Making Connections

How can trade embargos affect a nation?

The low number of modern automobiles on the streets of Cuba today is a constant reminder of the ongoing trade embargo imposed in 1960 by the United States. The embargo prohibits trade with Cuba, including vehicles and replacement parts. In this chapter you will learn about other economic, social, and political issues in Latin America.

- If the trade embargo were lifted, how might the United States and Cuba benefit?
- If the United States could not trade with other nations, what products would you have to do without?
1989
U.S. troops depose Panama’s Manuel Noriega

2007
Daniel Ortega elected president of Nicaragua

1991
Boris Yeltsin becomes president of Russia

Summarizing
Create a Folded Table with three columns. In the first column, list Latin American nations. In the second and third columns, summarize information about each nation’s economy and leaders since 1945.
**General Trends in Latin America**

During the second half of the twentieth century, Latin American countries faced many economic, social, and political challenges. These challenges arose from a rise in population, a large foreign debt, and ongoing foreign military involvement. During this time of instability and change, Latin Americans looked to new artists to reflect the future hopes of the region.

### Economic and Political Developments

**MAIN IDEA**
Dependence on foreign imports and investments led to serious economic and political problems in Latin America.

**HISTORY & YOU**
What happens when a nation imports more than it exports? Read to learn about the causes of economic instability in Latin America.

Since the 1800s, Latin Americans had exported raw materials and bought manufactured goods from industrialized countries. The Great Depression caused exports to fall, and revenues to buy manufactured goods declined. In response, Latin Americans developed industries to produce their own goods.

### Economic Instability

By the 1960s, however, Latin American countries were still experiencing economic problems. They depended on the United States, Europe, and Japan, especially for the advanced technology needed for modern industries. Also, many Latin American countries had failed to find markets abroad to sell their manufactured products.

These economic failures led to political instability. In the 1960s, repressive military regimes in **Chile, Brazil, and Argentina** abolished political parties and returned to export-import economies financed by foreigners. These regimes also encouraged **multinational corporations** (companies with divisions in more than two countries) to come to Latin America. This made these Latin American countries even more dependent on industrialized nations. In the 1970s, Latin American countries tried to maintain their weak economies by borrowing money. Between 1970 and 1982, debt to foreigners grew from $27 billion to $315.3 billion. A number of Latin American economies began to crumble. Wages fell, and unemployment and inflation skyrocketed.

Many people believed that governments had taken control of too many industries. Trying to industrialize too quickly had led to the decline of the economy in the countryside as well. As the economy declined, people continued to move from the countryside into the cities.
A Move Toward Democracy

With the debt crisis in the 1980s came a movement toward democracy. Some military leaders could not deal with their nations’ debt problems. At the same time, many realized that military power without popular consent could not maintain a strong state. By the mid-1990s, several democratic regimes had been established.

The movement toward democracy was the most noticeable trend of the 1980s and the early 1990s in Latin America. Yet the revival of democracy was fragile. Globalization and the ongoing burden of foreign debt stressed several Latin American countries enough that they elected authoritarian figures in the 1990s. In 1992, for example, President Alberto Fujimori returned Peru to an authoritarian system.

Reading Check Explaining Why did the debt crisis of the 1980s create a movement toward democracy?
Latin America’s economic problems have been made worse by its dramatic growth in population. Between 1950 and 2000, the population in Latin America more than tripled. The population is expected to reach 584 million by 2010 and 643 million by 2020.

With the increase in population came a rapid rise in the size of cities. By 2000, 50 cities in Latin America and the Caribbean had more than one million people. Six Latin American cities are included among the world’s 32 most populous cities. For instance, Buenos Aires has a population of over 13 million; São Paulo, over 18 million; and Mexico City, over 19 million. Analysts refer to such cities as megacities. A megacity not only has a huge population, but also has grown so fast that regular urban services cannot be provided. Slums and shantytowns are found in many megacities. Crime and corruption from the international drug trade are also found mostly in the larger cities, especially those in Bolivia, Peru, and Colombia.

The gap between the poor and the rich has remained huge in Latin America. In many Latin American countries, the poor still live in villages. Landholding and urban elites own huge estates and businesses, while peasants and the urban poor struggle to survive. They have little money for consumer goods.

Latin American women’s roles have changed. Although the traditional role of homemaker continues, women have also moved into new jobs. In addition to farm labor, women have found jobs in industry and as teachers, professors, doctors, and lawyers.

The United States has long played a major role in Latin America. Business investment by U.S. companies was one of the reasons the United States often intervened in Latin American affairs. U.S. investors would often pressure the U.S. government to prevent social and political change in Latin America—even if that meant backing dictators.

U.S. Military Involvement

For years, the United States had sent troops into Latin American countries to protect U.S. interests and to bolster friendly dictators. Then in the 1930s, President Franklin D. Roosevelt began a Good Neighbor policy, an effort to end such intervention (see Chapter 25).

In 1948, the states of the Western Hemisphere formed the Organization of American States (OAS). The OAS also emphasized the need for Latin American independence. It passed a resolution calling for an end to military action by one state in the affairs of another. The formation of the OAS, however, did not end U.S. involvement in Latin American affairs.

Fighting Communism

Why did American involvement continue? A major reason was the onset of the Cold War. American leaders became more anxious about instability in Latin America. They feared that the poverty in these countries made them ripe for Communist takeover. The Soviet Union, they concluded, would then have more power to threaten U.S. interests around the globe.

