

LATIN AMERICA AND AMERICA

CONJUNCTURE AND GROWTH

I

A meridional American space, a brief history, a rapid rhythm of change and finally a specific time element, these are perhaps the fundamental elements of American history. These fundamental elements determine a conjuncture. America entered the mainstream of history rather late. But America has more than fully made up for this because events and economic factors, which take place there, have an amazing ability to stamp by their shifts and changes the worldwide resultant of all specific conjunctures. To the extent that, almost everywhere, the rhythm of a worldwide conjuncture can be felt, whose peaks and troughs impose themselves on men and have to be forcibly taken into account by all strategies, this conjuncture, ever since America took her place in history, has borne the imprint of America. One is tempted to write that it is American.

Translated by Suzanne Hughes.

We know what role the concept of conjuncture, borrowed from economics, has played in historical thought.¹ It is a concept which can be applied to the economies of the past, just as it accounts in part, for the nature of present economies, but whose scope can be extended much beyond the statistical aspects of material life; it is possible to apply this concept in the field of collective² and individual psychology. All measurable expressions of human ability unfold in time in accord with roughly sinusoidal functions. Their expression is never linear, the sinusoidal function can be plotted with absolute values. Or, it may simply be plotted along its derivative in which case it consists only of alternating slopes, a series of greater or lesser increases and of greater or lesser decreases. One may conveniently describe the conjuncture of a group of activities or of a given space as the overall rendering of superimposed curves or as the "algebraic sum of increasing flux combined with regressive flux." One may also speak of an undulating structure of human activities, of an undulating structure of economic activity, and of collective psychological manifestations; the undulating structure of economic activity itself being nothing but a consequence of that enormous cyclothymia of men and society, and finally, conjuncture is that relation which more or less closely connects the totality of these fluctuations.

The social sciences, while probing the present, have constantly broadened the area to which a problematic of fluctuation can be

¹ We have the opportunity, as others have, of expressing our ideas concerning these problems, in particular, in "Dynamique conjoncturelle et histoire sérielle. Point de vue d'historien" in *Industrie* (Brussels), 1960, No. 6, and in "Les échanges entre l'Amérique espagnole et les Nouveaux Mondes aux XV^e, XVII^e, XVIII^e siècles" in *Information Historique*, 1960, No. 5, and naturally, within the narrower framework of the economic history of Spanish America of the 16th and 17th centuries, in *Séville et l'Atlantique (1504-1650)* more specifically in vol. VIII (Paris, Sevpen, 1959), and in the introduction for *Philippines et le Pacifique des Ibériques (XVI^e, XVII^e, XVIII^e siècles)*, Paris, 1960. Very recently we have had an excellent reevaluation by Pierre Vilar, from a different, Marxist point of view, in *La Catalogne dans l'Espagne moderne*, Paris, Sevpen, 1962, vol. I, pp. 16-20.

² On this subject see Huguette and Pierre Chaunu, "Psychologie collective et histoire sérielle. L'atmosphère des rapports français à Cádiz dans la deuxième moitié du XVII^e siècle," *Bulletin Hispanique*, 1962, Hommage à Marcel Bataillon. Also P. Chaunu, "Minorités et Conjoncture," *Revue Historique*, 1961, No. 1.

applied, they suggest conjunctural systems of a complex and more ambitious nature. History has discovered that this certainty about the present can also be valid for the past. There exist conjunctures of the past within the framework of a given set of activities and of areas. With regard to the past, the problematic of conjuncture has not gone much beyond modern times, or at least beyond the early middle ages, not because it cannot be applied to ancient societies but because, even after studying all sources, not enough statistical material concerning these periods is available whether directly or indirectly recorded. No one can reasonably doubt that conjunctures of the past exist and therefore American conjunctures, inasmuch as, from a very early date, rather good statistical material³ has been available with which to approach them. This, in fact, is not where the problem lies.

The problem is that of a worldwide conjuncture. Economists and historians have agreed that, since the end of the 19th century and during all the 20th century, not only did there exist specific conjunctures but that together these made up a worldwide conjuncture to be represented not by a simple, precisely drawn line but by a relatively broad, undulating cluster of probabilities. After having thus defined conjuncture in so broad a fashion, none can deny that there has existed, since the end of the 19th century, a resultant of a worldwide conjuncture which beginning with the economy seems to dominate other human activities or, more precisely, to lend itself to many human activities, as it has to the economy.

Economic history, through its recent explorations,⁴ has become convinced that there has existed a resultant in the shape of a

³ Limiting oneself to the earliest America, we have the superior study of the exportation of precious metals worked out by Earl J. Hamilton, reprinted in *American Treasure and Price Revolution in Spain (1500-1650)*, Cambridge (Mass.), 1934, xxxv-428 p. Also the work of Frédéric Mauro on Brasil, *Le Portugal et l'Atlantique au XVII^e siècle (1570-1670)*, *Etude économique*, Paris, Sevpén, 1960, LXII-550 p. and our own study, H., et P. Chaunu, *Séville et l'Atlantique (1504-1650)*, Paris, 1955-1959, 12 vols., 7353 p., and *Les Philippines* cit., 302 p. Also, all the remarkable work of the demographic historians in Berkeley of which we gave an account in the *Revue Historique*, 1960, No. 3. pp. 339-368.

