

## Notes from Latin America

### *São Paulo, Brazil*

The first time I really ever thought about Brazil was some three decades ago, in 1975, when J. P. Morgan and the Sumitomo Bank first planned a joint corporate leasing venture for São Paulo. Hotta Kensuke, the head of Sumigim's corporate banking department (and its CEO two decades later) and I were tasked with writing a feasibility study, the results of which were positive and which led to a formal proposal to the Brazilian monetary authorities by our head offices in New York and Tokyo. Anticipating imminent approval, Ken and I began planning to move our families to the other side of the world. But the expected approvals never came. Citing a saturated market, Brasilia denied the application. As usual, Citibank (and others) had beaten us yet again.

The conservative Sumitomo group was emblematic of an old Japanese proverb that went *bashi o tataete, wataru*. (Cross the bridge only after you test it.) For its part, the even more conservative Morgan took this adage a step further with an overly cautious strategy that I lampooned as *isbi-bashi o tataete, wataranai*. (Even after you test a stone bridge, don't cross it.) My outspokenness prompted Lew Preston, then head of our international division, to banish me to a cultural and commercial vacuum in Jakarta, which I declined. So I was banished to Düsseldorf instead, where I spent two years running the branch there, working with three dozen of the world's most humorless people. "I speak four languages," King Philip I of Spain once quipped. "Spanish to my subjects. French, so I can talk to my wife. Latin, of course, for the Pope. And German, for my horse."

Brazil dominates the Mercosur economy, accounting for more than two-thirds of the market's total GDP. Mercosur – short for *Mercado Común del Sur*, the Southern Common Market – is a regional trade agreement among Brazil, Argentina, Uruguay, Venezuela, and Paraguay that was founded in 1991 by the Treaty of Asunción. Bolivia, Chile, Colombia, Ecuador and Peru have associate member status. The entire GDP of all eleven South American economies barely hits \$1 trillion, of which Brazil alone accounts for about \$600 million, or 60 per cent. With just under two hundred million people, Brazil comprises nearly two-thirds of the continent's total population of 360 million.

Brazilian export growth lagged behind the growth in global exports for the period 1980-2000. Its weak performance in the last two decades has several dimensions. For instance, the country has done little to diversify: Brazil's top ten exports have been monopolized by natural resources, like coffee and sugar, with manufactured products accounting for less than a third of the total. Brazil's overall performance was also hurt by a failure to add more value-added manufactured goods and knowledge-intensive products, as reflected in its declining global export market share, which dropped from 1.06% in 1980 to 0.97% by 2000.

No one captures the country Brazil quite like the social historian Gilberto Freyre in his landmark work *Casa-Grande e Senzala* (*The Big House and the Slaves' Quarters: A Study in the Development of Brazilian Civilization*), a collection of essays first published in 1933 and reissued by Knopf in English in 1963. This remarkable scholar created a notable line of demarcation: Brazil pre- and post-Freyre. He subsequently went on to write two more ground-breaking works, the big *Sobrados e Mucambos* (*The Mansions and the Shanties: The Making of Modern Brazil*),

in 1966, and a smaller work, *Order and Progress: Brazil from Monarchy to Republic*, in 1970, both also published by Knopf. But *Senzala* is the masterpiece – beautifully translated by Samuel Putnam – in the spirit and scope of Barbara Tuchman, nearly 500 pages long.

Gilberto Freyre was born in Recife in 1900 and studied in the United States at Baylor University and then at Columbia, where he earned his doctorate. He returned to Brazil to teach sociology, but his political involvement took him to the United States again in 1930, when he taught at Stanford for several years. His works are credited with showcasing the Brazilian cultural heritage for the first time and are a source of immense national pride. He was also Brazil's first representative to the United Nations. His writings reveal a cultural depth to Brazil that will tempt and tease all visitors and keep them wanting more. I was hooked. Not having had the chance to go thirty years ago, I took that chance last month. I'd been planning the trip for nearly two years, but knee surgery intervened and postponed it.

It's a ten-hour, all-night flight from JFK to São Paulo's Guarulhos International Airport (GRU) – eleven hours as it turned out, courtesy of headwinds in the southern hemisphere, but no matter. There's no aurora borealis, no earthscape, no magical snowcapped mountain vistas, just the deep blackness of an endless sky in both hemispheres. My translator, Noemi Hiraishi, a second-generation Brazilian of Japanese ancestry, was waiting patiently as I exited immigration and customs that morning; we booked a pair of seats on the next shuttle bus into the city and set out looking for coffee. Barely five feet on tiptoe, Noemi was fifty-something and pixie-like, with a ready smile, absent the cold detachment of native-born Japanese who are genetically so suspicious of foreigners. To the contrary, she was the epitome of Brazilian friendliness I would encounter time and again on this trip.

Noemi was born in 1953 in Kuala Lumpur, where her father, a carpenter, had found work on a construction project. They moved to Brazil in 1956, when her father took advantage of government incentives to relocate there. Brazil had encouraged inward migration from Europe and Japan since the mid-19<sup>th</sup> century, in part to “whiten” the population and protect it from the “black revolution” (Brazil was the last country to abolish slavery, in 1888), and in part to expand a growing class of farmers, shopkeepers, and entrepreneurs. Migrants came from the north of Italy, from all over Germany, and from Poland, in Europe, and many sailed from Japan: nearly a million and a half Brazilians of Japanese ancestry live in Brazil today, most of them in or around São Paulo.

A free slice of land was part of the deal, and Brazil, larger than the continental United States by an extra Texas, had lots of it to spread around. It still does. Noemi was home-schooled; for her undergraduate education she went to Tokyo, where she specialized in translation skills at Tokyo Gaigo Daigaku (Japan's leading foreign language university), and she's been translating from Japanese to Portuguese (or vice versa, as she did for me) ever since. She lives with her eighty-year-old mother and a thirteen-year-old daughter in an apartment in central São Paulo; her husband, also Japanese, abandoned them some years ago when he decided to return to Japan.

Before leaving the airport, we ordered an espresso at Café Brasil, a stand-up bar that was full and bustling, and chatted until a few minutes before our bus was scheduled to leave. Brazil is the largest coffee bean exporter in the world, accounting for nearly half of the world's

total output. Brazilian coffee is dark and strong, too, and immediately brought Freyre to mind. “Nor should we overlook the important role that coffee plays in Afro-Brazilian sexual magic,” he writes, “a potion that cannot be conceived in any other country: very strong coffee, lots of sugar, and the blood of a mulatto woman.” Brazilians even have a cultural expression for it: witch’s coffee, (*café mandingueiro*), coffee with a “spell,” taken with much sugar and “a few clots of the menstrual fluid of the sorceress herself.” Well, witch’s coffee was not on the menu at Café Brasil; we took ours black, with a touch of sugar, and no spell.

The flat-rate EMTU airport bus was a bargain (the equivalent of US\$8.- one way) compared to the more expensive airport taxi services, of which there were many, and it was not easy to distinguish between those that were legitimate and those that were not (shades of JFK). The first and last stop for the distinctive sea-blue buses is Praça República, an historic square situated a short block from my hotel, the Bourbon, a small, Brazilian-owned and -managed business boutique with a sister property in Rio. On the ride into town, we reviewed and modified a list of sample interview questions I’d prepared so we could hit the ground running with a few street subjects as soon as we got off the bus.