Just being accused of having a link to communism meant trouble for some Latin American presidents. For instance, Jacobo Arbenz, president of Guatemala, was overthrown in
1954 with aid from the U.S. Central Intelligence Agency. U.S. business interests had accused Arbenz of being linked to communism. Then when a Communist government took over Cuba in 1959, U.S. anxieties reached a fever pitch (see Section 2).

If it felt that Communist-backed parties were gaining power in South and Central America, the United States used its influence. Even as late as 1981, Jeanne Kirkpatrick, the U.S. ambassador to the United Nations, declared that the Soviet-Cuban Communist “menace” in Central America made it “the most important place in the world for the United States today.” To fight communism, the United States provided huge amounts of military aid to support anti-Communist regimes in Latin America.

**Reading Check**

Examining: How did the Cold War impact U.S. policy in Latin America?
**Latin American Culture**

**MAIN IDEA** Latin American artists and writers are important national figures.

**HISTORY & YOU** What artists and writers have influenced you? Read to learn about Latin American artists.

Twentieth-century Latin American writers and artists have played important roles in their society. Their work is seen as expressing the hopes of the people. Because of this, artists and writers hold high status in Latin American society.

**Literature**

In the 1940s, Latin American writers made a significant break from realism and explored other techniques. They developed a unique form of expression called **magic realism**. Magic realism brings together realistic events with dreamlike or fantasy backgrounds. The rules of ordinary life are suspended in order to comment on a national or social situation.

Perhaps the foremost example of magic realism is *One Hundred Years of Solitude*, a novel by **Gabriel García Márquez**, a Colombian writer, who won the Nobel...
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Prize in literature in 1982. In this story of the fictional town of Macondo, the point of view slips back and forth between fact and fantasy. Villagers are not surprised when a local priest rises into the air and floats, for example. Yet when the same villagers are introduced to magnets, telescopes, and magnifying glasses, they are dumbfounded by what they consider to be magic. According to Márquez, fantasy and fact depend on one’s point of view.

Whatever styles they use, Latin American writers write about their national reality. Some look back on the past with hatred, rather than with affection. Others, like the Chilean novelist Jorge Edwards, use the theme of the clash of generations to expose the corruption of their country. One writer, the Argentinean novelist Julio Cortázar, uses the element of a game or play that defies societal rules and conventions.

Among Latin American poets, perhaps the best known is Gabriela Mistral from Chile. She began writing poetry as a village schoolteacher and taught school for many years until her poetry made her famous. Lyrical and emotional, her poetry expresses themes of childhood, love, and yearning. In 1945, Mistral became the first Latin American to receive the Nobel Prize in literature.

Art and Architecture

Latin American art and architecture were strongly influenced by international styles after World War II. In painting, abstract styles were more predominant. In architecture, the Bauhaus and Modernist styles were common.

Perhaps the most notable example of modern architecture can be seen in Brasília, the capital of Brazil, which was built in the 1950s and 1960s. The government intended for Brasília to attract development to the interior of Brazil and to lessen the population pressures in coastal Rio de Janeiro.

Brazilian architect Oscar Niemeyer was appointed chief architect for the new capital. Niemeyer already had an international reputation as one of the two architects who designed the United Nations building. Niemeyer’s outlook is evident in his description of his work in Brasília:

PRIMARY SOURCE

“. . . I did my very best in the structures, trying to make them different with their columns narrow, so narrow that the palaces would seem to barely touch the ground. And I set them apart from the facades, creating an empty space through which, as I bent over my work table, I could see myself walking, imagining their forms and the different resulting points of view they would provoke.”

—Oscar Niemeyer

Vocabulary

1. Explain the significance of: Chile, Brazil, Argentina, multinational corporations, consent, ongoing, megacity, Bolivia, Peru, Colombia, Organization of American States (OAS), magic realism, Gabriel García Márquez, Oscar Niemeyer.

Main Ideas

2. List the economic challenges in Latin America since 1945. Use a diagram like the one below to make your list.

3. Explain why the formation of the Organization of American States (OAS) did not end U.S. involvement in Latin America.

4. Name at least two well-known Latin American writers.

Critical Thinking

5. The BIG Idea Determining Cause and Effect How did the rapid population growth in many Latin American countries cause problems for their political and economic systems?

6. Making Connections How can industrializing too quickly, as in the case of Latin America, lead to an economic decline?

7. Analyzing Visuals What is the significance of the colored regions on the map on page 963?

Writing About History

8. Descriptive Writing Research further the elements of magic realism and then write a short story using that style.

✓ Reading Check Identifying What novel is the foremost example of magic realism?
Throughout the twentieth century, Mexico and Central America experienced political turmoil and economic crises. Fidel Castro set up a Marxist government in Cuba, and military or military-dominated dictators ruled most of the Central American countries. The political and economic crises, often ignited by U.S. intervention, hampered national development.

**Mexico**

Political and economic problems have troubled Mexico since the Mexican Revolution.

**HISTORY & YOU** Do economic issues influence American politics? Read how economic troubles led to political change in Mexico.

The Mexican Revolution in the early 1900s created a political order that remained stable for many years. The official political party of the Mexican Revolution—the Institutional Revolutionary Party, or PRI—came to dominate Mexico. Every six years, leaders of the PRI chose the party’s presidential candidate, who was then elected by the people. During the 1950s and 1960s, steady economic growth led to real gains in wages in Mexico.

