

LESSON 4

# Nationalism in Latin America

ESSENTIAL QUESTIONS

- How can political control lead to nationalist movements?
- How does economic exploitation lead to nationalist movements?

READING HELPDESK

Academic Vocabulary

- investor
- establish

Content Vocabulary

- oligarchy

TAKING NOTES

Key Ideas and Details

**Summarizing** Use the following graphic organizer to identify countries and regions in Latin America and their primary exports.

Country or Region	Export
Argentina	
Brazil	
Chile	
Central America	
Caribbean	

IT MATTERS BECAUSE

*During the 1920s, investors in the United States poured funds directly into Latin American businesses. The Great Depression devastated Latin America's economy and created instability. This turmoil led to the creation of military dictatorships and authoritarian states in Latin America in the 1930s.*

## The Latin American Economy

**GUIDING QUESTION** *What factors influenced the Latin American economy during the 1920s and 1930s?*

In the early twentieth century, the Latin American economy was based largely on the export of foodstuffs and raw materials. Some countries relied on only one or two products for sale abroad. Argentina, for example, exported beef and wheat; Chile, nitrates and copper; Brazil, coffee and cotton; Caribbean nations, such as Cuba, sugar; and Central America, bananas. A few reaped large profits from these exports. For most of the people, however, the returns were small.

### Role of the United States

Beginning in the 1920s, the United States began to replace Great Britain as the major **investor** in Latin America. British investors had put money into stocks and other forms of investment that did not give them direct control of the companies. U.S. investors, however, put their funds directly into production facilities and ran companies themselves. In this way, large segments of Latin America's export industries fell into U.S. hands. A number of smaller Central American countries became independent republics, but their economies often depended on wealthy nations. The U.S.-owned United Fruit Company, for example, owned land, packing plants, and railroads in Central America. American firms also gained control of the copper-mining industry in Chile and Peru, as well as of the oil industry in Mexico, Peru, and Bolivia.

**investor** a person or entity that commits money to earn a financial return

Many Latin Americans resented U.S. control of Latin American industries. A growing nationalist awareness led many of them to view the United States as an imperialist power. It was not difficult for Latin American nationalists to show that profits from U.S. businesses were sometimes used to keep ruthless dictators in power. In Venezuela, for example, U.S. oil companies had close ties to the dictator Juan Vicente Gómez.

The United States had always cast a large shadow over Latin America. It had intervened militarily in Latin American affairs for years. This was especially true in Central America and the Caribbean. Many Americans considered both regions vital to U.S. security.

The United States made some attempts to change its relationship with Latin America in the 1930s. In 1933 President Franklin D. Roosevelt announced the Good Neighbor policy, rejecting the use of U.S. military force in Latin America. The president then withdrew the last U.S. Marines from Haiti in 1934. For the first time in 30 years, no U.S. troops were stationed in Latin American countries.

### Impact of the Great Depression

The Great Depression was a disaster for Latin America's economy. Weak U.S. and European economies meant less demand for Latin American exports, especially coffee, sugar, metals, and meat. The total value of Latin American exports in 1930 was almost 50 percent below the figures for the years 1925 through 1929. The countries that depended on the export of only one product were especially hurt.

The Great Depression, however, had one positive effect on the Latin American economy. When exports declined, Latin American countries could no longer buy manufactured goods from abroad. Thus their governments began to encourage the development of new industries to produce manufactured goods. The hope was that industrial development would bring greater economic independence.

Often, however, individuals could not start new industries because capital was scarce in the private sector. Governments then invested in the new industries. This led to government-run steel industries in Chile and Brazil and government-run oil industries in Argentina and Mexico.

▼ Workers load bananas at a United Fruit Company farm in Central America.

