

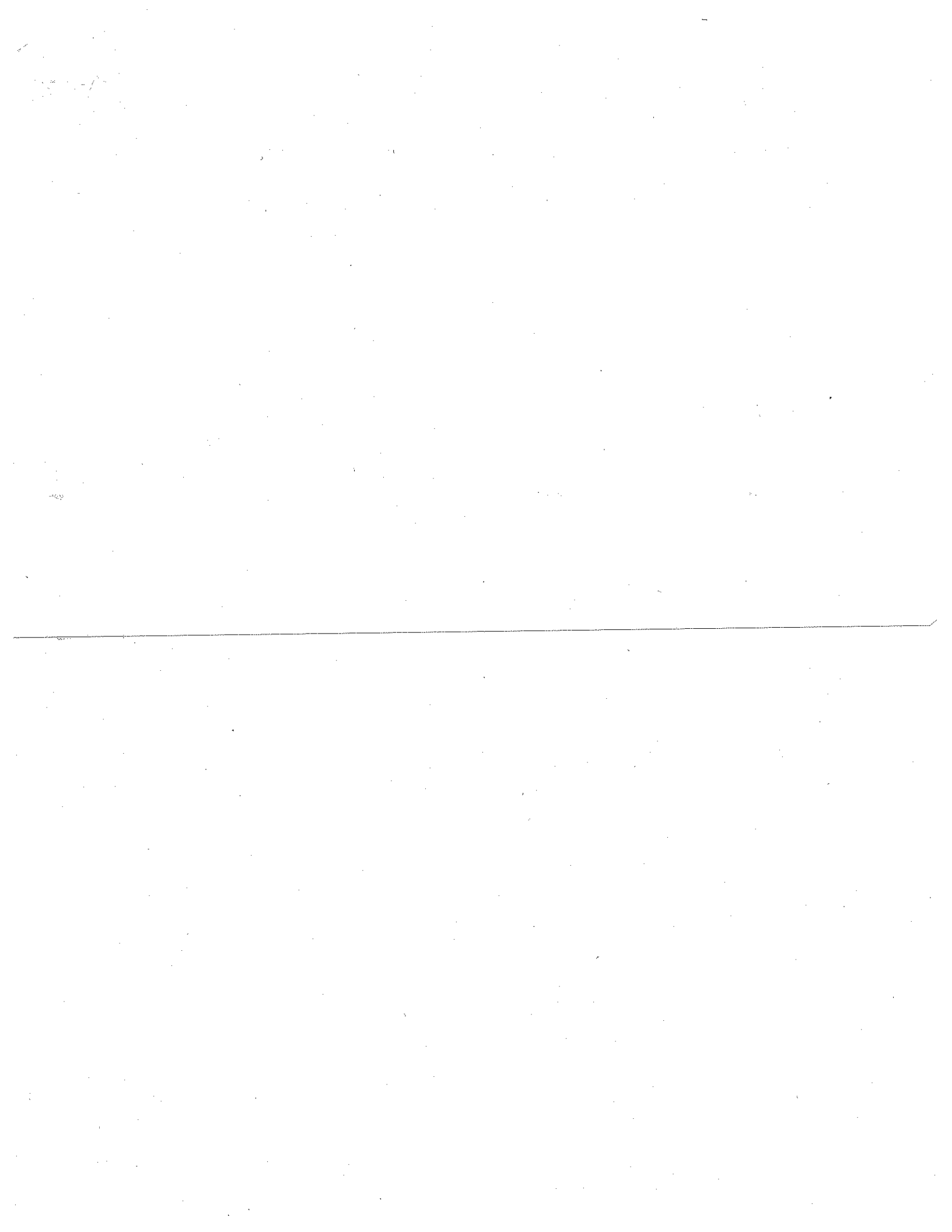
*The Epic of  
Latin America*

FOURTH EDITION

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JOHN A. CROW

*University of California Press, Berkeley, Los Angeles, London*



the United States and the other of the men most responsible for the "bullying and domineering" of the previous half century. It was diplomacy.

Itself a hundred times over when World War II. The apathy and suspicion did not revive with this second attack on Pearl Harbor the foreign minister at Rio de Janeiro and recommended the break off diplomatic relations with the United States. "Let us die American," he said. "Let us stand against the Axis. Toward the end of the world sphere and its abiding intention

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## THE POSTWAR YEARS A COUNTRY BY COUNTRY SURVEY

### MEXICO

What has been the tenuous order of these postwar years? Each country is still different, indeed unique, in the strange pattern of contemporary history, as was so in the past. But these differences are slowly disappearing, ironing themselves out in the fundamental crucible of our time wherein are being blended the demands of all peoples everywhere for food and liberty. Each country, each region, each people is stumbling toward this goal. Let us briefly retrace some of the steps, beginning with Mexico.

Once the Mexican Revolution of 1910-20 had toppled the old colonial society, control of the country was taken over by the new revolutionary order whose leaders were mainly a group of middle-class generals. Like all revolutions, however, that of Mexico began to become conservative as soon as it had achieved power. Those who now controlled the country suppressed those who felt that they were not moving fast enough as well as those who felt that they were wrong in trying to move at all. After a decade of revolution, followed by almost a decade of revolutionary government, the national situation had become critical. Three presidents had been assassinated, government and Church stood in violent opposition, the national economy was prostrate, the masses existed in a state of utter misery, and those who had made the revolution were on the verge of splintering into several small and individually weak political groups.

In 1929 the various factions assembled and produced what has been Mexico's unique contribution to twentieth-century Latin American political life, the Party of the Mexican Revolution. The new party embraced all the various tendencies within the Revolution, and with an amazing political acumen its organizers agreed to work out their differences

*within the party.* This party has successfully governed the country ever since, and as soon as it began to function the presidency moved beyond the stage of caudillism and became an institution that would survive no matter who was chosen as president. The party itself has almost unlimited power. Its presidential candidates are invariably elected, it controls the national congress completely, and it runs the local and state governments almost without exception. The opposition parties have been allowed a few members in congress, and a few local officers, but they have no real voice in running the country. The government and national economy of Mexico and the Party of the Mexican Revolution are one.

The party has undergone several changes since its inception, and its changes in name indicate what this progression has been. In 1929 when it was first organized the name was *Partido Nacional Revolucionario* (PNR) (National Revolutionary Party). In 1938 as the Revolution became stabilized the name was changed to PRM, *Partido de la Revolución Mexicana*, Party of the Mexican Revolution. Again in 1946 when that stability was strong enough to be considered as an institution, the party was re-named PRI, *Partido Revolucionario Institucional*, the Institutional Revolutionary Party, the name it retains today. Mexico's progress from revolution to stability to institutionalization is thus clearly marked, and parallels the move from political left to right.

Throughout these years the party has controlled the government and national economy of Mexico. The outgoing President, with the concurrence of the other high party officials, has invariably chosen his successor. All discussion concerning this choice takes place in a closed session where everything, as they say in Mexico, is *tapado*, that is, under a tight lid. An open fight for the presidency could break the party into a dozen splinters, and that would be the end of tranquillity in Mexico. Many foreigners and many Mexicans have excoriated such election procedures, which are hardly in the best democratic tradition. Others have seen in Mexico's unique one-party system of government the one factor above all others which has saved the country from the political excesses and dictatorial military rule that have ravaged almost every other Latin American republic. Those who hold this view insist that discussion of the succession within the party gives Mexico as much democracy as its underdeveloped political institutions will permit.

Following a similar line of reasoning the party bigwigs say that to allow the opposition to capture the national government in Mexico would be tantamount to undoing the Revolution and to betraying the nearly one million dead who lost their lives in that upheaval. On the other hand, to deny the people of Mexico elections would be still worse, so a controlled opposition is permitted, and a harmless few opposition candidates are elected, occasionally even as state governors. This has worked well in Mexico for half a century, the PRI leaders say, so why change it? A look

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at the recent history of the rest of Latin America is their most convincing  
argument.

The Mexican government, however, does suffer from two very great  
weaknesses: an inefficient, numerous and ravenous bureaucracy, and the  
*mordida*, or "bite" (bribe), which far too many an official will accept, and  
without which the applicant or supplicant would have to wait an eternity  
to be served. One of Mexico's greatest writers, Octavio Paz, summarizes  
the situation in these words:

For a long time now I have been at odds not only with the foreign pol-  
icy of Mexico, but also with our domestic policy. I have thought in the  
past, and many others like me, that the present system would modify  
itself and that the progress of the Mexican Revolution would continue.  
In other words: that the country was able to undergo rigid self-criticism.  
But all of the really vital forces have been eliminated or absorbed by a  
rampant bureaucracy. The Party, revolutionary in its origin, has now been  
converted into a mere administrative machine, which constitutes from this  
day forward an obstacle to the modern development of Mexico.<sup>182</sup>

Mexico today is a country of over 80 million people. It is by far the most  
populous Spanish-speaking country of the world; its population is more than  
twice that of Spain and is equal to that of Argentina, Chile, Bolivia,  
Uruguay, Paraguay, and Venezuela combined.

Mexico's national product, however, is less than that of Canada which  
has only two fifths as many people. So far its political stability has amazed  
the Latin American world. Its population growth, 2.6 per cent annually,  
is one of the highest in the world. It is a spottily developed country with  
a semicapitalist economy, heavily dependent on the tourist trade and on  
foreign investments. Good planning has enabled Mexico to escape the  
single-product economies which have plagued so many other Latin  
American countries. This diversification has been carried out with both  
efficiency and wisdom. Yet at least 50 per cent of the Mexican population  
still lives close to the subsistence level, producing almost nothing beyond  
their immediate needs, buying almost nothing in the industrial market.

About one fourth of Mexico's population is illiterate, and at least one  
Mexican child out of five does not attend school. The country presents  
the anomalous picture of an old colonial economy existing side by side  
with a flourishing twentieth century capitalism. The Mexican Revolu-  
tion has now been taken over by middle-of-the-roaders, and Mexico today  
stands at the crossroads. Her deprived 50 per cent have no faith in their  
government (less than 40 per cent of those eligible vote in the national  
elections), for the one-party system which runs the country is certain to  
win.

In spite of all these things since World War II Mexico has been Latin  
America's most stable country economically, and one of the most stable

*within the party.* This party has successfully governed the country ever since, and as soon as it began to function the presidency moved beyond the stage of caudillism and became an institution that would survive no matter who was chosen as president. The party itself has almost unlimited power. Its presidential candidates are invariably elected, it controls the national congress completely, and it runs the local and state governments almost without exception. The opposition parties have been allowed a few members in congress, and a few local officers, but they have no real voice in running the country. The government and national economy of Mexico and the Party of the Mexican Revolution are one.

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politically. During the decade 1960-70 industry and agriculture expanded faster than population, and Mexico began to produce almost all her prime necessities. Hundreds of United States companies established branch factories in the country, and Mexicans themselves invested their money at home. About 85 per cent of Mexican capital investments are self-generated.

With the aid of funds and scientists provided by the Rockefeller Foundation, Mexico was able to close the food gap by developing better and more blight resistant strains of wheat and corn. The new strains enabled Mexican farmers to increase yields two, three, and even four times as much on the same amount of land. Improvement in growing other farm products slowly changed the traditional diet of beans and corn to a more balanced regimen including meat, dairy products, and vegetables. There is very little land left to distribute in Mexico, but by learning how to use more efficiently the land that is cultivated Mexican farmers increased agricultural output in a spectacular way, and the entire country benefited.

Mexico stopped having to import wheat and corn, and each year of the period 1965-70 exported sizeable quantities of wheat and over half a million tons of corn. Venezuela, Colombia, Ecuador, and Chile sought Mexico's aid in solving their own agricultural problems. Mexican sugar production quadrupled, the cotton crop doubled, and for a few boom years industrial production grew at the rate of 7.5 per cent a year. Mexico City, whose metropolitan area today contains twenty million people, became one of the most beautiful and dynamic of world capitals. There is a new subway system, rolling on rubber wheels, to alleviate the intolerable traffic. A high-speed expressway rings the city. The water supply, alas, still leaves much to be desired.

A strong president and a military that is subordinate to the elected government were the essential factors in this noteworthy development. The Mexican presidency and the way it operates is baffling to the foreigner. The president theoretically represents only the executive power, while the legislative and the judicial power reside respectively in the national congress and in the courts. But in fact the president always has a firm grip on what is proposed, what is approved, and how the laws operate. Everything important begins and ends in the presidential palace that sits atop "grasshopper hill." The president's power of decision is crucial and almost omnipotent.

The legislature seldom initiates but invariably passes the pet bills of the chief executive. With more than eighty ministries, departments, and agencies under his direct control, the power of the president reaches into every niche and cranny of Mexican life from Indian affairs to the armed services and the oil industry. The president makes up the budget and decides how to spend the money. He has as much power as most Latin American dictators, but he has learned not to display it flagrantly or to use it unreasonably. The Mexican judiciary is overworked, underpaid and lacking in confidence; it is not at all a proper balance to the executive power, nor is it always a firm and stalwart protector of justice.

The president is not only the head of the nation in a symbolic and a political sense, he is also somewhat like a tribal chieftain who receives petitions and grievances as a court of final appeal. Each month he will receive directly, consider, and pass judgment on a hundred or more such appeals from individuals and from groups.<sup>183</sup>

With such power in his hands it is to be expected that the Mexican president should leave his personal mark on the country. Thus Lázaro Cárdenas (1934-40), called Tata (Daddy) Cárdenas by the masses who adored him, nationalized the oil industry, affirmed Mexico's control of her own natural resources, and distributed millions of acres of land to the peasants. Avila Camacho (1940-46) "shifted the country from Cárdenas' 'socialistic' agrarian leanings and began its transformation to an industrial nation."<sup>183</sup> He also saw that the co-operative ejidos were not by any means a utopian answer to the land problem, and stressed instead the small private farm.\*

Miguel Alemán (1946-52), "the playboy President," built airports all over the country, most of which still bear his name, he encouraged the *Nacional Financiera* to help finance industry, which was his pet project, improved agricultural productivity, carried out two Mexican TVA-type projects, allowed United States investors to drill oil wells in Mexico again, and so increased oil output and, most impressive of all, put every ounce of his personal influence behind the construction of the magnificent new National University which has become a model for many others in the southern republics, a university, incidentally, which by 1980 enrolled 150,000 students, and is thus the biggest single-campus university in the world. Tuition is less than \$50 a year.

Under the direction of the dynamic young architect Carlos Lazo, 150 architects, engineers, artists, nearly 100 contracting companies, and 10,000 laborers, the largest labor force ever assembled in Latin America for a single building project, drove themselves with real dedication until the campus was ready for occupancy three years later. Great relief frescoes and mosaic murals by Diego Rivera, Chávez Morado, Alfaro-Siqueiros, Juan O'Gorman, and Francisco Eppens decorate the impressive modern buildings. At first Mexican students were reluctant to go that far into the outskirts of town to attend the university, but now they are proud to do so.

President Alemán's private life, unfortunately, was not above reproach. His friendship with the motion picture actress, María Felix, was common knowledge, and when he left office he was a multimillionaire, hardly the result of scrimped savings from his modest salary as president. Even before leaving office he had become a big-time operator, with wide-scale interests in Mexican

\*Over 200 million acres of land have been redistributed in Mexico since the Revolution, and this agrarian reform program has now reached a point of no return. Insufficient good land remains. From now on the problem of the poor rural population must be solved not only in the fields, with more scientific methods of cultivation, but also in the cities, by expanded industry and commerce. The ejido system has collapsed.



industry and real estate. Acapulco, that most un-Mexican of cities, attained international prominence under his hand. He invested in a hotel at the resort, anchored his yacht in the harbor, and on leaving public office, retired there to lead the life of a twentieth-century jet-set tycoon. A land boom hit the area and choice lots often jumped in value from 250 to 200,000 pesos in a few years. Acapulco soon became a tourist Mecca for North Americans in flight from the rigorous winters of the north and east, and a whole series of modern shops and plush hotels soon ringed the beaches and dotted the hills, which in the 1930s had marked off the precincts of a sleepy little town with its typical Indian market, its burning blue sky, its fleeces of lazy clouds.

Alemán's hand-picked successor, Adolfo Ruiz Cortines (1952-58), brought to the presidency an admirable probity. Not a colorful figure, Ruiz Cortines, found himself faced with an overextended public works program, an empty treasury, and a sudden lack of tourist business from the United States, because of the Korean War and its aftermath. American tourists had been dropping half a billion dollars a year into the till, and the shrinkage of this sum by 50 per cent was profoundly felt throughout Mexico. Tourism had become Mexico's third most important source of income, topped only by agriculture and industry.

The end of the Korean War in 1953 caused the prices of many essential materials to topple, and Mexico was faced with a growing foreign-trade deficit. Devaluation of the peso became mandatory. The rate was changed from 8.60 pesos to the dollar to 12.49, and the national currency was stabilized at the latter level. Mexicans tightened their belts and tourism began to pick up. The austerity program paid off, and before long the program of industrial expansion and public works was again under full swing. Ruiz Cortines not only put Mexico back on her feet, he gave her a new set of muscles.

When he retired from office in 1958 Ruiz Cortines made a report to the nation on his accomplishments. It was an astounding record. The colorless president through hard work, honesty, and goodwill had achieved the following benefits for his people:

During his six years in office Mexico had constructed 20,500 miles of highways.

Mexico's industrial productivity had increased by an amazing 40 per cent.

The country had placed under irrigation three million acres of desert land.

In 1952 Mexico had to import 439,000 tons of wheat; in 1958 she exported a surplus of 300,000 tons of wheat.

The Mexican Rural Social Welfare Program which began in 1953 with four centers in 1958 had over 4,000 centers providing aid for over six millions persons.

Mexico had constructed a new school for every single day of those six years of Ruiz Cortines' term in office.

Mexico had built a new hospital for every week of those same six years.

Mexico, in a word, was becoming educated, urbanized, industrialized at a rapid pace. The president's wishful statement: "It is imperative that the labor of

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Mexico's next president, Adolfo López Mateos (1958-64), son of a small-  
 town dentist, received approximately 80 per cent of the votes in the elections  
 that put him in office. He had shown competence as Minister of Labor in the  
 government of Ruiz Cortines. Ironically, one of his first acts was to call in the  
 army to crush a strike among the railway workers which paralyzed the country  
 in 1959. He jailed recalcitrant leaders of the strike and kept them locked up for  
 several months without due process of habeas corpus. Mexico's famous mural  
 artist Alfaro Siqueiros, one of the nation's best-known Communists; was also  
 thrown into jail for four years because he had violently insulted the government  
 and the president.

López Mateos completed the nationalization of the Mexican electric power  
 industry, and changed the focus of the land distribution program. He distributed  
 the huge total of 25 million acres, but mostly to individual landowners rather  
 than to the co-operative ejidos many of which had bogged down because of  
 misuse of funds, improper management, improper methods of agriculture, and  
 also because many individual farmers participating in them felt little incentive to  
 put forth their best efforts. Perhaps López Mateos will be remembered by future  
 generations mainly because it was during his presidency that the incomparable  
 National Museum of Anthropology, occupying eleven parklike acres, was  
 constructed. Brilliantly designed around an impressive six hundred-foot patio  
 by architect Pedro Ramírez Vázquez, the grand sweep of this museum makes it  
 unique in the world. There are outdoor exhibits of ancient Mexican stonework,  
 including a small Maya temple, in its spacious grounds. The artists Chávez  
 Morado and Rufino Tamayo have beautified the interior. Carved in stone  
 on its wall are these lines from one of the "Songs of Huexotzingo," laments  
 composed by the Aztecs after the fall of their capital to Cortes:

*Is this all I will leave behind:*

*Like a withering flower?*

*No memory of me upon this earth?*

*At least a flower . . . at least a song.*

Gustavo Díaz Ordaz, 1964-70, received almost 90 per cent of all votes cast.  
 He epitomized Mexico's present middle-of-the-road government, a far cry from  
 the violent leftism and anticlericalism that characterized the early years after the  
 Revolution. But when his daughter got married Díaz Ordaz found it politically  
 expedient not to enter the church, and his stand was duly approved by the  
 Mexican press. It was a perfunctory gesture, because Díaz Ordaz is a practicing  
 Catholic, but in public life the presidents of Mexico keep a judicious distance  
 between them and the Church just as the presidents of the United States are  
 expected to maintain a discreet closeness to some church by attending an  
 occasional service. No strongly pro-Catholic candidate could be elected

president of Mexico any more than could an avowed agnostic or atheist be elected president of the United States.

It was, of course, under Díaz Ordaz that the army was called in to suppress rather bloodily and indiscriminately the nine-week student strike of September and October 1968, which preceded the Olympic Games. Some 6,000 students had assembled in a Mexico City housing project plaza to march on the National Polytechnic Institute to protest army occupation of the campus. Troops moved in with tanks and machine guns and broke up the demonstration. The trigger-happy soldiers and police killed, according to official figures, about forty people, including many uninvolved residents, old folks, children. Unofficial estimates placed the toll of dead from five to ten times that figure.

But the Olympic Games went on as scheduled, the main streets of the capital were face-lifted, colorful billboards were raised to conceal the shacks behind them, and Mexicans cheered wildly when their athletes won gold medals in swimming and boxing. The University Stadium put up by Alemán and the nearby Aztec Stadium were the center of these activities and all participants agreed that Mexico put on a great show. The 1968 Olympics were seen live via television by more viewers than any other athletic event in history. The ancient Greeks could never have imagined what they were beginning in 776 B.C., when their heralds traveled throughout Hellas bearing garlands of flowers to summon their own finest athletes to the original Olympic Games. All wars ceased while Greeks from the various city-states assembled in fraternal competition and fraternal union.

The brilliant success of the Olympic Games did not take away the shock of those needless killings on Tlatelolco Plaza, for Mexicans believed they had moved beyond this kind of action. In the main they attributed it to an overreaction on the part of the armed forces, and to the government's dreadful fear that the strike might mar the Games and make Mexico look barbaric before the world. In any event, much soul searching has since gone on in the intellectual and political circles. A few comments on Mexican character, by Mexicans, will provide a better background for understanding this traumatic event.

Octavio Paz holds an honored position in contemporary Mexican culture and political life, not only because of his fine poetry and his penetrating essays collected in *The Labyrinth of Solitude*, but also because he has been one of the country's most distinguished public servants. He had been Mexican ambassador in India for six years when the deplorable explosion of October 2, 1968, took place. When Paz heard what had happened he resigned from his position and in an interview published in *Le Monde*, Paris, (November 13, 1968) he bitterly denounced the Mexican government and its trigger-happy armed forces.

In this interview he probes deeply into the reasons for such violence which has so frequently been a part of Mexican history, and he concludes that it comes mainly from the Aztec past of Mexico and not from the trauma caused by the Spanish conquest, as many have preferred to think. The Aztecs, he points out, made a ritual of the blood sacrifice.

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to think. The Aztecs, he points out,

It is no accident that in our great Anthropological Museums the center is always dedicated to the Aztec Hall, that is, to the oppressors of pre-Columbian America, those who terrorized the Mayas and the Zapotecs. It is not mere chance that the young Mexicans who were slain on the second of October fell on the ancient Plaza of Tlatelolco, where there used to rise an old Aztec temple in which human sacrifices were made. The death of these students was a ritual sacrifice, for there was no political reason to justify the action. The only possible cause was to terrorize the people.<sup>162</sup>

Then Paz goes on to say that in Mexico it is necessary above all else to exorcise violence, the Aztec heritage.

The great danger for our country consists in realizing literally its black myths instead of sublimating them. These black myths, in any case, took vengeance on us all in plain daylight the second of October in Tlatelolco.

José Vasconcelos, whom we have frequently quoted, suggests a similar origin of Mexico's psychological problems:

The so-called Latins, perhaps because they are not really Latins at all, but a conglomeration of types and races, persist in not taking the ethnic factor into account for their sexual relations. . . . The Spanish colonization created race-mixing; this defines its character, fixes its responsibility and determines its future.

He then refers to *nuestro mestizaje inconcluso*, "our inconclusive racial mixture," and a compatriot of his clarifies the statement by adding that "The two bloods we carry within us have not yet reached a state of peaceful blending; they find themselves in perpetual conflict."

The choices are limited. "Give a Mexican a free choice between justice, power, great intelligence, wealth or beauty; and he will invariably choose beauty," writes a perceptive Mexican essayist. Other Mexican writers put the desire for power in first place. Mexico's young and justly honored novelist, Juan Rulfo, in his novel *Pedro Páramo*, embodies in his main character the twin search for beauty and for power. Beauty is found briefly and lost, the quest for power replaces it but does not satisfy, so the result is violence, a destructive explosion of the self frustrated and fragmented by both of these polarities of contemporary Mexican life.

The novel oscillates between love and hate, hope and despair, fecundity and sterility in a world that is dead. The dialogue is mainly between two bodies which lie in nearby graves, and is a record of their memories. In this manner the author presents a timeless, changeless reality, the immutable world of man's anguish which suggests the Hispano-Jewish literary tradition in which nothing has value, and life is agony. *Pedro Páramo* adds to this tradition the wandering of lost souls like the legendary Mexican *animas en pena*, and so gives the whole novel a mythic Mexican flavor.

*Pedro Páramo* is also an excellent example of a nation and an individual in search of identity. The young Juan Preciado seeks for his father, Pedro Páramo, much as Telemachus sought for Odysseus in Homer centuries ago, and much as

so many nameless thousands of Mexican sons search for the father they never knew hoping thus to find some kind of stability in a hostile environment. Juan Preciado, dead, also tries to reconstitute his life out of whispers, hearsay, idle conversation (*murmillos*), as Mexico has tried to reconstitute and rewin its past with its Revolution which brought about the attempted resurrection of past values. But that past is dead and cannot be regained. Juan cannot recapture his lost childhood, and Paradise always lies behind us, never ahead. Only an irreversible sterility permeates Mexican life today.

Sex permeates almost every episode in the novel, but it is a kind of wild and reckless blight which never reaches any real fulfillment. Guilt and violence walk hand in hand with the cult of death. The whole novel is a "homecoming" in reverse: man's (civilization's) return to the barren rock from which they both emerged. Rulfo synthesizes his and Mexico's anguish when he writes: "Why does the world press in on us from all sides, and break us into pieces, and water the ground with our blood? What have we done?"<sup>215</sup>

Samuel Ramos, in his *Profile of Man and Culture in Mexico*, probes more into sex and the concept of maleness as characteristic of Mexican culture. Ramos writes that the Mexican male sees in the phallus the idea of power. He is not interested in fertility like the ancient gods, but in domination, in being on top. He will say "A European has science, art, technical knowledge, and so on; we have none of these things here, but . . . we are real males." Beneath that exterior, however, the Mexican may be unsure even of this quality of maleness. Ramos continues:

The most striking aspect of Mexican character is distrust. This attitude underlies all contact with men and things. It is present whether or not there is motivation for it. It is not a question of distrust on principle, because generally speaking the Mexican lacks principles. It is rather a matter of irrational distrust that emanates from the depths of his being. It is almost his primordial sense of life. Whether or not circumstances justify it, there is nothing in the universe which the Mexican does see and evaluate through his distrust. The Mexican does not distrust any man or woman in particular; he distrusts all men and all women. His distrust is not limited to the human race; it embraces all that exists and happens. If he is a businessman he doesn't believe in business; if he is a professional he doesn't believe in his profession; if he is a politician he doesn't believe in politics. It is the Mexican's view that ideas make no sense and he scornfully calls them "theories." He is the least idealistic person imaginable. He unreasonably negates everything, because he is negation personified.<sup>184</sup>

"What then does the Mexican live for?" Ramos points out that he does not have to think in order to live, and so his life becomes an unreflecting activity, entirely without plan. Mexicans are concerned only with immediate issues. A Mexican will work for today, and perhaps for tomorrow, but never for anything later on. As he so profoundly distrusts the present, he will not prepare for the future. He lives by instinct and by improvisation, so he is drifting constantly.

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Juan Rulfo recapitulated the distrust syndrome of his countrymen when he scribbled on the back of a photograph that he gave to a friend:

Quit being scared. . . . Nobody can frighten you any more. . . . Think pleasant things. . . . Because we are going to be buried . . . a long, long time. . . .

There is something terribly sad about all this. As if man's thoughts and actions were controlled by the constant presence of death. Another Mexican, the modernist poet Gutiérrez Nájera, who drank himself into an early grave (committing suicide in little fragments), made much the same statement almost a hundred years ago in his most celebrated allegory, *Rip-Rip*, which concludes with these words: "It is good to throw a lot of earth over our dead." Forgetfulness makes possible the continuance of life.

Mexico's most popular novelist, especially outside of the country, Carlos Fuentes, strikes the same vein in his novels. He appraises the Revolution as a cruel and empty dream. It is now a mere source of political power, says Fuentes, and he is obsessed with the ritual of blood sacrifice which has been such an integral part of Mexico in her history. Fuentes sees struggle, frustration, deception, violence, and savage ritual in the life of his people, and he concludes that Mexico is a country of slaves to a value system that is not really Mexican. The ritual now has little meaning, because it consists only of verbalization, not action. It is but sound and smoke, for "the defeated (the Indians) have been glorified and the dead are our heroes because they were sacrificed. In Mexico the only saving fate is sacrifice."<sup>206</sup> Justice is no longer a naïve concept, and gone are the days when Latin American authors and intellectuals can give simplistic solutions to very complex problems. In the past generation writers were Ministers without Portfolio, they expressed the national ideal as a kind of dream (Rómulo Gallegos in *Doña Bárbara*, Ricardo Güiraldes in *Don Segundo Sombra*, José Eustacio Rivera in *The Vortex*, etc.) The writers of today can only attempt to state, they cannot even begin to solve the problems which confront mankind.

Fuentes himself, in *The Death of Artemio Cruz*, has his protagonist slowly die as he painfully recalls his lost youth, lost love, lost ideals, lost destiny. He had become one with the new ruling caste, and every key decision in his life had pulled him in the wrong direction. In *Artemio Cruz* we see the tragedy of Mexico.

Oscar Lewis, in his *The Children of Sanchez*, recorded on tape in the midst of a poverty-stricken family in Mexico City's slums, took a neutral stand which pleased Fuentes, but which was an affront to many Mexicans. The Mexican Geographic and Statistical Society condemned the book as "obscene and slanderous," and demanded its suppression. Fuentes came to the rescue of Lewis and made a film version of the book. In defending it Fuentes said: "We have arrived finally at a moment in Mexico's history in which we must distinguish between two types of nationalism. One type is an affirmation of our

human and economic direction, and the other is negative, neopatriotic, chauvinistic, and totally inefficacious because of its isolated, dehumanized and blind mystique."

Lewis lets the members of the Sánchez family condemn Mexico's ruling party. "Here the PRI runs everything," says one of the characters, "so if there's another candidate they stick a machine gun in his face. So who won? Well, the PRI candidate. That's all there is to it." In another passage: "There's nothing dirtier than politics. It's pretty rotten, and there's been a lot of bloodshed too, and who knows what else. How many people die so a man can get into power." And a third passage:

That's why I don't worry myself about anything but my work. I don't know potatoes about politics. I read one or two paragraphs in the newspapers, but I don't take it seriously. A few days ago I read something in the news about the leftists. But I don't know what is the left and what is the right, or what is communism. I am interested in only one thing . . . to get money to cover my expenses and to see that my family is more or less well.<sup>185</sup>

In spite of these very bitter reactions of an ordinary Mexican citizen of the lower class, Mexico's progress from a feudal (at least a colonial) economy to a semicapitalist society has been phenomenal. The rapid growth of both the agricultural and industrial complex for the past three decades is not accident or coincidence. Mexico's emphasis on schools, given such a boost by the Revolution, has been paying off handsomely.

When José Vasconcelos, Minister of Education in the early 1920s, went all-out to develop a widespread small-town and rural public school system, he hit upon the very thing that the country needed most in order to enter into the industrialized and highly technical twentieth century. The hard work of the Mexican people achieved the rest. And the huge sums in dollars spent in Mexico by tourists from the United States greatly facilitated the process. It was this same Vasconcelos, incidentally, who turned the walls of Mexico's public buildings over to that generation of mural artists and thus began along with schools Mexico's great surge forward in art. It was all the product of a nation searching for its identity.

Alfonso Reyes, the grand old man among Mexican writers, recognized the supreme importance of education in the postrevolutionary epoch. "We thought getting rid of Porfirio Díaz would be the Revolution's main problem," he wrote, "but that turned out to be easy. The Revolution triumphed in an instant." And then:

The Revolution spent ten years searching for itself. Much of this was the discomfort of a man who wakes after a long sleep. Everything had to be set right, and it was natural to fall back on all the remedies known to political hope: formulas for workers' socialism and formulas for agrarian socialism, systems of corporations and of labor unions, prescriptions for the redistribution of the land, and for the regulation of labor in the cities. *And above all, schools, schools.* A grand crusade

for learning electrified the spirit of the people. Nothing to equal it has ever been seen in the Americas. It will be Mexico's highest honor in history.<sup>186</sup>

The cult of education replaced the cult of ignorance and of violence. It almost replaced as well the cult of the church itself. To be able to go to school became the first necessity of every Mexican child. It is a necessity that is not always fulfilled. In many rural areas schools are still lacking, although the government's educational program is its proudest achievement. In the cities there are simply not enough classrooms or teachers to take care of the great numbers of children whose families have poured in from the countryside.

The last time I was in Mexico City was in the month of January, and the schools were getting ready to open for the spring term. One night at about ten I was taking a walk; the streets were dim. Mexico does not believe in wasting electricity. The streets were also cold. A blast of chilled air swept down from the snow-covered mountains. It penetrated the skin like needles, hit the bones, chilled the marrow inside. On the sidewalk ahead a line had formed. There were perhaps forty or fifty people in the line, mothers and fathers, but mostly mothers. One lady had her baby in a brown *rebozo*, carried in front, in a big bulge over the stomach. Two of the men had old serapes flung around them, one gray, one brown. They were hooded figures, shrinking from the wind. No one in the line was heavily dressed, but it was not a poorly dressed crowd. I stopped to ask what was going on.

"The school, *señor*. It is the school," a fat, Indian-looking mother woman tells me. "The schools are all crowded and this is one of the worst."

"The very worst," affirms the man in the brown serape.

"They will not take in any more students after the classrooms are filled," his companion chimes in. "They will not take students if there are no seats."

"And if the children don't get into school they will be sitting in the streets," the first mother adds.

Several people in the line were now squatting down in little groups near the wall, one of those thick stucco-covered walls with broken bottles on top that line so many Mexican streets. One group hovered around a charcoal fire in an old iron brazier. Another group of four had made a fire of old kindling and scraps of branches in a worn-out washtub. Two other groups had tin buckets burning with low flames that reminded me of the California citrus smudge pots. Before long they had all settled down for the night, sprawled out in all kinds of positions, but mostly humped together, for greater warmth, and for the spark of contact.

"When does school start?" I asked.

"Day after tomorrow," the man in the brown serape said. "It's first come, first served, so we want to make sure that *our* children get enrolled."

He pulled out a cigarette and rubbed the back of his hand across the stubble on his face. He offered me a cigarette, and I refused. As we talked the crowd grew silent and began to sleep. Faces disappeared behind heavy serapes, *rebozos*, blankets. The fires burned dimly in the night.



These mothers and fathers would wait on the street, through the long cold of two plateau winter nights, huddled around makeshift fires, so that their children might enter school. The desire of these people to better themselves is so intense that it almost brings tears. The church was the heart of the old Mexican culture system; the school is the heart of the new.<sup>217</sup>

Mexican teachers frequently have sixty to sixty-five students in their classes. So great is the eagerness to learn that there is never any problem of maintaining order. However, many of the teachers themselves have scarcely been beyond the seventh or eighth grade. They do the best that they can teaching what they do know, which is far better than nothing. The most interesting part of my recent trip to Mexico was visiting the grade schools and actually sitting in the classrooms with the students while their lesson was in progress.

In one of the classrooms, after class was dismissed, I picked up some notebooks that belonged to first-grade pupils and began to thumb through them. The handwriting seemed exceptionally good, and I commented on this to the teacher. She informed me very frankly that her pupils had not written those paragraphs. The tablets had belonged first to the older brothers or sisters in the family and had been passed on so that these first-graders could make use of the few blank pages that remained in them.

"Our parents are always complaining about how much school supplies cost," the teacher explained. In a poverty area this is not hard to understand.

The government is making gargantuan efforts to provide more teachers and more schools. Special prefabricated schools are being sent to the country areas which can be assembled in forty-eight hours. The townsfolk work around the clock in shifts to get them ready. Everybody does what he can. At present 25 per cent of the national budget is spent on schools, while military expenditures are only 10 per cent. During the peak decade (1960-70) a new classroom was completed every two hours, twenty-four hours a day, every day of the year. Largely as a result of this emphasis on schools Mexico has become the radio, television, and motion-picture capital of Latin America, and of course her writers and musicians, as well as her painters, occupy the very front rank.\*

If the Revolution has ceased to be a vital influence in social progress, it is still very much alive in all of the arts. After the revival of painting in the 1920s at the hands of Rivera, Orozco, and Alfaro Siqueiros, came the generation led by Tamayo. Rufino Tamayo, born in 1899, reflected the new designs and ventures of modern painting but never lost his Mexican touch. His colors are rich, refined, strong and logical; his forms are firm but fantastic; his modernism is nourished in the ancient Indian art.

Tamayo and Carlos Mérida inspired Ricardo Martínez, Juan Soriano, Pedro Coronel, and many other younger artists. José Luis Cuevas has gained dis-

\* Mexican teachers are grossly underpaid, as are the professors at the National University where most full professors earn less than \$10,000 a year. Consequently, almost all professors hold two or three outside jobs. Tuition at the university, however, is only a fraction of what U.S. students pay. More than 100,000 students are enrolled, but the dropout rate is nearly 50 per cent.

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inction by following the expressionistic line of Orozco, while González Cam-  
 arena, Alfredo Zalce, and Raúl Anguiano are realists. Also outstanding among  
 present-day artists are Rafael Coronel, Olga Costa, Leopoldo Méndez, Jesús  
 Reyes, Gunther Guerzo, and Carrillo Gil, and among the sculptors are Carlos  
 Bracho, Germán Cueto, Zúñiga, and Monasterio. Foreign artists who have  
 become a part of the heritage of Mexico by adoption are Jean Charlot, Wolfgang  
 Paalen, Pablo O'Higgins, Leonora Carrington, Alice Rahon, Remedios Varo,  
 and Vlady.

All these fine painters and sculptors and many more besides have enabled  
 Mexico to maintain the preeminent position she took in world art after the  
 Revolution. If Alfonso Reyes were still alive he would be very proud of what  
 is going on in Mexico today in the field of the arts. He might not be so proud  
 to find that his country is still a "guided democracy" with a "guided economy."

Luis Echeverría Álvarez, a dynamic young lawyer, was president of Mexico  
 during the period 1970-76. He took over a burgeoning economy and rep-  
 resented progressive business interests, but he spoke ardently and frequently of  
 helping the country's poor masses. In 1973 he went on a world tour visiting  
 Canada, Britain, Belgium, France, the Soviet Union, and China. He made  
 a big splash by proclaiming friendship with both the Communist and the West-  
 ern European powers. In that same year Mexico began to import corn, for she  
 could no longer produce enough to feed her fast growing millions. Youthful  
 guerrilla bands were springing up all over the country and defying authorities.  
 They demanded revolutionary reforms and kidnapped many well-known citi-  
 zens who were held for ransom. The government cracked down on them and  
 liquidated their leaders without paying any attention to due process, but it was  
 several years before "law and order" were firmly restored. In 1974 the national  
 economy sputtered and faltered. Mexicans who had investment capital became  
 jittery and sent \$4 billion out of the country. Recession had struck the United  
 States, the market for two-thirds of Mexico's exports, and there was a 23.3 per  
 cent rise in the cost-price index, which weighed most heavily on the rural  
 population.

The country was on the brink of the abyss when new oil fields were discovered  
 in 1975, and Mexico felt a sudden surge of euphoria. But in 1976 the inflation  
 rate hit 27 per cent, the price of oil plummeted, and the peso began its long  
 and staggering decline, reaching 2,900 pesos to the dollar in 1990. Almost half  
 of the country's labor force was unemployed. To find work thousands of Mex-  
 icans illegally crossed the border to enter the United States. The Mexican  
 economy, which for twenty years had been growing at 6.5 per cent or higher  
 a year, reversed this trend and continued to decline for the next decade. The  
 population explosion was producing more mouths than the country could feed  
 and more workers than there were jobs. The government attempted to slow  
 population growth with a birth control campaign, but the results were only  
 partially effective.

In the last months of his term Echeverría, anxious to leave office as a cham-

pion of the poor, announced the expropriation of 200,000 acres of land to be distributed among the peasants. The landowners and industrialists who were to be dispossessed protested, and there were strikes and threats of armed resistance when peasants occupied a portion of these lands. The next administration found the problem too hot to handle, and the whole program was canceled.

In 1976 Echeverría was followed in the presidency by José López Portillo, the former minister of finance. His father was one of Mexico's foremost authorities on oil and was the author of several books on the petroleum industry. López Portillo was Echeverría's hand-picked successor, and although he received over 80 per cent of the votes cast, scarcely 40 per cent of those eligible had voted. López and Echeverría had been close friends since high school, and both had won scholarships and had studied at the University of Chile, Santiago, in the 1940s.

López Portillo inherited a country in the midst of a severe depression. National productivity that year (1976) had grown only 1.7 per cent, and a 27 per cent inflation cruelly lowered purchasing power. The president instituted a rigorous austerity program, and attempted to curb Mexico's strangling bureaucracy and corrupt politicians. He had considerable success with the first campaign, but very little with the second. Meanwhile, the country's population continued to grow at an alarming rate. The annual increase had declined from 3.5 per cent to 2.6 per cent, but was still very simply overwhelming the economy. A lowered birth rate seemed an impossible dream.

The cult of *machismo* in Mexico and throughout Latin America is a strong psychological stimulus to this rampant population growth. Machismo is the double standard at its most extreme. It demands watchfulness of the men over the feminine members of the family at the same time that it exalts the men's need to affirm their masculinity and social prestige with the conquest of as many women as possible, and the production of a large number of children, both in and out of wedlock. A considerable proportion of Mexican (and Latin American) men maintain a mistress in a little *casita* apart from the official family, and there are often as many children in this second house as with the wife. In many countries the percentage of children born out of wedlock is extremely high. Official Mexican figures estimate illegitimate births at 25 per cent of the total, certainly a minimal figure. In the countries of Central America (with the exception of Costa Rica) illegitimacy rises to more than 60 per cent. The single mother, *la madre soltera*, and her brood of "fatherless" children, constitute a problem of national proportions in many countries. In Mexico her numbers are legion. Spain invented Don Juan in the seventeenth century, but Latin America has made him a universal hero.

In all but the most progressive Latin American countries machismo at the national level becomes a collective drive to create nations of great population. There is a widespread belief that the larger the population the greater the national weight on the international scene. Fast-growing Mexico and Brazil, the two most populous countries of Latin America, are patent examples of

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this dubious logic. Modern hygiene and medicine have wiped out many dread diseases of the past, and thus have contributed their part to today's population explosion that has become Latin America's and the world's number one problem.

Despite a rapidly expanding population, President López Portillo was able to bring Mexico's economy back to a healthy state through belt tightening and good planning. In 1979 the annual rate of growth for the national productivity was back at 7 per cent. It seemed possible that this very impressive rate of growth might continue or even be exceeded for the next ten years. One of the reasons for this optimism was the discovery of great new oil fields in the gulf coast area of the country, from Tampico to Villahermosa. Official Mexican figures indicate that these discoveries have increased the total oil reserves of the country from forty billion to perhaps one hundred billion barrels. This would place Mexico among the largest oil producing nations of the world, far ahead of Venezuela and very close to Saudi Arabia. Some North American experts, however, are wary of accepting these Mexican figures. They point out that much of the oil may not be recoverable. A large part of the recoverable deposits lies many miles under the earth, and much more is deep beneath the ocean floor. One derrick in the area is higher than the Empire State Building and cost \$265 million. The cost of extracting oil in these fields may be ten to fifteen times as much as it is in Saudi Arabia. Furthermore, the Mexican figures refer to a total of hydrocarbons, that is, oil and gas lumped together. Petroleum reserves would be much less.

There are additional causes for doubt. Pemex, the national oil company of Mexico, is one of the most inefficient large companies in the world. It is literally shot through with nepotism and corruption. In the Villahermosa area a large number of employees who collect their checks without doing anything are called "aviators." They touch down long enough to collect their pay and immediately take off again. A nonproductive job of this kind may be bought outright from the Oil Workers Union for about \$3,500 in kickbacks.<sup>219</sup> In a recent poll, when queried about the new oil discoveries, most Mexicans stated flatly that they would benefit only the rich, and not help Mexico's impoverished millions.

In the meantime, Villahermosa was booming. Its population more than doubled, and its hotels and streets were filled with oilmen from all over the world. Heavy trucks cut deep ruts in the primitive country roads, and dust and pollution ruined the surrounding farm and grasslands and befouled the water. A huge oil blowout gushing into the ocean paralyzed the fishing industry. This blowout, the biggest in history, damaged the beaches of Texas 600 miles away. Gas flares from some of the wells are so bright that a newspaper can be read at night 5 miles away. More than 100 million cubic feet of natural gas are being wasted daily, enough to heat and light a city the size of Denver for almost a week in winter.

Several U.S. companies were seriously interested in buying this gas, and had

already accepted the Mexican-set rate of \$2.60 per cubic ton. Mexico had begun construction of the 820-mile pipeline that would convey this gas to McAllen, Texas. But the U.S. government refused to approve the purchase, and Mexico was left holding the bag. The reason given was that gas was already being purchased from Canada for forty-four cents per 1,000 cubic feet. In any event, the deal fell through, and when President Carter visited Mexico in early 1979, President López Portillo gave him a very cold reception. López had put himself out on a limb by approving the deal from Mexico's end, because there was strong opposition inside the country from those who feared such a large sales commitment might put Mexico in a too dependent position vis-à-vis the United States. The amount of gas to be purchased was less than one half of one per cent of total U.S. consumption.

The oil and gas bonanza was Mexico's great chance to catch up with the economically healthy nations of the world. López Portillo and other Mexican politicians were saying this publicly, and were acutely aware of it privately. But they did not want oil to make the national economy lopsided, as in Venezuela, where this had created a consumer oriented society forced to import many necessities, including foodstuffs. Mexico made plans for a broadly based and self-sufficient program of development.

These plans did not come to pass. The best that can be said is that Mexico's so-called oil bonanza did give the country a breathing spell. For a few years it brought in \$22 billion a year in gross receipts. Conversely, oil profits eased the pressure on Mexican industry to become more efficient in order to compete in foreign markets, and these profits also delayed long overdue tax reforms. The national oil company, Pemex, was notoriously inefficient, corrupt, and bureaucratic. One of Mexico's most urgent needs is to clean up this huge state oil monopoly, about which, J. Paul Getty once cynically remarked, "is the only oil company I have known that lost money." What happens to Pemex will almost certainly tell what will happen to Mexico.

In the 1990s Mexico's daily oil production may possibly reach a total of three to five million barrels daily. The 1980 total was less than two million barrels a day, with one half of this amount sold in the export market. The daily consumption of oil in the United States is about twenty million barrels. It is easy to see that Mexico's oil will not be the solution to the gasoline problem in the United States.

If Mexico fails to extract and sell this oil in a well-thought-out and regulated way, it will place a great burden on the national economy and social institutions. Mexico will have 135 million inhabitants by the year 2000, if the present rate of population growth continues. Mexico City will be the largest city in the world with more than 30 million people. It is a city of glaring extremes. Its plush Zona Rosa, a luxury shopping and hotel center in the heart of town, is a dramatic contrast to the stark satellite slum called Netzahualcoyotl ("Netza" to its 1,800,000 residents) where ugly miles of gray houses line streets devoid of trees or flowers, yet no one in Netza wants to return to the country.<sup>220</sup> Here

ate of \$2.60 per cubic ton. Mexico had a pipeline that would convey this gas to the United States. The government refused to approve the purchase. The reason given was that gas was already available at a price of forty-four cents per 1,000 cubic feet. In any case, when President Carter visited Mexico in early 1977, he received a very cold reception. López had put the deal from Mexico's end, because there were many people in the country from those who feared such a large dependency on a too dependent position vis-à-vis the United States. The gas to be purchased was less than one half of the amount needed for the country.

Mexico's great chance to catch up with the United States is slipping away. López Portillo and other Mexican leaders are acutely aware of it privately. But the national economy is lopsided, as in Venezuela, where a rentier society forced to import many goods. Mexico made plans for a broadly based and diversified economy.

The best that can be said is that Mexico's economy has had a breathing spell. For a few years it has had a surplus of oil receipts. Conversely, oil profits have eased the burden on the government. It has become more efficient in order to compete with the United States. Profits also delayed long overdue tax reforms. The government was notoriously inefficient, corrupt, and unable to meet the urgent needs of the country. One of the most urgent needs is to clean up this huge state-owned oil company. As Betty once cynically remarked, "it is the only thing that costs money." What happens to Pemex will be a test to Mexico.

Production may possibly reach a total of three billion barrels a year. In 1980 total was less than two million barrels sold in the export market. The daily consumption is about twenty million barrels. It is easy to see that the solution to the gasoline problem in the United States is to increase production.

Oil is sold in a well-thought-out and regulated market. The national economy and social institutions are being built by the year 2000, if the present trends continue. Mexico City will be the largest city in the world with 20 million people. It is a city of glaring extremes. The skyscrapers and hotel center in the heart of town, the slum called Netzahualcoyotl ("Netza") and the miles of gray houses line streets devoid of life. Zapata wants to return to the country.<sup>220</sup> Here

at least they have found work and survive. Mexico must create 500,000 new jobs every year just in order to keep unemployment from increasing. There will be at least twice that many workers added to the job market every year, so without some effective measure of population control the future seems hopeless.

Mexico City, which has become a kind of Goliath's head, is growing at the phenomenal rate of 500,000 inhabitants a year. Two thirds of this is internal growth, the excess of births over deaths. One third consists of peasants lured in from the countryside where wages are about \$219 a year. The city workers average \$1,200 a year, but unemployment at any given moment is close to 40 per cent. Hundreds of thousands of workers hold no steady job, so are unemployed as much time as they are employed. The shantytowns that have mushroomed all over and around the city already represent a political, hygienic, and economic problem of mammoth proportions.

In recent years the inhabitants of these shantytowns, often called *colonias populares*, have organized themselves into effective political units. Their "squatters," called *posesionarios* in Spanish, settle on vacant plots of land and simply take possession. It is about twenty years since the first group of such families made their rickety homes on the dust-choked lakebed on the eastern edge of Mexico City. Since then dozens of similar squatter settlements have arisen around the perimeters of nearly all Mexican cities. One of the most dramatic stories can be told about the colonia called Campamento 2 de Octubre where 35,000 people from the countryside established themselves just outside the capital several years ago. This colonia was named for the 1968 second of October massacre that took place on Tlaltelolco Plaza of the Three Cultures just prior to the Olympic Games. This communistically inspired settlement organized consumer cooperatives, ran its own police force, and kept outside interference at a minimum. For a time the authorities in the capital were seriously worried.

President Echeverría took a hard line toward such colonias, but was unable to undermine their leadership. The central government, however, did not give up. The country's postrevolutionary rulers are very skillful in the way they combine brutal repression with calculated conciliation. They kept chipping away at the Campamento 2 de Octubre with mixtures of promises and repression until they had divided the squatters into two opposing camps, those who now favored the government (the PRI) and those who did not. Eventually the leaders were brought over to the government side, and the political threat posed by the colonia ceased to exist.

The other end of the spectrum is represented by the Maoist settlement of approximately 15,000 inhabitants on the outskirts of Monterrey, Mexico's great industrial city only 200 miles south of the Texas border. This colonia is called Tierra y Libertad, the phrase that Zapata used as his revolutionary cry over seventy years ago, Land and Liberty. In the center of this community the burned-out wreck of a police car is mounted on four brick pillars and bears

the words "a trophy of the people." The car is surrounded by red flags and clenched-fist symbols. The police car is the relic of the last visit that the Monterrey police made to Tierra y Libertad. The squatters here run their own jails, factories, schools, and clinics. Alcohol, firearms, and prostitution are prohibited within the limits of the commune. The city authorities of conservative-minded Monterrey leave them alone. They even look the other way while the settlers take their electricity and water freely from the city supplies. The squatters hold no legal titles to their land, but they now form a tightly-knit and very militant minority opposition to the municipal and federal authorities.<sup>221</sup>

Monterrey's total population today is about two million, and there are about 300,000 squatters within the metropolitan area. These are organized in 50 colonias that cover the hillsides, the majority of which were organized and are subsidized by the government. This is the establishment's answer to the handful of communal colonias that ring the city of Monterrey, with which a continuing tug-of-war is in progress.

