The History of the Twentieth Century
Episode 201
"1919 - Latin America"
Transcript

[music: Fanfare]

The long prosperity from 1870 to 1914 had brought economic opportunity to Latin America, to the point that its largest nations, like Brazil and Argentina, were peers of the nations of Europe and North America.

But the end of the war did not bring about a return of the golden days. The postwar economy did not grow nearly as quickly, and even nations that had remained neutral during the Great War suffered a share of the economic pain.

Welcome to *The History of the Twentieth Century*.

[music: Opening Theme]

Episode 201. 1919 - Latin America.

Like most North Americans, when I use the expression "Latin America," I generally mean all the lands of the Western Hemisphere apart from the United States and Canada. To be a little more historically and culturally rigorous, I should specify those lands where the predominant language is Spanish or Portuguese, which is what we mean when we say "Latin." These are the lands of the Western Hemisphere that were at one time ruled over by Spain and Portugal.

Human beings have been living in the Americas for tens of thousands of years. Historians, archeologists and anthropologists feel certain that the first humans in the New World came via Asia, across a land bridge connecting Asia to North America that no longer exists.

Although there is consensus on the mode of human arrival into the Americas, there is no similar consensus on the timing. When I was young, I was taught that the first humans crossed over about 12,000 years ago and gradually spread south across North America and then South America. More recent discoveries have cast doubt on this timeline. The first human crossing may have been earlier than that, perhaps as early at 30,000 years ago. And although it seems reasonable to suppose that it took humans a long time, possibly millennia, to spread southward after the crossing, more recent archeological evidence points to a much faster movement, possibly one that should be measured not in millennia, but in centuries, or even faster than that.

I won't go into a lot of detail about the indigenous civilizations of the Western Hemisphere. I imagine most of you are acquainted with the Incas and the Maya. I did talk about the Aztecs some when we covered Mexico. Likewise, I already spoke about Christopher Columbus and you no doubt know something about the Age of Exploration and about the Spanish *conquistadores* who brought Spanish rule to Latin America, with the exception of Brazil, where the first European arrivals were Portuguese.

Their Latin American possessions were a great source of wealth for Spain and Portugal for centuries, until the year 1807. This year marks the beginning of the end for these two New World empires, once Napoleon invaded Portugal because the Portuguese wouldn't honor the French embargo on trade with Britain, and then the Spanish began resisting the French in the "little war" that was the origin of the word "guerilla," literally "little war" in Spanish.

Spanish and Portuguese power had been waning for centuries and these Napoleonic wars finished the job, weakening the mother countries to the point that the New World colonies could go their own way. Only the Portuguese colony of Brazil remained a monarchy, which probably explains why it held together as a unified state following independence. Brazil is the largest nation in Latin America and in our time, the fifth largest in the world, both in area and population.

The Spanish colonies, by contrast, began as republics, apart from a brief flirtation with monarchy in Mexico, and this lack of any unifying institution may account for the fact that the former Spanish territories broke apart from four viceroyalties into seventeen separate nations. On the other hand, the formerly Spanish lands moved relatively quickly to abolish slavery after independence, while Brazil was the last Western nation to abolish slavery in 1888. Perhaps not coincidentally, the Brazilian monarchy was overthrown a year later, and Brazil, too, became a republic.

The Spanish used a race-based caste system to govern their colonial territories, under which Spanish born in Spain were at the top of the social order, with colonial-born people of purely Spanish ancestry, *criollos,* on the next rung down. Below them were people of mixed ancestry, then Native Americans, then slaves. This system worked well enough for the Spanish, who were primarily interested in these lands for their agricultural production and the extraction of their precious metals.

Independence ended the power of the Spanish-born, and left those *criollos,* the native-born of European ancestry, at the top of the post-revolutionary social order, which suited them just fine. They were the landowners, the educated, the wealthy, and in their own eyes, liberal aspirations of freedom and democracy were all well and good, but of course the only people competent to run the country were *their* sort of people. So independence was great for them, although how much it benefited the rest of society is debatable. The abolition of slavery was nice, though.