**Protests**

At the end of the 1960s, students began to protest Mexico’s one-party government system. On October 2, 1968, university students gathered in Mexico City to protest government policies. Police forces opened fire and killed hundreds. The next two presidents, Luis Echeverria and José López Portillo, made political reforms and new political parties emerged. Greater freedom of debate in the press and universities was allowed.

**Debt Crisis**

In the late 1970s, vast new reserves of oil were discovered in Mexico. The government became more dependent on revenues from foreign oil sales. Then, when world oil prices dropped in the mid-1980s, Mexico was no longer able to make payments on its foreign debt. The government was forced to adopt new economic policies. One of these policies was privatization, the sale of government-owned companies to private firms.

Mexico’s debt rose even more after a hurricane caused massive destruction in the Yucatán peninsula in 1988. Damage alone was estimated at $880 million.
The next president, Carlos Salinas de Gortari, sped up privatization to relieve the debt crisis. He also changed some restrictive trade regulations in order to attract more foreign investors. In 1992, de Gortari began working with the U.S. president and the Canadian prime minister to form the North American Free Trade Agreement (NAFTA). That agreement went into effect in 1994.

NAFTA did not cure Mexico’s economic problems, however. The continuing debt crisis, rising unemployment, and corruption scandals increased dissatisfaction with the government. Support for the PRI dropped. In 2000, **Vicente Fox** defeated the PRI candidate for the presidency. Fox’s election ended more than seven decades of PRI rule. Fox’s successor, Felipe de Jesús Calderón, continued with plans to boost Mexico’s economic growth.

**Reading Check** Evaluating How did its oil industry affect Mexico’s economy?
The Cuban Revolution

The Cuban Revolution established the communist dictatorship of Fidel Castro.

**HISTORY & YOU** Recall how Lenin led the Russian Revolution. Read to learn about Castro’s role in the Cuban Revolution.

In the 1950s, an opposition movement arose in Cuba. It aimed to overthrow the government of the dictator Fulgencio Batista, who had controlled Cuba since 1934.

**Castro’s Rise to Power**

The leader of the movement was a man named Fidel Castro. While a law student at the University of Havana, he had become a revolutionary. On July 26, 1953, Castro and his brother Raúl led a band of 165 young people in an attack on the Moncada army camp at Santiago de Cuba. The attack was a disaster. While Fidel and Raúl escaped, they were later captured and sentenced to prison for 15 years. Batista released Fidel and Raúl after 11 months.

After their release, the Castro brothers fled to the Sierra Maestra mountains in Mexico. There they teamed up with a small band of revolutionaries. Castro poured out a stream of propaganda with a small radio station and printing press. As the rebels gained more support, the Batista regime collapsed. Castro’s revolutionaries seized Havana on January 3, 1959. Many Cubans who disagreed with Castro fled to the United States.

At the time of the Cuban Revolution, U.S. and other foreign investors owned 75 percent of Cuba’s fertile land, 90 percent of its public services, and 40 percent of the sugar industry. A corrupt dictator, Fulgencio Batista used open displays of brutality to maintain control, and poverty and unemployment were widespread.

Anti-Batista and anti-American feelings led to support for Fidel Castro and the Cuban Revolution. Castro rose to power in 1959 and has remained Cuba’s leader ever since. His Communist regime has brought some social improvements to Cuba, but Cubans still lack freedom.

**CAUSES**
- Corrupt dictatorship led by Batista
- Economic dependence on United States

**EFFECTS**
- Led Cuba to become a Communist state
- Began Fidel Castro’s half-century rule in Cuba
- Led to improvements in health care and education
- Led to declining economic conditions in Cuba
- Inspired Communist revolutions elsewhere in the region
- Led to ongoing conflict with the United States, including the Bay of Pigs invasion and a long-standing trade embargo

**DOCUMENT-BASED QUESTIONS**

1. **Explaining** How did the Cuban Revolution change the relationship between Cuba and the United States?

2. **Determining Cause and Effect** What has been the impact of the Cuban Revolution in Cuba and the rest of the world?
Relations with the United States

Relations between Cuba and the United States quickly deteriorated when Castro’s Communist regime began to receive aid from the Soviet Union. Arms from Eastern Europe also began to arrive in Cuba. In October 1960, the United States declared a trade embargo, a policy prohibiting trade with Cuba. Just three months later all diplomatic relations with Cuba were broken.

Soon after that, in April 1961, U.S. president John F. Kennedy supported an attempt to overthrow Castro’s government. When the invasion at the Bay of Pigs failed, the Soviets made an even greater commitment to Cuba. In December 1961, Castro declared himself a Marxist, drawing even closer to the Soviet Union. The Soviets began placing nuclear missiles in Cuba in 1962, leading to a showdown with the United States.

The Cuban missile crisis made Castro realize that the Soviet Union had been unreliable. If the revolutionary movement was to survive, the Cubans would have to start a social revolution in the rest of Latin America. They would do this by starting guerrilla wars and encouraging peasants to overthrow the old regimes. Ernesto Ché Guevara, an Argentinean and an ally of Castro, led such a war in Bolivia. He was killed by the Bolivian army in the fall of 1967. Cuba’s strategy failed.

