

LATIN AMERICA IN THE 1930s

Since 1975 Latin America has suffered an intensely severe crisis in response to events in the international economy. It therefore becomes fascinating, and indeed essential, to turn back to the last great crisis, that of the 1930s, and see what can be learnt by comparison and contrast. This book is the first attempt to write solid well-documented economic histories of the 1920s and 1930s for a wide range of Latin American countries, and study them comparatively. The book documents a surprising speed of recovery in most Latin American countries, often in advance of the international economy. But the reasons do not allow optimism about the outlook for the 1980s.

The books also illuminates the debate on the role of external shocks; it is found that the events of the 1930s do indeed accelerate forces leading to institutional development, though the emphasis is on showing that the degree of discontinuity is usually overstressed. Countries studied include Argentina, Brazil, Chile, Colombia, Mexico, Peru and those of Central America. The authors are all authorities on their respective case-studies, and Charles P. Kindleberger and Carlos F. Diaz Alejandro have contributed the comparative chapters.

Rosemary Thorp is a Fellow of St Antony's College and a Lecturer in Latin American Economics at Oxford University. She has worked extensively on current Peruvian economic problems and on the economic history of that country. She is the author with Geoffrey Bertram of *Peru 1980–1977: Growth and Policy in an Open Economy*, as well as articles on inflation and recent economic problems in Peru. Her interest is increasingly comparative; she has edited with Laurence Whitehead *Inflation and Stabilisation in Latin America*, is working on a further version of this, and on a long-run comparative study of Peru and Colombia. She has taught in Berkeley, California (1967–70), and in Peru (1977) as well as in Oxford, 1962–7 and since 1970.

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LATIN AMERICA IN THE 1930s

The Role of the Periphery in World Crisis

Edited by
Rosemary Thorp

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Preface

It is hardly necessary to justify attention today to the 1930s. As Latin America contends with the most severe adjustment crisis since that date, it becomes both irresistible and of enormous importance to look again at that earlier occasion. What were the recovery mechanisms then, and are they available today? Did Latin America recover in advance of the international economy and did this assist the Centre in its turn? Something of the sort has certainly been suggested for the 1970s. As Japan competes for leadership with the USA, can we gain insight into the resulting disequilibria by reflecting on the last major shift in structure as the USA itself replaced Great Britain? As the consequences of a massive expansion of private international lending come home to roost, can we learn by examining the process last time it occurred – namely, in the 1920s? What difference does world inflation make, and how differently do monetary mechanisms operate given fifty years of institutional development and a total break with the gold standard?

Ambitious as these questions are, the goals behind the research project which produced this volume were in fact even more ambitious. The stimulus came in a letter from the Joint Committee on Latin American Studies of the US Social Science Research Council and the American Council of Learned Societies. The Committee was interested in bringing together scholars ‘in areas where it was felt the time was ripe for a breakthrough in the development of the subject’. The hope behind our response to this invitation was, first, that solid economic research on the histories of the individual countries had now reached a point where we could move more easily than before into comparative work. Second, and from this base, it would be possible to explore freshly a period for which we have a ‘Latin American stereotype’ but little sense of how individual countries fit that picture. Third, we were conscious of course of the preoccupations outlined in the first paragraph: to examine carefully the mechanisms at work in that former crisis could not but be illuminating in relation to today’s problems.

With welcome encouragement from the Joint Committee we were able to attempt these goals in a near-ideal format. We met as a workshop in September 1981, at St Antony's College, Oxford. We then rewrote our papers for the Congress of Americanists in Manchester in September 1982, where we had the benefit of a wider audience and were able again to revise and synthesise. We were able to invite a number of newcomers to our second meeting who patiently read and commented on all our papers. One substantial benefit of this is the chapter by Professor Kindleberger with which we conclude the volume – a chapter which invalidates by its content his claim in its opening sentence to be 'an impostor at a meeting of Latin American experts'. A further gain is seen in the overview paper by Diaz Alejandro which, while it was from the beginning a unique contribution, has along the way been able to synthesise and place in context our individual findings.

We would like to acknowledge the financial as well as intellectual support of the Joint Committee. Additional finance was received from the Nuffield Foundation and the University of Oxford (for the first workshop) as well as the IDRC of Canada and the Ford Foundation. In addition, the travel expenses of scholars were often paid by their own institutions. Caroline Wise typed and retyped much of the manuscript with patience and elegance, and with other staff of the Institute of Economics and Statistics worked hard on 'producing' both the conferences and the manuscript.

ROSEMARY THORP