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With only a few exceptions, the former Spanish and Portuguese colonies in America reached their independence in the first third of the nineteenth century. The Latin American wars of independence marked the end of the series of the Atlantic revolutions that had begun with the revolt of the colonists in New England. They were closely tied to these events, as well as to those initiated by the French Revolution and the developments that came on the heels of the Napoleonic expansion in Europe. The independent republics remained intimately involved with this Atlantic context, which contained new opportunities, but also new risks and dependencies. In Latin America’s long nineteenth century, it remained the most important reference point for the integration of the region into the global context.

During this period, the now formally independent successor states of the Iberian colonial empire faced numerous challenges. Throughout the entire region, the absence of functioning state institutions, the continuation of internal power struggles, the militarization of public life, and the rise of caudillos were among the most difficult obstacles that had to be overcome on the path toward stability. The difficulties of state formation were due not least to the skepticism about a political system that had failed to adequately explain who the new sovereign was. Officially, the concern was with the formation of democracies, and yet it remained unclear as to who belonged to the demos, the “constitutive people.” Not wanting to run the risk of inciting social upheaval, the new elites defined this more broadly or narrowly according to their

See Rinke, Las revoluciones en América Latina.
own interests. While the rhetoric espoused universal values, day-to-day practice nonetheless remained socially discriminatory. In the ethnically heterogeneous societies of Latin America, where the non-white populations presented a clear majority, the gap between the language of liberty and equality and the social reality was significant. The challenging state of affairs the early republics faced was also related to developments that took shape outside of the region.

FROM COLONIES TO INDEPENDENT STATES

The Americas belonged, at least in theory, to the monopoly the Spanish and Portuguese crowns had held since 1494. While the advances of European rivals had contested this claim since the fifteenth century, the claim remained, despite the fact that the British, French, and Dutch settlements established in the Caribbean and elsewhere caused reality to look quite different. Just the same, the immigration ban on foreigners and other faiths remained in place in territories on the continent controlled by the Spanish and Portuguese – slaves from Africa were, of course, the exception – as did the Spanish trade monopoly. In order to secure their power and wealth in the New World, the Spaniards and Portuguese had an interest in perpetuating the myth of a hermetically controlled sphere.

Colonial America was not as isolated from the rest of the world as it might have at first seemed, however. In the sixteenth century, as the Spanish Empire had consolidated its reach in America, the Portuguese and Spaniards had already further extended their spheres of influence to the east and the west. They conquered the Cape of Good Hope as well as Cape Horn, and established a sea route across the Indian and the Pacific Oceans. This gave rise to networks of trade and cultural exchange that spanned the globe for the first time. Indeed, recent research suggests that the institution of regular voyages in 1571 between New Spain, now Mexico, and Manila in the Philippines – the so-called Manila Galleon – actually marks the beginning of modern globalization. Some historians argue that this development represents the origin of the cross-linking

\[2\] Rinke, Historia de Latinoamérica, p. 104.

\[3\] Pivotal here was the Treaty of Tordesillas from the same year. Rumeu de Armas, El tratado de Tordesillas, passim.

\[4\] Burkholder/Johnson, Colonial Latin America, pp. 112–4.

between the heavily populated continents, which would accelerate and solidify in later centuries.  

During the colonial reforms in the eighteenth century, the Iberian mother countries also officially allowed for a tentative opening, which reached its peak at the end of the century. It was in this context that the Spaniards loosened their 200-year-old trade monopoly in 1765. Though the imperial centers managed to again tighten their control over the colonies by introducing reform policies that increased revenue and curbed smuggling, their success was only partial. An unintended consequence was that the descendants of Europeans born in the Americas who benefited from these actions and everywhere constituted the upper social strata were not satisfied with the scope of the reforms and demanded greater liberalization. Inspired by the numerous scientific expeditions the crown had sent to the Americas to explore the potential of its colonies, the descendants wanted to secure a better use of their resources for the benefit of their respective regions. For them, the abolition of colonial restrictions was a key means toward this end. The reverence the colonial elites held for a foreign scientist like Alexander von Humboldt – who explored the Americas from 1799 to 1804 and received the honorific title “the second discoverer of America” – underscores the desire at the time to embrace the spirit of Enlightenment and break free from the increasingly intolerable colonial status. The appeal Juan Pablo Viscardo y Guzman made in 1791 for a new discovery of the Americas could thus become a call for including the entire hemisphere as an equal participant in the course of world events.  

Certainly, the events that unfolded in the Iberian colonial realms from 1808 and grew into independence revolutions with very different aims can also be read as an attempt to overcome the isolation imposed by Spain and – albeit to a lesser extent – Portugal. This went hand in hand with a cultural shift away from the former colonial powers: Spain and Portugal were now viewed as backward, whereas the future seemed to lie with the prestigious, apparently enlightened, and progressive Western European powers, France and England. With the independence of twelve successor republics and a monarchical empire, the basis for the separation appeared to be in place by the mid-1820s. Nonetheless: Were these

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7 Stolley, “Writing Back to Empire.”

8 Rama, Historia de las relaciones culturales, p. 25.
formally independent states now able to freely enter into the global exchange? And, what were the relations like between Latin America and the rest of the world in the first century of independence – before, that is, there was a significant turning point internationally with the First World War?

Politically, the situation was highly complex. During the wars of independence, the direct interference of third-party countries occurred only in Haiti. In Hispano-America and Brazil, the conflict was between the colonies and the mother country. However, England remained especially vital as a source of weapons, mercenaries, and also later diplomatic support. It was not the republican sister state to the north – the United States – that was the most important foreign partner of the insurgent colonies, but rather England. Despite British support, however, the problem of the lack of international recognition remained for Haiti and Hispano-America for some time due to the intransigence of France and Spain. Haiti had to pay dearly for its recognition in 1825. Spain only recognized its former colonies gradually from 1836 after the death of Ferdinand VII (1833). The recognition of Brazil was carried out more smoothly, yet it, too, was associated with high costs.