Nevertheless, in Cuba, Castro’s Marxist regime continued, but with mixed results. The Cuban people did secure some social gains, such as free medical services for all citizens. With improvements in education, illiteracy was nearly eliminated.

Yet the Cuban economy continued to rely on Soviet aid and the sale of Cuban sugar to Soviet bloc countries. When these Communist regimes collapsed in 1989, Cuba lost their support. As a result, Cuba’s economy went into a tailspin. Castro’s measures to improve the economy have not entirely succeeded.

Reading Check Describing How was Castro’s Cuba affected by the collapse of Communist governments in Eastern Europe?

Central America

Central America includes seven countries: Costa Rica, Nicaragua, Honduras, El Salvador, Panama, Belize, and Guatemala. Economically, Central America has historically depended on the export of bananas, coffee, and cotton. Prices for these products have varied over time, however, creating economic crises. In addition, a huge gulf between a wealthy elite and poor peasants has created a climate of instability in the region.

The U.S. fear of the spread of communism often led to U.S. support for repressive regimes in Central America. The involvement of the United States was especially evident in the nations of El Salvador, Nicaragua, Panama, and Guatemala.

El Salvador

After World War II, the wealthy elite and the military controlled the government in El Salvador. The rise of an urban middle class led to hope for a more democratic government. The army, however, refused to accept the results of free elections that were held in 1972.

World attention focused on El Salvador in the late 1970s and the 1980s, when the country was rocked by a bitter civil war. Marxist-led, leftist guerrillas and right-wing groups battled one another. The Catholic Church became a main target, and a number of priests were killed or tortured, among them Archbishop Oscar Romero. Death squads killed anyone they thought a threat to their interests.

When U.S. president Ronald Reagan claimed evidence of “communist interference in El Salvador,” the United States began to provide weapons and training to the Salvadoran army to defeat the guerrillas. The hope was to bring stability to the country, but the killings continued.
Since the failed Bay of Pigs invasion, the U.S. policy in Latin America has been driven more by diplomacy than by military action. In Panama, for example, diplomacy allowed for the peaceful transfer of control of the Panama Canal.

The United States had controlled the Panama Canal since its creation in 1904. As the shortest water passage from the Atlantic to the Pacific Oceans, the canal was extremely important strategically and economically. Yet the desire to end U.S. control had long been an overriding theme in Panamanian politics.

After years of negotiations, U.S. president Jimmy Carter and General Omar Torrijos of Panama finally signed a treaty in 1977. As outlined in the treaty, control of the canal transferred to Panama on December 31, 1999.

In 1984, a moderate, José Duarte, was elected president. The unrest in El Salvador cut short Duarte’s efforts at political, social, and economic reforms. Nor could Duarte stop the savage killing. By the early 1990s, at least 75,000 people were dead. A 1992 peace settlement ended the war.

Duarte did not live to see his hope for peace fulfilled. After transferring power to his successor, Duarte said that his government had “laid the foundation for democracy in this country.” Duarte died in 1990.

Nicaragua

In Nicaragua, the Somoza family seized control of the government in 1937 and maintained control for the next 45 years. It began with Anastasio Somoza García’s induction as president, followed by his two sons. Over most of this period, the Somoza regime had the support of the United States. The Somozas enriched themselves at the expense of the Nicaraguan people and used murder and torture to silence opposition.
By 1979, the United States, under President Jimmy Carter, had grown unwilling to support the corrupt regime. In that same year, Marxist guerrilla forces known as the Sandinista National Liberation Front won a number of military victories against government forces and gained control of the country. Soon, a group opposed to the Sandinistas’ policies, called the *contras*, began to try to overthrow the new government. Worried by the Sandinistas’ alignment with the Soviet Union, the United States supported the contras.

The war waged by the contras undermined support for the Sandinistas. In 1990, the Sandinistas, led by Daniel Ortega, agreed to free elections and lost to a coalition headed by Violeta Barrios de Chamorro, who became Nicaragua’s first female president. After 16 years out of power, the Sandinistas won new elections in 2006 and Daniel Ortega became president in January 2007.

**Panama and Guatemala**

*Panama* became a nation in 1903 when it broke away from Colombia with help from the United States. In return for this aid, the United States was able to build the Panama Canal and gained influence over the government and economy of Panama. A wealthy oligarchy ruled with U.S. support. After 1968, military leaders of Panama’s National Guard were in control. One of these, *Manuel Noriega*, became so involved in the drug trade that President George H. W. Bush sent U.S. troops to Panama in 1989. Noriega was later sent to prison in the United States for drug trafficking.

A major issue for Panamanians was finally settled in 1999 when Panama took control of the Panama Canal. The terms for this change of control had been set in a 1977 treaty with the United States.

In 1954, with support from the United States, Jacobo Arbenz of *Guatemala* was overthrown. A series of military or military-dominated dictators ruled the country for years. Guerrilla forces began forming to oppose the government. Rios Montt, president during the early 1980s, responded by using military action and economic reforms to defeat the guerrillas. As in El Salvador, right-wing death squads began attacking anyone they believed belonged to the opposition.

The indigenous people of Guatemala, the descendants of the ancient Maya, were the main target. The government massacred large numbers of Maya simply because it believed they supported the guerrillas. Entire Maya communities were uprooted, separated, or put under military control. The government killed as many as 200,000 people, mostly unarmed Maya. Many others fled to Mexico as refugees.