São Paulo, in southern Brazil, is not far from the coast, maybe two thousand miles south of the equator and easily a thousand miles from the Amazon rainforest. Early December meant it was nearly summer in Brazil, so the air was thick and heavy, with temperatures in the high 80s, and São Paulo sat under a gray sky of low-hanging, pregnant clouds. The humidity was oppressive. The surrounding countryside, with undulating hills lush and green, reminded me a lot of Noemi’s birthplace, Malaysia: a lushness, as V. S. Naipul once wrote, “of rich things growing fast, of money.” Or as Freyre puts it, a touch more menacingly: “Lush, tropical, green, yes ... but man and the seed he plants, the houses he builds, the animals he breeds, the libraries he founds for his intellectual culture, the useful products he crafts with his hands – all of this is at the mercy of the larvae, worms, and insects, gnawing, boring, corrupting. Grain, fruit, wood, paper, flesh, muscles, lymph glands, intestines, the whites of the eyes, the toes of the feet, are all a prey to these terrible enemies.”

São Paulo is either the world’s second- or third-largest city (after Seoul and/or Shanghai, depending on whose numbers you believe); it is Brazil’s largest, and the largest on the South American continent, with 17 million people in the greater metropolitan area. During the ride into town the outside air, tight and tart, reeked of chemicals, like a dry cleaner’s, no doubt from the teeming traffic. In Brazil, automobiles are powered by engines that are designed to run on unleaded gasoline, or on ethanol refined from sugar cane (another of Brazil’s big exports), or on any combination of the two.

Our bus, a diesel, traced a path that followed mile after mile of otherwise unremarkable commercial buildings jammed shoulder-to-shoulder along the crowded expressway linking the airport to the city. The business of São Paulo is business. Fanning out from the roadway were rows of cinderblock houses with red-tiled roofs that rose into the low hills, the narrow streets between them empty except for a parked car here and there or neglected piles of trash, of which there were many. In lieu of a median strip, a U-shaped concrete culvert ran virtually the entire length of the highway. Our driver told us that heavy downpours the day before had created a violent runoff that overflowed the channel, eliminating the inside lanes of traffic in each direction. Luck was with us today: the roadway was clear.

An hour later we arrived at the República terminus. Praça República is one of São Paulo's major squares, originally known as *campo de carros*, where burro convoys terminated after schlepping food in from the farms. The plaza was unfortunately ringed by a chain of blue plastic polyvinyl panels that hid it from view while it was being renovated to clear out a few decades' worth of debris and replanted with greenery for a much-needed facelift. A majestic (and very colonial-era) 3-story yellow stucco municipal administration building with floor-to-ceiling windows totally dominated one end of the square. The other three sides were less noteworthy: retail shops (foodstuffs, cheap shoes, a cell phone center, etc.) sat sandwiched between branches of major banks, like Itaú and Banco do Brasil, along with a finance company or two and the usual assortment of bars, cafés and coffee shops. The square is also home to nocturnal flea markets that hawk cheap costume jewelry and imitation leather.

After dropping my gear at the Hotel Bourbon, we got right to work. It was nearly the end of the local lunch hour, so we popped into a local buffet, grabbed a tray, and surveyed the food. "Don't eat any raw vegetables," Noemi cautioned. "I never do. If it's not cooked or peeled, avoid it." This seemed like sound advice. I stayed light, spooning up a serving of rice and black beans with a few olives, some sautéed broccoli, and a hard-boiled egg. Instead of bread, which was little used in Brazil until the beginning of the 19<sup>th</sup> century, a kind of tapioca fritter was eaten at lunch, and at dinner a mush of manioc meal cooked in meat or fish broth. "And rice," wrote Freyre. "Rice became as important an article of diet in Brazil as in India, introduced by the Marquis of Lavradio, who governed Brazil from 1769 to 1779." The rice-and-beans combination is essentially the national dish: a stew called *feijoada*, it typically includes chunks of meat. It's available virtually everywhere, including Little Brazil on West 46<sup>th</sup> Street in Manhattan, which is a stone's throw from the Brazilian consulate and home to a variety of *Brasileiro* firms offering food, music, phone cards, travel, and beer.

Following lunch, we spied a pair of young women finishing theirs, so we slid into a couple of chairs at their table. Noemi greeted them with a smile and an introduction. They looked to be in their late twenties; both were married, they told us, one with an eight-year-old boy and the other very pregnant. ("Coming soon," she said.) They worked at a call center next door that specializes in consumer finance. When I asked what lured them to work in such a huge city, both said the same thing: local culture – theatre, the cinema, art, music – "you can find everything in São Paulo." Their hopes for their children were universal and expressed a view I would hear often during my stay: to study hard, go to university, and have better jobs than their parents. (The husband of one was in the "hotel business;" the other didn't say.) Was there discrimination between men and women in the workplace? They looked at each other, and then at me, and then shook their heads simultaneously. (Noemi did, too, temporarily retreating from her neutral role as translator.) Gender bias seemed not to be an issue. But Brazil was no better or no worse than other countries, one said: political corruption is a big problem here, as elsewhere. About religion, they agreed that the Catholic church was not "invasive" in Brazilian life, a point we would return to later, with some dissent.

The lunch crowd was thinning. Prospects at the buffet dimmed, so we decided to walk to the other side of the square in search of coffee. As we left, two women were stationed at the cash register near the exit. One took payment, returned a receipt stamped "paid," and handed out a numbered slip; the other took the slip and stabbed it onto a metal spike. Noemi said this was typical; it helped boost local employment. The cashier earned more than the slip-spiker, who naturally aspired to be a cashier.

She had a popular place in mind called Bar Brahma. The Brahma was the first in what had become a tradition of São Paulo *sampa* cafés about fifty years ago, she said, and was located just a short walk from where we were. It occupied a shady corner on the Avenida São Paulo, with a covered terrace outside that yawned into a dark interior. The terrace was practically empty, so we commandeered a table near the low-cut hedge that served to filter out traffic noise (and exhaust fumes) and ordered a pair of espressos.

Bar Brahma is typical of Brazilian cafés: it has some bizarre admission procedures. The maitre d' hands each patron a numbered, color-coded card at the entrance; the numbers are keyed to each order in the café's computerized cash registers; and when you ask for the bill you have to surrender your card. A tally is then presented, which can be paid in cash or by debit or credit card, and when the payment has been processed, a separate set of color-coded, numbered cards are issued to each patron. These become your "exit permits" from the café and must be surrendered to the maitre d' on leaving; if you leave without doing so (and are caught), your liable for a penalty fee of R\$350.- (about US\$160.-) per person. A unique (and unusual) method to control crowds (and, it would appear, enforce honesty).

After we had finished coffee and completed the Bar Brahma's complicated card-exchange protocol, we left. Two men sat on a bench outside, idly scanning traffic. "Can we interview these guys?" I asked. "Why not?" Noemi quipped. "They're probably off-duty cops." "How do you know?" "Trust me," was her reply.