Monterrey is the heartbeat of Mexico's economy. "The people here are stingy, hardworking, and save their money. They are the Scots of Latin America." The wealthy industrialists of Monterrey have invested over \$5 billion in plants and equipment. President López Portillo, shortly after taking office in 1976 in the midst of a severe recession, journeyed to Monterrey to ask the business leaders of that city to help the government restore economic order in the country. They decided to give him that aid. Today a modern sculpture at the center of the city celebrates this government-industry compact, which has been so eminently successful. In 1979 Monterrey's fourteen largest companies churned out over \$4 billion worth of manufactured products: steel, cement, pipe, beer, copper wire, trucks, buses, containers, cigarettes, and a variety of processed foods. Many of the largest factories are run by the descendants of Isaac and Francisco Garza Sada, Sephardic Jews, who emigrated to Monterrey from Spain many years ago.

These factories provide their workers with subsidized apartments, free hospitals and clinics open twenty-four hours every day, and many other fringe benefits. Subsidized stores sell clothing, sporting goods, furniture, and appliances at a large discount. Grocery orders are delivered to the doors of each family at about 40 per cent off. The wages paid are high and retired workers collect good pensions, adjusted for inflation. This paternalistic system has worked well for many decades, and outside unions have been kept at an arm's distance.

The squatters in Tierra y Libertad, at the other extreme, live in cinder-block houses, not much larger than two parking spaces. Their houses are certainly not beautiful, but many of the families have grown gardens, put up fences, curtains, TV antennas, and street signs. Some have painted their dull block-made homes a bright pink or blue. There are public restrooms, a clinic visit costs 20 cents, and electricity and water, tapped from the municipal lines, are free.

In the Congressional elections of July 1979, Communists were allowed to vote for the first time in Mexican history. President López Portillo had ap-

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pointed as his secretary of the interior Jesús Reyes Heróles, who was charged with the responsibility of revamping the country political system so that all opposition parties might be given a fairer participation in the government. Mexicans were eagerly awaiting these electoral reforms. But on May 17 Fidel Castro visited Mexico, the first time he had been in the country since the 1950s when he left Mexico to launch his revolution in Cuba. On the very day of Castro's visit the president fired three of his most powerful cabinet ministers, among them Reyes Heróles. The other two dismissed were Foreign Secretary Santiago Roel García, and Secretary of Planning and Budget Ricardo García Sainz. Herbert Castillo, leader of the Mexican Workers party, stated that the president "took advantage of Castro's visit to give an impression of a turn to the left, while the reality inside Mexico is a turn to the right." Mexicans were caught by surprise by these "resignations," and some referred to them as Mexico's "Wednesday massacre." The net result was that while oil and economic expansion were galloping along at a good pace Mexico's old political establishment was again in firm control.

One interesting sidelight on the firings was brought out when well-placed Mexican politicians commented on the dismissal of the foreign secretary, Roel García, who had recently visited detention camps in the United States where hundreds of illegal Mexican aliens were being held prior to deportation. Mexican politicians thought he should never have made this visit. One said: "He was giving legitimacy to a system of deportation that we should not even concede are legitimate."

There is no doubt that these illegal aliens constitute a problem for both the United States and Mexico. Mexico takes the view that crossing the border is the escape valve for her excess population. Mexicans do not believe that illegals displace American citizens in jobs because they invariably take menial work which Americans do not want. Americans dispute this claim, and are becoming fearful of the economic and social implications of so many illegals in their midst. The *Los Angeles Times*, in its issue of July 23, 1979, reported an alarming increase in hepatitis, malaria, tuberculosis, and intestinal parasites in this country, largely due to the influx of these and other immigrants. The United States government for its part is unable to control the situation and has adopted the chicano term for "illegal aliens" by referring to them as "undocumented workers."

The *Los Angeles Times* estimated that there were approximately one million illegal Mexican aliens in the city in 1979. Perhaps three to five times that number are in this country as a whole. It has been estimated that about a million cross the border each year, and at least half of these are eventually caught and deported. But many of those deported come right back again. I personally have talked to several who have admitted to four or five crossings. Many illegals remain only a few months and then return to Mexico with their savings. There is really no way of knowing how many are in this country at any given time.

To Mexicans the illegal alien problem has become a very emotional issue.



They point to the fact that one million Mexican workers made possible the stunning growth of the southwest United States by expanding and maintaining the railways between 1900 and 1930. No hue and cry was raised in this country at that time. Nor was there any strong dissent when the *bracero* farm workers were invited into the Southwest in the 1950s and 1960s to help harvest the crops. Mexicans also feel that Mexican workers in the United States have often not been treated fairly, but are forced to live under conditions that are far below standard. Thousands live in makeshift huts that are crowded, unhygienic, without adequate toilet or health care facilities. They work long hours and are poorly paid. When recently a many-mile-long steel link fence was proposed for a strategic section of the border with Mexico, that country reacted as if it were an insult to the national honor. To the Mexican government closing the border would be an act of economic aggression.

The strongly held beliefs about the illegal alien problem have not been carefully examined, and no solution is in sight. Former CIA Director William Colby stated that these "millions of illegal aliens are a greater threat to the United States than the Soviet Union." Those in this country who agree with Colby see the problem in similar exaggerated emotional terms. The bare statistical facts, however, are staggering. If Mexico's population continues to grow at anything like the present rate, a veritable tide of illegal aliens will enter the United States within the next few years which the U.S. Immigration Department will be powerless to control, much less to stop.

Miguel de la Madrid, who succeeded López Portillo as president in 1982, was less flamboyant in style and more realistic in viewing Mexico's economy than his two predecessors. But de la Madrid had inherited a problem of gigantic proportions. The previous administration, under a false state of euphoria caused by the oil bonanza, in 1981 alone borrowed \$20 billion. In 1982 there was a drop in oil prices and Mexico suddenly faced her worst financial crisis in fifty years. Billions of dollars in capital fled to foreign banks, leaving the country without financial resources. This was followed by a serious "brain drain," as many well-trained professionals also left Mexico seeking a brighter future across the border. In August 1982, after an urgent appeal from the Mexican minister of finance, the United States bailed Mexico out financially by extending \$1 billion as an advance payment on oil, but at less than the market price. An additional \$3 billion in loans soon followed.<sup>245</sup>

Not long after this crisis, on September 19, 1985, the center of Mexico City was struck by an earthquake of 8.1 intensity which destroyed the center of the city, killing 10,000 to 20,000 people, leaving other thousands homeless, and causing over \$5 billion in damages. The vaunted zeal and efficiency of the PRI were not evident in responding to the disaster. De la Madrid, once he became aware of the magnitude of the destruction, did appear personally on the scene and provided generous federal aid, but the real heroes of the catas-

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trophe were the residents of the area who spontaneously organized themselves  
and worked around the clock. The men crawled into the rubble at great risk  
to their own lives and rescued many victims. They helped to clear the debris  
of fallen buildings, which included the capital's great medical center and hos-  
pital and the totally destroyed Hotel Regis, a famed landmark for many years  
in the center of the business district. The women organized themselves as self-  
appointed workers and nurses. They also demanded en masse that the govern-  
ment expropriate the affected terrain and construct new homes for those whose  
dwellings had been destroyed. Their demands were effective, and within two  
years 60,000 new dwellings were constructed for 350,000 people on 625 acres  
of expropriated land.

In late 1987, as de la Madrid's term neared an end, the president and the  
PRI, under mounting public pressure, selected six presidential candidates to  
speak on national television, thus giving the impression that there might be a  
real choice in the 1988 elections. This turned out to be window dressing, for  
soon afterward, de la Madrid, with strong PRI support, chose as his successor  
a close friend and former student, Carlos Salinas de Gortari, who was secretary  
of the budget and planning in his cabinet. Salinas has a Ph.D. in political  
economy from Harvard, and his selection as PRI candidate was tantamount to  
election. Once again the PRI had proved that it was the only game in town.

Under de la Madrid, Mexico expanded industrially, diversified its economy,  
and gradually became less dependent on oil. However, agriculture languished  
and the country did not and still does not produce enough food to feed its  
rapidly growing population. Between 1982-88 agriculture grew at only 1.28  
per cent a year, as compared with the previous growth rate of 4.5 per cent an-  
nually. The Mexican farmer produces an average of only one fifth as much  
corn per acre as his U.S. counterpart. A few years ago there was a surplus of  
corn in Mexico, but since 1982 the country has had to import more than eight  
million tons of foodstuffs annually, including great amounts of corn. There is  
widespread malnutrition, hunger, and disease in the country. The death rate  
among children is astronomical. Water is polluted almost everywhere. Women  
wash their clothes, themselves, and their children in filthy ponds, rivers, and  
streams. Contaminated drinking water is the scourge of millions, and the visit-  
ing tourist has come to dread it as the main source of the *turista*. Mexicans  
themselves consume more carbonated soft drinks per capita than is the case in  
any other Latin American country. Coca-Cola, Pepsi-Cola, and other watersafe  
carbonated drinks are popular even in the remote country areas. Beer is also  
widely drunk, and Mexican beers are among the world's best. In a recent beer-  
drinking test held in Los Angeles, sixteen connoisseurs voted *Bohemia* number  
one and *Dos Equis* number three in quality out of the thirty-six beers assembled  
from all over the world.

Tourists drop \$2 billion into Mexican coffers every year, and without this  
influx of foreign money the country would be in much worse financial shape.

*Gringo* visitors are now big business.\* Unfortunately, most of these tourists get sick, some of them very ill. Often, even the most common precautions are not taken: the visitor should drink no local water, consume no ice, eat no salads or unpeeled fruits, and not drink the bottled water hotels often place in the room marked "purified." It is advisable not to drink any bottled water except the carbonated brands. There is a big profit made in refilling the well-known soft water bottles directly from the tap. Beer and soft drinks, hot coffee, tea, and soup, or properly boiled or treated water, are the only reliable liquids.

Montezuma's revenge, also often called the *turista*, is no joke. It is a violent form of diarrhea that dehydrates and weakens the victim frequently ruining the journey. Dr. B. H. Kean of Cornell University Medical School, who has spent twenty years studying the *turista* in Mexico, reports that more than 50 per cent of the Americans who visit that country come down with it. Mexico, of course, is not the only culprit. Any country where the water is polluted and unhygienic habits are ingrained will pass *turista* on to the visitor. Dr. Kean found that the *turista* bug is a minicholera. "The bacteria produces a toxin which attacks the cells and causes them to give off water."<sup>235</sup> Mexico City with its earthquake-damaged pipes is a high-risk area. Rural Mexico is even worse. Diarrheal diseases in their most lethal forms, such as typhoid fever and amoebic dysentery, rank together as the Number One killer in five Latin American countries.

Boiling water for a prolonged time is the best form of sterilization, and an immersion heater is the best gadget the traveler can pack into the suitcase. Water can also be purified by adding two to four drops of chlorine bleach, a sterotab tablet, or five to ten drops of tincture of iodine per quart of water half an hour before drinking. It is dangerous to eat raw vegetables, salads, shellfish, or partially cooked meats. Eat a hearty American breakfast of well-cooked foods. Stick to hot soups, well-cooked beef or chicken and rice the rest of the day. Do not vary the diet. Enterovioform, also called Mexaform and Entosan, is definitely not indicated. Lomotil slows the illness down but may make it last longer. Dozycycline or sulfasuxadine, which require a prescription, may prevent or cure *turista*, but they should not be taken frequently. The best preventive is precaution and moderation in drinking and eating.

The major health risk from *turista* is dehydration, so plenty of liquids should be consumed. Dehydration may cause severe weakness and is particularly hard on the elderly. It is advisable to replace the lost fluids by drinking an electrolyte solution along with plenty of pure water. This is also the principal therapy for cholera. The electrolyte solution is simply pure water to which has been added the minerals needed to replace those depleted by dehydration. Electrolyte pow-

\* *Gringo* is derived from the Spanish word *griego*, Greek, and indicates any outsider or stranger, not necessarily a North American. In Argentina *gringo* refers to the Italian. The word has no connection with the song "Green grow the rushes." The story about its origin in that song is on the same level as the silly but widespread belief that Castilians use the *th* sound in their speech because a certain king of Spain lisped.

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ders may be purchased in foil packets at the drugstore, or the traveler can prepare his own by using half a teaspoon of salt, half a teaspoon of sodium bicarbonate, one fourth teaspoon of potassium chloride (salt substitute), and four tablespoons of sugar. Add these ingredients to one liter of water, but do not leave the solution outside the refrigerator for later drinking because standing at room temperature promotes the growth of bacteria.

Mexico's foreign debt of \$114 billion is a millstone around the country's neck. Thirty-seven cents out of every dollar in the federal budget (\$1 billion a month) go to pay just the interest on this debt, and Mexico is pressing for some readjustment in the rate and manner of repayment. During the period 1982-86 profits from Mexican industry continued to decrease, and inflation rose to more than 100 per cent a year. De la Madrid proclaimed an austerity program, but this was like bleeding a corpse, and the peso plummeted. Devaluation of the currency made Mexico a bargain paradise for American tourists who came in droves literally saving the country from economic collapse. Nevertheless, in 1987 real per capita income in Mexico was 25 per cent less than in 1982, declining to the level of 1963. There is still at least 20 per cent unemployment, and another 30 per cent of the work force is underemployed.<sup>247</sup>

The de la Madrid administration worked hard to diversify the economy. One of its most notable achievements was promoting what the Mexicans call *maquiladoras*, assembly plants that receive primary materials or parts from the United States and process these into finished products which are then shipped back. These materials are imported into Mexico without being taxed, and when the resulting products are exported not even the value added is taxable. Most of the maquiladora workers are young women between the ages of 16 and 25, mostly nonunion, who receive an average salary of \$23 a week. This setup makes the cost of the finished products cheaper. Sadly, most workers have poor living conditions, and many plants pollute the land with waste.

The maquiladoras put together a great variety of things: appliances of all kinds, stationery and office supplies, toys, sporting goods, shoes and other leather products, electrical materials and supplies, tools, food packing and canning, furniture, clothing and textiles, chemical products, and transportation equipment. Knowing a good thing when they see one, the Japanese have also gotten into the maquiladora field, and many major Japanese manufacturers are now operating plants in Mexico. Strengthened by this competition the maquiladora is a fast-growing industry. But the process does cost jobs in the United States, and American workers are howling. Approximately 500,000 Mexicans earn their living in these maquiladoras, which now bring into that country around one billion dollars annually.<sup>248</sup>

Confidence in the economy was gradually restored and native capital that had previously fled to foreign countries began to return. Within a five-year span more than \$10 billion in foreign investments poured into the country, and by the end of 1987 Mexico had accumulated approximately \$15 billion in capital

reserves.<sup>251</sup> Suddenly there was more cash than the country knew what to do with.\* The United States now offered to help Mexico with her foreign debt. Mexico will pay \$2 billion cash for U.S. bonds that the United States guarantees to redeem for \$10 billion in twenty years. Using this guaranteed \$10 billion as collateral Mexico will then buy back outstanding loans from its creditor banks.<sup>249</sup> However, below the surface in Mexico there are still serious weaknesses: a low level of per capita productivity, the high level of the country's foreign debt, a bloated state bureaucracy, endemic corruption, uncontrollable inflation, and uncertain government direction. A total of 4,350,000 persons work for the federal and state governments, up 640,000 from 1982. Notwithstanding, one well-known economist, Professor Rudinger Dornbusch of MIT, made this prediction: "The prospects of Mexico's sustaining a real growth in its economy are, in the long run, the most brilliant in all of Latin America."

Better education and better training of the Mexican worker are essential if Mexico is to realize this goal. Per capita productivity is only one-seventh that of Canada, so there is still a long way to go. The government itself is a big question mark. Mexicans are the least taxed people among those of any of the industrially expanding Third World powers. In the countryside millions live and work under semifeudal conditions, barely eking out a living. Open and fair elections are still out of the question. The opposition knows just how far it can go, and if that point is passed opposing political leaders sometimes "disappear." The government refuses to discuss this issue, stating simply that human rights violations do not exist, but some reputable foreign investigators and reporters assert that Mexico is one of the worst human rights violators in the hemisphere. Widespread corruption is also a deeply rooted problem. It permeates the economy and the entire political system. Every Mexican president sticks his hand in the till and retires from office a wealthy man. Corruption in business is closely linked with corruption in government.

The presidents of Mexico not only enrich themselves while in office but many of them also engage in expensive liaisons with young women in show business. Frequently there are melodramatic twists in these relationships that provide an interesting sidelight on the Mexican presidency.

The much publicized affairs of Díaz Ordaz and López Portillo are typical. Irma Serrano, the tempestuous mistress of Díaz Ordaz, was a popular entertainer who had previously been linked with other well-known political figures. She was from Chiapas, the state that borders on Guatemala. In provincial Chiapas young girls were forced to wear uncomfortable chastity belts, and years later when Irma wrote her autobiography she gave it the title *Knotted Underwear*. As an eight-year-old she revealed her violent temperament by clubbing her grandfather while he was asleep, sending him to the hospital with a fractured skull. Later, in Mexico City, Irma became a highly touted singer and actress.<sup>293</sup>

\* However, one Mexican newspaper, *El financiero* (February 22, 1988), estimated that \$70 billion of Mexican capital was stashed away in foreign banks.

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As the mistress of Díaz Ordaz she entered the profitable business world. Aside from receiving expensive jewelry, furs, and clothes, Irma was given two clothing plants in Puebla, a shoe factory, three brickmaking facilities, and several choice plots of real estate. Her affair with the president was kept quiet for a while, but eventually Díaz Ordaz's wife found out about it. In her fury she demanded that many of Irma's film, television, and recording contracts be canceled. Irma, to avenge herself, appeared unexpectedly at the presidential palace on Señora Díaz Ordaz's birthday accompanied by a mariachi band. She easily convinced the palace guard that she had come with the mariachis to give the president's wife a surprise birthday serenade. The president, caught entirely unaware, heard the music and came out to express his thanks, but as he began to speak Irma punched him in the face with all her might. His glasses went flying and the palace guards cocked their guns ready to shoot. The president stopped them and waved the intruders off. The onlookers were stunned, but the incident was covered up, and the president never saw Irma Serrano again.

The more openly acknowledged affair of López Portillo with Rosa Luz Alegría had no such melodramatic twist, but the president brazenly appointed her to the choice post of minister of tourism, where she basked in public view and raked in a fortune. The president also gave her a luxurious home in Acapulco worth several million dollars. Bribery and corruption permeated the presidency of López Portillo, and when he retired from office it was conservatively estimated that he had pocketed well over one billion dollars. But this was not the worst of it. Under him the police force of Mexico City was hardly distinguishable from a well-organized crime syndicate. Named chief of police was Arturo "El Negro" Durazo, who had previously been the chauffeur and bodyguard of the capital's most notorious gangster.<sup>293</sup> At the time of his appointment as chief of police he was under indictment for drug trafficking, but in his youth Durazo had been a school chum of the president who insisted on his appointment. Durazo weathered all opposition and became a multimillionaire before he was finally brought to trial. Meanwhile, the policemen of the capital gouged the citizens mercilessly. Mexican police may also be involved in the more recent kidnapping, torture, and killing of U.S. drug investigator Enrique Camarena in Guadalajara, which created an international incident and exacerbated considerably relations between our two countries.

Agriculture, once vigorous and the mainstay of Mexico, is now in decline and cannot feed the growing population. Big farmers have turned away from corn because they can make three or four times as much by growing and selling tomatoes, melons, strawberries, cucumbers, eggplant, peppers, and squash to the United States. Many U.S. growers say that they are being run out of business by lower Mexican prices, and by occasional episodes of dumping. Meanwhile millions of Mexicans go hungry. More than a billion dollars have been spent on rural development and agricultural reform, but there is no more land to distribute, and millions of rural families are still landless. Thousands of small farms are cultivated in the most primitive manner; they cannot feed those who

ciario (February 22, 1988), estimated that \$70 bil-  
 eign banks.

till the soil. The modernization of agriculture must go hand in hand with increased industrialization. This two-pronged attack will alleviate, but it will not solve Mexico's difficulties. In spite of its rapidly growing industries Mexico is still very much a Third World country.

Industrialization has its own hazards which have already emerged. Lack of planning and the desire to make a quick dollar exacerbate the process. Mexico City now faces a very critical problem brought on by its industries and its riotous, mushrooming growth: pollution. The relatively small Valley of Mexico has a population of more than twenty million people living in one of the fastest growing, most crowded, and most polluted areas on earth. There are 35,000 industrial establishments, and over three million automobiles that belch 5.5 million tons of contaminants into the air every year. Added to this is the fecal dust of three million people who have no toilet facilities and ten million animals. This fecal dust quickly becomes airborne and is breathed in daily. In January, the most polluted month, schools are closed in order to protect the children. One medical researcher recently tested a sampling of newborn infants and found that 50 per cent had toxic levels of lead in their blood. Another study, made by the World Health Organization, found toxic concentrations of lead in the blood of 60 per cent of the fetuses tested. It is clear that the Mexican capital does not provide a healthful environment for its population or for its visitors, and conditions are getting worse every day.

The national elections of 1988 in Mexico were more tumultuous than usual. Candidates opposing Salinas and the PRI challenged the final tally. They shouted fraud and produced hard evidence of widespread dishonesty in the count. Nonetheless, Salinas was declared the official winner with 50.7 per cent of the vote, a bare majority of less than 1 per cent. Cuauhtémoc Cárdenas, son of the revered ex-president, Lázaro Cárdenas, was given 31 per cent of the total, and the conservative PAN candidate, Manuel Clouthier, the remainder. Tens of thousands of angry and disillusioned voters poured into the streets near the point of open rebellion, but Salinas played his hand cautiously and mollified the opposition by proclaiming publicly that the time had arrived when Mexico must become a pluralistic democracy instead of the one-party state that it had been for sixty years. Rigging the elections, he declared, would no longer be tolerated. Some credence can be given to his words for when the state of Baja California elected its new governor in August 1989, the opposition PAN candidate won handily, and for the first time in history PRI acknowledged defeat in an election of this magnitude.

More specific Mexican reactions to the presidential elections were reported in a poll taken by the *Los Angeles Times* in August 1989 in forty-two randomly selected villages and towns of Mexico. This poll indicated that 68 per cent of those contacted doubted that Salinas had won honestly, but 79 per cent expressed a favorable reaction to the president's actions during his early months in office. It is surprising that 47 per cent believed that there would be an armed

revolution in Mexico within the next five years. Octavio Paz, one of the country's most respected writers, commented pointedly: "In one day, the Mexicans' secret and free vote ended the one-party system. The PRI's own candidate, Salinas de Gortari, recognized that shortly after the election. We are beginning to take our first steps on unfamiliar territory: the region of pluralistic parties." Paz then cautioned his readers against the dangers inherent in taking this step: political intolerance, splintering parties, impatience, violence, and the lack of absolutes to which Mexicans have become accustomed. In brief, Salinas now faces a situation similar to that of Gorbachev in Russia. He can either try to clamp down or to allow increasing political freedom. Whatever his course, Mexico's long sanctified one-party rule has neared its end. Salinas has announced that his primary goal is to establish Mexico a dynamic and democratic free market economy. This will be a tremendous undertaking.

Mexico's main problem is that there are too many Mexicans, and the certainty that tomorrow will produce additional millions. If no way is found to control this population explosion there will never be a solution to any of Mexico's basic problems. Spain, Italy, and France, all Catholic countries, have been able to stabilize their population, but in Mexico ignorance and a lack of family planning goals make this very difficult. The government, doctors, and even some of the clergy are cooperating to reduce the birth rate. The Simpson-Rodino bill, giving legal status to Mexicans in the United States since 1982, eased the pressure temporarily. In the long run, what happens to population will determine the future of Mexico, and will also affect directly the future of the United States.

Our two countries do not know each other very well, despite proximity. North American tourists by the millions visit Mexico every year because it is picturesque, near, and relatively cheap, but when they cross the border they enter a world that is more foreign than Europe. Their behavior as visitors frequently leaves much to be desired. And millions of Mexicans, who pour across the border as if it did not exist, demand legal status, driving tests, and voting instructions in Spanish, and bilingual education in the schools, not available to any other linguistic minority. Alan Riding, in his excellent book on Mexico, *Distant Neighbors*, hit the nail on the head when he wrote that in no other part of the world do two neighboring nations have such little understanding of each other.<sup>245</sup> Far more than by their differing levels of development, says Riding, the two countries are separated by language, religion, race, philosophy of life, and history. Porfirio Díaz put it even better perhaps when he said: "Poor Mexico, so far from God, and so close to the United States!"

#### CENTRAL AMERICA

Central America, which Simón Bolívar thought should have formed a single nation, is composed instead of six small countries that have sometimes erroneously and disparagingly been called "the banana republics." Guatemala is



by far the most populous with approximately seven million inhabitants. Costa Rica is the only country with a homogeneous population, almost entirely white, and is the only country that has not had a turbulent political history. Costa Rica also claims the distinction of having no army, and its capital, San José, is one of Latin America's most cultured centers.

The annual rate of increase in population in Central America stands at 3.3 percent, at which rate within one hundred years Central America's present 23 million will have multiplied to an incredible 250 million inhabitants. Overcrowded El Salvador, with the greatest population density of any Latin American country except Haiti, now has 671 inhabitants per square mile (1990), and gives only the faintest inkling of what this future figure would mean.

During the 1960s Central America's dream of a common market with millions of potential customers appeared to become a reality. A good start was made: tariff barriers between the Central American states were virtually eliminated, and during the first decade trade increased tenfold. Essential industries were divided up among the six countries. Honduras, for example, got the sole right to manufacture plate glass. Industrial development at first prospered, agriculture improved, and the standard of living slowly increased.

New enterprises included plants to manufacture television sets, refrigerators, optical supplies, paints, furniture, and cement blocks. Poultry, cattle, and farm profits rose. Unfortunately, most of this progress was undone in the 1970s. Political turmoil reached a peak in Nicaragua, El Salvador, and Guatemala. Economic stability was shattered. Honduras withdrew from the market, Costa Rica threatened to do so, and the bright dream lost its glow. The countries of Central America again went their divided ways.<sup>277</sup>

#### GUATEMALA

Guatemala contains nearly one third of the total population of all Central America. It is a country where political rivalries have led to violent conflicts in recent years. Still primarily an Indian country, Guatemala has a large depressed mass of peasants and a small class of rich landlords who own the large coffee plantations. Many experts state that Guatemalan coffee is the finest in the world, and it is by far the country's outstanding export product, the banana trade having declined steadily in recent years. Guatemala also has vast forests of valuable hardwoods: mahogany, logwood, and cedar; and the tropical west coast, largely undeveloped, with a topsoil many feet thick, is an area of great agricultural potential.

The country's political history has been explosive. General Ubico was dictator between 1931-44. He was the last of the old line tyrants, a man who regarded the country as his private club. Ubico cooperated fully with the United States during World War II. He was followed by Juan José Arévalo, a teacher, who served out his stormy term as constitutional president and moved his country toward drastic educational, labor, and land reform. The constitution of 1945

n million inhabitants. Costa Rica, almost entirely white, has a rich political history. Costa Rica's capital, San José, is one

Central America stands at the heart of Central America's present population of 100 million inhabitants. Over the past century, the population density of any Latin American country has increased by a factor of 10 per square mile (1990), a figure that would mean

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total population of all Central America have led to violent conflicts. In Guatemala, a large number of rich landlords who own the land. Guatemalan coffee is the finest standing export product, the main source of income. Guatemala also has vast areas of pine, oak, and cedar; and the tropical rain forest, many feet thick, is an area of

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permitted expropriation and proscribed the latifundio. In 1950 Arévalo was followed by Jacobo Arbenz, who increased the pace of these reforms.

During an 18-month period under Arbenz, from January, 1953, to June, 1954, a million and a half acres of private land and 700,000 acres of government land were distributed to 125,000 peasants. This amounted to more than 26% of the total acreage organized into farms.<sup>187</sup>

Three things went wrong. Arbenz worked hand and glove with the Communists and caused a shudder of apprehension in conservative Guatemalan circles and in Washington. Second, the speed of the land distribution produced disorganization and anarchy in the countryside resulting in a drop in production. Third, the government expropriated 234,000 acres belonging to the United Fruit Company, which was offered \$2.54 an acre for land that the company claimed was worth eight times as much.

Washington's alarm took the form of action, as the CIA openly supported the Guatemalan "rebels" who moved in on Arbenz from Honduras and Nicaragua. In 1954 the Arbenz government fell and was replaced by that of Colonel Castillo Armas, the rebel leader. From that moment to this anti-U.S. sentiment in Guatemala has remained at a high pitch. The United States had made a very poor choice. The Armas government was hopelessly corrupt and Armas himself was assassinated in 1957.

A well-known Uruguayan novelist, Eduardo Galeano, head of the University of Montevideo Press, gives the following details which explain the widespread Latin American resentment evoked by this episode:

Castillo Armas, a graduate of the U.S. Command and General Staff College at Ft. Leavenworth, Kansas, invaded Guatemala with troops trained and paid by the United States. His invasion was supported by C-47 bombers piloted by the CIA. When he had taken over the country, Castillo Armas returned all expropriated uncultivated land to the big landlords and gave away millions of acres of the country to an international oil cartel. The Guatemalan Oil Act was written in English and sent to the Guatemalan Congress in that language to be passed. One congressman, who still had some sense of dignity left, requested that it be rendered into Spanish. Opposition newspapers that had operated freely under Arbenz were closed; democratic political leaders, students, and labor union officers were sentenced to death, prison, or exile. Finally Armas himself was assassinated. "It is a great loss to his own nation and for the whole free world," Eisenhower said. The forces of the Right and of the Guatemalan military have been in control of the country most of the time ever since.<sup>188</sup>

And Mexico's most noted historian, Daniel Cosío Villegas, commented as follows:

If North American intervention made any sense at all, it was the necessarily violent act of tearing out Communism by the roots so it would not sprout again, either in Guatemala or anywhere else in Latin America. Well then, Communism has

shot up in Cuba and to such an extent as to make Guatemalan Communism look like child's play. . . . To my way of thinking the only solution is for the United States and Latin America to attempt a reconciliation at once, a course which may have the unexpected effect of laying the foundations for a new concept in American solidarity.<sup>189</sup>

Armas was followed by Miguel Idígoras Fuentes, who was ousted by a military coup in 1963. In 1966 Méndez Montenegro, dean of the law school of the University of Guatemala, was elected president, and the country was temporarily rescued from dictatorship. However, the rift between rightists and leftists increased in violence, the problem of land reform was pushed aside, and tensions rapidly mounted.

The assassination of the United States ambassador on the streets of the capital in August 1968, and the previous gunning down of two embassy attachés, initiated a new terrorist trend with international overtones. In 1970 the German ambassador was kidnapped and killed in cold blood. These assassinations were the work of the pro-Communist group known as the Rebel Armed Forces, a guerrilla group which the government has been unable to control. Throughout the 1970s there were other assassinations and kidnappings. The people of Guatemala, as a consequence of all this, are sharply divided among themselves: the un-Hispanized Indians constitute one large group, the urban workers another, the foreign investors and large landowners still a third. The country is not a cohesive whole, its very heart and culture are divided against themselves. One native writer states that his people are caught and crucified "between the Cross and old pagan sacrificial stone of the Indians." They have not yet found a way to set themselves free. The violence continues in Guatemala today. Rightists and leftists face a confrontation beyond the hope of compromise.

The tourist visiting the lovely capital, however, may not be conscious of any of this. He will see beautiful shops displaying expensive jewelry, silver pieces in exquisite Maya designs, watches, cameras, television sets, perfumes, and refrigerators, while along the streets parades a steady stream of American, Japanese, French, German, and British cars. The cafés, restaurants, and excellent hotels are full of well-dressed guests. Surely this seems to be the affluent society, but in actuality these fashionable streets cater to a mere two or three hundred thousand people out of Guatemala's ten million. And even among them almost everything is purchased on time. Signs in the show windows invariably indicate the payment per month, not the total price.

In the outlying countryside 80 per cent of the inhabitants do not buy or sell anything, and they can neither read nor write. They suffer from constant malnutrition; infant mortality among them is extremely high. They live from hand to mouth, scarcely aware of the proud Maya culture of their remote ancestors. Anything would be an improvement on the miserable conditions under which they have to exist. They are ready grist for any demagogue who will come and make them appealing promises.

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Guatemala has produced two well-known writers in this century, Rafael Arévalo Martínez and Miguel Angel Asturias, both of whom have participated in their country's political life, but on opposite sides. Rafael Arévalo Martínez, born in 1884, was for twenty years the director of the national library in Guatemala. He is a distinguished poet and novelist and is also the author of the most famous short story to come out of Latin America in this century: "The Man Who Resembled a Horse." In the political sphere Arévalo Martínez was the representative of his country at the Organization of American States (Pan American Union) in Washington in 1946-47. He is among the very few Latin American writers and cultural leaders who have expressed unbounded praise for the United States.

At a time when so very few are still willing to voice such admiration it might help to balance the scales to quote his words:

The generous people of the United States take the bread from their own mouths in order to give it to those who need food across the sea. And similarly in many other things. A high level of civic responsibility, the highest that humanity has ever known, sparks the people of the United States. This country deserves the first place in the world, and one must never despair for it. This noble nation loves justice above all things.

In the United States is found every excellence. Not only does this country have the strongest boxer, the most beautiful woman and the richest millionaire, but it also has the most profound philosopher, the most notable scientist, the greatest artist, the most exalted mystic, and the finest writer. Every superiority has here its home.

The only Central American ever to win a Nobel Prize is Miguel Angel Asturias, Guatemala's famous novelist, who received the award in 1967. The best-known novel of Asturias is *El señor presidente*, published in 1946, although it was written much earlier. This novel tells the story of a typical Latin American dictator of the old school; a story with which Asturias was very familiar. The tyrant in his novel rules through carefully manipulated fear. There is something almost magical and uncanny about him. No one ever sees him or hears him. But he is omnipresent on every street and in every café or home as a foreboding presence. There is no news except what is printed in his official newspapers. He allows no opposition, and he rigorously exterminates his enemies. He becomes a myth in his own lifetime.

Asturias takes a cue from Sarmiento who presented the Argentine tyrant Rosas in a similar frame, with fear as his main support. But he also based much of the novel on the dictatorship of Guatemala's own tyrant, Estrada Cabrera, who ruled that country with a mailed fist during the first part of this century, 1898-1920. The dictatorship of Estrada Cabrera was also an invisible tyranny, with terror as its constant companion. Once entrenched in power Estrada Cabrera sought the support of the United States and thus facilitated the entrance of the United Fruit Company into that country. In 1906 this company began to buy large landholdings and to plant bananas along the tropical eastern coast

initiating what Asturias calls the epoch of North American imperialism in Guatemala.

In 1917 a terrible earthquake hit Guatemala and the whole capital collapsed. People from all walks of life ran out into the streets with whatever they had on. Class distinctions temporarily disappeared, and some of the aura of fear also began to dissipate. Opposition to the tyrant mounted. Less than three years later Estrada Cabrera was declared unfit to rule and was placed in jail.

Asturias describes the setting:

I was secretary of the court where he was prosecuted. I saw him almost daily in jail. And I realized that undoubtedly such men enjoy special powers of some sort. To the point that when he was behind bars people said: *No, that couldn't be Estrada Cabrera. The real Estrada Cabrera got away. This is some poor old man they've dumped in there.* In other words, the myth couldn't be in prison.<sup>206</sup>

The tyrant in Asturias's novel is exactly the same kind of figure. And the story is told in a very dramatic, poetic style packed with tense repression, internal conflict, terror, and the ominous shadow of the invisible tyrant. This is undoubtedly the book that won for its author the Nobel Prize. Later in his novelistic career Asturias wrote a series of novels called the United Fruit Trilogy, in which he excoriates the North American banana interests in Guatemala. But in these novels he allows anti-U.S. propaganda to overwhelm his novelistic sense, and his characters, especially the greedy North Americans, are flat and colorless puppets who are totally unconvincing.

Guatemala still lives in violence and in fear. Amnesty International, after a careful investigation, reported in December 1976 that since 1960 more than 20,000 persons had been tortured and executed or had simply "disappeared." Elections were held, but they were always rigged by the military. The economic condition of the masses showed little if any improvement. The capital was hit by another strong earthquake in February 1976, and 23,000 people were killed, while over a million were left homeless. The United States and the Bank for Economic Development made large loans immediately available, and a reconstruction boom began. The next few months brought a burst of prosperity as new buildings emerged to line the streets of the capital.

In size Guatemala is as large as Portugal and Israel combined. Slightly more than half the national territory is populated. Indians, who make up over 50 per cent of the population, live in the northern highlands, and the "ladino" or mestizo population is concentrated in the intermont basins around the capital in the southern highlands. The country is two thirds mountains, 60 per cent forested, and one sixth of the total population lives in Guatemala City, which is by far the largest city in Central America. Over 60 per cent of the inhabitants are illiterate, and over 60 per cent are born out of wedlock. There are really two Guatemalas, one made up of the European and U.S. oriented ladino population, the other consisting of primitive Indians, most of whom speak no Spanish.

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The geographer, Preston James, writing in the 1940s, stated categorically "There is no agrarian problem in Guatemala." Perhaps he meant that there was plenty of land to go around in Guatemala, or that the agrarian problem had not yet reached the crucial point which caused the explosion of the Mexican Revolution. In any case, he was wrong. Approximately 2 per cent of the landowners own 70 per cent of the land, and the mass of rural inhabitants are barely able to subsist on the small plots they till. There is a small industrial base in Guatemala, but it comes nowhere near to being an effective counterpart of the distorted agriculture, much of which is controlled by foreigners.

The Indian majority in Guatemala is finally beginning to assert its rights and to demand a redress of grievances. There have been many years of tension, murders, and evictions in the isolated Indian highlands where many inhabitants are now asking for legal titles to the land they have held for generations. Having no such titles has left them open to exploitation on a wide scale. Oil was discovered here a decade ago and, as highways pushed into this remote territory, the government has given away or sold land titles to hundreds of outsiders—politicians, the rich, the military—who are always on the alert for a profitable investment.

Guatemala has had an almost uninterrupted history of military rule in this century. Finally, in 1986, in relatively free elections, Vinicio Cerezo became the first civilian president in twenty-five years. He faced a bankrupt treasury, an angry and frustrated military establishment and, among the masses, distrust, poverty, fear, and hostility. Cerezo asked for sacrifice, patience, and austerity from his countrymen. He announced that his economic policy would be patterned after that of democratic socialist Spain. His foreign policy of strict neutrality sought a negotiated settlement of the Nicaraguan conflict. He said that he would restore a respect for human rights in Guatemala, but he was not able to control the military whose spokesman brashly boasted: "We are not going to be put on trial! We were victorious! In Argentina there are witnesses, there are books, there are films, there is proof. Here in Guatemala there are no survivors."

In the summer of 1987, the presidents of the Central American countries, except for Panama, met in Guatemala City and endorsed the regional peace plan proposed by Oscar Arias, president of Costa Rica. This plan called for free elections, freedom of speech, and freedom of the press in Nicaragua, but it also recognized the validity of the Sandinista regime, which did not go down well in Washington. The United States immediately proposed a counterplan demanding the withdrawal of all Cuban and Soviet "advisors" from Nicaragua, and continued support of the Contras until this was achieved. In the meantime, Cerezo's administration, overburdened by debt and facing the permanent threat of an army that had lost the government but which did not resign itself to having lost its political power, struggled to survive against almost overwhelming odds.

Guatemala has not been in the news as frequently as Nicaragua, Panama, or El Salvador, but its problems are just as critical and, as the most populous

nation of Central America, it is certainly of key importance. Since the overthrow of Arbenz, engineered by the United States, Guatemala has been the center of constant bloodshed, violence, and instability. An *Americas Watch* report made in the late 1980s estimated that in the previous two decades there had been 200,000 deaths and 40,000 disappearances, leaving 80,000 orphans and one million displaced persons. Death squads and the army itself killed with impunity, shamelessly and irrationally slaughtering people all over the country, but primarily in outlying villages accused of harboring "insurgents," citizens who oppose the government. The civil war continues relentlessly. The government, seeking a military solution to this problem, requested that the United States send to Guatemala 20,000 M-16 rifles to help wipe out all rebellious groups.

President Cerezo was not able to control either his army or the political opposition, but he did make an attempt to pacify the countryside by offering the peasants homes in "model villages," along with supplies of food, clothes, medical aid, schools, jobs, and amnesty if they would come out of the hinterland and settle in these government towns. A big catch in the offer was that the men must join government patrols which would then go in pursuit of the insurgents. By and large, the president's program accomplished little in solving Guatemala's fundamental problems: land reform, illiteracy, and a respect for human rights. The peasants were not at all eager to settle in these government model villages, under constant military scrutiny, far from their native dwelling places. But in some regions of the hinterland conditions are so terrible that thousands did indeed come forth in rags, their bodies emaciated by hunger and disease, to accept the government's offer. However, the only long-range productive governmental action would be to grant a plot of land to each landless family, and to make this possible the large estates of the wealthy landowners would have to be confiscated and distributed. No Guatemalan government since the time of Arbenz has been willing to tackle the problem of land distribution head-on, and until this is done the country wastes its energies with perfunctory gestures of reform.

In the elections of October 1990 only 30 per cent of those eligible voted, and no presidential candidate won a majority of the votes. This resulted in a runoff between the two leading contenders, both right-wingers: Jorge Carpio Nicolle, a mediocre, well-to-do, and very conservative newspaper owner "with the charisma of a baked potato," and Jorge Serrano, chief advisor to former dictator General Efraín Ríos Montt, noted for his repressive and bloody regime. Serrano is a Stanford University engineering graduate, and a notable figure in the burgeoning evangelical movement which now embraces 35 per cent of the country's population. Serrano won and inherited a 30-year-old civil war, a bankrupt treasury, a 60 per cent inflation, and an economy in which barely 15 per cent of the people live above the poverty level. During Cerezo's term in office basic food prices rose 61 per cent, crime in the streets grew at an alarming rate, and human rights abuses became almost routine. Every single

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month there were more than 100 extrajudicial "executions" in Guatemala. Neither of the above presidential candidates even mentioned the need to bring about a more equitable distribution of the country's wealth, and until this is done there can be no solution to Guatemala's fundamental problems. This country is a volcano waiting to erupt.

#### EL SALVADOR

The Indianist mestizo population of El Salvador, unlike that of Guatemala, is thoroughly Hispanized and integrated into the social and economic fabric of the state. The hard work of the Salvadoran people, both in industry and on the land, did create a dynamic economy. El Salvador's population is so overcrowded, however, that in recent years thousands of Salvadorans have crossed the border into much more thinly populated Honduras in search of a better future. These migrants sent back frequent complaints of ill treatment at the hands of Honduran hoodlums. Their homes and farms, they said, were not given any protection by the local police. Tensions began to build up, and after a soccer game in San Salvador which the Salvadorans won, tempers on both sides exploded. Latin Americans often go into a frenzy of insult-swapping at important soccer games, even well-educated spectators indulging in behavior that is perhaps without parallel in modern times. This particular game, of course, was not the cause of anything; it was simply the trigger that set off accumulated tensions.

A few days later, in July 1969, President Sánchez Hernández of Salvador, a graduate of the United States Armored School at Fort Knox, ordered his troops to invade Honduras. They met little resistance and plunged wildly ahead. The OAS immediately intervened to put a stop to this senseless war, and success was achieved mainly through the efforts of the organization's secretary general, Galo Plaza, the enlightened and persuasive ex-president of Ecuador. At one stage in the negotiations Galo Plaza locked the Salvadoran delegation in his office for two hours to prevent their changing their minds on an agreement they had just signed.

The State Department, which had carefully kept its voice in the lowest possible register during the deliberations, stated after the diplomatic settlement "the inter-American system, in which we proudly participate, has met a major challenge."

At the turn of the century El Salvador was a progressive and prospering country because of the profitable coffee trade. Coffee financed highways, rail lines, and new buildings. But coffee caused a distorted economy, and what was even worse, El Salvador's legendary "fourteen families" controlled and still control 85 per cent of the land. When the population was less and the national political conscience was not very sensitive, the country was economically well off, peaceful, and coherent. During the years 1970-80 there was a drastic deterioration in economic conditions and an increasing demand for land reform.



In 1977 General Carlos Humberto Romero, candidate of the dominant party (PCN, National Conciliation Party), was victorious in the rigged presidential elections by a two-to-one margin. Church officials refused to attend his inauguration. The opposition candidate, Colonel Ernesto Claramount, cried fraud. He along with 2,000 of his followers barricaded themselves in a park and sought to challenge the results. They were dispersed by troops and Colonel Claramount was exiled to Costa Rica. This was the first stage in a period of terror that has increased almost daily.

At least three leftist groups began a widespread campaign of guerrilla activity aimed at disrupting the government. They kidnapped many prominent businessmen, most of them foreign nationals, and demanded a ransom. In this way they were able to accumulate \$100 million that financed their continued activities. Many persons kidnapped were murdered in cold blood, and these included a former president of the country and a foreign minister. Japanese, Dutch, Swiss, English, and other foreign nationals were also killed. The highest ranking Swiss diplomat, Hugo Way, and the nation's major coffee exporter, Ernesto Liebes, the leading member of El Salvador's Jewish community, were both kidnapped and assassinated. Carlos A. Herrera, former mayor of the capital city of San Salvador, who was minister of education, was machine gunned to death.

Prominent businessmen went about in armored cars, wore bulletproof vests, and varied their routes and activities constantly. The leftist guerrillas occupied public buildings, churches, and schools, and once held several foreign diplomats hostage. In May 1979 they seized the embassies of Venezuela, Costa Rica, and France, demanding the release of five of their jailed members. The government, enraged, responded by declaring martial law. On May 8 the police fired into a crowd of demonstrators in front of the cathedral, killing twenty-four and wounding many others.

The economy continued to deteriorate, and the country, violently polarized, erupted in civil war, which has up to the present cost 60,000 dead. In the 1980s leftist groups that emerged in the 1970s joined hands in a well-organized Marxist Liberation Front, called the Frente Farabundo Martí, modeled after the Nicaraguan Sandinistas. The military government had lost all popular support and finally, in 1984, with great fanfare, elections were held. Despite wide scale intimidation voters turned out en masse, voting was open and fair, and there was a landslide majority for José Napoleón Duarte, a nonmilitary leader. As an eccentric young boy Duarte was often called "el loco." His father had won a big prize in the National Lottery, and with this money sent his son José to the United States to be educated at the University of Notre Dame. In his campaign Duarte had promised to restore human rights and to carry out fundamental land reform.

The new administration was violently opposed by the Marxist "rebels" who demanded rigorous agrarian reform, and the costly civil war consumed more than 20 per cent of the federal budget. Rightist death squads operated on a

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date of the dominant party in the rigged presidential election refused to attend his inauguration. Claramount, cried fraud. He gathered his supporters in a park and sought refuge in the homes of his troops and Colonel Claramount in a period of terror

campaign of guerrilla activity and many prominent businessmen paid a ransom. In this way financed their continued rule in cold blood, and these men reigned as ministers. Japanese, Americans, and others were also killed. The highest bidder, the country's major coffee exporter, and members of the Jewish community, were killed. The former mayor of the capital, was machine gunned

They wore bulletproof vests, and leftist guerrillas occupied the city. They held several foreign diplomats, including those of Venezuela, Costa Rica, and others. Their members were jailed. The situation was bleak. On May 8 the police chief was killed, killing twenty-four

The country, violently polarized, with 2,000 dead. In the 1980s the country was ruled by a well-organized military government. It was modeled after the military government of Batista, who had lost all popular support. Elections were held. Despite wide support for the military, it was not open and fair, and the military was not a nonmilitary leader. The military was "out of loco." His father had money sent his son José to study at Notre Dame. In his efforts to carry out

the Marxist "rebels" who in the civil war consumed more and more. The death squads operated on a

vigilante basis, assassinating outspoken opposition leaders, priests who defended the poor, and hundreds of innocent victims. To cap all the other terrible problems, in October 1986 the capital, San Salvador, was struck by a devastating earthquake that killed 3,000 people, left 100,000 wounded or homeless, and caused \$1 billion in damages. This quake made the Legislative Palace unsafe, so the Congress was forced to meet in a parking garage.

The United States has poured more than \$1.5 billion in economic aid into El Salvador, and an additional \$500 million in military aid. U.S. officers and advisors helped to train the Salvadoran army which had quadrupled in size since Duarte's election. There was an annual inflation rate of 70 per cent, miserable pay in the workplace, and an intolerably high unemployment rate of 40 per cent. Paying the soldiers became the first priority. In the cities and towns stores were well stocked with native and imported goods, but few could afford to buy them. The cost of living was up but income had gone down. A few were made rich while the masses lived in grinding poverty, with a general feeling of hopelessness and desperation.

During the final months of his term President Duarte suffered from terminal cancer. He had already lost all his popular appeal, for he had accomplished little or nothing while in office. Rightist death squads still operated freely. The army had its own death squads and was accused of killing six Jesuit priests in cold blood. The United States had been giving El Salvador \$1.5 million in aid every week since Duarte's election in 1984, all to no avail. The neglected streets of the capital resembled a battle zone. Corruption and incompetence in the government and in the economy were endemic. María Julia Hernández, director of the Office of Human Rights of the Catholic church in El Salvador, commented: "Please stop sending military aid to El Salvador. This is not aid; you are destroying us!" Elections, finally held in 1988, were perfunctory and unproductive. Before the voting took place the Salvadoran archbishop, Arturo Rivera Damas, said pointedly: "After the ballots are cast, the civil war will continue."

Alfredo Cristiani, candidate of the rightist party, Arena, was elected president. Cristiani, a wealthy coffee plantation owner, was educated at Georgetown University in the United States. The rebels of the National Liberation Front (FMLN) would make no truce on the new government's terms, and the civil war did indeed continue. Cristiani worked to bring about a compromise, but progress was painfully slow. Roberto D'Aubuisson, founder of Arena, a military officer of considerable charisma, probably held the trump card, and he favored a military solution to the country's deep-seated strife.

El Salvador is a prime example of what the U.S. foreign policy in Central America has produced. It is a country where human rights are officially respected under a democratically elected and strongly pro-United States government, but real justice is a joke, the welfare of the people has been neglected, financial corruption increases daily, land reform has barely scratched the surface, the economy is a shambles, the brutal civil war continues, and the future holds little promise of improvement in any of these areas.

## COSTA RICA

The small Central American republic of Costa Rica is an anomaly among the countries of Latin America. It has the longest truly democratic tradition of any of the southern republics, the most equitable land distribution, and one of the most literate populations. Its schools and cultural institutions are among the best in Latin America. Its capital, San José, is one of the most attractive, and it has a very small minority of poor people. Costa Rican women have the reputation of being the most beautiful in Latin America. The population of the country is homogeneous; 90 per cent of the inhabitants in the area surrounding San José are pure white, and it is in this area that 70 per cent of the total population lives. There are almost no Indians, and the Negroes along the tropical coasts, who were brought in from Jamaica to cultivate the banana plantations, number less than 2 per cent of the total population.

Costa Rica is a small country, and it has one of the densest rural populations in Latin America. Furthermore, the central highland nucleus is one of the four areas in Latin America of continued population expansion outward without loss of population at the center. The altitude of this meseta is about 3,500 feet, and the climate is mild throughout the year.

The first settlers encountered belligerent natives, not advanced in agriculture, and there were no mines in the region. The Indians soon died off as a result of the white man's diseases, and the fifty-five original families were then forced to make a crucial decision that pointed out the future direction of the country. They decided to till their own farms, and to put aside the Hispanic ideal of a landed aristocracy. This was the basis for Costa Rica's later deeply rooted democratic tradition.

Costa Rica was the first Central American country to cultivate coffee, but not until 1825 did export shipments of this product begin. The government immediately saw the benefits of larger coffee exports, and offered free land to anyone who would plant coffee trees and cultivate the crop. By 1850 this program had resulted in large scale coffee sales to foreign countries, and Costa Rican coffee acquired the reputation of being among the world's finest. Banana plantations were established along the tropical Gulf coast after the turn of this century, and during the years 1909-14 Costa Rica was the biggest exporter of this product. The banana disease of the 1930s wiped out most of these trees and bananas were then planted along the Pacific coast.