Independence also meant an end to the Spanish and Portuguese trade monopolies, meaning the new nations' new political and economic leaders were free to trade with any nation they pleased, allowing them to cut out the Iberian resellers and keep a bigger share of the profits. The nation they were most pleased to trade with was Great Britain, the world's largest economy, and Britain became Latin America's number one trading partner in the nineteenth century.

Then there was the United States. The US, as a fellow post-colonial New World republic had mostly good relations with Latin America in the nineteenth century, if you're willing to overlook a few unpleasant incidents like the war with Mexico or William Walker's meddling in Nicaragua. In the eyes of many Latin Americans, the US was perhaps too democratic, too raucous and chaotic, not as orderly a society as one might prefer, but also a useful ally against any European power that might be tempted to reassert colonial mastery over American lands. We're thinking here primarily of the British, who retain control over Canada and Jamaica and the West Indies and British Honduras and the Mosquito Coast and British Guiana, and who might be tempted to expand their holdings.

The United States held to a longstanding principle, the Monroe Doctrine, opposing any claim by any European power to any new colonial holdings in the Americas. For most of the 19th century, the US lacked the military muscle to really enforce this principle, although most Latin Americans appreciated the sentiment. Crucially, though, the British largely supported the Monroe Doctrine. As the UK embraced liberalism and free trade in the 19th century, the British saw the wisdom in profiting off trade with the American republics and otherwise leaving them to govern themselves, so long as the other European powers did likewise.

For the rest of the 19th century, post-revolutionary Latin America continued to export mostly agricultural products and minerals, just as in colonial times, although the specific agricultural products and the specific minerals changed over time. As I said, much of this trade was with the British, in exchange for manufactured goods. And since the colonial caste system was set up to facilitate exactly this kind of production—mining and farming—it largely persisted. Smaller Latin American nations had only a handful of wealthy families who controlled most of the land and the economy, so in those nations, politics and political parties mostly amounted to coalitions of powerful families arguing over, and sometimes fighting over, the direction of the nation. And since the military was one of the only truly national institutions in these new nations, military rule became a common occurrence.

It was different in the largest and wealthiest nations, where there were many wealthy landowners, and the governments here more closely resembled representative democracy. I'm thinking here particularly of Brazil, Uruguay, Argentina, and Chile, the exception to his rule being Mexico, where the Porfiriate governed over the final decades of the 19th century, as we have seen.

The period from 1870 to 1914, the Second Industrial Revolution, the Belle Époque, was a period of rapid economic growth and booming international trade and these Latin American countries found ready markets for their exports. It was also an era of large-scale emigration from Europe to the Americas. The United States received the lion's share of these immigrants, but the US was not the only American nation to experience an immigration boom. Immigrants from Spain and Portugal tended to prefer Latin America as a destination, for obvious reasons, but these countries, again especially Mexico, Brazil, Uruguay, Argentina, and Chile, got their share of German and Italian and Eastern European immigrants. Many of them were experienced factory workers, who formed a nucleus of potential workers for newly developing industry in Latin America. They also brought with them European ideas like anarchism and socialism and labor unions.

By the beginning of the twentieth century, these large Latin American economies were wealthier than ever. Remember the South American dreadnought race, episode 41? Brazil and Argentina and Chile were rich enough to afford the most feared weapon of the day, the dreadnought battleship. The wealthiest Latin American elites sent their children abroad to be educated and themselves hobnobbed on equal terms with European aristocracy and the US plutocracy. Remember the Brazilian coffee heir and aviation pioneer Alberto Santos-Dumont? Remember how Vaclav Nijinsky and the *Ballets Russes* performed in Brazil and Argentina in 1913?

[music: Debussy, *Prélude à l'après-midi d'un faune*]

There are multiple stories regarding the origins of coffee, but all we can say with confidence is that the earliest record of people picking berries from coffee plants, extracting the seeds, roasting and grinding them, and then using the grounds to brew a hot, dark, and stimulating drink goes back to the late 15th century. By that time, Arab traders were importing coffee from Ethiopia into Yemen. Coffee quickly spread from Arabia into Egypt, Turkey, and North Africa in the early 16th century. It reached Italy by the late 16th century, and spread across Europe during the 17th century.