Still, even after the former colonies were officially accepted into the international community, Spain, France, and England had as much of a presence in the region due to their colonial possessions as the United States, whose southwestern expansion repeatedly led to border conflicts, for instance, in Mexico and Central America. The interventions of the Europeans had a negative effect from the start and also overshadowed the newly won independence. In Hispano-America, the well-founded fear of Spain’s potential reconquest or support of monarchist movements continued to fester for many decades. Of more immediate concern were the direct intrusions of other European powers, which often resulted from outstanding debt payments or claims by Europeans residing in Latin America. In other instances, strategic interests were involved, such as the desire to secure free trade on the Río de la Plata. An area of particular concern was the matter of enforcing the prohibition on the slave trade in Brazil. In each case, the sovereignty of the Latin American countries hardly played a role from the point of view of the Europeans.

9 Vázquez, “Una difícil inserción en el concierto de las naciones.”
10 Pereira Castañares, “Las relaciones diplomáticas entre España e Hispano-américa en el siglo XIX.”
After many long years of intense fighting, the young states started out their independence shouldering a severe economic burden. Free trade had been a central demand of colonialism’s detractors and finally seemed within reach following independence. In many places, therefore, the elites looked to the future optimistically. These initial hopes proved premature, however, as the most contested regions suffered from looting, forced contributions, and ruin. Agriculture, mining, and proto-industries were destroyed. The silver mines that had been chiefly responsible for producing America’s legendary wealth over the centuries were particularly hard hit by the conflicts. The reconstruction proved difficult because of an absence of skilled labor and especially capital. Indeed, the early failures of British interests in Mexico, Peru, and Bolivia scared potential investors away from the region.

Subsistence agriculture remained by far the most important sector of the Latin American economies. The hinterland areas, which were far removed from economic centers, were barely involved in free trade because of the prohibitively high transport costs to the interior. In contrast, the export-oriented agricultural sectors benefited from the liberalization of trade that followed independence. This was true, for instance, for livestock, which expanded in regions such as the Río de la Plata area, Venezuela, and Brazil. The export of salt meat for slaves’ diet proved lucrative. The marketing of plantation products such as cocoa and coffee also developed promisingly. Sugar, the traditional export product, boomed, especially in the Spanish colony of Cuba. The island gradually became more valuable to the mother country and witnessed an enormous increase in slave imports in the 1820s and 1830s. Latin America’s first railway line was built in Cuba in 1834. Nonetheless, as in Brazil, the strict adherence here to slavery led to problems over the long term, for the one-sided focus on this sector permitted only slow overall economic development. In the first half of the nineteenth century, agricultural exports grew only slightly overall in most of Latin America, despite relatively favorable terms of trade.

Economic life in general was especially challenging during this period due to the scarcity of funds, which was chiefly due to the flight of capital. In light of this predicament, foreign trade duties emerged as the most important source of state income. Foreign trade thus became an

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12 Haber/Klein, “The Economic Consequences of Brazilian Independence.”
increasingly important factor in Latin America’s economic development. Following independence, the former colonial powers with their anachronistic monopoly claims ultimately lost their status as intermediaries of trade between America and Europe. England now gradually gained direct access to all Latin American markets where it had failed to do so before independence, such as in the Río de la Plata. From 1817, this also included the Spanish colonies of Cuba and Puerto Rico. The free trade inspired a great deal of euphoria in England and the other interested overseas trading countries such as the Hanseatic cities. There was tremendous optimism about the previously closed markets, whose potential had been widely known since Alexander von Humboldt at the latest. For this reason, the British dispatched consuls to Latin America even before they granted countries official diplomatic recognition.\footnote{Marichal: A Century of Debt Crises, pp. 14–6.}

Latin American foreign trade rested on the friendship, commerce, and navigation treaties the young states had settled with European powers and the United States on the basis of the most-favored-nation principle. In reality, it was the Europeans who mainly benefited from the agreements. The Latin American partners had to grapple with high costs, for all the open ports and free trade in many respects significantly restricted their ability to promote their national economies in a targeted way. The most-favored-nation principle further hindered integration within Latin America. Thus, while the treaties, on one hand, formed the basis of the recognition of Latin American independence, they also created new economic dependencies on the other. In fact, with their unrivaled low-cost products, the British were soon able to supplant the locals in the market – despite the presence of U.S. and European competition since the 1820s.\footnote{In the case of Mexico, see above all Bernecker, Handelskonquistadoren. For Chile: Cavieres, Comercio chileno. On the economic relations to individual European countries at this stage, see the essays in Liehr, América Latina, pp. 363–508.}

In Latin America, free trade undoubtedly helped to prevent industrialization, for it usually spelled the end for producers who had to compete with import products.

The situation was less problematic in cases where imported items did not turn up due to transport costs that were still notoriously high in the nineteenth century. Free trade was thus far from extensive, as huge areas inland, such as the indigenous highlands with their subsistence economies, remained unaffected. Unquestionably, fiscal dependence increased everywhere as a result of the trade tariffs. There were notable differences, however, tied to geographic location. In Hispano-America, the vision
of a liberal trade zone was undermined even further by the fact that the independence of numerous new states gave rise to separate duties, which thus caused the de facto free trade zone of the colonial empire to collapse. Free trade actually brought growth only to regions such as Buenos Aires that were already intimately involved with transatlantic economic cycles.