Costa Rica has no real land problem. Eighty per cent of its arable land is distributed among small landholders. The country does not have a military tradition. The army was abolished in 1949, and a civil guard of 3,000, along with a rural constabulary of 2,500, took its place. The president of the country receives a very modest salary, as do the members of Congress. Being elected to office in Costa Rica does not result in windfall profits for the victor. Good roads radiate outward from the highland nucleus, making communications

easy. Crime is low and there is a widespread feeling of tranquility and well-being.

Costa Ricans, democratic and liberal in sentiment, have sympathized with the struggles of the poor people of Nicaragua, Guatemala, El Salvador, and Honduras to achieve a better government and a better life. The explosion in Nicaragua in 1978-79 called for more than sympathy, and Costa Rica not only gave asylum but extended aid to the Sandinistas who eventually overthrew Somoza. At considerable cost and inconvenience to themselves, the Costa Ricans allowed the Sandinistas to freely cross their border and regroup for further assaults on the Somoza regime and his hated national guard.

Voices were raised, however, inside Costa Rica warning that the new government might turn out to be just as bad as the Somoza dictatorship. These same voices have expressed the view that Costa Rica had better watch its step lest it be drawn into the maelstrom. There is now real concern in San José about what is happening with such rapidity in the neighboring states, but so far this has not resulted in a wave of defensive conservatism, inside Costa Rica.

Costa Rica has long been the exemplary democracy of Central America, and it also has the highest standard of living in the area. In all the main cities drinking water, milk, butter, ice cream, and cheese are safe. The country has one of the most beautiful tropical rain forests in this hemisphere, and a greater variety of birds and butterflies than the entire United States. The scenery is magnificent. San José, the charming capital, lies in a fertile valley that produces coffee, sugarcane, dairy products, cattle, and tropical fruits. Its streets are far safer than those of Dallas, Los Angeles, or New York.

The pleasant year-round climate and cheap, agreeable living conditions have attracted many foreigners who have brought both capital and expertise into this small, progressive country. The government makes it very attractive for retirees, granting them freedom from many taxes. They are also allowed to bring in their automobiles and household goods duty free. Approximately 15,000 Americans now live in Costa Rica, and many of them have become citizens. They have established paint and plastic factories, plants making vegetable oils, soups, soybean flour, adhesives, printing inks, and chemical products. Others among them own large, modern chicken and shrimp farms. Some of these enterprises have branches in Mexico, Brazil, and Argentina. Costa Rica also has a thriving cultural life, an excellent orchestra, an outstanding educational system, first rate newspapers. Its citizens have a warm feeling for the United States.

Costa Rica does not want to become a platform to attack any other Central American country; its strongest resolve is to maintain a status of active and permanent neutrality. However, as one president of the country stated, "Costa Rica is in the eye of the storm," where political events have tossed it. The national economy has suffered many reverses, and the government has been pressured to take sides. Falling coffee prices in 1981-82, and the expense of maintaining encampments to house and feed the 200,000 refugees who have arrived from

the less stable neighboring states, have caused the worst depression in Costa Rica since 1929, and forced the country to default on its foreign debt. This precarious insolvency has led some foreign observers to fear that Costa Rica faces the risk of becoming a second Lebanon.

In the summer of 1987 Oscar Arias, president of Costa Rica, devised a plan for a negotiated settlement to the Nicaraguan and Salvadoran conflicts: a cease-fire, amnesty for all so-called rebel forces and political exiles, the withdrawal of foreign advisers and soldiers, immediate lifting of censorship within Nicaragua, and free elections to be held in 1988. In the meantime, there was to be no further support of the Contras and a respect for the existence of the present Nicaraguan government. This plan was given enthusiastic support by the presidents of five Central American countries, who are eager to resolve their own regional affairs and conflicts; and Arias was awarded the 1987 Nobel Peace Prize for his efforts. However, the United States immediately threw a wet blanket on the proposal, calling it too favorable to the Sandinistas. Costa Rica, which has always been a good friend to the United States, felt slighted and humiliated by this rebuff. But Washington continued to insist on seeking a military solution to this vexing Central American problem.<sup>254</sup>

The United States has sent more than one billion dollars to boost the economy of Costa Rica since 1982, making this country the largest per capita recipient of U.S. aid after Israel. This has helped keep Costa Rica off the rocks, just barely. Dependence on the one-crop coffee economy has been eased by the development of several new export products: pineapples, macadamia nuts, cut flowers, textiles, and packaging materials that now account for 50 per cent of the trade. The purchasing power of the ordinary Costa Rican citizen has, however, shrunk greatly, and there is much discontent. President Arias did a good job of providing new housing, having put up 20,000 new dwellings each year, but the people are not eating as well as before. Prices keep going up and salaries do not keep pace. There is only 5.5 per cent unemployment, one of the lowest rates in Latin America, but underemployment stands around 20 per cent.

Subsistence farmers are being driven from the land by the sudden switch to a cash-crop economy. Government subsidies have been lifted from traditional crops such as beans and rice, so now these staples have to be imported and many small farmers have been pushed into poverty. The minister of agriculture and the minister of planning both resigned, partly in protest against this policy. Arias is no hero to his own people, many of whom feel that he has spent too much time on the Central American peace process and not enough time on trying to solve his own country's critical domestic problems. In a demonstration held in San José, the capital, one large sign read: ARIAS, WHY PEACE WITH HUNGER? Tourism, up 40 per cent in the late 1980s, helped to keep Costa Rica afloat, but with the weak economy there was a clear swing toward the right. Unless Costa Rica can find a way to give its poor people back their purchasing power, all the other achievements of the Arias administration may soon be forgotten, and democracy itself imperiled.

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Costa Rica, devised a plan to deal with the Salvadoran conflicts: a cessation of military exiles, the withdrawal of censorship within Nicaragua. In the meantime, there was to be the existence of the present economic support by the president eager to resolve their own problems. He led the 1987 Nobel Peace Prize laureate immediately threw a wet blanket over the Sandinistas. Costa Rica, the United States, felt slighted and refused to insist on seeking a solution.<sup>254</sup>

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and by the sudden switch to have been lifted from traditional goods have to be imported and sold. The minister of agriculture is protesting against this policy. I feel that he has spent too much time and not enough time on the problems. In a demonstration by ARIAS, WHY PEACE WITH COSTA RICA helped to keep Costa Rica from swinging toward the right. People back their purchasing power. The administration may soon be for-

The elections of February 1990 were an indication of the direction in which the nation was moving. The liberal Arias-backed presidential candidate, Carlos Manuel Castillo, an experienced but rather colorless economist, was pitted against the conservative, Rafael Angel Calderón, who had been defeated by Arias in the elections of 1986. At that time Calderón had expressed very hawkish feelings toward Nicaragua, and had even said he might send Costa Rican guardsmen to help the Contras in their fight against the Sandinistas. This endeared him to the Reagan administration and to the U.S. Republican party, which contributed heavily to his campaigns, both in 1986 and again in 1990. Noriega also contributed generously. In the 1990 elections, Calderón was the victor and became president. Aid in running his campaign was given by Roger Ailes, the Republican media consultant who had worked on George Bush's presidential campaign, and there is no doubt that Ailes's counsel and help were a strong factor in his defeat of Castillo.

Although Costa Rica has a small population, it takes great pride in its thriving culture. It is a highly literate country of well-educated people. One of the best newspapers to come out of any Latin American country is the famous *Repertorio Americano* of San José whose editor, García Monge, was for more than a generation the cultural leader of this part of the world. Costa Rica is also inordinately proud of its long musical tradition. It has had a national orchestra for many years, and in 1970 this group was reorganized and more adequately funded so that foreign musicians might be enticed to come to San José on two-year contracts. Chosen as the new conductor was a North American peace corps worker, Gerald Brown, who was a Julliard School graduate. When the new orchestra gave its first concert the following year, the entire audience rose and gave it a twenty-minute ovation.

In 1972 the country decided to establish a National Youth Orchestra, and as a beginning 6,000 youngsters converged on the National Theater for their auditions. One year later the Youth Symphony was playing the classical masters and giving concerts. It was invited to the United States and performed at the White House, at the United Nations Assembly, at the Kennedy Center in Washington, and in several other cities. The concert before the General Assembly of the United Nations was a huge success, and the then seventeen-year-old cellist Gustavo Monge expressed it well when he commented: "We knew the concert was being sent by satellite back to Costa Rica. We knew everyone in the country was bursting with pride. We knew we also represented a country that has no army, no weapons, no wars. It was our chance to prove to the U.N., to prove to the world, what such a nation can accomplish through disarmament. It was our moment, and we played with our souls."

#### NICARAGUA

Nicaragua is the largest and the most thinly populated of the Central American republics. It is approximately the size of the state of Iowa, and has a population of less than four million. One half of the country is forested, and there

are great stands of mahogany, rosewood, and cedar. The economy is basically agricultural, but agriculture utilizes only 10 per cent of the land. The main products are cotton, meat, sugar, and coffee. Before the dramatic fall of Anastasio Somoza in July 1979, Nicaragua was probably best known in history as the birthplace of the great poet, Rubén Darío.

U.S. marines occupied the country twice: 1912-25, and again in 1927-32. During the second occupation the United States opposed Augusto Sandino, the revolutionary, and helped to install the first Somoza as president. U.S. marines also helped to train the national guard that secured Somoza's continuance. Once that was assured the marines withdrew. This Somoza (Anastasio) was the first of three Nicaraguan dictators belonging to the same family. They formed, as some have called it, the Somoza dynasty. For ten years the U.S. ambassador, Thomas Whelan (1951-61) affectionately referred to Somoza and his heirs as "my boys." The Canadian Latin American specialist, Gerald Clark, writes that "he was as much hated by Nicaraguans as the Somozas themselves."

Clark then goes on to add that while our attitude and our representatives have improved "Nicaraguans who have been attacked, beaten, arrested, and tortured by Somoza's *guardia*—and the victims include one third of all the lawyers—are quick to point out that these Somoza goon squads were prepared by American military men." Most of them spent training periods at Fort Gulick in the Panama Canal Zone, while many others were taken to the United States itself.

The last man of the Somoza dynasty, also named Anastasio Somoza, came to power in 1967. He was educated in the United States where he was graduated from West Point. He was given the nickname of "Tacho." He beefed up the national guard, bringing its total number to 15,000 soldiers, and he secured their loyalty by giving them high pay, good living conditions, and all kinds of fringe benefits. The commander of this guard was José Somoza, the president's brother, and the military school established in Nicaragua was placed under the command of his son, "Tachito," a graduate of Harvard.

Tacho's first term as president ended in 1972, and he was not supposed to succeed himself, but that same year the Constituent Assembly rewrote the constitution allowing the succession. One of the worst earthquakes in the country's history struck Managua, the capital, on December 23, 1972, destroying 90 per cent of its commercial establishments and 70 per cent of the homes. More than 6,000 people were killed, 20,000 were injured, and 300,000 were left homeless. With foreign aid the task of rebuilding began at once and reached a cost of \$775 million.

When elections were held in 1974 Somoza was declared the winner by a 20-to-1 margin, but the elections were a farce because special laws disqualified most of his opponents. One of the president's first acts was to ask international banking interests to underwrite a \$6 billion six-year plan for reconstruction. Things then began to improve, but much of the money found its way into Somoza's pockets.

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Tacho was in control of everything. He very adroitly added to his already large holdings, and when he was deposed his personal fortune was estimated to be close to \$300 million. He owned a large chunk of Nicaragua's richest arable land, and his eight cattle ranches, producing some of the best beef in Latin America, covered 1.5 million acres, about a third of all the cattle land in the country. His two meat packing plants, one in Condega near the Honduras border, and the other in Chontales, were modern and efficient operations, two of the best in Latin America. Each of them cost one million dollars to construct.

General Somoza also owned large tracts of land devoted to the cultivation of sugar and rice, and two major sugar refineries belonged to him. He was deeply involved in fishing; he owned a large tract of land in the heart of the capital city; he held an interest in a large hotel, in banks, airlines, newspapers, radio and television properties. He deposited sizeable sums of money in foreign banks.

Opposition to this Somoza began to grow as soon as he had taken office and revealed his hand: *no change*. Those in the opposition called themselves *Sandinistas*, after Augusto Sandino, a revolutionary leader of the 1930s. There were sporadic attempts at rebellion, and in 1978 the rebels captured most of the nation's congress and held them hostage until Somoza freed eighty-three political prisoners. This episode was followed by a full-scale civil war in which the masses of the people opposed Somoza's well-equipped guard. The guard waged a relentless campaign against the rebels, killing many innocent civilians in the various battles. Perhaps ten to fifteen thousand were slain, twice that number were left homeless, and many thousands escaped across the borders, most of them entering Honduras. Many towns and cities in Nicaragua were destroyed in the struggle. At least \$300 million fled the country, and the national productivity declined 6 per cent. Unemployment reached over 30 per cent. With only the slightest abatement, the fight continued into 1979. The United States and the five Andean nations asked Somoza to resign, and finally toward the end of July the general left for Miami, Florida. Nicaragua was bankrupt and devastated. Objective observers placed the total killed at 40,000 and the total cost to Nicaragua at \$3 billion.

The arrival of the new junta in Managua on July 20 was hailed by the largest mass gathering in Central American history. The London-based *Latin America: Political Report*, in the issue of July 27, 1979, began its article on the Sandinista victory with this assessment: *The overthrow of the Somoza dynasty is the most significant political event in Latin America since the Cuban Revolution 20 years ago*. The new government immediately nationalized all Somoza's holdings and also nationalized the banks.

The junta was made up of representatives of all the groups that had opposed Somoza. It included two priests and represented many shades of political opinion. However, several of the leftist leaning Sandinistas immediately left for Cuba to talk with Castro, and from that moment it was clear that the Marxist majority on the junta would regularly override the democratic minority, render-



ing their votes meaningless. This minority resigned, left the country, and with their supporters became the nucleus of the Contra resistance, which received immediate U.S. backing. Within Nicaragua a Marxist-oriented government completely controlled the country. The Contras had hoped they would be supported by the people of Nicaragua, but this did not happen, and their struggle became an almost exclusively military confrontation, which depended for its continuance on U.S. money and arms. The Iran-Contra scam, in which several million dollars were subversively "diverted" from Iran and Israel to the Contras, further poisoned this operation.

The Sandinistas had been very effective revolutionaries, but as economic and political managers they were a total disaster. By 1989 inflation had risen to more than 1000 per cent, and national productivity, which had gone down for years, stood at the 1955 level. The industrial sector was operating at 30 per cent capacity. The national currency, the córdoba, 70 to the U.S. dollar in 1979, was well over one million to the dollar in 1990. The cost of supporting a huge military force consumed 50 per cent of the federal budget. Prices soared while income fell. The average clerk, cashier, or white collar worker received between thirty and forty dollars a month. A thriving black market undermined confidence in the ability of the government to manage things.<sup>252</sup>

Under Sandinista rule Nicaragua became an economic basket case. Inflation soared to astronomical heights, finally reaching 30,000 per cent. Industries disintegrated, and under the socialist government even agriculture languished. A U.S. trade embargo stifled the import-export trade, and the expense of maintaining an army of 70,000 men drained the treasury. There was 35 per cent unemployment and people had pitifully little to eat. The U.S.-backed Contras continuously invaded and occupied parts of Nicaragua, causing widespread destruction in the countryside.<sup>281</sup>

For a time Soviet and Cuban aid kept the economy going, but eventually this became sporadic and ineffective. Out of sixty buses sent by the Soviets in 1986, only seventeen were still in operation in 1988. Nicaragua was no longer able to pay for Soviet oil. Heavily subsidized, but strictly rationed, gasoline sold in Managua for 14 cents a gallon. The people at large were not happy with these conditions, yet many still believed in their "revolution." As Daniel Ortega said: "If it were not for the ideological consciousness of the revolution, Reagan would have won this battle years ago."

When the Arias proposal for a negotiated settlement of the Nicaraguan conflict was made, Ortega accepted it. On October 1, 1987, he approved a cease-fire, lifted the censorship, and the opposition organs *La Prensa* and *Radio Católica* began to function again after fifteen months of silence. Ortega, however, refused to deal directly with the Contras. He took this stance, he said, "because the owner of the circus is Ronald Reagan. There is no reason to speak with the clowns." Later, he changed his mind and direct talks between the two groups began.

An unexpected sidelight on the Sandinista government was the defection on

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economic basket case. Inflation 30,000 per cent. Industries dis- even agriculture languished. A ade, and the expense of main- easury. There was 35 per cent eat. The U.S.-backed Contras Nicaragua, causing widespread

economy going, but eventually xty buses sent by the Soviets in 1988. Nicaragua was no longer . but strictly rationed, gasoline eople at large were not happy n their "revolution." As Daniel onsciousness of the revolution,

tlement of the Nicaraguan con- r 1, 1987, he approved a cease- 1 organs *La Prensa* and *Radio* onths of silence. Ortega, how- . He took this stance, he said, gan. There is no reason to speak and direct talks between the two

overnment was the defection on

October 25, 1987, of Major Roger Miranda, chief aide of Humberto Ortega, Nicaraguan minister of defense, President Daniel Ortega's brother. Miranda, a longtime dedicated Marxist, declared that he had become totally disillusioned with the government of his country which he said was oppressing and bleeding the people, building up for its leaders large foreign bank accounts, and giving massive military aid to antigovernment factions in Salvador, Guatemala, and Honduras in an attempt to Sovietize Central America. "The Sandinistas," he said, "have established a totalitarian, antidemocratic regime of terror. They have betrayed the revolution, destroyed the economy, and militarized all levels of society. They are a gang of dictators, thieves and murderers." Their public acceptance of the Arias Peace Plan, declared Miranda in Washington, was simply a ploy to get rid of the Contras so that they might proceed summarily, and without opposition, with their dictatorial regime and expansionist goals.

In March 1988 a cease-fire was agreed upon by both sides, but it was only temporarily successful. In February and again in August of 1989, the presidents of five Central American countries (excluding Panama), headed by Oscar Arias of Costa Rica, worked out a plan to end the stalemate. First of all, they called for the dissolution of the Contras and their return to Nicaragua with full amnesty or, if it was preferred, their resettlement in other neighboring countries. To the dismay of the Contras, who had not been consulted, this demobilization plan was promptly endorsed by Nicaragua's twenty anti-Sandinista parties. The United States had already cut off military aid to the Contras, so they were left stranded in Honduras as unwanted guests. They still made up a sizeable group of more than 10,000 soldiers, plus at least 30,000 to 40,000 family members, wives, children, and old folks.

These two meetings of the Central American presidents put great pressure on Ortega. He was urged to democratize his government and find a peaceful solution to the conflict. Ortega agreed to allow unrestricted freedom of the press and of speech and promised to hold elections ahead of schedule, in February 1990. In order to guarantee open and free voting, he also agreed to give the opposition equal radio and television time, and to allow dozens of objective foreign observers at the polls. These would come from the United Nations, the Organization of American States, and various other groups, including a sizeable representation from the United States. Former president Jimmy Carter would head this contingent. Official U.S. reception of the plan was far from enthusiastic. Many in Washington believed that Ortega would renege on his promise, that the elections would not be free, that observers would be harassed or kept away, that voters would be intimidated, or that there would be chicanery of some other kind. The Contras themselves viewed the agreement with great distrust and declared that they would not disband until after the elections.

In November 1989, President Bush attended a summit with the Latin American presidents in San José, Costa Rica, where final details of the electoral plan were worked out. Here President Bush pejoratively referred to Ortega as "this little man" whose presence at the gathering was like that of "an unwanted ani-

mal at a garden party." Although Ortega was generally disliked by those at the meeting, these uncalled-for remarks did not endear President Bush to any of them.

Plans for the elections were made and carefully implemented. Opposing Ortega as candidate for the presidency was Violeta Chamorro, editor of the newspaper *La Prensa*, widow of the assassinated Joaquín Chamorro, whose death had hastened the end of the Somoza regime. Joaquín had bitterly opposed Somoza in *La Prensa*, of which he was editor before his wife replaced him, and it was believed by many that Somoza was responsible for his death. Both he and Violeta had joined the Sandinistas in their campaign against Somoza, but Joaquín did not live to see their victory. When the Sandinistas took over the government, Violeta became a member of the ruling junta, but she was quickly disillusioned by its rigid Marxist orientation, its members' total disregard of minority opinions, and their close association with Cuba and with Russia. She soon withdrew from the junta and began to criticize Sandinista excesses in her newspaper, which was closed down on several occasions, once for a period of fifteen months. Violeta pointedly commented: "The Sandinistas are, without question, worse than Somoza ever was. They are a disaster. After ten years of their control, there is nothing to eat. I had hoped, oh, how I had hoped, that their revolution would be for the people. But it's all for themselves."<sup>291</sup>

In her bid for the presidency Violeta Chamorro was supported by a coalition of fourteen parties, representing all shades of opinion, which called themselves the National Opposition Union, or UNO. Chamorro had to campaign in a wheelchair because of an operation on her knee, the result of severe arthritis. She and Ortega ranged the countryside giving impassioned speeches. Ortega promised a continuance of Sandinista revolutionary reforms, while Chamorro promised freedom and bread.

As the campaign progressed many polls were taken, several of which followed the North American pattern, using all the North American expertise. Most of these polls indicated that Ortega would be the winner by a considerable margin. Only a single Costa Rican poll showed Chamorro as victor, but the same prediction was made by one astute Latin American observer, Carlos Montaner, in his column in *La Opinión*, the Spanish language newspaper published in Los Angeles. He predicted that Nicaraguans would vote with their stomachs, and that Chamorro would win in a landslide. Contrary to the expectations of most people, including Ortega himself, who had made plans for a great victory celebration, Montaner and the Costa Ricans were right. In a follow-up article Montaner wrote that Oscar Arias of Costa Rica, who with his dogged persistence had forced Ortega to hold elections, was the real generator of Chamorro's victory. The final tally, with 90 per cent of those eligible voting, gave Chamorro 55 per cent of the vote and Ortega 41 per cent. There is little doubt that this election will have profound repercussions in El Salvador and in Cuba.

Octavio Paz, Mexico's best-known essayist and poet, commented: "The Sandinista defeat, like the defeat of the Marxist left generally, is the defeat of fan-

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tasy. The communist remedy to social injustice proved worse than the malady.  
 Now our challenge is to find the political imagination to address those injustices  
 that have outlived their untenable solution."

Nicaragua, like all of Central America, is in desperate need of economic  
 integration as well as social justice. The United States, for its part, which during  
 the Reagan administration clamped a strangling trade embargo on Nicaragua  
 and promoted a civil war resulting in hundreds of deaths, has the moral respon-  
 sibility to help rebuild the devastated economy of this poor country. Real justice  
 in Nicaragua is dependent on economic growth and a fair distribution of what  
 is produced. Neither of these things can be achieved without political stability,  
 which still has a precarious future. Chamorro's supporters might split into  
 antagonistic groups, causing political unrest and making economic progress  
 impossible. Ortega and his cohorts, who still control the army and the labor  
 unions, are in a position to veto any program not to their liking. The new gov-  
 ernment will be sorely tested as it passes through the ordeals of transition toward  
 openness and progress, but at least the basis has now been laid, and the momen-  
 tum has swung, just as it has in Europe, toward the side of democracy and  
 freedom. Unfortunately, also, in an undeveloped country like Nicaragua, this  
 means that its pitfalls will outnumber its advances.

#### HONDURAS

Honduras is larger than any of the Central American countries except  
 Nicaragua. Only the western half of the country is populated, and even the  
 capital city, Tegucigalpa, has no railway. In fact, there are no railway lines in  
 the region of largest population. The northern coastal area, tropical and humid,  
 was planted in bananas in the early 1900s, and this fruit still provides half the  
 country's exports. Former African slaves were brought into this region to take  
 care of the banana plantations, and still make up most of the population. Else-  
 where in the country most of the people are mestizos.

Half of Honduras is heavily forested, and a considerable portion is mountain-  
 ous. Only a small part of the land is cultivated; there are no mines of impor-  
 tance, and there is very little industry. More than 60 per cent of all births are  
 illegitimate, and half the children have no schools to attend. Illiteracy stands  
 at 50 per cent and there is little opportunity or incentive for progress. Half the  
 national territory has never been fully explored, so there is no way of knowing  
 what resources it may hold.

Honduras has had a succession of military dictatorships for many decades,  
 with very brief periods of democratic government. Two thirds of the population  
 are impoverished subsistence farmers. The country's large northeast is so thinly  
 populated that it is not effective national territory. Salvadorans, packed like sar-  
 dines in their own overpopulated country, have for years illegally entered Hon-  
 duras in waves, much as Mexicans have flocked into the United States. A total  
 of 600,000 Salvadorans have found their way across the border in search of

living room. The most recent border clash was in 1976, but there is no way that Honduras can put a stop to the pressure of incoming Salvadorans.

Inside Honduras the latifundia system still prevails, and landless poverty is the rule rather than the exception. Bananas, coffee, and cattle are the principal products, but there are few roads, few schools, fewer hospitals, and both business and government are shot through with corruption and inefficiency. Honduras has become the transshipment center for the drug traffic between Latin America and the United States. Drugs valued at \$1 billion pass through Honduras every year on their way to the United States, often with governmental complicity.

Honduras was devastated by hurricane Fifi in 1974. There was property damage of \$500 million and at least 5,000 persons were killed. In 1975 the government took over the properties of the U.S. banana companies (United Brands and Standard Fruit), but banana profits have had little effect on ameliorating the widespread misery of the masses. Economically Honduras is far behind its neighbors, and there is not much chance of its catching up. The rate of growth in the economy is low, and the country's national resources, which are considerable, have been squandered by corrupt and ineffective development. Conditions are ripe for a Nicaragua-type explosion.

Honduras is the only Central American country that still depends largely on bananas for its foreign exchange. Some commentators have facetiously referred to the country as the only remaining banana republic. The recent development of large banana plantations in Ecuador and on Taiwan, plus a pest that has attacked the fruit in Central America, account for the decrease in importance of bananas in this area.

The history of Honduras in this century is closely tied to that of the United Fruit Company (now Standard Brands) to which the Honduran government granted one million acres of land for banana plantations in the early 1900s. For years the company controlled both the economy and the government of Honduras, and whenever a challenge arose to this authority, the United States sent in marines to protect American interests. In 1942, in contrast, at the height of the Good Neighbor Policy, United Fruit established at Zamorano, near Tegucigalpa, the capital, an experimental agricultural school "in the service of the Americas." This school quickly became an outstanding center for agricultural teaching and development. At Zamorano plants and seed crops of various kinds are carefully studied. Selective seeds and scientific animal husbandry have greatly improved harvests and animal production in many neighboring nations. Zamorano owns twelve thousand acres of land where students from fifteen Latin American countries "learn by doing." There is an insatiable demand throughout the Southern Hemisphere for Zamorano graduates in all areas of specialization.

In the last two decades more than twelve thousand Palestinian Arabs have settled in Honduras, where they have become a very progressive element of the population. They are merchants, manufacturers, and business people who

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produce wearing apparel, sports goods, cigars, and hardwoods for export. Added  
to the Arabs are the droves of Salvadorans who have illegally entered Honduras,  
literally squeezed out of their own overpopulated country. The World Bank  
has lent Honduras \$20 million to develop a touristic program and to help restore  
and make accessible its many Mayan ruins. Honduras is potentially a wealthy  
country, with large deposits of gold, copper, iron ore, and rich hardwood  
forests, but inaccessibility and the lack of a proper labor supply have left these  
resources largely unexploited. The country produces mainly bananas, coffee,  
and cattle.

With the election of Dr. Roberto Suárez Córdoba as president in 1982, Hon-  
duras definitely entered the U.S. camp. Suárez Córdoba's successor, José  
Azcona Hoyo, continued friendly relations with the United States. The Nicara-  
guan Contras were based in Honduras, where they were trained by U.S. advis-  
ers. In 1983 the United States established a large military base in Honduras,  
and in the past decade our country has also sent many thousands (the United  
Press estimates 80,000) troops of the U.S. National Guard to Honduras, ostens-  
ibly to build roads, bridges, airstrips, clinics, and to receive military training.  
These troops often go on joint maneuvers with Honduran soldiers. A consid-  
erable opposition has built up inside Honduras to this vast United States  
military presence on Honduran national soil. However, at least on one occasion  
the mere fact that so many U.S. soldiers were in Honduras probably prevented  
a military takeover of the government, and the economic as well as military  
advantages these soldiers give the country are obvious.

During the final years of the 1980s, Honduran resentment against the United  
States rose to fever pitch. The American flag was burned in the streets, hundreds  
marched protesting the U.S. and Contra presence in Honduras, anti-Yankee  
slogans were painted on walls, and it even became unwise for American military  
personnel to wander far from their barracks. One Honduran deputy remarked:  
"Maybe the President of the United States did us a favor by bringing all Hon-  
durans together."

Growing economic distress and political uncertainty fed this resentment con-  
tinuously. Unemployment was officially set at 40 per cent, per capita income  
was among the lowest in Latin America, the Contras occupied a large strip of  
Honduran territory, and the very visible North American soldiers became a  
thorn in the side of the Hondurans. The Contras, with their millions in U.S.  
aid, were better fed and better taken care of than many of the Honduran poor.<sup>288</sup>

In October 1989 President Azcona, who had frequently been accused of  
being too pro-United States as well as being a "do-nothing" executive, declared  
categorically that the Contras would have to leave Honduras. He made this  
clear at the summit in San José, Costa Rica. It was at this same summit that  
President Ortega of Nicaragua called off the cease-fire agreement he had made  
with the Contras.

A new president, Rafael Leonardo Callejas, former minister of agriculture,  
was elected in November 1989. Callejas was educated in the United States as

an agroeconomist. He promised to reduce unemployment and to give more help to the poor as he pulled Honduras out of its critical economic decline. This is a task that will take a master hand, for 60 per cent of all rural Hondurans earn an average of only \$250 a year—hardly a subsistence income. A program of strictest austerity and inspired political leadership is required, combined with considerable U.S. aid. Callejas, in his inaugural address given in January 1990, made an impassioned plea for the demilitarization of Central America. If this wise counsel were followed, not only would millions of dollars be saved that could be put to far better use in other sectors but also the ever threatening specter of military intervention in civil affairs would be removed.<sup>289</sup>

Callejas later pleaded with the people of Honduras to help him get the country back to solvency. "Honduras is bankrupt," he said. "For years we have been spending far more than we take in. Our treasury has been printing money without any backing. Our deficit is staggering and only the hard work and sacrifice of us all can save our country." Brave words, but the impoverished people of Honduras are tired of such rhetoric. Their politicians made stupid mistakes and the people are always asked to pay the piper.

On March 14, 1990, President Callejas, exasperated by the continued presence of the Contras in Honduras, took the bull by the horns and ordered them to turn in their arms and get out of the country. "The war is over," he said. "There is a popularly elected government in Nicaragua now, and it is time for you to go home." Shortly after this, the Contras took the long road back, and laid down their arms.

Honduras is not as thoroughly militarized as Nicaragua, Guatemala, or El Salvador, but its military establishment is still the most disciplined and best organized pressure group in the country. When political and economic conditions get out of hand, the military is invariably called on to restore order. Young men are regularly obligated to serve their stint in the armed forces, but thousands are reluctant to do so, and will use any stratagem to avoid being drafted. Reports from Honduras tell of the arrest and conscription of groups of students standing in line at bus stops on their way to class. Maintaining an army is the last thing that this poor country needs, but the military tradition is deeply rooted and overrides all reason.

#### PANAMA

Panama also has extensive banana plantations, but its oil refineries and the revenue the country receives from the operation of the Canal do not leave it dependent on this one product. The United States originally paid Panama \$10 million in cash, and agreed to make additional yearly payments of \$250,000 for canal rights in perpetuity in the ten-mile-wide Canal Zone strip. This annual payment was increased to \$430,000 in 1933 when the dollar was devalued, and in the treaty of 1955 it was further increased to \$1,930,000.

In December 1964, President Johnson announced that the United States

employment and to give more to its critical economic decline. Over 50 percent of all rural Hondurans subsistence income. A program of rural development is required, combined with the address given in January 1990, for the continent of Central America. If this could be done, millions of dollars be saved that would also remove the ever-threatening specter of a communist takeover.

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but its oil refineries and the shipping of the Canal do not leave it as it was originally paid Panama \$10 million yearly payments of \$250,000 for the Canal Zone strip. This arrangement when the dollar was devalued, was increased to \$1,930,000. It was decided that the United States

would consult with Panama about a possible change in status of the canal strip, and would discuss with Panama and other interested Central American countries the planning of a new sealevel canal 1,000 feet wide and 250 feet deep, an unprecedented engineering project. Colombia, Costa Rica, Nicaragua, and Panama were all suggested as possible sites for the new canal. The president later proposed that the United States and Panama negotiate a new treaty that would recognize Panama's sovereignty over the canal strip, and would call for the administration of the Panama Canal by a joint U.S.-Panamanian committee, which Panama had long clamored for.

Unfortunately, settlement did not come until after there had been an explosion of resentment in Panama. During the 1960s Panamanian feelings toward the United States had risen to a fever pitch. Egypt's seizure of the Suez Canal had helped bring these feelings to a head, and both Nassar and Fidel Castro did all they could to fan the flames. In 1964 there was a full-scale anti-U.S. riot in the canal area. This was triggered by a bunch of American high school students in Balboa who had pulled down the Panamanian flag over their school and had hoisted the Stars and Stripes. In the ensuing violence twenty-four Panamanians and three U.S. soldiers were killed and hundreds were wounded before American troops brought the situation under control.

For years U.S. racial, political, and economic policies have been an irritant in Panama. There was not only the rankest kind of discrimination but U.S. employees were divided into two categories, called the "gold" and "silver" groups. Only U.S. citizens fell into the privileged "gold" category; they received twice as much pay for the same kind of work, and even had special windows in the post offices. Under President Johnson such problems were finally resolved, and Panama was exultant when the United States agreed in principal to share the canal with her.

Panama is not a self-sufficient republic; it imports five times as much as it exports. The gap was long closed by tourist spending, by canal payments, by income derived from allowing foreign ships to register under the Panamanian flag, and by Canal Zone jobs that poured \$100 million a year into the economy. A thriving new shrimp industry has added millions to the national income, and "120 foreign banks keep roughly \$40 billion in deposits registered here."<sup>255</sup> The practice of registering foreign vessels, which thus get by with lower safety standards and lower crew requirements, is a questionable one. Many such ships never enter a Panamanian port. The government of Panama had a fat treasury, but Panamanians were demanding control of the Canal itself.

In 1978 after more than thirteen years of negotiations, the United States and Panama signed two treaties in which the United States agreed to allow the Canal to be administered immediately by a binational committee, and to turn it over completely to Panama on December 31, 1999. The United States also agreed to pay Panama \$10 million yearly out of the revenues of the canal (plus a percentage of the additional profits), and to give Panama \$50 million a year in military aid for the next ten years. On October 1, 1979, the Canal Zone itself



ceased to exist and officially became a part of the Republic of Panama. The canal continued to run smoothly, and after several years of deficits in the mid-1970s began to operate at a profit.

In the second treaty with Panama both countries agreed to maintain the neutrality of the canal after the year 2000, and the United States, much to the discomfiture of Panama, was conceded the right to intervene unilaterally should that neutrality ever appear to be threatened. This provision was added at the last minute in order to protect United States national interests, and to make possible Senate ratification of both Panama treaties, which were having very hard sledding. Ronald Reagan and other conservatives were dead set against accepting the treaties as they stood, and many senators fought vigorously against them. On April 18, 1979, the final vote was 68 to 32 in favor of the treaties.

General Omar Torrijos, who negotiated these treaties with President Carter, had seized control of the government of Panama in 1968 and abolished all political parties. The majority of the American people were opposed to turning the Canal over to him, but Washington realized: (1) the Canal was indefensible; (2) had the treaties been rejected, Torrijos, with the enthusiastic support of the people of Panama, would have assaulted the Canal, forcing the United States to take military action, thus alienating all of Latin America; (3) the United States was given the right to intervene unilaterally if the Canal is threatened.

Torrijos was killed in a plane crash in 1981 and General Manuel Noriega, who soon took his place as the dictator of Panama, was accused of arranging his death. There were also accusations of CIA complicity in this event. Noriega tightened his grip and became increasingly unpopular in Panama. His corruption, double-dealing, and suppression of human rights alienated thousands of his followers, and in 1987 there were mass demonstrations against his dictatorship. Free elections were called for, to no avail. The interests of the United States would be better served if elections were free and unrigged everywhere in Latin America. What our country needs in this area are governments that share our values, not governments we can control, which are inevitably doomed to fall.<sup>255</sup>

The Peruvian writer, Vargas Llosa, characterized Panama as a kind of pseudo democracy where "civilian authorities govern, but the National Guard rules." Noriega, as commander of the guard, was only one in a long line of military dictators who have held the real power behind the government in Panama. For many years the U.S. Department of State and the CIA were his staunch supporters and Noriega, in his turn, cooperated with them to the fullest. He was on the U.S. payroll for many years, and during this time he was involved in drug trafficking, gun running, money laundering, fraud, assassinations, and autocratic rule, but the United States turned the other way as long as he remained a key ally.<sup>256</sup>

Panama is of great importance to the United States, not only because of the Canal but because it is an ideal intelligence gathering and listening post for all Central America and much of northern South America. For a time Noriega

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lent his support to this surveillance and was well paid for it. At the opposite extreme, it should be mentioned that several hundred young Panamanians went to Moscow to study, and there began to be indications of a Marxist ideological buildup among the future intellectual and political leaders of the country.

In 1987, under increasing pressure from the United States, Noriega began to assert his independence of United States control, and he also backed away from the peace plan proposed by the other five Central American countries in the hope of achieving a negotiated settlement of the Nicaraguan conflict. Panama was not represented when this plan was drawn up in Guatemala City. In February 1988, Noriega was indicted for drug trafficking by a grand jury in Miami, and the United States began to expose his seamy side, already well known in Washington.

Noriega's growing anti-North American stand temporarily bolstered his popularity in Panama at the very time that Washington was calling for his downfall. His arbitrary rule, however, was so widely detested that some Panamanians were hoping for the Yankees to come in and help get rid of him. Noriega had made and unmade several puppet presidents of Panama, and in February 1988 when one of these, Eric Delvalle, fired him as commander of the National Guard, Noriega's friendly legislature deposed Delvalle. The entire Noriega episode is one of the most sordid ventures of U.S. Latin American policy which, on so many occasions, has supported venal and vicious military and political leaders in payment for their dubious cooperation. In so doing our country bypassed the needs of the people of those countries in whom lies our only real hope for democracy.

Throughout this stressful period Noriega stood firm against U.S. pressure for his resignation. In fact, the stronger the pressure the more support he had inside Panama where many enjoyed seeing him thumb his nose at Washington. When the Panamanian presidential elections took place in the spring of 1989, the opposition candidate, Guillermo Endara, who certainly had the moral support of the United States, was a certain loser. Noriega did not have wide enough support to win these elections honestly, but he controlled the ballot box and rigged the outcome heavily in his favor which gave him the victory. In May all ten of the country's Catholic bishops called on Noriega to resign, attacking him for massive electoral fraud and for violent assaults on his political opposition. They decried Noriega's "terrifying the hungry masses with a hateful and false nationalism that neither respects nor recognizes the rights and safety of the rest of the Panamanians." They demanded that he respect the will of the people as expressed in the recent elections which they all strongly felt had resulted in an overwhelming victory for his opponent.

The United States responded by sending additional troops to the Canal Zone, and by holding frequent and very visible maneuvers there. Noriega sat smugly tight, and in October 1989, when there was a poorly organized attempt at a coup to oust him, he turned it to his advantage. The leader of the attempted coup, who held Noriega a prisoner for three or four hours, instead of turning

him over to the U.S. authorities, tried to persuade him to resign and leave the country. Noriega stalled for time, troops loyal to him moved in, the United States did nothing, and the attempted coup fell flat. It was reported that Noriega later personally held a pistol to the head of the rebellious leader and killed him.

Unable to overthrow Noriega by diplomatic pressure or intrigue, the United States on December 21, 1989, launched a full-scale military assault on Panama. This invasion and takeover was called, in Washington, Operation Just Cause. American troops and planes attacked the capital in full force and within a few hours had overcome all resistance. Several military experts called the operation "a brilliant success," much better planned and carried out than the previous invasion of the island of Grenada. Panamanians by and large looked favorably on the ousting of Noriega, who was taken into custody and flown back to the United States for trial. They did not regard the assault and invasion itself in such a kind light. After the takeover the duly elected Guillermo Endara was installed as president.<sup>294</sup>

This occupation of Panama must be judged as a blunder of the first magnitude. It was "an unprecedented use of American military power to overthrow and capture a single villain." Latin Americans had been brought to believe, after many decades of nonintervention, that such "big stick" diplomacy was a thing of the past. They were shocked at the invasion of a sovereign nation by American troops, remembering that the United States with great fanfare had in 1933 foresworn armed intervention in this hemisphere.

According to the official U.S. figures, the assault on Panama resulted in the death of at least 300 civilians and about the same number of Panamanian soldiers. Twenty-four American soldiers were killed, some of these by misdirected American fire. There was widespread destruction in parts of the city with damages amounting to at least a billion dollars, which left many hundreds homeless. American troops did almost nothing to prevent looters from breaking into and ransacking stores in the city. A spokesman for Panama's Chamber of Commerce said: "Our police force was nonexistent, and it was utter chaos for three days. A few American soldiers on guard at strategic points would have prevented this tragedy."

After the takeover many people were unable to verify the fate of friends and family members caught in the area, and in response to the pleas of some of these people the former attorney general of the United States, Ramsey Clark, flew to Panama to investigate personally. His report was appalling. He estimated that between 3,000 and 4,000 people had been killed, many thrown into mass graves before a proper tally could be taken. He received his information from the Red Cross, from hospitals, and from individuals who, in his judgment, were trustworthy personal observers. A few months later a television documentary on *Sixty Minutes* corroborated this mass destruction of life and property. Even if Ramsey Clark's estimate is disregarded entirely, the number of casualties given officially would be proportionately more than those suffered by the United States in the entire Vietnam War, which extended over many

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years. The assault on Panama has already been largely forgotten in the United States, but it will rankle in the memory of Latin Americans for decades to come.

President Endara took over the government of a country that was bankrupt and on the ropes. One-third of the labor force was unemployed, another third held government jobs in the grossly inefficient public sector; there were hundreds of homeless and thousands who were unemployed and underfed. Recovery is bound to be painfully slow, and widespread, perhaps violent, protests and impatience must be expected. All this while the government itself clearly operates as a U.S. protectorate.

Recent events in Panama have been well summarized by Stephen Van Evera, former editor of the journal *International Security*, and at present a professor at MIT. "The Bush Administration's invasion deposed the dictator Manuel Noriega and installed an elected government in his place. But the Administration also installed a sinister Noriega henchman, Colonel Eduardo Herrera Hassan, as the commander of the new Public Force, the successor to Noriega's Panamanian Defence Forces. Herrera staffed the PF with former PDF members, raising the risk that corrupt military cliques will continue to dominate the country's politics. Moreover, by invading, the United States merely sought to undo a mess of its own making. The United States created and trained the PDF; then, in 1968, the PDF destroyed Panamanian democracy, installing a junta that later gave rise to the Noriega dictatorship. Overall, U.S. policy toward Panama has not fostered democracy."<sup>296</sup>

As American control of the Canal is gradually being phased out, it might be well to recall that for many years the United States maintained a military school at Fort Gulick at the Atlantic end of the Canal which has given training to numerous Latin American military officers. Among these are Generals Torrijos of Panama, Pinochet of Chile, Hugo Bánzar of Bolivia, Carlos Romero of El Salvador, Romeo García of Guatemala. Since its founding in 1946 more than 36,000 Latin American military officers have attended the school at Fort Gulick. There were brief three-week seminars in administration and forty-two-week courses in military command, leadership, counterinsurgency, and *estado mayor*. North Americans generally refer to Fort Gulick as the "Army School of the Americas," but many Latin Americans have come to call it the "School for Dictators."

#### CUBA

The story of Cuba is unique in Latin America. It was the last Spanish colony to get its independence (1898); it granted all kinds of special privileges to the United States in the Platt Amendment, not abrogated until 1934; and it has, of course, the only Communist government in Latin America today. Cuba has never had a single efficient democratic administration since its independence. Since the first president, Estrada Palma, it has oscillated between dictatorship and civil government, with little to choose between them in the degree of cor-

ruption. The civil governments have been more tolerant, with civil liberties more secure, but politically and administratively they have all been deplorable. This is one of the primary reasons for the stunning success of Fidel Castro. Briefly, the background was as follows:

In 1933 Fulgencio Batista, a sergeant in the Cuban Army, headed a revolt of the non-commissioned officers and men in the army, and seized control of the government from dictator Machado, thus ending twelve years of brutal despotism. Batista ruled from behind the scenes until 1940, in which year he personally assumed the presidency. In 1944, partly in response to a request from Franklin Roosevelt, he allowed free elections to take place and Grau San Martín, a physician and college professor who had bravely opposed Machado, became president. Grau had the respect of all Cubans, and most especially of the intelligentsia, but his term was a complete fiasco. He was surrounded by corruption and inefficiency, and was able to do almost nothing to improve Cuba. In 1948 he was succeeded by Prío Socarrás, and again Batista, who was living like a millionaire in Miami, did not intervene. The government of Cuba went from bad to worse, and so when Batista came out of Florida in 1952 and again seized power nearly everyone in Cuba was glad.

Up to this time Batista, despite his personal plundering of the Cuban treasury, had given his country a fairly good government, some say the best the country ever had. But from 1952 to 1959, when Fidel Castro took over, his administration rapidly deteriorated, corruption grew, and Havana was turned into one vast brothel and gambling den for the entertainment of the North American tourists. There were pimps and prostitutes on every street, gambling houses were going full blast, and United States tourists were very much in evidence as participants in these activities.

Strangely, Batista allowed a considerable freedom of the press, and articles in the Cuban newspapers criticized his regime in the harshest terms. Criticism of the United States and its responsibility was also sharp. At this time United States investments in Cuba amounted to a billion dollars, covering everything from the sugarcane industry to petroleum. American enterprises paid out salaries which amounted to 71 per cent of the gross national product, and the United States bought 69 per cent of Cuba's exports, supplying 70 per cent of her imports. This imbalance of the economy naturally galled the citizens of Cuba who realized that they had won their independence but had lost their freedom to own and run their own country.

Batista was born on a poor Cuban farm and began working as a canecutter and banana picker. His older brother died of tuberculosis and malnutrition. Fulgencio himself did not own a pair of shoes and was an illiterate. In 1921 he entered the army, taught himself to read and write, and worked himself up to sergeant, winning great popularity among his men and fellow non-coms. He was only 32 when he first seized the government in 1933. His rags to riches story appealed to many Cubans, and Batista himself was a colorful mixture of all the races: Spanish, Indian, perhaps a bit of the Negro and of the Oriental.

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Under him the Cuban wealthy and the Cuban middle class prospered as never before. So did the North American investors in the island. Batista built schools, roads, public works of all kinds, and both agriculture and industry flourished. But the Cuban workers did not flourish, and their discontent grew as time passed. Honesty, justice, and liberty died slow deaths. During the last years of his regime Batista alienated almost everybody. His police had begun to brutalize people, there was no justice in the courts, and there was a sickening corruption among the officials of the government. Pandering and prostitution made even a stroll down the streets a nauseating experience.

Enter Fidel Castro. Fidel, unlike Batista, was the son of a wealthy sugar planter, and held a college degree in law. He was also a perennial revolutionary. In 1953 he led a group of 165 men who tried to take the Moncada army barracks in the city of Santiago, Cuba. Many in the group were killed but Fidel and his brother Raul escaped. Months later, they came in and gave themselves up "in order to stop Batista's persecution" of other people in Santiago who were accused of having a part in the revolt. Fidel was sentenced to fifteen years in prison, but he served only eleven months and was granted amnesty.

He went to Mexico, assembled another band of followers, and in 1956 returned to Cuba, this time with 82 followers. Again, most of his men were slain, but Fidel and a handful of companions escaped to the Sierra Maestra mountains where they holed up and were never caught despite the all-out attempts of Batista's army and police. Admiration for this small, audacious band grew, country folk brought food, a few volunteers straggled in to swell their ranks, and patiently they awaited their chance.

They were wise, because all they had to do was wait. Opposition to Batista was mounting rapidly, and in January 1959 the little sergeant realized that the jig was up and fled to the Dominican Republic with his friends and his loot. Fidel Castro, now at the head of a sizable but motley militia, entered Havana and was cheered enthusiastically by the crowds. The regular Cuban army troops did not lift a finger to stop him; most of them had passed over to his side. He was their deliverer too. Batista's flight had left a political vacuum in Cuba which Fidel and his trustees very promptly filled.

Shortly afterward Fidel made a visit to the United States, where he spoke with the Secretary of State, but he was dissatisfied with his reception and returned to Cuba much affronted. He had expected the presidential red carpet. Up to this time he had been presented to the North American public as a kind of Robin Hood. The motion picture actor Errol Flynn, had visited him in his Sierra Maestra hideout, and Flynn then appeared on United States television where he stated that Fidel's revolution would give Cuba her first truly free, just, and democratic government. *The New Yorker* magazine had printed a long profile of Fidel and his activities, and he became a sort of folk hero in this country. Fidel himself, also on United States national television, had loudly denied that he was a Communist.

But after he returned to Cuba Fidel began his verbal assaults on the United

States and its imperialism. He was infuriated by what American newspapers had said about his highhanded methods and boorish manners. Then he began to take over United States-owned properties, and the United States stopped all sugar purchases from Cuba. This was a severe blow, because the United States had been paying Cuba \$150,000,000 a year more for this sugar than she could have gotten in any other market. Fidel ordered that the American embassy staff be reduced to eleven, barely a sufficient janitorial force, and in January 1961, the United States broke off diplomatic relations with Cuba.

There have been no real elections in Cuba since Castro took over the government, nor will there be as long as he survives. His rule is personal. Whatever he says is the law of the land. Whatever he proclaims to be just is considered just. If he says that Cubans must work overtime for their country, they do so. If he says that a man must be executed or released that man is executed or released. If he announces a certain kind of economic or social reform, it is immediately and enthusiastically adopted.

The Cubans accept but do not originate the changes that Fidel so vociferously proclaims. There was and is no great popular demand for the particular things that he is doing. True, Castro has proclaimed himself as a Communist, but his regime is quite unlike that of Russia or China. Cuba is not ruled by a closely knit and well-trained Communist clique; it is ruled by Fidel Castro. And Castro would rule Cuba no matter what he called himself. When he dies no one can predict what the results may be.<sup>190</sup>

Castro fell into the vacuum that Batista had left behind. He had no real army, no organized labor support, no political party behind him, yet the immense majority of the Cuban people wanted him as their leader. Overnight he became personally responsible for everything. Fidel pointed out how corrupt all previous parties had been in Cuba, as he made a clean sweep of all officials replacing them with his own trusted followers. He did the same thing in the army. Army officers are now constantly moved about and their duties frequently altered in order not to allow them any chance to organize a resistance. And Castro today has at his *personal* command one of the most powerful military forces in Latin America.

Fidel had promised that he would put an end to *relajo* government. The word as used in Cuba synthesized the national pre-Castro character of the people; it means "slap-happy, hit or miss administration, shot through with inefficiency and graft." Before Castro appeared on the scene practically everything in Cuba was a *relajo*, a big fat joke.

At first Castro, prodded and persuaded by his right-hand man, the Argentine Che Guevara, had dreams of spreading his revolution all over Latin America, while the nerve center remained in Havana. The capture and death of Che Guevara, in Bolivia in 1967, made this impossible. Fidel and Che had hoped to plant a new *focus* of the Cuban revolution in Bolivia, in the very heart of South America. The Bolivian army, with some astute aid from the CIA, dramatically put an end to that plan. Che Guevara's death was a traumatic

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by what American newspapers describe as boorish manners. Then he began to demand that the United States stop all trade with Cuba, because the United States was more interested in sugar than she could produce. He claimed that the American embassy staff was a military force, and in January 1961, he severed relations with Cuba.

