

tials of capital, a limited technological "know-how," and sufficient consumers for an internal market. The other Latin American countries also attempted industrialization, though with considerably less success, as a way out of their colonial economic status. Particularly in the little Republics of the Caribbean and Central America, primitive subsistence agriculture remained the principal basis of livelihood for most of the population. However, considering Latin America as a whole, an economy that was basically agricultural in 1914 was transformed into one that was both industrial and agricultural by the time of World War II.

The economic changes induced by World War I were major causes of—and also partial effects of—profound social change. The traditional order of society, which had held virtually unquestioned supremacy, began to be challenged as new social and institutional forms started to reshape the Latin American environment. This society was challenged by middle class and laboring groups in the larger countries, and a shift in the locus of social power began in the lesser Republics.

The transformation of the economy from rural and agricultural to urban and industrial was the fundamental cause of the rising social disturbance. The absorbing force of manufacturing activity, in cities such as Buenos Aires, São Paulo, Santiago, Rio de Janeiro, Montevideo, and Mexico City, sucked in labor from the countryside, swallowed up the bulk of the postwar immigrants, and created conditions and opportunities which stimulated the growth of middle class and labor groups. All this led to even larger concentrations of population in metropolitan areas.

In Mexico, the violent social upheaval that began in 1910 hastened the shift in that nation's socioeconomic center of gravity from rural agriculture to urban industry. Meanwhile, by the time of the outbreak of World War II, southern South America had become one of the most heavily urbanized areas in the world. Latin America's urbanization involved more than a simple migration from farm to city, for although half the urban increase was due to rural migrants, the latter represented less than a quarter of the natural increase in farm population.¹ This meant that the entire population of Latin America was expanding at an extraordinarily rapid pace. By World War II it was growing at the rate of 2.5 percent annually—faster than any other area in the world.

It was this industrialization-urbanization trend which gave rise to new social groups and classes. No longer did society consist only of an elite of large landholders, an insignificant professional and commercial middle class, and a great mass of illiterate agricultural workers. By the time of World War II there were also industrial entrepreneurs and small capitalists, large professional groups, and masses of literate city wage earners. It was these new urban-oriented groups which brought pressure to bear for fundamental political change.

European ideologies and movements, particularly the Fascists and the Communists, made determined efforts to use the indigenous social and political crisis as a means of gaining power for themselves. Fascism enjoyed its heyday during the 1930's when Hitler and Mus-

¹ Kingsley Davis, "Latin America's Multiplying Peoples" in Asher Christensen, ed., "The Evolution of Latin American Government" (New York, 1951).