She was right. She asked, and they agreed, so I sat down between them, leaving my notebook in a pocket. Over time, I've learned that people speak more freely if you're not scribbling while they talk; they get really suspicious if you whip out a tape recorder and shove it in their face, as many writers are wont to do. Talking without taking notes helps develop short-term memory, too; keywords from a conversation are readily tucked away for later, when pen can be put to paper, providing the time lag is not excessive. For this trip, I brought along a set Moleskine (pronounced *mol-a-skeen'-a*) European notebooks.

For two centuries, Moleskine has been the legendary notebook of artists, writers, intellectuals and travelers. From gifted artists like Matisse and van Gogh to poet and leader of the surrealist movement André Breton to Hemingway to the travel writer Bruce Chatwin, Moleskine have proven they have the ability to withstand the trials and abuses of travel. "It is the one true trusted travel journal," according to the official Moleskine Website.

Despite their extraordinary tradition, there was a hiccup in production in 1986. Chatwin reportedly gave his friend Luis Sepúlveda, the Chilean novelist, a Moleskine before his trip to Patagonia. By then the notebooks were no longer to be found, as the small family concern in Tours had closed down. "Le vrai Moleskine n'est plus" were the lapidary words of the French stationer to Chatwin, who ordered a hundred of them before leaving for Australia. Fortunately, the Moleskine tradition has been revived by the Italian manufacturer Modo and Modo. I bought a set of three at Borders before leaving for Spanish America in December. They are truly special.

The cop on my left, a young 30-something jeans-clad detective named João, said the best thing about São Paulo was its culture – echoing the two women we had just met: there was never a shortage of fun things to do. He said he held down two jobs (he was a part-time security guard as well as a cop), had two boys, and wanted them both to go to university. His partner said he had a young son and a daughter but otherwise didn't say much, deferring to João, which meant he was probably the boss. João admitted with a shrug that Brazil's politicians were corrupt ("but where were they not, even in your country?"), promising much during political campaigns but delivering little and often pocketing a lot of campaign cash.

About a month before I arrived, Brazil's President Luiz Inacio Lula da Silva – popularly known as Lula – had won re-election for a second four-year term, despite having had to sack his campaign director (and the Workers' Party president, Ricardo Berzoini) for "financial irregularities." Disillusionment with the governing party had been sparked earlier by a controversy over alleged bribes for votes in Congress, which led to the resignation of another Workers' Party leader, Jose Genoio, and several of his high-ranking colleagues. Since the end of World War II, Brazil has had six constitutions and two right-wing military dictatorships sandwiched into three periods of democratic rule – a roller-coaster political system reminiscent of the Kingdom of Thailand.

We sat for a while, alternately talking and watching traffic as if it were a kind of vehicular tennis match. I told João that a friend had confided to me, on learning that I had picked the Hotel Bourbon, that the district surrounding the Praça República was known as *crackolandia* (crackland). João smiled and shook his head. "Not really," he said, "but when you go out at night, stay off the side streets." As I looked to my right, two private security guards had positioned themselves outside the Bar Brahma, ready for the evening shift, one on either side of the entrance. A valet parking attendant engaged them in idle chatter.

As daylight dimmed and pedestrian traffic picked up, signaling the end of another workday, Noemi and I parted but not before agreeing on a time and place to meet the following day. I transcribed my notes at the hotel and wandered back to the Bar Brahma later. It transforms itself into three distinct personas in the evening: it serves coffee; it offers a full menu of local appetizers and main dishes; and it features an instrumentalist (or two) and a singer (or two) who belt out Brazilian *samba* favorites, non-stop, in the main dining room, in the manner of Virginia Rosa, Moacyr Luz, or Samba do Arnesto. The dining room has pastel yellow plaster walls covered with an assortment of small mirrors and photographs from Brazil's past, capped by a cream-colored plaster ceiling. In short, the music ricochets from wall to ceiling to wall and back again, creating an ear-piercing crescendo that makes conversation virtually impossible. But the ambience is lively and fun, particularly if you're people-watching.

The crowd at the Bar Brahma that evening seemed to be young professionals, like an upscale urban bar or café anywhere in the world. There was the odd jacket and tie, but most of the men wore open-collared shirts, the women jeans or pants and light sweaters or pullovers. The conversation was animated (and loud, painfully loud). I chose to sit outside on the terrace, where it was both cooler and quieter. As luck would have it, I was given the same table where Noemi and I had shared coffee that very afternoon. It soon became apparent that despite its colorful past and traditional reputation, the Brahma did not attract a foreign crowd: their menu existed only in Portuguese. Any foreign traveler to Brazil will soon note that Portuguese is a relatively easy language to navigate; much easier than Spanish, in some

ways, which itself is not one of the world's more difficult tongues. I opted for a smothered steak (smothered in what, exactly, was the question) and vegetables; it came covered with mushrooms and onions in what I would later learn was the default style: well done.

English is not a widespread second language in Brazil, as it is in most of Europe or Asia; I never really heard anything besides Portuguese or Spanish. For this, Brazilians seemed a lot like North Americans, secure in their own language as we are in ours. Even at the Bourbon, the level of English spoken or understood was quite low; I had better luck with Spanish, poor as mine is. Brazilians, like representatives of most continental cultures, exude a spirit of strong self-confidence. They seem content, both with themselves and their country's place in the world. They exhibit a natural friendliness, a warmth and an openness toward strangers that is rare today. It left a deep impact on me, having spent so many years in Asia, where one finds a more dispassionate, arms-length regard for interpersonal relationships (toward foreigners, for sure, who stand out so clearly as "others" there). Paulistas – natives of São Paulo – are as likely to hug at first greeting as shake hands; a Latin trait, of course, like the air kiss, but more natural somehow, more – well, *Brazilian*.

São Paulo has an extensive network of subway lines, I learned that night; the city's thick and congested traffic would be impossible without it. There are three main lines – red, blue, and green; the cars are modern, clean, and quiet; and the system runs deep underground. (A fourth line – to be "yellow" from the primary color wheel – is currently under construction.) At rush hour, it reminded me a lot of Tokyo; the cars are jammed *sushi-zume*, as the Japanese say, with virtually no wriggle room between passengers. Single rides cost about a dollar, and you can buy multiple-ride tickets that save time queuing in the long lines that snake back and forth in front of the kiosks, but they offer no savings in cost. The system is modern, fast, and for the most part, efficient. The stations at transfer points can be a little confusing, since the directional signs assume you know not just the next station on the route, or even your destination, but the *termini*, which tell you the directions in which the trains are heading. So an underground pocket map (not easy to find) becomes a fast friend. Fortunately, Portuguese is not an ideographic language, like Japanese or Chinese, so reading signs and identifying stations is no more difficult than being in Paris or London.

The next day was hot and humid again. Noemi and I were not scheduled to meet until mid-day, so early that morning I rode the red line to Parque da Luz and paid a visit to the Pinacoteca do Estado, hands down the best-curated Brazilian art collection in captivity. The idiomatic expression "hands down," meaning "unquestionable" or "certain," came into widespread use in the late 19<sup>th</sup> century. It originated in horse racing: a hands-down win is so assured that a jockey can drop his hands and relax his grip on the reins as he approaches the finish line. George Bernard Shaw used this expression to good effect in *Pygmalion*.

