

LATIN AMERICA

"The quetzal bird is the national symbol of Guatemala. He is said to have lost his voice when the Mayas were defeated by the Spaniards. Others say he never lost his voice, but since then has refused to sing. The fact is that when he is caged he dies".

EDUARDO GALEANO
"Guatemala, Occupied Country"

For most of us in Sri Lanka, Latin America and its countries are merely distant images. The lines of modern communication existed only via the bowels of Metropolitan Europe. There are no direct links. Only images. As school children, we may have gathered some vague idea about the length of the Amazon river and the primitive nature of the indigenous settlement along it, or of the *Gaucha* on horse-back rounding up large herds of cattle in the Pampas. These blurred images may have received some new life since the events in Chile. For not merely Sri Lankans, but indeed the whole world had heard of Salvador Allende and his unfortunate experiment of attempting to introduce a revolutionary Marxist Society through the Parliamentary road. The demise of Allende and his dreams were accompanied by bloodshed, vengeance and ritual blood letting. But what happened in Chile to the mass of the people was hardly an exception in the history of Latin America. Latin America's tranquillity ended with the advent of the Spanish Conquistadores. From then began the chronicle of plunder and disposition, of hunger and death. At many times in the history of Latin America, brave men have risen to defend their continent from the ravage of foreigners. They spoke eloquently about the pillage of their wealth to feed Europe and America, but they came and went—Zapata of Mexico, Bolivar who gave his name to his country and the legendary Che Guevara. Allende joined this long and seemingly never ending list. Whatever their weaknesses they did not just die for a dream. They died in order to make their dream a reality. They dreamt of liberating their people and giving them a part of their birthright—the massive wealth of Latin America. Death has not brought an

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end to renewed challenges; and in a way in Latin America death may have also been terrible enemies of the rulers.

Whatever one may say about the theories of the International Division of Labour the fact remains that so far some have been winners and others losers. Latin America has lost "ever since those renaissance Europeans ventured across the ocean and buried their teeth in the throats of the Mayas and Azetecs and other Indian civilizations." From then on, ship loads of gold and mountains of silver have travelled from the continent to Europe. The picture has not changed. The ships still travel in one way. The only difference is that today they carry perhaps coffee, oil, phosphates and many other minerals buried in the Latin American earth. Trade and industry concerned with emptying the wealth of Latin America shifted from the Spanish to the British and has now passed on to American hands. American business concerns have a privileged position in most Latin American countries. As far back as 1913 President Woodrow Wilson said "You hear of concessions given to capitalists in Latin America. You do not hear of concessions to foreign capitalists in the United States. They are not granted concessions". He went on to say "States that are pledged.....to grant concessions are in this condition, that foreign interests are apt to dominate their domestic affairs". There has never been a mutuality in the process.

It was like the elephant speaking of equality to the chickens. For that matter, Benjamin Disraeli, the British Prime Minister in the second half of the last century, speaking of Latin America said "I call a new world into existence to redress the balance of the old". His call was based on the same ideology of domination and arrogance, for he spoke melliflously of "each man for himself and God for us all". Large areas in Latin America were designated functions by the foreign powers. Some supplied minerals, others meat, beverages and so on. The wealth and the labour of the Latin American people

was transmitted to Europe and the United States as capital. What Latin America lost became the gain of others. The finite nature of this wealth is evident now in the endless number of emptied tunnels which were formerly mines for precious metals; the silver mines of Potosi are now merely a big hole in the earth. The desolation of the Chilean nitrate pampas and the Amazon's rubber forest are "history" books in themselves.

Throughout this period the living standards of the people of Latin America have deteriorated. Around the 1850's the world's rich countries enjoyed a 50 per cent higher living standard than the poor countries. By the end of the 20th century this would have grown by 15 times in the case of Latin America. The United States citizens' average income is 7 times that of Latin America and grows 10 times faster. But even this statistic is deceptive for 6 million Latin Americans at the top share the same amount as the 140 million at the bottom. One child in Latin America dies of disease or hunger every minute and in per capita terms Latin America today produces less than it had produced before World War II.

The population of Latin America is growing at such a rate that in the year 2000 it is estimated to reach 650 million. Of the today's 280 million 50 million are unemployed and one hundred million are illiterate. The population keeps growing and the health keeps decreasing. According to the tenets of the population controllers one may even say that Latin Americans are over-enthusiastic lovers who have thrown precaution to the wind. The family planners sow pills and condoms but reap children. But the problem is not the inability to support this population, for the magnificent lands of Latin America could give to its people enough and more. The problem is with the system that expropriates and controls the wealth of Latin America for the benefit of those who live outside the continent. The dominating ideology was expressed by President Johnson who said "let us get on the fact that 5 dollars invested in population con-

trol is worth 100 dollars invested in economic growth”.

But the absurdity of this is that most Latin American countries have no surplus of people. In fact they have too few. “Brazil has 38 times fewer people per square mile than Belgium, Paraguay has 49 times fewer than England. Peru has 32 times fewer than Japan”. Half the territory of Bolivia, Brazil, Chile, Ecuador, Paraguay and Venezuela have no inhabitants at all. Could population control be preached in such circumstances?