#### ► CRITICAL THINKING

**Evaluating** Who reaped most of the profits from the export of bananas?

#### ✓ READING PROGRESS CHECK

**Contrasting** How did the U.S. method of investing differ from that of Great Britain?



# Authoritarian Rule

**GUIDING QUESTION** *Who controlled politics in Latin America?*

Most Latin American countries had republican forms of government. In reality, however, a relatively small group of church officials, military leaders, and large landowners ruled each country. This elite group controlled the masses of people, who were mostly poor peasants. Military forces were crucial in keeping these special-interest groups in power. Indeed, military leaders often took control of the government.

This trend toward authoritarianism increased during the 1930s, largely because of the impact of the Great Depression. Domestic instability caused by economic crises led to the creation of many military dictatorships in the early 1930s. This trend was especially evident in Argentina, Brazil, and Mexico. Together, these nations possessed more than half of the land and wealth of Latin America.

## Argentina

Argentina was controlled by an **oligarchy**, a government in which a select group of people exercises control. This oligarchy of large landowners who had grown wealthy from the export of beef and wheat failed to realize the growing importance of industry and cities in their country. This group also ignored the growing middle class, which reacted by forming the Radical Party in 1890.

In 1916 Hipólito (ee · PAW · lee · TOH) Irigoyen (IHR · ih · GOH · YEHN), leader of the Radical Party, was elected president of Argentina. The Radical Party, however, feared the industrial workers, who were using strikes to improve their conditions. The party thus drew closer to the large landowners and became more corrupt.

The military also was concerned with the rising power of the industrial workers. In 1930 the Argentine army overthrew President Irigoyen and reestablished the power of the large landowners. Through this action, the military hoped to continue the old export economy and thus to stop the growth of working-class power that would come with more industrialization.

During World War II, restless military officers formed a new organization, the Group of United Officers (GOU). They were unhappy with the Argentinian government and overthrew it in June 1943.

## Brazil

In 1889 the army overthrew the Brazilian monarchy and **established** a republic. It was controlled chiefly by the landed elites, who had become wealthy from large coffee plantations.

By 1900, three-fourths of the world's coffee was grown in Brazil. As long as coffee prices remained high, the ruling oligarchy was able to maintain its power. The oligarchy largely ignored the growth of urban industry and the working class that came with it.

The Great Depression devastated the coffee industry. By the end of 1929, coffee prices had hit a record low. In 1930 a military coup made Getúlio Vargas, a wealthy rancher, president of Brazil. Vargas ruled Brazil from 1930 to 1945. Early in his rule, he appealed to workers by establishing an eight-hour workday and a minimum wage.

Faced with strong opposition in 1937, Vargas made himself dictator. Beginning in 1938 he established his New State. It was basically an authoritarian state with some fascist-like features. Political parties were outlawed, and civil rights were restricted. Secret police silenced Vargas's opponents.

**oligarchy** “the rule of the few”; a form of government in which a select group of people exercises control

**establish** to set up permanently; to found

## Analyzing PRIMARY SOURCES

### President Cárdenas on Oil and the United States

Cárdenas in his first report  
to Congress in 1935:

“The exploitation of oil in Mexico has, for many years, taken place in a way characteristic of foreign companies; that is to say, our country, though independent and enjoying advanced social ideas, permits the extraction of its wealth and natural resources by the foreigner without preserving for itself any permanent benefit.”

—quoted in *Oil and Politics in Latin America: Nationalist Movements and State Companies*

#### **DBQ** ANALYZING INFORMATION

How did Cárdenas attempt to address the injustice that he perceived in this relationship?

Vargas also pursued a policy of stimulating new industries. The government established the Brazilian steel industry and set up a company to explore for oil. By the end of World War II, Brazil had become Latin America’s chief industrial power. In 1945 the army, fearing that Vargas might prolong his power illegally after calling for new elections, forced him to resign.

### Mexico

Mexico was not an authoritarian state, but neither was it truly democratic. The Mexican Revolution of the early twentieth century was the first significant effort in Latin America to overturn the system of large landed estates and raise the living standards of the masses. Out of the revolution emerged a relatively stable political order.