⁴ In France, around the work and the teachings of Ernest Labrousse.

worldwide conjuncture of all the particular conjunctures from a much earlier date than had customarily been recognized. In the 19th century one can already recognize a greater or lesser number of activities which are part of a worldwide economy and therefore follow the laws of a worldwide conjuncture, but this was also true in the 18th, the 17th⁵ and no doubt as early as the 16th century. It is a conjuncture in which analysis recognizes the four principal rhythms, the four fundamental beats of recent economic dynamics: the brief fluctuations of 2, 3, or 4 years,⁶ the roughly decennial cycle,⁷ the interdecadal variation⁸ occurring approximately every 30 years, and last, a roughly secular phase.⁹ These fluctuations did not originate in America. As early as the 14th and 15th centuries it is already not too difficult to fit the well documented economies and societies of the Mediterranean into the quadricyclical hypothesis. However, it is only beginning with the 15th century that the majority of recorded economies, which we notice conform to the quadricyclical hypothesis,¹⁰ give shape on a worldwide scale to a resultant which is the first rough draft, however uncertain, however incomplete, of a worldwide conjuncture.

It is during the 15th century that, for the first time, the particular conjunctures form a preliminary sketch for a worldwide conjuncture. It is also at the beginning of the 15th century that America takes her place in the Atlantic and Mediterranean economy, with her men, with a territory ruthlessly seized by the

⁵ On this particular point and a broader question, see our articles, "Le XVII^e siècle. Problèmes de conjuncture. Conjuncture globale et conjunctures rurales françaises," *Mélanges Antony Babel*, Geneva, 1963, 20 p., and "Le renversement de la tendance majeure des prix et des activités au XVII^e siècle," *Studi in onore di Amintore Fanfani*, Milan, 1962, vol. IV, pp. 221-257.

⁶ Dear to the North American economy of the 20th century.

⁷ At the heart of the history of prices since its beginning.

⁸ Extremely well put forward by Ernest Labrousse.

⁹ The focus of attention of the French school.

¹⁰ Guy Beaujouan expressed himself clearly concerning the quadricyclical hypothesis when writing about our own research in the *Journal des Savants*, 1960, No. 2, pp. 86-91.

Conquista, and with an unprecedented mass of monetary metal which has been accurately measured in the classic studies of the American historian Earl J. Hamilton.¹¹ To move from this point to crediting America with the foundation of the first worldwide economy with the inevitable corollary of a global conjuncture, one need take but one step—a step which one must certainly beware of taking.

This juncture is partly due to the accidents of documentary conservation and the temporary level of advancement of historical research. However this confrontation, though it is not the only explanation, is not without significance. What gives unity to the first rough draft of a world economy,— a draft still limited in scope and especially in depth—, are the new possibilities of communication, in one word the spread on a planetary scale of occidental Christianity: it is the classic episode, wrongly described as that of the great discoveries, whose major chapter is the discovery and conquest of America. One may logically speak of a worldwide conjuncture only within a world in which communication is established or in worlds which are loosely connected; America is the link which closes the chain, she ushers in in the realm of maritime communication, the first experience of a closed world. America finds herself bound, by more than mere chance, to the first historical manifestation of an outline for a world-wide pre-conjuncture.

But America's role in the make up of a worldwide conjuncture probably goes further.

We now know, in the light of recent research,¹² that, in the 16th, 17th and 18th centuries, a positive correlation existed between prices and maritime, commercial, and colonial activities on the level of inter-cyclical and secular conjunctures. These positive correlations which carry with them prices and activities in the same direction, at one time rising, at another hovering uncertainly or reaching a ceiling, are particularly noticeable at the time of a reversal in a major trend, from the rise and early

¹¹ *American Treasure and Price Revolution in Spain* cit.

¹² We mention the most significant in *Studi in onore di Amintore Fanfani*, IV, pp. 221-257, and in *Mélanges Antony Babel* cit.

expansion of the 16th century to the levelling¹³ off and difficult growth of the 17th century, in the middle of the 16th century, at the time of the great intercyclical recession which split into two different trends the ascending phase of the beginning of modern times, at the end of the 17th and the beginning of the 18th century at the time of the premature reversal of levelling off to a rise, from the lowest to the highest level of growth of certain extraverted activities, while other, more continental activities reverse direction later between the first and second third of the 18th century, finally in the middle of the 18th century at the time of an intercyclical accident comparable to that of the 16th century. We find the same positive correlations, but less stringent in their cyclical detail, in some outlines which in part still need to be elucidated. Such is the second breakthrough in historiography: the general positive covariability is commensurate with the quadricyclicity of modern and contemporary conjunctures. Honesty compels us to recognize that whereas quadricyclicity can be universally verified, positive covariation, on the other hand, is only a dominant rather than an absolute rule: the result of a long algebraic sum which combines a large majority of plus signs with a few minus signs. The agricultural Basse Provence of the 17th and 18th centuries, in France, seems today to constitute, if one follows the original method of René Baehrel,¹⁴ the most important example of those sectors which do not follow the classic schema. However, while the case of the continental economics remains undecided, an overwhelming, positive and generalized covariation appears to constitute the major characteristic of maritime economies and societies which are to a great extent oriented towards large scale commerce, and towards exchange of a far reaching nature, to be precise, America.

Today, given the actual level of research, neither quadricyclicity nor positive covariability belong to the domain of hypothesis but rather to that of facts; awkward facts, whose causes are difficult to understand, whose mechanisms, at any rate, have

¹³ *Ibid.* Also our "Brasil et l'Atlantique au XVII^e siècle," *Annales E.S.C.*, 1961, No. 6, pp. 1176-1207.

¹⁴ Paris, Sevpen, 1961, 840 p. Atlas. Reservations, however, have been expressed.

not yet been completely and surely explained, and for whom simple and convincing models have not yet been devised. It is not my intention to take part in disputes between schools of thought, as the ill disposed have claimed, or even to follow the meanderings and hesitations of a science which is being newly created. The heavy scaffoldings which today still obstruct the building site,—we have created ours, no better and no worse, nor more satisfying than others—will disappear when the frontiers of research will have advanced further. It would have been vain ever to mention then, if America were not there at the very center of this perhaps irritating, but nevertheless necessary problematic.

