

permitted free elections. Under President Raúl Alfonsín, democracy was restored in Argentina. At the same time, pressure from the families of those who had "disappeared" mounted. Each Thursday, the Mothers of the Plaza de Mayo marched in the main plaza of Buenos Aires. Holding photographs of their sons and daughters, they demanded to know what had happened to them. The new government prosecuted a few leaders for crimes committed during the "dirty war."

In 1989, voters elected a new president. For the first time since 1928, power passed from one civilian leader to another without military interference. Since then, Argentina has had a stable elected government.

Economic Challenges

Although Argentines had demonstrated their commitment to democracy, they faced severe economic challenges during the 1980s. Runaway inflation hurt workers and employers alike. **Inflation** is an economic cycle marked by a sharp increase in prices. In 1985, inflation reached almost 1,000 percent in Argentina. Because prices rose from one day to the next, families could not even afford food. People often paid their bills in person because they were afraid prices might rise while their payments were in the mail.

Like Mexico and other Latin American countries, Argentina also owed foreign banks and governments billions of dollars. To combat inflation and ease the debt crisis, the government took drastic steps. It imposed wage and price freezes and laid off thousands of government workers. In addition, it sold the national airline, railroad, and telephone companies to private industries.

In the early 1990s, these harsh economic reforms helped reduce inflation to its lowest level since the 1960s. Although unemployment remained high, the economy generally improved. As the century closed, the people of Argentina looked forward to continued economic growth.

2. **Identify:** (a) Juan Perón, (b) Eva Perón, (c) "dirty war," (d) Raúl Alfonsín, (e) Mothers of the Plaza de Mayo.

3. **Define:** inflation.

4. What actions did the Perón government take to help the poor?

5. (a) Why did the military seize control in Argentina? (b) What events led to the restoration of democracy?

6. Describe two steps that Argentina has taken to overcome its economic problems.

7. **Forecasting** (a) Do you think that democracy will survive in Argentina? (b) What events might endanger democratic rule?

8. **Writing Across Cultures** In the past, the United States, like Argentina, faced severe inflation. Interview a parent or an older relative about the inflation of the 1970s. Write a paragraph summarizing what you learn about the effects of inflation.

5

BRAZIL

FIND OUT

Why is Brazil an ethnically and culturally diverse country?

What political and economic problems has Brazil faced since the 1930s?

What difficult choices does Brazil have to make?

Like many Brazilians, Benedita da Silva came from a poor family. When she was a child, she and her family migrated from the country to a favela, or shantytown. While living in the favela, da Silva held a variety of jobs, from market porter to house servant. At the same time, she worked to improve conditions where she lived. She said:



Carnival in Rio Many Cariocas, as the people of Rio are called, have black ancestors. African rhythms and music inspired Brazil's national dance, the samba. During a four-day carnival each year, "samba societies" parade into the city's Sambadome. These societies spend all year preparing their costumes and floats.

Diversity What are the four main ethnic groups of Brazil?

“As a black and a woman, I have a special responsibility to speak out on subjects that I know about—against racial discrimination, against the unequal rights of women, and against the injustices suffered by the poor.”

In 1987, da Silva became the first black woman elected to Brazil's Congress. There, she continued to press for programs that would meet the needs of both Brazil's poor and its culturally diverse population.

Geography and People

Brazil is a huge country that covers half of South America. Size and differences in resources have contributed to regionalism.

Regions and resources. The first Portuguese colonists settled along the northeastern coast. Today, that region still produces important export crops such as coffee, cocoa, and sugar. Farther inland in the northeast lies the *sertão* (sair TOWNG), a dry region covered with scrub. Most of the people who live here are desperately poor. The huge Amazon Basin, as you have read, is heavily forested and sparsely settled.

The southeast is rich in mineral resources such as iron, nickel, and tin. Its coastal industrial cities, São Paulo and Rio de Janeiro, have huge populations. Every year, millions of Brazilians migrate to the cities of the south hoping to find jobs.

Diversity. With more than 162 million people, Brazil has the fifth-largest population in the world. Its people belong to four main groups. Indians, the original inhabitants, today make up less than 1 percent of the population. Many live in isolated communities in the northern interior.

Blacks, the descendants of enslaved Africans, make up half of Brazil's population. Their religious beliefs, food, and music have enriched Brazilian culture. Portuguese colonists and later European immigrants added to the cultural diversity of Brazil. In more recent times, many Japanese have arrived. Today, Brazil has the world's largest Japanese community outside of Japan.

Inequalities. Brazil is a land of extremes. It has the world's ninth-largest economy. In gleaming cities, the rich and middle class live in comfortable houses and apartments, attend excellent schools and universities, and get medical treatment at modern hospitals. Nearby, millions of people in the favelas suffer desperate poverty. Another huge gap divides the rural poor and the city dwellers.