The Turks held a monopoly on coffee sales to Europe, which made it expensive. Coffee preparation is also complex and requires specialized equipment, which made coffee definitely a luxury item during this period. Ordinary people didn't drink coffee at home. You went to a coffee house or café to drink your coffee, or sometimes to a tavern. And I would be remiss here if I did not mention how the great German composer Johann Sebastian Bach was a regular at the Café Zimmerman in Leipzig, where was performed in about 1735 his humorous "Coffee Cantata," which includes such lines as "How sweet the coffee tastes, more lovely than a thousand kisses…I must have it."

Coffee seeds were smuggled out of the Middle East and into South Asia and the East Indies. Coffee was grown on the island of Java; its very name became a slang term for coffee. By the time Bach wrote his cantata in the 18th century, the Dutch and British East India Companies were importing Asian coffee into Europe, and coffee cultivation was beginning in the Americas.

But it was in the 18th century that tea overtook coffee in popularity in the English-speaking world. Once the British got tea cultivation going in India, the price of tea fell dramatically, to the point where it became something ordinary people could buy in the grocery store, and tea is easier to prepare than coffee. Tea remains more popular than coffee in English-speaking nations to this day, and more than that, tea drinking is deeply embedded in the cultures of those countries.

But there are a couple of notable exceptions: Canada and the United States. North Americans are notorious coffee drinkers. If you ask why, the answer you are usually given is the colonial quarrel with the British over imported tea, and especially the famous Boston Tea Party. Actually, the answer is a little more complicated than that and also involves the trade embargoes of the Napoleonic era that made tea unavailable in the US and did you notice that none of this accounts for Canada, where per capita coffee consumption is actually higher than it is in the United States. Canadians also drink more tea per capita. Apparently Canadians are very keen on hot caffeinated beverages. I wonder if there is some aspect of life in Canada that could explain that.

But there's another explanation for high levels of coffee consumption in North America, probably a more important one, and that is high levels of coffee production in Latin America. Over the course of the 19th century, coffee production grew dramatically in the region, particularly in Brazil. They've got an awful lot of coffee in Brazil, as the popular song from 1946 tells us. By the early twentieth century, Brazil alone was producing three-quarters of the world supply of coffee. Of the remaining quarter, half of that was coming from other Latin American countries. Only a small fraction of the world's coffee originated from the more traditional sources in Africa, Asia, and the East Indies.

The Second Industrial Revolution in the latter part of the 19th century allowed for the mass production of inexpensive coffee grinders and coffee pots, the specialized equipment needed to brew a proper cup of coffee at home. It also resulted in a growing middle class who could now afford to buy that equipment and the coffee beans, and it is during this period that coffee changed from an occasional luxury you went out to a café or tavern to drink into something that middle class people became accustomed to drinking at home every morning as part of their breakfast. And a funny thing about coffee—once you become accustomed to drinking it every morning, you don't want to stop.

By the early twentieth century, the United States accounted for over half of world coffee consumption. The British controlled the international trade in tea, but US shippers could import inexpensive coffee, mostly from Brazil. If you remember back to episode 97, when I talked about bananas and how they became the most popular fruit in the US because it was so cheap and easy to import them from Central America, well, coffee became popular in the US in a similar way.

And coffee was the cornerstone of the Brazilian economy in the early twentieth century. And it wasn't all going to the US. I focused a minute ago on the US and Canada as opposed to other English-speaking countries, but there are also plenty of Europeans who are hardcore coffee drinkers, like the Italians, the French, and the Germans for starters. And then there are Switzerland, Belgium, Luxembourg, the Netherlands, and wow, Scandinavia, where per capita coffee consumption is at levels I'm pretty sure are close to lethal. I suppose it's hard to get started on your day in a place where the sun doesn't rise until 10:30 in the morning. See also Canada.

