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NEOCOLONIALISM

The liberal plan to make Latin America resemble Europe or the United States partly succeeded. But Progress turned out differently in Latin America. True, massive changes occurred, changes that affected the lives of everyone, rich and poor, urban and rural. Major Latin American cities lost their colonial cobblestones, white plastered walls, and red-tiled roofs. They became modern metropolises, comparable to urban giants anywhere. Streetcars swayed, telephones jangled, and silent movies flickered from Montevideo and Santiago to Mexico City and Havana. Railroads multiplied miraculously, as did exported tons of sugar, coffee, copper, grain, nitrate, tin, cacao, rubber, bananas, beef, wool, and tobacco. Modern port facilities replaced the spectacularly inadequate ones of Buenos Aires and elsewhere.

Landowners and urban middle-class people prospered, but the life of Latin America's rural majority improved little, if at all. To the contrary, agrarian capitalism laid waste to the countryside and destroyed traditional lifeways, impoverishing the rural people spiritually and materially. And Progress brought a new brand of imperialism from Great Britain and the United States. The same countries that modeled Progress for Latin America helped install it there, so to speak—and sometimes owned it outright. Foreign influence was so pervasive and powerful that Latin American historians call the years 1880–1930 their *neocolonial* period.

Despite many transformations, neither Latin America's subordinate relationship to European countries nor its basic social hierarchy—created by colonization—had changed. Hierarchical relations of race and class, in which those at the top derive decisive prestige and advantage from their outside connections, remained the norm. Where once Peninsular Spaniards and Portuguese had stepped ashore with their irritating airs of superiority and their royal appointments firmly in hand, now it was an English-speaking *míster* who arrived with similar airs of superiority and princely sums to lend or invest in banks, railroads, or port facilities. Whether in 1790 or 1890, elite Latin Americans reacted by swallowing hard and throwing a party for their guests. Ultimately, the "decent people's" own status and prosperity was linked to the outsiders, and they knew it. Ninety percent of their wealth came from what they sold to European and US markets, and their own social pretensions, their own airs of superiority at home, came from their Portuguese complexions, their Austrian crystal, their sons' familiarity with Paris. Neocolonialism was a relationship between countries but also an internal phenomenon—and a familiar one—in Latin America.

THE GREAT EXPORT BOOM

Elite and middle-class Latin Americans had a lot to gain from Progress. First and foremost, they stood to profit from the great export boom, over half a century of rapid, sustained economic growth, never equaled in Latin America before or since. For example, Mexican exports, which still included silver along with sugar, coffee, and fibers, doubled and then doubled again in the late 1800s. In fact, the total value of Mexican trade grew by 900 percent between 1877 and 1910. By the early 1900s, Brazil was producing two thirds of the coffee drunk in the entire world. Coffee now utterly dominated Brazilian exports. Cuba depended even more on its single crop, but what a crop! Cuban sugar production reached an astounding five million tons by 1929. Then there was the saga of Chilean mining production—nitrates, copper, iron—hundreds of millions of dollars' worth by 1929. And on and on. The greatest prodigy of all was Argentina. Argentina exported twenty-one tons of wheat in 1876 and over one thousand times that much by 1900. And the country's exports continued to grow rapidly into the 1920s.

From Guatemala (coffee) and Honduras (bananas) to Ecuador (cacao) and Bolivia (tin), all the smaller countries of Latin America had their own versions of the great export boom of 1870–1930. The quantity of railroad tracks in the region—integral to the boom, because railroads were built primarily to carry exports—went from two thousand to fifty-nine thousand miles between 1870 and 1900.

The direct beneficiaries of this export bonanza were the large landowners, whose property values soared with the approach of the railroad tracks. Beneficiaries, too, were the middle-class city dwellers—professionals, merchants, and office workers—who performed secondary functions in the import/export economy. For these people, Progress opened cultural horizons and brought material enrichment. Still, they constituted only a tiny fraction of the Latin American population. The middle class grew rapidly between 1880 and 1930, but even Argentina's middle class, perhaps the largest in the region by 1930, represented only a quarter to a third of the population. Mexico's smaller middle class was more typical of Latin America. Around 1900, a million or so middle-class Mexicans were clerking in offices, riding bicycles, and listening to US ragtime music. A small working class—a third of a million cooks, laundresses, shoemakers, policemen, and so on—made up the rest of the urban population. Meanwhile, eight million country people, mostly of indigenous heritage, lucky to have a single change of clothes, sweated on the sun-drenched land to produce Mexico's agricultural products. Thanks to Progress, their lot was actually getting worse.