The Pinacoteca collection of more than 5,000 paintings, sculptures, photographs and other objects is housed in an old 19<sup>th</sup>-century red brick building originally constructed in 1893 as the state governor's residence. Following its designation as an historical landmark on its centenary in 1993, it was refurbished and given a facelift by the renowned Brazilian architect Paulo Mendes da Rocha, who replaced the roof and many interior walls with a latticework of glass and vast open spaces connected by a network of elevated catwalks. Although none of the signs are in English, the Pinacoteca collection contains some great Brazilian art from the

19th and 20th centuries – from the landscapes of Antonio Parreiras and João da Costa to still-life painters like Georgina de Albuquerque and João Batista Pagini.

A stone's throw across the wide boulevard sits the old Luz train station. Built by the British in 1900, it could be in New Delhi or Kuala Lumpur or Sydney, so colonial is its design: cream-colored stone with pastel-yellow trim and a tall, four-faced wedding-cake clock tower. The station is still a major rail hub today, but its best-kept secret is the new Museum of the Portuguese Language, on the third floor – so new in fact that it's still under construction and charges no entrance fee. On the third floor is a dynamic three-wall diorama (uh, triorama?) that depicts major linguistic and cultural influences throughout history, all over the world, with Portugal and Portuguese the center of attention.

From Luz, I took the blue line to Liberdade, where Noemi and I were to meet. Liberdade is called *ajia mura* – Asia Village – by the Japanese, the heart of their community in São Paulo. A jungle of vertical *kanji* neon signs marks the area unmistakably. Shops selling Samsung and LG electronics or One-Cup Noodles from Japan or *gyōza* (steamed dumplings) from China sit side-by-side along several city blocks that radiate out from a small central plaza. In Japanese, I chatted up a pair of Japanese ladies sitting on a bench – one was 81, she said (didn't look it), and had come from Okinawa; the other was her daughter – both dressed informally in slacks and short sleeves. They took questions in stride and posed for a picture, all smiles; Mama-san said she had come for the lifestyle in Brazil – not so stressful or frenetic, like Japan. Two men stood on a nearby street corner reading *Nikkei*, the *Nihon Keizai Shimbun*, Japan's Wall Street Journal. One said he'd been in São Paulo for more than 40 years and would never go back. He was a confirmed believer in Brazilian farming – coffee, in his case – and a beneficiary of Brazil's free-land policy.

When Noemi popped out of the subway exit, we went for lunch at Sushi Yasu, a well-known local eatery which, depending on the character, can mean either Peaceful Sushi or Cheap Sushi. Turned out, it was both. It must have been a slow day; we were the only ones at the counter. The sushi master gazed continually at a small-screen TV that hung from the ceiling in one corner and watched the mid-day news as he assembled our sushi. When he told us his name was Abe, the conversation in Japanese went something like this:

“*Abe-san, desu ka?* Any relation to Japan's new prime minister?”

“No.”

“Been in Brazil a long time?”

“Born here.”

“Where did your parents come from?”

“Nagano.” [A prefecture just to the north of Tokyo.]

“Ever been there?”

“Once.” Eyes still glued to the TV.

“On business?”

“Vacation.”

“What do you like best about Brazil?”

“Can't say.”

“Try.”

[Shrug.]

“So where do you like to travel?”

“Never been anywhere else.”

Abe-san’s sushi was cold and fresh, as if we’d been sitting just a stone’s throw from the Tokyo wholesale fish market in Tsukiji. We split a mega-bottle of Brahma beer, and mutually decided to attack Avenida Paulista after lunch. Avenida Paulista is São Paulo’s financial center, where the big banks and finance companies have their head offices and where private security guards stand in front of virtually every building, retail shop, and café. There were armed guards at each level of the subway system, too; many wore Kevlar vests and most sported an automatic weapon. They were unobtrusive, to be sure, but you could easily spot them, especially if you had spent a little time with a pair of off-duty cops the day before. Avenida Paulista was a good choice because it bustles with pedestrians all day long.

We walked the length of the Avenida – São Paulo’s Fifth Avenue, or more like Chelsea, perhaps, with a lot of middle-brow shops interlaced among the big office buildings. And the amazing diversity of Brazil’s people was in full display. There was a veritable rainbow array of skin color on both sides of this wide avenue, reflected all over the city: mocha, latté, chocolate, burnt sienna, earth-tones, gray, brown, citrus. Most Americans would have difficulty labeling them, so used are we to a more Manichean division of the races, a simple linear divide between black and white. But there it was, a living palette. Which makes the following anecdote rather ironic because Brasileiros seem to be part of the “best of everything” in Brazil.

This classic anecdote about the country, frequently told, goes something like this: At the creation of the world, the archangel Michael noticed that God had blessed one country in particular. “You’ve given the best of everything to Brazil,” Michael said. “The longest beaches, the largest river, the biggest forest, the best soil. The weather’s always warm and sunny, too, and there are no natural disasters of any kind. Don’t you think that’s a bit unfair?” “Well,” God replied, “wait until you see the people I’m putting there.”

There’s a reason for Brazil’s broad racial palette, and Gilberto Freyre tells us why. “The Portuguese were a people who had experienced the rule of the Moors,” he writes, “a dark-skinned race but one that was superior to the white race in various aspects of its moral and material culture. Accordingly, though they themselves might be white ... they had long since formed the habit of discovering in colored peoples – the ‘old Christians’ – people who were brothers, creatures and children of God with whom it was possible to fraternize and with whom their forebears had had fraternal relations. All this, from the very first years of colonization, tended to mitigate the system ... and readily led the Portuguese to adopt the foodstuffs, standards of feminine beauty, and modes of life of peoples that by other Europeans were looked down upon as being absolutely inferior. No colonizing people in modern times has exceeded or so much as equaled the Portuguese in this regard. Miscibility rather than conquest was the process by which the Portuguese made up for their deficiency in human mass or volume in the large-scale colonization of extensive areas.”

In a nutshell: bullfighters kill the bull in Spain. In Portugal, they keep it alive.

[Freyre also notes that a study by Pinter and Keller in the 1920s found the IQ of Negroes the same as among the Scots and superior to that of Greeks, Italians, and Poles. Hirsh

encountered in many Negroes a higher IQ even than among the Portuguese. In U.S. army tests of that era – so often cited against blacks – the results show greater differences between Northern and Southern blacks in the United States than between blacks and whites, while Ohio blacks were on a higher plane than the whites of every Southern state except Florida.]

“It is almost impossible to find anthropologically pure Africans or Negroes” here, Freyre writes. “It is unlikely that Brazil will ever be, like Argentina, an almost European country; or like Mexico or Paraguay, an almost Amerindian one. The substance of African culture remains with us throughout all our formation and consolidation as a nation.”

All the big Brazilian banks have their headquarters on Avenida Paulista, and Citibank is no exception. Citibank has nearly a hundred branches in Brazil, more than half of them in the greater São Paulo metropolitan area. Tall office buildings sit cheek by jowl with shops, museums, and Internet cafés, where you can log on for about a dollar an hour. (The Bourbon had a lobby computer for its guests, too, but it was always in use and cost five times the rate of the local cafés, which are ubiquitous.) At one end of the avenue is a vest-pocket park with trees and plants so dense they resemble a rain forest. It was so dark and foreboding, in fact, even at daytime, that the police closed it by mid-afternoon for security reasons.