**Reading Check**  **Summarizing** What underlying factors led to conflicts in Central America from the 1970s to the 1990s?
Throughout the twentieth century, most South American countries experienced political unrest and had economic and social problems. Now into the twenty-first century, these countries are largely democratic and have common problems of high inflation, unemployment, and foreign debt. Their focus is now on finding and maintaining economic stability.

Chile and Argentina

Ideological battles drove politics in Chile and Argentina in the 1970s and 1980s, but current governments focus on the economy.

HISTORY & YOU Do U.S. voters choose candidates based on how well the economy is doing? Read to learn about transitions in politics in South America.

The history of Chile has mirrored the experience of other Latin American countries. However, it took a dramatic step in 1970 when Salvador Allende (ah•YEHN•day), a Marxist, became president.

**Toward Economic Stability in Chile**

Allende tried to create a socialist society through constitutional means. His first steps were to increase wages and to nationalize the largest corporations. Allende’s policies were not popular with everyone. Nationalization of the copper industry angered the companies’ owners in the United States, as well as the U.S. government. However, Allende gained support in the Chilean congress. Afraid of Allende’s growing strength, General Augusto Pinochet (pee•noh•CHEHT) moved to overthrow the government. In September 1973, military forces killed Allende and set up a dictatorship.

The Pinochet regime was one of the most brutal in Chile’s history. Thousands of opponents were imprisoned, tortured, or murdered. The regime also outlawed all political parties and did away with the congress. These horrible abuses of human rights led to growing unrest in the mid-1980s. Thousands of Pinochet opponents and other civilians were arrested and were never seen again. Pinochet finally lost in 1989 by free presidential elections.

Chile has since moved toward a more democratic system. Economic conditions have improved, but unemployment remains high. Chile signed trade agreements with the United States, China, and the European Union. The new president, Michelle Bachelet Jeria, is the first woman elected as president of Chile. She heads a country that is moving toward economic stability and growth.
A New Strategy in Argentina

Argentina is Latin America’s second largest country. For years, it had been ruled by a powerful oligarchy whose wealth was based on growing wheat and raising cattle. Support from the army was crucial to the continuing power of the oligarchy.

In 1943, during World War II, a group of army officers overthrew the oligarchy. The new regime was not sure how to deal with the working classes. Juan Perón devised a new strategy. Using his position as labor secretary in the military government, Perón sought to win over the workers, known as the descamisados (the shirtless ones). He encouraged them to join labor unions and increased job benefits.

In 1944, Perón became vice president of the military government. He made sure that people knew he was responsible for the better conditions for workers.

Juan Perón was elected president of Argentina in 1946, with his chief support coming from labor and the urban middle class.
His wife, Eva Perón, was adored by many Argentines and was a major part of the Perón regime. Together the Peróns brought social reforms to Argentina.

To please his supporters, from labor and the urban middle class, Perón followed a policy of increased industrialization. He sought to free Argentina from foreign investors. The government bought the railways and took over the banking, insurance, shipping, and communications industries.

Perón’s regime was authoritarian. He created Fascist gangs that used violent means to terrify his opponents.

The military overthrew the Argentinean leader in September 1955. Perón went into exile in Spain. Overwhelmed by problems, military leaders later allowed him to return. He was reelected as president in 1973 but died a year later. In 1976, the military once again took over power. The new regime tolerated no opposition. It is believed that 36,000 people were killed.

A Move Toward Democracy

In April 1982, the military regime invaded the Falkland Islands, off the coast of Argentina. Great Britain, which had controlled the islands since the 1800s, sent ships and troops and took the islands back. The loss discredited the military and opened the door to civilian rule in Argentina.

In 1983, Raúl Alfonsín was elected president and worked to restore democratic practices. Nestor Kirchner serves as the current president. While inflation is high, Argentina’s economy is becoming more stable, which gives hope that it will continue its democratic path.

✓ Reading Check Explaining How did Juan Perón free Argentina from foreign investors?

The Mothers of the Plaza de Mayo

In March 1976, a military junta overthrew the government in Argentina. The junta suspended civil liberties and began a campaign of imprisoning, torturing, and killing government opponents. Many children of the desaparecidos (“disappeared ones”) were kidnapped.

On April 30, 1977, mothers and grandmothers of desaparecidos gathered in the Plaza de Mayo in Buenos Aires risking their own safety. They hoped to locate their children and grandchildren, and to bring those responsible for Argentina’s “dirty war” to justice. Although civilian rule returned in 1983, the Mothers of the Plaza de Mayo are still active.

The Mothers of the Plaza de Mayo carry banners calling for the return of their missing sons and daughters. Their white scarves represent diapers, in memory of the lost children.
Brazil

Brazil’s supersized economy has the potential to influence the global economy, but Brazil still struggles to meet the needs of its people.

HISTORY & YOU How did the United States fight poverty in the 1960s? Read to learn how poverty has been a continuing problem in Brazil.

Like other Latin American countries, Brazil experienced severe economic problems following World War II. When democratically elected governments proved unable to solve these problems, the military stepped in and seized control in 1964.

An Economic Miracle?
The armed forces remained in direct control of the country for the next 20 years. The military set a new economic direction, reducing government interference in the economy and stressing free-market forces. Beginning in 1968, the new policies seemed to be working. Brazil experienced an “economic miracle” as its economy grew spectacularly.