The hypotheses which must by necessity be constructed in order to try and explain that which one cannot avoid recognizing usually gravitate around two axes: the *effect of domination*¹⁵ and *space-invention*.¹⁶ And it is in this way that America, as it entered the mainstream of history, found herself at the very center of the explanations of the first manifestations of a worldwide conjuncture.

A worldwide conjuncture is often, to a great extent, but a particular conjuncture whose rhythm finally imposes itself upon other conjunctures. Sectors of activity and different areas exert one upon another reciprocal but profoundly uneven influences. Certain sectors and certain areas, by the mass of wealth and power which they create, and through the exceptional amplitude of the flux they emit, act upon others to a much greater degree than they are acted upon. It is in this way that we define the aptitude for domination. The dominating sector is that whose rhythm is finally imposed on other sectors (molding them without necessarily depriving them of all personality). This a b c of economics can be applied to the past, with the difference that the sectors, the dominating areas and the rhythms which are begotten vary in time.

¹⁵ For a conceptual view of the effect of domination, see almost all the works of François Perroux.

¹⁶ We believe that we can rejuvenate through this approach the old problematic of the "frontier," which has been highly prized by North American historiography ever since the period of Frederic Jackson Turner.

The variations in the rhythms of growth on a secular or pluridecennial scale are usually attributed to the abrupt and uneven nature of technical progress in the spatially closed but technically open society in which we live.¹⁷ During the first three centuries in which these variations have been observed (the 16, 17th, and 18th centuries) and more specifically, measured, it would seem reasonable to ascribe them—in a world which was technically hardly open, one might even say closed, but which was spatially extremely wide open—to the uneven growth in population and to the fits and starts in the discovery and mobilization of new areas for the benefit of the dominant sectors and the dominant area. These dominant sectors were for a long time those of the production and exchange of the metals and the major products of the colonies, the dominant space being the Ocean, a bridge between a Mediterranean and Atlantic Europe on the one hand and America on the other. The fits and starts in the conquest of American areas and space then becomes through a complex mechanism of linked effects of domination the principal causative factor of a long secular and pluridecennial conjuncture. This theory which links growth to space—and which as early as the 16th century, places America at the heart of the world's destiny—has in its favor a large measure of plausibility.

On a more short-term basis in the realm of cyclical and inter-cyclical conjuncture, with periods of ten years and three years, the harmony of rhythms is much less obvious—the worldwide aspect of conjuncture is, in other words, less ancient and less compelling. There existed, however, and from a very early date, in the Atlantic and beyond the Atlantic over a great part of the world, a roughly harmonizing conjuncture of the most important commerce.¹⁸ It has been possible to claim with reason that this accord resulted from the effect of partial domination of the various kinds of trade with America, trade with the

¹⁷ The idea of a closed world everywhere replacing that of a world which remained opened in South America as late as 1940 has been developed by Claude Lévi Strauss in the first chapters of *Tristes Tropiques*.

¹⁸ This, at least, was what we tried to demonstrate in the last volumes of *Séville et l'Atlantique*.

distant America of the mines during the 16th century and until 1630/1640, and later, trade with the less remote America of the great plantations and of gold from the middle of the 17th century to the end of the 18th century. A model has been proposed which links the particular state of transoceanic navigation to the structural unpredictability of routes and to the exceptional cyclical amplitude of the trade between Europe and America, whose key could be found in a paradoxical partial effect of cyclical domination of American trade over the resultant conjuncture of the great trades.¹⁹

We have put all too much stress—and we apologize for this—on these technical aspects of historical studies which are in full mutation. We need only recall, however, the significance—for any scientific approach to the phenomenon of men in society, both today and beginning in the past—of that *dimension conjoncturelle* which seems to be more and more essential to the understanding of the place which, as early as the 16th century, America held at the heart of all the problematics of conjuncture. This is because of her density, but even more so because she came last, and because, in her entirety, she made up a plus which, as an added element, constituted in the old Mediterranean and European world center which created it a permanent source of imbalance, and subsequently of inventiveness, of farsightedness and of growth.

This dominant aspect of the American conjuncture lasted during almost all the four and a half centuries of its history. It faded, however, at the end of the 18th century, during that prolonged period of stagnation, that period of insignificance, for America, specifically the period of political Independence. But it is true that the period from 1780 to 1860 and the years following, are also the last years of the classic frontier in the United States, and that between 1880 and 1890 the great republic becomes an industrial nation of the first rank. In 1880, the product of agriculture in America still exceeded in value that of industry. In 1890 industry had taken the lead and, 1900, despite an unprecedented growth in agriculture, the product of industry was worth more than two and a half times that of agriculture.

¹⁹ *Information Historique* cit., 1960, No. 5.

In 1840, the United States ranked fifth among manufacturing nations, in 1860, on the eve of the Civil War, it had moved to fourth place and, as a result of the war and of reconstruction the rate of growth was incredible (the railway system roughly doubled between 1865-1867 and 1873). By 1880, the volume of industrial production in the United States, had exceeded that of Great Britain, though it is true that the former had a considerably larger population than the latter, (50,150,000 as against 34,000,000). In 1894, industrial production in the U.S. had become double that of the British, but, even more significant, the rate per capita was now equal to that of Great Britain (with 67,000 inhabitants, the population of the United States had not quite doubled that of the British Isles) hardly seven years after the close of the classic frontier. If we take into account a high agricultural income (the agricultural production of the United States was then by far the highest in the world) and, in spite of a high national debt which contrasts with the creditor position of Great Britain, the per capita income in the United States had exceeded that of the nation which had long been most favored. Industrial production in the United States had by then reached half the level of the total European production, and was at a level nearly approaching that of Great Britain and Germany combined, but with a population of 20,000,000 less than the Anglo-German total. It is therefore between 1890 and 1900 that the center of gravity of the North Atlantic nations taken as a whole begins to tip over from the oriental shore to the occidental shore. The final change in axis was obviously to take place in a tangible manner, in the light of two world wars, with moments of highly positive anomaly benefiting America, following the conflicts, from 1918 to 1924 and from 1945 to 1950.