Near the Paulista exit on the green line, two young men sat playing dominoes on a large cardboard box they had upended and turned into a game board. When asked if we could pose a few questions, they said no. They were working, they said without looking up, and shoed us away like flies. Probably they wanted their boss to think they were working; he certainly was, just a few yards away, a curbside vendor tending his food cart.

We crossed the wide avenue and saw another vendor, this one with a corner location, selling candy and gum and odds and ends like replacement batteries and sweet pastilles. He told us he had seven children but clearly only one thumb. Could he possibly have that many children? I wondered; the thumb could be empirically verified, but seven kids? He shrugged and said he loved Brazil, the climate, its people. “But the government is stingy and makes life tough.” We popped into a florist’s shop and met a young man named Josef; he had a deep tan and looked as if he had just returned from two weeks on the beach at Ipanema. He was cutting and arranging bunches of flowers – brilliant lilies and colorful carnations and burgundy roses – and passing them to a colleague who wrapped them quickly in cellophane. He apologized, saying he couldn’t stop to talk. This was the perennial risk of doing street interviews; when people were busy, which was often, they had no time for you.

We wandered into another lunchtime café, a noisy food court, with steam tables set along one wall instead of out in the open as before. Noemi approached a table of two women and chatted them up; one glanced quickly at her watch but nodded. She spoke excellent English, it turned out, said she was a University of Chicago graduate with a degree in marketing who now worked for a Swiss company on – where else? – Avenida Paulista. I asked her about the forty per cent of Brazil’s population estimated to be living in slums on the outskirts of major cities like Rio and São Paulo. She told us that the numbers of poor continued to grow so fast because there was no family planning, no access to contraception and no information distributed by the government, so they were stuck to tradition.

Her comments triggered an idea as we strolled out. I thought back to Singapore's effective population control incentives, launched in the early 1960s just before my first visit there. Why not put billboards in the local shanty towns, with pictures of a happy family and their two smiling children opposite another family with unhappy faces and their four or five unsmiling kids. A colorful banner diagonally across the center would say, "Stop at two!" or "Two makes sambal!" or "Two means more for all." Similar public service ads in local newspapers and magazines could reinforce the message, as might posters in the subways and on buses and frequent spots on television. Would the Church object? Many of Brazil's poor live outside the framework of official statistics, so tax and housing incentives à la Singapore would have little impact. But a clever ad campaign of memorable visuals might.

Back outside, we walked past a row of retail shops and spied another street vendor on the next corner, a young man in his early twenties with a folding tabletop full of designer eyeglasses. We watched him for a few minutes and when it was apparent that he had no customers in view (and no signs or prices posted to attract them), we asked him a few questions. He said he was selling on behalf of an intermediary, on commission, and explained that he had no signs or prices posted because he had to be ready to move at a moment's notice if the cops came by and hassled him. He used to do office work, he said, but was laid off; he wanted another office job but was stuck doing this until something else came along. He was wearing a black T-shirt and jeans and needed a haircut. He said he was single and lived with his parents; income from this job was slim; he had no idea how long he could last before he either got bored or his middleman found someone else to hawk the frames.

We stood on the corner for a while and watched the traffic, which crawled bumper-to-bumper and quietly in both directions at mid-day. An obvious difference between New York and São Paulo is the total absence of honking horns. The most popular cars on the avenue seemed to be subcompact models, like Volkswagen's Fox and GM's Chevrolet Moriva and Fiat's Punto, all built at modern assembly plants in Brazil and engineered to run on unleaded gasoline or ethanol (which Brazil refines in great quantities, also for export, from its abundant sugar cane), or any combination of the two. Why US automakers can't (or won't) design engines to do this is a mystery, though maybe not: when you weigh the influence of K Street lobbyists on Congress and on executive branch rule makers at the EPA, it's no mystery. And the Department of Agriculture is culpable, too; it showers the domestic American sugar industry with subsidies while simultaneously restricting imports of ethanol, to the disadvantage of the American consumer (and taxpayer), not to mention the Brazilian exporter. This would make a great plot for a sitcom if it weren't such a sad story.

In the next block, we stopped at a small coffee shop and spoke with a middle-aged woman named Tania. She said she had studied at Oxford 25 years ago, trained as a psychologist (social worker?), was divorced and had two children aged 10 and 13. She echoed the sentiments of our Chicago friend: people with more education had fewer children. University graduates typically stopped at two, while people lacking even high school-equivalent diplomas had four, five, seven, or more. (There's an obvious message here.) She said she worked at a clinic on a Paulista side street, living only a half-hour away but commuting by car.

As we passed by Citibank's sparkling glass tower, Noemi suggested we speak with the São Paulo manager. I demurred; my specific interest this time was in doing street interviews, and besides, local executive meetings typically required an introduction from New York and advance arrangements in order to get on someone's calendar. But this was Brazil, Noemi reminded me; Paulistas pop in on each other all the time. So I figured, why not? I pulled out my CitiGold card, gave it to her, and we took the elevator up to the executive floor.

A half-hour later, we were sitting in the office of Kenia Mello, a thirty-something female member of Citibank's managerial group with responsibility for leasing and consumer finance. (A generation ago, we used to joke that Citibank devoured its young while Morgan coddled its old: Citi's aggressive culture chewed up and spit out young managers at a feverish pace.) She said that Citibank here, as in most markets, targeted upwardly mobile consumers with a range of financial services products, and the bank continued to grow at a fast pace. Brazil had always been a good market for Citibank and apparently still was. Kenia said she lived an hour and a half outside São Paulo, commutes by car, arrives early and leaves late since she and her husband have no children (he's an attorney). She was friendly and hospitable, in the Paulista manner, with a stunning smile (and alluring cleavage) that could easily have graced the Portuguese-language edition of a popular fashion magazine like *Elle*, *Vogue*, or *Bazaar*.

Speaking of magazines, it was strange not to see a single edition of *The Economist*, *Time*, or *Newsweek* for sale at any of São Paulo's ubiquitous news kiosks. *The International Herald Tribune* was oddly missing, too, despite the fact that its Latin American edition is printed right here in São Paulo. We did ultimately find one kiosk with a single copy of a two-day-old issue, with a cover price of R\$10 – nearly five dollars – but I declined. Stale news is one thing; overpriced stale news is something else. The local currency was the second generation of the *real*, which had replaced the third *cruzeiro* in 1993. Brazil cycled through three *cruzeiro* generations in the 20<sup>th</sup> century, each ruined by horrendous bouts of inflation with its predecessor. The first *cruzeiro* (which replaced the first *real*) lasted from 1942 to 1967, the second to 1986, and the third to 1993. The *real* (pronounced ray-all) is for some reason pronounced *heais* (hay-ice) in the plural. Must be some sort of Portuguese grammar rule.

Brazil's official birth rate was 16.83 births per thousand in 2005, down from 18.84 in 2000. On first glance, a rate below 2 per cent seems reasonable for a developing country, but it makes me wonder how strong the net is that captures these statistics. Many births simply go unrecorded, particularly those in the *favelas*, where most of the poor live. *Favela* is a Portuguese word that means "hill," and since most of Brazil's poor live in the hills just outside major cities like Rio de Janeiro and São Paulo, the term *favela* has broadened to mean "slum." Needless to say, teen pregnancy is a particular problem in the slums.