Latin America’s international economic integration was accompanied by a debt burden whose dimensions the governments did not initially appreciate. In the first years of independence, the region found itself already headed for its first debt crisis. As early as 1822, British investors started to put their money into Latin America, beginning with Gran Colombia; and by 1825, almost all Latin American states accepted public bonds in London. This seemed to address an urgent fiscal need, for the abolition of the tax revenue had led to shortfalls and the ongoing conflicts continued to devour additional large sums. In England, there was considerable willingness to lend because the bond capital was expected to open the doors to British trade. Direct investments also flowed from Great Britain into the region, as the mining industry was considered especially attractive.

The investment boom would come to an end very quickly, however. Fraud, bad management resulting from ignorance of local conditions, political instability, and impatience, coupled with high expectations in an overvalued region, all provided the foundation for an inauspicious start. The Latin American economy crashed when a European banking crisis broke out in 1825. European demand for Latin American products fell sharply, and customs revenues collapsed as a result. The ensuing debt crisis showed that the borrowed capital had mostly been invested unproductively to cover the running costs and lingering war debts. This resulted directly in a suspension of payments, a measure which all Latin American countries, with the exception of Brazil, had to undertake until 1828. The long-term impact of this decision was grave, as it hindered access to international credit for about twenty-five years. In fact, the restructuring

16 Bulmer-Thomas, Economic History, p. 29.
18 Marichal, A Century of Debt Crises, pp. 27–36.
19 Dawson, First Latin-American Debt Crisis, pp. 22–46.
20 Bulmer-Thomas, Economic History, p. 34.
21 Of the 25 million pounds borrowed between 1824 and 1827, no less than 17 million pounds flowed into government bonds. Dawson, First Latin-American Debt Crisis, pp. 119–28.
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of the debt even continued for five more years after that. Investment capital was therefore missing at a crucial time in Latin America, such as when it could have been used to modernize the export sector. Dependence on foreign trade tariffs intensified markedly as a consequence. The young states were confronted with tremendous foreign debt, and instead of the expected growth, the macroeconomic indicators in many countries of the region in 1850 were still worse than in 1800.

EUROPEANIZATION OF LATIN AMERICA?

From a cultural standpoint, the search for identity and the attempt to throw off the yolk of the Spanish colonial legacy had a decisive influence on the mid-nineteenth century. In this search for self, Europe became in many respects both a reference and a model. Here, prestigious and progressive modern Western Europe was turned to, specifically, France and England. Improved communications were an important prerequisite for the gradual intensification of contacts between Europe and Latin America. The abolition of colonial restrictions on travel and trade and the density and acceleration of maritime routes, as well as the postal system, contributed greatly in this regard.

During this period, the old continent held tremendous appeal for young Latin Americans from the upper strata of society. Though there was a range of motives, the symbolic capital that could be gained by making a trip to Europe was of primary importance. From the vantage point of Latin America, Europe was the original source of knowledge, luxury, and fashion. For the wealthy, visiting the continent was more or less de rigueur. Political or military luminaries also traveled to Europe in order to gain experience and specific skills or to continue their education. After their return, they became important mediators of new liberal ideas and trends.

Paris was the destination of choice. France and its capital city were the cultural center par excellence – a conviction deeply rooted in the imagination of the Latin American elites. French was the most widely spoken and read foreign language. Beyond this, the French government undertook cultural-political efforts to attract young members of the social elites. Back home, the so-called Afrancesados spread the word about the glory

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24 Veliz, Centralist Tradition, p. 171.
of France and attempted to recreate their own environments based on the French model. The more a Latin American capital resembled Paris, the more advanced the country was considered.\textsuperscript{26}

The idea that Paris was the center of the world influenced the global consciousness of the Europeanized Latin American elites. As Chilean historian Benjamín Vicuña Mackenna wrote in his diary in 1853, after his first trip to Paris:

I was in Paris…. I was in the capital of the world, the heart of humanity which beats with a giant pulse and pulls the spirit of all peoples around the globe to this center of life and intelligence. A version of the universe in miniature, everything that was ever created can be found here: intelligence, virtue, the depths of human misery, the loftiest epics of history; nature, genius, heroism, joy; frenetic passion, vice, and sophistication.\textsuperscript{27}

By the end of the nineteenth century, the assessment of the French capital was little changed. Brazilian journalist Eduardo Prado thus observed around 1890: “No doubt Paris is the world.”\textsuperscript{28}

Enthusiasm was also sparked in many places in Latin America in response to the European revolutions of 1848. However, it was one thing to celebrate the events in distant Europe and another to infer concrete policy changes from them at home. The European revolutionary crisis impacted the political culture nonetheless, especially in the southern countries of Latin America. Here, new social forms took root and formed the basis in some countries for a broadening of the bourgeois public sphere. In the second half of the nineteenth century, they would reflect wholly European developments, even if only on a small scale.\textsuperscript{29}

From the perspective of Latin America, other European countries and cities simply could not hold a candle to France. London, on the other hand, certainly had some standing that was closely tied to Great Britain’s economic influence. This fact is well demonstrated by Venezuelan Andrés Bello, the most important intellectual figure in Latin America in the first half of the nineteenth century. Bello lived in London from 1810 to 1829, where he became acquainted with the social and political reform processes in England and the teachings of Jeremy Bentham. After he returned to Latin America, he settled in Chile, where he then reformed, among other things, the education system. His influence on the reform efforts

\textsuperscript{26} Burns, The Poverty of Progress, p. 20.
\textsuperscript{27} Vicuña Mackenna, Páginas de mi diario, Vol. 1, pp. 281–2.
\textsuperscript{29} Thomson, The European Revolutions of 1848, pp. 100–239.
throughout the hemisphere was enormous due to his many relations with neighboring countries. It is partly because of Bello that the English model came to have a decisive impact on socioeconomic thinking in Latin America. The English model was likewise reflected in the numerous, mostly short-lived Latin American constitutions during those years, whose noble principles could nonetheless rarely withstand the reality of despotism and cronyism.