On the level of conjuncture, this structure is a determining one and within the industrial sector, heavy industry took the lead over textiles. It is therefore natural that more powerful heavy industry should impose its rythm upon the resultant conjuncture of the Atlantic area. Especially since the rapidity of its growth and the amplitude of its fluctuations (both were determined by the needs of a railway system in the process of development, which, around 1900, made up 50% of the railway systems of the world) exceeded that of the metallurgical

sectors in Europe which were both older and more stable. This is the case with metallurgy in the North American East. The area bound within the quadrilateral Duluth, Boston, Baltimore, Chicago, became, between 1880 and 1890 the dominant sector within the first solidly structured worldwide economy. This it has never completely ceased to be, even three-quarters of a century later.

After 1880-1890, there came into being a worldwide conjuncture, one which was determined by the dominant sector of the quadrilateral of the American North-East. This effect of dominance by industrial America—as had more paradoxically been true in the past of modern Iberian America—was caused not only by her importance but also by her rythm. No identical power, however, ever had a more extreme conjunctural rythm.²⁰

Let us set aside the very uneven rythm which prevailed until the depression of 1842-1843. It is not significant since it is that of an economy dominated by agriculture. On the other hand, one must be sensitive to its increased amplitude since 1891-1893, 1905-1907, and especially 1971. This accentuation in the rythmics of the North American economy is one of the significant reasons for its growing aptitude for domination ever since.

II

The American conjuncture because it was American has been *ipso facto* a controlling conjuncture. This characteristic which is essential for the history of other nations is of secondary importance for American history. But there is another, very much more important aspect of the complex relationship between America and conjuncture. To speak of the conjunctural shaping of American history is, within the hypothesis of an American domination of the worldwide conjuncture which we have evoked, a bit like speaking of America's influence on herself.

The A phases,²¹ long secular periods preceding the 19th

²⁰ As may be considered, for example, in the index of Leonard P. Ayres and Cleveland Trust Co., in Harold Underwood Faulkner, *Histoire économique des Etats-Unis d'Amérique*, Paris, P.U.F., 1958, vol. II, pp. 644-645.

²¹ Along the line of thinking of Francois Simiand and for a perfect for-

century, pluridecennial periods since the accelerated times of the industrial revolution, periods of price expansion and of activities which were to say the least commercial, periods determined by a positive correlation, these periods of ease, of growth in population, of vulgarization, of technical progress more superficial than profound are all characterized, on the level of foreign trade, by a very clear prosperity for extraversion. The A phases are periods during which long term trade relations are formed and in which they prosper, they are periods of complementarity rather than autarchy. On the contrary, the B phases, those long periods (lasting rather less than a century before the 19th century but pluridecennial during the 19th century) of levelling off or of lesser growth, even of falling prices, and, consequently, of trade activities linked to prices through a positive correlation, these periods of technical progress in depth, but of reticence on the level of spatial vulgarization, are characterized on the level of foreign trade by a very clear tendency towards intraversion. The B phases are periods during which long term trade relations are difficult to establish and where existing systems have difficulty in progressing. These are periods during which worldwide empires are either dissolved or reinforced, as was recently the case, at the end of the 19th century, when these empires found themselves confronted by a worldwide economy. In other words, the B periods are periods of autarchy rather than complementarity.

The problematics of phases thus sheds light on the different destinies of the two Americas which have traditionally been opposed. Silvio Zavala,²² the brilliant Mexican historian, was right to insist on the different chronology in the two Americas, an America of the mid-17th century which is to be contrasted with an America of the 16th century. But we must carry the reasoning further: on the one hand, we must go beyond the oversimplified duality of the contrasting Americas, we must grant to these displacements in time their true importance, by refusing

mulation, that of Ernest Labrousse, see *La Crise de l'Economie Française*, Paris, P.U.F., 1944.

²² And very recently also in the *Programa de Historia Colonial*, Mexico, out of print, 2 vols., multigraphed, xxi-1036 p.

to measure these discrepancies in terms of an arbitrary time, calendar time, but instead giving back to the duration of these historical displacements one aspect of its importance, the conjunctural element. One century in time separates the continental beginnings of Spanish colonization and the first attempts at colonization made by the British in Virginia, but it is much more than a century, it is a phase.

The discovery of America and the Spanish *Conquista* of the well developed civilizations of the high plateaus can essentially be placed between 1510 and 1540, at the beginning of an A phase which these events helped trigger. But, time in history is an unequal time. Heavy is the weight of prime beginnings. The Spanish America of the densely populated high plateaus—she is also the America of the *Conquista*—was built, reached her maximum power, and assumed her higher degree of responsibility for the world's destiny during an A phase from 1510 to 1610-1620; an A phase for which, at the beginning, at the end, and during its unfolding, she was to a great extent responsible. But, from the beginning, the economy of the plateau country of colonial America aimed at complementarity. The existence of this America which was bound to Europe could survive only at the cost of a complex system of communications, whose importance has never been equalled, let alone approximated. This first America—it ranged from Mexico to Peru—was therefore a dependant America; it was in the fullest sense of the word a colonial America. She never ceased to be both. She no doubt acquired this particular structure owing to the kind of natural resources found in her tropical climate—whose limitations were inadequately compensated for by the altitude which the geographic position of an intertropical situation imposed on her—to her Indian population and to her subsoil; but her structure was equally determined by the date of her birth. In fact, Spanish America's *tour de force* could only succeed in the climate of a phase of expansion. Moreover, her prosperity and her greatness were not to last beyond the chronological limits of a phase which she helped create and later destroy. But Spanish America of the plateau country survived the phase in which she was born and by which she had been molded. She languished through phase B without ever reconverting herself,

a dependant America while in phase A, she continued dependant after having outlived the climate which had created her.