Since Castro took over the government, his rule is personal. Whatever he claims to be just is considered law for their country, they do so. He is pleased that man is executed or that economic or social reform, it is

the changes that Fidel so vociferously demands. The popular demand for the particular changes he named himself as a Communist, like China. Cuba is not ruled by a man; it is ruled by Fidel Castro. He called himself. When he dies

left behind. He had no real army, but behind him, yet the immense respect for his leader. Overnight he became known for pointing out how corrupt all previous governments were. He led a clean sweep of all officials replaced by the same thing in the army. He and their duties frequently alternate and they organize a resistance. And Castro is the most powerful military forces

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his right-hand man, the Argentine revolution all over Latin America. The capture and death of Che is a terrible thing. Fidel and Che had hoped to capture Che in Bolivia, in the very heart of the continent. He had received the astute aid from the CIA, and Che's death was a traumatic

experience for Fidel and indeed for all Cuban revolutionaries, and forced them to become much more nationalistic. After Che's death there was an immediate surge of interest in Cuban history, the country's national heroes, its early struggle for independence and its search for self-identity.

Two Bolivian journalists, Luis J. González and Gustavo A. Sánchez, in their book *The Great Rebel*, give a detailed and relatively dispassionate account of Che's activities and violent death in Bolivia. He was captured alive but was executed in cold blood on direct orders from Bolivian President Barrientos. His small guerrilla band had been in desperate straits for months. They were all ill, they suffered terribly from lack of water, they were surrounded and isolated, and there was no hope of escape. Not one single Bolivian peasant had been converted to their cause. Che had broken every rule outlined in his own book on guerrilla warfare. There had been many defectors, who became informers, and Che never really had a chance. After his death, however, peasants began to come in from the remote corners of the province to buy his picture, taking it to the church to be blessed. They have an astounding reverence for the dead and believe that those who die tragically "have the power to answer requests for miracles."<sup>191</sup>

Fidel drew in his antennae and exalted the glory of Cuba, where conditions called for a further tightening of the belt. Many Cubans were in despair at the protracted deprivations. Lacking United States aid and having no way to obtain spare parts for his automobiles, tractors and machines of all kinds made Fidel dependent on Western Europe and on Russia, particularly on Russia, who has footed the bill for Cuba's deficit in her foreign exchange balance. The Soviet Union was pouring over a *billion dollars a year* into Cuba in order to sustain the economy. For this reason Russia was in no mood to give her support to Fidelista revolutions in other Latin American countries. Indeed, the Communists of Chile not only turned on the Chilean Fidelistas, but turned them in. With five or six Fidelista regimes to support in Latin America the Soviet Union would soon face bankruptcy.

Fidel is not a new phenomenon in Latin American life. He is merely the old *caudillo* brought sharply up to date. The coming decades will have many more caudillos like him. Fidel's significance lies in that he is the first truly twentieth-century leader. He uses the radio, television, the public rostrum, the political forum, the school auditorium, or indeed any stage or lectern to proclaim his beliefs and to pontificate his solutions. His harangues go on for hours and hours. He is without a doubt the longest-winded Latin American caudillo of history. But he possesses the charisma, the magic which has enabled him to gain power and enables him to hold onto power, and now that he has it in his hands he cannot divide it, delegate it, or pass it on to any successor. He is stuck with *la suma del poder*, absolute power, until he dies or until the Cuban people get tired of him and replace him. His enemies refer to him as *el caballo* (the horse) because his words come out kicking like a horse and because they believe he has no more ability to rule than a horse. Fidelistas say that he is



"strong as a horse," and then retaliate by calling all who refuse enthusiastic cooperation with the regime *gusanos* (worms). It has been an effective epithet.

There is no doubt that Castro has achieved many things for Cuba. In the first place, he has built schools by the thousands, and it is now claimed, perhaps with truth, that illiteracy has been completely eliminated in the island. Many of the teachers are army officers or young folks under twenty with only a modicum of education themselves, but they know more than their pupils, and this is what they are able to pass on. Fidel also brought Cuba a relatively honest government. In the early years, his officials did not plunder the treasury. Bribery was not a way of life among them as it had been in the past. There was very little corruption but almost no freedom. Prostitution and public gambling had been pushed underground. The whole country was on a moralistic binge and the strong hand of the government reached into every activity. Fidel even closed down the bars and cabarets for a time, but workers who couldn't get a glass of beer complained, and the ban was lifted.

The once promised tens of thousands of small farms for rural Cuban families have not materialized, and instead there are now large government cooperatives. There is a shortage of many foods, of clothes, of drugs. About 30 per cent of the gross national product goes into developmental projects, which has meant a program of austerity for the average Cuban family with a sharp deterioration in living conditions for everybody. But the cry is that this is all for the country; sacrifice is necessary to make Cuba independent and productive, sacrifice is needed to make Cuba great.

Around Havana is a 100,000-acre "green belt," on which the city workers volunteer to labor at night, planting coffee, vegetables, and fruit, often spending four hours in the fields without pay after a long day's work in town. The revolution has clearly directed its main energy and resources into the countryside to the detriment of the city. Havana is an unimpressive capital. The state has taken over nearly all industries and businesses, even the barbers, jewelry shops, shoemakers, laundries, 55,000 small businesses in all. Services are often gravely slow. Laundry may not be returned for a month or six weeks, whereas formerly it took less than a week.

The Cuban peso has maintained its value in the international market, but inside Cuba money is virtually worthless because there is so little to buy. Each individual is rationed to receive one shirt, one pair of pants or one dress, and two sets of underwear a year. Many stores are open only one morning in the week, so short is their supply. There are long lines in front of the grocery stores, the clothing shops, the restaurants, where an average meal can easily cost \$20. A nine-year-old refrigerator will bring \$1,000, a 1970 medium-priced car \$10,000, a set of tires \$1,000. Each Cuban is rationed to three fourths of a pound of meat a week, only children receive fresh milk, and chickens are almost unobtainable. The state economy, of course, is lacking in qualified personnel, and red tape bogs down everything. The more loyal invariably replace the more efficient.

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Yet there are 150,000 young Cuban students on scholarships with free room, board, and tuition; and the younger generation is deeply indoctrinated in the ideals of the revolution. They proclaim passionately that they would gladly sacrifice their lives for it. Everywhere in Cuba the young have risen to positions of authority. Fidel has not spent lavishly on showy buildings, but he has done some very strange things, as for instance building an eight-lane highway half way across Cuba when there are scarcely enough cars for a two-way road. The justification given is: "We'll need it someday, perhaps sooner than you think."

Cuba, economically, still depends mainly on sugar, which accounts for 85 per cent of its export trade. Yearly production of this product averages six to eight million tons, but all this sugar plus all of the country's other exports still leave a large exchange deficit. Cuba has been extremely anxious to build up trade with Western Europe as well as with Russia, which means that Fidel's government absolutely must honor its export commitments, leaving many essential products in short supply on the island. They are made still shorter because there is in Cuba today so little that money can buy, and the small farmer refuses to plant or will not deliver any excess produce. Only the cooperative farms can deliver these goods.

While Fidel has been unable, even with a controlled economy, to produce all of the things Cuba needs, he was able to stamp out unemployment almost completely. A total of perhaps one million workers have been materially aided by the revolution, while the well-to-do and the Cuban middle class have been almost eliminated. Half a million of them have emigrated to the United States. By allowing these people to leave Cuba Castro rid himself of his principal enemies, and provided the United States with a sizeable refugee problem. But by 1969 this problem had been solved, for there was an unemployment rate of only 1 per cent among these exiles, who quickly adapted to their new way of life. The exodus continues, with additional emigrés leaving Cuba every month.

Fidel insists on giving his developmental goals first priority, and this inevitably means increased regimentation. As a result the national economy is becoming almost completely militarized. Many Cuban intellectuals have observed this process with diminishing hope and are now beginning to feel a strong sense of resentment against the regime.

In 1970 everything was sacrificed in order to meet Fidel's goal of ten million tons of sugar which was needed to build up the foreign exchange. Workers left other jobs to cut sugarcane, and the entire economy suffered a severe jolt. Only eight and a half million tons of sugar were produced, most of it bought by Russia at double the world market price. But overused and unrepaired trucks broke down, beef could not reach the cities, milk production decreased by 25 per cent, stores and markets were more empty than ever. Long lines and empty shelves took away the drive to work and there was much absenteeism and inefficiency among workers. The poor worker is almost never fired.

Cubans were allowed only two cigars and two packages of cigarettes a week;

the rest must be exported. For five months there was no beer because of a shortage of bottles. Beer is now rationed at two bottles a week. And yet the Communist elite have plenty of cigars and cigarettes, and two thousand Alfa Romeos were imported from Italy for their exclusive benefit. Castro himself went on the air and took the blame for most of Cuba's troubles. "It is easier to make a revolution than to make a revolution work," he said. So far the Cuban revolution has been a managerial disaster, as those with managerial skills left the country almost en masse. Cuba is still tied to a one-crop sugar economy. Industrial dreams have not materialized. Fidel's sister, Juana, now an exile in Miami, characterized the regime saying: "Cuba is a prison surrounded by water."

In the decade 1970-80 economic conditions improved considerably inside Cuba. The rate of growth averaged at least 7 per cent a year. Everything from food to clothing was still rationed, but there was now also a legal parallel market where for one-and-a-half times the rationed prices many goods could be bought freely. Outside the law there exists a flourishing black market where certain hard-to-get necessities like meat can be purchased. Each person is rationed one pound of meat every ten days and one ounce of coffee a week.

A few luxury items began to appear again in the windows: cameras, perfumes, toilet articles, and the like. Even automobiles became more plentiful, but the preferred mode of transportation is the motorcycle with sidecar attached. There are very few bicycles. There are long well-behaved lines before many of the stores, movie houses, and restaurants. Ice cream parlors are very popular, boys play baseball in almost every vacant lot, and old men play dominoes in lighted underground garages until one or two at night. Cubans have money, but there is very little to buy.

There are fewer soldiers on the streets than formerly, and although many armed men are on patrol or guard, especially in front of government buildings, there is no arrogance or swagger in evidence. Things are much more relaxed than they were in the 1960s. Few pictures or images of Fidel Castro are on public display, but busts of José Martí, Cuba's liberator, are visible everywhere. Women still do not walk the streets alone without hearing the proverbial *piropo*, sometimes a compliment, sometimes a proposition. The 40,000 or so Cuban soldiers who went to serve in Africa are regarded as heroes, and are often compared to the Poles and French who aided the United States in its struggle against British colonial rule. This African venture, however, was regarded as a mistake by a sizeable contingent, especially those who had lost sons or brothers in the conflict.

The Soviet Union poured an average of \$2.8 million into Cuba every day during the decade 1980-90, and the total Cuban debt to Russia rose to something like \$10 billion. It has been said that Cuban soldiers sent to Africa are in part a repayment for this vast Russian investment in the country. These troops have acquitted themselves well as fighters and technicians, but Cuba

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could not afford to indefinitely station in Africa the flower of its youth, its most competent managers, and its most skilled technicians.<sup>224</sup>

Indeed, the armed forces—born of necessity in the 1960's, spectacularly successful abroad in the 1970's—may become Cuba's albatross in the 1980's. Wars without end are wars without purpose, and Cuba's African wars may be acquiring these features. The burden on Cuba—in lives, suffering, property and the lost opportunities for growth—is already quite high, and rising. Cuba soon may have to choose between costly honor and influence abroad and the mundane need to provide a safe and decent life for its citizenry at home.

Cuban troops abroad are sometimes called by natives of the countries they are supporting "Latin Legions" and "Prussians of Africa."<sup>225</sup>

The rationing system, originally the symbol of equality, may be becoming the new dispensary of privilege. Access to consumer goods, to vacation resorts, to trips abroad, are all rationed. Preference is always given to "good revolutionaries." Revolutionary virtue had once been its own reward, but this seems no longer to be the case. In the early Castro years

the Cuban revolution's claim to legitimacy had not been that it was efficient; it had been that it was right. Now Cubans are being told that those in power shall have greater access to the good things of life as rewards for their burdens of leadership. As a clarion call for the 1980's, it sounds distinctly less rousing than earlier calls for egalitarianism.<sup>226</sup>

The church has never been a problem in Cuba, and under Castro a large degree of freedom of religion is practiced. One almost gets the feeling that the government encourages it. The numerically small group of Jehovah's Witnesses, who refuse to serve in the armed forces or to salute the flag, are the only religious minority that is not tolerated. The city of Havana is drab-looking, its streets are filled with potholes, and there is no feeling of brightness or prosperity. American blue jeans have become widely popular, and visiting Americans are offered incredible prices for their own. There are a few bright spots in the city: military installations, schools, hospitals, offices of the Communist party and its local committees are all marked with colorful and decorative signs that are lighted up like those advertising commercial establishments in the United States.

Censorship has relaxed, and writers who could not have been published ten or fifteen years ago now appear in print without difficulty. Many libraries have been established, and the publishing industry is very active. The National Dance Company, under the direction of the incomparable Alicia Alonso, has given many performances in the United States which were received with great enthusiasm. Cuba has also been eagerly training doctors, dentists, nurses, paramedics, and for this purpose medical texts were pirated out of the United States.

Agricultural cooperatives are strongly encouraged. Loans made to these

groups are at a low 4 per cent, and many farmers living in the country just outside Havana who agreed to lease their lands to the state, leave their thatched huts, and join the collective farms, were given color television sets and refrigerators. All sports are encouraged, and outstanding athletes are subsidized by the government. In basketball, long distance running, and boxing, Cuban athletes have distinguished themselves in the Olympic Games.

Relations with the United States have greatly improved. In 1973 Cuba and the United States signed a hijacking agreement guaranteeing the extradition of all hijackers except valid political refugees. Between 1961 and 1973 eight-five airplanes of American and Canadian origin had been hijacked and flown to Cuba. Since the agreement there have been almost none. In 1975 the United States and fifteen Latin American countries voted to end the OAS sanctions against Cuba. In 1977 Castro stated publicly that he had released all but two or three thousand of the 15,000 admitted political prisoners. Remaining in prison were those guilty of hardened crimes against individuals. In September 1977 the United States and Cuba exchanged diplomatic representatives, calling them "counselors" rather than ambassadors. The U.S. contingent in Havana was affixed to the Swiss Embassy. Castro made strong overtures toward the United States for full diplomatic recognition and a lifting of the economic embargo imposed by this country. President Carter responded that until Cuba agreed to reimburse U.S. companies for the \$1.8 billion of properties confiscated, and also withdrew its troops from Africa, full diplomatic recognition would be withheld.

Castro has allowed the Cubans living in the United States, nearly all of them exiles from his regime, to return to Cuba and visit their friends and families. Formerly referred to as "worms," these exiles are presently being called "overseas Cubans," and the red carpet is thrown out for them when they enter Cuba. Cubans who wish to leave the country for the United States are granted such permission with increasing readiness. Castro is obviously still anxious for recognition and a lifting of the embargo, hoping that another American president may see the light.

Already 35,000 Canadian tourists a year visit Cuba. U.S. tourist operators have begun to run package tours to Cuba, out of Miami. Varadero's harbor has been modernized at a cost of \$500,000 and foreign yachts now anchor there frequently. Cyrus Eaton, Jr., son of the famous Eaton of the Eastern Europe trade agreements, is planning to build a \$200 million tourist complex in Cuba, possibly in Cayo Sabinal island, off the coast of Camaguey, 350 miles from Havana. There are beautiful beaches here, and vast open spaces. This development would be the largest of its kind in the world. Cubans would own it, and would pay Eaton back for his investment out of the profits. Cuba desperately needs tourist money in order to decrease its foreign trade deficit.

Cuba is clearly a thorn in the side of the United States. U.S. actions helped to place Castro in power, U.S. criticisms and threats helped to entrench his position, and the United States is now paying the piper. All Cubans unite at

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the drop of a hat behind the cry of Yankee imperialism, and so will the citizenry of any other Latin American country. Knowing this, Cuba will play a very steady and a very stealthy hand in Nicaragua, in Salvador, in Guatemala, wherever the opportunity is afforded. In the meantime, Soviet pilots are manning the Russian-made MIGs that provide Cuba's air defense, and Soviet planners are helping to direct the economic and political policies of the Cuban government.

If there is a privileged class in Cuba today, aside from the ruling elite, it is the Cuban children. They are treated well and are given everything. There is medical service even in the remote rural areas among people who never had any before. Telephones are free. Most farms have electricity. These countryfolk live and eat better than they ever did before. We must learn from the Cuban experience that people who are hungry would rather have food than free speech; people who are sick would rather have medicine than fair elections.

The Cuban revolution, or as it probably should be called, Fidelismo, has already made many converts in other Latin American countries. Castro did not need any Che Guevara to achieve this. But with Che's death Fidelismo ceased to be a monolithic movement and is taking different forms in different countries, fashioning itself after such charismatic local leaders as may arise to lead the people. Great national leaders have not as yet arisen, but it is almost certain that sooner or later they will. The result will probably be a series of very nationalistic revolutions. All of these will most certainly be anti-United States. They will also be strongly anti-latifundia and anti-big business, especially if the business represents a foreign investment. These are the qualities of the Cuban revolution that Latin American liberals, especially young liberals, admire.

Young rebels in the other Latin American countries all stress the need, indeed the inevitability, of such revolutions in their own lands. This is bound to smack of communism to North Americans because of the Cuban experience, but it is not necessarily communism at all. It does signify a need for fundamental and drastic changes in the old stratified economic and social order. Communism is only the final desperate attempt to solve the problem. How the United States meets this challenge will determine future hemispheric relations.

Despite the positive achievements of the Castro regime, Fidel's popularity in Cuba began to wane in the 1980s. The economy was in a deplorable state, and in 1987 there was a 45 per cent decrease in the profits from export trade. The government reversed its policy of benevolent controls and imposed new restrictions. Castro tightened the belt in order to rescue the economy; there were cuts in electricity and in the rations of milk, rice, meat, and gasoline. Long lines of Cubans waited throughout the night in order to make sure of getting into Havana's largest department store (formerly Sears) where surplus government goods are sold. Shortages and high prices continue. A small bar of chocolate costs two dollars. A good steak or a leg of lamb are impossible to obtain. A stifling bureaucracy directs the daily lives of the people. Filling out

government forms has proliferated to the point of insanity. Buying a few bricks, a pane of glass to fix a broken window, or a can of paint, requires filling out long permits and entails a long delay. The list of government ministries in the Havana telephone book takes up seventy-seven pages. Cubans restively read press reports of recent Soviet openness and flexibility, but find no evidence of such a change in Cuba.

Out of a total Cuban population of just over six million in 1959, one million Cubans have fled from the country since Castro's takeover in that year. One of these refugees, Alberto Montaner, now a syndicated columnist in Miami, wrote that this exodus has weakened Castro's international image, and has hindered the consolidation of the regime. The hope of someday being able to leave Cuba has caused many Cubans to resist making an accommodation with the government. Unable to oppose the regime directly, these discontented citizens take advantage of every opportunity not to cooperate. It has been reported that in several factories in the urban centers the rate of absenteeism is regularly around 20 per cent.<sup>258</sup>

Manufactured goods account for only 5 per cent of Cuban exports, the same as it was thirty years ago. Other Latin American countries have shown substantial increases in manufactured exports on which a progressive economy basically depends. Cuban agricultural production stands at only 20 per cent above the level of prerevolutionary days, even though the population is 66 per cent greater. Unemployment, almost nonexistent during the early years of the regime, has risen to almost 100,000 workers. Per capita income in 1990 was about \$1,700, as compared with Canada's \$15,000. More than 75 per cent of the island's trade is with Russia. Russia agreed to suspend repayment on Cuba's debt, now about \$10 billion. Despite these weaknesses the regime itself is not about to collapse because of internal pressures, discontent, or economic difficulties. A well-organized, well-disciplined, and dedicated Communist government, with a large and well-paid army, plus the solid support of the Soviet Union, make this very unlikely.

In the summer of 1987 two of Castro's high-ranking supporters inside Cuba defected to the United States: Air Force general Rafael del Pino Díaz, and a much decorated major in Cuban intelligence, Florencio Aspillaga Lombard, who brought with him a complete list of the names and activities of Castro's foreign intelligence personnel. These defections were not in any way connected, as neither man knew about the other. Del Pino Díaz and Aspillaga both then broadcasted on Radio Marti, the U.S. radio channel beamed toward Cuba, and revealed many disillusioning details about Fidel's lavish life-style and the growing corruption of the regime. It was reported that Castro has a private fleet of yachts and keeps a luxury residence in each of Cuba's fourteen provinces. It was also reported that Fidel had stashed away several million dollars in a private Swiss bank account, and that he had set aside hundreds of dwellings in Havana for his security guards and aides—all this at a time of critical housing shortage on the island.<sup>257</sup>

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Numerous housing units have been constructed since the Revolution began in 1959, but construction has not kept pace with population growth. Because of poor construction and inferior building materials these apartments are now dilapidated. No paint is available to brighten them up, no glass to repair their windows, no bricks to restore walkways or bolster falling walls. Electricity and water are turned on five or six hours a day, and sometimes less.

After more than thirty years of Castro rule the Cuban Revolution is deep in the red. The trade deficit is estimated to be \$20 billion, now listed as a debt to the Soviet Union. By longstanding agreement Russia subsidizes Cuba's sugar production by paying as much as four times the market price for this product, a total of more than \$2 billion a year. Each year the Soviet Union has been giving Cuba approximately \$1 billion in economic aid and over half a billion in military aid. There are about 3,500 Soviet troops in Cuba and some 10,000 Soviet civilian technicians.

Gorbachev visited Cuba in 1989 and asked Castro to use this Soviet aid more effectively, to cut down on the overweighted Cuban bureaucracy, and to do some restructuring in the economy and in the government. Castro turned a cold shoulder to all of these proposals. He bristled at the implication that Cuba might be regarded elsewhere in the world as a Soviet colony. Castro is a dyed-in-the-wool Communist, completely dedicated and self-assured, who insists on following a very orthodox line. He does not like what has happened in Poland, East Germany, the Balkans, and inside Russia itself.

Cuba is suffering from all of the ills to which Russians themselves have become so accustomed: very little to buy, long waiting lines, a dire shortage in housing, not much to eat, discontented workers. Castro is aware of these insufficiencies, but has been unable to do much about them. On the contrary, he points with pride to Cuba's notable strides in public health, education, and in clean and "honest" government. He is proud that literacy in Cuba now stands at 96 per cent. He boasts that he has eradicated prostitution and political corruption, and is carrying on the most vigorous and most successful antidrug campaign of any country in the hemisphere. He will go to almost any extreme to protect his image. In mid-1989, when a handful of highly placed Cuban military officers were caught drug trafficking, four of them were summarily executed after highly publicized televised trials. There is considerable evidence that these trials and executions were a cynical charade to bolster Castro's image as "Mr. Clean," and to tighten his grip on the country. Juan Antonio Rodríguez, a longtime Cuban intelligence officer who defected to the United States, testified that Castro himself was surreptitiously involved in the drug traffic which, he said, brings into Cuba millions of dollars of desperately needed hard cash each year.

Cuba's depressed and deteriorating economy is making life increasingly difficult and unpleasant for the people at large. A recent British visitor, Carlo Gebler, in his book, *Riding through Cuba*, noted that the Cubans he saw no longer felt that their island radiated revolutionary fervor and reform, but that



on the contrary, it was "a sullen, miserable place, full of police spies and resignation." Many of Castro's schemes for improving things have been hare-brained and totally unworkable. For example, years ago he took over hundreds of acres of land in fruit and vegetable farms in order to plant coffee trees, the produce of which could be exported. But coffee trees would not grow on this terrain, and today Cubans cannot find sufficient fruit or even beans in their markets.

The Soviet Union's reduction of aid to the economy has also resulted in severe shortages of flour, bread, machine parts, razor blades, appliances, television sets, and many other items. In Cuba today almost everything is rationed. This means that while everybody does get something, nobody gets enough. Cuba has relied on the East bloc for nearly 90 per cent of its imports and exports. Aside from her artificially pumped-up sugar profits, Cuba also generates foreign exchange by reselling oil that Russia supplies in large quantities at cut-rate prices. The recent decline in the price of petroleum was the *coup de grace* for this bonanza. The U.S. trade embargo further depresses the supply of many necessary goods.

Despite all these things, Castro personally has been able to maintain an impressive level of popularity. He has not alienated himself from the masses like Ceaucescu in Romania. He still mingles freely among the crowds, hears their complaints, promises to improve things, gives an encouraging slap on the back. But his support has clearly waned, and the dramatic changes in Eastern Europe and Nicaragua are making Cubans question their future as never before. Transmissions from U.S. Radio Martí and Television Martí keep the people well informed.

In spite of the gradual relaxing of governmental inhibitions, Cuba today is still very much a police state. It stands alone with China in the scope of its repression. Everyone in Cuba spies on everyone else. The people in general live in a kind of resigned, passive state that is both omnipresent and terribly depressing. Spying is the cruelest evil of the Castro regime, for it pervades every place and every human activity. Cubans are routinely given *Opinion Collection Forms* that they pass on to the police after listing all critical comments on Cuba overheard anywhere. The good revolutionary takes notes on the daughter's boyfriend, the wife or husband's cousins, the brother-in-law, neighbors, working companions, conversations with strangers made while standing in one of those endless Cuban lines, even something overheard in the darkness of a theater. Carefully noted also is the place the comment was made, the identity of the speaker, and the reactions of the nearby listeners. By definition every Cuban is either a good revolutionary, or an enemy of the revolution, and spying reports often determine in which category one is placed.<sup>295</sup>

Censorship is not as rigorous as it once was, but the press is 100 per cent official, contrary viewpoints are not permitted, and what is going on to democratize Europe and Russia is not fully reported. The Colombian Nobel Laureate, García Márquez, who is perhaps Castro's closest foreign friend, is

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the one notable author whose works do not even go to the censor, but when he recently interviewed Gorbachev on Soviet perestroika, which García Márquez enthusiastically endorses, the interview was not permitted to be reported inside Cuba. García Márquez has frequently praised Castro, making him out to be an almost mythological hero, capable of the most incredible feats. He reported that Fidel sleeps only five or six hours a night, but regularly reads 200 pages of news reports while eating breakfast, and during the rest of the day peruses and digests at least fifty documents, with time left over for his verbose speeches. Also, Fidel has an extremely wide range of knowledge, says García Márquez. Once a doctor friend gave him a scholarly article on orthopedic procedures, and Castro not only read the report but returned it with detailed marginal comments.

Quite another opinion of Castro was given by Jacobo Timerman, a well-known Argentine author, who has written important books on both Argentina and Chile. He recently traveled across Cuba in an automobile and came into contact with a large cross section of the population. To Timerman García Márquez's remarks on Castro were unbelievable. In his own report on Cuba, after summarizing the Colombian's panegyric, he ironically concludes: "Fidel Castro, thus, has a secret method, unknown to the rest of mankind, for sleeping only briefly, for reading quickly, and he has a great knowledge about orthopedics, yet thirty years after the revolution he has not managed to organize a system for making and distributing bread."<sup>295</sup>

It is hard to understand why Castro still insists that he has wiped out prostitution in Cuba, whereas this is obviously not so. Prostitution is not as blatant as it was in pre-Castro days, but it is widely in evidence, especially where foreigners congregate. Many prostitutes are young college girls out on the town. They usually do not ask money for their services, much preferring to spend a couple of nights with their pickup at a nice hotel or on Varadero beach, where they can enjoy comforts and good food not available to ordinary Cubans, and at the same time have access to hotel specialty shops where they can load up on lipstick, makeup cream, mascara, and other items dear to a young girl's heart. Tourists are not rationed and buy whatever they want.

A few final comments on Castro, the man, and Castro the Comandante. Official mail is addressed to him as follows: *Comandante Fidel Castro Ruz, Commander-in-Chief, First Secretary of the Cuban Communist Party, President of the State Council, President of the Council of Ministers*. In conversation he is generally referred to simply as El Comandante. For years his long-winded speeches were not only listened to but praised, for Castro was both a teacher and a hero to his people. Thus it was incumbent on them to listen and for him to repeat ad infinitum those things that his people must learn about the Revolution. Now at last the Comandante's omniscience is beginning to be questioned and his rhetoric is beginning to sound a little thin. The Cuban spirit, at first impassioned by his words, is now frustrated and benumbed by the country's endless shortages and the suppression of freedom and human rights. It is

probably true that Castro did more for Cuba than any other Latin American dictator was able to achieve for his own country, but he has led all Cubans down a dead-end street. He has become for his people the epitome of a broken dream.

The end result of all this is that now there is a real possibility that Castro may lose his position as the number one man in Cuba. Unfortunately, riddance of Castro would be no assurance of an improvement in the Cuban government, for if Fidel's younger brother, Raúl, should take over—he is the logical successor—conditions would almost certainly become much worse. Castro is still a hero and a beacon for the revolutionaries of the other Latin American nations who applaud his having kicked the United States out of Cuba and gotten away with it.

#### VENEZUELA

Venezuela has made incredible progress since the end of World War II, politically, economically, culturally. Her government has straightened out and become one of the most democratic and honest in Latin America, oil has continued to provide an enormous income for the state thus facilitating social progress, and 800,000 European immigrants have entered the country since 1946 thus swelling the ranks of the middle class. Most of these immigrants arrived at the peak of their productive power, their education already paid for by their native lands. Venezuela was catapulted into the twentieth century.

This was not achieved without passing through a period of trial which would vex the most optimistic. In the first decade after the death of Gómez (1935-45) there were brave attempts at democratic government, but the military was always in the wings and often in the palace. Not until 1945 when Rómulo Betancourt became provisional president did things level off. He governed wisely and well for three years, wiped out malaria in a dramatic health campaign, and prepared the way for the country's first honest elections which took place in 1947. Venezuela's most honored writer, Rómulo Gallegos, was elected president by an overwhelming vote.

Gallegos was the author of several novels and short stories dealing with Venezuelan life. In his most famous novel, *Doña Bárbara*, 1929, he had delineated clearly the crucial problem of his country: the struggle between civilization and barbarism. His Caracas-educated hero, Santos Luzardo, returned to his run-down country estate inspired with the desire to bring law to the barbaric hinterland. Unwilling to use force, Santos Luzardo strives for justice in the courts. In encounter after dramatic encounter he wins out over the forces of evil and darkness, represented by Doña Bárbara, and the novel closes with his marriage to Doña Bárbara's illegitimate daughter, thus symbolically marking the end of an epoch.

Gallegos wrote this novel in exile from the Gómez dictatorship. It was the fictional expression of a beautiful dream, but it did not represent the Ven-

in any other Latin American, but he has led all Cubans to be the epitome of a broken

a real possibility that Castro would have been ousted. Unfortunately, his removal from the Cuban government, however—his fall—was the logical successor, but it was much worse. Castro is still the epitome of a broken man, and other Latin American nations have looked out of Cuba and gotten away

At the end of World War II, the world has straightened out and in Latin America, oil has come, thus facilitating social progress. The country since 1946 has benefited from the arrival of these immigrants, and the cost of their education already paid for by their twentieth century.

A period of trial which would have ended with the death of Gómez (1935-45) had occurred, but the military was not until 1945 when Rómulo Betancourt's level off. He governed the country in a dramatic health campaign, honest elections which took Rómulo Gallegos, was elected

short stories dealing with Venezuela, 1929, he had delineated the struggle between civilization and barbarism. Betancourt, returned to his running law to the barbaric hordes for justice in the courts. He fought over the forces of evil and eventually closes with his marriage, symbolically marking the end of

Gómez dictatorship. It was the first time that he did not represent the Ven-

ezuelan social reality. The novelist was indulging himself in wishful thinking: let the faith be strong enough and the reality will follow. When Gallegos assumed the presidency, his supporters were also inspired with that belief. Before the year was out they witnessed his defeat by the harsh and ugly hand of venal politics. Gallegos' program, from which he would not budge, was considered too liberal by the military, and the president was too trusting and too idealistic for his own good. Scarcely ten months after he had been sworn in, a military escort accompanied Gallegos from the palace to the airport where he was put on a plane for Havana and another long period of exile. In Havana he spoke before a gathering which this writer attended, and gave the impression of a frustrated and broken man. He later came to the United States, where his son was educated at the University of Oklahoma, and then he departed for Mexico.

The junta that displaced Gallegos was followed by Pérez Jiménez, who was another Gómez insofar as his political machinations were concerned, but he was a Gómez brought up to date. He crushed all "Communists" and dissidents with an iron hand, and turned his capital into a modern city. A seventy-million-dollar four-lane highway was constructed to connect Caracas to the sea, and skyscrapers rose suddenly in the heart of town where colonial buildings had stood before. But Pérez Jiménez acted as if the Venezuelan countryside did not exist. He exploited its colonial economy for his plush capital but did not lift a finger to alleviate its age-old destitution.

The foreign club set did well under the government of Pérez Jiménez, but the country staggered. The medieval torture chamber returned to daily life, the filthy jails were filled with political prisoners, as the president quickly built up his private bank account. He visited the United States under Eisenhower and Dulles and was warmly greeted and honored with the Order of Merit. Decent Latin Americans shuddered. In 1958, with the mob at his heels, he fled from Caracas to Miami. According to the *New York Times* his fortune amounted to something like half a billion dollars. He promptly bought a sumptuous \$300,000 home, and provided himself with a yacht, five automobiles, and a retinue of bodyguards and numerous servants. His bodyguards were ex-Miami policemen to whom he paid salaries of \$1,000 a month. Rómulo Betancourt again assumed the presidency, and with his sure hand soon returned the country to solvency and honor.

The Betancourt government asked for the extradition of Pérez Jiménez, and after several legal delays this was finally granted. It was the first time that a head of state had been extradited from the United States. Pérez Jiménez blamed Robert Kennedy, then Attorney General, for the whole thing, crying that he was innocent of the charges against him. When he got back to Venezuela he was incarcerated in a comfortable suite in the country's most modern jail.

Betancourt was the first honestly elected president of Venezuela who was able to serve out his full term and then peacefully pass the office on to his successor. He was followed by a long line of democratically elected presidents. Betancourt's wise leadership and steady judgment made this possible. At first

it was very hard sledding. Immediately after his inauguration Betancourt was attacked by both the right and the left. Leftist sentiment was running high after Fidel Castro's triumph in Cuba.

Betancourt had supported Castro in his struggle against Batista, but when Fidel announced his communism, the two men parted company. Castro sympathizers and other leftists in Venezuela turned on Betancourt with a vengeance. There were two serious mutinies at Venezuelan naval bases which were suppressed with considerable bloodshed. In 1962 leftists and rightists ganged together to foment widespread disorders and acts of terrorism in an attempt to discredit the Betancourt government. The president, realizing that democracy itself was at stake, clamped down with full force. The discovery of a large cache of weapons, supplied by Castro (September 1963), helped to turn the tide in Betancourt's favor. Betancourt appealed to the OAS, which had already expelled Castro from that organization, to apply sanctions against Cuba, and this action was approved.

The overall evaluation of Betancourt's presidency is extremely positive. Not only did he show a wise hand politically but under Betancourt's administration Venezuela began to make progress in every aspect of the national life. Schools and industries arose in the hinterland and a nationwide sanitation drive soon gave the country the lowest infant mortality rate in South America. Betancourt was succeeded by his labor minister, Raúl Leoni, a worthy lawyer, who continued the policies of his predecessor. Land distribution to small farmers was increased and the country's mineral resources became the focus of an all-out development program.

Capitalist oil has made much of this progress possible; the rest has been accomplished by the hard work and the alert government of the Venezuelan people. The country's petroleum deposits, discovered in 1917, are among the richest in the world, and provided between 60 and 70 per cent of the national revenue. In fact, oil profits for years emptied into the national treasury between three and four million dollars *every single day* of the year. Oil still provides about 70 per cent of Venezuela's foreign exchange, and helps to give it the highest per capita income of any Latin American country, almost \$3,000. For many years foreign companies took 34 per cent of the profits, while the government received 66 per cent. A generation ago foreign interests got 80 per cent of the revenues. All foreign concessions terminated in 1976, but geologists believe that the fields themselves will play out by 2000, so Venezuela does not have much time to get her economic house in order.

Education has surged ahead in the past decade, and hundreds of new schools have been provided for the remote areas where none existed before. The rate of illiteracy has decreased dramatically. Improved nutrition, better medical care, and a well-organized program of hygiene have increased the life span to sixty-six years. The agrarian reform agency has distributed over seven million acres of land since 1960, and 200,000 additional families will receive small farms in the next five years. Only those portions of the large estates that are

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not productive are expropriated and distributed. In order to make these new farms more appealing the government has built 5,000 miles of roads so that the produce can get to the markets, and has also established schools, clinics, credit, and agricultural specialists to help the small farmer. Farm produce has increased at a rapid rate. Only recently has Venezuela become self-sufficient in eggs, poultry, and beef. A system of levees has been built across the Orinoco delta which will bring 500,000 additional acres of land under cultivation.

Every attempt has been made to diversify the economy. A whole new city was built from scratch at Santo Tomé 350 miles out in the bush, and about 67 miles downriver from Ciudad Bolívar, near the site of huge iron and aluminum deposits. Not far upriver is one of the largest hydroelectric dams in the world; it produces twice the power of the largest United States dam, Grand Coulee. Santo Tomé already has a population of over 200,000, and is growing rapidly. Access to Caracas is by air, but the Orinoco is navigable to the sea for freight. Santo Tomé may become a metropolis of one million before many years have passed. A \$350 million steel plant has already been constructed here, which now produced 3,750,000 tons of steel a year and by 1995 will produce 8 million tons; new shops and homes have risen, and the whole country points to the booming project with justifiable pride.

This is the part of Venezuela known as the Guiana Highlands, which constitutes half the national territory but so far contains but a fraction of the population. Further southward toward Brazil the Highlands soar to majestic heights and much of this area is unexplored. Conan Doyle made it the scene of his fabulous *Lost World* teeming with strange prehistoric animals, and William Henry Hudson used it as the scene of his *Green Mansions* in which Rima, the birdlike girl of the jungle, lived and met her tragic fate. James Angel, a North American bush pilot, once discovered in this part of Venezuela a mountaintop covered with nuggets of gold; he took some home with him but has never been able to locate the place again. He did give his name to Angel Falls, which he was the first white man to see, the highest unbroken falls in the world which drop 3,212 feet in a virgin wilderness. The Guiana Highlands are one of the few still unknown regions left in the world today. Who can say what hidden wealth may lie in their midst?

In December 1968 Rafael Caldera, who had four times unsuccessfully tried for the presidency, was elected over the candidate of the old-line Democratic Action Party. His margin of victory was a small fraction of the total vote, and he occupied the presidential chair with no strong party majority supporting him. But Caldera and his COPEI, Christian Democrats, made a good beginning. In his campaign the president had used the slogan "time for change" with far more appeal than Thomas Dewey, and after his inauguration he promptly set about to make this change mean something. His first important act was to offer amnesty to all guerrilla fighters in the hills and to legalize the Communist party in order to give these dissidents a lawful platform. He emptied the jails of political prisoners, and appointed good men to key government posts.

The leftist opposition responded favorably to these overtures, and one of the guerrilla leaders proclaimed: "The mountain roads are open to President Caldera and even to Nixon." They were apparently not open to Nelson Rockefeller, who had to cancel his visit to that country. Caldera was obviously up against a very tough situation, but he did manage to control the leftists as well as the Venezuelan military establishment. He was able even to placate the large Democratic Action opposition party, thus achieving a minor miracle in political strategy.

U.S. companies poured millions of dollars into Venezuela to exploit and market that country's vast oil deposits, but ineptness in Washington caused them to lose their investment. Back in the early 1950s when Venezuela was the only Latin American exporter of petroleum the U.S. Congress imposed mandatory control on Venezuelan oil. Canada and Mexico, however, were exempt from these restrictions. Venezuela asked for the same treatment, pointing out that it had kept its oil flowing to this country during World War II despite the hazards of submarine attack. Venezuela also argued that it was one of the world's leading customers for U.S. goods and services. But oil was now flowing in from the Mideast in ever increasing quantities, and Congress refused to grant Venezuela's request. The world oil market was soon flooded and prices went down. Opening of the Suez Canal in 1959 hastened the founding of the oil cartel. Venezuela then became one of the prime movers in the organization of OPEC (Organization of Petroleum Exporting Countries), which now fixes world petroleum prices.

But this was not the end of the story. In 1970 President Rafael Caldera of Venezuela went to Washington personally in order to plead with President Nixon for hemispheric preferential treatment in the importation of the product on which his nation's economy was so dependent. Caldera returned to Caracas empty-handed, and soon thereafter signed the decree canceling Venezuela's longtime trade agreement with the United States. Other partly retaliatory events followed during the presidency of Caldera's successor, Andrés Pérez (1974-79). On January 1, 1975, Venezuela nationalized the U.S.-owned iron mines in that country, and one year later, January 1, 1976, all foreign-owned oil fields were also nationalized. Twenty-one American companies were involved, and were offered compensation of \$1.28 billion. Exploration and production of oil in Venezuela was placed in the hands of the national oil company, *Petróleos Venezolanos* (*Petrovén*) which kept production moving efficiently. In 1980 regular gasoline sold for fifteen cents a gallon in Venezuela and super (*alta*) for thirty-five cents a gallon.

In the 1970s, as the price of oil skyrocketed, serious attention began to be paid to Venezuela's Orinoco Tar Belt, reported to contain more than a trillion barrels of heavy oil, 200 billion barrels of this recoverable. Development of these fields would cost at least \$30 billion, and new technologies would be needed to make extraction profitable. When oil prices began to fall in the 1980s

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President Rafael Caldera of Costa Rica in order to plead with President Carter for the importation of the product. Caldera returned to Caracas to demand a decree canceling Venezuela's debt. Other partly retaliatory events included the nationalization of the iron mines in 1976, all foreign-owned oil fields and companies were involved, and the nationalization and production of oil by a national oil company. *Petróleos de Venezuela* is now moving efficiently. In 1980 *regression* in Venezuela and super (*alta*) for

serious attention began to be paid to contain more than a trillion dollars of recoverable. Development of new technologies would be needed as prices began to fall in the 1980s

the exploitation of the Tar Belt was put off for a better day. However, these vast reserves, reported to be larger than those of Saudi Arabia, represent an untapped potential.

Nationalization brought Venezuela more income from her petroleum, and the country embarked on a four-year development plan (1976-80) costing \$5.2 billion. The purpose was to diversify the economy and increase farm production, but the effect was marginal. The \$4 billion invested in the construction of a huge industrial complex at Ciudad Guayana met with more success and has made Venezuela into a real industrial power. However, many basic necessities must still be imported, and prices are high.

Since 1958 Venezuela has had six consecutive free elections. Luis Herrera Campins, who was inaugurated president in 1978, initially supported the policy of the United States in Central America, but he later lined up with the majority of the other Latin American nations in demanding a negotiated settlement to the conflict with Nicaragua. He was disillusioned by the Reagan policy of seeking the forceful ousting of the Nicaraguan Sandinistas. When the United States decided to back Great Britain in the Falklands War, Venezuela was one of the most vociferous advocates of the Argentine cause. In March 1984, Jaime Lusinchi succeeded Herrera Campins as president, and Venezuela, along with Mexico, Peru, Panama, and Colombia helped to organize and put all its influence behind the Contadora Group which continued to seek a peaceful resolution to the Central American problem.

Caracas, one of the fastest growing cities in South America, now has a population of more than four million. The city boasts a new \$2 billion air-conditioned subway system that has greatly relieved the terrible congestion on the streets above. Caracas is a bustling mixture of the old and the very modern. Its wealthy suburbs are beautiful, but nearly a third of the city's inhabitants live in makeshift houses in slum areas on the hillsides of the capital. Police carrying automatic weapons patrol the narrow streets and alleys constantly. Caracas is a city of conspicuous consumption, and produces fifteen to twenty million tons of garbage a year. The government has estimated that it will cost nearly \$200 million to hygienically solve the problem. In the meantime, the city is host to more than six million rats that are very much in evidence in the slum areas. There are plans to replace the slum hovels with low-cost multiple housing units, but this will take time. Inflation in Venezuela has risen to about 40 per cent a year, painfully high but considerably less than that of most Latin American countries. Following the devaluation of the currency prices have declined on some items, but there is at least 12 per cent unemployment and the economy in general is in a period of stagnation. Agricultural production is sagging as country folk continue to pour into the cities in search of a more stable life. Despite these difficulties Venezuela is the only South American country, besides its neighbor Colombia, that can claim a democratically run civilian government for a period of more than thirty years.



A journey up the Orinoco River made in the 1950s produced one of the finest Latin American novels, *The Lost Steps*. The author, Alejo Carpentier, is a Cuban musicologist and writer who went to Venezuela to arrange for a series of radio broadcasts. While there he traveled up to the headwaters of the Orinoco. In his novel the unnamed protagonist is sent into the jungles of Venezuela by the museum that employs him in New York in order to collect primitive musical instruments. This is only the pretext for a fabulous Odyssey, paralleling that of Homer, which takes him back to the roots of civilization. As calendar time actually moves forward, the traveler moves backward in the chronology of human history, passing through the colonial epoch, the period of conquest and colonization, then into a stone-age village where time has stopped. He sees the birth of music, of religion, of the dance, of poetry, and he recaptures the values that man has lost: authentic love, loyalty, the pledged word, honor, human understanding, acceptance, complete dedication. But he is a man of the twentieth century, and is outside his time frame. He returns to civilization for a few necessities (one of them is paper on which to write), and cannot find his way back into that sylvan paradise, that lost Eden. The Orinoco has flooded and all traces of the path are gone. The novel poses many fundamental questions: What is the meaning of civilization, of human society, and what, stripped of his conceits and garments, is man?

*The Lost Steps* can take its honored place alongside *The Lost World* and *Green Mansions* as the most recent in a trio of excellent novels laid in Venezuela. Strangely, not one of these books is by a Venezuelan. Why is the locale so irresistible? Perhaps it may be because Venezuela is a kind of microcosm of the entire continent. Here in a relatively compact area flows a mighty river, here also are towering mountains, fruitful plains, impenetrable jungles, and the open sea. Here twentieth-century man can travel but a few miles and shake hands with stone-age man. Venezuela is the capsule and the epitome of Latin American geography and history. Viewed in this light it is no wonder that the imagination of so many creative minds has been sparked by this beautiful land.

The Orinoco today is a river of commerce: oil, steel, machinery, and produce more daily along its picturesque course. Venezuela has the highest per capita income in Latin America: one million television sets, nearly as many automobiles, the largest number of telephones per capita, the greatest per head consumption of electricity, and a manageable inflation. The country consumes more than twice as much energy per person (oil, gas, electricity) as Argentina. It has one of the best network of highways on the continent, and a growing industrial complex. But, as the Venezuelan writer Carlos Rangel comments: "The curse of Venezuela is the big state, the bloated government. The portion of our economy in the hands of the state rose from 15 per cent in 1914 to 50 per cent in 1920, to 65 per cent today. This is a recipe for disaster. I do not believe that the process can be reversed without a revolution. Even our non-Marxist leaders have opted for state controlled industrialization. Both the private and state sectors have assumed loans, thus building up a huge debt of \$34

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billion that the country cannot pay. In the 1980s the entire structure collapsed with the fall of the price of oil on which 90 per cent of our national economy still depends." It is apparent that the moment of truth is near at hand for Venezuela.

Andrés Pérez took over as president of Venezuela early in 1989, and was confronted by a situation of serious economic deterioration. In 1988 inflation had risen to 35 per cent, oil income had been cut in half, and oil accounts for 90 per cent of the country's export total. The president was a pragmatist, so he raised taxes and lifted price controls; there was an 89 per cent hike in gasoline prices and bus fares, and other prices rose accordingly. There were widespread protests and in March the country exploded. Mobs took to the streets and looted everything they could lay their hands on from food to furniture. The troops were called out and before the tumult was under control there were at least 300 deaths and many hundreds wounded. This widespread revolt was not against the rich and not against any particular political party but was directed against the government in general and its team of big technocrats who had borrowed recklessly from foreign creditors while doing next to nothing to aid the impoverished masses.

Following the riots Andrés Pérez froze prices on many consumer goods, and suspended all payments on the country's foreign debt. To continue these payments would inevitably result in lowering the living standards of the Venezuelan people. During the previous administration Venezuela had already paid out \$25 billion in interest alone of its foreign debt, without decreasing by one iota the debt itself. Hungry Venezuelans were incensed at seeing this money go. All over Latin America the burden of the foreign debt at high rates of interest is creating conditions of political unrest and violence, and until this problem is resolved there will be additional and more frequent explosions throughout the region.

#### COLOMBIA

When the depression hit Colombia an admirable thing took place. The elections of 1930 were held in an atmosphere of honesty and tranquility, and the Conservatives, who had been in power for over twenty years, yielded gracefully to the Liberals. This peaceful transition was a source of great pride to all Colombians, and caused many specialists in the Latin American field to announce that Colombia had thus proved her political maturity. They spoke too soon! The Liberals began their presidential stint with wisdom and restraint, but by the time World War II came to an end their administration was beginning to lose steam. Eduardo Santos, of an old distinguished family and publisher of the country's best newspaper *El Tiempo*, who served as president between 1938-42, was perhaps the most notable of the Liberal presidents, but when he was followed by Alfonso López Pumarejo, who was elected for his second term in 1942 (he had previously served in 1934-38), the breaking point was reached.

Exacerbated Conservatives, and equally exacerbated extremists of the left, made the continuance of constitutional government almost impossible, and inflation was hurting the people at large. The fanatical Colombian Catholic party, a very large and very powerful group, hated López because he had rigorously attempted to separate church and state. As a result of all these pressures López resigned in 1945. Alberto Lleras Camargo took his place provisionally. He tried hard, but was unable to restore unity either to the country or to his Liberal party, which had split into two segments, the leftist group headed by the charismatic Jorge Eliécer Gaitán, who had made a good name for himself as mayor of Bogotá. This split made possible the election of a Conservative, Mariano Ospina Pérez, in 1946. When the Ninth Conference of the Pan American Union (now called Organization of American States) met in Bogotá in April 1948, emotions exploded.

Gaitán, the leftist demagogue, was assassinated on April 9, and sympathetic mobs beat and burned the capital into a shambles. There were at least 2,000 killed, with property damage running into the millions. Thus began "la violencia" or "the violence," as the Colombians call it, a period of many years of lawless government, banditry, guerrilla warfare, pillaging, and widespread unrest during which Liberals and Conservatives all over the country kept trying to get even. Laureano Gómez, an extreme Conservative, was elected president in 1950. He was a warm admirer of General Franco and wanted to move Colombia back to the sixteenth century. His administration staggered under the "violence" and every vestige of civil liberties disappeared. Colombia's few Protestants, about 25,000, were viciously attacked and their churches vandalized.

In the countryside, fighting was on such a large scale that thousands of rural dwellers deserted their farms and villages to take refuge in the cities. Tens of thousands were slain by the senseless banditry which often verged on civil war. Gomez was overthrown by the military in 1953, and replaced by General Gustavo Rojas Pinilla, who was president for four years 1953-57. The people heaved a sigh of relief hoping that the general could at least restore law and order, but Rojas Pinilla had been in power only a short time when everyone realized that the country had jumped from the frying pan into the fire.

The dictator made himself rich, bought vast tracts of lands, filled them with herds of prize cattle, and administered the law, his law, with a mailed fist. The citizens of Bogotá, better educated and more astute politically than the country dwellers, seized the right moment to turn the tide irrevocably against Rojas Pinilla, and in May 1957 stormed into the streets and marched to the presidential palace shouting: "Get out, Rojas Pinilla! We don't want this government any longer!" The massive antigovernment demonstration so obviously represented the majority sentiment that the dictator resigned his office.

In exile in Spain, Lleras Camargo, leader of the Liberals, and Laureano Gómez, Conservative ex-President, met in conference to find some way to restore sanity to Colombia. They agreed upon a plan known as "The National

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Front," later approved in a national plebiscite, by which for the next sixteen years (1958-74) the presidency would alternate between a Conservative and a Liberal. Both parties would be equally represented in the cabinet and in the Congress. Congressional bills would require a two-thirds majority for passage.

To the amazement of most observers the plan was actually put into effect, and Lleras Camargo, the Liberal, became the first National Front president, 1958-62. Under his intelligent and conciliatory administration Colombia began her tortuous return to the rule of law. In 1959 Rojas Pinilla, the ex-dictator, was brought to trial for having fomented rebellion and subverted the office of the president for his own private gain. By a vote of 65 to 1 he was stripped of his civil rights, his military rank, his army pension, and even his decorations.

In 1962 Guillermo León Valencia, son of one of Colombia's most famous poets, was elected as the Conservative president to replace Lleras Camargo, who had done a bang-up job of financial and land reform. Lleras and Valencia both hit a snag, however, when it came to resettling farm families in the thinly populated regions of Colombia. The "violence" frightened even the old settlers away from their farms.