Influences from Europe, however, were not felt only because of Latin American travelers. Europeans, along with European books and periodicals, had also made their way to Latin America. Writings were of diverse provenance, and in addition to the classics of European literature, there was a preponderance of booklets with trivial content. Works by Latin American authors even often arrived in their home countries after having taken a detour through Paris, the city that was these authors’ publishing center after Madrid. Every upper-class household interested in keeping up its reputation had a collection of classic texts. On the other hand, there was little left over but contempt for domestic works.30

For the young states eager to conceive of themselves as nations, a central idea throughout nineteenth-century Latin American history was that of progress, a notion that encompassed the entire spectrum of human existence. For the evangelists of progress, who argued that it had spread best throughout Latin America in the cities, while lagging behind in the hinterland, France and England epitomized progress most of all. In 1852, young Argentine thinker Juan Bautista Alberdi thus emphatically remarked: “In America, everything that is not European is barbaric.”31 For Alberdi and many of his Latin American contemporaries, Europeanization consequently represented the salvation of their nation. By means of European immigration, the indigenous and black population elements could be pushed aside so that the way, it was thought, might be cleared for civilization. The opposition between civilization and barbarism became a central aspect of the Latin American developmental discourse. It was suggested that immigrants preferably from northwestern Europe should populate the supposedly “empty continent” and in this manner transplant European virtues to Latin America. These ideas culminated in the racist concept of “whitening” the nation through the displacement of the non- or only partly descendant European population.32

30 As, for example, in the case of Costa Rica; see Molina, “Mercancias culturales,” p. 275.
In the eyes of the elites, the formative processes of nation and “race” went hand in hand. They followed Europe’s lead, while adapting its specifications to the conditions in Latin America.

Given the attitude of certain Latin American elites who were eager to modernize, it is no surprise that European influences were able to shape the region’s self-understanding, including its very nomenclature. *Latin America* is a term that stems from pan-Latinist French thinking and was freely adopted in the Americas in the 1860s. This designation made it possible to set the region apart from both its Spanish heritage and the United States, which, since the mid-nineteenth century, appeared more and more threatening due to its westward expansion and the Mexican War (1846–8). With the use of the term *Latin America*, famous thinkers such as Chilean Francisco Bilbao or Colombian José María Torres Caicedo could make a claim regarding cultural and political autonomy in contrast to what they perceived as excessive Anglo-Saxon influence.

Despite the great willingness to imitate, in the nineteenth century there were already counter-proposals and resistance to the modernization claims of liberal elites. Even within the progressive elites there were those who opposed the whitening of the population because they correctly recognized that indigenous and African elements constituted an integral part of Latin American culture. In their view, the existence of the population with non-European roots made full Europeanization impossible. They also resented the dominance of Europeans in their own country, which was reflected by their superficial imitation. Instead, they demanded an examination of their own reality that rejected the prevailing ideology of Europeanization. Against the backdrop of romantic historicism, in Mexico, for example, the status of the indigenous element was reevaluated, even idealized. Nonetheless, the Mexicans did not raise any political demands as a consequence, let alone make an effort to redefine Europeanization in the name of progress.

In reality, the mass of the population of indigenous, Afro-Americans, and Mestizos continued to be excluded from the projects of the Europeanizers, as well as from those of their critics. But this did not mean that these lower classes, above all in rural areas, but also in the growing cities, had nothing to offer in opposition to Europeanization. Their adherence to tradition and a value system that was oriented more toward the community than the individual gave them a basis for resisting.

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33 Earle, *The Return of the Native*, pp. 100–32.
the pressure to change stemming from the Europeanized upper strata of the cities.\textsuperscript{34}

At the turn of the twentieth century, the discourse of the elites also became more differentiated. From 1898, Panhispanism took hold, since after the loss of Cuba the immediate threat of the old colonial power no longer played a role. Here, the reference to cultural ties with the old mother country, as well as the contrast to the alleged utilitarianism of the United States, as propagated by the then perhaps most famous Latin American intellectual, Uruguayan José Enrique Rodó, were crucial. Due to the emphasis placed on traditional values, this type of thought was particularly attractive to conservative circles in Latin America. On the other hand, it was also a breeding ground for racist prejudices against the ethnic diversity of Latin America, which further gave rise to pessimistic, self-critical forecasts about the viability of the region.\textsuperscript{35}

At the same time, another guidepost eventually came into view: the discovery of one’s own America and the diversity of local ethnic groups as a potential source of strength and self-confidence. Cuban poet and freedom fighter José Martí was a pioneer of this original Latin American movement of Pan-Americanism, which found its slogan in the concept of “Our America,” in contradistinction to the America of the north.\textsuperscript{36} Between 1898 and 1914, the search for the roots of one’s individual identity in the indigenous cultures and the mass of the marginalized populations, and the call for a united front to ward off the North American threat, developed into critical transformational elements in Latin American intellectual history.