There is a great contrast between this America, and North America, whose indelible characteristics were set in the 17th century. In economic terms, the narrow fringes of coastal settlements, stretching from Florida to the estuary of the St. Lawrence, which were being established during the 17th century, were outlets, burgeonings and extensions rather than colonies. A careful study of the coastal settlements, prototypes of the future United States, brings out the economic quasi-independence of these bits of Europe during the 17th century. The divided 17th century, for whose ambitions the Spanish Empire was outsize, seeked on the Northern coast of the American continent less a complement than an outlet for the overflow of its internal quarrels which had been intensified by the tensions of the secular recession. Those undertakings which were theoretically possible during the 16th century became unthinkable. Therefore it was in the guise of relatively independent economic units that North America was born, as an "Other Europe," or as several micro-Europes. The adjective "new" which was immediately applied to it was amply justified. The structural characteristics of frontier America—which is also phase B America—outlived phase B, when, during the second half of the 18th century, the British Empire, carried away by the demands for extraversion of phase A in its period of maximal growth, became ambitious and attempted the transformation of the distant provinces into colonies, failed in this attempt and independence was gained. In this instance it was an independence which restored North America to her original destiny, consequently an independence which paradoxically and in contrast with the other America opened up more vistas than it had closed.

But to limit oneself to this classic antithesis, which is simply brought up to date by the problematics of phase is to oversimplify. A third America was to emerge and take on her decisive characteristics during an A phase. It was created during the 18th century and consisted of mine-dominated Brazil and the paradoxical Pampas, a contradictory America possessing a temperate climate yet clearly not happy America. No doubt

Brazil dates from before the 18th century. Frederic Mauro²³ specified the international importance of sugar-producing Brazil. But must we recall how precarious the state of the coastal settlement which encompassed 57,000 inhabitants (25,000 whites, 18,500 civilized Indians and 14,000 negroes) still remained at the end of the 16th century. Brazil took on greater stature when the gold of Minas Geraes (whose production, according to Calogeras, totalled 983 tons of gold from 1700-1802²⁴ or in terms of value, roughly half the combined production of gold and silver in Spanish America from the beginning of the 16th to the middle of the 17th century) was added to the sugar of the North-East. At the beginning of the 19th century, at the end of the A phase of the 18th century and of the gold cycle of the Brazilian economy, Brazil, according to Humboldt,²⁵ numbered almost four million inhabitants (920,000 whites, 250,000 Indians, 1,960,000 negroes and approximately 800,000 mulattos and people of mixed blood). These few figures clearly demonstrate when Brazil took form. Brazil is a creation of the 18th century. It is during the 18th century that we can recognize under the shape of the *bandeira* of the slave hunters, a somewhat different modality from that of the *Conquista*.

It is also during the 18th century that one must date the beginning of La Plata. The founding, in 1776, of the Vice-Kingdom of Buenos Aires, brought with it the growth of the remaining decades. On the eve of independence, the enormous vice-kingdom—it theoretically extended over 3,500,000 km²—numbered (including the plateau country of Peru, that is Bolivia) 2,300,000 inhabitants (1,200,000 Indians, almost all in the Peruvian highlands, 320,000 whites, most of them from La Plata, 742,000 persons of mixed blood and a few thousand Negroes). The territory which is now Argentina then numbered approximately half a million inhabitants. Neither La Plata nor Brazil, which were both founded during an A phase, benefited

²³ *Portugal et Atlantique* cit.

²⁴ José Honorio Rodriguez, *Brasil, periodo colonial*, Mexico, 1953, p. 98.

²⁵ Alexander von Humboldt, *Essai politique sur le Royaume de la Nouvelle-Espagne*, Paris, 2d. ed., Renouard, 4 vols., vol. I, pp. 320-321.

at the start, as had the English settlements of the Northeastern coast, from having an autonomous economy as their foundation. From the beginning they were colonies in the fullest sense of the word. They remained so. The same line of reasoning can be applied to West Indies and their sugar economy. From an anecdotal point of view, their discovery and their exploitation can be situated either in the 16th century or in the 17th century. They too were born under and have been stamped by the mark of extraversion therefore of dependence.

This hypothesis must be handled with humour. At the most it suggests an orientation of research aimed at a dialectic between America and phase.

But the conjunctural hypersensitivity of American history does not disappear at the end of colonial days. The history of the 19th century and that of the 20th lends itself extremely well to a conjunctural interpretation. If the economic crisis of 1929 is the crisis of the 20th century, it is just as much the American crisis.

In the narrowest sense it is, of course, an American crisis, a crisis of the United States by virtue of the very models suggested by the economists of the dominant economy. But it is also an American crisis in the broadest sense and doubly so. Because no part of the planet was more deeply and totally thrown into confusion by the greatest and most catastrophic of depressions (it lasted ten years, from October 1929 to June 1940, with two severe declines, the first from May 1932 to May 1933, and the second from January to June 1938, following a year of false hope from October 1936 to September 1937). Second, because the great crisis of 1929, beyond its effect on the United States, profoundly influenced all of the Americas.

