulties and resentment, particularly in Argentina. The result was a period of great economic strain. Governments defaulted on their debts. The now familiar machinery of exchange control appeared. And while in European States the cry was 'back to the land', imperial preference, and the like, Latin America turned to industrialization, the diversification of exports, and the investment of domestic capital in domestic manufacturing. Brazil developed a textile industry sufficient not only for her own needs but such as to cause concern to Manchester exporters to Argentina. Argentina made great strides in the manufacture of cottons and woollens, and became self-sufficient in the domestic supply of boots and shoes. Industrial activity in Chile increased rapidly, and it has been estimated that probably almost one-third of the gainfully employed

[1] *Fortune,* xvi (December 1937).

population is now engaged in industry. In Mexico the Government entered into business for itself; and in general Latin America learnt to provide itself with a large part of the articles of common consumption.

These developments were accompanied by the growth of a new middle class, while the phenomena of an industrialized, capitalistic society became more apparent. The desire to control foreign trade and foreign capital was enhanced. Governments aspired to buy out foreign interests, and in the face of a new economic nationalism foreign investors found their profits declining and themselves in retreat. Industrialization in Latin America is yet only in its beginnings, and its future is problematical. But it is already causing a change in the basis of the relations of Latin America with the rest of the world. Not all these States have yet attempted to break down a colonial economy. Much in their economies still remains the same. But the frontiers of yesterday are closing to-day. It is a declaration of economic independence that is taking place in Latin America.

Latin America and the United States

The Latin American States cannot cut themselves off from Europe, nor do they desire such a severance. But the new tendency to self-sufficiency, the wish to be masters of their own destinies, is accompanied also by a movement for the strengthening of economic and political relations between the American States themselves. The war has quickened this tendency. 'The present significance of Pan-Americanism', an American expert has observed, 'lies in the acceleration of the tempo at which old, idealistic formulas are being converted

into effective instruments of economic and political co-operation.'[1]

The first step towards Pan-Americanism is usually considered to have been taken when the Congress of Panamd, called by Bolivar himself, met in 1826. Bol/var, however, had thought primarily of a confederation of the Spanish-speaking peoples of the New World. In later years various attempts were made to give tangible reality to this idea, but without great success, and the United States, though in 1823 it had held up a hand in warning to Europe, displayed little interest in political co-operation with its southern neighbours. As Paris was the intellectual capital of Latin America in the nineteenth century, so London was the financial capital; and it was Britain rather than the United States that exercised a sort of political leadership in Latin America. It was not till 1889 that the first Pan-American Conference met, to establish the institution later known as the Pan-American Union, and the design of this early movement was commercial rather than political.

Between 1889 and 1928 six full Pan-American Conferences were held, besides a large number of other conferences more specific in character. The relations between the nations of the New World became more intimate. The entrance of the United States into the Great War gave her increased prestige in Latin America. Eight of the Latin American Republics followed her example and declared war on Germany. Five others severed diplomatic relations with Germany. But by 1928 close co-operation between the American nations had been attained neither in the political nor in the

[1] Howard J. Trueblood, 'Progress of Pan-American Co-operation', *Foreign Policy Reports*, 15 Feb. 1940.

economic sphere. The most fruitful achievements of the Pan-American Conferences had lain in the fields of international and commercial law, and in the establishment of machinery for the preservation of peace. At the Sixth Conference at Havana in 1928 antagonism to the United States was strongly marked.

While Argentina has claimed for herself a position of hegemony at her end of the continent and has adopted towards Pan-Americanism an attitude somewhat similar to that of the United States towards the League of Nations, while there has been distrust and jealousy amongst the Latin American States themselves, while, further, these States claim for themselves, and exercise, an independence of judgement, the major reason for this comparatively limited achievement was the attitude and policy adopted by the United States towards her nearer neighbours. The Monroe Doctrine of the nineteenth century was primarily a doctrine in defence of United States interests and security. At the beginning of the twentieth century it was transformed—or so it appeared in Latin American eyes—into an assertion of United States sovereignty and supremacy in the Caribbean area. United States capital looked southwards. The Panama Canal became the key to United States naval strategy. Economic and strategic reasons, the interests both of the United States and the European Powers, induced the United States to intervene repeatedly in the affairs of the Island and Central American Republics and to exercise in fact a virtual protectorate.

These measures roused the greatest resentment in Latin America, and the gravest apprehensions of the increasing political and economic power of

the United States. The vital principle of the legal equality and political independence of all the American nations appeared to be infringed, and some of the Latin American States which joined the League of Nations were moved not only by idealism but by the desire to find a counter-balance to the United States. In the late nineteen-twenties, however, came a striking reversal of United States policy. It had been anticipated by President Wilson. Under President Roosevelt it has become famous as the 'Good Neighbour* policy. United States troops were withdrawn from the Dominican Republic, Haiti, and Nicaragua. The United States ceased to act as a debt-collecting agency. It returned to the policy of recognizing *de facto* Governments. It explicitly disclaimed the right of intervention in the affairs of its neighbours.

These measures brought about an equally striking change in inter-American relations. The Montevideo Conference (1933), at which the United States deprecated the policy of intervention, marked a decisive step forward; and the increased cordiality which resulted was reflected both in the Inter-American Conference for the Maintenance of Peace, at Buenos Aires (1936), and in the Lima Conference (1938). The Buenos Aires Conference recognized the joint responsibility of the American republics to prevent the outbreak of hostilities amongst themselves; the nations agreed to consult if any non-American or American country should threaten them; and the Declaration of Lima went far beyond all previous statements of inter-American solidarity. What was in progress at Montevideo, at Buenos Aires, and at Lima was an attempt to establish a Pan-American system of equal States with common action for defence. And this development of political

co-operation found its parallel in the economic sphere. Under the Reciprocal Trade Agreements Act (1934) the United States initiated a more liberal trading policy in Latin America, and it has since launched a broad programme of financial and economic aid to Latin American States whose internal economies have been dislocated by the war and other difficulties. Finally, at Havana, in July 1940, the American States agreed on a common policy in the face of dangers from alien elements within. They reached a closer understanding of common economic problems. They affirmed a common will to prevent the transfer of European territories in the western hemisphere to non-American Powers, and they established diplomatic machinery to carry out that will. And in the interests of 'hemisphere defence* they have shown an increasing tendency towards the co-ordination of their military and naval resources.

Conclusion

The results of this process have been somewhat freely called the 'continentalization of the Monroe Doctrine'. That is an exaggeration. But the Monroe Doctrine has been buttressed by continental support, and the solid facts of neighbourhood and intercourse in the New World have been emphasized as never before. Pan-Americanism is not the result of historical necessity, but of conscious effort towards an ideal goal. There are still great difficulties, economic, psychological, practical, to be mastered in the relations of these States to one another, to the United States, and to the world around them. They still face perplexing problems in their own internal organization. The population is scanty, transport difficult. Poverty and ignorance

remain widespread amid great cultivation and often great wealth. Between one-eighth and one-quarter of the population of Argentina, two-thirds of that of Brazil, three-quarters of that of Bolivia, Peru, and Ecuador are illiterate. The problems of nutrition and hygiene are equally serious. Yet great advances have been made, and the past gives confidence for the future. Politically, economically, and intellectually, these countries are destined to play an increasing part in world affairs; and between Latin America, the United States, and the British Empire there are traditional and permanent bonds of mutual sympathy, mutual interest, and mutual ideals. It will be strange indeed if these three great areas of the world's surface cannot work together to solve their own problems, and with these the problems of a new World Order.

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