Valencia was enthusiastically welcomed when he was inaugurated, but his administration was certainly not very spectacular. He belonged to the old school, and strongly recalled the thinking of his father, Guillermo Valencia, a poet whose profound classical interests had enabled him to live and write so well in his ivory tower. His father, for example, in a poem on Popayán, the traditional family dwelling place, referred to it (and we might extend the comparison to include all of Colombia) as "a nostalgic well of oblivion," a town that "is living on silence, past glories, precious gifts, impossible dreams, martyrdom, and pride." Of such elements success in contemporary government is not made, however great the poetry.

The violence continued. Colombia has lost perhaps 200,000 dead during the past four decades through this senseless but compulsive rule of the gun. There have even been several local "peasant republics" proclaimed in the hinterland. The federal army has found it extremely difficult to deal with them, and in 1964 when the armed forces finally crushed the independent republic of Marquetalia the Colombian minister of war found it expedient to travel to the area and hoist the national flag in a symbolic gesture over the territory. These independent peasant republics indicate the degree to which the frustration of the countryside had grown.

A land reform program was worked out as the answer to this malaise. The traditional parties have little real feeling for fundamental land reform, but they agreed to it in public (although many opposed it in private), because they are sufficiently enlightened to realize that they must either introduce reforms of their own making or have other more drastic reforms thrust upon them by an enraged peasant population. At present there is a shortage of peasants capable of running small farms in Colombia. Most peasants simply do not know how

to cultivate a small farm in order to raise what their family needs and at the same time have a surplus to sell in the market. And indeed many of the farms are so small that they make the solution to this problem impossible, even if there were proper agricultural training, willingness, and energy.

For example, in the fertile Cauca Valley 70 per cent of the farmers own plots of less than twenty-five acres in size. These *minifundia* are really too small to support a family and produce a marketable excess. On the other hand, about 70 per cent of the land in the Cauca Valley is held in large plots which the owners are disinclined to work efficiently. Thus at both ends of the spectrum the country finds its land distribution in a wasteful and unmanageable disequilibrium. To alter this would require an almost incredible change of heart in the citizenry as a whole.

In 1966 a Liberal, Carlos Lleras Restrepo, took the place of Valencia. In spite of past experiences the groundswell for land reform gathered momentum, and two million acres of land have been made available in farms of forty acres each for the country's landless rural families. Possibly 75,000 families in all have received their lands. New villages have been established, credit and agricultural aid have been extended, and 1,500 miles of roads have been constructed to provide access to markets. Perhaps at last the eastern two thirds of Colombia where almost no one lived before will slowly begin to move forward. Up to the present this vast region has not really been effective national territory.

Colombia's economic future depends not only on a better land distribution, elimination of the *latifundia* and *minifundia*, but also on a more diversified development, with particular emphasis on cattle and petroleum. At present one worker out of four is connected with the coffee industry. Every one cent change in the price of a pound of coffee in New York means an increase or decrease of between seven and eight million dollars of annual income in Colombia.

Another almost untouched potential in Colombia is the immense forests which cover a large portion of the republic. Geography and tradition handicap both industrial and agricultural expansion. Per capita income stands at \$1,475 a year; poverty and the somber bleakness of village life, interrupted by fits of violence that replace the fiestas and folk rituals of a happier day, make Colombia one of the critical areas of Latin America today.

Colombia still has about 500,000 families without land, and this number is increasing at the rate of 10 per cent a year. The people are apathetic about their government and distrustful of its ability to help them; in the 1966 elections fewer than 30 per cent went to the polls. The National Front, necessary as it was, has greatly lessened interest in political affairs. United States aid has been abundant, and it was hoped that Colombia might become the showcase of the Alliance for Progress, but although \$732 millions in aid were received between 1962-68, the country's per capita gross national product increased only from \$276 to \$296, an annual average increase of 1.2 per cent, while the Alliance for Progress goal was 2.5 per cent.

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Colombia has barely begun to tackle the problems of a more equitable distribution of income, and the national social structure remains basically unchanged. Two thirds of the population are on the margin of the national economy, scarcely participating in any way whatsoever. One product, coffee, still brings in over 40 per cent of the foreign exchange. The number of functional illiterates has increased from approximately five million to six million in the past ten years, because it has been impossible for the very primitive school system to keep up with the increase in population.

Between 1970 and 1980 Colombia improved economically and industrially, but her internal violence continued. President Pastrana-Borrero (1970-74) was barely able to keep things from exploding, and his successor, Alfonso López Michaelson (1974-78), formed a coalition cabinet and strove desperately to restore stability. He had won a landslide victory over his conservative opponent and had the support of the people. In 1975 his government faced widespread guerrilla uprisings and the threat of a general strike called by 100 labor unions representing 100,000 workers demanding a boost in wages. Inflation and low wages continued to gnaw at the best hopes of all Colombians; farm families, unable to eke out a living in the rural areas, poured into the cities in an ever-increasing flood, dumping their children into the city streets to shift for themselves. Teenage thefts and muggings, usually in groups of two or three, made, and still make, the streets unsafe for citizens and tourists alike.

To many rural Colombians a "small" family consists of six children, a medium-sized family of eight to ten, and a large family of twenty. Hundreds of these farm children become street urchins and make life miserable for the city dwellers. Tourists often find themselves being unobtrusively escorted along the streets and in the parks by total strangers of the middle or upper class who are doing their best to protect the foreign visitor. Pickpockets and purse-snatchers operate in the midst of crowds, and frequently thieves present themselves as plainclothesmen offering "protection."

The decade of the 1980s was a very trying period for Colombia. Good men were elected as presidents, but they were unable to control the wave of senseless violence that gripped the country. Julio César Turbay, a Liberal, was inaugurated in 1978, and he was followed by Belisario Betancur, a Conservative, who became president in 1982. Betancur, in his turn, was succeeded by Virgilio Barco who assumed the presidency in 1986. In an effort to curb the violence, Betancur offered amnesty to the guerrillas, but the gesture was futile. Barco, in his turn, also attempted unsuccessfully to restore law and order to a society ruled by unbridled hatreds, frustration, and distrust. In 1987, within a period of only three days, a Bogotá newspaper reported that "43 people were killed on the streets of Bogotá, Cali and Medellín, the three largest cities, assassinated by armed hoodlums who indiscriminately gunned down women, children, beggars, and garbage collectors for fun and target practice." The highly respected news sheet, *El Tiempo*, estimated that in this recent wave of violence at least

850 persons "disappeared." Vigilantes and paramilitaries operate freely, "and not a single person, least of all those in the armed forces, has been prosecuted, let alone convicted."

The original root of this violence was rabid political polarization, but during the 1980s the illicit drug traffic became Colombia's number one problem, affecting all aspects of the national life.<sup>264</sup> The courts have broken down completely, one of the main reasons being the assassination of forty-seven judges who had given some indication of prosecuting the accused drug dealers. The ex-minister of justice, Enrique Parejo González, put it bluntly: "We now have a war to the final extremity. It is a war that we know will be costly in lives and in suffering, but it is a war that we must wage in order to rescue ourselves from those who would turn our nation into a vicious den of cocaine traffickers, of evil men without conscience and with immense power and wealth. The illicit drug traffic in Colombia brings in \$3 billion a year, and has branched out to new markets from Austria to Australia, its profits already surpassing those of our traditional export products, like coffee and oil."\*

Coffee is still the major legal product of Colombia, but oil and gas have recently been discovered in great quantities. In 1987 Colombia produced 380,000 barrels of oil a day, and by 1995 the total is calculated to reach 500,000 barrels daily. Natural gas is even more plentiful. Texaco has discovered a huge gas field offshore and onshore in the Guajira Peninsula, with reserves of three-and-a-half trillion cubic feet. Gas production for 1987 was over 500 million cubic feet a day. Colombia also has huge coal and iron deposits. Potential coal reserves are estimated at 20 trillion metric tons, the highest in Latin America.

Colombian coffee is of the finest quality and sells at a premium in the world market. It is planted in the shade, where there is a steady temperature of close to 70 degrees, beneath orange and banana trees. It has a mild, fragrant, but very full flavor. Recently Colombia has also developed a large export trade in fresh flowers, mainly orchids, that bring in millions of dollars a year. And since 1983 Colombia has been the largest exporter of publications in Latin America, over 20 per cent of which are sold in the United States. In a recent first-run edition of a novel by García Márquez, *Love in the Times of Cholera*, 750,000 hardback copies were printed. Spain and other countries are now sending materials to Colombian publishing houses.<sup>261</sup>

Two other Colombian operations, strictly outside the law, are printing counterfeit United States currency, and processing coca leaves in widespread clandestine laboratories. Approximately 65 per cent of all U.S. counterfeit currency printed abroad comes from Colombia. The national government, with U.S. help, is making heroic efforts to combat the cocaine trade, of which Colombia is the nexus, but many Colombians blame the United States for this drug traffic,

\* In January 1988 the kingpin of the drug cartel, Jorge Ochoa Vásquez, was suspiciously released from jail, and Colombia's attorney general, Carlos Mauro Hoyos, was gunned down by the cartel because of his antidrug stand. This cartel supplies 80 per cent of the cocaine imported into the United States.<sup>259</sup>

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Colombia has one of the highest population growth rates in the world. This is coupled with 100 per cent inflation, huge depressed rural areas with polluted drinking water, and a languishing agriculture. Deplorable shantytowns with no sewers and no electricity surround the largest cities and as a result of these unsanitary conditions there is widespread goiter, venereal disease, intestinal parasites, hepatitis, anemia, scurvy, and pellagra. The eastern half of the country, however, comprising an area more than five times the size of New York state, is almost unpopulated.

Colombia has common frontiers with five Latin American nations: Brazil, Ecuador, Panama, Peru, and Venezuela, for a total of 3,805 miles. Over 60 per cent of these boundary areas is covered by dense tropical jungles. The 1,277-mile border with Venezuela is the hub of an active border trade. There are good highways leading into the interior of both countries, and goods are exchanged freely. The 352-mile Ecuadorean border is rich in timber and oil. Near the Brazilian border other oil fields have been discovered.

In spite of their critical problems the bustling cities of Colombia are among the largest, most modern, and most beautiful in Latin America. Bogotá, Cali, Medellín, Barranquilla, and Cartagena are all impressive cities, despite their shantytowns. The "Unicentro" shopping center in Bogotá contains 365 stores, and is one of Latin America's most modern retail malls. Sears Roebuck and jewelry shops selling fine emeralds stand side by side with "Whopper Drive-in Hamburgers." Bogotá also holds an international trade fair every two years, which draws over a million visitors, and has sales of \$500 million. It is a temporary "free trade zone": allowing duty-free entry of goods. About 70 per cent of the fairgrounds space is occupied by foreign exhibitors. The grounds are only a ten-minute taxi ride from the airport. In spite of all this admirable modernity, however, unless Colombia can find some way to control its violent political polarization and drug production, it may all go down the drain.

Colombia was the only Latin American country to maintain positive economic growth every year during the decade 1980-1990. Over 700 international companies do business in Colombia, with the United States in first place. Chemicals are the largest single area. There is a very strong urban structure in the country despite its relatively small population. Foreign investment is encouraged, and Colombia is no longer a one-crop country. Besides coffee, exports in other areas have grown rapidly: cotton, sugar, bananas, flowers, cacao, fish and crustaceans, textiles, garments, oil, natural gas, chemicals, precious stones, coal, gold, books, and a huge black market in drugs.

Drug barons have become a law unto themselves in Colombia. The Medellín Cartel, centered in the country's large industrial metropolis, has been responsible for the assassination of so many judges that persons of probity are



now reluctant to accept that position. In August 1989 the highly regarded presidential candidate, Luis Carlos Galán, was shot to death in front of a large crowd before which he was to give a speech. It was reported that the cartel had offered \$500,000 to have a "hit" put on this much admired political leader who had spoken out strongly against the drug traffickers. Journalists who took on the cartel were also threatened daily—newspaper offices were blown up, bombings and killings became a daily occurrence.<sup>285</sup> President Barco asked for U.S. help in combatting the well-organized and heavily financed cartel, and helicopters were sent to Colombia for this purpose. It was a drop in the bucket.

Colombia began to allow some of drug traffickers who had been caught to be extradited to the United States, and this did have an effect. The drug barons are deathly afraid of the U.S. courts. The Medellín Cartel had the affrontery to offer to pay off Colombia's entire foreign debt if the government would ease up on them. This offer had many supporters. Not all Colombians hate the drug dealers, because the cartel has doled out millions of dollars to buy and equip children's playgrounds in many poor areas, to provide food and clothing, and in other ways to create good will among the masses.

What most citizens of the United States fail to realize is that the drug problem is clearly a two-way street. Colombians strongly hold to the view that if we in this country would put an end to the selling and buying of drugs, there would be no reason for drug production in Latin America. The drug lords everywhere are well organized and wealthy. Their opposition is sporadic and ineffective. As the decade of the 1990s began, there was little reason to believe that any antidrug program in the United States or Latin America would soon put an end to the drug traffic.

In the presidential elections of 1990 in Colombia, the Liberal candidate, César Gaviria, was chosen to take Virgilio Barco's place as president. Gaviria strongly supported continuing the policy of extraditing drug criminals to the United States, and he was totally opposed to any kind of negotiations or deals with those engaged in the drug traffic. This gave him the dubious distinction of becoming number one on the Medellín Cartel's hit list. He took over the presidential office at perhaps the worst time in Colombian history. During the twelve months prior to his inauguration there had been in Medellín at least 3,000 killings, among them 155 policemen. No one's life was any longer safe. A reign of terror gripped the country in spite of the government's courageous effort to maintain order.

#### ECUADOR

The imprint of García Moreno and his theocracy still lies on Ecuador despite many intervening years of "anticlerical" government. In Quito, perhaps the most picturesque city in Latin America, the churches are still bright with hundreds of burning candles, services seem continuously in progress, and rapt crowds of worshipers, mostly Indianist, sit or kneel in fixed attention until the

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mass has ended. On the street corner outside an Indian will be playing a strange and haunting melody on his Panpipes (*rondador*), and in the market, a real Indian market, produce and bright-colored fabrics are bulging in the stalls.

"The city of churches" has not changed greatly since colonial days, except that now many of her churches are in disrepair and even while the mass goes on, the roof may be leaking as the rain pours down, some of it running along roof and wall to stain the lovely baroque decorations and polychrome statues. This is indeed the land that time forgot, a beautiful and, but one suffused with a great inertia and a great sadness.

Ecuador is South America's most thickly populated country. Only one fourth the size of Bolivia, Ecuador has three and a half million more people. Quito, the old colonial capital, 9,000 feet above sea level, a city "of perpetual spring," prides itself on its glorious past and its lack of insects, while Guayaquil, the country's bustling port, sultry and teeming with bugs throughout the year, with equal pride proclaims its extra quotient of modernity and its receptivity to new ideas. The half-hour trip by air which separates these two leading cities transports a person with startling rapidity between two completely different worlds.

After García Moreno's death in 1875 Ecuador went through twenty years of political turmoil during which effective government ceased to exist. In 1895 Eloy Alfaro, first of a long line of liberal presidents, came to power, and he was the country's strong man until 1912, when he attempted to seize control of the government for a third term unconstitutionally. The army slapped him in prison from which an infuriated mob hauled him and lynched him.

Several other liberal presidents have occupied the presidency during the twentieth century, some good, some bad, and there were also numerous take-overs by the military. In summary and in general one can say that Ecuador's national government has been deplorable. But there have been a few bright spots: Leonidas Plaza Gutiérrez served honorably and well between 1901-5, and was elected to a second term in 1912. His son, Galo Plaza Lasso, who was born and educated in the United States, served an equally honorable and admirable term during the years 1948-52.

During his four years in office Galo Plaza did all that one man possibly could to build up the economy of his country and to modernize its primitive agriculture. The monoculture of cacao, which had been deadly for centuries, was at last abandoned and large areas were planted in bananas and coffee in order to diversify the economy. Each of these two products now brings in more revenue than does cacao. But Galo was always suspect in some quarters of his own country because of his open admiration for the United States.

Galo Plaza was followed by José María Velasco Ibarra, a man who had twice before come to power and had twice been thrown out by the military. Galo's steadying hand had so improved conditions that this time Velasco Ibarra, a real demagogue, served out his four-year term. He had made every kind of promise under the sun, but he did little to help the country. He was an Ecuadorian Huey Long without Long's material accomplishments. The elections of 1956,

however, were apparently honest, and Camilo Ponce Enríquez, a Conservative, became president.

Velasco Ibarra bided his time, and after Ponce Enríquez's term was up in 1960, the old-timer, then sixty-seven, was reelected to a fourth term. The Ecuadorian electorate responded to his trumpeting with enthusiasm, and Velasco Ibarra, Ecuadorian to the core, became widely known as "the National Personification." He did, indeed, personify torrid rhetoric, irrational patriotism, and poor administration. He plundered and deceived the country, and by 1961 things were so bad that the military again took over and Velasco Ibarra fled to Argentina.

His vice-president, Carlos Julio Arosemena, who had often spoken admiringly of Russia, took over the government. Arosemena was an inveterate drunkard, and his administration was a disgrace to the country. In 1962 he visited the United States in order to ask for aid and made a spectacle of himself by appearing drunk before President Kennedy. The inevitable military ousted him in 1963, and for the next five years Ecuador was under military control, but even that control was not stable for the junta itself was overturned by the air force in 1966 after violent student and labor union demonstrations against the government.

Little headway had been made in resolving the critical problems of the country. The treasury was bankrupt, there were endless lists of delinquent taxpayers, state officials operated from cubbyholes piled high with junk and disorderly files, the Indian citizens of the country, constituting about half the total population, were just as impoverished and unproductive as they had been for centuries, and the land problem had scarcely been scratched. This was the situation when the elections of 1968 took place. The nation was unhinged and the people were ready to vote for anybody who would promise to pull them out of the mess.

"The National Personification" was ready to do just that, and so in 1968 Velasco Ibarra, at the age of seventy-five, was elected to his fifth term as president of Ecuador. His promises were golden but undeliverable. He continued to proclaim that Peru had stolen a hunk of the national territory, abetted by the United States, and on occasion he insisted on Ecuador's right to a 200-mile limit when United States fishing ships got too close. By focusing attention on outside "imperialism," Velasco Ibarra reduced the pressure against him inside Ecuador. But it was only a temporary respite, for the old man was undoubtedly the worst administrator in modern Ecuadorian history, and in the summer of 1970 as he faced overwhelming problems with a huge deficit in his budget the army "requested" him to assume dictatorial power. He did.

Velasco Ibarra was probably the last of the old line dictators whose principal appeal was their *personalismo*, their personal magnetism. Velasco Ibarra used to exclaim: "Give me a balcony, and Ecuador is mine!" He could talk his people into anything. But his day finally came when he was deposed for the fifth time by a bloodless military coup on February 15, 1972. The old man lived for

another seven years, the largest turnout

Ecuador continued Jaime Roldós Aguirre as president. This was his first year. Roldós was on a platform of reform against six other candidates. In the runoff of the votes. The former popular to run because he who ran instead a civilian government

During the decade a rapid pace, an increase in wealth was agricultural oil in the Oriente region. A 504 kilowatt plant on the northern coast produced oil a day. This marked the beginning of modern Ecuador, outranking the government of these oil states. The state oil company it bought out Guayaquil industry. Large deposits of oil in the Gulf of Guayaquil

This sudden change in agriculture was not. Roldós became president and many experts predicted six or seven years were carried on by him. There were frequent tensions between these things caused the country, despite

Ecuador's agricultural exports, the export trade, and the country is covered in hands, and the nation. The "huasipungo" is gradually disappearing

another seven years, and when he died in 1979 his funeral attracted one of the largest turnouts in Ecuador's history.

Ecuador continued under military rule until the elections of 1978 when Jaime Roldós Aguilera, Latin America's youngest head-of-state, became president. This was Ecuador's first democratically elected government in many years. Roldós was not a military man, and he won a landslide victory by running on a platform of reform with mild leftist tendencies. He was, however, running against six other candidates, and initially received only 32 per cent of the total vote. In the runoff election that followed he won easily with over 80 per cent of the votes. The most popular candidate would have been Assad Bucaram, the former populist mayor of Guayaquil, but the army would not allow him to run because he was born in Lebanon. It was his nephew-in-law, Roldós, who ran instead and achieved the victory, thus giving Ecuador a long-denied civilian government.

During the decade 1970-80 the Ecuadorean economy continued to grow at a rapid pace, an average of 10 per cent a year. Until 1972 the main source of wealth was agriculture—sugar, bananas, coffee, and cocoa. The discovery of oil in the Oriente selva near the Colombian border changed this almost overnight. A 504 kilometer pipeline was built from this jungle area to Esmeraldas on the northern coast, and by 1973 Ecuador was exporting 250,000 barrels of oil a day. This made it the second largest petroleum exporting country of South America, outranked only by Venezuela. The biggest operator in the development of these oil resources was the Texaco-Gulf combine, but in 1973 the state oil company, Cepe, took a 25 per cent share of this consortium; later on, it bought out Gulf and now owns 62.5 per cent of the nation's petroleum industry. Large deposits of natural gas have also been found in Oriente and in the Gulf of Guayaquil.

This sudden wealth brought with it a rapid rise in the rate of inflation. Agriculture was neglected, and prices rose alarmingly. In 1978, when Jaime Roldós became president, oil exports had declined to 220,000 barrels a day, and many experts were predicting an end to the oil bonanza within the next six or seven years. There was little further exploration, much of which had to be carried on by helicopters, there were several breaks in the pipeline, and there were frequent tensions between the Texaco-Gulf consortium and Cepe. All these things caused a further weakening of the basic economic progress of the country, despite its impressive annual growth.

Ecuador's agriculture, which for many years accounted for 90 per cent of the export trade, is largely underdeveloped. Only 5 per cent of the land is under cultivation, and outmoded methods prevail. Approximately 74 per cent of the country is covered with forest. Landownership is concentrated in relatively few hands, and the masses of people, mostly Indians, still live at the poverty level. The "huasipungo" system, under which the Indians lived and worked as slaves, is gradually disappearing, and cooperatives are expanding. Serious attempts are

being made to improve the conditions of the Indians without destroying their ancient cultural values, but the process is hard and long. Only half of Ecuador's children attend school, and more than 30 per cent of the total adult population is illiterate.

Aside from the lovely colonial churches and convents of Quito, Ecuador's Indian markets are equally great tourist attractions. The small town of Otavalo, 121 kilometers north of Quito, is noted for its picturesque Indian fair which is held every Saturday. Indian woven goods of wool with beautiful colors and designs have long been an appealing buy at this fair. But even in Otavalo things have changed. Under the pressure of tourist purchases prices are no longer low, the weaving is not particularly good, and many ponchos are now being made of orlon instead of wool.

Ecuador is a magnificent country geographically. In the southern sierra the Pan American Highway climbs to a height of 10,500 feet at Tinajillas Pass. From the summit there are magnificent views to the west and east, where towering mountains are marked by huge cloud banks. The road then descends sharply into a warm valley past cane fields before rising again on the other side. Here live some of the most interesting Indians of the country, dressed all in black. The women wear necklaces of colored beads and silver *topos*, ornate pins fastening their shawls.

Two outlying regions of Ecuador are of special interest, the tropical jungles near the border of Brazil, and the Galápagos Islands, several hundred miles off the western coast. In the Amazonian selva there are regular excursions on a "Flotel," which sails down the Napo River. This small ship bears the name *Orellana*, after the first explorer of the area. In this small area there are nearly 500 kinds of trees, teeming wildlife, brilliantly colored giant butterflies, and exotic tropical flowers. Francisco Orellana was the first Spaniard who came to this region in 1541 in search of gold. He and his men made a boat of logs and sailed all the way down the Napo into the Amazon and to the Atlantic, a distance of over 3,000 miles. En route they were attacked by an Indian tribe whose women did most of the fighting. Orellana, recalling the Amazons of ancient Greek tradition, referred to them with this word, and thus he also gave the river its name.

The Galápagos Islands are unique in this world. It is possible that they were never connected with the mainland, for half the plants and almost all the reptiles are found nowhere else on earth. When Charles Darwin arrived here in 1835 he was fascinated by the flora and fauna of the islands, and his studies of them helped to confirm his theory of evolution. The animals show little instinctive fear of man. Giant tortoises weighing 200 pounds with a life span of 200 years may be seen side by side with huge lizards that are close relatives of the ancient dinosaurs. Many strange and beautifully colored birds also live on the Galápagos. There are regular excursions from the mainland, and Pacific steamers often stop at the islands allowing tourists to have a short visit.

President Roldós was succeeded by his vice-president in 1984, he then became a political adversary, a consequence of congressional elections and the Ecuadorean parliamentary stalemate. Febres did a lot to improve off diplomatic relations and took various actions in Ecuador.

Febres was hamstrung when oil prices collapsed overnight.

In the fall of 1988 he was elected president, and he urged his countrymen to tighten belts and devaluated the currency. The currency had risen to 60 per cent of its value, he said. "Our country is in a crisis: Ecuador was on the verge of bankruptcy, the masses were destitute, the oil pipeline, and oil prices were empty treasury. The president had to pay off, and gradually I hope to improve fast enough to be turned against the government."

Economic conditions in Ecuador are precarious because of the country's dependence on cacao, rice, tagua, oil, and other exports. Inflation and unemployment are high. Ecuador is precarious because of the military still hold onto a lot of power. It is an opportunity for Ecuador faces at the present time is a bag of feathers.

The face of Peru has changed since 1980 her population has increased, influx of immigrants from other countries. The land problem is a major problem of the good arable land.

President Roldós was killed in an airplane accident in 1981 and was succeeded by his vice-president, Osvaldo Hurtado Larrea. When Larrea's term was completed in 1984, he turned the office over to León Febres Cordero, his political adversary, a conservative, who had defeated him at the polls. In the congressional elections a few months later the opposition party won control of the Ecuadorean parliament, and Febres Cordero's administration reached a stalemate. Febres did affirm his friendship with the United States, and broke off diplomatic relations with Nicaragua, accusing that country of subversive actions in Ecuador.

Febres was hamstrung throughout the last years of his presidency. Under him oil prices collapsed and the country went from boom to bust almost overnight.

In the fall of 1988 Rodrigo Borja, of the Democratic Liberal party, was elected president, and Ecuador took a dramatic turn to the left. Borja asked his countrymen to tighten their belts; he increased gasoline prices 100 per cent and devaluated the currency 35 per cent in order to curb the inflation which had risen to 60 per cent a year. "We all have to endure a time of sacrifice," he said. "Our country faces a formidable crisis." He had a hard task before him: Ecuador was on the verge of bankruptcy. Prices had risen sky high and the masses were destitute. A severe earthquake in 1987 had wrecked thirty miles of oil pipeline, and oil profits had temporarily sunk to almost zero, leaving an empty treasury. The president's program of austerity, however, did begin to pay off, and gradually Ecuador showed signs of improvement. But things did not improve fast enough for the Ecuadoreans, and popular sentiment soon turned against the government.

Economic conditions in Ecuador have always swung wildly up and down because of the country's excessive dependence on the main crops of bananas, cacao, rice, tagua, oil, coffee. In the 1980s a new industry, shrimp raising, took root and grew by leaps and bounds. Shrimp is now the second largest export product. Inflation and the cost of living are high and the overall future of Ecuador is precarious and unpredictable. The wealthy land barons and the military still hold onto a benighted concept of government, and are always waiting for an opportunity to take control. In reality, the staggering problems that Ecuador faces at the present juncture make the burden of Sisyphus look like a bag of feathers.

#### PERU

The face of Peru has changed visibly since World War II. Between 1950 and 1980 her population increased by over 100 per cent. There was a sizable influx of immigrants from Europe, adding considerably to Lima's cosmopolitan flavor. The land problem remains acute, as Peru's "forty families" still own most of the good arable land. Industries have expanded, roads and schools have been

built, and in recent years the massive problems of the slums and of the Indians have begun to attract national attention. Politically Peru has struck a precarious balance between military dictatorship and constitutional government, never staying for long on any one course. Leadership has been inept and erratic, and the cleavage between classes is still abysmal.

Geographically the country is a far cry from a cohesive economic unit. The narrow coastal strip 1,400 miles long contains only one ninth of the national territory, but holds 35 per cent of the population. This area is natural desert, but irrigation has turned it into productive farmland. Over a million acres are watered from the flow of the fifty rivers that come down from the mountains to the Pacific.

The Sierra (average elevation over 12,000 feet) contains 26 per cent of the land and 55 per cent of the people. This is Indian Peru, enigmatic, unproductive, hostile, cold. Lands on the other side of the Sierra, the Selva, the forested eastern slopes of the Andes, and the tropical jungle lands beyond, make up 62 per cent of Peru's national territory, and hold only 10 per cent of the population. This area is not yet an effective part of the nation. Isolated, unpopulated, but rich in natural resources, the Selva's potential is enormous. It contains great reserves of timber, much potentially productive farm and cattle land, and very probably mineral and oil deposits of incalculable value. Roads and airlines are at last beginning to penetrate this hitherto inaccessible and untapped reservoir on which so much of the nation's future depends.

Peru has the potential of becoming a great nation. It is twice the size of France, and properly developed could support twice the population, close to a hundred million. But so far the lack of population, and especially the lack of an integrated population and of an effective political and economic development, have kept the country in its colonial straitjacket. Peruvian politics have been anything but serene during the recent decades, and on the several occasions that a brave try was made at constitutional government every effort to broaden the political base was met with violent action on the part of the ruling caste and the military.

Since World War II Peru has had some brilliant and some mediocre presidents, but only those who walked the tightrope have been permitted to serve out their terms, for the army sits restively in the wings. Manuel Prado, Peru's first civilian president, occupied the office during the crucial World War II years (1939-45). He guided his country toward financial solvency and civilian rule, moved into alignment with the Allies in the war, visited the United States where he was honored, feted, and given an honorary university degree, received large-scale United States financial aid to build up his country and to improve its military establishment, and in general did a creditable job of holding Peru together in the face of the European threat, without, however, attacking any of its fundamental problems.

Prado allowed Haya de la Torre, famous Aprista leader, to return to Peru, where he lived more or less under house arrest. Nevertheless, Haya's party increased its popularity among the people and, in view of world conditions,

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revised its ideological position. Under Haya's coaxing it changed from a strongly anti-United States party to one which saw in hemispheric cooperation and massive development the solution to most Latin American problems. APRA now admitted the need for United States capital to develop the untapped natural resources and semicolonial economies of the area.

Peru's next President was José Luis Bustamante, who was elected with strong APRA support in 1945. Haya was not allowed to become an official candidate, but after the elections he was in fact the power behind the presidential chair. Apristas occupied important cabinet and other influential posts, while Bustamante assumed the presidency. This strange alliance was ineffectual, not only because of its unnatural quality, but because the edgy military observed every political move with a jaundiced eye and stood absolutely opposed to any drastic reform.

Bustamante's government hardly had a chance. An anti-Aprista editor was slain, there were flurries of rebellion in Callao, APRA was blamed for it all, and the forty families became anxious. Their answer, as usual, was to clamp down. In 1948 General Odría headed an army coup and seized control. Odría ruled for two years as dictator, and then in 1950 he was duly elected to serve another six years. His eight years in power signified the return of Peru to the establishment. Apristas were arrested wholesale and thrown into prison. Haya took refuge in the Colombian embassy in Lima and remained there for five years, 1949-54.

Odría had the case taken before the International Tribunal in an attempt to extradite him, but the attempt was ineffectual; finally an agreement between Colombia and Peru was reached and Haya was permitted to leave for Mexico. He also visited and lectured in the United States, and on one occasion I spent a fascinating afternoon and evening in conversation with him. The gist of his thoughts might be telescoped in two or three sentences: his primary objective was no longer to take from the "haves," but was to increase production by continuous effort. Then there would be plenty for all. He called for unstinting work, not violence. Peru's untold and untapped potential could only be developed and put to use through foreign (that is, United States) aid, and his country desperately needed land reform so that the landless Indians might at least be able to live as human beings.

Peru also desperately needed constitutional government, without which progress would be unnecessarily painful and erratic. Haya swore that his own party, APRA, which he was firmly convinced enjoyed majority support in Peru, would never take control of the country via a coup, for such an act would be both self-indicting and self-defeating. APRA had always stood for ballots and not bullets. Men of good will could solve any problem if they would only work together. Haya called for a concerted effort in the Americas, and he hoped that APRA would be the mainspring of this new turn of events. He was a man born before his time.

Haya spoke modestly and sincerely, his optimism was almost romantic, but there were some who called him an opportunist because of his about-face in



regard to economic imperialism. Be it said in passing that Haya thrice had the government of Peru in his hands, and three times he let it slip away rather than call on the populace for armed support. Political fraud and the army defeated him, but he believed that those who live by the sword die by the sword, and Haya saw no future in that way of life. However, if Haya's personal political philosophy was intelligent and idealistic, the political behavior of the Aprista deputies and cabinet ministers during the periods they have held positions of power was anything but intelligent. Their political know-how was close to zero.

Another nostalgic recollection comes to mind concerning ex-President Bustamante, who lost his office as a result of General Odría's coup in 1948. Bustamante fled to Spain, where he lived in a state of poverty and desperation. At the time, I was Chairman of the Department of Spanish at the University of California, Los Angeles, and I received a pathetic letter from Bustamante in which he said that a graduate student of ours, a lady from Peru, had told him that we might need a professor of Spanish, and that he would be eager to accept the position, at whatever salary. He pointed out that he was still the "constitutional president of Peru." There was no position available even for Bustamante. How quickly the gods can fall! One moment the president of Peru, and the next seeking a job as a teacher of Spanish.

General Odría ran Peru until 1956. His motto was "Order and Progress," and he did deliver a modicum of both, but the source of Peru's indescribable poverty and ineradicable desperation was not even touched. The facade went higher, wider in order to conceal the national affliction. In 1956 Manuel Prado was again elected president, and this time APRA supported him with many votes, because the opposing candidate, Belaunde Terry refused to make any deal with the Apristas. Inflation set in, and prices soared.

In 1958 Vice-President Nixon, on a Latin American tour for President Eisenhower, was loudly booed at the University of San Marcos in Lima. Anti-United States animus was beginning to focus on our "official" representatives. Later, in Venezuela, Nixon and his wife were spat upon as an angry mob followed his car down the street hurling insults, and wielding rocks and clubs despite the heavily armed military escort. Pérez Jiménez, dictator of Venezuela, had just been ousted by a military coup, and many Venezuelans were incensed on recalling his warm treatment by United States officialdom. Venezuelan Communists found in the nation's misery a flame easy to focus on Yankee imperialism.

In 1962 there were three principal candidates for the presidency of Peru: Haya, Belaunde Terry, and Odría. They came in in that order, but none of them received over one third of the votes, which was necessary for election. Haya made a deal with his archenemy, Odría, when Belaunde again refused to come to terms with him. Odría was to become president while the Apristas were to control the cabinet. According to Peruvian law, Congress should have chosen which man was to be president, and Haya, who had received a larger

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percentage of votes than either of the other two candidates, was the logical choice. But the military, as everyone knew, was adamantly opposed. Hence these devious dealings, which did not fool the generals for one moment. An army contingent marched on the palace, arrested seventy-three-year-old President Prado (who was *not* their real target), and took over the government. Haya, clearly, was not to be permitted to get his hands on the reins of power.

This time conditions deteriorated rapidly and the army government soon fell apart. Between two and three thousand opponents were jailed and held for months without trial, but the general unrest continued unabated. The junta even tried to work temporarily with the Communists who, like they, were eager to crack down on the Apristas. As usual the Communists took every advantage of this opportunity and infiltrated the Peruvian labor unions, occupying many key positions.

The junta did make good on one of its promises: elections were actually held in June 1963, as scheduled, and this time the three-way race came out as follows: Belaunde Terry 39 per cent of the votes, Haya 34 per cent, and General Odría 26 per cent. Belaunde Terry was duly installed in office, and despite an unnatural alliance between Odría and Haya, who appeared driven together by circumstances, the new president ensconced himself precariously in the driver's seat and began to guide his cumbersome coach-and-four straight down the road, a cautious fraction left of center. In Peru even this was revolutionary. In the United States it would be regarded as middle-of-the-road politics. We have long had government participation in the social and economic order at a level that would make Peru's forty families shudder.

Belaunde made a courageous attempt to understand and to help the impoverished and depressed Indian half of Peru. He visited the native villages, saw at firsthand their problems, and began a poverty aid program which might have worked if he had had the support of two essential elements: (1) the United States foreign-aid program, and (2) the backing of the Peruvian military, which had helped put him in office. Unfortunately, he had neither, and herein lies a great tragedy both for Peru and for the United States.

The most obvious, but certainly not the only cause of Belaunde's failure, was his unsuccessful attempt to resolve the long-standing dispute between the Peruvian government and the International Petroleum Company, a subsidiary of Standard Oil of New Jersey, an old Rockefeller interest. Before his election Belaunde had promised to settle the problem within ninety days. He was unable to do so within five years, but not all of the blame was his.

The dispute centered on the La Brea oil field near Talara in northern Peru, and did not concern the other interests of I.P.C. The La Brea field, indeed, was producing only about half as well as it had in its peak years, and its yield was steadily decreasing. I.P.C. owned half interest in the more productive Lobitos field, had a large refinery at Talara, and controlled the sale of 55 per cent of the gasoline sold in Peru. It also had excellent prospects of getting

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concessions to drill in the jungle lands east of the Andes, where Mobil Oil has already invested twenty million dollars. Now that things have gone sour the I.P.C. will be lucky to hold onto anything of value in Peru.

The trouble began almost half a century ago. The International Petroleum Company had bought the disputed La Brea field in 1924 from a British oil company under circumstances which Peruvians have never considered legal. The area in question had been under litigation for some time when British and Peruvian representatives met with the president of the Swiss Federal Court and reached an agreement giving the British ownership.

This arbitration granted the owners a privileged tax status and took place under the Augusto Leguía dictatorship. It also happened to be at the time Harding was President of the United States and the Teapot Dome Oil scandal was shaking this country. The Peruvian government has never considered the arbitration agreement as binding, and the I.P.C.'s operations at the La Brea field have been a bone of contention between Peru and the American company ever since.

When Belaunde became president in 1963 he made every effort to resolve the problem. He offered I.P.C. concessions to expand its interests in other areas in return for a settlement concerning La Brea. The oil company, being a business and not a government agency, took a hard legalistic line in order to protect its interests. For years it had been paying the highest wages in Peru and its housing facilities for workers had evoked from Belaunde himself before he became president this injudicious remark: "If this is imperialism we need not less but more of it." But on the other hand, the I.P.C. had constantly applied its considerable weight to various Peruvian governments to improve its corporate position. Peruvians claim that it also "bribed ministers, corrupted governments, and promoted revolutions." At the very least the I.P.C.'s public relations left much to be desired, while Belaunde's continuing delay in reaching a settlement was rapidly raising the dander of his supporters.

The government of the United States, which should have used its formidable influence to bring the two divergent points of view together, chose instead to cut off practically all aid to Peru in an effort to pressure that country into a settlement favorable to I.P.C. This policy continued for five years. It was never announced officially but was the result of a deliberate standstill in all aid ventures in Peru. Schools, roads, water supply systems, and countless other projects receiving United States aid were stopped dead in their tracks. Peru's poor masses, who had never even heard of I.P.C., were the ones who suffered. Meanwhile, passions mounted among the Peruvian ruling caste, and when finally the two sides did come to terms it was too late. Both Belaunde and the United States Department of State had lost their chance. Peruvians regarded the final agreement as a sellout and were deeply frustrated.<sup>194</sup>

A military coup, headed by General Juan Velasco Alvarado, October 3, 1968, ousted Belaunde, he was put on a plane bound for Buenos Aires, and the La Brea field was expropriated by the junta. By this time anti-Yankee sentiment was so strong that General Velasco had the support of the great

majority of all Peruvians. Velasco right hailed the expropriation as the oil dispute bee and looked like a savior. It was one thing neither Velasco nor the circumstances. Or caused APRA to v

I.P.C. then denigrated. Velasco responded by handing over to his government. In forty-four years of Peruvian history and Peru then squandered two hundred-mile of the Hickenlooper cut off all aid to a prompt and adequate Union and entered

This dispute became in South America the gravest international problem. The government, united in feeling all over Latin America in the very bad light of the elected Latin American North American Neighbor Policy. In a word, it operates independently of Latin American or soothing state. An American I.P.C. problem that

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majority of all Peruvians in the action he had taken. The left as well as the right hailed the expropriation. No one knows what would have happened had the oil dispute been settled earlier. Perhaps APRA was rapidly gaining strength and looked like a sure winner in the forthcoming 1969 elections. This was the one thing neither the generals nor the forty families would permit under any circumstances. On the other hand, it was Belaunde's failure as president which caused APRA to win increasing support among the people.

I.P.C. then demanded compensation for the property taken over and General Velasco responded that Peru would gladly pay compensation if first the I.P.C. handed over to his government the \$690 million of profits made during their forty-four years of illegal operations in the La Brea field. The United States and Peru then squared off. Peru seized fishing boats which came within the two hundred-mile limit (the United States recognized a twelve-mile limit), and the Hickenlooper Amendment required that the United States automatically cut off all aid to a country expropriating United States-owned property without prompt and adequate compensation. In retaliation Peru recognized the Soviet Union and entered into a trade agreement with that country.

This dispute between Peru, long one of the best friends of the United States in South America, and the International Petroleum Company, at once had the gravest international consequences. It helped to unseat a constitutional government, united Peruvians behind a junta regime, increased anti-United States feeling all over Latin America, placed the United States Department of State in the very bad light of attempting to compel a sovereign and constitutionally elected Latin American government to come to favorable terms with a private North American corporation. Net result: the good intentions of both the Good Neighbor Policy and the Alliance for Progress were suddenly brought into question. In a word, all this "is the result of the American corporate presence, which operates independently of American foreign policy, but has more to do with Latin American attitudes than any speech by the President, or any white paper or soothing statement from the Department of State."<sup>193</sup>

An American analyst who has probably probed more objectively into the I.P.C. problem than anyone else in this country stated that the episode fortified

... those who claim that the United States is more concerned with its business interests than with the welfare and freedom of its sister republics. Many events and forces have contributed to these results, but our policy toward Peru was among them. It was, therefore, a policy damaging to our self-interest and harmful even to American investments.

It didn't work, and if it had succeeded the price would have been high. For we have interests in Peru far more significant than protection of the relatively small investments of Standard Oil. Among them are the social and economic progress of the Peruvian people, the strengthening of democracy, and the encouragement of political forces congenial—but not submissive—to the United States.<sup>194</sup>

Another North American analyst of the situation concluded that "Velasco's was a dazzling performance, a policy run on little more than opposition to the

United States." To the extent that this is true it represents the failure of our Department of State to fulfill its primary mission, which is to maintain the good will of foreign peoples, to aid the forces of democracy when it is able to do so, to improve the lot of those who are less fortunate than we, most particularly in our own hemisphere, and especially to follow the course which will best serve the long-term interests of the United States. It achieved none of these things.\*

If the International Petroleum Company represents one of the more unhappy North American ventures in Latin America, the Vicos community experiment symbolizes one of the most promising. Vicos probably represents the greatest return on any investment ever made by the United States in Peru, not a return in money, to be sure, but a return in human redemption and good will, an even greater reward.

The Vicos Indian community is situated in the Andean Highlands of northern Peru. Its 37,000 acres of land extend from an elevation of about 9,000 feet to an elevation of some 14,000 feet. The pass eastward leads to the lower hills that are dotted with mines; the way out westward is frequented by mule trains bearing silver and lead. Vicos itself, however, is an agricultural community. In 1594 the Viceroy of Peru sold "the land of Vicos and all the Indians on it" to a Don Fernando de Colonia for 300 pesos and 9 reales. From that year to 1952 the Vicos domain passed from owner to owner and from owner to renter. In 1952 an American, Allan R. Holmberg, professor of Anthropology at Cornell University, rented the parcel and its inhabitants for a five-year period.

Vicos was owned by the Public Benefit Society of Peru, which owns over three thousand similar communities in the Andean Highlands. The Public Benefit Societies are responsible for running the local hospitals. They lease out Benefit properties in order to obtain necessary operating funds. The renters or leaseholders are free to make as much for themselves as they can, but Vicos had never been a very profitable community. The renter just before Holmberg had gone bankrupt trying to grow flax and weave linen cloth in a nearby textile mill.

Holmberg had a \$100,000 grant from the Carnegie Corporation to study life in these highland communities, and when he learned that Vicos was up for rent, the opportunity seemed too good to pass by. However, he was reluctant to become the sole leaseholder, for he knew that a gringo landlord might arouse all kinds of Peruvian antipathies, so he persuaded Dr. Carlos Monge Medrano, President of the Institute of Indian Affairs in Lima, to come in with him and act as front man. Monge Medrano was a specialist in the biology of the Andean Indian, and was also one of the most distinguished physicians in Peru. Monge

\* In June 1970 the highlands of Peru were hit with a violent earthquake which toppled whole villages, destroyed dams, inundated the countryside and resulted in 60,000 dead and incalculable economic loss. U.S. planes and helicopters immediately helped to bring food and medicine and Mrs. Nixon visited the stricken area. An estimated 800,000 were left homeless by the quake. Tons of Soviet supplies were also sent to Peru.

Medrano took care of Holmberg, with his down adobe house or drinking water was equally primitive of 380 Indian families.

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Medrano took care of the legal and political details of the arrangement, while Holmberg, with his wife and three children, established themselves in a run-down adobe house on the Vicos hacienda plaza. The place had no plumbing, drinking water was drawn from a nearby irrigation ditch, and everything else was equally primitive. In this adobe hut Holmberg became the absolute boss of 380 Indian families, consisting of about 1,700 persons.

The head of each family owed him three days of work each week, doing whatever he told them to do. The wives and children also owed him personal services as cooks, maids, grooms, repairmen, shepherds, and the like. The best fields of the community, along the Santa River, were his, and all produce from them went to him. The Indians on their free days would be allowed to cultivate the less productive rocky soil at higher altitudes. Tradition decreed that the owner or renter of the domain seldom appeared in person among his Indians, but when he did he was privileged to be carried around on their backs. In fact, it was customary for upper-class Peruvians to refer contemptuously to the native Indian as "the animal that resembles man."

The natives of Vicos held no secular or political power whatsoever. For centuries the only collective aspect of their lives under their own control were the religious celebrations, and as a result they had become utterly inept in social organization or action. Their lives were poor, static, hopeless, and they distrusted their landlord absolutely. Holmberg obtained the aid of Peruvian anthropologist Mario Vásquez to break through this wall. With Vásquez as speaker at the weekly meetings which Holmberg held with the heads of families, meetings held formerly only to tell the workers where to go and what to do, they began to discuss the real problems of Vicos. As evidence of his good faith Holmberg publicly gave up his right to personal services and further decreed that all profits from his own river fields as landlord would become the community's cash balance, which he hoped would someday be enough to help Vicos buy itself back from the Public Benefit Society.

Slowly the Indians came out of their shells and began to take an interest in tilling Holmberg's fields. The professor taught them how to produce more and better potatoes at less cost by using superior seed potatoes, more efficient planting methods, fertilizer and spraying. After seeing the increased harvest the Indians began to use these improvements on their own lands, and output jumped so dramatically that Vicos not only was able to feed itself better than ever before but had a large surplus of potatoes to sell in the urban market. Cash began to accumulate. Profits from Holmberg's fields were used to build a new school, the best rural school in Peru. The Indians of the community made up a slogan, *Se cambiará*, "things will be changed," and the spirit of the village began to improve.

Filled with a new sense of pride and accomplishment they elected a council of ten to organize and govern their community. By 1962 Vicos had enough money saved up to negotiate buying its independence, but by this time things were going so well that the Public Benefit Society was reluctant to close the

deal. It happened that Edward Kennedy was in Peru at this juncture, and after a visit to Vicos he was so deeply impressed by what had already been accomplished that he spoke warmly in the community's behalf to government representatives in Lima. These people put pressure on the Benefit Society and negotiations were favorably concluded. Vicos had at last purchased its own independence. Indians in the surrounding area had watched the whole drama unfold with mounting enthusiasm, and the Vicos community development program quickly spread to nine adjacent communities, while the idea itself has sent arrows of hope out into all corners of Peru.

One interesting aspect of the Vicos development was that when it began to make real progress all of those connected with it were called "Communists" by the big landowners nearby. On the other hand, the Communist party in Peru not only showed no sympathy with the project but actually denounced the whole idea as just another capitalist deceit. Evidently, the Peruvian Communists realized that every such success would diminish by just that much their own chances of stirring up trouble.

Total cost of the Vicos project in United States dollars was small. The \$100,000 provided by the Carnegie Corporation provided salary for a Cornell professor for five years, enabled seventeen hundred Peruvians to move out of slavery into independence, and immediately affected at least five to ten thousand additional Peruvians in adjacent communities. Subtracting a nominal salary for Holmberg for five years we might conclude that \$50,000 made possible the means of freedom for at least five thousand people, which would be at a cost of ten dollars per head. Such people-to-people projects are the cheapest, the best, the most certain way to help those who live in the poverty-stricken areas of Latin America.

In the long run, this is the only kind of improvement that will endure, because it strengthens the character of the people themselves. It would not be difficult to imagine what such a program might achieve were it applied to all of the enslaved communities in the Peruvian Highlands, then to Bolivia, and finally to Northeast Brazil. If fifty million of the poorest and most desperate people were helped in this way the total cost would approximate one billion dollars, or one fifth the amount of United States aid to the small island of Taiwan (Nationalist China), and of course a much smaller fraction of the many billions representing the cost of the war in Vietnam.

Velasco's military government had strong socialistic overtones. It took a cue from Vicos and another from Cuba and tried to radically restructure the Peruvian economy. Seventeen million acres of lands were expropriated and distributed among 300,000 peasants. Fidel Castro looked on from the sidelines and gave General Velasco his warmest endorsement. Up to this time Castro had abhorred all Latin American military governments, and they abhorred him. But now that the Peruvian generals were nationalizing the big estates, expropriating foreign industries, and destroying the local oligarchy, they got his

enthusiastic approval. Of the road to total socialism

For a few years Velasco's activity and a great building the land takeover stimulated the andean pipeline, the con clinics, a broad welfare program was also purchased. sion and modernization, a sprang up, the builders' finances began to be very on loans which the government having to default on her part

Inflation increased rapidly up 30 per cent, gasoline prices in protest. The government program for the country was more conservative in a bloodless coup. There was into a quagmire and had to Bermúdez was to drop all to make the government

Nearly one half of the employed. A gallon of gas previously, a cup of coffee electricity four times as much. Approximately 85 per cent fortunate lived on a diet and wheat.

The huge shantytown gives some indication of land 300,000 people live lumber, tin sheets, and gave the first settlers of the welfare and slum model in the needs of the improvement program also threw 65 per cent. Many of the women earn in the market, but most are rampant, and over 50 income per month for each

In 1980, in the first free president for a second time

enthusiastic approval. Of course, he viewed them as only a transition step on the road to total socialism.

For a few years Velasco and his supporters enjoyed a burst of economic activity and a great building boom. Oil profits and the ego surge touched off by the land takeover stimulated a wide range of public works, including a trans-andean pipeline, the construction of many public buildings, roads, schools, clinics, a broad welfare program, and so on. A great amount of military equipment was also purchased. Peru borrowed heavily in order to pay for this expansion and modernization, and the cost was great. A vast government bureaucracy sprang up, the builders had soon overextended themselves, and the national finances began to be very shaky indeed. There was already a debt of \$5 billion on loans which the government had received, and Peru was on the verge of having to default on her payments.

Inflation increased rapidly, and prices skyrocketed. The cost of food went up 30 per cent, gasoline 50 per cent, and there were repeated riots and strikes in protest. The government imposed a state of siege, and decreed an austerity program for the country. In 1975 General Francisco Morales Bermúdez, who was more conservative in his social and political philosophy, seized power in a bloodless coup. There was no resistance because Velasco had gotten himself into a quagmire and had lost all public support. One of the first acts of General Bermúdez was to drop all the Marxists from his cabinet, and then to seek ways to make the government more solvent.

Nearly one half of the national labor force was unemployed or underemployed. A gallon of gasoline now cost ten times as much as it had five years previously, a cup of coffee six times as much, a bus ride five times as much, electricity four times as much, and the cost of clothes had more than doubled. Approximately 85 per cent of the population was classified as poor. The more fortunate lived on a diet of soup, beans, peas, fish, potatoes, rice, bananas, and wheat.