Although the Brazilian constitution forbids discrimination, racism exists. Darker-skinned people have a more difficult time getting jobs than whites. People of mixed descent experience less discrimination than blacks do.

Dictatorship and Development

According to a popular Brazilian saying, "Brazil is a country of the future, and always will be." This saying expresses both the great potential of Brazil and its failure to achieve its promise. Over the years, both military dictators and democratically elected leaders have tried to develop Brazil's economic resources.

Economic diversity. Brazil has taken steps to diversify its economy. Until the 1930s, it depended on a single export crop—coffee. The dictator Getúlio Vargas, who ruled from 1930 to 1945, set up programs to promote industrial growth. Since then, with strong government support, Brazil has developed into a major industrial nation.

During the 1950s, Brazilians elected Juscelino Kubitschek (koo bih chehk) as their president. He promised to pack "fifty years of progress in five." Kubitschek undertook an ambitious program to build highways, universities, airports, factories, and hydroelectric plants. He also created the new capital city of Brasília to encourage settlement of the interior. (See the feature on page 6.)

Kubitschek's programs created massive debts. In 1964, as the economy faltered, the army stepped in. The new military government outlawed political parties and crushed opponents.

Brazilian miracle. At the same time, the generals encouraged foreign investment and developed new industries such as steel,

chemicals, and heavy machinery. They promoted efforts to develop Brazil's vast interior, including the Amazon rain forest. To end dependence on foreign oil, they encouraged the building of hydroelectric plants. Brazil also pioneered in developing gasohol, an alcohol fuel made from sugar cane. These policies created an economic boom known as the "Brazilian miracle."

The Brazilian miracle brought prosperity to people in the middle and upper classes, but most Brazilians benefited little. The government kept wages low to attract foreign investors. While investors made good profits, urban workers barely earned enough to survive. Although the government introduced several programs to help the poor, they were too limited to have much effect. In the favelas, people suffered from widespread disease, malnutrition, and illiteracy.

Difficult Choices

During the 1980s, the military slowly turned the government over to elected officials. In 1990, Fernando Collor de Mello became Brazil's first directly elected president in 29 years.

Debt and spending. By the early 1990s, Brazil's foreign debt had reached a staggering \$110 billion. Interest payments alone took a large share of the nation's earnings. To reduce the debt, the government had to make drastic and painful reforms such as cutbacks in spending.

Today, more than half of Brazil's population is under the age of 20. Many never attend school. Even those who do often cannot find jobs or lack the skills needed in an increasingly industrialized economy. The government faces a difficult choice. Should it spend scarce resources for schools and services to the poor? Or should it invest in programs designed to expand the economy, which, in turn, would provide jobs for the urban poor?

Environment. Brazil hopes to reduce population growth through family planning. The government has also encouraged people to move from the crowded coastal cities into the



Off to Work at a Paper-Making Factory The Brazilian government encourages new settlements in the Amazon Basin, the site of the factory where these men work. The rain forest environment is fragile, however. Clearing land for farms reduces the rain forest, and farming wears out the soil quickly. New logging and lumber mills are destroying large parts of the rain forest. **Choice** Why do you think Brazil encourages its people to settle in the Amazon Basin?

interior. There, they can help to develop Brazil's rich forests and mineral resources. Development of the interior has improved Brazil's economy. Minerals, beef, and timber from the Amazon region can be sold on the world market.

Development has environmental costs, however. Farmers have cut down and burned forests, causing damage to the Earth's atmosphere. In some areas, efforts to farm unsuitable soil has created desertlike conditions. Settlers have spread diseases to the Indians of the rain forest and undermined their cultures. José Antonio Lutzenberger, a Brazilian specialist on the environment, has warned:

“We are demolishing, poisoning, destroying all life systems on the planet. We are acting as if we were the last generation on the planet.”

Today, Brazilians are looking for ways to modernize without taking such a high toll on the environment.

SECTION 5 REVIEW

- 1. Identify:** (a) Juscelino Kubitschek, (b) Brazilian miracle.
- Describe two ways in which geography has affected Brazil.
- (a) What groups make up the population of Brazil? (b) What problems do darker-skinned people in Brazil face?
- (a) How has Brazil tried to develop its economy? (b) How has economic development brought both benefits and disadvantages?
- 5. Evaluating Information** (a) What do Brazilians mean when they call Brazil “a country of the future”? (b) What obstacles does Brazil face in achieving its potential?
- 6. Writing Across Cultures** Like Brazil, the United States must make painful choices on how to spend its limited funds. Write an editorial explaining whether you think the government should cut aid to schools to reduce its debt. Give reasons for your opinion.