Abortion is illegal in Brazil, Noemi told me. She was unaware of interference by the church in social policy, but she was also unaware of the recent case involving the São Paulo state government, which had passed a policy authorizing its health office to distribute condoms free of charge to anyone in the *favelas* who asked for them. But when word of the state government's policy got out, the church intervened and pressured local officials to revoke it.

We continued down Paulista, practically disappearing in the big, post-lunch crowd of busy professionals, typical for a workday in any major city in the world. We checked out a contemporary graphics exhibit on the lobby floor of an otherwise non-descript office

building several doors down from Citibank, attracted by the logo outside. We were greeted by a young woman named Carolina, the outsized lettering on her nametag identifying her before she had a chance to. Hugs and air kisses all around. There were no other visitors on the floor, so she showed us around the exhibit, which showcased innovative commercial packaging. Now in her mid-thirties, Carolina had lived in Torrance, California, for several years, she told us, which brought her fluency in English. But then she'd had a son, who was four, and could no longer travel. She works international exhibits now. Given her confident smile – and ample cleavage, too – she's found her niche. Cleavage is big in São Paulo.

Upstairs in the same building was a collection of photos by Marc Ferré, the late-19<sup>th</sup> century French photographer who had come to Brazil to capture early railroad construction – in harbors, on coastlines, at coffee plantations, in jungles, and with shirtless laborers – on high-resolution black-and-white Plux-X film. A stark contrast with the Brazil of today: the scenes were dramatically underpopulated. Taken now, they would be teeming with so many people that the backgrounds would disappear. Again, strangely, we were the only ones there.

When we resurfaced outside, a young woman named Maria Alice was conducting street interviews commemorating the centennial anniversary of Avenida Paulista. She was thin as a toothpick; a cameraman perched behind her holding a digital videocam, recording her random conversations. She, too, spoke good English, thus proving a tentative theory that the city's English-capable Paulistas were somehow drawn to the avenue like bikinis to a beach. More cleavage. Another stunning smile. She did a quick interview with a coincidental subject, a guy named Gustavo, who'd apparently known her at university and until recently worked as a lifeguard in Jacksonville, but he had to come home when he couldn't find anyone in Florida to sponsor his green card.

Gustavo's girlfriend, Carla, herself thin as dental floss, stood silently if nervously behind him, clenching his hand tightly and smiling non-stop, wearing a halter top and tight pants with a waist that hung down to her pubes. Carla, he said, was Portuguese, thanks to her mother, so he plans to marry her, move to Lisbon and find work there, courtesy of European Union regulations that will grant him citizenship through marriage. He seemed too recently returned to Brazil to have any cares about what was happening there, other than family and, clearly, a past affection for Maria Alice that got him a few minutes of airtime.

"No worries," Gustavo had said, over and over, Aussie-like, with a smile. This seemed somehow typical: live day-to-day, spend each paycheck, with no thought to savings (maybe no incentives, either) and no thought for tomorrow. Live-and-let live, a dramatic contrast with the forced savings systems of Japan and Singapore and their vaunted deferred gratification. The ant as cultural antithesis of the grasshopper, who Aesop would readily agree is no candidate for poster child of economic takeoff.

There were a few hobos and homeless types scattered here and there, but no more so than in New York or London. The Church, despite its powerful history and influence in Brazil, seemed invisible. Strange, when you think about it, given Brazil's history.

In the 15<sup>th</sup>-century, Portugal was a nation of Semitic navigators. They sailed to East Africa and to the west coast of India and on, to Indonesia and to Macau, in China, carving out sea routes that would eventually put the Arabs' cross-desert caravans out of business. When

Dutch stock companies, like the East India Company, eventually emerged, they hammered the last nails in the coffin of the Middle East's medieval economies. But Portugal's world-class navigators also sailed west, to the South American continent. Upon his return from America, Christopher Columbus approached Pope Alexander VI, himself a Spaniard, with news of his own discovery and a concern about the competing Portuguese navigators, who brought riches back from the east via the spice trade. Columbus was convinced the world was round and that Spain could reach the east coast of India by sailing west, prompting the Pope to create a line of demarcation separating Madrid's territories from Lisbon's. The Papal Bull of 1493 thus gave Portugal everything east of the Cape Verde islands, Spain everything west. The Portuguese were pissed at first, until they gradually realized how much land they had acquired, land that they would soon christen Brazil from its native wood.

Spanish *conquistadores* used military power to conquer and dominate the natives, then to extract the gold and silver they found from Mexico to Peru, while the Portuguese found agricultural bounty in the red soil of Brazil. Brazilwood. Sugar. Coffee. All of which was easily grown in the lush soil and shipped to Europe for huge profits. The Portuguese also brought a positive benefit from their experience with the Moors, from whom they had learned that people of color had certain superior traits and accomplishments. This enabled them to commingle with the Amerindian natives in a spirit of cooperation and conciliation rather than domination. It may also have helped that the local native women greeted the male-dominant Portuguese explorers totally naked; their permissive sexual practices heralded an almost immediate miscegenation between the European colonizers and the natives.

When in 1808 Napoleon invaded Portugal, Emperor Dom Pedro I fled to Brazil with his Lisbon court and established the Portuguese monarch there. Two decades later, in 1831, his native-born son and heir to the throne, Dom Pedro II, stayed in Brazil instead of returning to Portugal, pronounced the creation of the Brazilian Empire and moved its capital to Rio de Janeiro. Slaves were freely imported from Africa starting in 1532, and the Portuguese cultural proclivity for racial mixing thrived. There was rarely the strict, harsh racial divisiveness in Brazil that had characterized the development of America in the northern hemisphere by its Puritan colonizers. But by the 1870s, the Brazilian government, in an attempt to prevent what it called the "black revolution" and as a means of "whitening" the population, created incentives to attract more Caucasian settlers from Europe and Japan. Brazil was the last country to abolish the importation of slaves, as I noted earlier, in 1888. In 1889, the Republic of Brazil was created and the Empire dissolved.

"In the colonial period," Freyre writes, "we may note the custom of having a friar aboard every ship that entered a Brazilian port, that he might be able to examine the conscience, faith, and religion of the new arrival. The thing that barred an immigrant in those days was heterodoxy: the blot of heresy upon the soul, not any racial brand on the body. It was a question of religious health: the danger lay not in the fact that an individual was a foreigner or that he might be unhygienic or cacogenic; it lay in the possibility of his being a heretic." It's customary to say that civilization and syphilis go hand in hand, but Freyre said that Brazil had been syphilized long before it was civilized. By the end of the 17<sup>th</sup> century, Brazil was already being singled out in books by foreigners as the land of syphilis *par excellence*. François Rendu, author of *Histoire générale des pirates* and *Histoire des Indes Orientales*, wrote that "presque tous les brésiliens sont atteints d'affections vénériennes."