\section*{Integration into the World Market}

From the mid-nineteenth century, power was assumed in most Latin American states by progressive businessmen and members of the educated classes. They realized the mistakes from the first decades of independence and saw that, despite superficial changes, the economy and society tended to stagnate. Their goal was to achieve national progress, which meant overcoming regional backwardness through the gradual adoption of European models. For this purpose, they sought to integrate their countries into the world economic system by exploiting available

\begin{itemize}
\item \textsuperscript{34} Burns, \textit{The Poverty of Progress}, pp. 81–131.
\item \textsuperscript{36} Rinke/Fischer/Schulze, \textit{Geschichte Lateinamerikas: Quellenband}, pp. 124–6.
\end{itemize}
resources. The basic principles of liberalism predominated. In the economic domain, this meant the individual’s performance and responsibility in the field of political ethics, free trade, and laissez-faire economics, as well as an international division of labor based on the export of raw materials and imported manufactured goods. The constitutions codified the liberal rights of individual freedom, equality, and personal development, and the protection of private property. In economic policy, the state was accorded the role of guarantor for a functioning export economy. The overriding conviction was that the free play of market forces and the laws of the “invisible hand” would bring the individual interests into alignment with those of society. Government interventions such as the regulation of undesirable socioeconomic developments were scorned.  

Economic policy thus mainly meant policies that promoted exports, especially through free trade regulations, creating free access to land, and natural resources, as well as freeing up human labor. At the same time, the governments did not recognize the consequences this policy could have on those industries not involved in export. In 1850, these sectors continued to make up a considerable part of the economy in all countries. The general view was sanguine, however: Export growth, it was presumed, would entail an increase in productivity and structural changes that were more oriented toward the modern market economy. Thus, for Latin American elites in the nineteenth century set on modernization, “progress” became a talismanic word and, in their view, could be “quantitatively measured based on the volume of exports, the number of steam engines, kilometers of railroad, or street lights.”  

Developments in the world economy contributed to the ascent of liberalism in Latin America. In 1846, for instance, the British government drastically lowered import tariffs on agricultural products, a measure generally regarded as the beginning of the free trade era. Then, in 1860, the two admired European nations, France and England, pushed through an expansion of free trade on the international stage with the Cobden-Chevalier Treaty. Along with this, because of the enormous population growth and increasing industrialization in Europe in the second half of the century, there was a growing demand for food, raw materials, and tropical goods, especially tobacco, cocoa, coffee, and sugar. The expansion of overseas steamship connections and transportation routes to parts of the hinterland created the necessary infrastructural conditions

37 Jaksic/Posada Carbó, *Liberalismo y poder.*
for a successful export orientation. Moreover, due to the insufficient development of the industrial sector in Latin America, it was not possible to satisfy the demand for manufactured goods. The Latin American goods manufactured in the local factories and workshops could not compete with higher-quality and cheaper European mass consumer products. Imports therefore seemed critical. Moreover, in order to offset the trade imbalance, emphasis was placed on increasing exports.  

In the approximately three decades before the First World War, Latin American countries experienced strong export growth. This was particularly true for Argentina and, with some time lag, Ecuador, Brazil, Mexico, and Colombia. Despite the considerable gaps – exports thus did not really take off in Peru until after 1896 and the Colombian coffee boom did not actually begin until around 1910 – it is nevertheless important to recognize that the structures of Latin American exports in the second half of the nineteenth century underwent a substantial transformation. This was a reflection of the changes in European demand during the second industrial revolution. The dominance of precious metal exports accordingly came to an end, and customers instead benefited from the advent of new products in the mining industry like copper from Peru, tin from Bolivia, and saltpeter from Chile. In the rest of Latin America, new exports mainly consisted in agrarian products. Factories in Europe and the United States demanded rubber, mostly from Brazil, which triggered a boom there. The flourishing U.S. agro-industry spurred an explosion in sisal cultivation in Mexico’s Yucatán Peninsula, with devastating consequences for the enslaved indigenous population. Europe and North America needed grain and meat to supply their growing populations. The rising incomes in the industrial countries allowed for the import of tropical luxury goods such as coffee and cocoa. Even products from tropical forests like quinine from the Andes, quebracho extract, and many others were now in great demand. In some states, however, old export structures also remained in place. This was particularly true for Cuba, which became the number one provider of sugar on the world market.

Nonetheless, the introduction of new export goods did not lead to the diversification of exports. The new commodities simply replaced the old ones, whereby the degree of concentration tended to increase. This gave rise to problematic monocultures, and the dependency on one or several markets in Europe and the United States solidified. The development of the export sectors of most countries, with the exception of Argentina and

Chile, remained unsatisfactory and fell far below expectations. Among other reasons, this was because the uniquely favorable conditions for exporters of primary products before the First World War, stemming from the strong demand of industrial countries, was not permanent. Indeed, growth was already repeatedly affected before 1914 by external crises in Europe and internal problems such as civil wars and natural disasters.

Foreign trade was usually managed by foreign ships and merchants. In the first few decades after independence, the latter had established themselves in the harbors and capital cities of Latin America as a small, elite group. These businessmen acquired important positions by working closely with the parent companies in the home country. Relations here were founded on good contacts with the local upper class – in fact, sometimes merchants even decided to marry on the spot – and politicians, as well as knowledge of the region and its people. At first, mostly British firms predominated, and to a lesser degree French and U.S. trading houses. Later on, German firms had also established a presence in countries like Venezuela, the Dominican Republic, and Guatemala. In general, the trade and financial transactions of these merchants were already transnational in character. German merchants, for example, sold French goods, while taking advantage of English credit.

Beyond this, in many countries, trading companies invested directly in export production. Foreigners were successful in producing Chilean saltpeter, Cuban and Peruvian sugar, Mexican sisal, Central American bananas, and later Guatemalan coffee. To some degree, veritable enclaves of foreign economic activity emerged with separate transportation networks, laws, and even police forces. There was massive growth in this area from 1900 onward.

The earned capital often flowed to the mother country. It was thus only partially accumulated for the needs of future industrialization, as, for instance, when immigrants like the Germans in southern Brazil remained in their new home over the long term. In Colombia, Brazil, and Argentina, production remained largely in local hands. But even here, foreigners were critically important as lenders, transporters, insurers, and marketing organizers for the financially weak Latin American exporters.