The arrival of the railroad benefited the owners of large Mexican estates by raising property values. But it also drove a lot of peasants off the land, allowing the landlords to extend their holdings, make landless peasants their employees, and multiply their profits. Despite the official abolition of communal village property in the 1850s, many indigenous villagers had managed to hold on to their lands through the 1860s and 1870s. But now it seemed that wherever the tracks unfolded and opened a way for the locomotives to pass, hissing steam and belching smoke, peasant villages lost their lands to greedy hacienda owners who could foreclose on a mortgage or bribe a judge. Although Mexico was still a heavily rural country in 1910, only about 3 percent of the people owned land. Most rural Mexicans lived

A COLONIZED WORLD. Latin American neocolonialism was a variant of global colonialism. While outsiders dominated Latin America only "informally," they turned enormous parts of Asia and Africa into outright, formal colonies, the greatest being British India. © *North Wind Picture Archives/Alamy Stock Photo.*

and worked as peons on large haciendas, some of them vast indeed. To take an extreme but illustrative example, just three families owned a third of the Mexican state of Colima.

The indigenous people of the Andes, too, lost their village lands in the neocolonial period. In general, the landless country people of Latin America, who for centuries had grown their own food and supplied their other needs as subsistence farmers, now had nowhere to plant their potatoes, manioc, corn, and beans. As export profits beckoned, the owners of haciendas and plantations acquired more and more land. They bought land that had been public property and evicted the families who had dwelled there without legal title, sometimes for generations. Because they worked their resident laborers harder and planted more of their acreage in export crops, the estate owners left their workers less time and space to grow their own food. Workers often got wages too small to support a family. To make ends meet, women and children who had formerly stayed close to home, cooking and mending and tending the family's chickens and garden, now had to join the field gangs who worked under the watchful eye of an overseer. And just for good measure, labor-hungry landowners pressed for and won "vagrancy" laws to harass people who got along without wages completely. Thus did the great export boom enrich landowners at the expense of the rural poor.

In Argentina, large numbers of Italian immigrants performed prodigies of wheat production, but only in exceptional cases managed to acquire their own land. What incentive did the owners have to sell? Some of the immigrants returned to Italy, but most went to the cities, especially Buenos Aires. Rowdy, rootless gauchos also vanished from the countryside as wire fences and fancy English breeds of cattle and sheep transformed the open pampa. In 1876, the first refrigerator ship took Argentine beef to Europe. The trade in chilled beef was vastly more profitable than the older trade in beef jerky of prerefrigeration days. By 1900 refrigerator ships numbered in the hundreds.

Coffee boomed in the tropics, creating several kinds of neocolonial landscapes. In the deep red soils of São Paulo, Brazil, Italian immigrants tended coffee after abolition because freed slaves wanted nothing to do with plantations. To attract European immigrants to a job recently performed by slaves, the plantation owners had to make special concessions, such as allowing workers to cultivate their own crops in the spaces between the rows of coffee bushes. Italian agricultural workers in São Paulo proved unusually successful at making the export boom work for them. But, like the immigrant farmworkers in Argentina, they tended to move to the city eventually. Coffee also grew in the tropical sun and crisp mountain air of Colombia and Venezuela, Central America and the Caribbean. In Guatemala, El Salvador, and southern Mexico, indigenous people became workers on coffee plantations often owned by foreigners, especially Germans. Although usually a plantation crop (always bad news for agricultural workers), coffee could also be grown profitably on family farms. It contributed to the growth of a rural middle class in highland areas of Colombia, Costa Rica, and Puerto Rico. Tobacco—like coffee, a delicate crop that thrives in small-scale production—benefited small producers in Brazil and Cuba.