Meanwhile, back on the Avenida, Noemi and I spent the rest of that day and most of the next in an endless round of interviews, responses taking on more and more of the halo effect. Education for the children was a top priority, repeated by virtually everyone. Political corruption was a solutionless problem, a dark tunnel, no end in sight. São Paulo's strength was its ability to keep its ambitious young from fleeing, due to its robust local culture. And the great glue that held everything together was the lyrical, happy-go-lucky nature of the Brazilian people. But you can't create growth from lyrics alone.

Arguably the Avenida's most notable landmark is MASP, the Museu Arte de São Paulo. Unarguably one of the world's ugliest monuments, the museum is a big gray concrete box that sits on oversized red stilts at either end. It looks more like a Lego reject than an architectural marvel the likes of which Brazil had made its global reputation in the 1970s when it carved its new capital, Brasilia, out of scrub and wasteland.

Brazil's currency depicts the female form on all its banknotes, with the inscription *Dens Seja Louvado* (God Be Praised), first inscribed on Brazilian paper currency in the 1983 by former president José Sarney. On the flip side, the notes depict a form of native wildlife: Jartrya, Arara, Garça, Mico, Leao, Dorado – Turtle, Parrot, Egret, Monkey, Ocelet, Onça-Pintada.

I had been eager to visit Rio during my stay, too, not just to see the world-famous beaches at Copacabana and Ipanema and the city's notorious hillside *favelas*, but also to meet Gustavo Kuerten, the Brazilian baseliner who won the French Open three times (1997, 2000, and 2001). I had seen Guga, as he is popularly known, at the US Open in 2005, when his ATP ranking had slipped below the top 100 as a result of hip surgery. It turned out he was away while I was in Brazil, which was fortuitous in a way. An air controllers' strike had begun about two months before I arrived and was still underway, creating chaos in the skies. International arrivals and departures were unaffected, but domestic flights were subject to interminable delays, some lasting up to 72 hours, with frequent cancellations. This then required traveling to Rio by bus – an 8-hour, 400-mile all-day (or all-night) trip (and equivalent return) that would have siphoned two days from my weeklong stay in Brazil.

The ongoing ATC strike had other, more tragic consequences. On September 29, Gol Transportes Aéreos Flight 1907, a Boeing 737 on a scheduled passenger flight from Manaus to Rio with a planned stop in Brasília, collided with an Embraer Legacy business jet on its maiden flight and crashed in an area of dense rainforest vegetation, about 200 kilometers east of Peixoto de Azevedo. All 154 passengers and crew aboard the Boeing were killed in what became the worst accident in Brazilian aviation history. The Embraer was able to land safely, its seven occupants uninjured (including a *New York Times* reporter who had been aboard); it suffered only minor wingtip damage. A preliminary investigation was immediately launched by the Brazilian authorities. The American pilots of the Embraer were required to surrender their passports and kept under house arrest for nearly two months until they were cleared and released. Although the reason for the collision is still unknown, conflicting ATC instructions from Manaus are suspect. In the meantime, the Brazil's air force has taken control of all ATC operations pending a more formal inquiry.

That the round-trip to Rio by bus did not happen had other consequences, as well. During my stay, another chapter opened in the ongoing saga between Rio's drug gangs and the state police. The gangs attacked several police stations and an interstate bus, which had departed

Rio for São Paulo. The passengers were robbed and the bus set afire before they could disembark. The bus's fuel tank exploded, killing 19 and wounding several more. State social workers attributed the gang's rage to harassment in the *favelas* by the police, fueled of course by the drug-induced anger of slum teens, their numbers mushrooming by unwanted and unpreventable pregnancies due to the endless cycle of inadequate (or non-existent) family planning, undereducation, and joblessness, all part of the *favela* tradition.

An earlier chapter in this story was captured in the film *Cidade de Deus* (*City of God*), an award-winning 2002 film by the director Fernando Meirelles, who brilliantly brought the 572-page, 352-character novel by Paulo Lins to the screen. It catapults the viewer through three decades of late 20<sup>th</sup>-century life in the eponymous *favela*, one of Rio's most notorious, drug-infested slums. *City of God* won 48 international awards and was nominated for four Oscars. This film inspired *Carandiru* (2003), a prison of the same name near São Paulo that was the site of the worst prison riots in Brazil's history, in 1993: 111 prisoners were killed, 102 from gunshots fired by military police and 9 from stab wounds inflicted by other convicts before the arrival of the police. (After the riots, the prison was shut.) Martin Scorsese's work is, well, Disneylike by comparison. *Casino*, *Goodfellas*, *The Departed*, none hold a candle to *Carandiru's* untethered violence; a visit to the local abattoir would be closer to the realism portrayed. Continuing this tradition of *cinema nouveau*, Jason Kohn's documentary *Manda Bala* (*Send a Bullet*), a film about government corruption and kidnapping in Brazil, opens worldwide this spring, and Paulo Morelli's *City of Men*, which builds on the themes of *Cidade de Deus*, will debut in August.

Alas, the saga continues. In November 2003, a criminal gang attacked more than 50 police stations in São Paulo, killing three policemen and wounding 12. In May 2006, riots again broke out in 18 prisons in the state of São Paulo after a wave of more than fifty attacks on the streets left at least 30 people dead, 19 of whom were cops. State officials say the riots had been organized by the same criminal faction – the First Command of the Capital (PCC) – that carried out the street attacks. Founded in 1993, the PCC has been involved in drugs and arms trafficking, kidnappings, bank robberies, and prison breaks. These prison riots and street attacks pose a stark cultural contrast to the becalming influence of the Portuguese that was so impressive to Freyre. I wonder what he would say if he were still alive today.

On my last day in São Paulo, Noemi had, at my request, arranged a visit to the city's *Favela Felicidade* – loosely translated, Happy Slum. Her cleaning lady, Cida, lived there and had agreed to take us on a tour of its narrow alleyways and, where possible, introduce us to such friends and acquaintances as might be around. It entailed two long bus rides of about an hour each, the first to a terminal in the western suburbs, near a giant Wal-mart, just past the huge headquarters of Itáu, Brazil's largest bank. The second went to the slums. As it cut through the outskirts of the city, up and down small hills dotted with cinder-block homes and jerry-built shops, I glanced out the rear window and watched the tall office towers on Avenida Paulista recede in the distance. Potholes grew more numerous and there were far fewer cars; pirated satellite dishes with pirated software poked their puckered mouths toward the sky from the corners of virtually every house; street trash clogged the gutters.

We got off when Cida signaled it was time. She led us past a small electronics shop, with tiny Korean and Chinese microwave ovens, small-screen television sets, and boom boxes on

display in the window. Opposite it, a tiny gas station occupied one corner, a dry goods store another. Rather than an out-and-out slum, *Favela Felicidade* resembled Istanbul's Sultanbeyli, a *gecekondu* across the Bosphorus on the Asian continent, more than Rio's City of God. Past the main street, the alleys, though narrow, were relatively clean and reasonably neat, but the homes, if you can call them that, looked inescapably cramped and small.

We walked across a little wooden footbridge that spanned a culvert brimming with water; a curtain of muddy flotsam and jetsam clung to the weeds and tree roots that lined the sides – beer cans, plastic bottles, polyvinyl sacks, empty cigarette packs, toilet paper, newsprint, cardboard. Cida said that the heavy rains earlier in the week had caused a great runoff that gushed through the culvert and overflowed. She said it was typical; it happened after every downpour. Then, with a shrug, she added, “The politicians all come round at election time and make promises, of course, but after that, nothing happens.” A familiar refrain.