That's why Brazil became the only South American country to join the Allies during the Great War. The German U-boat campaigns impacted Brazil's European coffee trade, sank Brazilian ships, and killed Brazilian civilians.

But the US remained Brazil's most important coffee customer, because its citizens may not be the biggest coffee drinkers in the world per capita, but they drink a lot of it collectively, since the US population far exceeds that of Norway or Belgium. You might say that the US is the Brazil of coffee consumption.

Britain was Latin America's number one trading partner in the 19th century, but by the beginning of the twentieth century, that had begun to change. The United States, with its increasing population and growing economy, became a more important market for Latin America's exports, minerals and agricultural goods, and an increasingly important supplier of manufactured products.

The Great War accelerated this trend. Germany was blockaded. British factories retooled for war production. But the neutral United States continued to manufacture consumer goods. Britain still needed to import food, but the U-boat war was making that risky, while shipping to North America remained perfectly safe. Recall, too, that the U-boat war forced the British to restrict their imports to essentials, and the British, being British, did not count coffee as an essential. Sorry about that, Brazil.

On the other hand, the United States is itself a major agricultural producer, so there's no great market in the US for Latin American corn or cotton or wheat or beef. The US only buys warm weather crops that can't be produced domestically, like sugar cane and bananas and coffee.

These shifts in trade patterns persisted even after the end of the war. Latin America resumed exporting foodstuffs and some minerals to Britain, but now was buying its manufactured products largely from the United States. Which means a balance of trade surplus for the US, and a trade deficit for the United Kingdom and other European countries, countries that had already seen their balance sheets knocked askew by the war. They were now short on cash, and this trade deficit isn't helping.

Latin America was running a trade deficit with the United States also, and that was only the first item on the list of concerns regarding what was now being called "the Colossus of the North." The days when the US was a fellow scrappy new republic banding together with us to fend off the Old World colonialists was a fading memory. The past 25 years had seen the US seize Cuba and Puerto Rico, pry Panama away from Colombia so they could build their canal, intervene twice into Mexico, and once each into Nicaragua, Haiti, and the Dominican Republic.

If there was any doubt what the US was thinking, Theodore Roosevelt had dispelled it when he asserted the Roosevelt Corollary to the Monroe Doctrine. No longer was this merely about defending the Americas from European aggression. In the US, this historical moment is usually interpreted as the US taking its place on the world stage, flexing its muscles. In Latin America, it was seen in a very different way. Roosevelt had openly claimed a US right to intervene in the affairs of any Latin American nation whenever it felt its own economic interests were threatened. And the US had a *lot* of economic interests in Latin America. What's more, those interests were expanding and supplanting British interests.

I'm going to use the nation of Chile as an example here. You've heard me talk before about the nitrate deposits in the Atacama Desert in northern Chile. This territory used to be controlled by Peru and Bolivia, by the way, but was wrested from those countries by Chile in the War of the Pacific in 1884, and with it the lucrative trade in nitrates. The war was encouraged by the British, who figured they'd get a better deal on nitrates from the Chileans.

At the beginning of the twentieth century, nitrates were Chile's biggest export. Nitrates were used as fertilizer and as an ingredient in explosives, the market for which was booming. Sorry, I couldn't resist. Most of Chile's nitrate trade was with the British. British interests bought three-quarters of Chile's exports, and Britain provided half of Chile's imports. This is a level of trade dominance comparable to what you would expect to find in a colonial holding. In fact, Britain held a bigger share of Chile's trade than it did of India's. Who needs colonies when you can make this much money off a country without troubling to occupy it?

But the early years of the twentieth century saw everything change for Chile. The construction of the Panama Canal meant that ships moving between the Atlantic and the Pacific no longer had to travel around South America. Countries like Chile, and Peru, Argentina, and Uruguay, lost revenue from providing port facilities to passing ships. And especially important for Chile was the German chemist Fritz Haber's invention of a process for manufacturing artificial nitrates, which he developed in 1913, episode 108.