Sugar production and mining, in contrast, were always massive, industrialized operations that divided societies ruthlessly into rich and poor. By the late 1800s, great gleaming sugar refineries, with their high smokestacks and rail depots, stood like industrial monsters amid the cane fields of northeastern Brazil, on the Peruvian coast, and in the Caribbean. The owners of the sugar refineries, like the Brazilian senhores de engenho of the 1600s, utterly dominated the rural economy, and for the same reason. Immediate, reliable milling is crucial to the sugar harvest. The refineries set their price, and growers had no choice but to accept it. Factories in the fields turned cane cutters into industrial workers. Their wages were low, and they earned them only part of the year. Cane cutters spent part of each year unemployed—what Cubans called "the dead time." Mining in Mexico, Peru, Bolivia, and Chile constituted a similarly capital-intensive activity, carried out by powerful companies employing thousands of workers who had little bargaining power. Because of high capital requirements, installations such as refineries for Cuban sugar, oil wells pumping Mexican and Venezuelan crude, and deep-shaft mines in the high Andes were usually foreign-owned. In Peru, the massive, state-of-the-art mining complex of the US Cerro de Pasco Copper Corporation squatted at twelve thousand feet amid a cluster of tiny earth-colored huts where the indigenous miners lived—something like a twentieth-century version of Potosí.

In the rain forests of Amazonia, neocolonialism brought a rubber boom. The latex sap of the rubber tree was a raw material consumed especially in the United States for tires. Rubber harvesters lived isolated along riverbanks deep in the Amazon basin, tapping sap from rubber trees. In Brazil, the tappers were mainly refugees from droughts of the arid sertão lands of northeastern Brazil. In the Colombian, Ecuadorian, and Peruvian areas of the Amazon basin, many were semisedentary indigenous people, terrorized into wage labor they neither needed nor wanted. Rubber workers earned tiny wages, barely enough to pay for the food and supplies sold them by

LOSING GROUND. Remaining semisedentary people on the fringes of colonization, such as the Mapuches of Chile, lost ground to the advance of commercial agriculture at the turn of the century. *NGS Image Collection/The Art Archive at Art Resource, New York.*

the rubber company. Meanwhile, the rubber trade produced vast profits for international traders and for the companies whose steamboats outfitted the workers and collected their rubber in periodic visits. By 1910, rubber accounted for a quarter of Brazilian export earnings. Rubber barons could literally find no way to spend all their money. (So why not send shirts to Paris to be properly laundered?) In Manaus, the one Brazilian city a thousand miles upriver, in the middle of the impenetrable forest, the rubber barons built an opera house and attracted touring opera performers—though not, as myth would have it, the immortal tenor Enrico Caruso. Meanwhile, the rubber boom ravaged indigenous people, their tribes decimated by alcohol and disease. Then, by the 1920s, rubber from Malaysia definitively undercut the price of Amazonian rubber. The rubber barons steamed away downriver, never to return, and the rubber tappers looked for another way to survive. Only the Manaus opera house stood as a silent reminder of Progress.

Bananas were a neocolonial nightmare for the palm-studded coasts of the Caribbean. US banana companies blossomed there in the 1880s and 1890s, becoming multinational corporations—among the first anywhere in the world. By the early 1900s, several merged into the United Fruit Company, a banana empire operating in Costa Rica, Honduras, Guatemala, Nicaragua, Panama, Colombia, and Venezuela. Banana companies far overmatched the governments of their small host countries in economic power. United Fruit made several Central American nations into "banana republics," where it could keep governors, cabinet ministers, even presidents in its deep corporate pockets. The banana companies acquired millions of acres for their plantations, millions more for future use, and millions more simply to head off possible competition. Sometimes, railroad builders used land along the tracks (given to the companies as an incentive) to start banana plantations. Sometimes, banana companies laid their own rails. Either way, fast transport of the delicate fruit was the sine qua non of the banana business.