Just as Europe and the United States were the most important purchasers of Latin American exports, they were equally central as originators of

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40 Ibid., p. 156.
41 Albert, *South America and the World Economy*, pp. 33–45.
imports. Britain had played a leading role since independence, but with the spread of industrialization in the course of the nineteenth century, France, Germany, the United States, and other European countries also came to assert themselves as competitors. Certainly, the four major nations controlled the markets, but they also stood in competition to one another. Latin American consumers could benefit from this as prices occasionally developed in their favor. However, cartels exerted their influence everywhere, especially in the last two decades before the First World War. The composition of the imports also changed in this period: Whereas British textiles predominated at first, efforts toward modernization aroused a demand for new products. In order to instill their sumptuous villas with the aura of modern and cultivated in Europe, the Latin American profiteers of the export bonanza enjoyed spending their proceeds on dignified English furniture and clothes, French wines and porcelain, Italian glassware and textiles, Flemish lace, and other luxury items. At the same time, they tried to hire European architects and construction firms to mimic the radiance of the Belle Époque. The slowly growing urban middle and working classes also had an interest in maintaining duty-free imports to keep the cost of living low.  

As a result of the increasing integration into the world economy, access to communication networks was essential. Beginning in the 1860s, the first overseas telegraph connections were established between Florida and the Caribbean islands of Cuba, Hispaniola, and Puerto Rico, and from there to northern South America. U.S. and European companies cooperated with each other in this endeavor. In the early 1870s, there was a virtual sprint to link South America to the telegraph network, which culminated in the creation of the first telegraph line between Buenos Aires and Europe in 1874. Starting out from Buenos Aires, the west coast cities of Valparaíso and Lima were connected, while, for the time being, the planned connection with the United States did not materialize.

Another area in which the increasing integration into the world market on the ground in Latin America was especially noticeable was foreign investments, which took off simultaneously with the boom in trade. Particularly momentous was the construction of the railway, into which nearly one-third of the total foreign direct investment in Latin America flowed before 1914. As a symbol of progress, railways were unlike any

43 Winseck/Pike, Communication and Empire, pp. 61–77.
other technical achievement of the nineteenth century. As Peruvian president Manuel Pardo (1872–6) wrote:

Who would deny that the railway today is the missionary of civilization? Who would deny that Peru urgently needs such missionaries? Without railways, there can be no material progress ... and no moral progress, for material progress provides for the masses’ welfare and eliminates their misery and ignorance.44

The railway construction, which was primarily financed with British capital, flourished toward the end of the nineteenth century, especially in Argentina, Brazil, and Mexico. This led, as a consequence, to the tremendous accumulation of national debt. In many areas, the monopolistic position of the railway companies and their pricing policy incited criticism. Latin American governments faced a dilemma in their relations with the powerful European railway companies: On one hand, they had to create incentives for the Europeans to further extend the route network, for the state’s developmental objective was to open up the entire country. On the other hand, due to pressure from the population, they had to ensure that the companies offered good service for as little money as possible. Aligning the two goals was no easy task. The same was true for the public utilities, which claimed the second largest share of total direct investment in Latin America. Overall, these investments contributed greatly to strengthening the focus on exports and deepening the foreign debt.45

The liberalization of passenger transport occurred in parallel to that of economic life. Already in the first half of the nineteenth century, Latin American countries had adopted pro-immigration laws, though until the 1860s there were still denominational barriers in many places. At times, in the second half of the century, liberal governments, in particular those of Argentina, Brazil, and Chile, actively recruited immigrants. For this purpose, they took advantage of the world exhibitions to present themselves as a modern and rich country (as in the case of Argentina), as a country of undiscovered treasures (as in the case of Bolivia and Mexico), or as a country of tropical promise (as in the case of Brazil). Consistent with the racist notions of the time, the politicians in charge wanted to primarily attract immigrants from northwestern Europe. Southern and Eastern Europeans, on the other hand, were less welcome.46

44 Quoted in Marichal, A Century of Debt Crises, p. 88.
45 Albert, South America and the World Economy, p. 65.
46 Halperin, “¿Para qué la inmigración?” For the most recent discussions, see Foote/Goebel, Immigration and National Identities in Latin America.
In the second half of the century, there was in fact a mass migration movement from Europe. In absolute terms, Argentina was the main destination for emigrants, accepting about 5.5 million immigrants. Approximately 4.5 million went to Brazil, and as many as half a million to Uruguay. The other million or so were spread among the remaining Latin American countries. The peak of the emigration wave came in the decades before the outbreak of the First World War. Contrary to the initial hopes, the countries of origin of the mass emigration were above all Italy, Spain, and Portugal. In Argentina, more than half of the immigrants came from Italy. In Brazil, the rate of Italians averaged 39 percent. That said, of the approximately 50 million Europeans seeking a better life in the Americas from 1830 to 1930, only about one-fifth traveled to the lower hemisphere. In quantitative terms, they were mainly distributed among only a few countries like Argentina, Brazil, and, to a lesser extent, Chile and Uruguay. In qualitative terms, however, their impact was considerable wherever they went.47

The concentration of European emigrants in just a few Latin American countries was attributable to the favorable climatic conditions and their geographical location as neighboring states on the Atlantic coast. But even smaller countries such as Chile and Cuba took on significant numbers of immigrants. In the case of Cuba, it was mainly Spaniards, and in the case of Chile, even Germans figured prominently. There was no mass immigration, however, in Central America and the North Andean countries. The immigrants who arrived in these countries were usually wealthy planters, merchants, or experts. In this capacity, they exerted sizeable influence on the development of the respective countries. Yet mass emigration involved primarily peasant classes and workers who came to the Americas in pursuit of landownership. Toward the end of the century, however, emigrants increasingly settled in cities or were forced to move there from the countryside because acquiring land became more and more difficult. Indeed, a lack of landownership, along with many other disappointments and uncertainties, was also the reason for the comparatively high number of returning emigrants.48