In the short run, the Great War would disrupt world trade, including Chile's nitrates exports. In the long run, over the next 25 years, the market for Chilean nitrates would dwindle away to nothing because of the Haber process. But this was not the end of Chilean mining. Chile also had copper deposits, and by the early twentieth century, American corporations, notably the Anaconda Copper Company, began investing in copper mining in Chile, among other countries.

But Chile, like many other countries, would soon discover that doing business with US corporations was different from dealing with the British. The British liked to buy your exports and ship them away on their own ships to resell to other countries. British bankers liked to offer loans and sometimes even purchase interests in local businesses.

But though the United Kingdom may have invented capitalism, the United States perfected it. This was the era of what at the time were called the "trusts," although in our day it might be better simply to think of them as large, multi-national corporations. US corporate leaders, notably Gustavus Swift of meat-packing fame and steel magnate Andrew Carnegie, pioneered vertical integration, the business arrangement under which the whole supply chain is controlled by one corporation. Why own just the railroad that carries the iron ore and coal to the steel mill, for example, when you can also own the mines and the mill?

We saw one example of this when I talked about the banana trade. US shipping companies discovered they could buy bananas cheap in Central America and sell them in the US at a tenfold markup. But they weren't content just to buy, ship, and resell the bananas. No, they wanted to own the docks, the railroads that carried the bananas to port, and the plantations themselves, as much as possible.

This creates a dilemma for a country like Chile. Modern mining requires expensive machinery, which requires capital to invest in the mine. Chile lacks sufficient domestic capital. US mining interests have the capital, but they won't be content writing loans like the British. They want equity. They want control. They want the profits. If you refuse, your copper mines won't be able to compete. If you say yes, you'll get a lot more copper production in your country, but most of the profits will be shipped back to the US right along with the copper.

Across Latin America, the story was the same. And with US investment and ownership comes the scrutiny of the US government. If Washington doesn't like how you're treating US businesses, well, ask Mexico or Panama or Haiti or Nicaragua what comes next. No one can afford to offend the Colossus of the North.

[music: Berg, *Piano Sonata*, Op. 1]

Before I finish today's episode, I should say a few words about some of the other major Latin American nations. I'll start with Brazil. We've already talked about the importance of coffee production in Brazil. The cattle industry was also important. In describing Brazilian politics of the early twentieth century, people use the expression *café com leite*, which is Portuguese for *café au lait*, which is French for a 50/50 mixture of coffee and scalded milk, but in this case it's a wry reference to the coffee and cattle barons, respectively, who dominated Brazil. The former was centered in the state of São Paulo and the latter in Minas Gerais, the two wealthiest and most populous states in the nation.

This is not to suggest that the two were equal in importance; coffee was a much bigger industry, or that coffee is only grown in São Paulo or that cattle raised only in Minas Gerais, but the fact was in the early twentieth century that the wealthy families that controlled these two commodities controlled the government of the new Republic and the chosen President alternated between those two states for many years.

Because Brazil controlled so much of the world coffee trade, the Brazilian government was able to keep coffee prices at a high level by buying up excess production and storing it until it would sell. If you think about that for a minute, you can guess how this story is going to turn out. The artificially high price of coffee encouraged coffee production elsewhere in Latin America, and when the Great Depression hit, the whole thing came crashing down.

Of all the nations in Latin America, Argentina was the one that in the early twentieth century most closely resembled the liberal democracies of North America and Europe. The Argentine economy grew rapidly in the decades before the Great War, helped along by large-scale immigration from Europe and the Near East. It was Argentine government policy to encourage immigration, and over this period Argentina received more immigrants than any other country in the Western Hemisphere, apart from the United States. The political system was stable and Argentines enjoyed broad civil liberties, though elections were mostly controlled by wealthy oligarchs. If there was one nation in Latin America that you could point to as having fulfilled the promise of the last century's revolutions against Spanish rule, it was Argentina.

But the distribution of economic power in Argentina, that's another story. Argentina's chief export had previously been grain, but the development of refrigerated ships in the final decades of the 19^{th} century made possible large-scale exports of beef to European markets. But wheat and cattle farming was still mostly conducted on *estancias,* what in other places we might call haciendas or simply ranches. These are large estates owned by a small group of wealthy families, a familiar story in post-colonial Latin America.