The huge shantytown of El Salvador (The Savior) on the outskirts of Lima gives some indication of how bad conditions still are. Here on a plot of arid land 300,000 people live in 30,000 tiny huts made of adobe, stucco, scrap lumber, tin sheets, and oil cans. The leftist government of General Velasco gave the first settlers of this colony water, electricity, and a clinic, but when the welfare and slum modernization programs were cut this barely made a dent in the needs of the impoverished and rapidly growing community. The austerity program also threw 65 per cent of the workers of El Salvador out of their jobs. Many of the women earn a pittance by cooking, washing, and selling things in the market, but most of the men are not working. Malnutrition and disease are rampant, and over 50 per cent of the people have tuberculosis. The average income per month for each family is about \$35.

In 1980, in the first free elections in fifteen years, Belaunde Terry was elected president for a second time. Educated in the United States, this intelligent and



compassionate leader made every attempt to carry out a program of agricultural reforms and public works, but only a few months after his inauguration there was a severe drop in the price of oil, copper, and silver, three of Peru's principal exports, and these reforms had to be curtailed. Another obstacle to progress was the emergence in Peru of a Maoist terrorist group, the Shining Path, which launched, and has continued, a witless campaign of destruction and assassinations throughout the country.<sup>260</sup> One night in Lima (the city's Black Night) members of this group assaulted public and private buildings in the capital with gunfire and incendiary bombs. Losses in property were calculated to be \$250 million. Several thousand people were arrested, but terrorism still continues in Peru at a frightening pace.

In 1986 Belaunde Terry was succeeded by Alan García, a young charismatic APRA leader whose popularity at last brought that party into power with a smashing victory at the polls. Alan García faced widespread terrorism and almost insurmountable economic problems. First of all, under Peru's depressed economic conditions the nation's foreign debt of \$14.7 billion became an unmanageable burden. Alan García attempted to meet the crisis by limiting repayment of this debt to 10 per cent of the annual profits from Peru's foreign trade, and by making some payments in goods rather than in cash. But there was another problem of even more grave proportions: both internal and foreign capital, fearing the risk of investments in Peru, fled the country in steadily increasing numbers. The president, confronting this situation, decided to nationalize all banks and savings-and-loan companies, thus at least making it impossible for further internal capital to escape. This infuriated Peruvian financial circles, and the two sides squared off for a fight to the finish.

Strangely, the leader of the opposition was Peru's most famous living writer and internationally famed novelist, Mario Vargas Llosa, who called the proposed nationalization a harebrained scheme of the first water. Vargas Llosa pointed out that if the programs were carried out it would create a bloated, corrupt, and powerful federal bureaucracy "undermining our fragile democracy to such a degree that it would surely crumble. A totalitarian threat is hovering over our country."

Vargas Llosa was telling the sad truth about his country's predicament. Alan García had been inaugurated president with jubilation, and a surge of idealism and hope was felt throughout Peru, but as his term neared its end the president faced a nation that had literally fallen to pieces. The economy was paralyzed; the terrorists, who had killed at least 12,000 people, controlled one third of the national territory, and were making serious plans to close in on Lima itself. Inflation rose to a catastrophic 2,000 per cent, real income declined by 50 per cent, and in 1988 alone an estimated 150,000 despairing Peruvians left the country. Paramilitary groups added to the general breakdown of authority, and in many parts of Peru unemployment reached 40 per cent. Violence and instability became a way of life. A real crackdown on terrorism never got under way. The Shining Path was not actually winning this war, the government of

Alan García was losing it. It enabled this small, dedicated majority.

As the elections of 1990 the presidential ring, and sure thing. Vargas Llosa had try's insufficiencies and to t an extremely intelligent per to a pragmatic, middle-of-the centrist, rightist, intellectual; inexperienced in politics, a nation, a bankrupt econorr entrenched terrorist opposi voted for him. The only w his side were the military a

Then, unexpectedly, thr unknown dark-horse candi mori, an agricultural engin to-earth quality as a speak underdogs. Not being very all well-known politicians. Fugimori was born and ed country's strong caste syster Vargas Llosa's élitist conne position often referred to h angled and helped his case

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The puna or altiplano, th land in the heart of South one of Latin America's tw

Alan García was losing it. The mystique of a compact, well-organized minority enabled this small, dedicated group to terrorize a much more numerous majority.

As the elections of 1990 approached, Mario Vargas Llosa threw his hat into the presidential ring, and at first most Peruvians thought his election was a sure thing. Vargas Llosa had pinpointed and called public attention to his country's insufficiencies and to the government's inability to deal with them. He is an extremely intelligent person, who has swung from a youthful far-left position to a pragmatic, middle-of-the-road today, with most of his support coming from centrist, rightist, intellectual, and aristocratic groups. But he was a candidate inexperienced in politics, and if elected president he would have faced a divided nation, a bankrupt economy, a huge foreign debt, an empty treasury, a well-entrenched terrorist opposition, and a lackadaisical support from those who voted for him. The only well-organized elements in Peru which might be on his side were the military and perhaps the Catholic church.

Then, unexpectedly, three or four months before the elections, a new and unknown dark-horse candidate burst suddenly on the scene—Alberto Fujimori, an agricultural engineer and university president. Fujimori had a down-to-earth quality as a speaker and he persuasively espoused the causes of the underdogs. Not being very well known helped him, for the masses distrusted all well-known politicians. The son of hard-working Japanese immigrants, Fujimori was born and educated in Peru and was well acquainted with the country's strong caste system. In the campaign he very effectively emphasized Vargas Llosa's élitist connections, and his own humble beginnings. The opposition often referred to him as *el chinito*, "the little Chink," which boomeranged and helped his case with Peru's similarly derided urban poor.

As a candidate Fujimori also gained immediate popularity among the Indianist country masses, and he was warmly supported by Peru's powerful and growing evangelical Protestant groups. In June 1990 he won an impressive electoral victory over Vargas Llosa. With his Japanese background it was widely hoped that he would be able to obtain substantial financial aid for Peru from Japan. The country desperately needed an infusion of foreign capital, which did not seem forthcoming from the United States. Fujimori's first pronouncement was to propose a Latin American common market, much like the European common market, which has worked so well as a large-scale economic unit combining the strengths of several nations. Being a dynamic technocrat as well as a popular figure, Fujimori might just possibly be the man to get this good idea off the ground.

#### BOLIVIA

The puna or altiplano, that cold and barren region which forms a high tableland in the heart of South America at an average elevation of 12,500 feet, is one of Latin America's two permanent disaster areas. The other is Brazil's

equally unproductive Northeast. The altiplano takes in a part of Peru, and most of inhabited Bolivia. Fifty-five per cent of Peru's population lives in the Sierra or on the altiplano, as do over 80 per cent of all Bolivians. It is a region of windswept steppes, and resembles an ancient seabed without the sea. The puny plant life bends in the wind as sea plants bend in the undersea currents of water.

The Indians of the altiplano, who once formed part of the "empire" of the proud Incas, lead a life of hopelessness and hate. True, they do not live in crowded urban slums, whose filth and poverty contrasts horribly with the nearby rich suburbs, for there is no real city on the altiplano, if we except La Paz, Bolivia's cold, gray capital. But the Indians of the altiplano live on land which does not produce enough to sustain life decently. They live like their animals, huddled together in the same bleak shelter. An Indian family will often raise a pet llama in this fashion in order to sell it at the end of the year for perhaps \$75 or \$100, the greater part of their annual income. These Indians are eternally hungry. They chew coca leaves in order to deaden the constant pangs of hunger, and by age thirty often look seventy.

They are nominal Christians, but it is a Christianity mixed with paganism whose main significance is to supply the reasons for their many brilliant religious celebrations, the only collective part of their lives that they control. But the religion of love is unknown to them, for all they have learned is suffering and hate, and none would wish to prolong such feelings beyond this life. Hunger is mortal and takes humanity away from man. The faces of these Indians are impassive, expressionless, deadpan, dead. They are walking corpses. Their feelings have been so long repressed that they appear nonexistent. They walk like cowed animals, shying away from the white man. The women carry their children or a load of wood as they trot along, somewhat as Jesus must have borne His cross.

Bolivia is not only a country of "sick people" but also holds the dubious distinction of having undergone more revolutions than any other Latin American nation. Some historians, perhaps with a penchant for colorful detail, have placed the figure as high as 180. In any case, Bolivia has seldom been governed well; indeed, it has seldom been governed at all. Until recently the tin and land barons combined with a few foreign investors ran the country like a private estate. The poverty of the masses was (and is) unbelievable.

I remember vividly a few days (back in 1942) spent in the town of Santa Cruz, 300 airline miles east of La Paz in Bolivia's thinly populated tropical lowlands. The general impression was of a squalid cluster of mud houses in the middle of nowhere whose sole connection with the outside world was the airplane. Yet strangely there in the center of the town plaza was the proverbial and anomalous Englishman with his lost blue eyes and his tobacco stand. He gave us a nostalgic look, and made us a gift of cigars.

The town radiated like a squat and filthy line of barnyards from that central axis. Pigs and chickens scrounged in the dirt streets, and the smell of outdoor

toilet facilities permeated the air. "the tropics," was and is clearly a trap to settle in this lower region of E. booming Santa Cruz has a popular highway to Brazil, Argentina, and

Like Santa Cruz Bolivia is a country in transition toward what. Within has suddenly broken loose from the the only real revolution in any country. Revolutionaries demanded "land, coin and pilot of the revolution, and just out, the MNR (National Revolutionary Paz Estenssoro, formerly a profes

He is a slight man, of unimposing he has all the essential charisma. I tions for he speaks with authority off his tongue as if he knows exactly him deliver a lecture before a large and before he had stopped talking day many admitted with some cheer or not they had been "taken." After of Bolivia, many Bolivians had served was either president or head man (by the inevitable military coup. Yet qualifications, and it must be stated the revolution that he made in Bolivia

The MNR was organized in 1919. Intellectuals, some with strong leftist pathies. They were all united through the big landlords, and the foreign consul. General Peñaranda, an uneducated friend of the United States. Peñaranda did nothing to help the masses financial aid. Hubert Herring tells that tion reached his mother, the old late president, I would have sent him there in 1943 when he was in the United States. Columbia University granted This was the man deposed by Paz

Major Gualberto Villaroel, a hero president in that same year, 1943. I enlightened, and his purported friend way of him. Villaroel stumbled a few years after which he was hanged for

toilet facilities permeated the air. Santa Cruz, occasionally called "queen of the tropics," was and is clearly a transition town, for recently people have begun to settle in this lower region of Bolivia, linking it to the national life. Today booming Santa Cruz has a population of 425,000 and is connected by rail or highway to Brazil, Argentina, and to Cochabamba and the altiplano.

Like Santa Cruz Bolivia is a country in transition, but it is still not certain in transition toward what. Within the past two decades, however, the country has suddenly broken loose from the chains of serfdom and made a revolution, the only real revolution in any South American country. The Bolivian revolutionaries demanded "land, control of their tin, food, and justice." Author and pilot of the revolution, and prime activator of the party which carried it out, the MNR (National Revolutionary Movement), was well-educated Victor Paz Estenssoro, formerly a professor of economics.

He is a slight man, of unimposing mien, but when he speaks it is clear that he has all the essential charisma. His appeal, however, is not only to the emotions for he speaks with authority and confidence, facts and statistics rolling off his tongue as if he knows exactly what he is talking about. I once heard him deliver a lecture before a large group of sophisticated students at UCLA, and before he had stopped talking he had them all with him. On the following day many admitted with some chagrin that they were not quite sure whether or not they had been "taken." After a few years of Paz Estenssoro as president of Bolivia, many Bolivians had similar reservations. But for twelve years he was either president or head man (1952-64) in his country before he was ousted by the inevitable military coup. Yet Paz is undoubtedly a leader of exceptional qualifications, and it must be stated that there can be no turning back from the revolution that he made in Bolivia.

The MNR was organized in 1941 by Paz Estenssoro and other Bolivian intellectuals, some with strong leftist leanings, others with Nazi and Peronist sympathies. They were all united through their hatred of the Bolivian tin tycoons, the big landlords, and the foreign capitalists. In 1943 the MNR group overthrew General Peñaranda, an uneducated ally of the tin interests and an outspoken friend of the United States. Peñaranda's army crushed strikes while his government did nothing to help the masses. The United States gave him extensive financial aid. Hubert Herring tells the story that when news of Peñaranda's election reached his mother, the old lady said: "If I had known Enrique would be president, I would have sent him to school." The remark was superfluous, for in 1943 when he was in the United States on a goodwill and fund-seeking mission, Columbia University granted him an honorary Doctorate of Laws degree. This was the man deposed by Paz and his MNR.

Major Gualberto Villaroel, a hero of the Chaco War, became MNR's first president in that same year, 1943. His administrative capacity was not the most enlightened, and his purported friendship with Perón made Washington very wary of him. Villaroel stumbled along in a political morass for two and a half years after which he was hanged from a lamppost by an uncontrollable mob.

Villaroel was followed by six years of conservative rule (1946-52) during which inflation and continued poverty further inflamed the Bolivian masses. Europe and Japan rose from the ashes but Bolivia remained inert and prostrate.

In the elections of 1951 Paz Estenssoro was MNR's presidential candidate. He had been living in exile in Argentina for six years. Paz did not win the elections, but despite the probably rigged returns he polled a stunning number of votes, so once again the military seized control. A few months later there was a massed uprising in La Paz, the junta was tossed out, and the MNR called Paz back from Buenos Aires to take over the government in 1952. Thus began his twelve-year stint.

Paz did fulfill his campaign pledges. He expropriated vast tracts of land, nationalized the tin mines, raised the miners' wages, strove to diversify the economy, opened up oil fields for which he was forced to seek foreign capital, and built up the school system. Paz also liquidated the landholding class and distributed thousands of acres to landless Indians; he even moved 50,000 farmers into the lowlands of Bolivia's underpopulated tropical eastern territories giving each family 123 acres. But his revolution was largely a makeshift affair. The administration lacked properly trained personnel, the country's population was undisciplined and lacked the training, equipment, and intelligent will-power to make a concerted effort for the national good.

The most immediately evident weakness of the Bolivian revolution was the decrease in the country's food productivity. The newly created small farmers worked only enough to supply their own needs; having no experience in the marketplace and not understanding the need for accumulating capital, they balked at producing more. The cities soon began to find the most essential foods in short supply, and prices soared. The national currency, the boliviano which was 60 to the dollar in 1950, dropped sharply and in 1957 the rate was 12,000 to the dollar. Not until 1960 with aid from the International Monetary Fund, was the government finally able to get the currency under control.

Another weakness of the revolution was Paz's high-handed treatment of the opposition. He openly admits that many landowners and rich landowners were put in jail, but he insists that this was because they refused to cooperate with the policies of the federal government. He does not admit that there was widespread torture and starvation of these prisoners, that political bosses replaced landlords in many regions, that corruption was almost endemic in his government. In 1964, Paz even rigged the constitution so that he might run again for president, but the opposition abstained, so his election carried no weight and the country soon became unmanageable. The well-organized tin miners were on the verge of open revolt.

In November of that year General Ovando, commander-in-chief of the armed services, confronted Paz and told him summarily: "I am taking you either to the airport or to the cemetery. Which do you choose?" Paz took the airport and exile in Lima. The military returned to the presidential palace, the

armed forces received a 40 pe were reduced and their objec

Bolivia got set for the elec campaigned in the remote vi in Quechua, was enthusiastic with everybody, but his admi revealed that his right-hand r had shipped Che Guevara's might first publish it. Argued a Marxist. The entire Bolivia

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armed forces received a 40 per cent increase in salary while the wages of miners were reduced and their objections stifled with bullets.

Bolivia got set for the elections of 1966 in which General Barrientos, who campaigned in the remote villages, wearing an Indian costume and speaking in Quechua, was enthusiastically elected president. Barrientos tried to get along with everybody, but his administration was visibly shaken in 1968 when it was revealed that his right-hand man, Minister of Government Antonio Arguedas, had shipped Che Guevara's diary off to Fidel Castro via Paris, so that Fidel might first publish it. Arguedas then fled to Chile and announced that he was a Marxist. The entire Bolivian cabinet resigned in protest.

Paz Estenssoro, in exile was still one of Latin America's most adroit leaders. When he first arrived in Peru it was under the rule of Belaunde Terry, but later he found no difficulty in adjusting to the junta takeover in that country. He said that the military leaders of Peru treated him well. Perhaps, too, they may have listened to some of his persuasive arguments for the nationalization of foreign interests in Peru and for the expropriation of the country's great estates. After all, it was somewhat demeaning that Bolivia, one of the most backward countries in Latin America, should in economic reform get the jump on Peru, center of the ancient Inca empire, heart of the Spanish colonial regime, and birthplace of more recent APRA revolutionary theorists who were never quite able to gain control of the government.

Paz explained that he and his friends who organized the Bolivian MNR had read everything they could find on the Mexican Revolution, the impassioned *Seven Essays* of the Peruvian Communist Mariátegui, and Nehru's *Discovery of India*. They fused what was gleaned from these sources into their own revolutionary theory. Paz points out that revolution and nationalism go hand in hand in Latin America today. In the undeveloped countries the process is necessarily very different from what it is in the more developed nations, because in the former the state itself is the only possible means of change. No other element in the national life is strong enough to effect a radical transformation in the national life. The state must break the age-old stratification and must then introduce the masses to a money economy. In this way they will eventually become incorporated into the nationhood.

In Bolivia today, Paz claims, 200,000 families who worked as serfs before the revolution, now own farms of their own, and 500,000 citizens now have social security. But the greatest success of the revolution, he says, is that "the Indian no longer bows down when he greets a white man." Paz is enlightened enough to recognize and also to point out the endemic weaknesses with which any revolution must cope: the overall backwardness of his and of similar undeveloped countries, the lack of any understanding of social and political duties among the masses, among the leaders a bogging down of responsibility which results in splintered political factions, and among the labor unions an overriding self-interest, as if they alone should be the recipients of

the state's broadened control of the national productivity. The abyss between the leaders and the led is still the great peril of the underdeveloped Latin American nations. How can these two extremes be integrated in the midst of poverty, ignorance, and venal politicians?

Colorful President Barrientos, elected in 1966, enjoyed hopping about Bolivia visiting the remote villages, especially when some project financed or subsidized by his administration was inaugurated. An avid air traveler (he was an ex-air force officer) he spent more time in the cockpit than he did in his presidential office. He even boasted that he had walked away from twenty-five air crashes large and small. He did not walk away from crash number twenty-six.

In May 1969 he visited by helicopter the small Andean village of Arque in order to dedicate a school honoring John F. Kennedy and to inaugurate a new public health dispensary. He also turned over to the municipality a sum of money which would make possible the village water supply. When the ceremonies were concluded his helicopter rose from the ground on a placid afternoon, struck some telephone and telegraph wires, and fell into a riverbed. When the villagers reached the wreckage all three occupants were dead. Vice-President Adolfo Siles Salinas took over for the remaining fifteen months of Barrientos' term. The peasants immediately began to grumble that the city folks and their oligarchy were again in control of Bolivia. September 26, 1969, General Alfredo Ovando, commander of the Bolivian military forces, ousted Siles Salinas and established junta control. Bolivia was back where it had started from.

Things did not improve greatly for Bolivia during the 1970s. In many ways they became worse. Colonel Hugo Bánzer Suárez seized power in August 1971 and ruled the country with an iron hand for seven years, almost a record for continuous rule in Bolivia. After many leftist governments, he turned Bolivia to the right, banning political parties and labor unions. When the miners declared a strike, troops occupied the mines. There was a modicum of stability in the political sphere, but civil rights were violated right and left, and in 1977 the United States officially called this to the attention of the Bolivian government. Financial aid was denied for a brief period, supposedly during which civil rights were restored. But this was like a tap on the hand, meaning nothing, for almost immediately further U.S. millions were forthcoming. United States financial aid to Bolivia totals approximately \$100 million annually, while private investment banks extend another \$200 million.

In the meantime, Bolivia continued to be the source of a great portion of the drugs which illegally find their way into the United States, via Colombia and Honduras. Bolivian officialdom has long abetted the drug traffic. Another side to the picture is that some Americans visiting Bolivia have been arrested by the police who find drugs that have been "planted" on them. They are then slapped in jail without due process, and may spend weeks or months in a filthy cell before being released. During this experience every Bolivian policeman,

soldier, or official will "help." In some instances they are finally freed and allowed to return home.

The Bolivian economy is in a state of stagnation. The country, however, has a great cause of the lack of capital. It has deposits of tin, lead, zinc, silver, iron ore; it has been the source of depletion and may run out of oil.

Bolivia has been since 1969 a source of which has furthered the development of 100,000 square miles to Argentina. It is a port and corridor to the sea and in 1935, after the discovery of oil in her tropical lowlands, for oil all over the Pacific. No oil was found. Remaining narrow slices of land for exports sizeable quantities of tin, silver, and iron.

The cost of living increased during the 1970s. A leftist labor union is very active. The government which was toppled in 1978 demanded wage increases. In 1978 was approximately 10%.

Since the beginning of the 1970s it is the country's greatest economic distortion in the economy. The product for its export is tin. It is one of the most underdeveloped countries named Simón Patiño. He received miserable wages. His customers were frequently arrested. One particular customer was many months behind. He is the proprietor of the store. The terms that if he did not pay, he would be arrested.

Simón traveled the world. He lived in a mud hut near the sea. He swore that he had not been arrested unless he returned with his debt by passing over the sea. He insisted was very rich.

soldier, or official with whom they come in contact expects a bribe for his "help." In some instances thousands of dollars are paid before the prisoner is finally freed and allowed to leave the country.

The Bolivian economy has never been well managed or properly diversified. The country, however, is rich in natural resources, mostly undeveloped because of the lack of capital, technical experts, and roads. The country has vast deposits of tin, lead, zinc, copper, oil, tungsten, bismuth, antimony, gold, sulfur, silver, iron ore; it has great stands of timber and fertile soil. Tin, which has been the source of greatest wealth in recent years, is reaching the point of depletion and may run out completely by the end of this century.

Bolivia has been singularly unfortunate in the outcome of her wars, each of which has further depleted the national territory. In 1870 she lost 55,000 square miles to Argentina, Brazil, and Uruguay. In 1879 Chile took her only port and corridor to the Pacific, in 1903 Brazil took her rubber producing area, and in 1935, after the Chaco War, Paraguay seized 100,000 square miles of her tropical lowlands, thought to contain petroleum. U.S. companies drilled for oil all over the Paraguayan Chaco under generous forty-year contracts, but no oil was found. Rich deposits of petroleum were discovered in Bolivia's remaining narrow slice of this region, and she is now oil sufficient and even exports sizeable quantities of this product.

The cost of living in Bolivia has been steadily rising, and unofficially the increase during the 1970s is placed at 350 per cent. The tin miners, whose leftist labor union is very strong, declared a wages war against the Bolivian government which was trying to keep inflation from getting out of control. They demanded wage increases amounting to more than 30 per cent. Their level of pay in 1978 was approximately \$4.80 a day.

Since the beginning of the century, tin has been Bolivia's principal product. It is the country's greatest boon as well as its greatest bane, for it caused great distortion in the economy, which came to depend almost solely on that one product for its export trade. The discovery and development of the tin mines is one of the most unusual rags to riches stories of all time. A young Indian named Simón Patiño worked as a clerk in a store in Cochabamba where he received miserable wages but did his work well and made many friends. Customers were frequently overdue in paying their bills, and some never paid at all. One particular customer, an impoverished Portuguese prospector, was many months behind in his payment. As he was a good friend of Simón's, the proprietor of the store sent Simón to collect the bill, telling him in no uncertain terms that if he did not come back with the money he would be fired.

Simón traveled the thirty miles into the mountains where the Portuguese lived in a mud hut near his "mines." Simón asked for the money, but his friend swore that he had not a penny. Simón explained that he would lose his job unless he returned with the payment, and the Portuguese then offered to pay his debt by passing over to Simón's boss ownership of his tin mine, which he insisted was very rich. Reluctantly, Simón took the papers of ownership and



gave them to his boss, who in a fit of fury fired him on the spot. He had not paid Simón his last month's wages and shouted: "You take the papers. They will be your wages for last month!"

Simón and his young wife left Cochabamba to occupy a hut near the mine. For many months they worked it with pick and shovel, grinding the ore by hand in order to extract the small amounts of tin inside. Then a child was born, and they felt trapped at the site. Another baby made it impossible for them to even think of getting away. There was no work in Bolivia. The family all suffered from malnutrition and from the extreme cold of the altiplano. Simón's hands were constantly swollen and lacerated from the arduous labor. Then one day he hit a vein of pure tin, and soon he discovered another, and another. He took some of his samples to Oruro and sold them at a good price. He was told that he had made a bonanza strike, and news of the discovery soon traveled far and wide. A foreign mining company sent representatives to examine the site and offered Simón a million dollars for ownership. He was eager to accept, but his wife refused insisting that the mine was worth much more than that.

She was right, for the family soon prospered beyond their wildest dreams. Simón soon had a couple of dozen Indians working for him, then a hundred, and finally two or three thousand. In 1920 when he decided to leave Bolivia, his fortune was estimated at \$500,000,000. The family traveled to Paris, London, New York. While in New York they occupied an entire floor of the Waldorf Astoria Hotel, where they were visited by many of the richest and best-known North American tycoons. Bolivia called Simón back to appoint him as her ambassador to Spain, and then to France. In 1940 he left his country for good and established residence in New York. His two daughters married into the wealthy aristocracy, and his son took as his wife a Bourbon princess. The Patiño family was unquestionably the wealthiest in Latin America.

Tin is still the most important *legal* export of Bolivia, but in recent years cocaine has surpassed in value all other exports combined. As drug demand grew throughout the world, Bolivians began to plant coca bushes in large areas where they had never been grown before, neglecting basic food crops whose prices then rose astronomically. While the masses starved, big money was made on cocaine. Several high-ranking officials and military officers were implicated in the illegal drug traffic, including one president and a minister of the interior. Political and economic conditions inside Bolivia rapidly disintegrated. Within a period of three years (1980-83) there were seven different governments, and inflation skyrocketed.

In 1985 Paz Estenssoro was reelected president. He saw clearly that cocaine was destroying Bolivia and asked the United States for help. This country sent several helicopters and a couple of hundred men to aid Bolivian police to seek out and destroy the new coca farms, sparing fields where the plant had been grown for centuries "for traditional uses." In the Andean area *chewing* coca leaves is regarded as on a par with drinking alcohol or smoking tobacco. This

combined U.S.-Bolivian the helicopters appeared dealers all cleared out.

Paz stabilized Bolivia closing down many state currency, firing thousands. The inflation rate, which he could borrow, approximately 15 per cent, the province of Santa Cruz in a fertile area of tremors at Paz, this 75-year-old American nations what leader at the helm.

President Paz Estenssoro and given her a new lease on inflation brought under stability and growth. She was nothing less than Latin America. The dilemma there was no clear winner among the candidates. When they chose Jaime Paz Zamora

Paz Zamora had studied out of the seminary because of Louvain in Belgium became a Marxist radical. A successful left-wing Bolivian changed when he had the presidency in 1985. He won 50 per cent of the votes initially and his Conservative party at least half of the cabinet coalition hamstrung then assumed the presidency in the 1990s in Bolivia.

Chile has not been which have plagued it except one exception of one experiment and its feverish, soul-searching until the tragic 1970s.

combined U.S.—Bolivian assault on cocaine had only a marginal effect. When the helicopters appeared over a village, church bells began to ring and the coca dealers all cleared out.

Paz stabilized Bolivia's finances without price controls by selling outright or closing down many state-owned mines and enterprises, then devaluing the currency, firing thousands of state workers, and drastically reducing spending. The inflation rate, which had risen to 10,000 per cent a year, decreased to approximately 15 per cent. Paz used the funds he had thus accumulated, and what he could borrow, to develop agriculture and cattle raising, especially in the province of Santa Cruz, which lies between the mountains and the plains in a fertile area of tremendous potential. Whatever criticisms may be leveled at Paz, this 75-year-old political veteran showed the more advanced Latin American nations what can be achieved when there is a strong and intelligent leader at the helm.

President Paz Estenssoro had pulled Bolivia back from the brink of the abyss, and given her a new lease on life. Faith in democratic government was restored, inflation brought under control, and there was at last a firm basis for economic stability and growth. Such an achievement in South America's poorest country was nothing less than monumental, and indeed it was something unique in Latin America. The difficulty lay in the succession. In the elections of 1989 there was no clear winner to succeed Paz, and no one of his caliber among the candidates. When the balloting produced inconclusive results, the Congress chose Jaime Paz Zamora as the next president.

Paz Zamora had studied for the priesthood earlier in his life, but dropped out of the seminary before being ordained. Later he attended the University of Louvain in Belgium where he received a degree in the social sciences. He became a Marxist radical and served as the vice president in the highly unsuccessful left-wing Bolivian coalition government of 1982–84. His political views changed when he had to confront the Bolivian reality, and as a candidate for the presidency in 1989 he ran as a moderate leftist. He received only 20 per cent of the votes initially, but he was able to form an alliance with Hugh Banzer and his Conservative party, thus broadening his base. Banzer was assured of at least half of the cabinet posts in the Paz Zamora government. This fragile coalition hamstrung the new administration even before Paz Zamora had assumed the presidency. It was not an auspicious beginning for the decade of the 1990s in Bolivia.

#### CHILE

Chile has not been subject to the series of coups and political upheavals which have plagued her neighbors—Argentina, Peru, and Bolivia. With the exception of one experiment in dictatorship under Carlos Ibáñez in 1925–31 and its feverish, soul-searching aftermath, Chile was an exemplary democracy until the tragic 1970s. Charles de Gaulle called her "the pilot country of Latin

America." Chile has a large, well-organized working class, an intelligent electorate, even her women voters are politically sophisticated and very articulate. Until 1973 there was a very powerful Communist party, whose leftist front won control of the country in the 1970 elections, and there is, of course, a wealthy landed class supported by a body of dirt-poor farm laborers. Last of all there are some large and very deplorable city slums called *callampas* or mushrooms.

But with a population of only thirteen million, Chile has produced an outstanding culture, a virile literature and art, a singularly beautiful music, a large and strong middle class, while her capital, Santiago, a city of four million, is considered by many foreigners as the most attractive and most intellectually stimulating city in which to live in South America. Chile has not received great numbers of immigrants like Argentina, and she does not have a huge depressed Indian population like Peru and Bolivia. In her racial makeup there is only a small proportion of Indian blood.

There is an upper crust of people of European stock in the central valleys, and there are colonies of Germanic and Yugoslav settlers in the south. The overall homogeneity of the country is exceeded only by that of tiny Uruguay, with which Chile long vied for first place in Latin America in the matter of an enlightened public opinion, political stability and democratic government. Chile was ahead of Uruguay in the honesty of her public servants and in her less omnipresent and less omnivorous bureaucracy. She was behind largely middle-class Uruguay in her land distribution and in her extremes of rich and poor.

The visitor has but to make a train or a bus trip in Chile to see at once that the large mass of Chileans take a great personal pride in keeping themselves neat and clean. They are a confident and hard-working lot. They have made a success of their small nation against considerable odds, and they know it. In recent years Chileans have by choice limited their increase in population. Contraceptives are widely employed; an abortion (not always surgically antiseptic) can be had for a pittance; out of 380,000 pregnancies a year approximately 140,000 are aborted. Unfortunately, the birth rate still remains higher than they would like and infant mortality is excessive.

A well-known Chilean writer, Benjamín Subercaseaux, has probed into this problem and come up with the following conclusion. The Chilean woman, he says, suffers from a lack of femininity. She is neither soft, nor tender, nor sweet. When she pursues a man she bumps into him or takes a personal object from him, daring him to get it back. The woman without femininity "little understands the tender relationship which should exist between mother and child. Among us the infants are treated so roughly, abortions are frequent and voluntary; and among the common people the mother looks upon the appearance of offspring as a misfortune."

Subercaseaux admits that the miserable conditions under which the proletarian family exists account in part for this lack of a maternal instinct, but he points out that in his generation, 1920-40,

... in China, where condition the mothers solicitous. Here ally. . . . The terrible infant-mo to the absence of maternal instir and the pretended physiological

Chile's rate of population growth and this plus her small total population restricted national market. Land few years, and has not yet proceeded and even foodstuffs have had to be in sequence almost 50 per cent of population from slight deficiencies, 11 per cent from desperate malnutrition own most of the land. In recent years toward the cities, and is now near 25 per cent of the total population

The extreme political left is in vogue. In the past decades this group has exercised a great influence. President Aguirre Cerda 1938-42 ment in which the Communists tactics prevented effective government.

After World War II President Alessandri had Communist support in the election. Communist cabinet posts. Their actions, like those of Aguirre Cerda, became so influential that they were out of the cabinet, broke off diplomatic relations with the country's interference in Chilean affairs. Neruda was elected poet, Pablo Neruda, perhaps the greatest Chilean poet of that time. In 1948 the Communist Party did not diminish its influence but

Under González Videla, Chilean plants and copper refineries were nationalized to relieve the country of foreign dependencies. In 1952 Chile's ex-dictator Salvador Allende was voted into the presidency with Ibáñez was a friend of Perón and in office he did not revert to the military. Perhaps he recognized that he had outgrown her political immaturity and permitted the military to control the situation.

Alessandri stabilized the currency at 100 pesos to the escudo, worth 1,000 Chilean pesos

... in China, where conditions are even worse, the families are numerous and the mothers solicitous. Here in Chile the children die almost intentionally. . . . The terrible infant-mortality rate which besets Chile is due, in large part, to the absence of maternal instinct and, to a far lesser degree, to the wretchedness and the pretended physiological poverty of our race.<sup>195</sup>

Chile's rate of population growth is moderate, about 1.8 per cent a year, and this plus her small total population necessarily results in a very severely restricted national market. Land distribution has only begun within the past few years, and has not yet proceeded very far. Farmlands are improperly used, and even foodstuffs have had to be imported in increasing quantities. As a consequence almost 50 per cent of the population suffers from malnutrition: 12 per cent from slight deficiencies, 27 per cent from serious malnutrition, and 11 per cent from desperate malnutrition. A very small percentage of the people own most of the land. In recent years the mass of Chile's population has shifted toward the cities, and is now nearly 70 per cent urban. Santiago contains nearly 25 per cent of the total population.

The extreme political left is numerically small in Chile but for several decades this group has exercised an influence far beyond its relative size. Under President Aguirre Cerda 1938-41 there was a brief "popular front" government in which the Communists participated, but Communist obstruction tactics prevented effective government and the popular front did not long endure.

After World War II President González Videla 1946-52, who had received Communist support in the elections, actually appointed three Communists to cabinet posts. Their actions, like those of their predecessors in the government of Aguirre Cerda, became so intolerable that the president soon threw them out of the cabinet, broke off diplomatic relations with Russia because of that country's interference in Chilean affairs, and even expelled Communist deputies from the national Congress. Among those so expelled was the world-famous poet, Pablo Neruda, perhaps the best poet writing in the Spanish language at that time. In 1948 the Communist party was made illegal in Chile, but this did not diminish its influence by very much.

Under González Videla, Chile built up her industries. New hydroelectric plants and copper refineries were constructed, and a steel plant was built to relieve the country of foreign dependence on this basic commodity. In the elections of 1952 Chile's ex-dictator, Carlos Ibáñez, then aged seventy-five, was voted into the presidency with the support of the still-furious Communists. Ibáñez was a friend of Perón and an admirer of Mussolini, but during his term in office he did not revert to the dictatorial tactics of his previous administration. Perhaps he recognized that there was no turning back the clock. Chile had outgrown her political immaturity of the 1920s and would no longer permit the military to control the state. Carlos Ibáñez was eighty-one when Jorge Alessandri, son of a famous former president of Chile, was voted into office.

Alessandri stabilized the currency and established a new monetary unit, the escudo, worth 1,000 Chilean pesos. For about three years, under rigid currency

controls, the escudo was equal to approximately one United States dollar, but after this the lid blew off and inflation ran the cost of living up 532 per cent. Wages in the urban centers, low as they were, attracted rural laborers who worked for almost nothing, and Santiago entered a period of rampant growth while fertile agricultural lands were left uncultivated and more and more food had to be imported to feed the people. Extensive new slum areas sprang up suddenly around Santiago; no wonder they were called "mushrooms." In 1960, to make matters worse, a devastating earthquake hit Chile, killing many thousands of people and causing untold property damage. (Government officials estimated 5000 dead, half a billion dollars of property damage, and 350,000 left homeless.)

The country staggered under these blows, but somehow the strength of the people pulled it back on the right track again. However, the clamor for drastic economic, political and social reforms was becoming louder and louder, and in the elections of 1964 Chile faced its most crucial decision of many decades: would the people elect an out-and-out far leftist, Salvador Allende, an official Socialist whose strong Communist leanings would doubtless allow that group to control the government, or would they elect instead Eduardo Frei, a Christian Democrat, whose campaign cry of "revolution with freedom" aptly characterized his more humanistic point of view.

As the elections drew near the world tensed with anxious and watchful waiting. A real shudder ran through the United States Department of State. What would our foreign policy be if a clearly socialistic regime were voted into power in Chile as a result of honest elections? The time was not yet ripe for it. Frei's party received 1,410,000 votes to 980,000 for Allende, and there was a sigh of relief in Washington. One of the main causes for Frei's success at the polls was the feminine vote, which is tallied separately in Chile. Women have been voting since 1949, and with increasing political astuteness. They voted for Frei in considerably larger numbers than their brothers and husbands. Allende's appeal had been an impassioned and demagogic call for state ownership of the nation's sources of wealth. Frei was more restrained, his approach more moderate, but he also recognized the inevitability of change in Chile and demanded only that it be effected within liberty, without violence, and with justice and proper compensation for all, even for the large landowners and copper barons whose properties would have to be taken over by the state.

In July 1967, after two and a half years of debate and bickering, Congress finally passed a basic agrarian reform bill which empowered the state ultimately to take over fifteen million acres of land to be distributed to small farmers. The Chilean copper industry, which provided the country with 80 per cent of its foreign trade, was also brought under more effective state control and partial state ownership, and in October 1966 the *New York Times* reported that final success of the plan was only a matter of ironing out details, and that this was "all negotiated on a voluntary basis." The report continues:

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The political importance of the Chileanization plan is that it provides a new method for meeting and perhaps overcoming one of the most vexing problems in United States-Latin American relations. This is the invariably disturbing effect of American ownership of a nation's natural resources.

One of the most pressing problems Chile faced was how to feed itself. In the last few decades population had grown faster than the productivity of foodstuff, and Chile spent one quarter of her foreign exchange earnings to import food: beef, sugar, milk products, edible oils, wheat, coffee, tea. Almost 40 per cent of the national territory could be cultivated, but only 8 per cent was under actual cultivation. Chile then had about 2.8 million head of cattle, fewer than she had in the year 1910. The basic weakness of the Chilean economy was too few people improperly using or not using at all too much land.

The government of Eduardo Frei did try desperately to set this right. Approximately 700,000 acres of land in big *fundos* were expropriated, but this was clearly only a beginning. The problem still remained how to get the right people back on the right land with sufficient equipment and sufficient incentive to expand agricultural productivity. It was not only an economic and agrarian problem but also a psychological problem. The ordinary Chilean citizen would rather be a moderately paid urban worker than a dubiously rewarded farmer. Few Chilean workers are willing to till the soil "like a peasant." Instead, they live and wait in the filthy, makeshift hovels of those dank and ugly mushrooms that have arisen beside the glittering city.

In June 1969 Chile announced the nationalization of Anaconda Copper, which separates the company from more than 70 per cent of its copper supply and an estimated two-thirds of its earning power. The giant company's stock immediately plummeted on the New York Stock Exchange, and tens of thousands of Americans who owned the stock lost heavily. Chile promised to pay for the Anaconda properties in installments during the next twelve years. Significant in itself, this action of Chile was representative of a broad trend in Latin America's "new look" at the United States, and shows how closely intertwined are the destinies of the two portions of the hemisphere.

In the presidential elections of September 1970 Chile reversed her moderate stand of 1964 and elected a Marxist president, the thrice defeated Dr. Salvador Allende. Dr. Allende, a charming man personally, had Fidel Castro's eager backing and was also supported by many Catholic voters in Chile. The United States, now anxious over the Near East and Vietnam, took little notice. A split in the opposing forces this time made Allende's election possible. Frei, who could have won hands down, was prevented by law from running again, and Allende, backed by the Socialist-Communist alliance, was faced with two weaker opponents in a three-way race: seventy-four-year-old Jorge Alessandri, candidate of the old right and the Christian Democratic choice, and Radomiro Tomic, who had Frei's support. Final official votes were: Allende, 1,075,615, or 36.3 per cent of the popular vote; Alessandri, 1,036,278, or 34 per cent;

and Tomic, 824,849, or 27.8 per cent. Allende's lack of a majority made his position extremely precarious, and the Chilean Congress had to officially "elect" him before he was installed in power. A military coup was very clearly hovering over Allende's head.

Just prior to his election Allende stated that "We are not going to implant a Socialist state by decree. We are going to have a government of six parties and start down the road to Socialism." He planned to begin by completely nationalizing the copper industry and by expropriating almost all rural lands for redistribution in peasant cooperatives.

Allende's election was a bonanza for world Communism, and Allende knew that even if he were ousted by force the contention could then be made that free elections in democratic countries are useless and meaningless. Allende himself pointed out that with Cuba at one end of the hemisphere and with Chile at the other, these two countries, aided by broad leftist forces throughout the Americas, would be able to create "the beginning of the Latin-American revolution." He also stated that he would now see to it that Chile's most distinguished newspaper, *El Mercurio*, would either begin to reflect the true feelings of the masses and the true conditions inside Chile, or face being closed down.

Dr. Allende's election at this critical juncture in one of Latin America's few remaining democracies indicated the depth of the need for radical social and economic reforms. As G. A. Geyer wrote in the *Chicago Daily News*: "Four or five years ago, the ways that Latin America might go were perfectly clear. It was either going to be democracy or Marxism, and there was very little ideological ad libbing in between.

"Today, after some psychedelic political transmutions, Latin America is in the midst of a process of convergence of ideologies that is ultimately far more important to us than anything happening in Vietnam. Old distinctions are disturbingly blurred. Marxists are working with leftist Catholics, who are working with military statists, and nobody thinks twice about it.

"Slowly but steadily, Cuban premier Fidel Castro is using the new mood to edge his way back into hemispheric affairs; and slowly but steadily, the United States is being edged out. . . ."

Eduardo Hamuy, a well-known Chilean sociologist, put it this way: "A process is going on that nobody can stop. The term *nationalism* is over-used; *statism* is better. The state is being converted into something more powerful, and the private sector is losing."

The hardness of old beliefs has softened, and political parties do not mean as much as they used to mean. What more and more Latin Americans want is not pure "democracy" or "Marxism" or "military statism," or whatever the term might be, but what will bring them more of the good things in life. They are tired of being told to wait and are willing to take very extreme risks in the hope of achieving a little more of their share in the pie. The election of Allende temporarily gave many Chileans the feeling that they were soon to get that share.

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Allende was the first Marxist to be elected head-of-state in free democratic elections, and there were all kinds of expectations attached to his election, none of them very realistic. Viewed objectively he never had a chance. President Nixon admitted that he had charged the CIA with trying to instigate a military coup that would prevent Allende from assuming the presidency and, although this did not work, the United States continued to use its very strong influence to unseat him. When the Chilean national elections of March 4, 1973, gave Allende's opposition a majority in both the Senate and Chamber of Deputies, it became a foregone conclusion that he was carrying on a losing fight.

During his brief stay in power, however, Allende attempted to impose a frantic program of socialist reforms. He began by breaking up the big estates, then he nationalized the banks and expropriated the foreign-owned companies: Kennecott Copper, Anaconda, Cerro, International Telephone and Telegraph, and many others. Rural workers took possession of lands without waiting for legal distribution, and there was a euphoric "high" among the masses. Wages shot up, but there were no consumer goods to buy because curbs on profits had reduced output. Inflation hit with a vengeance. In 1973 it rose to 508 per cent, in 1974 it stood at 376 per cent, in 1975 it was still at 340 per cent, and then it began to decline. In 1978-80 it was about 70 per cent.

Allende's socialistic program and his closeness with Cuba and the Soviet Union infuriated many Chileans, who began to have real fears that communism would take permanent control of their country as it had in Cuba under Fidel Castro. The Chilean armed services were the most restive group. In September 1973, no doubt given every encouragement by the United States, military forces surrounded the presidential palace, bombarded it, and in the ensuing battle Allende was killed. There are many who say that the blame for his death should be laid squarely at the doors of the CIA. Be that as it may, the commander-in-chief of the Chilean army, General Augusto Pinochet Ugarte, seized control of the government, disbanded congress, and ruled through a military junta, which bloodily suppressed all opposition. The United States gave immediate recognition to the military regime and showered it with economic and military assistance.

The new government promptly reached a settlement with the U.S. companies whose properties had been expropriated, and they were invited back into the country. In fact, the junta made every possible effort to attract additional foreign investments. Import tariffs, established by Allende in order to encourage small businesses in Chile, were lifted by the junta in order to stimulate trade. Many small businesses went bankrupt as a result, but the economy as a whole began to burgeon. National productivity expanded an average of 7 per cent a year in the late 1970s, whereas in the period 1973-74 it had actually declined 7 per cent a year. Unemployment, however, was high, averaging 15 per cent in 1976-79; it was 17 per cent for female unemployment.

The government made gargantuan efforts to diversify the economy in order to free the country from its dependence on a few traditional products, primarily



copper. The State Development Corporation (CORFO) was the main impetus in this diversification. The number of new nontraditional products shot up from about 400 in 1973 to more than 1,000 in 1977. The value of these exports rose 550 per cent during the same period. Industrial products made the biggest gain by growing over 600 per cent in value, but agricultural produce, formerly the bane of the national economy, increased 400 per cent during the same period, and Chile's dependence on imported foods greatly declined. Prior to 1973 the country had to import nearly 66 per cent of its foodstuffs, but by 1980 this had decreased to approximately 30 per cent. In 1978 and 1979, however, Chile imported over 900,000 tons of wheat each year, most of it from the United States. In search of new markets the government's economic team made promotional trips to Japan, South Korea, the Middle East, and Africa.

In the area of land distribution, Chile has undergone a radical restructuring since the presidency of Eduardo Frei who had emphasized a "revolution in freedom." Allende took up where Frei left off, and the large estates were broken up and given into the hands of their workers. Since General Pinochet assumed control this process has been cautiously reversed, and a few of these estates have been sold back to their former owners. These are the exceptions, however. Most of the lands that formerly belonged to the old estates have been put under the control of the Agrarian Reform Corporation (CORA) and are being worked as cooperatives. There are few small independently owned farms.

General Pinochet and the junta have an abysmal record in the area of human rights. On assuming power at least 2,500 Allende supporters were summarily executed, and from ten to fifty thousand others were imprisoned incommunicado. Chile's foreign image took on a repugnant hue. In 1977 Pinochet said that all political prisoners had been set free, but the Inter-American Human Rights Commission reported that several hundreds had simply "disappeared" with no trace. An editorial in the *Christian Science Monitor* says it very well: "The tragedy of the Pinochet government has been its failure to observe the codes of normal conduct in the Western world. The extensive use of torture, the repression of traditional constitutional guarantees, and a tough, almost belligerent stand against its longtime friends became the hallmarks of the Pinochet government."<sup>262</sup>

The secret police organization, DINA, consisting of 20,000 trained men, was abolished in 1977, and Pinochet allowed the election of a unicameral assembly in 1980, giving it the task of eventually electing a president. Conditions became more relaxed in Chile, and many exiles returned. There was an implicit agreement that they would not be molested unless they deliberately challenged the government. In the economic sphere there also began to be improvement. Higher copper prices had given Chile a better trade balance. Foreign capital began to feel safe in Chile and was carefully encouraged. Exxon paid \$111 million for La Disputada copper mine, Goodyear bought a tire plant for \$34 million, and ARCO was given the right to explore oil and gas tracts.

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Overall some 300 companies signed contracts with the government, and foreign investments totaling \$3 billion were approved by the junta.

Chile is one of the most homogeneous countries of Latin America; the few Indians live in a small corner of the country, and there are no blacks. It is a white country. Nothing infuriates a Chilean more than to be considered or referred to as an "Indian." This homogeneity is a rich blend of many diverse European stocks. The George Washington of Chile, Bernardo O'Higgins, was the son of an Irishman. Arturo Alessandri, a well-known president of the 1920s, was of Italian background. Eduardo Frei Montalva, former liberal president and leader of the Christian Democrat party, is from a Swiss-Spanish bloodline. Salvador Allende Gossens had Germanic forebears; and Augusto Pinochet is partly French. English influence is also very strong. Afternoon tea is an institution in Chile much as it is in England. The English also helped Chile to organize her excellent navy, once the biggest and best in Latin America. Chilean warships easily destroyed or captured the entire Peruvian navy in the War of the Pacific. Chilean soldiers also marched 1,000 miles overland and captured Lima, which they occupied for more than two years. Former President Odría of Peru once commented: "Let the soldiers march and the tanks rattle through the streets of Santiago in an armed forces parade, and in Lima the ground shudders." Chile still maintains an excellent army, navy, and air force.

Pablo Neruda, the great Chilean poet who was awarded the Nobel Prize in 1971, characterized his country thus: "We are a melting-pot of peoples grafted into the Spanish root stock." This homogeneity has produced one of the toughest and most flexible peoples of Latin America. Chile's rate of literacy is among the highest, her cultural life is fertile, her literature is first rate, and her willingness to self-criticize is admirable in the extreme. A sense of responsibility and self-discipline is strongly developed in Chilean family and school life.

The country is a geographical oddity. It is 2,650 miles long, and averages only 110 miles in width. It is more like an eel or a ribbon than a country, yet Chile contains 286,000 square miles of territory, which makes her larger than any West European nation. The rich central valley is about 600 miles long and 40 to 50 miles wide. The north of Chile is a vast desert where no rain ever falls and water has to be piped in for over two hundred miles. There is no green growth in this part of Chile and the inhabitants paint their houses green in order to be able to enjoy that color. In the south there are magnificent lakes and forests. All along the eastern frontier rise the towering Andes, and one is never out of sight of this formidable mountain barrier. But if Chile is a mountainous country, it is even more a nation of the sea. Until the advent of the airplane everything entered and left the country by sea, and every major city is on or near the coast.

The population of Chile is about 13 million, and this population has almost

reached a point of stability. In some years the total population has actually diminished. Birth control education is widely fostered by the government, and even the church tends to look the other way. Uruguay is the only other Latin American country where population control is so deeply rooted in the daily life.

General Pinochet's regime, despite its harsh treatment of political dissidents, provided a favorable climate for foreign investments. In Chile production costs are 25 per cent lower than the world average, the government has been cooperative, and the country has modern ports, highways, rail, air, and steamship lines. The rate of inflation is low, and 90 per cent of the people have electricity. There is a high rate of literacy. Since the military takeover in 1973 economic progress of the big industries has continued unabated, and Chile has built up well over \$1 billion of surplus in foreign trade. The country is the world's largest producer of copper, molybdenum, and fish meal. One million cases of wine are exported annually by fifty-one wineries, also nearly six million tons of fish, and \$1 billion worth of forest products. Pine matures in twenty years on the two-and-a-half-million acres of Chile's timber plantations. There is a thriving furniture industry, and large amounts of pulp and newsprint are exported. Chile is also manufacturing and exporting arms of a very sophisticated kind.<sup>263</sup>

The other side of the coin, however, reveals quite a different picture. Under the military dictatorship total national income declined 15 per cent, but at the same time there was a steady growth in the income of the rich. The military establishment became a separate privileged society. Nevertheless, Chile's economy expanded dramatically in the late 1980s. The military dictatorship relaxed somewhat its repression of human rights, and provided a secure, stable, and profitable climate for both foreign and domestic capital. The regime gave Chile six straight years of economic growth and a declining foreign debt. It kept unemployment and inflation low, encouraged industry and foreign investment, rewarded hard work, and opened up new frontiers. The general built a road several hundred miles long that reached down into the southernmost part of Chile, a sparsely inhabited area rich in natural resources.