It is impossible to sum up in a few sentences the significance for the United States of the economic crisis of 1929; its disturbing effect in the domain of economic growth alone persisted, in fact, for a quarter century, roughly speaking until 1955. Since the ten year negative conjunctural anomaly brought about the conjunctural anomaly, equally without precedent, of the fifteen years which followed the recovery of 1940-1941. Only the extreme lethargy of the second Eisenhower administration brought to an end the great chain of cataclysmic events of those twenty-

five years. A few figures clearly demonstrate the extent of this crisis without precedent in history: the 50% drop in the gross national product in four years, from 103.8 billion dollars in 1929 to 58.3 and 55 billion in 1932 and 1933; the drop in the net national product from 95.0 to 50.7 and 48.5; and the drop in national income from 87.7 to 41.7 and 39.6. Moreover there was a true decline in capital investment over a period of three years, 1932, 1933, 1934, during which economic analysis demonstrates that the greatest economic power in the world used up more machinery than it built.²⁶ But the meaning of this crisis was even better described by a whole literary generation.²⁷ No corner of the planet, without question, no sector of the industrialized continents was more profoundly shaken and transformed than was the United States, before and after the great cleavage. It may not be too paradoxical to state that there was a greater distance between the United States of 1955-1960 and the United States between 1925-1929 than between the Russia of the sputniks, luniks, venusiks, and vostoks, and the Russia of the N.E.P.; a demographic revolution. The crisis meant first of all, the sterilization of a people, whose replacement coefficient fell, at the trough of the wave, to 0.80, below even that of the debilitated France of the thirties. In spite of her youth and in spite of a low mortality rate, the population of the United States did not rise for a period of five years above the 120 million mark it had reached in 1929—and the census of 1940 indicates the extent the break, 131,669,000 inhabitants as against 122,775,000 in 1930, 105,710,000 in 1920 and 91,972,000 in 1910. The real turning point took place after the premonitory crisis of 1920, during the years of the *quota* and the free sale of contraceptive products. An inevitable consequence of maturity, exclaims the chorus of wise men, a maturity which borders on senility; after the end of the spacial frontier, the inevitable end of the demographic frontier has come. Around 1932, Albert Demangeon anticipated that, after having risen to a peak of approximately 125,000,000 inhabitants, as was true of the

²⁶ Paul A. Samuelson, *L'Economique. Techniques modernes de l'Analyse économique*, Paris, A. Colin, 2 vols., 1953, vol. I, p. 133.

²⁷ From Dos Passos to Steinbeck, from Thomas Wolfe to Eliot and Faulkner.

French population (but at an even faster rate) the population of the United States would decline to under 120,000,000.

But soothsayers are rarely prophets. War came once again; in itself partly a surprise. It brought back to the United States a birthrate commensurate with a cyclical expansion. War, in that happy country, has twice been balanced by unparalleled spurts of prosperity. Having fallen from 103.8 billion dollars to 55.8 billion dollars from 1929 to 1933, the Gross National Product rose to 213.7 in 1947. These are figures which put in proper perspective what was, taking all into account, a rather pitiful failure, that is, the so-called economic success of the New Deal. Having reached 103.8 billion dollars in 1929,²⁸ the Gross National Product fluctuated from 90.2 in 1937 to 94.7 and 91.3 in 1938 and 1939 respectively. The war on the other hand, carried it to 194.3 and 213.7 in 1943 and 1944. Using these facts, a demographer, Frank W. Notestein,²⁹ estimated in 1944 that the population of the United States would probably reach 175,000,000 inhabitants in 1970. This estimate which was declared to be overly optimistic was, in reality, greatly surpassed at the time of the 1960 census which counted 181,000,000 inhabitants; in other words, an increase of 31 million inhabitants in the ten years from 1950 to 1960, more than at any other time in the history of the open frontier.

What could have happened? Undoubtedly a revolution occurred in the wake of the unprecedented crisis which transformed a nation of children into a nation of adults. The United States attained the high rank of a true Fatherland of Men because it was finally living in a state of anxiety. A new demography, quite impervious to cyclical fluctuation, an instinctive defensive reflex, and an affirmation of love for a life which was threatened, had been established in the United States after 1950. Those who favor ingenious explanations might declare that the movies are malthusian, and that the compact cars and the large station wagons and the television sets of the suburbs are prolific. They will not be totally wrong.

²⁸ Frank Freidel, *America in the Twentieth Century*, New York, Alfred A. Knopf, 1960, xxii, 594 p.

²⁹ Cited by Paul A. Samuelson, *op. cit.*, Vol. I, p. 42.

Moreover, the United States, during and after depression, acquired a new frontier created by an indescribable mass of misery. The depression, the terrible decade of the thirties, was especially relentless towards the farmers whose numbers continued to diminish; from 25% of the population employed in agriculture in 1929 the number dropped to 6% in 1960. There was the epic poverty and misery of the Okies driven away by the tractor and the Dustbowl, forever symbolized by the tribe of the Joads in John Steinbeck's *The Grapes of Wrath*. Riding their jalopies, the true descendants of the pioneers, illiterate, gullible, rough, ruddy, and generous, again found the road to the West, leading to the mirages of California and to its many orchards. Since 1935 this frontier has been the South and the Coast. The population of the United States, again on the move, has headed, ever onward, in a direction opposite to its original one, to the periphery, the periphery of the cities, the periphery of the country. There is also the frontier of the new industries which demand less brawn and more brains. Having found a new frontier America regained the will to grow.

It did so to such an extent that, henceforth, the United States has had an immense need of brainpower which until then she had developed little ability to produce (since it was so easy to import from Europe), and which, thereafter, she has been forced to learn to develop for herself: In this respect the Nazi persecutions provided America with the inestimable opportunity of an emigration exceptional in terms of quality. But faced with the needs of a new frontier, the frontier of electronics and the atom, the United States must today meet these needs by herself. It is not out of the question that she can take up this challenge creditably. In fact, she has taken up others successfully.