People not only came to Latin America during this period from Europe, however. The African slave trade had been a characteristic feature of the Atlantic area since the early colonial period. Despite the prohibitions instituted by the British naval power from 1807, it came to thrive once

again. The Spanish colony of Cuba and the independent empire of Brazil became the main buyers, in place of the independent Hispano-American countries that had gradually abolished slavery. From 1826 to 1867, around 1.5 million slaves were brought to Latin America, before slavery was finally abolished in Cuba in 1886 and in Brazil in 1888. Even before the abolition of slavery, Latin American countries (including the latter two) had a high proportion of the free black population due to manumissions and freedom that was purchased. The share of the Afro-descendant population – which had brought its own cultural elements to the already diverse mix of Latin America – would continue to grow, especially in the Caribbean and Brazil.  

The same was true to an increasing extent with regard to immigration from Asia. While this wave of immigrants never achieved the same numbers as the migrations from Europe and Africa, it nonetheless gained importance in individual countries and regions. Originally intended as a substitute for slaves, the immigration of cheap labor from China – the so-called coolies – India, and other Asian countries began to take place on a large scale beginning in the 1830s. The English colonies in the Caribbean affected by the abolition of the slave trade in 1807 and the end of slavery in 1834 made use of Chinese and Indian indentured laborers early on. After the abolition of slavery in 1848, the French shipped cheap labor from their possessions in the South Asian colonies to Guadeloupe, Martinique, and Guyana. Cuba and Brazil preferred to take on Chinese contract workers, as their living conditions usually differed little from those of the slaves.  

Around the turn of the century, Japanese laborers joined them and provided an important contingent of immigrants, especially in Peru, Brazil, and Mexico.  

**THE IMPERIALIST RACE**

The integration of Latin America into the world market was fraught with problems as mass immigration created new social challenges. It also was the cause of areas of tension in foreign relations. Often the assumed debts that were based on a rosy view of the future could not be repaid on time. The numerous civil wars that ravaged large parts of Latin America as

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an element of the nation-building processes often impacted foreigners, who then claimed rights to compensation. This led to clashes with the powerful Europeans, who revealed the limits of the desired partner-like cooperation.\footnote{Using the example of Mexico, see Bernecker, \textit{Handelskonquistadoren}. See also Brown, \textit{Informal Empire}.}

Added to this was the onset of the imperialist race to partition the globe. Although Britain had reached an informal hegemony in Latin America, especially in economic terms, this hardly meant the end of classical colonialism. As self-appointed guardians of the “Latin race,” Spain and particularly France developed colonial aspirations from 1860 onward that went well beyond the interventions of the first half of the century. The European invaders benefited here from the temporary breakdown of the United States due to the American Civil War. Following the declaration of President James Monroe from 1823, the so-called Monroe Doctrine, they already claimed for themselves a special role in the Americas. For instance, the Dominican Republic once again came under Spanish rule from 1861 to 1865, albeit at the request of the Dominican-American caudillo Pedro Santana. From 1862, the conflict between Spain and Peru had become so intense that a war broke out three years later, with Chile, Bolivia, and Ecuador joining the Peruvian side. The warring parties did not officially declare an end to hostilities until 1879.\footnote{Davis, \textit{The Last Conquistadores}.}

Colonial efforts culminated in the Second Mexican Empire, established with France’s support under the Habsburg Maximilian (1864–7). Just as in Peru, pending payments in Mexico also gave the Spaniards, French, and British occasion in 1861 to intervene in a country bled dry by a long civil war. Before long, France’s broader objectives were revealed: True to the policy of Panlatinism that Napoleon III had already advanced in Europe, the French wanted to establish a presence in Mexico at the expense of the Anglo-Americans. Once the Spanish and the British recognized France’s broader intention, they again quickly withdrew their troops from Mexico. In an alliance with the Mexican conservatives, Napoleon introduced a monarchy in Mexico that was a dependent of France under Archduke Maximilian of Austria. In addition to commercial interests, the prestige factor played a critical role. The idea of restoring a European monarchy in Latin America ultimately was not disavowed until the downfall of Maximilian’s Empire due to the resistance of the Mexicans under Benito Juárez.\footnote{Cunningham, \textit{Mexico}. Lida, \textit{España y el Imperio}.} Nonetheless, the notion of
“Latinity” – of the unity of the “Latin races” due to common linguistic, religious, and historical origins – persisted.

European interventionism had thus not come to an end. Toward the end of the nineteenth century, it rather shifted toward Central America, the northern Andean countries, and the Caribbean in particular. In general, the catalyst was the political and economic instability of the governments. Above all, the civil war–like conflicts between liberals and conservatives ensured an atmosphere of continual unrest. European powers carried out numerous interventions in the three decades from 1870 to 1900. Nicaragua and Haiti were the most affected. In addition to the United Kingdom, France, and Germany, the Netherlands, Spain, Italy, Denmark, and Russia also got involved. The interventions mostly followed the same pattern: Whenever the Latin Americans failed to meet demands for payment on outstanding debts or provide compensation for alleged abuses against the interests of European citizens, the European powers delivered gunboats to lend emphasis to their diplomatic efforts. By and large, the Latin Americans saw they had no other choice but to relent. It was also not unusual for them to pledge their customs revenues from foreign trade, their most important fiscal revenue stream, for many years into the future. In the southern countries of South America, by contrast, direct military interventions hardly played a role. Still, around the turn of the century in Brazil, the notion of a “German danger” gained currency. More precisely, the suspicion emerged that Germany had imperialist ambitions in the south of the country, where many German-born immigrants lived. Even if the Europeans did not take countries like Argentina, Brazil, and Chile especially seriously, they nonetheless tended to respect them more than the smaller republics of Central America, for instance, which were often referred to around the turn of the century by the contemptuous term “banana republic.”