Banana companies created company towns, inhabited by managers, engineers, and agronomists from the United States, along with their families, with miniature US neighborhoods of screen-porched houses on meticulously manicured lawns, virtually sealed off from the country around them. After delivering bananas to the United States, company ships returned with newspapers, clothes, movies, vehicles, and food, allowing these new colonizers to live as if they had never left home. These isolated banana enclaves contributed little to the development of their host countries. Companies like United Fruit reserved managerial positions for white US personnel and hired "natives" for the machete work. Governors and ministers benefited from cordial relations with company officials, of course. Whoever sold the banana companies land profited, too. The companies also paid some taxes, on terms invariably favorable to them. And when they pulled out—because of a banana blight or a new corporate strategy—all that these multinational installations left behind was ex-banana choppers with no job, no land, no education, and a lot of missing fingers.

No wonder that rural people migrated to the cities as agrarian capitalism took hold of the countryside. This flow was not yet a flood in 1900. Mexico City, today one of the biggest cities on the planet, still had only about 350,000 inhabitants at the turn of the twentieth century. Neither Bogotá nor Lima had many more than a hundred thousand. All of Latin America had a comparatively small and overwhelmingly rural population of around sixty-three million at this time. Still, cities were growing steadily, and those that attracted new inhabitants both from rural areas and from Europe grew spectacularly. At the fall of Rosas in 1852, the city of Buenos Aires had about a hundred thousand inhabitants. By the end of the neocolonial period, around 1930, it had two million. In 1900, it was already the largest city in Latin America at two-thirds of a million inhabitants. Rio de Janeiro, a magnet for Portuguese as well as Italian and Spanish immigrants, was the second biggest city of the region at just under half a million. Montevideo, Santiago, Havana, and São Paulo followed at around a quarter million each. By this time, virtually all the capital cities of the region boasted electricity, telephones, and streetcars. Buenos Aires, Mexico City, and Rio were building splendid avenues on the Parisian model.

Except for the top four or five, Latin America's neocolonial cities were not places of factories and smokestacks. Industrialization would

LA AVENIDA DE MAYO. Completed in the 1890s, the spacious main avenue of downtown Buenos Aires was flanked by impressive buildings in a variety of modern styles. It exemplified the transformation of capital cities in neocolonial Latin America. *Library of Congress, Prints and Photographs Division.*

come later to most of the region. Instead, cities and towns were chiefly commercial, administrative, and service centers. Now they bustled as landowning families spent the profits of the export boom.

Money from crops, livestock, and mines bought mansions, pianos, fine furniture, china, artworks, and eventually cars. All over Latin America, landowning families began the 1900s with an exhilarating sense of new cultural horizons. Their prosperity allowed them gradually to become urban people, leaving the hacienda or plantation under the supervision of a hired administrator or a country cousin. They went back only occasionally, for a few days' vacation, to sample rustic delicacies and amaze their faithful servants with tales of urban Progress.

Education was increasingly important for the sons and daughters of urbanized landowning families. Some studied engineering, architecture, agronomy, and medicine, but the favorite degree by far remained law. Indeed, the standard image of the landowner's son in 1900 is that of the young doctor of law, probably bound for politics rather than legal practice. (All university graduates were addressed respectfully as *doctor*.) Education and city life went together. Rarely could an education, even a primary education, be gotten in the countryside. Thus Argentina and Uruguay, the most urbanized countries in Latin America, were also the most literate. By 1900, a majority there could read. Well over half the population in most countries was still illiterate, however. In Brazil, a heavily rural country that had almost no rural schools, no more than two people in ten could read.

During these years, talented people of mixed racial heritage continued gradually to infiltrate the white middle class. Because education was such a scarce, prestigious commodity, nonelite Latin Americans rarely got it—but when they did, it opened doors.