But the depression of 1929 was that of all the Americas. It stamped, modeled, and changed the South as deeply as it had the North. At most, the events in Latin America did not gain as much renown as did those in the United States, because, from this time on, the United States had an effect on the world, and because the drama of the thirties was told by an unrivaled generation of literary figures, the generation of Dos Passos, Faulkner and Steinbeck.

Yet the depression of 1929 was truly that of all the Amer-

icas. Canada was hit, less suddenly if not less harshly, perhaps, because the depression which affected her essentially agricultural economy was spread out over a greater period of time—it is no exaggeration to say that it started in the twenties. It was also less cruel, to the extent that the Ottawa Agreement (1932) provided for a moment, the possibility of affirming her solidarity with the British Empire, whose economy, which had been terribly shaken by the economic crisis of 1920, was in 1929 less cruelly affected than that of the great American republic. For the self-same reason, but in an opposite situation, Canada was, in 1940, to definitively tie its fate to that of the United States. But if another proof were needed to show that even Canada was not spared, one might call attention to the avatar of Newfoundland and of Labrador which voluntarily gave up the status of Dominion to return to the tutelar one of Crown Colony. This paradoxical situation continued throughout the war, lasting sixteen consecutive years until the logical incorporation in 1949, of Newfoundland and Labrador into the Federated State of Canada.

But what about Latin America? The sum total of suffering accumulated during the depression even surpassed the heavy toll in the United States. Economies based on the marketing of a single product, thus totally dependent on the world market, became totally paralyzed by the drop in the standard of living of their European and North American clients. There is the oft-quoted example of Brazilian coffee. Everywhere, the thirties in Latin America were years of extensive decline in capital investment. They were, above all, years of radical change in direction. It was the enormous crisis of 1929, to a much greater extent than the war of 1914-1918, with cut off South America from her former relation of semi-dependence on Atlantic Europe and suddenly placed her completely under the thumb of the United States. This took place after 1940, following a dramatic interregnum of dependence between 1929 and 1940. It was thanks to the political parceling of a Latin-America which was well under control, that the United States was able, in 1945, to gain a solid grasp on the machinery of the United Nations, symbolically transferred to the glass cage on the East River. And, naturally, the great sickness in the Latin American economy was expressed, in the language of traditional history, by a heavy

dose of revolutions and a formal alignment of authoritarian political systems, that were believed to be imitations of the Italo-German axis, when they were simply consistent with the true nature of Caudillism. Cuba had been in a depression since 1928. Machado, the liberal, who, owing to the pressure of events, was forced to resort to illegality, triumphed over the conservative uprising of Menocal; but this lukewarm dictator later had to give way to the dictatorship of Batista (August 1933). The following year, as a gesture of good will, Batista was rewarded for his audacity by the repeal of the Platt amendment (May 1934), a jolly accession gift from Franklin D. Roosevelt.

Guatemala's Ubico, in 1931, filled the gap in the ranks of Central American dictators. Mexico between 1932 and 1934 had a relapse into the sordid anticlericalism of the twenties. Once again, the clergy had to go into exile, in the kind of atmosphere described in *The Power and the Glory*....; much farther to the South, the war between Paraguay and Bolivia was raging (1932-1935), Vargas was solidly entrenched in Brazil and even exemplary Uruguay had her share of disturbances, with the new constitution of 1934 and the unsuccessful revolutionary attempt of 1935.

All these quick ups and downs were the expression, at the cost of what misery, of a much more profound change, whose direction was not discernible before 1945.

III

It is true that a demographic revolution, more radical than anywhere else, has, since the last third of the 19th century, imperceptibly transformed Latin America.

It may have acted as a brake at first, but, in the long run, it was to connote the destruction of the bases for dependence. This demographic growth has had even more significance, however, since it was caused less by immigration than by a positive balance of births. What has been a handicap at the start will, in time, be a cause of growth. Latin-America has fomented in obscurity, for almost a century, the essential amount of transformation which, when the time comes, will set off an

explosive state of widespread growth. Though she has for a long time approached this state, it has not yet materialized.

Latin America³⁰ numbered approximately 29,800,000 million souls in 1850 (22,600,000 for Spanish America, 21 million for Independent America, 1.6 million for Cuba and Puerto Rico, 7,200,000 for Brazil), North America numbered 25,500,000. North America had caught up by 1900: 83 million as against 62,400,000 (44,500,000 for Spanish America, 17,900,000 for Brazil). By 1940, however, Latin America had closed part of the gap which had developed since 1860—the date on which, owing to the flood tide of immigration, North America pulled ahead of Latin America: 126 million (84.2 for Spanish America, 41.8 for Brazil) as against 145 million for North America.

But it is since 1940, that Latin America has taken off at a rate which has not been equalled anywhere else. 120 million in 1940, 160 in 1950, 205 in 1960, 212 in 1961, 310 million in 1975 according to the most likely hypothesis. North America has been outstripped. By 1950 her lead was reduced to 6 million inhabitants (166 and 160), by 1955 this lead had been cancelled, and in 1960 we find that a reversal of the situation (197 million as against 205) has occurred. This discrepancy will be confirmed in the following ten years. The most reasonable hypothesis suggests 250 million as against 310 in 1975. The population of Latin America will have moved from 6.4% of the world population in 1950 to 8%, that of North America from 6.7% to 6.5%.