Ordinary Brazilians benefited little from this economic growth. Furthermore, rapid development led to an inflation rate of 100 percent a year. Overwhelmed, the military leadership retreated and opened the door to a return to democracy in 1985.

Return to Democracy
The new democratic government faced enormous obstacles: massive foreign debt and an inflation rate of 800 percent in 1987. In the 1990s, democratic presidents restored some stability to the economy, but the gap between rich and poor remained wide. Dissatisfaction with this gap helped to elect Luiz Inácio Lula da Silva, in 2002. Lula, Brazil’s first left-wing president in four decades, has pursued a mission of making Brazil more independent in global trade. His challenges are to generate employment and decrease the foreign debt.

✓ Reading Check Evaluating What factors led to the return to democracy in Brazil in 1985?

Peru, Colombia, and Venezuela

Violence and poverty have challenged Peru, Colombia, and Venezuela.

HISTORY & YOU How does poverty affect a country? Read to learn how poverty contributed to political unrest in Peru, Colombia, and Venezuela.

Other countries of South America have shared in the political, economic, and social problems that plagued Latin America since 1945. Peru, Colombia, and Venezuela have undergone many political changes in response to national problems.

Military and Civilian Rule in Peru
Instability has marked the history of Peru. Peru’s dependence on the sale of its products abroad has led to extreme ups and downs in the economy. With these ups and downs have come many government changes. A large, poor, and landless peasant population has created an additional source of unrest.

A military takeover in 1968 led to some change. General Juan Velasco Alvarado sought to help the peasants. His government seized almost 75 percent of the nation’s large landed estates and put ownership of the land into the hands of peasant cooperatives (farm organizations owned by and operated for the benefit of peasants). The government also nationalized many foreign-owned companies and froze food prices to help urban workers.

Economic problems continued, however, and Peruvian military leaders removed General Alvarado in 1975. Five years later, unable to cope with Peru’s economic problems, the military returned Peru to civilian, democratic rule.

Peru’s widespread economic problems made the task of the new civilian government even more difficult. Poverty was widespread in 1980, and it took its toll on the people. The life expectancy of Peruvians dropped. An estimated 120 out of every 1,000 infants died, and 60 percent of children under five years of age were malnourished. With unemployment high, there seemed to be no way out of poverty for many Peruvians.
In 1968, the Catholic bishops of Latin America met in Medellín, Colombia. There they spoke out against the “oppression of institutionalized violence” and unjust political structures. They announced that they would urge the clergy to work for the betterment of the poor and victims of social injustice.

The term liberation theology was coined soon afterward by Gustavo Gutierrez, a Peruvian priest. It was a form of religion combined with Marxism that made helping the poor the Church’s top priority. During the 1970s, at least 850 liberation theology priests and nuns were killed because of their commitment to social justice. Hundreds more have been killed since 1980. Liberation theology continues to be important in Latin America.

Liberation Theology: A New Role for the Catholic Church

1. Defining What is liberation theology?

2. Contrasting How does liberation theology differ from the traditional role of the Catholic Church in Latin America?

In this economic climate, a radical Communist guerrilla group gained support. Known as Shining Path, the group wanted to create a classless society. Shining Path killed mayors, missionaries, priests, and peasants across Peru.

In 1990, Peruvians chose Alberto Fujimori as president. Fujimori, the son of Japanese immigrants, promised to make reforms. However, he later suspended the constitution and congress, became a dictator, and began a campaign against Shining Path guerrillas. Corruption led to Fujimori’s removal from power in 2000.

In June 2001, Alejandro Toledo became Peru’s first freely elected president of Native American descent. His successor, Alan García Pérez, must create additional jobs and decrease poverty to make Peru more economically stable. The government has prudent fiscal policies and is open to trade and investment.

Colombia: Coffee and Cocaine

Colombia has long had a democratic political system, but a conservative elite led by the owners of coffee plantations has dominated the government. Coffee is an important crop for Colombia, making up about half of the country’s legal exports. Yet because the economy relies heavily upon the coffee trade, price fluctuations in either direction can have a negative effect. In 1975, for example, the Brazilian coffee crop was destroyed by frost. Prices for Colombian coffee rose dramatically, causing inflation.

In addition to economic problems, political problems troubled Colombia in the twentieth century. After World War II, Marxist guerrilla groups began to organize Colombian peasants. The government responded violently. More than 200,000 peasants had been killed by the mid-1960s. Violence continued in the 1980s and 1990s.
Peasants who lived in poverty turned to a new cash crop—coca leaves, which are used to make cocaine. As the lucrative drug trade grew, two major cartels (groups of drug businesses) formed in Colombia.

The drug cartels used bribes and violence to force government cooperation in the drug traffic and to dominate the market. Colombia became the major supplier of the international drug market. Violence has increased as rebel guerrillas made deals with the drug cartels to oppose the government. The government used an aerial eradication program to try to wipe out cocaine fields, but the program did not have much success. The United States funded the antidrug program, and in 2003 sent troops to support it.

Despite the money earned from drug and coffee exports, the Colombian economy remained weak because of high unemployment and the disruption of civil war. Alvaro Uribe, elected for a second term in 2006, promised to crack down hard on rebel groups. His economic policies hold promise for Colombia’s future.