Occasionally, the person walking through the door was a literary genius, like novelist Joaquim Machado de Assis, still considered the greatest Brazilian novelist. Whatever their attitude toward his *café-com-leite* (coffee with milk) complexion, elite Brazilians expressed unreserved awe for his mastery of the written word. Machado de Assis's mother had been a laundress. He worked his way up as a


NEOCOLONIAL EXPORT PRODUCTS
coffee
copper
cacao
cattle
silver
oil
bananas
henequen
cotton
rubber
guano
sugar
sheep
wheat
tin
yerba mate
nitrate
tobacco

MEXICO'S BASILICA OF OUR LADY OF GUADALUPE, destination of millions of pilgrims yearly. Traditional culture retained its appeal for many in neocolonial Latin America, despite the vogue for all things modern and European. © *Graham Kerr/National Geographic Creative/Corbis*.

typesetter, then a journalist. In 1897, Machado de Assis became president of the prestigious Brazilian Academy of Letters, where he presided over a distinguished (and very white) crowd of poets, statesmen, and scholars. Mexico's Ignacio Manuel Altamirano and Peru's Ricardo Palma, men of color both, likewise became "deans of national letters" in their respective countries. Rubén Darío, a dark mestizo child prodigy from a small town in Nicaragua, received international tribute for his literary genius. Even amid the generally racist neocolonial climate, Latin American respect for art, especially literature, conferred on men like Darío, Palma, Altamirano, and Machado de Assis a status then unequaled by any person of color in the United States. Darío became one of the most influential poets ever to write in the Spanish language. For the first time ever, people throughout the Spanish-speaking world, *including Spain*, recognized a Spanish American poet as the great master whose vision and style defined the highest artistic expression of their civilization.

These writers were exceptional men whose stories are not typical. Still, as part of a slow, steady process happening all across Latin America, talented mestizos were joining the middle classes of Latin American countries, finding more opportunities and meeting less prejudice than did socially ascendant black people in the United States. By the turn of the century, the Mexican middle class had become notably mestizo, and many other countries were not far behind.

Only in the mid-1900s would most countries of the region become predominantly urban. Until 1930, the balance of population and power rested in the countryside, where landowners controlled not only the national wealth but also the electoral system. This phenomenon—by which a landowner in Chile or Brazil or practically anywhere in Latin America took his clients to the polls on election day to "vote them"—was the backbone of every strong government in the region. Such "managed elections" were essential to the political system of neocolonialism. On this point, the ruling liberals truly did not deserve their name.

AUTHORITARIAN RULE: OLIGARCHIES AND DICTATORSHIPS

A funny thing happened to the liberals of Latin America during their big comeback of the 1860s and 1870s. Once in control, they forgot about the political freedoms they had demanded under the conservative caudillos. Democracy now took a distant second place, in their thinking, to the material Progress associated with export growth. Economic growth required railroads and export crops, and to get *them*, you needed law and order: firm, qualified government, not mass politics but "scientific" rule by the nation's supposedly best and brightest, which amounted, in most cases, to its richest and whitest. The philosophy that justified their rule was *positivism*, a French social doctrine that prescribed authoritarian medicine to achieve order and progress and made European norms into universal standards. The new Brazilian republic put the positivist slogan "Order and Progress" on the national flag in the 1890s.

Governance did become more orderly. As the profits of the export boom rose, government revenues from import/export taxes rose, too. National armies and police forces received modern weapons and a new level of training, as country after country invited European military advisors. Now national presidents commanded far more firepower than any regional caudillo. Railroads and telegraphs speeded the deployment of troops to quell rebellions. Civil wars became less frequent as elite families busied themselves with the export boom. Higher government revenues afforded middle-class people new employment opportunities in the expanding bureaucracies and schools. Greater stability and prosperity attracted further investment from abroad, intensifying trade, and the cycle repeated itself. In most Latin American countries, frequent revolutions became a thing of the past by about 1900. Instead, stable *authoritarian* governments characterize the neocolonial period.

What about those—the huge majority—left out of the euphoria? Progress held little appeal for them—often hurt them, in fact—so why would they go along? For the most part, the majority had little say in the matter. The political influence of the rural majority was limited by income and literacy requirements for voting, and limited even more by the practice of managed elections. The authoritarian governments of neocolonial Latin America made electoral management into an art form.