Today

Times have changed but for Latin America the process of exploitation goes on, in addition to the extraction of raw materials. The external debt of Latin America has also kept increasing as seen from the following table:

Foreign Investment and External Debt in 1963

(in millions of 1960 dollars)

	direct foreign investment	external debt	total
Brazil ...	3,950	2,750	6,700
Venezuela ...	5,400	300	5,700
Argentina ...	1,280	2,250	3,530
Mexico ...	1,620	1,650	3,270
Chile ...	920	1,020	1,940
Colombia ...	550	700	1,250
Peru ...	680	400	1,080
Bolivia ...	50	250	300
Panama ...	210	70	280
Ecuador ...	150	110	260
Dominican Repub.	150	100	250
Uruguay ...	80	150	230
Guatemala ...	160	50	210
Costa Rica ...	90	90	180
Honduras ...	130	40	170
Nicaragua ...	50	50	100
Paraguay ...	20	30	50
Latin America ...	15,230	10,100	25,330

Source: ECLA, 1966

Statistically speaking Africa and Asia may be in a worse position but the income differentials within Latin America are massive. Every now and then some country in Latin America attempts to redress the balance, but all they seem to achieve in this process of trying to gain control of their natural resources is disaster in most cases, and sometimes a mere “Renegotiation of the terms of dependence”.

Land distribution reflects colossal divergences. They speak of *Latifundio* and *Minifundio* (big and small land holdings). The average size of *Latifundios* in Argentina is 270 times that of *Minifundios*. In Guate-

mala a *Latifundio* may be as much as 1,732 times the size of the *Minifundio*. The impoverished peasant is huddled even more in smaller and smaller plots of land and barely ekes out a living. The size of the Latin American business concerns and their power means that Latin American businessmen attempting independent development are either smashed by competition or bought up. A Corporation like General Motors is richer than most of the smaller Latin American countries. The roles played by ITT, Anaconda and Kennecott need not be repeated here. The famous Kennedy plan called the Alliance for Progress was dubbed by Latin America as the Alliance for Progress of Imperialism. Coups, revolutions and spy dramas are products of the Latin American sub soil. The continent achieved independence long before Asia and Africa and has suffered economic strangulation ever since. The real rulers have come and gone. In 1824 the British Prime Minister Canning wrote “The deed is done, the nail is driven, Spanish America is free; and if we do not mismanage our affairs sadly, she is English”. The English did make their profits in Latin America but then came the American Monroe doctrine and since then Latin America has become nothing more than a backyard for the United States of America. The story of this pillage has been related eloquently by Eduardo Galeano, Celso Furtado, Andre Gunder Frank. The haemorrhage of profits from direct U.S. investments in Latin America has been five times greater in recent years than the infusion of new investments. All attempts to control this process have been of little avail. According to an International Banking Survey in 1967 there were 133 branches of U.S. Banks in Latin America holding deposits of 1.27 billion dollars.

The price differences between raw materials and manufactured goods have steadily grown. In 1954, the price of 22 bulls could purchase a Ford Tractor. Today a machine will cost about 50 animals. All attempts at import substitution have been of little avail and meanwhile the rape of virgin lands goes on unabated after five centuries in many parts of Latin America, particularly

the Brazilian North. In theory the Latin American has equality of opportunity with a foreigner. Anatole France once said that the law in its majestic equality forbids the rich as well as the poor from sleeping under bridges, begging in the streets and stealing bread. The majority of the Latin American people understandably when convicted of such offences naturally do not salute the impartiality of the law.

In recent times Latin America's plight and the dangers to her economy have grown more and more evident. The inability of the people of Latin America to take charge of their own resources and re-structure their economies in the manner they would wish to has left them no alternative but to depend on the vagaries of world trade. Through the period 1974-1975 market conditions for most of Latin America's principal export products deteriorated. Terms of trade, consequently, have continued to get worse. Several countries in the region derive 20% or more of their export receipts from coffee and the relative decline in coffee prices had a particularly widespread effect. Lower copper prices have adversely affected Chile and Peru, and lower wool prices together with a decline in world market meat prices reduced the export earnings of Argentina, Paraguay and Uruguay. To make matters worse the EEC placed limitations on beef exports to the countries of the Community.

Countries such as Argentina, Brazil, Columbia and Mexico have achieved a fair degree of economic diversification but the recession in the industrialised world only reduced demand for their manufactured exports. For most of these countries, changing price and demand conditions mean larger trade deficits and with their existing economic structures lower rates of economic growth.

And the circle continues to prove more vicious as world trade conditions and their own existing economic structures make it even more difficult for them to diversify their exports and break the stranglehold.

The saddest part of the Latin American scene is the runaway inflation that has plagued several of these countries and put many of her people in a helpless position. The following figures tell the tale most eloquently.

The table below sets out rates of increase of consumer prices in some Latin American countries. The 1973 figure is the percentage increase over 1972 and 1974 the increase over 1973.

	1973	1974
Peru ...	9.5	16.6
Panama ...	6.9	16.8
Argentina ...	61.5	18.7
Columbia ...	22.8	22.0
Mexico ...	12.1	23.3
Nicaragua ...	12.5	23.3
Ecuador ...	13.0	23.4
Paraguay ...	12.7	25.6
Brazil ...	12.9	25.8
Bolivia ...	31.6	70.7
Uruguay ...	97.2	71.4
Chile ...	352.8	504.7