**Chávez Rules Venezuela**

A series of military dictators ruled Venezuela during the first half of the twentieth century. They promoted the oil industry and allowed for some social reforms.

By 1979, the Venezuelan economy had stalled. Corruption was also widespread. As a result of President Carlos Andrés Pérez’s unpopular economic program, people rioted. More than 200 people were killed during the riots. Unrest continued to grow. A group of army lieutenants led by Hugo Chávez tried to overthrow the government in 1992. The coup failed and Chávez was put in prison. After Pérez was impeached a year later, Chávez was released.

Many people saw Chávez as a folk hero. When he ran for president in 1998, Chávez won the election in a landslide victory. During 2002 and 2003, Chávez’s opposition front staged two national strikes. The military ousted Chávez during the first strike. However, loyal army elements restored him to power two days later. Nor could a national referendum in 2004 remove him. In December 2006, Chávez was reelected president with nearly two-thirds of the votes.

Like most leaders of South American countries, Chávez has many social and economic issues to address. Nearly 80 percent of the population lives in poverty. Real wages are low, and unemployment is high. Likewise, inflation rates remain high as does the foreign debt.

In late 2003, Chávez committed over $1 billion toward new social programs. Funding for this was aided by high oil prices. Venezuela depends on its oil reserves, the sixth largest in the world.

**Main Ideas**

1. **Explain** how the invasion of the Falkland Islands affected Argentina.

3. **List** the current leaders of the countries discussed in this section. Use a chart like the one below to make your list.

<table>
<thead>
<tr>
<th>Country</th>
<th>Leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td></td>
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<tr>
<td>Argentina</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
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<tr>
<td>Peru</td>
<td></td>
</tr>
<tr>
<td>Colombia</td>
<td></td>
</tr>
<tr>
<td>Venezuela</td>
<td></td>
</tr>
</tbody>
</table>

4. **Identify** some obstacles that current South American governments face.

5. **The BIG Idea** Making Connections
   Why is it often easier for the military to seize power than to rule effectively? Which countries discussed in this chapter support this theory?

6. **Organizing** How has democracy advanced in South America since the late 1980s?

7. **Analyzing Visuals** How do the white scarves of the protestors on page 974 make their protest more effective?

8. **Informative Writing** Write an article as if you are an American journalist covering Perón’s presidency. Include details about the pros and cons of the Perón regime.
Teenage Life in Argentina

After suffering economic setbacks in the 1980s, Argentina sought to play a more active role in the global marketplace. Cable television and the Internet give Argentine teenagers access to global influences, yet extended families and the living history of festivals preserve the spirit of gaucho life.

Many Argentine teens enjoy traditional festivals. These celebrations often feature horseback events, music, and dancing.

Traditional attire worn by Argentine girls includes long, colorful dresses with full, ruffled skirts.

The baggy gaucho pants are called bombachas. Gauchos tuck them into their boots.

In many areas, the traditional attire of the gaucho, or cowboy, is popular among Argentine youths. The gaucho hat is black, broad, and flat-brimmed.

Proud Traditions and Family Ties

Argentina’s customs draw upon its European (especially Spanish and Italian) influences, as well as the cultures of native South Americans. These traditions remain a strong influence on many young Argentines, particularly in the countryside. The close bonds of family help make festivals and traditional clothes important. For Argentines, the gaucho (cowboy) is an enduring national symbol of rugged individualism.
Young people in Buenos Aires and other cities in Argentina today experience international trends and live in ways very similar to teens in the U.S. Soccer provides Argentina with an athletic connection to its Latin American neighbors. Young Argentines can grow up dreaming of competing in the World Cup, knowing that their nation can watch and cheer them on anywhere on the globe.
You can study anywhere, anytime by downloading quizzes and flash cards to your PDA from glencoe.com.

**Slums in Rio De Janeiro**

Shantytowns sprang up in Latin American cities as the inflow of people overwhelmed city services.

**Economic, Social, and Political Issues in LATIN AMERICA**

- Economic failures in Latin America led to repressive regimes and debt.
- Population and cities grew rapidly, and the gap between rich and poor remains large.
- The United States has long intervened in Latin America to protect its interests.
- Artists and writers hold high status, as their work expresses the hopes of the people.

**Economic, Social, and Political Issues in MEXICO, CUBA, and CENTRAL AMERICA**

- To help in the relief of its debt crisis, the Mexican government privatized industries.
- The election of Vicente Fox in Mexico ended decades of rule by one party, the PRI.
- The economy of Castro’s Cuba declined after the collapse of the Soviet Union, on which Cuba relied.
- Fearing the spread of communism, the United States intervened in Central American politics.

**Cuban Revolutionaries**

Seize Havana, 1959

Fidel Castro led a successful revolution in Cuba and established a Marxist dictatorship there.

**Violence in Chile Protesting the Brutal Rule of Augusto Pinochet**

Chile and other South American countries have experienced much political unrest.