Managed elections constituted a tug-of-war between rival patronage networks, a test of strength at many levels. At the national administrative level, those in power named electoral officials favoring their party. That practice radically tilted the election from the outset. At the local level, an election was still a no-holds-barred contest among factions who tried to cast as many ballots as possible—per person—while preventing the other side from doing the same. The countryside, where great landowners controlled the votes and the fighting power of many clients, was the managed election's natural habitat. As long as the great export boom lasted, most neocolonial governments had the landowners' solid support, delivering reliable electoral majorities. The judges and local authorities who administered the process also influenced the final tally. They kept the voter registration rolls and could disqualify their opponent's clients ("I'm sorry, sir, your name just isn't on the list") while allowing even dubious votes for the "right" candidate.

Everybody knew about the fraud. Opposition newspapers and representatives frequently denounced it. But many Latin American electoral systems had been subtly modified to facilitate management from above, so it was very hard to thwart. Mostly, people just endured the fraud and learned to live with it, coming to see managed elections as the normal way of the world.

After 1880, authoritarian governments preserved republican forms but actually functioned as dictatorships or oligarchies. Oligarchies (from Greek, meaning "rule by a few") represented a narrow ruling class. Within oligarchies, elections served to measure the strength of client networks. Even when ballots were not freely cast or fairly counted, they still showed who controlled what, and where—information that helped negotiate oligarchic power sharing. Dictatorships, on the other hand, centered on one all-powerful individual. Dictators might hold elections purely for the aura of legitimacy or to impress their foreign associates. Take landowner support and a good show of institutional legitimacy, add lucrative customs revenues and a dash of modern military technology, and neocolonial governments needed nothing else to rule—except, of course, for good relations with Europe or the United States or both.

This basic power structure facilitated a half century of economic transformation that benefited a quarter of the population at the expense of everybody else. Oligarchies and dictatorships provided *stability*, the virtue always most desired by foreign investors. That was the virtue that a former US secretary of state had in mind when, in a moment of diplomatic ardor, he called Mexican dictator Porfirio Díaz "one of the greatest men to be held up for the hero worship of mankind."

The rule of Porfirio Díaz (1876–1911), called the Porfiriato, was the very epitome of neocolonial dictatorships in Latin America. Díaz kept up constitutional appearances, but only his candidates ever won elections. He also had a circle of technocratic advisers steeped in the positivist "science" of government—the Científicos, they were called. As the value of Mexico's import/export trade expanded by roughly ten times during the Porfiriato, Díaz used the new revenues to strengthen the Mexican state. He curbed regional caudillos by crushing them or buying them off. He created public jobs for middle-class townspeople by vastly enlarging the bureaucracy. Díaz offered just two alternatives: *pan o palo,* meaning roughly "carrot or stick." For example, he subsidized the press to keep it friendly, then jailed journalists who spoke against him. Mexico acquired a national rail system and graceful, monument-lined avenues in its capital city. But as Mexico approached the centennial of Hidalgo's 1810 uprising, the Mexico City police had orders to hustle indigenous people away from downtown, so that the foreign visitors would not get "the wrong impression" of Mexico.

Interestingly, Díaz himself was part Mixtec. He was a man of the strongly indigenous south, an authentic war hero who rose in the ranks during the struggle against the French, whom he famously defeated on Cinco de Mayo (May 5, 1862), a red-letter date in Mexican history. But, as with Benito Juárez, Díaz's indigenous roots added to his popular image as a national leader without making him, in any way, a defender of indigenous identities.

In the countryside, Díaz founded the famous *rurales* (mounted national police) to secure an environment for investor confidence. He also oversaw a massive sale of public lands, most of which went to speculators and others who already had large properties. Almost all the land remaining to indigenous villagers now passed into the hands of surveying companies. Díaz welcomed foreign investment in Mexican land, and foreigners soon owned about a quarter of it, as well as the silver and oil underneath. Oil gushed from newly opened wells on Mexico's gulf coast. Champagne gushed, too, as glasses were raised to toast the exemplary president of neocolonial Mexico with effusive praise in a variety of foreign accents. Still, Díaz knew that outside influence was a mixed blessing. "Poor Mexico," he quipped, "so far from God, so close to the United States."