The government was democratic in form. However, the official political party of the Mexican Revolution, known as the Institutional Revolutionary Party, or PRI, controlled the major groups within Mexican society. Every six years, party bosses of the PRI chose the party’s presidential candidate. That candidate was then dutifully elected by the people.

A new wave of change began with Lázaro Cárdenas (KAHR • duhn • AHS), president of Mexico from 1934 to 1940. He moved to fulfill some of the original goals of the revolution. His major step was to distribute 44 million acres (17.8 million ha) of land to landless Mexican peasants. This action made him enormously popular with the peasants.

President Cárdenas also took a strong stand with the United States over oil. By 1900, Mexico was known to have enormous oil reserves, especially in the Gulf of Mexico. Over the next 30 years, oil companies from Britain and, in particular, the United States, made large investments in the Mexican oil industry. After a dispute with the foreign-owned oil companies over workers’ wages, the Cárdenas government seized control of the oil fields and the property of the foreign-owned oil companies.

The U.S. oil companies were furious and asked President Franklin D. Roosevelt to intervene. He refused, reminding them of his promise in the Good Neighbor policy not to send U.S. troops into Latin America. Mexicans cheered Cárdenas as the president who stood up to the United States.

Eventually, the Mexican government did pay the oil companies for their property. It then set up PEMEX, a national oil company, to run the oil industry. PEMEX did not do well at first, however, because exports fell. Still, for many, PEMEX was a symbol of Mexican independence.

#### **✓** READING PROGRESS CHECK

*Specifying* How was the Mexican government democratic in form but not in practice?

## Culture in Latin America

**GUIDING QUESTION** *How was Latin American culture influenced by European art?*

During the early twentieth century, European artistic and literary movements began to penetrate Latin America. In major cities, such as Buenos Aires, Argentina, and São Paulo, Brazil, wealthy elites expressed interest in the work of modern artists.

Latin American artists went abroad to Europe and brought back modern techniques, which they often adapted to their American roots. Many artists and writers used their work to promote the emergence of a new national spirit. An example was the Mexican artist Diego Rivera. Rivera had studied in Europe, where he was especially influenced by fresco painting in Italy. After his return to Mexico, he developed a monumental

style that filled wall after wall with murals. Rivera's wall paintings can be found in such diverse places as the Ministry of Education and the Social Security Hospital. His works were aimed at the masses of people, many of whom could not read.

Rivera sought to create a national art that would portray Mexico's past, especially its Aztec legends, as well as Mexican festivals and folk customs. His work also carried a political and social message. Rivera did not want people to forget the Mexican Revolution, which had overthrown the large landowners and the foreign interests that supported them.

#### ✓ READING PROGRESS CHECK

**Explaining** To which subjects did Diego Rivera turn to create a national art of Mexico?



◀ This detail from Diego Rivera's *The Conquest or Arrival of Hernán Cortés in Veracruz* is part of a series of frescoes on pre-Hispanic and colonial Mexico painted on the inner courtyard walls of the National Palace in Mexico City.

#### ► CRITICAL THINKING

**Analyzing Visuals** In what way is this painting a typical Diego Rivera work in terms of its subject matter and themes?

## LESSON 4 REVIEW

### Reviewing Vocabulary

1. **Explaining** Write a paragraph in which you explain the role of U.S. investors in Latin American economies and the role of the oligarchy in Argentina and Brazil.

### Using Your Notes

2. **Summarizing** Use your notes to write a paragraph identifying five countries or regions in Latin America and their primary exports as well as what those exports have in common.

### Answering the Guiding Questions

3. **Identifying Central Issues** What factors influenced the Latin American economy during the 1920s and 1930s?

4. **Evaluating** Who controlled politics in Latin America?

5. **Making Connections** How was Latin American culture influenced by European art?

### Writing Activity

6. **Informative/Explanatory** How did U.S. and British companies influence the development of nationalism in Latin American countries?