But demography always anticipates economic reality. Latin America today is richer in children than in adults. Her useful population (from 15 to 64 years), or even better, her active population has not yet exceeded that of the dominant America (United States-Canada): respectively, in 1960, 114 and 73 million against 118 and 80. But today's children, tomorrow will be men. In 1975, one may expect 167 and 107 million (useful

³⁰ Statistics calculated according to M. Hernandez Sanchez Barba (vol. IV and V of the *Historia social y económica de España y América* of J. Vicens Vives, Barcelona, 1958-1959), Marcel Reinhard and André Armengaud, *Histoire générale de la population mondiale*, Paris, Montchrestien, 1960, V, 547 p. Statistical year books and *Images économiques du monde 1961*, by J. Beaujeu Garnier and A. Gamblin, Paris, Sedes, 1962.

and active population) as against only 153 and 104 million for North America. Mexico had 7.6 million inhabitants in 1850, 13.6 in 1900 at the height of the *Porfiriato*, 16.5 in 1930 after thirty years of civil war and abortive revolution, 19.4 in 1940, 25.5 in 1950, 34.6 in 1960; an average estimate predicts that there will be 55.5 in 1975, a bold one meaning a reasonable one, foresees 64.0 million. Argentina moved from 1.1 in 1850, 4.8 in 1900, 11.2 in 1930, 13.3 in 1940, 17.2 in 1950 to 21.0 in 1960 and probably to 25.2 or 27.0 in 1975. Chili increased its population from 1.3 in 1850, 3.1 in 1900, 4.28 in 1930, 5 in 1940, 5.7 in 1950 to 7.6 in 1960 and most likely 10.0 in 1975; Brazil increased from 7.2 in 1850, 17.9 in 1900, 40 in 1930, 51 in 1950 to 60 in 1960 and most likely between 105 and 110 in 1975. In the case of Columbia we have 2.2 in 1850, 4.3 in 1900, 8 in 1930, 9.2 in 1940, 11.2 in 1950, 14.1 in 1960 and probably from 27 to 29 in 1975. Venezuela has 1.5 in 1850, 2.5 in 1900, 2.9 in 1930, 3.8 in 1950, 4.9 in 1960 and in all likelihood 11.12 in 1975. Peru's population was 1.9 in 1850, 10.8 in 1960, and will be 20 to 22 in 1975. One could give many other examples, all would point to the extraordinary population explosion of the third quarter of the 20th century: between 1950 and 1960, 70% of the populations of Latin America had a birth rate which oscillated between 40% and 50%. A birth rate equivalent to that of the United States between 1830 and 1840 and coexistent with a death rate similar to that of North America between 1910 and 1920. There has been no sign of a falling off. So much so that from 1955 to 1960 the annual rate of growth wavers between 15.2% in Argentina and 36.7% in Venezuela, carried along by the great weight of Mexico (33.7%), Brazil (22.4%), Columbia (28.9%) and Peru (25.2%). During the same period, the figures for the United States are 15.1%, and for France 6.6%.

One can roughly differentiate between three Latin Americas as measured in terms of growth: The dynamic coastal areas of the South: Chili, Argentina, Uruguay, Brazil (one ought to exclude Northeastern Brazil); Indian America (Peru, Bolivia, Paraguay, Colombia, Ecuador), Central America (Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama) which remain a stagnating America; an ambiguous America strongly

influenced by neighboring North America, Mexico, the West Indies (Cuba, Dominican Republic, Puerto Rico) and Venezuela in the age of petroleum.

In the middle of the 19th century, these unequal land masses—12 million km² for the theoretical whole of the Plata, Chili, and Brazil, 3 million km² for the Caribbean, 8 million km² for the Indian America of the uplands—with unequal population densities possessed, however, roughly equivalent populations. The Caribbean area was first with 11.65 million (density 5.9 persons per km²), next Indian America with 8.45 million (density 1.1), and finally the enormous Plata-Brazil area with 9.7 million, but with a density of only 0.78, Argentina having at that time no more than 0.4 inhabitants per km². Around 1900, the Caribbean, torn apart by civil wars, hardly moved forward, her population went from 11.65 to 19.25 million, her density from 3.9 to 6.5. The south climbed up, by a factor of 3, from 9.7 to 26.7 because natural growth was superimposed upon a significantly large migratory balance. From 1891 to 1900, Argentina and Brazil received 30% of the European migration, a gain of one and a half million adults. Indian America, simply through a surplus of births, doubled her population from 8.4 to 16.3 or 16.4. During the first half of the 20th century there came about a widespread alignment of the different rates of growth at the higher level. From 1900 to 1960, the population of the South multiplied by 3.7, from 26.7 to 97 million (for the grouping Plata, Chili, Brazil); Caribbean America, an important source of emigration (Mexicans and Puerto Ricans) to the United States, grows 3.7 times; Indian America's population multiplied by 3, from 16.4 to 50 million. Between 1850 and 1960 the population of Caribbean America multiplied by 4.5; that of the mixed races of the highlands of America, though it is a technically stagnant America, an archaic America, by 7.8, dynamic America by 10 (from 9.7 to 97 million for the grouping Chili, Plata, Brazil).

Slowly but surely, Latin America has thus caught up with North America. The tendency which has been outlined for three quarters of a century leads to an equilibrium closer to past American equilibriums, those of the 18th century, before North America, the youthful America of that period, had yet

superseded, even on the simple level of population, the more ancient Americas born of the first colonization and the encounter of Europe with the densely populated highlands. This demographic evolution may be preparing the way, after who knows what dramas and sufferings, for a new chapter in the history of dominant America.

Since the first years of the 16th century, America, a reserve of land and space therefore of wealth and men, day before yesterday (on the morrow of the conquest of the highlands) and tomorrow (when the Latin America of the 1980's will truly take its place on stage) has exerted a positive dominating effect over the conjuncture of Atlantic activity and therefore over worldwide conjuncture. This was accomplished by the surpluses at her disposition and even more through a rythm which emphasizes angles and dramatizes fluctuation. An American climate, a climate of painful tension and uncertainty, therefore a climate of progress; by sharing this focal element, notwithstanding their dissimilarities and their alternately unequal chances, both Americas, in spite of appearances, are truly solidary.