As in North America, Argentina expanded its control into the indigenous-controlled *pampas* south and west of Buenos Aires in the second half of the 19^{th} century. Unlike in the United States, where new land taken from the indigenous peoples was carved up into small farms and often distributed to immigrants, in Argentina, the new land went into new *estancias.* All those immigrants I mentioned a minute ago, they had to settle either for becoming tenant farmers or live in Buenos Aires and find work in industry or in fields related to the cattle trade, like shipping, dock work, or slaughterhouses. In the early twentieth century, more than half the population of Buenos Aires had been born in Europe.

Discontent brewed among the working class immigrants in Buenos Aires, who as I said brought with them European ideas about socialism, anarchism, and labor unions. There were strikes and political violence. And it wasn't only the urban working class that was dissatisfied. The growing middle class wanted more say in how the government was run, along with the intellectuals, academics, professionals, the usual suspects. There was even some sympathy for political reform among the oligarchs.

Following an outbreak of revolutionary violence in 1905, the same year as in Russia, movement began toward reform. In 1910, Argentina enacted universal male suffrage by secret ballot. In 1916, the first presidential election held under the new voting law, the victor was the leader of the Radical Civic Union, Hipólito Yrigoyen, known as the "father of the poor."

As President, Yrigoyen pursued a policy of neutrality during the Great War, focusing instead on an economic nationalism that limited foreign control of Argentine railroads and trade. Like everywhere else, Argentina faced inflation in food prices due to the war, while the German U-boat campaign hindered the flow of Argentine beef to Europe. This led to labor unrest, strikes, and culminated in an outbreak of rioting and violence by socialist and anarchist workers in January 1919 known in Argentina as *La Semana Trágica,* the Tragic Week, during which the government of "the father of the poor" found itself cracking down on the very Buenos Aires working class that had once been its key source of support. Hundreds died in the violence.

Happily, the end of the war led to a decade of economic growth during the 1920s, and wage increases soothed the discontent of urban workers, at least until the coming of the Great Depression, though the bitter memory of the Tragic Week also remained.

We'll have to stop there for today. I thank you for listening, and I'd especially like to thank Joey for making a donation, and thank you to B.T. for becoming a patron of the podcast. Donors and patrons like Joey and B.T. help cover the costs of making this show, which in turn keeps the podcast available free for everyone, so thank you all for that. If you'd like to become a patron or make a donation, just visit the website, historyofthetwentiethcentury.com and click on the PayPal or Patreon buttons.

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And I hope you'll join me next week, here on *The History of the Twentieth Century,* as we turn our attention to Mexico. Mexico stayed neutral during the Great War as it sorted out its internal struggles. We'll get caught up on that next week, here on *The History of the Twentieth Century.*

Oh, and one more thing. Vaslav Nijinsky and the *Ballets Russes* may have been touring in Brazil and Argentina in 1913, as we saw in episode 45, but South America wasn't only importing European dance. In the late 19th century, a new form of music and of dance originated among the urban poor of Buenos Aires and across the river in Montevideo, Uruguay. Called the tango, it had its roots in traditional Latin American culture, but was influenced by the cultures of former slaves and all those immigrants from places like Italy and Eastern Europe.

In the final years of the Belle Époque, the tango had reached Paris and New York. The war interrupted its spread, but afterward the craze picked up right where it was left off. It spread rapidly through the newer media of phonograph records and motion pictures. And like the waltz before it, the older folks disapproved, criticizing the dance as too sexy.

The tango craze peaked during the Roaring Twenties and the dance later went out of fashion, although the tango has never disappeared and occasionally experiences a revival. In our time, it's considered a standard form of ballroom dancing, along with the waltz and the foxtrot. By the way, the foxtrot first appeared in the United States in 1914, and it is related to the development of jazz, a topic we shall soon explore.

[music: "La Cumparsita"]