In spite of this material progress, Chileans did not forget the hundreds of people killed by Pinochet during the early months of his tenure, nor the hundreds persecuted, imprisoned, and tortured under his oppressive government. The result was that in October 1988, when a plebiscite was finally allowed concerning the presidency of the country, a large majority voted against a continuance of the Pinochet government, and demanded free elections to determine who would be his successor. At this point Pinochet capitulated and agreed to a vote, but he had already so solidified his position that he would be a senator for life, would continue as commander-in-chief of the armed forces until 1994, and would continue to be a member of the National Security Council. Most Chilean mayors and regional governors and many judges were appointed by Pinochet, and many of these remained in their posts. Pinochet himself stated bluntly: "Our mission does not end with a change in government, because the Chilean Armed Forces are above all governments, all groups and

all opinions." His position as civilian president for years would have driven opposition government perquisites away.

As elections approached, he learned their lesson in 1990. In the election of the Social Christian single candidate, Patricio Aylwin, clearly that under his pressure to the civil authority, and Chileans. However, the de facto status and is working for a permanent immunity from civil control.

During the two decades apart. Irigoyen's second term was more corrupt than his first, and during the frenzied years, the hopes of a Radical octogenarian president were a dream. Argentine writers, and an "invisible Argentina" majority of the people were

Argentine pride was still a chance came when Robero was president in 1938. He was a man of integrity to the government. World War II broke out he was an ally. His own class turned

In 1940 his vice-president Ortiz was suffering from senility and no longer perform the duties he had made to restore democratic feelings. Argentina now became a penetrated and at times flooded the country and fled. Castillo's government was : could not stand it, and in 1943 General Pedro Ramírez broke Axis activities.

Argentine fascists got going and suppressed as official anti-S

all opinions." His position with the military could assure him of control of any civilian president for years to come, but there is always the possibility that an opposition government, if it is strong enough, may take many of these perquisites away.

As elections approached in late 1989, the various opposition parties, having learned their lesson in 1970 when they split into several groups and so assured the election of the Socialist Salvador Allende, now got together and put up a single candidate, Patricio Aylwin. With the support of that seventeen-party, center-left coalition, he was elected president by a landslide. Aylwin stated clearly that under his presidency the Chilean military would be subordinate to the civil authority, and in this he had the support of the majority of all Chileans. However, the deeply entrenched military bitterly opposes subordinate status and is working for a constitutional amendment that would guarantee its immunity from civil control.

#### ARGENTINA

During the two decades prior to World War II Argentina had begun to fall apart. Irigoyen's second term was even more arbitrary, chaotic, wasteful and corrupt than his first, and when he left office in 1930, after serving only two frenzied years, the hopes of the Argentine people had turned to gall. The senile Radical octogenarian president had embodied and then destroyed their humble dream. Argentine writers, in a pathetic effort to recapture the old faith, spoke of an "invisible Argentina" of sleeping promise and hidden strength, but the majority of the people were not even aware of these tenuous sentiments.

Argentine pride was still alive, but it was the pride of hollow men. The last chance came when Roberto Ortiz, a wealthy corporation lawyer, was elected president in 1938. He was already a sick man, but he did his best to restore integrity to the government and honest secret balloting at the polls. When World War II broke out he immediately made known his sympathies with the allies. His own class turned against him because of both these stands.

In 1940 his vice-president, Ramón Castillo, had to take over the presidency. Ortiz was suffering from severe diabetes, exhaustion, near blindness, and could no longer perform the duties of his office. Castillo reversed all the efforts Ortiz had made to restore democratic government, and announced his own pro-Axis feelings. Argentina now became a hotbed of Axis activities. Axis sympathizers penetrated and at times dominated the government, while Axis propaganda flooded the country and flowed out into the rest of South America by the tons. Castillo's government was so inept and so corrupt that even the military clique could not stand it, and in June 1943 he was overthrown by a military coup. General Pedro Ramírez became president, but nothing was done to control Axis activities.

Argentine fascists got government jobs, and the Argentine Jewish press was suppressed as official anti-Semitism continued unabated. The popular novelist

Hugo Wast, author of many tawdry romances (*Peach Blossom, Stone Desert*, etc.), and a well-known anti-Semite, was made Minister of Education. He promptly fired all university professors who opposed the military regime, which meant the most and the best of them. Then he filled the vacant chairs with his third-rate yes-men. One distinguished professor, Bernard Houssay, a Nobel Prize winner, said good-bye to his class in these dramatic words: "This will be my last lecture. The next one will be given by a colonel."<sup>202</sup>

Hugo Wast put religion back into the curriculum of the public schools, and stirred up as much anti-Jewish and anti-United States sentiment as he could manage. In February 1944 the United States and Britain were able to present indisputable proof that foreign Axis agents were operating under Argentine diplomatic immunity, and the government finally had a change of heart. General Ramírez was obliged to resign and turn over the presidency to his vice president, Edelmiro Farrell, called by one historian "a blundering nonentity." Throughout these trying months the majority of the Argentine people had supported the allied powers, and in 1945 Argentina finally declared war on the Axis.

The real leader of Argentina now was Juan Domingo Perón, head of the Group of United Officers (the G.O.U.), the armed services élite which controlled the country. Perón was one of those very *macho* leaders, proudly virile, a fine physical specimen, good at sports, an expert fencer, a respected officer, in a word, a real he-man. He had served as Argentina's military attaché in Italy during the heyday of Mussolini, and the idea of the corporate state intrigued him. Perón judiciously decided to move into power obliquely, and first took the not very popular position of Labor Minister. He had already courted the middle class, but found it too disorganized and too independent for his liking. Now as labor minister he made common cause with Argentina's underpaid urban workers and the even more underpaid farm hands. He fondly called these workers "*los descamisados*," the shirtless ones.

Perón promised not only to put shirts on their backs, but to give them stronger labor unions, a bargaining power undreamed of in Argentina before, and all kinds of fringe benefits: better working conditions, bonuses, expanded social security, tenure, and pensions. It was with labor support almost 100 per cent behind him that Perón became president and dictator of Argentina, moving from labor minister to minister of war, then to the vice-presidency, until in 1946 he was elected president. His opposition, mainly upper class, tried to get rid of him in 1945 by suddenly arresting him and shipping him off to an island in the Plata, but the masses raised such a hue and cry that they had to turn him loose before the national elections, which he won handily.

Once in the presidency Perón did not waste any time. In 1949 he replaced the 1853 constitution, under which the country had been governed since the time of Rosas, and with which it had risen to greatness among the states of Latin America. Perón, incidentally, has often been compared with Rosas, who was put into power by his gauchos and kept there by them and by the Argentine

servant class and urban country, who went into

The constitution of 1954, which reorganized the economy and financial system, kept shouting that he was. This battle cry is almost indeed expropriate the land bought by the American T. The constitution also nationalized the oil, gave the vote, and granted 10 per cent salaries of the army and navy, and receiving more than the

With the army and the Argentine business, but even the farmer. Those who had been and the flow of Argentine foreign currencies became the labor unions strengthened, not keep pace and production went into the cities, the new crop of wheat decreased from 10 million tons, while the price fell 70 per cent. By 1950 came to its rescue with various ropes.

While Perón was determined and the press he never victory, for while new ordnance factories, and was mostly window dressing as a result of both fiscal to rise, but inflation was unassailable gain of or

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servant class and urban masses. Both men alienated the intellectuals of their country, who went into exile by the hundreds.

The constitution of 1949 gave the federal government control of the national economy and financial structure, and in order to make this pill less bitter, Perón kept shouting that he was "emancipating" Argentina from foreign domination. This battle cry is almost sure-fire in any Latin American country. Perón did indeed expropriate the British railways, paying £150,000,000 for them, and he bought the American Telephone Company of Argentina for \$100,000,000. He also nationalized the airlines and the shipping. He gave to women the right to vote, and granted legal status to illegitimate children. He increased the salaries of the army and navy officers to such a degree that by 1950 these were receiving more than their counterparts in the United States.

With the army and the masses behind him Perón then proceeded to destroy Argentine business, banking, the national press, the universities, and eventually even the farmer. Those who had money would no longer invest it in Argentina, and the flow of Argentine capital to Switzerland, the United States, and other foreign countries became a flood. Wages for urban workers kept going up as the labor unions strengthened their grip on the economy, but farm wages did not keep pace and production soon began to decline as rural workers poured into the cities, the new promised land. Between 1940 and 1950 the production of wheat decreased from over eight million tons to about two and one-half million tons, while the rate of capital investment in the nation declined by 70 per cent. By 1950 the Perón regime was staggering but the United States came to its rescue with a loan of \$125,000,000 which helped pull it off the ropes.

While Perón was destroying Argentine farms and strangling the financial system and the press he made a big show of building up industry. It was a hollow victory, for while new power plants, public works, hydro-electric projects, ordnance factories, and even steel plants were planned on a good scale, this was mostly window dressing, because the country was slowly going bankrupt as a result of both fiscal and political ineptitude. Wages in the cities continued to rise, but inflation wiped out nearly all labor gains, except the cherished and unassailable gain of organized labor power.

Argentina's great *La Nación* and *La Prensa*, two of the best newspapers in the Hispanic world, were ignominiously muzzled, and free speech was stifled. The Supreme Court was packed and lost its integrity. University professors, writers, scientists, and intellectuals of all classes fled the country if they could find the means of doing so. Many of them came to the United States, where they still occupy positions of prominence in our educational system and intellectual life. But in Argentina the shirtless ones and even the servants were dedicated supporters of the dictatorship and especially of the person of the dictator.

As Perón tightened his stranglehold on Argentina, he pointed with pride to what he was doing, calling it a middle road between capitalism and socialism.

Perón himself, of course, was the messiah of the new movement of national emancipation, and "messiah" is not too strong a term, for the cult of Peronism soon became (and still is) the most powerful single force in the national life.

Perón ran the country *personally*, in the old Hispanic tradition. He had no right-hand man, but he did have a right-hand woman, Eva Duarte, who was first his mistress and then his wife. Eva gave Perón glitter among the poor, of whom she had been one; she knew how to do just the right thing to ingratiate herself and the regime in the hearts of the shirtless ones of Argentina.

Eva herself was of illegitimate birth, and when Perón first appeared on the horizon she was working in a radio station at a salary of about a dollar a day. After the military coup of 1943 had seized power from Vice-President Castillo, she made friends among the new leaders, and toward the end of that year she became Perón's mistress. In 1945 when the upper classes temporarily deprived Perón of his ministries and exiled him, it was Eva who steamed up the populace to take to the streets and put on a tumultuous demonstration insisting on his freedom, which was followed by his election to the presidency. Shortly after this Perón and Eva were married and Eva moved into the fabulous Pink House (Casa Rosada), which, one noted writer says, makes our White House look like a chicken coop.

Eva worked among the poor with an astute instinct for arousing love and loyalty, and with a diligence and an organizational capacity which were truly amazing. She doled out relief to those who were unemployed or ill, she built hospitals and clinics, established free blood banks, helped pay funeral expenses, put up child-care centers, played the role of the good Samaritan generally. Illegitimate, with little education and reared in poverty she sensed how these people felt, and knew what to do to alleviate their frustrations and their suffering. The fact that she was scorned by the Argentine upper classes added a cubit to her height.

Where did all the money come from? The well-born ladies of Argentina had for years controlled the Society of Beneficence, Argentina's associated charities, and had made the collection of funds one of their principal social as well as eleemosynary activities. When Eva became the first lady these great dames coldly shut her out of any participation in their affairs. The Perón government retaliated by taking over the control of all charities, and by making Eva the head of that control. The society ladies were thus forced to withdraw from the arena, and Eva's fund-gathering ability, aided by considerable governmental pressure on the enterprises from which contributions were requested, soon enabled her to collect immense sums of money.

These funds were immediately available for Eva's charitable work. There was no accounting. The suggestion that an audit be made met with an indignant response on the part of the masses, and Eva continued her good work unmolested. She also began to accumulate a costly wardrobe, lavish jewelry, expensive foreign automobiles, everything to permit her to live like a millionairess, which indeed she was. The poor saw in her an idealized image of

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Perón, now at the pe: He received twice as m: good fortune: Eva was c no hope. In 1952, at t: uncontrollable mob att: death, while hundreds saint, but the Church t

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themselves occupying the throne, dispensing largesse, snubbing the great families, moving like a Florence Nightingale among the ill, holding them all together, giving them faith and dignity.

Perón, now at the peak of his power, was elected to a second term in 1951. He received twice as many votes as his opponent. One thing only marred his good fortune: Eva was critically ill. The best doctors were called but there was no hope. In 1952, at the age of thirty-three, Eva Perón died of cancer. An uncontrollable mob attended her funeral and eight people were trampled to death, while hundreds were injured. Many Argentines wanted to make her a saint, but the Church turned a deaf ear.

Perón now slowly began to lose power. In 1951 he had closed down *La Prensa*, and all semblance of criticism of the regime vanished. A few months later he turned the paper over to the Argentine labor unions. It was an affront to fair-minded men all over the world. In 1953 a meeting of Perón's followers was bombed, and the Peronistas retaliated by burning the Jockey Club, center of Argentine high society, based on the horse, as one might suspect.

Perón compounded his mistakes by affronting the Catholic church; he legalized divorce, prostitution, moved to tax church properties, and to take away all church participation in the schools. In June 1955 an attempted military coup against him failed, but over three hundred persons were killed. Peronist mobs flooded the streets that night and looted and burned many churches destroying priceless art objects and gutting buildings. Two bishops protested vigorously and were hustled off to Rome, the Vatican excommunicated Perón, who was now on his last legs.

In September 1955 the military again closed in on him, this time for certain. A naval contingent came down the river, the army and air force joined in, and Perón took refuge on a Paraguayan gunboat anchored in the river. He was so nervous that he slipped and fell into the muddy water and had to be fished out and put on board. His treasure cellars in Buenos Aires were quickly entered, \$25,000,000 in gold was found, several foreign cars, and much other loot. Perón did not flee alone. He took along with him his newest mistress, a girl of barely thirteen. Eva's devotees were scandalized, but most of them later forgave him. Three years had passed since Eva's death, and was not Perón a man?

Since the overthrow of Perón, Argentina has vacillated between military dictatorship and civilian rule, without ever being fully able to reestablish a democratic republic with a duly elected government and a duly observed constitution. The easy explanation of this flaw in a nation whose relatively well-educated electorate should make it Latin America's most successful democracy is to point to Perón himself who had cast such a spell on Argentina. Even in exile he continued to be a powerful influence in the national life.

The Argentine masses still remembered him with admiration verging on idolatry. Had he not given them well-organized and powerful labor unions, had he not increased their wages regularly, had he not given them extra bonuses



for each additional child, had he not provided for their social security, their retirement, even for their various physical ills, had he not obliged the state to purchase at set prices all they could produce on the farms? The masses remembered these things, and wanted them all back again. And so with Perón gone Peronismo continued as strong as ever. But a lack of homogeneity, deep class hatreds, political charlatanism, the absentee landlords, and the division of land into vast feudal type estates also contribute to this fatal flaw in the Argentine body politic.

The generals who took over the Argentine government in 1955 had no wish to control it permanently. They simply wanted to oust Perón and then to restore the nation to regular elections and to civilian rule. But on one point they would not budge: Perón and his followers must not be allowed to get back into positions of power, for this, they were convinced, would be ruinous to Argentina. The military held on to the reins until 1958 when national elections were held. During the two and a half intervening years General Aramburu was the head of state, but he was clearly anxious to reestablish a civilian government. He restored the constitution of 1853, gave *La Prensa* back to its owners, made the Central Bank autonomous again, and made the Peronista party illegal. He could not, however, wish the Peronistas into extinction.

In the 1958 elections, unable to vote for a candidate of their own, the Peronistas cast their ballots for Arturo Frondizi, following Perón's direct orders from Madrid. Frondizi, an able professor of law, in preelection campaigning had promised to restore political power to them. But after his election the new president refused to make good this promise. In the first place, had he done so the military would have overthrown him at once. Many Argentines believed he had made such a promise merely to get elected, while others thought that he truly favored Peronismo without Perón, a kind of corporate state.

In any case, Frondizi very quickly saw that the main problem of his administration was the terrible economic depression that gripped the country. His government would have to find a way to keep Argentina from destroying itself through inflation and curtailed productivity. Inflation had already struck the economy a devastating blow. In 1946 the international rate of exchange stood at five Argentine pesos to the dollar. When Frondizi took over as president he was confronted with an absolutely incredible soaring of prices. In 1959 alone prices went up 114 per cent.

The president announced an austerity program which called for sacrifices from every citizen. He invited foreign investors and specialists into the country in order to increase production, especially of petroleum, which had always been in short supply. He carried out stringent fiscal and economic reforms, streamlined the government, courted capital investment, tightened the tax structure, restricted credit, and got the country moving again. His plan paid off, for in 1961 inflation had been slowed down to a mere 14 per cent. But Frondizi was now getting it from both extremes. The Peronistas were pressuring him from

one side, and the military rule, from the other.

By the time the Punte January 1962 his situati align himself with the U while the military wante of double talk and tight When the national elect the fatal decision to allo a stunning victory for th votes cast winning 45 ou out of 14 governorships,

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one side, and the military, without whose support no Argentine president can rule, from the other.

By the time the Punta del Este Conference of American states was held in January 1962 his situation was critical. The Peronistas did not want him to align himself with the United States in a strong stand against Castro's Cuba, while the military wanted him to go all the way. Frondizi did as nimble a job of double talk and tightrope walking as was possible, but he satisfied no one. When the national elections of 1962 were held a few months later, he made the fatal decision to allow the Peronistas to run their own slate. The result was a stunning victory for the Peronista candidates who received 35 per cent of all votes cast winning 45 out of 86 vacancies in the Chamber of Deputies, and 9 out of 14 governorships, including that of the province of Buenos Aires.

The military, which had vainly hoped that the Peronistas would meet with a convincing defeat at the polls, saw national disaster in their political victory. They refused to allow the duly elected Peronistas to take their seats. The latter retaliated with a general strike, the result was national chaos, and Frondizi found himself in an untenable position. When he refused to resign, the army picked him up bodily in the Casa Rosada and hustled him out of the country. There was another period of military government, which lasted until the elections of 1963.

During this period there was a split in the military, a brief skirmish in the streets, and General Onganía won out over his more demanding colleagues who were insisting on a long-term junta government to rid Argentina once and for all of Peronismo. Onganía would not go that far, but under pressure he did refuse to allow Perón's supporters to vote in the 1963 elections, so they cast blank ballots in protest. Arturo Illia was elected president and another period of civilian government ensued which lasted until 1966.

Illia, like Frondizi, was an Italian-Argentine. He was a relatively unknown figure before his election, and his physical mannerisms and slow movements resembled those of a tortoise, so to the Argentines he was soon widely known by that name, *la tortuga*. Illia fulfilled his promise to nationalize the Argentine oil industry by canceling contracts with all foreign companies and production began to decline immediately. He also broke with the World Bank and the International Monetary Fund, in two swift strokes thus slowing down the country's production of oil and obstructing the progress of direly needed industrial improvements. Instead, the new president chose the path of printing more paper money, which increased the rate of inflation alarmingly.

After these initial moves Illia adopted a tortoiselike policy of slow drift. He even drifted amiably along with the Peronistas, hoping perhaps to turn them into a respectable opposition party. But in the elections of 1965 the Peronistas received 37 per cent of the total vote, and the military again became alarmed. They allowed things to simmer for a few months, then in June 1966 a junta again took over the government, with General Onganía at its head. With their

penchant for insulting nicknames the Argentines were soon referring to the general *la tortuga blindada*, "the armored tortoise."

Formerly one of the military's most ardent proponents of civilian rule, Onganía now held firmly in his hands the reins of power. Congress was dismissed and the Supreme Court became a rubber stamp. Onganía, a conservative and a good Catholic, was like an Argentine Francisco Franco, except that he had come to power via a successful coup rather than as a result of victory in a civil war. So in Argentina the people were not even violently pro or violently con; they were merely indifferent.

With "the armored tortoise" in control, Argentina continued its long period of economic and political stagnation. During the twenty years between 1946 and 1966 per capita productivity had increased at the incredibly low rate of less than one half of one per cent per year, and Onganía did little to improve the situation. He put forth his strongest effort in clamping down the lid. The police were given the right to search and seizure without warrants.

He also sent the police into the universities, which he regarded as hotbeds of communism, and they clubbed the students and faculty into submission. Onganía then fired obstreperous professors, stationed a policeman at every classroom door, and proceeded to reward the professors who had not given him any trouble with better salaries than they had ever enjoyed before. The students, after a few noisy whimpers, settled down to the serious work of passing their courses and getting their degrees.

Similar hard-nosed tactics were applied in other areas of dissent. The powerful credit union cooperatives were squelched, banks were thus given a boost, and labor got a 35 per cent increase in wages. Argentina entered a sea of tranquility, conservative vintage. The Catholic church became very important in the economy and in the government, a deceptive prosperity took hold of those whom the government favored, opposition quieted down to a whisper, and the people generally decided that peace at the price of liberty had much to be said for it. Onganía, for his part, had veered to the right, he was strongly anti-Communist, strongly pro-United States, and thus represented an about face from the anti-North American program of his predecessor, Arturo Illia. Again the United States was obliged to maintain amicable relations with a regime that did not represent the people.

Onganía lasted until June 1970, when he was deposed by a military coup representing the army, the navy, and the air force. It was thought that the general was trying to pave the way for perpetuating himself in power. Onganía was never well liked, and the Argentines said that he was able to stay in office because he was in a vacuum like the astronauts, and so was weightless. Nobody wanted to rock the boat until other generals got scared and carried out the fifth military coup in fifteen years. Business was again humming. People thought only of getting a new car, a new apartment, a vacation, an expensive mistress. Inflation was temporarily controlled. No one dared to discuss politics. General Aramburu, a popular ex-head of state, was kidnaped and brutally murdered

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by a bunch of hoodlums who called themselves Peronistas. Perón vigorously denied any approval of the deed.

Conditions in Argentina went from bad to worse during the 1970s. In 1971 General Alejandro Augustín Lanusse became president and legalized political activities after five years of suppression. The country breathed a sigh of relief and readied itself for free elections, but when these were held Argentina jumped from the frying pan into the fire. In 1973 the seventy-seven-year-old Perón returned from eighteen years of exile and was elected president; his forty-three-year-old third wife, Isabel Martínez de Perón, was elected vice-president. Perón died the following year, and on July 1, 1974, his wife succeeded him in the presidency, thus becoming the first woman to serve as head-of-state in the Western Hemisphere. Economic conditions were growing worse daily, inflation increased at an astronomical rate, terrorist activities were a constant threat to safety, there were hundreds of political kidnappings and murders. On March 24, 1976, the military overthrew Isabel Perón, disbanded congress, and declared martial law. The commander-in-chief of the army, General Rafael Videla, assumed the presidency. He promptly applied full military force to stamp out terrorism and restore order. In the beginning Videla had the support of the majority of the Argentine people, but his antiterrorist campaign soon got out of hand and became brutal, indiscriminate, anti-Semitic, anti-intellectual, antihuman. In the economic area, however, there was some improvement. Inflation was reduced from 750 per cent a year to 160 per cent, and to sustain purchasing power wages were officially linked with the rate of inflation by "indexing." Austerity was called for and solvency was restored to the treasury.<sup>265</sup>

In spite of these measures salaries and wages did not keep up with the rise in prices. Many workers were forced to hold two jobs in order to make ends meet. The price of a kilo of bread jumped from 60 to 350 pesos, a dozen eggs from 60 to 600 pesos, a kilo of the cheapest beef from 30 to 700 pesos, and a pair of men's shoes from 1,350 to 25,000 pesos. The cost of an automobile was at least six or seven times the price of the same car in the United States.

The *guerra sucia* (dirty war) against all who opposed the military government continued with a kind of blind and compulsive fury. Assassinations, imprisonments, torture, disappearances were an everyday occurrence. Thousands of Jews fled from the country, and at least 10,000 people simply "disappeared." The total killed was three times that. The economy began to fall apart and inflation again soared. In March 1981 Videla was ousted and replaced by General Roberto Eduardo Viola, former Army Chief-of-Staff. He lasted only a few months, and in December 1981 Leopoldo Galtieri, Commander of the Army, took over as president. His administration was no improvement over those of his predecessors. The streets of Buenos Aires were flooded with thousands of citizens screaming for an end to military rule. These cries of hatred turned suddenly to cheers on April 2 when Galtieri announced that he had sent Argentine troops to invade and take over the Falkland Islands. The 84 British marines

and 2,000 British colonists on the islands were easily overpowered. A wave of unfounded pride swept over Argentina.

The Falkland Islands (*Las Malvinas* in Spanish) are only 250 miles off the Argentine coast. They were discovered by the British in 1592 and named Falkland. The French later founded a colony there and called the islands *Les Iles Malouines*, whence the name *Malvinas*. In 1766 France signed these islands over to Spain, and when Argentina won its independence from Spain in 1816 she claimed sovereignty; but in 1833 the British drove the Argentines out and have occupied the islands since that time. However, *Las Malvinas* appear on all Argentine maps as Argentine territory. Britain responded to the invasion with full force, the Argentines were forced to surrender, and in June 1982 Galtieri resigned in disgrace. For a few months Reynaldo Bignone headed the government, but the people were fed up with army rule and when free elections were held at last in October 1983, Raúl Alfonsín, of the Radical Civic Union party, won a smashing victory over his Peronist opposition and became the first civilian president of Argentina in many years.

There was great jubilation and pride in Argentina after Alfonsín's election. But the new president faced staggering problems: the economy was prostrate, Argentina's foreign debt of \$50 billion could not possibly be honored—indeed, arrears on the debt were accumulating at the rate of \$150 million a month—and to top it all, inflation was completely out of hand at more than 1,000 per cent annually. Obtaining further loans under these conditions was out of the question. Alfonsín immediately adopted a policy of extreme austerity called the Austral Plan. The national currency was abandoned, there was a bank holiday, the austral replaced the peso, wage and price controls were enacted, deficit government spending was stopped, and the national treasury was prohibited from printing additional currency. Argentina was then able to borrow enough to tide her over, but the drastic belt-tightening had a brutal effect on the standard of living, and Argentines complained bitterly.

The United States made the situation worse by signing an agreement to sell four million tons of wheat annually to the Soviet Union at less than the market price. This pulled the rug right out from under Argentina.<sup>266</sup> How could that country be expected to repay its debt if it could not sell its principal export at a profit? Alfonsín complained that the debt had now become political. His country could hardly be expected to further tighten the belt in order to honor its financial obligations if it received neither cooperation nor understanding from its foreign friends.<sup>267</sup>

In the following months things did not improve greatly inside Argentina, and when parliamentary elections were held in September 1987, the opposition Peronist party triumphed at the polls. Alfonsín's administration began to fight a losing battle. The national economy and finances were in total disarray. In retrospect, perhaps Alfonsín's brightest star was his effort to make the military accountable. One of his first official acts as president was to put on trial those accused of terrorist killings in Argentina's dirty war, many of whom were high-

ranking military officers, 30,000 persons. Alfonsín's age and vigor. The :

A second accomplishment was to move Argentina's capital to the south. This meant a great wilderness area and entrenched federal interests would never be populated hinterland. This move was indeed

During the final years of political conditions in Argentina, ordinary daily operations were so erratic that the cost of any item increased. These conditions took place in Menem's presidency. Facing a government over to Menem's power.

Menem was the first president to revert to Roman Catholicism. Menem, well liked by the people, his governor of the north, his forward appearance of power, but this was not because he was a free spender who could run his government. He had promised solemnly to bring social and economic conditions overnight. Argentine people believed his promises, but they turned into muted

The entire country was in a state of economic crisis, and Argentina on this debt. Country and deposited in the bank, faced a task of more than effecting a change in the government had become accusatory

One example was the Argentine railway system, where the conductors on the trains passed. The answer

ranking military officers. In the trials junta generals admitted to having killed 30,000 persons. Alfonsín pursued the prosecution of these criminals with courage and vigor. The sentences imposed, alas, hardly fit the crimes.<sup>264</sup>

A second accomplishment of Alfonsín's administration was the decision to move Argentina's capital from Buenos Aires to a site in Patagonia, 600 miles to the south. This move would not only encourage development of one of the great wilderness areas of the world but would also reduce the bloated, corrupt, and entrenched federal bureaucracy living in Buenos Aires. These political fat cats would never be willing to leave the opulent and glittering city for the unpopulated hinterland. Unfortunately, with the decline in Alfonsín's popularity this move was indefinitely postponed.

During the final months of Alfonsín's presidency Argentine economic and political conditions became explosive. Inflation was uncontrollable and the ordinary daily operation of business had become unmanageable. The cash flow was so erratic that no businessman could tell from one day to the next what the cost of any item might be. Many businesses simply had to shut down. Elections took place in May 1989 and Carlos Saul Menem, a Peronist, was chosen as president. Facing a situation that was chaotic, Alfonsín turned the government over to Menem five months earlier than the usual date for the assumption of power.

Menem was the son of Islamic Syrian immigrants, but he himself had converted to Roman Catholicism. His father had prospered in business, and Menem, well liked and persuasive, had risen in the political arena to become governor of the northern province of La Rioja. His administration gave the outward appearance of success, particularly as compared with the rest of Argentina, but this was not based on solid financial or economic principles. Menem was a free spender who did not seem to care how or where he got the money to run his government or to provide aid for his constituents. Nevertheless, he promised solemnly that as president he would place Argentina on a firm financial and economic footing, but with the proviso that this could not be achieved overnight. Argentina, he said, was in for a considerable period of sacrifice. The people believed him and things quieted down; utter chaos and helplessness turned into muted expectation.

The entire country was in a state of collapse. The foreign debt stood at \$70 billion, and Argentina was already \$2 billion in arrears on interest payments on this debt. Countless billions in private capital had been sent out of the country and deposited in foreign banks. The national treasury was empty. Menem faced a task of monumental proportions, and the only possible solution lay in effecting a change in the psychology and habits of the Argentine people, who had become accustomed to living under a "free ride" economy.<sup>282</sup>

One example will suffice to explain what was taking place. The head of the Argentine railway system, on a trip from Buenos Aires to Bahía Blanca, asked the conductors on his train to find out how many passengers were traveling on passes. The answer was: over 40 per cent. The same man later checked out

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Millions of people were getting free electricity, free telephone service, free air travel, government subsidies; freedom from taxes, and so on ad infinitum. State-owned enterprises were corrupt and notoriously inefficient. Bureaucracy was completely out of hand. Argentina was trying to make a go of it with this "free ride economy." Only one person out of 31,000 pays any federal income tax, and untold thousands cheat on their returns without being called to account. No country and no business can long operate under these conditions. Argentines themselves see this clearly. In August 1991 *La Nación* reported that between 70 and 80 billion dollars of their money was deposited in foreign banks, a sum greater than the nation's entire foreign debt.

On the positive side, Menem did have some noteworthy initial successes. He was able to cut government subsidies; he even reduced the budget deficit temporarily, he raised hard currency reserves, and he began the process of privatizing the nation's economy. In his first year, inflation decreased from 196 per cent in July to only 6 per cent in November. However, he was not able to control the value of Argentina's currency, the austral, which became steadily weaker when exchanged for the U.S. dollar, and inflation returned with a vengeance. Menem's initial victories suddenly became hollow.

Argentines were desperate when the prices of necessities rose as much as 200 per cent in a few days. In 1990, inflation reached 8,000 per cent annually. It was impossible to operate a business, make necessary purchases, pay debts, set aside savings, or run a bank. Confronted by that instability and an ever-rising rate of inflation, Argentines came to rely on seven-day time deposits that paid enormous interest rates of up to 600 per cent a month. It was a way to protect income in spite of the national depreciating currency. Banks were required to lend more than half of the value of these short-term deposits to the central bank, which used them to cover the deficit. To pay the exorbitant interest on these loans the government mints worked day and night cranking out more and more australes, thus aggravating inflation.

Menem, in a bold move, seized these short-term time deposits, and gave the investors ten-year dollar bonds in their place. People were suddenly told that they would have to wait ten years to get their money back. The shock of this move temporarily steadied the country's chaotic financial gyrations, but its effect was short lived because the basic problems of the economy had scarcely been touched. Privatization of the nation's industries was essential. The big, unwieldy, inefficient, bureaucratic state had passed its limits. The ruinous "free ride" would have to be abolished. Austerity measures were mandatory, but to work fairly these would have to begin at the top, and there was little to indicate that such would be the case. People began to long for the days of military rule when the generals, by fiat, could set productive quotas, control prices, curb inflation, maintain order, and provide a favorable atmosphere in

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which business might operate. Argentina did not seem to be ready yet for a free-market economy. In one way it resembled the countries of Eastern Europe which did not know how to use their suddenly gained freedom. A healthy and successful free-market economy demands competition, hard work, increased production, investment capital, control of federal spending, severe cuts in the bloated governmental bureaucracy, and intelligence and sacrifice on the part of all citizens. These things are alien to the present Argentine reality, character, and frame of mind.

Menem was hardly the moral leader to guide his people in the right direction. In addition to his official problems as president, his stormy domestic life got entirely out of hand, and after many violent disputes with his wife, all widely publicized, he ordered the lady to leave the presidential palace, Argentina's famous "Pink House." People were disillusioned and stunned by this scandalous affair, which made their country appear ridiculous before the world.

But when all is said and done perhaps the most disturbing thing in Argentina today is the rapidly shrinking middle class. Once vigorous and expanding, it distinguished Argentina from the other Latin American nations. In the ten years 1980-1990 the national economy has shrunk by 10 per cent, salaries have dropped 15 per cent, and inflation averaged 400 per cent annually. In 1973 Argentina produced 300,000 automobiles; in 1990 fewer than 100,000 were produced. In Buenos Aires construction declined to one third the level of the 1970s. Mortgage rates rose to over 20 per cent. The gap has widened precipitously between the rich and the poor and, caught in this squeeze, the middle class is slowly being choked to death. The years 1980-1990 were truly "a lost decade" for Argentina, and conditions now are ripe for another military takeover, characterized perhaps by odious fascist principles.

In spite of its unfortunate series of inept governments Argentina has maintained a thriving cultural life. There has been a tremendous cultural explosion in Argentina during the past two decades. There are fifty-five legitimate theaters in Buenos Aires and at least seventy-five art galleries, with frequently changing dramas and exhibits. Argentine writers, painters, composers, and architects are all making huge amounts of money. On the other side of the picture, hot-rodders (*tuercas*) are almost a national sport in Argentina, automobile races bring out 200,000 spectators, and soccer games stir other hundreds of thousands to a frenzy. There is much of Sweden and much of the United States in this cult of the flesh in Argentina today. The good things of Sweden and of the United States are not so zealously observed. Anti-U.S. sentiment is voluble. Argentina's writers are among the best in Latin America, and its musical performances are outstanding in the world. The Argentine national orchestra is one of the truly fine musical bodies of our generation. Musical activities take place mainly in the Colón Theater, one of the world's most famous opera houses. It has its own orchestra, opera, and ballet, and the performances given

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here rival those of Milan's La Scala or New York's Metropolitan. "Like a huge jewel box, the Colón's interior is resplendent with red plush and gilt; its vast stage is almost a block long. Salons, dressing rooms and banquet halls are equally sumptuous."<sup>241</sup>

Buenos Aires itself is a city of an extraordinary vitality. Its inhabitants "presume to have the longest and the widest avenues in the world. Rivadavia is 35 kilometers in length, and the width of the Avenida 9 de Julio is approximately half a kilometer. In order to open this street it was necessary to demolish entire blocks of houses. Its aspect by day or night, with an incessant flow of automobiles, is truly amazing."<sup>236</sup> Buenos Aires is a spectacular city in every respect, one of the world's great capitals, which bears comparison with the most beautiful capitals of Europe. There is tremendous wealth centered here, but it is not primarily new wealth, so the city has a settled and aristocratic appearance that is lacking in most other Latin American capitals. Buenos Aires reminds the traveler most of Paris. Beside it Santiago would seem quite poor indeed and São Paulo would give the impression of a gigantic beehive. But in this magnificent city, as in the country at large, the government is uneasy and unsettled, a huge, costly, and inept bureaucracy runs the state, and democracy itself rests on a fragile base, its continuance uncertain.

Has the clock stopped in Argentina? Here is a country blessed with a well-educated citizenry, a vast stretch of the most fertile land on earth, a fabulous capital city, and the possibility for rapid and efficient industrialization. As Lord Bryce pointed out in 1912, Argentina is still a nation in the making, but as yet unmade. The immigrant millions have not been fused to provide a homogeneous electorate with democratic ideals.

The farm workers have in recent years been coming to the cities in a great tide so that today 75 per cent of all Argentines, many of them rootless folk, live in urban centers. Buenos Aires itself is now a metropolitan area of nine million, nearly one third of the national population. It is a Goliath's head, as one pungent Argentine essayist called it. New York would have to contain a population of over seventy million if an analogous situation prevailed in the United States.

The imbalance of this population distribution is obvious. By all logical standards Argentina would have to contain eighty to ninety million people in order to sustain such an enormous city, the Goliath's head which deprives the whole body of its blood and its nutriment. One well-known Argentine writer put it this way:

The geographic and historic situation of Buenos Aires and the primitiveness of the undeveloped neighboring countries gave the city its greatness. But the hinterland has remained withered, anemic, stretched out endlessly in its solitude. Buenos Aires has the responsibility for the progress of several nations, as it had in the struggle for independence. Therefore, it represents a South American rather than merely a national problem.<sup>196</sup>

The head that played a giant's role had plenty of wealth and plenty of big ideas, but lacked the intelligence to carry them out with a concerted effort. Mean-

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Argentine labor gave up enthusiasm a part of Perón safer countries. The countr down, and as a result no on party, in any political dogn is Horace's *Carpe diem* (Le "Get money first, virtue co bowed its head like all of tl allowed, even encouraged, tions will probably get a lo

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while, the hinterland with its great estates is dying, and its sense of solitude and desperation have penetrated the big city and pierced its heart.

Argentine labor gave up its democratic birthright by becoming with blind enthusiasm a part of Perón's corporate state. Native capital fled to other and safer countries. The country has gone through forty years of political ups and downs, and as a result no one in Argentina today has much faith in any political party, in any political dogma, or in any economic creed. The national motto is Horace's *Carpe diem* (Let us live for this day). Or perhaps the same poet's: "Get money first, virtue comes later." In any case, the once great nation has bowed its head like all of the less fortunate nations of Latin America and has allowed, even encouraged, the military to take control. Saddest of all, conditions will probably get a lot worse in Argentina before they get any better.

The great city of Buenos Aires with all its power, wealth, beauty, and magic is not enough to give a real spirit to these people, who have flowed into it from the countryside. As Martínez Estrada, the country's most famous essayist, has so cogently pointed out, while they lived in the country in their solitude these Argentines formed a system with their environment, because there was no connection with anything better. Distance then kept them separated from urban civilization, and all the points of reference to which the threads of their lives were linked were right at hand: the farmhouse, the tree, the well, the dog, the horse, and their family. But once the interior village and along with it their farm, their tree, their dog, their horse, and their family were joined with the big city, either from a distance or closer at hand in the shantytown, they were obliged to become part of a larger system. Everything around them was put into motion while their own stillness took on the rigidities of a cadaver. This sickness of the soul is what Argentina is suffering from today.

#### PARAGUAY AND URUGUAY

Those untutored in Latin American affairs frequently confuse Uruguay and Paraguay because the names have a similar sound and because of the two countries' geographic proximity. Two more dissimilar nations, however, could not be found. Landlocked Paraguay is still Indian country; half the population is bilingual and speaks Guaraní as well as Spanish; there is even a literature in the language, and newspapers print a portion of their news in it. The people of Paraguay are poor in a land of potential wealth; the women still far outnumber the men; about 500,000 Paraguayans live in exile because of the unpleasant political and economic conditions in the country, for General Alfredo Stroessner, who was in power from 1954 to 1989, maintained the ancient tradition of Francia and López, and ruled the nation with a stern hand. Asunción, the capital, is a picturesque city of about 500,000, but it is a far cry from Uruguay's bustling Montevideo. There are no other cities of consequence in Paraguay.

Uruguay, in contrast, is one of the most literate, intelligent, and homogeneous countries in Latin America. Its population is almost entirely Spanish

and Italian, the Indian influence is practically nil, and it has the one large capital in Latin America with no sprawling slums. The extremes of rich and poor are not obvious in Uruguay; the middle class predominates in the national life.

The only real similarities between Uruguay and Paraguay are in that (a) the population of each country is under five million, less than the city of Buenos Aires; (b) the area of each country is relatively small; Paraguay is about the size of California, and Uruguay approximates the area of Nebraska; and (c) the two nations do lie almost side by side geographically, but they have no common border because a finger of Argentina separates them. Above the extended finger of Argentina, Paraguay reaches northward, which means that a considerable part of it lies within the torrid zone. Actually, Paraguay is more than twice as large as Uruguay in area, but much of its territory is totally undeveloped, while primitive methods of agriculture prevail in the remainder.

Paraguay's needless war with Bolivia over the Chaco (1932-35) ended in a stalemate, but the more poorly equipped Paraguayan soldiers, many of them barefooted and without proper rifles or ammunition, fought bravely for their "homeland" and captured all the equipment they needed, while the Bolivian Indians, accustomed to living at very high elevations where the air is cold and rare, died like flies in the tropical lowlands for which they felt no patriotic attachment. At the war's end Paraguayans occupied all of the disputed territory. The final peace granted Bolivia rights to send goods down the river, but Paraguay held onto the Chaco territory.

A whole literature grew up around this conflict, of which Bolivians created the better part. A group of short stories by Augusto Céspedes called *Sangre de mestizos* (*The Blood of Mestizos*), 1936, is perhaps the best-known book about the Chaco War. One story in particular, called "The Well," has become a classic. It is a day-by-day account of Bolivian soldiers digging a well in the dry and blistering Chaco in order to locate water, which otherwise trucks must haul from a great distance. Driven by their officers they laboriously burrow over two hundred feet down, but find no water. One day they are attacked and they defend the well as if it were filled with water. The attacking Paraguayans are similarly inspired. Many soldiers are killed; their bodies are thrown into the well (for which a use has now been found) and covered with dirt, but the abandoned well is still the deepest in the Chaco. The war's futility was never more dramatically stated.

Scenically, parts of Paraguay are very beautiful; giant trees, ancient Jesuit missions, rolling fields, and sounding rivers. Approximately 54 per cent of the land is covered with forests, 40 per cent is grassland and meadows, and only one per cent is cultivated. There are large Mennonite colonies in the north, whose model settlements may someday bring civilization to the surrounding wilderness. The country's isolation no longer exists because of air communications, but transportation by land or water is very slow. It takes four days by river to reach Asunción from Buenos Aires, and at least fifty-four hours by the

fastest train, Bolivia, requires additional passengers could become

Paraguay is the country of those who are in favor of condoning Somoza were the hemisphere the United States where he was

Stroessner's drill in the Chaco area which in 1973 Paraguay and hydroelectric President Figueres in 1982. It is a share of the evidence a large share of the total value was made with These dams They have a spurred a market to the country stretch 47 miles will be provided will stimulate Argentina, the sive thermal electricity.

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fastest train, but less than two hours by air. The circuitous rail line to La Paz, Bolivia, requires six days, while the flight by air is about three hours. With additional population and a better system of highways and rail lines Paraguay could become a prosperous country.

Paraguay remained under the iron grip of General Stroessner who purged the country of its most able leadership at all levels, characterizing as "leftists" those who opposed his policies. His was the only OAS country not to vote in favor of condemning the Somoza regime in Nicaragua, because Stroessner and Somoza were old friends, but this action made Paraguay a political outcast in the hemisphere. When Somoza found himself to be a persona non grata in the United States and facing extradition, he decided to seek asylum in Paraguay where he was assassinated.

Stroessner tried to build up his economy by inviting U.S. oil companies to drill in the Chaco, but no oil was found. Ironically, in the small slice of that area which Bolivia retained thousands of barrels are being pumped daily. In 1973 Paraguay and Brazil signed an agreement to construct a \$9 billion dam and hydroelectric power plant at Itaipú on the Paraná River. Stroessner and President Figueiredo of Brazil inaugurated this dam, the largest in the world, in 1982. It is 750 feet high with a reservoir of 500 square miles. Paraguay's share of the electricity will not only meet domestic requirements, but will provide a large surplus that will be sold for \$300 million a year. This is three times the total value of Paraguay's exports in 1972. A similar binational agreement was made with Argentina to build two additional dams at a cost of \$10 billion. These dams will alter radically the traditional picture of Paraguay's economy. They have already given employment to many thousands of workers, have spurred a small building boom, and have attracted considerable foreign capital to the country. The Yacyreta dam being built by Paraguay and Argentina will stretch 47 miles, making it the Western Hemisphere's longest dam. Electricity will be provided for many poor people of both countries, and cheap energy will stimulate further industrialization and modernization in Paraguay. For Argentina, the project will provide a great source of energy to replace expensive thermal generation and will help meet the country's growing demand for electricity.

Paraguay's economy is seriously strained by widespread contraband trade (coffee, shoes, soya products, motor vehicles, machinery) which can neither be taxed nor regulated. Contraband shoes have almost wiped out the domestic shoe industry. Paraguay is still essentially an agricultural and cattle country. There are many estates of enormous size, but more than 100,000 small farmers work land to which they hold no title. The principal products are meat, leather, sugar, yerba mate, tobacco, soybeans, timber, coffee, and cotton, but the new hydroelectric plants have encouraged steel, aluminum, textile, and metal industries. Nevertheless, Paraguay is still one of the most underdeveloped Latin American countries.

In the late 1980s in order to strengthen his hand Stroessner sent a large mili-

tary force into the Chaco on the pretext that Bolivia had plans to reclaim the territory lost in the Chaco War fifty years previously. This military-political fiction stimulated the Paraguayan martial spirit by stirring up fear of a former enemy, and it reinforced the position of the army as the most decisive element in the national life. To finance this venture Stroessner increased his military budget by 30 per cent. The army clearly remained the key to the political future of Paraguay.

In February 1989, Alfredo Stroessner's 35 years of dictatorial rule came to a sudden and inglorious end. A senior army general, Andrés Rodríguez, ousted the seventy-four-year-old president in a coup that left some 300 dead. Stroessner was ordered to leave the country, and fled to Brazil. At the moment of the coup the aged president was keeping his weekly tryst at the home of his longtime mistress, Estela Legal, where he was taken completely by surprise.

Andrés Rodríguez had been close to Stroessner for many years, and one of his daughters was married to Stroessner's younger son, Alfredo Junior. Although Rodríguez solemnly promised a democratic government, and a complete restoration of human rights to all citizens, he has since done little to achieve these worthy goals. Paraguay, long a haven for Nazi criminals and drug traffickers, is a country where things change so that they can remain the same, as an old Italian proverb puts it. Its economy continues to sputter, and its future is still questionable and murky.

Uruguay is everything Paraguay is not. From 1903 to 1973 it had an almost unbroken record of constitutional governments, owing in great part to its most famous president, Batlle y Ordóñez. Batlle served two terms as president between 1903-15 and was the originator of his country's progressive social program. In 1967 Uruguay's cumbersome nine-man council, which had run the country since 1952 was abolished, and Uruguay adopted the presidential form of government with a bicameral Congress. Uruguay's social reforms have made many observers refer to her as a "welfare state" or as "the Denmark of South America." The accuracy of such comparisons is dubious.

In any case, Uruguay nationalized its electrical output, its rail lines, buses, streetcars, and waterworks. The state also controls the production and distribution of gasoline and chemicals; handles insurance; has its own banks, casinos, hotels, theaters, and telephone system; subsidizes music and broadcasting. Its labor regulations provide for a short work week, a minimum wage, holidays and vacations with pay, liability insurance, free medical care, unemployment compensation, and generous retirement pensions. A person can earn a pension in one branch of work and then pick up a second pension in another. The per capita income was for years second in Latin America, surpassed only by that of Venezuela. Divorce is not only legal, but a woman need give no cause whatsoever if she wishes to divorce her husband. The man enjoys no such freedom.

All of this sounds utopian in the extreme, and indeed it was as long as it lasted. But the optimistic Uruguayans overdid things and as a result the state

almost went bankrupt. 250,000, or one person. Red tape prevented the this swollen bureaucracy sent the national finance recovered.

A worker who earned the equivalent of \$45 cent made his pesos barely gave him deteriorated. A crazy tax less than \$4,000 a year come tax. A short work productivity.

In 1967 when Paraguay country needed "a little to put an end to a seriousness of the situation paid off, and inflation

Another imbalance contains almost half the developed countryside *American Handbook p*

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almost went bankrupt. Out of a total labor force of approximately one million, 250,000, or one person out of every four, worked for some government agency. Red tape prevented the quick settlement of many social security claims. In 1964 this swollen bureaucracy, plus a rampant inflation and an overdose of credit, sent the national finances into a tailspin from which Uruguay has not yet recovered.

A worker who earned a salary of 4,000 pesos a month, in the 1960s received the equivalent of \$450 in purchasing power. An inflation of over 1,100 per cent made his pesos worth only a fraction of that a few years later. Rising wages barely gave him enough to scrimp by on as his standard of living steadily deteriorated. A crazy tax structure has further weakened the state; no one earning less than \$4,000 a year (i.e., about 95 per cent of all workers) pays any income tax. A short work day and an average retirement age of fifty decreased productivity.

In 1967 when President Pacheco Areco took office he remarked that his country needed "a little help from heaven." Help did come in the form of rains to put an end to a prolonged drought, and Uruguayan citizens, realizing the seriousness of the situation, tightened their belts. This austerity program soon paid off, and inflation was temporarily brought under control.

Another imbalance in the national economy is the fact that the capital city contains almost half the total population of the nation. The relatively underdeveloped countryside could not long sustain this superstructure. The *South American Handbook* points out that

... the long continued economic distress of Uruguay has its roots in a lack of balance between industry, actively fostered in a country which has few natural advantages for it, and farming, for which it is magnificently endowed, but which has been neglected; the town, in fact, has dominated the countryside, to the undoing of both.<sup>197</sup>

It might be added that sheep, cattle, and wheat make up most of the farm produce. Improved methods of farming or animal husbandry are not widely employed, for a Uruguayan rancher prefers simply to buy more land rather than to spend his capital making these improvements. Land ownership is a status symbol even in enlightened Uruguay. Uruguayans are able to boast of one world first place: they eat more meat per capita than any other country in the world, 227 pounds a year. The United States comes in fifth place, after Uruguay, New Zealand, Argentina, and Australia.

William Henry Hudson, the British-Argentine naturalist, in one of his best-known books referred to Uruguay as "The purple land that England lost," because of the great stretches of purple sage which cover the rolling earth. The beautifully written and nostalgic works of this author, who was born in Argentina and spent his first thirty-three years in that region before going to England, give such a strong feeling of the land that Argentines and Uruguayans still consider him as an integral part of their literature. In *The Purple Land* Hudson

characterizes the unique quality of the Uruguayan people in this striking paragraph:

The unwritten constitution, mightier than the written one, is in the heart of every man to make him still a republican and free with a freedom it would be hard to match anywhere else on the globe. Here the lord of many leagues of land and of herds unnumbered sits down to talk with the hired shepherd, a poor, barefooted fellow in his smoky rancho, and no class or caste difference divides them, no consciousness of their widely different positions chills the warm current of sympathy between two human hearts. How refreshing it is to meet with this perfect freedom of intercourse, tempered only by that innate courtesy and native grace of manner peculiar to Spanish America.

The visitor in Uruguay today might wonder if he was in the same country as that described in this idyllic picture. While the essential warmth of the Uruguayan people has not changed, the country is experiencing the deep social cleavages so rampant throughout the world in this generation. Inflation has grown at a fantastic rate, totaling 1,200 per cent between 1968-78. People were thrown out of work; there was profound demoralization and great political unrest.

A band of leftist radicals who called themselves Tupamaros, after the Indian hero of Colonial days, Tupac Amaru, organized themselves into guerrilla bands and began a widespread campaign of terrorism against the government. Many of the young Tupamaros belonged to upper- and middle-class Uruguayan families, but they had become dedicated revolutionaries and were intent on destroying the government by undermining its control over law and order. Political extremists, whose sole inspiration was violence, and a few out-and-out criminals, joined the organization and made peaceful life impossible in Uruguay. The Tupamaros were spawned during the country's most desperate economic upheaval in the late 1960s, but when conditions improved they did not die away but actually increased their terrorist activities.