**Economic, Social, and Political Issues in SOUTH AMERICA**

- Ideological battles drove politics in Chile and Argentina; today these governments are more democratic.
- Brazil’s economy grew rapidly, but its new democratic government faces inflation and debt.
- Communist guerrillas in Peru and drug cartels in Colombia have troubled these nations.
- Venezuela depends on its huge oil reserves.
### Reviewing Vocabulary

**Directions:** Choose the word or words that best complete the sentence.

1. Farm organizations that are owned by peasants and operated for their benefit are known as ______.  
   - A cartels  
   - B welfare states  
   - C cooperatives  
   - D communes

2. Mexico City is a ______; its population has grown so fast that in some areas regular urban services cannot be provided.  
   - A megacity  
   - B megatropolis  
   - C minicity  
   - D cooperative

3. The ______ were a group who opposed Sandinista policies in Nicaragua during the 1970s and 1980s.  
   - A contras  
   - B conquistadors  
   - C caudillos  
   - D cartels

4. ______ in Colombia used bribes and violence to force government cooperation in the drug traffic.  
   - A Peasants  
   - B Cartels  
   - C Caudillos  
   - D Contras

### Reviewing Main Ideas

**Directions:** Choose the best answers to the following questions.

**Section 1 (pp. 960–965)**

5. Latin American countries depended on the United States, Europe, and Japan for which of the following?  
   - A Bananas  
   - B Advanced technology  
   - C Coffee imports  
   - D Crude oil

6. Which organization formed in 1948 includes states in the Western Hemisphere?  
   - A North Atlantic Treaty Organization  
   - B North American Free Trade Agreement  
   - C Central American Trade Association  
   - D Organization of American States

7. Who is perhaps the best-known Latin American poet?  
   - A Gabriel García Márquez  
   - B Julio Cortázar  
   - C Gabriela Mistral  
   - D Oscar Niemeyer

**Section 2 (pp. 966–971)**

8. What new economic policy did Mexico follow based on the sale of government-owned businesses to private firms?  
   - A Austerity  
   - B Privatization  
   - C Modernization  
   - D Containment

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**STANDARDIZED TEST PRACTICE**

**TEST-TAKING TIP**

When you read a map, pay careful attention to the title and to the map legend. The legend gives information crucial to understanding the map. The information in the legend may also help you eliminate answer choices that are incorrect.

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**Need Extra Help?**

<table>
<thead>
<tr>
<th>If You Missed Questions...</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
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<tbody>
<tr>
<td>Go to Page...</td>
<td>975</td>
<td>962</td>
<td>971</td>
<td>977</td>
<td>960</td>
<td>962</td>
<td>965</td>
<td>966</td>
</tr>
</tbody>
</table>
9. Who led the Cuban Revolution against the Batista regime?
   A Fidel Castro
   B Nikita Khrushchev
   C José Duarte
   D Manuel Noriega

10. What major Panamanian issue was finally settled in 1999?
    A The return of Manuel Noriega
    B Control of the Panama Canal
    C Payment of the lease for the Panama Canal
    D Privatization

Section 3 (pp. 972–977)
11. Which group was a main source of support for Juan Perón?
    A Labor and urban middle class
    B Landed gentry
    C Business owners
    D Military

12. Which South American country had an “economic miracle” in the late 1960s and early 1970s?
    A Chile
    B Peru
    C Argentina
    D Brazil

13. About what percent of Venezuela’s population lives in poverty?
    A 50
    B 25
    C 80
    D 10

Critical Thinking
Directions: Choose the best answers to the following questions.

Use the following map to answer question 14.

14. Which South American countries have the least population?
    A Brazil, Argentina, Colombia
    B Bolivia, Paraguay, Uruguay
    C Venezuela, Peru, Chile
    D Argentina, Bolivia, Ecuador

15. Why did many military regimes in Latin America fail?
    A They could not cope with debt problems.
    B Their power had popular consent.
    C The countries warred against each other.
    D Their leaders were too weak.
16. How did Juan Perón gain support?
   A He appealed to the landed elite.
   B He had the backing of the United States.
   C He maintained loyalty from the military.
   D He appealed to the workers and urban middle class.

17. Why do Colombian cartels have so much power?
   A They control the coffee market.
   B They are backed by the United States.
   C They have the support of rebel guerrilla groups.
   D Their cocaine fields are resistant to pesticides.

Analyze the bar graph and answer the question that follows based on the graph and on your knowledge of world history.

**U.S. Agricultural Trade with NAFTA Partners, 1989–2002**

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>2002</td>
<td>15</td>
<td>10</td>
</tr>
</tbody>
</table>

**Directions:** Analyze the document and answer the short-answer questions that follow the document. Base your answers on the document and on your knowledge of world history.

One Latin American observer discussed the U.S. invasion of Panama in 1989 in the following words:

“The first official [U.S.] reason for the invasion of Panama was ‘to protect American lives there.’ This pretext was not credible, for the cry of ‘wolf! wolf!’ has been used before in Latin America. . . . The danger to American lives is a hundred times greater every day and night in Washington, D.C., ‘the murder capital of the United States,’ and in other American cities to which President Bush has hardly applied his policy of protecting North American lives and waging war against drugs (he prefers to wage that war on foreign battlefields).”

—Latin American Civilization: History and Society, 1492 to the Present, Benjamin Keen, 1996

19. To what U.S. action does the observer refer when he talks of the “invasion of Panama”?
20. What does this observer seem to say about U.S. foreign policy?

**Extended Response**

21. Simply because it believed they supported the guerrilla forces, the Guatemalan government massacred the indigenous people of Guatemala. How does this action compare to the settlers’ and government’s treatment of Native Americans in the United States during the eighteenth and nineteenth centuries and beyond?