The Latin American countries, however, were by no means merely passive observers of the imperialistic division of the world, which came to a climax with the Berlin Conference of 1884–5. After emerging victorious from the War of the Pacific against its neighbors Bolivia and Peru in 1883, Chile underscored its regional hegemony with the annexation of Easter Island in 1888. This decision proved quite opportune for British trading interests, who wanted to limit French expansion in Polynesia. The Chilean desire to retain the Port of Valparaíso as an international hub between the Atlantic and Pacific played an important role, as the already foreseeable

55 The term originated in the United States. See Rinke, América Latina y Estados Unidos, p. 103.
future construction of a canal through Central America threatened its privileged position on the Americas’ western coast. Nonetheless, Chile’s status as a colonial power in the Pacific region remained an exception.56

Toward the end of the nineteenth century, the international state of affairs took a dramatic turn. In 1868, the uprising against Spanish rule began in Cuba. The War of Independence lasted for several decades. In 1898, the United States exploited Spain’s weakness in order to intervene militarily. The Treaty of Paris in December 1898 also officially ended Spanish colonial rule in the Americas. Henceforth, the United States would claim control rights for itself, at least in northern Latin America, and repeatedly intervene in the Caribbean. This was based on an imperialist ideology: the belief that the United States had a “Manifest Destiny” to rule over the so-called Western Hemisphere. This notion was combined with a civilizing mission in Latin America, which, in this alterity discourse, was considered the weak, inferior, and wild other. This self-awareness of one’s own superiority came to bear against the backdrop of the inferiority of the “other American.”57

The United States’ interventionism was supplemented by the new Pan-Americanism ushered in by a conference in Washington in 1889/90. On balance, it concerned an active U.S. foreign economic policy toward Latin America. Ultimately, they tried to establish a customs union within the Americas under their own direction and thus form a counterweight to the dynamically expanding Europeans. As the architect of this policy, Secretary of State James G. Blaine, realized, the aim was to establish the Americas as an independent region within the global context. In 1902/3, the United States reasserted its claims to power in connection with the separation of Panama from Colombia when it secured the isthmus for the construction of an inter-oceanic canal. At the same time, it stood up to the European powers, which had taken punitive actions by blocking the Venezuelan ports. This would turn out to be the last European intervention of this kind in Latin America.58

The Latin American elites, however, were by no means prepared to uncritically accept the leadership of the United States. Simultaneous to the cultural movements of “Arielismo” and “Nuestra América,” there was resistance from the intellectuals, in this case, international law experts. The right of intervention that the European powers and the United States

56 Fischer, Island, pp. 136–47.
57 Rinke, América Latina y Estados Unidos, p. 97.
58 Ibid., pp. 103–6.
in the nineteenth century often arrogated to themselves was based on their supposed right to protect their respective citizens and property anywhere in the world. The first to seriously question this claim was Argentinian diplomat and jurist Carlos Calvo. In his groundbreaking six-volume work on international law from 1868, he presented two principles for international cohabitation: first, the absolute right to freedom from intervention and, second, the absolute equality of foreigners and nationals.

Because this far-reaching claim could not be enforced as a general principle of law, Latin American countries strove to embed it in intergovernmental agreements as the so-called Calvo clause. As European interventionism came to a head in the Venezuela crisis of 1902, it was another Argentine, Foreign Minister Luis Drago, who attempted to give teeth to the Calvo clause with a diplomatic memorandum directed at the United States. Drago reiterated the principle of equality of all states before the law and repudiated any right to violent intervention for the recovery of debts. With the so-called Roosevelt Corollary to the Monroe Doctrine, U.S. President Theodore Roosevelt modified the meaning of Drago’s message, for while he rejected the European right to intervene, he also saw the opportunity to bestow the United States with the role of a police officer in Latin America – which was hardly what Drago had in mind. Nevertheless, the Latin Americans were able to chalk up a success regarding their ideas about international law when the Peace Conference at The Hague in 1907 limited the right to intervene to cases where the borrower voluntarily accepted arbitration. In fact, this conference represented the first time there was a Latin American diplomatic presence on the world political stage.\(^5^9\) In the nineteenth century, the multiethnic, multilingual continent shaped by diverse regional and national identities was integrated into the processes of global change. As a link between East and West, Latin America remained a geographic focal point for the growing exchange of goods, people, money, and information. The groundwork had been laid for Latin America’s standing as the intersection between the Pacific and the Atlantic region – between the global north and south – which would come to define the region’s characteristic and unique development over course of the twentieth century. The Latin American elites pursued this path deliberately to the extent that they could influence it. They thereby adhered to the liberal progressive paradigm that had originated in Europe and guided the actions of much of the world.

Just the same, toward the end of the nineteenth century some observers already repeatedly questioned the reliance on progress, and from a number of different angles. Whether it was because Latin Americans had witnessed the limits of sovereignty in the halls of diplomacy or continually found themselves in conflict with their increasingly powerful neighbor to the north; whether it was due to their interest in working out contemporary race theories or their sober recognition that unfulfilled promises of progress meant that globalization for Latin America would not be a seamless process: Latin America experienced its “postcolonial” moment long before the term was applied in the cultural and social sciences. The various forms of confusion and criticism these disappointments elicited were quite similar, and it is no wonder that they surfaced against a backdrop of increasing global interconnectedness. It was not until these entanglements became riven apart at their core that the moment seemed to have arrived for a new way into the future.