In August 1970 they kidnapped a U.S. AID official, Daniel Mitrione, who was in Uruguay to help the police, and when the government refused to release Tupamaro prisoners in return for Mitrione's safety, he was killed. President Pacheco not only refused to bargain with the Tupamaros but asked for special powers to combat them, and the Uruguayan police began a house-to-house search which netted them several Tupamaros, including the movement's leader, Raul Sendic. Shortly afterward, however, the British ambassador was kidnapped and held for ransom for several months before he was finally freed. Kidnappings and assassinations became a daily occurrence, and law-abiding citizens began to be afraid of appearing on the streets.

The *New York Times* summarized conditions as follows:

In their intensified harassment of the government, Tupamaros have forced a series of cabinet crises. They have caused a partial suspension of the national constitution, the long-term closing of secondary schools throughout the country, and

the closing of schools against robbery. They demanding either robbed the banks substantial arsenal

Under these intolerable his handpicked successor valued the peso thirty to control either the government was military, thus putting The military wasted legislature was dissolved unions protested and brutally suppressed and many others fled were banned.

The government Tupamaros, and during the on terrorist and political no longer any such the Congress cut off funds and Uruguay retaliated International reports Uruguayan jails.

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The new, and fair Colorado party, the proposed giving amnesty who had carried out. ident was eager to buy ward. There was deficit the gross national product power the average was 1968. The net result and a growing emigration

During the last terrorist acts, 10 per cent of

the closing of scores of bank branches deemed incapable of defending themselves against robbery. The Tupamaros have kidnapped half a dozen prominent persons, demanding either ransom or propaganda benefits each time. The guerrillas have robbed the banks and casinos of well over \$1 million, and have accumulated a substantial arsenal of arms, ammunition and explosives.

Under these intolerable conditions Pacheco was impeached, and in 1971 his handpicked successor, Juan M. Bordaberry, was elected president. He devalued the peso thirty-two times in his first three years in office, but was unable to control either the Tupamaros or the economic chaos. Finally, realizing that the government was paralyzed, Bordaberry in 1973 handed control over to the military, thus putting an end to forty years of constitutional rule in Uruguay. The military wasted no time in cracking down hard on the terrorists. The legislature was dissolved and a state of emergency was declared. When the labor unions protested and called for a general strike, troops and tanks moved in and brutally suppressed all labor opposition. Several union leaders were imprisoned, and many others fled. A rigid censorship was imposed and all political activities were banned.

The government itself now began a campaign of terror against the Tupamaros, and during the next few months more than 3,500 persons were arrested on terrorist and political charges. Many of these later "disappeared." There was no longer any such thing as civil rights or a fair trial. In 1977 the United States Congress cut off further economic aid to Uruguay because of this repression, and Uruguay retaliated by refusing all military aid as well. In 1979 Amnesty International reported that 5,000 political prisoners still remained in Uruguayan jails.

The government's campaign to stamp out the Tupamaros, however, was eminently successful, and by 1978 they had been liquidated completely. Many had been imprisoned or killed, and others had fled the country. Uruguay then began the long, hard task of starting out all over again. Behind the mask of a civilian presidency, the military kept a tight grip on the reins, but as a modicum of tranquility was restored to the country, free elections and a return to constitutional government took place in 1985.

The new, and fairly elected, president was Julio María Sanguinetti of the Colorado party, the first civilian to occupy that office in twelve years. He proposed giving amnesty to the military personnel, police, and their accomplices who had carried out the terrorist repressions of the decade 1970-80. The president was eager to bury the hatchet and use all hands to move the country forward. There was definite economic improvement in Uruguay in 1986-87, with the gross national product growing by 5 per cent. However, in actual buying power the average worker's income is worth only one half of what it was in 1968. The net result has been a growing disillusion among the young people, and a growing emigration problem.

During the last ten years Uruguay has lost 25 per cent of her skilled technicians, 10 per cent of her doctors, 15 per cent of her architects, and 9 per cent



of her engineers. Great numbers of young workers leave the country every year. The total of these emigrants during the period 1968-88, just twenty years, was greater than the total of all European immigrants entering Uruguay since 1900. One newspaper in Montevideo recently ran a headline A COUNTRY OF OLD PEOPLE?

Uruguay's social idealism was carried too far. Gross overspending and a credit card philosophy of spend now, pay later, plus a huge governmental bureaucracy, brought this once prosperous and progressive country to the brink of ruin. Uruguayans now know that welfare and social reforms in a poor country bear a higher price than nearly any other enterprise on which a government may embark, because their cost continues and decreases the country's total wealth. A very long period of austerity is certainly in store for the next several years.

The Sanguinetti administration did struggle courageously to restore some sanity to the country's economy, but an inflation rate of 75 per cent made this a losing battle. The chaotic situation in Argentina and Brazil had an increasingly negative effect on Uruguay. In order to hold his ground Sanguinetti began to borrow heavily, and by the end of his term Uruguay's foreign debt had risen 36 per cent to approximately \$7 billion, which made it the highest foreign debt of any Latin American country on a per-capita basis. Interest payments amounted to approximately 30 per cent of the total export trade. Things had reached this stage when elections took place in November 1989, and for the first time since 1971, they were truly open and free, with no proscribed political parties. Luis Alberto Lacalle, a neoliberal lawyer, was elected president. He promised to govern on a bipartisan base and to strive for "the well-being of all Uruguayans."

Uruguay's fundamental economic problem is its lack of investment capital. Uruguayans are simply not earning enough to build up much of an investment nest egg, and borrowing is at best a stopgap solution. In addition to this, until such time as Brazil and Argentina can attain a reasonable stability, Uruguay is caught between these two giants and squeezed by ever-tightening pincers. The future of Uruguay, once bright and promising, has become a tragic question mark in Latin America today.

#### BRAZIL

Brazil is a country of colossal size. Her vast territories comprise an area approximately the size of that occupied by all nine Spanish-speaking countries of South America. She has the biggest river, the largest tropical jungle, and one of the fastest growing populations in the world. Her Atlantic coastline is 4,579 miles in length, and her meandering land frontier extends for 14,000 miles. Brazil is more than fifteen times as large as France, and more than thirty times the size of West Germany. São Paulo, her great industrial center of fourteen million inhabitants, is the fastest-growing city in South America.

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It was under Vargas War II, and permitte Brazilian territory and of Europe (Portugal,

Historically the Brazilian has tended to seek a quick way to wealth, moving abruptly from one Midas dream to another. As the Brazilian writer Holanda put it, he has the desire "of collecting the fruit without planting the tree." This has held back the economic growth of the country, and has kept it subject to the caprices of the world market. Brazil, despite her tremendous size, has never controlled her own destiny. She is a beggar sitting on a bag of gold. Her vast interior hinterland is still largely uninhabited. Her present economic resources are limited, and so is her know-how in the ways of this highly technical century. Her educational system is insufficient and spotty. Since the days of the emperors she has never had a truly efficient and enlightened government. Her future is at the mercy of a constrictive and costly military machine and a very poor, deeply frustrated, and illiterate populace.

Brazil, like Argentina, was hard hit by the worldwide economic depression of 1929-32. Her foreign coffee markets skidded, and tons of Brazilian coffee had to be piled up and burned. As her one-crop colonial economy shuddered, the coffee barons of São Paulo lost their grip on the national government. Getulio Vargas, a rancher, supported by the landowners and cattlemen of Rio Grande do Sur, was defeated at the polls in 1930 but he cried "fraud," and headed an easily successful coup. He represented a new direction in the national life. His opposition to the great coffee interests and his statements on social reform brought him widespread support among the middle class and the masses, as was the case with Perón in Argentina. Younger Brazilian officers took over control of the army and converted it into an instrument supporting the Vargas "revolution."

Under Getulio Vargas the Brazilian urban masses and bourgeoisie began for the first time to participate widely in the government. Psychologically, this gave them a new feeling of dignity and pride. When the depression was overcome their miserable economic state was also somewhat improved. Public works and urban improvements gave the heavily populated Brazilian seaboard the "look" of modernity. In this process United States financial help was of key importance. The Good Neighbor Policy was in full swing, and there was little talk of scrimping on hemispheric aid. Uncle Sam was amiable, generous, deferential. It was a new wrinkle in hemispheric relations.

Vargas served as "president" of Brazil for almost eighteen years, from 1930 to 1945, and again from 1951 to 1954. He was a reformist president until 1937 in which year he announced that there was a Communist plot to unseat him and that he was seizing *personal* control of the state. The real danger in Brazil was from quite another direction in the form of the immensely popular "green shirts" or integralista rightists.

It was under Vargas that Brazil came in on the side of the West during World War II, and permitted the United States to construct air and naval bases in Brazilian territory and waters. Vargas himself, an admirer of the corporate states of Europe (Portugal, Italy, Germany) was lukewarm about the war, but the

majority of the Brazilian people were pro-Western, and Getulio went along. His personal dictatorship (known as "the New State") did put an end to the fascist green shirts' hopes of taking over the government.

After serving as president of Brazil from 1930 to 1945 Vargas lost power for one term but was easily reelected in the elections of 1950. But he had shot his bolt. After a few months his regime began to stagger under widespread corruption and nepotism. When an opposition newspaper owner was attacked by assassins, Vargas was accused of the plot (he was not guilty), and officers went to the palace to arrest the head of the presidential guard, who was the alleged chief assassin. A group of higher officers pushed into Vargas's presidential quarters, demanding his resignation. The president shot himself rather than relinquish his office. The date was August 24, 1954. The suicide note read: "To the hatred of my enemies I leave the legacy of my death."

Under Vargas, Brazil had moved ponderously forward in her attempt to become a modern nation; with his death it was plain that while the nation had put on a new set of clothes the body beneath was still weak, poor, and afflicted. But even the unfortunate and the dispossessed can have their dream, and the people of Brazil were already thinking of themselves as a great nation. Their vast potential in land and untapped resources, their great unpopulated territories, their population explosion that gave the country over fifty million inhabitants by 1950, and their new political vitality were more than sufficient cause for this articulation of the national consciousness.

Getulio Vargas was a supremely Brazilian figure. According to Brazilian custom he was "Getulio" to everyone in Brazil, even to his enemies, and for many years nearly all liked him. This intimacy often echoed a mixture of admiration, envy, and fear, but Getulio was always "one of our own. That's what we Brazilians are really like." He was a man of exceptional shrewdness, charm, and sophistry. Getulio did accomplish much for the forgotten man of Brazil, and so it might be said that he made Brazil take the first long step into the twentieth century, for once recognized the forgotten man in Brazil, as elsewhere in the world, became extremely vocal and intensely aware of his condition and of the possibility of bettering it through political action.

Getulio gave the voiceless Brazilians a voice, and he also improved wages and working conditions for the urban workers, but this improvement was only the equivalent of attaining what in the more progressive countries would be considered as the lowest possible standard of living. Brazil was and is a terribly poor country, even by South American standards. In 1937 when Getulio became dictator the average *monthly* wage of the Brazilian worker in all fields was less than twelve dollars. Argentina was selling more than five times as much per capita in foreign markets, and the entire Brazilian national budget (1938) was approximately that of the *annual municipal* budgets of Baltimore or of San Francisco, cities with less than one fiftieth the population.

World War II quickened the pace of industrialization in Brazil. By the end

of the war (1946) the industrial product was forty years previously. If the industrial product to \$1,300 a year, but half lived at a bare subsistence illiterate.

After the suicide of Vargas one of whom served out seven months and then was a brilliant Brazilian Kubitschek, who was charged symbolic fulfillment to the by establishing a new Brasília. He almost bar around the clock so that from office that there could

This project, plus Kubitschek, São Paulo, Latin America's most populous city, gave Brazil a new government. The cost of Kubitschek printed money to defray unprecedented heights.

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Only the future will tell of the rampant growing pains and inflation now stands out there in the face of who sacrificed everything is an incomparably magnificent, incohesive, heterogeneous, and when that day comes

There is no doubt that a new act was needed to start one per cent of the nation's population one or two hundred miles from them in shantytown hovels. To make the problem worse, the cities at the seams. In 1950 that figure had risen to 1970 the figure was 90 per cent tremendous extensions of the territory of Brazil is considerably larger than that of Alaska.

of the war (1946) the industrial product was fifty times greater than it had been forty years previously. Even so, it amounted to less than \$2 billion. By 1970 the industrial product totaled about \$7 billion, and per capita income reached \$1,300 a year, but half of the people were still wretchedly poor and illiterate, lived at a bare subsistence level, were not allowed to vote *because* of being illiterate.

After the suicide of Vargas, Brazil had three "constitutional" presidents, only one of whom served out his term; while another, Jânio Quadros, lasted only seven months and then resigned in a neurotic huff. The full-term president was a brilliant Brazilian of Czechoslovak background, Juscelino de Oliveira Kubitschek, who was chief of state during the period 1956-61. Kubitschek gave symbolic fulfillment to the Brazilian dream of moving out into the hinterland by establishing a new national capital six hundred miles in the interior at Brasília. He almost bankrupted the state by having crews of laborers work around the clock so that the city would be so far along when he was retired from office that there could be no retreat from accepting it.

This project, plus Kubitschek's emphasis on the further industrialization of São Paulo, Latin America's greatest industrial center, and now also her most populous city, gave Brazil a new dimension. But there was one fly in the ointment. The cost of Kubitschek's grandiose schemes was exorbitant and he printed money to defray a portion of the expense. The cost of living rose to unprecedented heights. According to one astute critic, Kubitschek's promise to "achieve 50 years' progress in five" had resolved itself by his having "achieved 40 years' inflation in four."

Only the future will tell whether Kubitschek's new capital with all its attendant growing pains and heavy costs was worth the price. In any event, Brasília now stands out there in the beckoning interior as a monument to the president who sacrificed everything in order to make it a reality. By any standards Brasília is an incomparably magnificent capital, worthy of any nation. Perhaps the ungainly, incohesive, heterogeneous, disjointed nation will someday grow up to it, and when that day comes Brazil will have achieved her destiny.

There is no doubt that by the mid-twentieth century some such symbolic act was needed to start once again a westward migration of the Brazilians. Eighty per cent of the nation's people still lived crowded together on a narrow strip one or two hundred miles wide along the Atlantic coast, hundreds of thousands of them in shantytown hovels made of tin cans and other debris of the big cities. To make the problem worse, a population explosion literally burst all these cities at the seams. In 1900 the total population of Brazil was 17,300,000; by 1950 that figure had risen to 51,000,000, by 1960 it stood at 71,000,000, and in 1970 the figure was 90,000,000. In the interior of the gigantic country lay tremendous extensions of unpopulated and undeveloped lands, for the total area of Brazil is considerably larger than that of the United States before the addition of Alaska.

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*The South American Handbook*, published yearly by a group of British businessmen interested in the area, a group hardly given to overstatement, refers to the founding of Brasília in these words:

On April 21, 1960, Rio de Janeiro ceased to be the Federal Capital of Brazil; it had outrun its water supply and power supply and had not another foot of soil to build upon. It was replaced by Brasília, 600 miles away in the impoverished uplands of Goiás, deep in the heart of the undeveloped *sertão*. Such a superbly act of faith has few precedents in history; it is not in the nature of governments to turn their backs on luxury and make for the wilderness.

All government agencies are now firmly ensconced in Brasília. If the original plan had been followed population would have been limited to half a million, but that figure has already been passed as the exodus of those moving west has swollen. Only light industries are permitted. Brasília is located at an elevation of 3,000 feet on an undulating plain. The year round climate is mild with a very low humidity. There are frequent summer rains to cool the night air. There is a fine airport and two excellent paved roads connect the city with the coast, one through Belo Horizonte, the other through Anápolis to São Paulo. From the fork at Anápolis a secondary road heads north for 1,350 miles to Belém, the last fourth of its length through tropical jungle.

The city was planned from scratch after a nationwide competition. Professor Lucio Costa won first-place honors and headed the designing crew. Brasília is laid out in the shape of a bent bow and arrow, the bent bow following the lakeshore, while along its curve are the residential areas, schools, and a few small shops. The main shopping area is in the heart of the city. At right angles to these residential areas flows the five-mile long, 820-foot wide Avenida Monumental. At the tip of the arrow on somewhat higher ground are the government buildings. Recreational and cultural areas are being developed where the bow and arrow intersect. A new university occupies a 625-acre campus next to the lake. It already has one of the best science departments in the country, and an enrollment of several hundred students.

Oscar Niemeyer, Brazil's gifted architect, is responsible for the most impressive buildings in Brasília, which are in the modern style. The city also boasts of many statues in the same style. Motor and pedestrian traffic are carefully separated, and motor vehicles can move freely without interruption to almost any point in town. There is a series of zones along the shaft of the arrow: a hotel complex, a radio and television city, an area for fairs and circuses, a sports center, a municipal square, and a railway station. Two yacht clubs occupy choice spots on the lakeshore. Foreign embassies give the new capital a cosmopolitan accent.

Unfortunately, at one end of the city at least 50,000 workers live in extremely poor quarters, and the larger apartment buildings which house the minor government officers and clerks have a blocklike sameness and angularity to them which is distressing. In spite of these drawbacks Brasília has already begun to

fulfill its purpose. Kubitschek's vision of the surrounding area will at least quadruple. After up. People are on the march

After Kubitschek's term ended first of whom, Jânio da Silva (1961). His vice-president, Goulart was noted for his "allied with the middle-class" action from the beginning. A Quadros abruptly resigned Mao Tse-tung and the Congress they had accomplished in C

When Goulart returned several days before they were under military pressure, Congress reorganizing itself along the power of the president. him. Communists were all held a high public office. C declared on a European trip the takeover in Brazil because statement was not only injured caused shivers of fear among

In the economic sphere the cost of living had tripled with sent their capital to Swiss banks wipe them out financially. A financial state became chaotic cities in an uproar. The president of Goulart's liberal reforms, whatever. The treasury was neither order nor progress. Government. The streets teemed with General Castelo Branco, elected "of Brazil" (1964). In 1964 was also elected by Congress to cut inflation. The military move made by Costa e Silva. Brazilians refer to him as "office.

The military proclaimed making a popular revolution a good general but he was

fulfill its purpose. Kubitschek's folly is now being called a miracle. The population of the surrounding area has more than doubled, and in another ten years will at least quadruple. After four centuries Brazilian hinterland is being opened up. People are on the march westward, hopes are rising, and the fire is bright.

After Kubitschek's term ended, Brazil had two more civilian presidents, the first of whom, Jânio da Silva Quadros, lasted less than a year (January–August 1961). His vice-president, João Belchior Marques Goulart, then took over. Goulart was noted for his "leftist" sympathies, and the conservative oligarchy, allied with the middle-class military establishment, eyed his regime with suspicion from the beginning. As events would have it Goulart was in China when Quadros abruptly resigned from the presidency. He had rubbed elbows with Mao Tse-tung and the Communist mayor of Shanghai, praising both for what they had accomplished in China.

When Goulart returned to Brazil the military leaders kept him waiting for several days before they would allow him to assume office, and in the interim, under military pressure, Congress quickly passed a constitutional amendment reorganizing itself along European parliamentary lines, thus greatly reducing the power of the president. Goulart took office with two strikes already against him. Communists were allowed to infiltrate the government, although none held a high public office. Carlos Prestes, the Communist leader, brashly declared on a European trip that there was no longer any need for a Communist takeover in Brazil because his party already controlled the government. The statement was not only injudicious, it was not true. But Preste's wishful thinking caused shivers of fear among the military.

In the economic sphere things were going rapidly from bad to worse. The cost of living had tripled within a couple of years, and wealthy Brazilians hastily sent their capital to Swiss and American banks, fearing that the inflation would wipe them out financially. Workers pressed for higher wages, and the country's financial state became chaotic. Student rebellions and labor agitation kept the cities in an uproar. The president's left-wing supporters demanded a quickening of Goulart's liberal reforms, but there were no funds to carry out any reforms whatever. The treasury was empty; the country was at a standstill. There was neither order nor progress. The military, promising both, took over the government. The streets teemed with hundreds of thousands rejoicing at the coup. General Castelo Branco, elected by the Congress, became the military "president" of Brazil (1964). In 1967 he was replaced by Artur da Costa e Silva, who was also elected by Congress. He promised to humanize the government and to cut inflation. The military kept a wary eye on every political and economic move made by Costa e Silva, often calling the play. The president himself—Brazilians refer to him as "the big shadow"—was simply the prisoner of his office.

The military proclaimed that it was carrying out the will of the people by making a popular revolution, but this was clearly a charade. Costa e Silva was a good general but he was neither a good nor a popular president. His brief

term was "marked by a paralysis of leadership, a carnival of blunders, and a lack of cohesion within the government." On one occasion three ministries released three different versions of the government's new minimum wage law. As a respected Brazilian newspaper put it: "No previous government was ever endowed with so many powers to tackle questions, but no other previous government ever showed such a lack of decision and initiative."

In late 1969 Brazil was declared under a state of siege (martial law), Congress was closed, a rigid censorship was imposed on the press, due process and habeas corpus were suspended, and two hundred oppositions and journalists were imprisoned. Even the Supreme Court was muzzled, an unprecedented act. Former President Kubitschek was also arrested, but he was still one of the country's most popular political figures. On October 25, 1969, General Emilio Garrastazu Medici took over the presidency. He promised many fundamental social, economic, and agrarian reforms, but no sooner had the military committee chosen him as Brazil's next president, than urban guerrillas launched a campaign of terror in order to harass the dictatorship. There were bombings, bank robberies, the seizure of radio stations, and kidnappings of foreign diplomats who were held for ransom. The first kidnap victim was U.S. Ambassador C. Burke Elbrick. He was held for some time and finally released in return for the freedom of fifteen political prisoners. Soon after Elbrick's capture the German ambassador, and then the Japanese consul general in São Paulo, were kidnapped. There were many other victims. At first the police seemed powerless to control this wave of terrorism, but once they countered with a policy of ruthless extermination unincumbered by legal restrictions, the terrorist campaign was quickly ended. There is no doubt that many innocent persons were killed in this process of "liquidating the leftists," as the government put it. In any event, Brazil was soon back on the path of economic and geographic expansion.

The twelve years 1968-80 were for Brazil a period of astounding growth and incredible blunders. Perhaps the two must always go hand in hand in order to attest to the imperfection of humankind. The annual growth rate between 1968-72 was over 10 per cent, then in 1973, when world oil prices quadrupled, the economy was dealt a devastating blow. Brazil produces very little petroleum and must pay an immense import bill for this product, so necessary in an industrialized nation. Inflation hit Brazil with a vengeance, averaging 40 per cent a year and, in an effort to control the economy, government spending was sharply curtailed. General Ernesto Geisel, who in 1974 succeeded General Medici as president, took over a country that was on the ropes. Brazilians were tired of being ruled by generals and made no bones about saying so at the polls. After the elections of 1974 freedom of the press was restored, and there was a decrease in police brutality. Television and radio were still subject to strict government censorship; and human rights again became a public issue. Up to this time, off-duty policemen, using vigilante methods, had simply wiped out hun-

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dreds of people thought to be political troublemakers while the authorities looked on.

High world coffee prices in 1977 helped to turn the economy around, and initiated another period of expansion, perhaps not as dramatic as that of the late 1960s, but financially and economically more responsible. Gross National Productivity averaged 7 per cent a year during 1977-80, and signs bearing the words: WATCH OUT! THE BRAZILIANS ARE COMING! began to appear frequently reflecting the national optimism. In order to prevent serious financial distress in the wake of a continuing high rate of inflation, Brazil worked out an ingenious system of indexing in which wages were automatically increased by law in order to keep pace with the inflation spiral.

The population explosion continued; by 1990 Brazil had 159,000,000 inhabitants, and was growing faster than all the Spanish-speaking countries of South America combined. São Paulo was one of the most rapidly growing cities in the world, with an increase of nearly half a million persons a year, two thirds of which was internal growth. In 1990 the metropolitan area of São Paulo had well over fourteen million people.<sup>238</sup>

It is a dynamic city of towering, bright skyscrapers, wide boulevards, thriving banks, and industries. It is also a city of slums. Half the families of São Paulo receive less than \$2,500 a year, only half the homes have running water, and scarcely a third have indoor plumbing connected to sewer lines. There is a new subway system to help take traffic off the already overcrowded streets, and there is a growing pollution in the air.

Brazil's population explosion would be more than doubled each year if it were not for the 3.4 million abortions carried out annually. A São Paulo doctor, Nelson Luiz de Araujo Morais, reported in 1979 that about a quarter of Brazilian women of fertile age become pregnant yearly, and about half of these decide to have abortions, the most damaging form of birth control. Abortions are illegal, so many are performed under less than hygienic conditions, and more than 20 per cent of the women suffer postoperative infections, 600,000 of them requiring hospitalization. The price paid for an abortion varies from U.S. \$13 to as much as U.S. \$500, depending on the social class of the woman involved.

After the success of Brasília, the government embarked on a long range plan for western expansion. At tremendous cost 14,000 miles of highways were pushed into the interior, and people living along the seaboard were urged to move into the western territories by grants of land and interest-free loans. In its exuberance to expand the western frontier the government built some highways that really went nowhere. Boom towns that were expected to spring up along these roads did not materialize, and many highways were then allowed to fall into disrepair because of lack of funds for upkeep. The government had shot its bolt with the many millions appropriated as an initial outlay for this development and was unable to follow up.



The most famous of these roads, the Trans-Amazon Highway, was opened in 1974, and large portions of it have already been all but abandoned. One Brazilian newspaper called it "the longest, poorest, and most useless highway on earth."<sup>230</sup> Nevertheless, the Amazon basin, which occupies 60 per cent of Brazil's area, and contains only 8 per cent of the population, is still one of the world's richest areas. Eric Echolm, principal investigator for the Worldwatch Institute, a group that studies the quality of human life in various parts of the planet, stated that Amazonia is the richest area on earth in a biological sense, having a million species of animal and plant life, many of which are unique here. The Amazon basin also contains one trillion dollars worth of forest products. Since colonial times it has been considered as Brazil's security blanket.<sup>231</sup>

This unique rain forest is today in the process of being destroyed by man's encroachment. An Englishman who recently flew over the area was appalled to see miles of forest going up in smoke to make way for pasture lands and farms. Knowing the territory well he exclaimed: "My God, they are burning mahogany down there!" Perhaps as much as 20 per cent of the Amazon rain forest has already succumbed to cutting and burning, and once gone it can never be replaced.<sup>230</sup> Small plane pilots frequently complain that they cannot see landmarks below because of the extensive layer of smoke.

The Amazon rain forest is not good farm land except for a stretch of alluvial plains along the banks of the great river that overflows and leaves its deposit of silt behind. This constitutes about 20 per cent of the total area.<sup>232</sup> The rest of the selva has only a thin layer of topsoil that is quickly leached of nutrients by the tropical rains once the growth is cut or burned down. Exposed to the baking rays of the sun this laterite becomes hard as brick, and the entire denuded area then becomes a desert wasteland. The fragile ecological balance of the rain forest is already being seriously disturbed. Laterite soil may produce a crop for two or three years before its nutrients are gone, and this has led thousands of itinerant farmers to move into the selva, burn it down, plant their crops for two or three years, and then move on to another area to do the same thing all over again.

Brazilians are still referring to the selva as their Amazon bonanza. Many are convinced that vast deposits of oil lie underneath, although there is no justification for such a belief. Others, overcome by the fever to participate in the westward expansion and to settle and make money quickly, have little concern for the long-term consequences. Brazil's new timber program, for example, entails the deforestation of 100,000,000 acres of selva. That much is now leased to lumber companies. If cutting proceeds on schedule, by the year 2000 only one third of the selva will remain, and there is no surety that this can survive. The ecological and climatic results for Brazil are unpredictable, but they will clearly be unfavorable.

In 1967 Daniel K. Ludwig, a New York shipbuilder, bought four million acres of selva along the Jari River to the south of Surinam, to cut timber, use as grazing land, replant portions in quickly growing trees to use in the manufac-

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ture of paper and cellulose, and to grow rice. Another U.S. concern, Georgia Pacific, owns 575,000 acres of the selva, and the King Ranch of Texas has 180,000 acres in the state of Pará on which to raise cattle. There are also Japanese and German companies that have land in this area, and Volkswagen owns a 300,000 acre cattle ranch.

Ludwig, however, was by far the biggest operator. He initially spent \$750 million here, and planned to spend an additional \$800 million in the next few years. In 1978 two enormous barges were towed all the way from Japan then up the Amazon and Jari rivers with heavy equipment. One contained a wood-burning power plant, the other a huge paper pulp mill that was soon in operation producing 750 tons of paper daily. In order to produce pulp Ludwig replaced 225,000 acres of virgin forest with pines (*pinus caribae* imported from Honduras) and *gmelina*, an Asiatic tree that grows easily in this area. His rice farms planted on the reclaimed floodplains of the Jari had the potential of producing four tons of rice per acre for a world faced with the growing specter of famine.<sup>233</sup>

The project was initially greeted with enthusiasm by the Brazilian government which granted Ludwig ten years tax exemption from Brazil's value-added tax. The government also acted as guarantor of a \$200 million U.S. loan. In the twelve years that have passed since the Jari enterprise began, criticism of it has mounted. Brazilians, like peoples of many other nations, have become more ecology minded, and the entire project soon became highly controversial. The Brazilian government supported Ludwig, but many voices were raised against him in the congress. One federal deputy rose to his feet and raged: "To allow a transnational into the Amazon region is the same as letting a goat into an orchard!" Other deputies were no less violent in their criticism. One thing that infuriated the deputies was that the actual acreage was never clearly delineated. Francisco Andrade, director of Jari, testified before the Chamber of Deputies that it contained 1,632,121 hectares (4,080,000 acres). But upon further questioning he admitted that the project was in fact claiming possession of 3,600,000 hectares (9,000,000 acres). In any event, Ludwig finally won out, and Jari got started with great fanfare. It was one of the biggest dreams in the history of any South American country.

The Jari project opened up a wild and almost unpopulated stretch of virgin rain forest. The headquarters, growing out of nowhere, soon became a town of 9,000 inhabitants. Airports were opened up in the area, roads were constructed; barges, ferries, and river boats began to ply the waters. Employment was given to 30,000 workers. Thousands of tons of timber, paper pulp, and rice were produced. For a time things looked very promising for the success of the project, but before long disease and insects hit the *gmelina* trees that Ludwig had planted, and half of them died. The Brazilian government stopped the cutting of timber to be used for fuel in the manufacture of paper pulp and this work came to a standstill. The workers who had been hired with such high expectations turned into squatters, the rice planting part of the project was aban-

done, and the whole Jari dream disintegrated. The Brazilian government finally took control of what was left.

Ludwig was by no means the only foreigner operating in the Amazon area. A total of at least sixty foreign firms hold investments there, including Alcoa, Reynolds Aluminum, Bethlehem Steel, and U.S. Steel, until it recently pulled out. The cost of starting productive operations is astronomical, because every pound of cement and piping has to be flown in or roads have to be opened so that it may be hauled in. U.S. Steel, after investing several millions of dollars in the Carajás project in the hope of producing iron ore, finally gave the whole thing up before processing a single pound of ore. The largest mining operation now functioning in Amazonia is the Trombetas bauxite project, which is being financed by the Brazilian government, Reynolds Aluminum, and firms from Canada, the Netherlands, Spain, and Norway. Trombetas expects to produce 4.5 million tons of bauxite in 1992, with an eventual target of 8 million tons a year.

In a totally different area the Brazilian government is participating heavily in a binational hydroelectric dam and power plant on the upper Paraná. Brazil is feverishly doing everything it can in order to offset the nation's unfavorable trade balance and foreign debt. Industrialization, building, exploration, westward expansion, and the intensive exploitation of her vast natural resources all form a part of the picture.

President Carter's human rights program infuriated many members of the ruling military caste, and in 1979 they became so angry that Brazil's twenty-five-year-old military pact with the United States was canceled, and all further U.S. military aid rejected. Brazil began to import her arms from other countries or to manufacture them herself. But if Carter's criticism of human rights violations in Brazil angered the rulers of that country, it made us many friends among the people, and one well-known and highly respected periodical reported that this may indeed make Carter more popular in Brazil than John F. Kennedy.

The Brazilian parliament has recently legalized divorce, despite the opposition of the church, and labor unions are now allowed to go on strike, a freedom unthinkable a decade or so ago. In view of its fuel shortage Brazil has embarked on the widespread construction of nuclear reactors. A multibillion dollar deal was signed with West Germany in 1978 to provide for at least eight reactors, and the United States (Westinghouse) has provided one. Brazil will import her uranium from West Germany, an arrangement that caused great concern in Washington, because out of this uranium Brazil could, if she wished, also make nuclear weapons. West Germany is Brazil's number one foreign customer.

Brazil already assembles and manufactures hundreds of thousands of motor vehicles and a wide range of machinery and military equipment. She manufactures one jet bomber, the Xavante, for her own use, and also makes a large transport-reconnaissance plane that is being sold to countries with human rights violations so flagrant that most Western nations will not sell them weapons.

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In 1979 stern-mannered General Geisel was succeeded in the presidency by João Baptista Figueiredo, who was arrogantly optimistic about his country's progress. He took the stance that Brazil was already a world power of the first magnitude: "We are no longer little boys to have our ears pulled," he said, "today we create our own alternatives." If Figueiredo was referring to Brazil's potential, he was right. The country occupies half of the South American continent, and its population is greater than that of all the Spanish-speaking countries of South America combined. Brazil's potential is inestimable. However, Brazil's history of swinging wildly between periods of boom and bust has never created either economic or political stability. Democratic regimes of political uncertainty, followed by rigid military governments, have repeatedly eroded public confidence and made progress erratic. Brazil is an amorphous giant. Finally, in 1985, after twenty-one years of increasingly unpopular military rule, the generals allowed the national electoral college to choose a nonmilitary candidate for president. Tancredo Neves was chosen and then approved in a national plebiscite, but he died after a few months in office and was succeeded by his vice-president, Jose Sarney.

There was a period of aimless government until Sarney announced his bold Cruzado Plan: a new currency, a freeze on prices and wages, a broad program of social welfare, and widespread land reform. The public enthusiastically supported the plan, inflation was cut dramatically, and all economic indexes soared. Sarney became a hero overnight. But because of erratic implementation and overspending by both the public and private sectors, shortages developed, the government began to print money to finance its expenditures, inflation returned with a vengeance, prices and wages then rose, and the bubble burst. Sarney called for a nationwide austerity program which did steady the economy, but inflation for 1987 was still 338 per cent. One good sign: for the year 1987 Brazil had a favorable trade balance of \$8.6 billion; exports totaled \$23.1 billion while imports were only \$14.5 billion; but this favorable balance evaporated quickly when the country came to grips with its foreign debt which required \$12.4 billion a year merely to service.<sup>268</sup>

Brazil's foreign debt in early 1987 stood at \$114 billion, and in February when the economy plummeted the government suspended payments on \$78 billion of this, and asked for a 30 per cent reduction in the remainder.<sup>269</sup> One U. S. bank wrote off its Brazilian loan as a total loss. Nick Eberstadt of the Harvard Center for Population Studies made the following statement about how Brazilians regard this debt: "Their economic attitudes were shaped by the perception that this was gift money. Needless to say, when you make unlimited amounts of capital available directly to governments, it changes the balance of power rather dramatically between the public and private sectors." But the Brazilians say that paying the debt at this time would cause them financial disaster, and they refuse to make any concrete commitment until the economy reaches a 6 to 7 per cent annual growth rate and remains there for some time. Eberstadt continues: "What is dramatically unconvincing is the notion that

Brazil is unable to pay its debt. You need only look at the government ownership of industry and land to realize how preposterous it is. What we are dealing with is patent unwillingness to honor obligations that they contracted for."<sup>270</sup>

Brazil's President Sarney, unable to handle his apparently insurmountable problems at home, like many Latin American heads-of-state, let off steam by lambasting the United States, always the convenient goat in such predicaments. However, his bitter words do indicate the depth of the growing anti-U.S. sentiment in Latin America today: "I do not believe there is a greater error on the part of the United States in its relations with Latin America than the third-class treatment it has given to our countries. Latin America has been a friend whose loyalty the United States has too long taken for granted, but the idea that we are the backyard of the hemisphere, a kind of vacant lot, naturally wounds and troubles us. Reacting to this attitude Latin America is beginning to nurture anti-North American feelings that did not exist in the past. When problems arise, Washington's preoccupation is security, its solution, military. This complicates matters; it does not solve them. What we need in our relations today is more cooperation, and less belligerence."

In spite of his aptitude for turning a neat phrase, the objective appraisal of Jose Sarney must be that he was not an inspiring or successful leader of his own country. Inflation soared during his term in office, the economy began to stagger, and the people lost confidence in their government. Brazil has lived so long with high inflation that this has come to be accepted almost as normal. A São Paulo economist, Luis Carlos Mendoca, said that his country has created "an inflationary culture," in which rapidly rising inflation is routine. Salaries are raised every month in order to keep pace with prices.

Rents, loan installments, and other contracted debts are indexed by governmental decree, pegged to a constantly adjusted index that reflects inflation. On the other side of the ledger, investors are not inclined to put their money into such an unpredictable economy. They send it out of the country, and as a consequence business languishes. The result is that the government has no money and spins its wheels; unless the trend is reversed the economy will collapse. With such a collapse there would come a critical loss of confidence in the democratic process. And many Brazilians remember, nostalgically, that military regimes would not allow such chaos under their rule.

At the end of his term Sarney was no longer in control of the government. Brazil had become strongly polarized politically and was floundering. There was a desperate need for new leadership, but when elections were held in December 1989, giving Brazilians the opportunity of choosing their first popularly elected president in twenty-nine years, the winner was young, popular, conservative, and inexperienced Fernando Collor de Mello, son of a wealthy landowner. He was forty years old, the youngest chief executive in Brazil's history. Collor had previously served as governor of one of the country's smallest and least populous states. He was elected president by a narrow margin of 5 per cent of the votes, and only 25 deputies of his National Reconstruction

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Party won seats in the 559-member congress. Consequently, the new president faced major difficulties in finding legislative support for his program.

Collor's primary source of popularity had come from his dramatic fight against the "maharajahs" of Brazil—elite government bureaucrats who receive exorbitant salaries for doing nothing. His achievements as governor of the small northeastern state of Alagoas had not been outstanding. On taking office in March 1990 Collor was confronted by an annual inflation rate of 5,000 per cent and the almost total collapse of his nation's economy. One of his first moves was to promise that he would fire 300,000 useless government workers which, of course, brought forth a hue and cry from those affected and their families. Then he froze a large part of the bank deposits in order to curb inflation. But Brazil and Collor needed a real miracle to pull themselves out of the morass. An energetic and growing leftist opposition readied itself to skewer the new administration, while the military, not at all eager to take over a nation already hanging on the ropes, reluctantly prepared to act "in case of necessity."

Brazil is now the eighth most productive Western country, as many of the more optimistic reports are pointing out. But viewed in a more reasonable light this means little, for Canada, with only one fifth as large a population produces \$40 billion more annually, or approximately seven times as much per inhabitant. Japan, with less population than Brazil, has a GNP five times as high. Brazil still has a long way to go before her economy can reasonably be called properly diversified and decently distributed.

Brazil is more of a melting pot than any other Latin American country. There are millions of Brazilians whose ancestral home was Italy, Portugal, Germany, or Spain. Almost 60 per cent of the total population is white, of European extraction. There are 950,000 Japanese in Brazil today, 250,000 of them native born. They have achieved considerable prominence in Brazil's economy and culture because of their tenacity, capacity of tireless work, and the high degree of literacy of the immigrants. Ethnic Japanese constitute only 2 per cent of the population of the state of São Paulo, for example, but more than 13 per cent of the students at the 30,000 student body University of São Paulo are Japanese. Though relatively few in number, the Japanese produce one fifth of Brazil's coffee, 30 per cent of her cotton, all of the tea, and a high percentage of the truck garden produce. Japanese are also extremely prominent in business, industry, and art.

Brazil spends over \$8 billion a year to pay for imported oil, which the country produces in very small quantity. Gasoline costs twice as much as it does in the United States, and this is catastrophic in a country where 75 per cent of the freight is carried over roads. Any hike in the price of oil sends shudders throughout the Brazilian economy. Brazil, however, is far ahead of the United States in producing alternate fuels. Alcohol made from manioc, sugar beets, and sugarcane is at present the main synthetic fuel, but serious work is being done to convert coal. In Brazil's largest cities gasohol is already the principal fuel for cars.

At this point a personal reflection may be appropriate. I remember well that when I was in Brazil during World War II there was hardly a gasoline motor car on the streets, yet the streets were teeming with automobiles. In those days, in the 1940s, each car had a stove-like contraption attached to its rear in which was burned a kind of charcoal. These cars and motors were then called *gasogenios*, and they ran perfectly. Man's ingenuity has always been able to find an alternate source of energy when his accustomed source became too scarce. Brazil already has the capacity to produce more alcohol than can be stored.

Ninety per cent of the automobiles produced in Brazil run on 185 proof alcohol, which is almost smog free, and the country thus saves 200,000 barrels of gasoline a day. On the adverse side, government subsidies to encourage the production of this expensive fuel have severely drained federal resources at a time of economic crisis. There is now a crunch in the supply because Brazilian sugarcane refineries earn more producing sugar than they do alcohol. But the use of alcohol as an automobile fuel is clearly set to stay. Half a million new jobs have been created, at great government expense, and these cannot be taken away. Besides, Brazil's supply of petroleum-based gasoline is limited and meets only 10 per cent of the country's needs. As one big automobile manufacturer commented: "Alcohol is the AIDS of Brazil, and we don't know how to cure it!"

Another Brazilian problem of mammoth proportions is the rapid increase in population. Each year the country adds more people than the total population of Uruguay. Well over one million new applicants enter the job market every year, and there is not enough work to go around. This has placed a high priority on westward expansion, where the frontier beckons and the people follow. World Bank loans since 1982 to help Brazil build a 1,100-mile road into the Amazon selva have opened up a forested area the size of West Germany. The road has encouraged half a million land-hungry laborers displaced by mechanization elsewhere in Brazil to stream into the forest to scratch a living from fragile soils unsuitable for either farming or grazing. They soon move on, leaving a desert behind. Each year Brazil loses 3,650,000 acres of selva in this way, which amounts to the destruction of ten thousand acres of tropical forest every day.

A precious and irreplaceable resource is being squandered. The tropical forest helps to keep the earth's air clean, and "it is not surprising that one out of four pharmaceuticals comes from these forests. Or that an estimated 1,400 tropical plants, like the rosy periwinkle, have promising anti-cancer properties. As home to half the world's plant and animal species, these forests are a vast biochemical warehouse. The future of medicine and agriculture, the existence of thousands of wildlife species, and the survival of hundreds of millions of people all over the world depends on what we do now to keep the tropical forests alive."<sup>271</sup> As one observer noted, "the senseless destruction of Brazil's rain forest is like burying the paintings of Rembrandt in order to cook a meal."

The Amazon is by far the largest river in the world. It is 4,000 miles long,

with nearly one thousand miles out to sea. It drains one fifth of the world's water into the ocean. Its tributaries contain nearly one million species of fauna in the world and its great river

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with nearly one thousand tributaries, and by the time the majestic river reaches the Atlantic it is flowing with such force that fresh water can be dipped up 200 miles out to sea. The mouth of the river is 200 miles wide. Its total flow is 60 times that of the Nile, and in a single hour the Amazon empties enough fresh water into the ocean to supply the needs of New York City for seven years. It drains one fifth of the world's fresh water into the sea. The Amazon and its tributaries contain more species of fish than the Atlantic Ocean, and in the Amazon rain forest live more than one half of all known species of flora and fauna in the world. This vast forest replenishes one half of the earth's oxygen, and its great river basin is the source of one fifth of the earth's fresh water.

One thousand miles up the Amazon lies the fabulous city of Manaus of nearly one million inhabitants, a tribute to man's ability to live in the tropics. In its famed opera house, built many years ago by the wealthy rubber barons, were once presented concerts and operas featuring the greatest singers of the world. Caruso and Adelina Patti sang here, as did many others of that golden age of opera. This once beautiful auditorium, now somewhat ravaged by time, sadly reflects the devastation of the rain forest that surrounds it.

During the early years of this century wild rubber collected in the Amazon rain forest brought in millions of dollars. In order to increase production, rubber trees were planted on several large plantations, but these trees became infested and were unprofitable. Isolated trees in the selva did not suffer from this blight. The plantations had been laid out on a terrain of too much humidity and heat. In recent years domestic plantings have been made in drier, cooler areas and have thrived.

Michelin has an exemplary plantation of one-and-one-half-million trees on 5,500 hectares among rolling hills near the coast between Rio and the mouth of the Amazon. Here they employ 800 bleeders and 700 support workers to produce 3,000 tons of rubber a year. To collect this much rubber from the forest would require the labor of at least 6,000 rubber tappers, and this wild rubber would be dirty and filled with debris. Michelin has provided each worker with a free house with running water and electricity, and has set up a twenty-bed hospital to take care of the ill.

Brazil today is a big question mark among the great nations of the world. No one knows where it is heading. It has neither a homogeneous population, nor an orderly and intelligently run government, nor an efficiently organized economy, nor indeed any well-defined program for future development, but it is, quite simply, the most dynamic large country in the world, unique in its diversity, magnificent in its unfulfilled promise.

#### GENERAL CONCLUSIONS

##### A Hemispheric Guessing Game

Almost any general conclusion concerning Latin America is bound to be problematical or downright deceiving. The public view is to lump all the south-



ern countries together in a great mass known as *Latin America*. Many scholars fall into the same trap, despite the well-known fact that differences far outweigh similarities. Nevertheless, it is occasionally interesting to play at this hemispheric guessing game.

For example, in July 1979 there appeared a scholarly study called *Inter-futures*, sponsored by OECD, and directed by the French professor, Jacques Lesorme. This report predicts that by the year 2000 Latin America's share of the world productivity is likely to increase by more than 60 per cent, a rate of growth exceeding that of any other area of the world. The report states: "In many respects, Latin America seems closer to the advanced industrial countries than to the developing world." The report predicts that per capita income in Latin America by the year 2000 will rise to between U.S. \$2,600 and U.S. \$3,200 (in 1979 dollars), approximately the same as in Italy today. Mexico City and São Paulo will be the two largest cities in the world, with populations of over thirty and twenty-six million respectively.

The report predicts that the annual rate of growth in productivity will average from 7 to 8 per cent between 1980 and 2000, because of the strong resource base and the rising level of industrialization. Approximately two thirds of the production and population will then be (as they are now) concentrated in three countries: Brazil, Mexico, and Argentina. The report points out that the economies of these countries are export-oriented because of the larger foreign market and more remunerative return. This has the effect of restricting the domestic market, which is at present confined to the upper income brackets, and it also gives very little support to internal employment. Of the three leading countries, only Argentina is able to maintain self-supporting agriculture. In Mexico and Brazil agriculture is languishing under the glitter of export profits. In the late 1970s and throughout the 1980s Latin America had to import 15 million tons of food, mostly grains, each year. Foreign indebtedness is increasing at a more rapid rate than economic growth.<sup>240</sup>

After pointing out these weaknesses the report warns that the predicted phenomenal growth will be achieved only if there is: political and social stability, a less inegalitarian social and economic structure, increased efficiency of the productive system, and control of population growth. The report indicates what the total productivity of Latin America may become by the year 2000, and by studying the graphs the conclusion is inevitable that even in the year 2000 Latin America, with double the population of the United States, will be producing only one half as much. In brief, per capita productivity will be only one fourth the U.S. average. This sounds terribly depressing unless we emphasize that at present it is only one eighth as much.

A considerably darker picture is painted by the Inter-American Development Bank, in its most recent annual reports on Latin America. Here the emphasis is on the recent decline in productivity, which expanded so rapidly from 1968 to 1974, when a growth rate of 7.2 per cent a year was maintained. In 1977-79, however, the annual rate of growth was only 4.5 per cent, and in the 1980s

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it was less than 2 per cent. The reasons for this decline were: a continuing inflation, an exploding population, social and political unrest, and the failure of the region to adjust to the higher costs of energy.<sup>243</sup> If a single one of these four weaknesses continues, it will subvert the possibility of rapid future growth. What is the reader to conclude? You pay your money and you take your choice. After all, it is only a guessing game.

During the 1980s there arose a new problem for Latin America: the foreign debt crisis. The overwhelming size of this debt, totaling \$410 billion, still hangs like a great storm cloud over the entire area. In 1990 Brazil owed \$117 billion, Mexico \$114 billion, Argentina \$60 billion, Venezuela \$34 billion, Peru \$25 billion. These countries are finding it intolerable to pay even the interest on these huge sums, let alone any part of the principal. They say that the debt is paralyzing their countries, making economic growth impossible, threatening the very survival of fragile democratic regimes. Big debt obligations also increase fiscal deficits, a major cause of inflation, which in 1987 was a staggering 187 per cent annually as an overall average, compared to 65 per cent for 1986. Nicaragua had the highest inflation at 1,226 per cent, Brazil 338 per cent, Argentina 178 per cent, Mexico 144 per cent, Peru 105 per cent.<sup>272</sup> There was only moderate improvement in the succeeding years 1988-92.

All the national economies continued to lose momentum. There was a decrease in productivity, in employment, per capita income, the standard of living, the influx of foreign capital, internal investment, the quality of work, and the quality of education. Furthermore, because of growing poverty and malnutrition, several diseases, once thought to be eradicated, reappeared in epidemic proportions: malaria, yellow fever, Chagas disease, and other parasitic infections.<sup>273</sup> A serious cholera epidemic broke out in 1991.

It is a Catch-22 situation: if the Latin Americans pay the debt their economies and very well-being are strangled; if they do not, it may become impossible to obtain the additional capital so desperately needed for their development. The foreign debt, therefore, has become for them a political and humanitarian rather than a financial problem. But in seeking a way out of this predicament Latin Americans are already asking for more money, for some kind of long-range Marshall Plan, for an outright cancellation of a considerable portion of the debt. Once off the hook, they think, some way will be found to resolve the basic problem. There is an unwillingness among the Latin American nations to tackle their insolvency with drastic cuts in their governmental bureaucracies and federal spending, with heavier taxes on the well-to-do, with more efficient economic programs, with better organized, more dedicated workers and fewer holidays in order to increase productivity and export profits. South Koreans, left in a shambles by war and with a debt equally onerous, worked around the clock for a pittance in order to build up their productive capacity for exports, and are now prospering. But such a course in Latin America is not conceivable.

We will take a guess at what may happen. The United States will probably respond to Latin America's request for further loans by throwing good money after bad, only to see this, too, evaporate under corrupt and inept governments. The politicians, as always, will feather their own nests rather than invest in productive enterprises which would benefit all the people.

The Colombian Nobel Laureate, García Márquez, made this comment on the problem: "Latin American unity is being achieved by the foreign debt. This unity," he continues, "will ultimately not be *against* but in *collaboration* with the United States. It will make us allies in a world of peace and creativity."<sup>274</sup>

Latin America's foreign debt could be turned to immediate advantage if used in part to provide exchange fellowships in our hemisphere. Similarly endowed Fulbright fellowships for other areas have been highly successful. In such an exchange Latin American host countries would cancel a portion of their debt by providing transportation, housing, food, medical care, tuition, etc., for visiting fellows. Theoretically, Argentina's debt alone (\$60 billion), if all used for this purpose, could give the equivalent of \$20,000 a year to each of 5,000 fellows for a period of six hundred years.

It is pertinent at this point to emphasize that U.S. policy toward Latin America, often excoriated in previous chapters, does have a bright side which calls urgently for attention and for expansion. The U.S. Department of State operates popular binational cultural centers in many of the larger Latin American cities. These centers are gathering places where students and citizens learn English and study a variety of other subjects absolutely free. Each center has a library, offers lectures by outstanding specialists, and has an area for exhibits. The centers have created incalculable good will.

Another strong but unheralded arm of our Latin American policy is the U.S. Peace Corps, whose dedicated workers have achieved phenomenal results in many primitive rural areas. A third inexpensive way to give productive and direct aid would be to set up several Vicos-type projects (see pages 818-820), in which residents participate actively in community reform. Millions of rural families desperately need clean drinking water, more hygienic living conditions, improved seed crops, more expertise in farming and animal husbandry, traveling clinics offering dental and medical care, and consolidated schools. The primary thrust of our Latin American policy should always be to provide aid directly to those in need, not to wasteful governmental agencies.

In the concluding chapters an attempt will be made to specify in more detail some of the realities with which the various countries of Latin America must grapple before there can be a truly dramatic change. Perhaps the greatest obstacle of all is the restriction of human freedom: in speech, in education, in the distribution of wealth, and of political power. The military clique invariably justifies its repression of these liberties with the cry of need. William Pitt put it well many years ago: "*Necessity is the plea for every infringement of human freedom. It is the argument of tyrants, it is the creed of slaves.*"

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