We followed her down a narrow alleyway that curled right then left, like a snake. Cida stopped at the door to one house and knocked. A minute later, we were exchanging hugs two young women in their early twenties. “My cousins,” Cida said proudly. One wore braces that sparkled when she smiled; unlike most youngsters, she made no effort to hide them. A tiny TV airing an MTV pop video sat in one corner, live, next to a small CD player, and a cassette recorder next to that. Without asking, Cida pulled a bottle of mineral water out of a four-foot fridge and passed small cups of water around. Noemi smiled knowingly.

Braces told us she had finished high school and felt that might be it for her; she got a job in a video store clerking DVDs but had recently been laid off. She wore white athletic shorts and a sky-blue halter top, her eyes glued to the TV. Her companion said nothing. There was a young man in the “kitchen” busy eating; he said nothing and then left abruptly. Braces said she didn't know what she would do next; she had thought about university but she had no money. I thought, where was the State when you needed it? Or was it simply a matter of not knowing, like contraception?

When we left braces and her moody companion, a man in his mid-forties stood at the doorway to the house opposite. He was naked from the waist up, and once he understood we wanted to talk, he excused himself momentarily. He took a short bamboo pole, retrieved a batik shirt hanging from his ceiling, and slipped it on. He was from the north, he told us, near Bahía, and had moved to São Paulo with a wife and three children some twenty years earlier to look for work. They had had another child here. He was short and tan, a roly-poly sort with thinning hair and a ready smile. He was also jobless; there was nothing for men over fifty, he said, and the State gives men very little in the way of subsidies or support. He said nothing of his wife, but proudly introduced us to his two yellow parakeets. He had only a secondary education and had pushed his kids to study harder, he told us, but to no avail. No money. Still, with a shrug and a smile, he said Brazil was the best – it had the best climate, the best soil, the best people. He turned his face to the sky, opened his arms wide, and said, “Brazil is paradise.”

We moved on, Cida telling us that everybody she knew in the *favela* had voted for Lula in the last election, but this time no candidates came to their neighborhood to litter promises. A toothless woman walked toward us and Noemi chatted her up. She wasn't totally toothless, it turned out; what few teeth she did have were badly chipped or crooked. She had two

children, she said, aged six and ten, both in school. Her husband worked for a company on Avenida Paulista, “pushing buttons.” “And you’re blocking my door,” she said. As she let herself in, I saw a pile of dirty laundry on the floor, a white cat curled asleep on top. A dime-store photo of Jesus hung on the wall, arms outstretched, a neon halo above his head.

As she closed the door behind her, it suddenly struck me: we had seen no churches in Favela Felicidade. No steeples, no bells, no ugly Baroque sanctuaries inspired by Spain or Rome. The picture of Jesus was symbolic of hope, perhaps; but He wasn’t going to bring the *favela* better sanitation or keep this woman’s kids in school or find them jobs. Yet the Catholic church seemed to have a stranglehold on these people. Religious hypnosis. A steady state of delusion. A trance.

When we turned the corner, Cida greeted a young man with friendly hug. He was black as coal, the first African we had seen, and shirtless, too. When he smiled, he displayed a top row of beautiful white teeth, perfectly even, like Chiclets. But directly beneath them was a wide gap: at least five teeth were completely missing. He was out of work, he said, but nonetheless full of good cheer, as was nearly everyone. Maybe it was something in Brazil’s water, or its air, but the persistent cheerfulness that pervades peoples’ spirits was inspiring. No Manhattan shrink would dare set foot in São Paulo for fear of going jobless himself.

Our friend said his name was Faro – which means beacon, he said – and worked “freelance” one or two days a week – doing what, exactly, he didn’t say. He shook hands every minute or two, and followed each handshake with a hug. Of foreign policy, higher education, or the influence of the Catholic Church he was clueless, and said so. But he was ready for a drink and invited us to meet him at a local bar. He had a cold, and snot drained from his left nostril. Every so often he would wipe it across the back of a hand, and those hands were constantly grabbing mine with eager handshakes and hugs.

For an instant, I was overcome by every traveler’s fear – inescapable, really – of catching whatever it was he had and winding up in some obscure local clinic diagnosed with a tropical upper-respiratory infection and confined to bed. Later that evening, at the hotel, I fished a half-ounce bottle of Purell from my kit, spread a healthy glob of disinfectant on both hands, and rubbed them faster and harder than Lady Macbeth ever did after successfully urging her husband to kill the king and take the crown for his own. Then I shoved it in a pants pocket and have kept it with me to this day, my new best friend and constant companion.

We declined Faro’s invitation to drink, preferring to stick with our street work. Cida led us up one alley and down another to meet another half-dozen willing residents, as the halo effect kicked in again. This condition stems from Kelley’s implicit personality theory, which holds that the traits we recognize in other people then begin to influence the interpretation and perception of later ones because of ensuing expectations. It was clear; we had to stop.

But Cida wanted to introduce us to her son, Roberto, who was at a friend’s house nearby, so she took us there. “House,” by Western standards, is an overstatement. Here was a family of four who lived in four rooms barely measuring ten feet by twelve overall, the approximate size of my library at home. A “living” room, with a linoleum floor, a small, threadbare couch, a pair of plastic chairs, and the ubiquitous small-screen TV in one corner with a chain of rosary beads hanging from the channel knob. The place was reminiscent of Freyre, who

notes that “the homes of the poor were built at the foot of the hills. The wealthy, the Jesuits, and the friars took possession of the hills to build their mansions, their churches, and their convents. To the poor were left stinking mud holes, mangrove swamps, marshes. And so shanties and shacks sprang up in the low, foul parts of the city. It was then that the crowding of the poor into areas not only unhealthy but cramped began.”

According to a study of lower middle-class housing carried out by Antonio Correa de Sousa Costa and presented to the Faculty of Medicine of Rio de Janeiro in 1865, their houses were even dirtier and darker than the shanties and huts of the poorest poor. “As a rule,” Freyre writes, “low, at street level, and with a minimum of windows, often with no floor, and only a roof to protect them. In others, made of clay, the floor was a thing of horror: bare earth, damp, black and sticky; the roof, a sheer sheet of tin, ignoring every rule of hygiene in its construction. The situation was made worse by the crowding in these cramped quarters.”

Roberto was 17, he said, with a megawatt smile that never went away; he had a year still left in school, he said, but he planned to enlist in the army and dispense with his military service first. Would he come back to finish? Smile. Roberto said he wanted to be either a doctor or open a haircutting salon after he got out of the army. Smile. His father, who I gathered was no longer around, had been a barber. His friend Luis had already graduated and was looking for work; he had decided to defer his military obligation for the time being.

Through Noemi, I asked to use the bathroom, and Luis gestured toward a beaded curtain that separated us from the next room. I walked through the beads into the kitchen, a four-by-four square with a makeshift sink, of concrete, against one wall, next to a single gas burner that sat atop a flimsy wooden case. There was no fridge, the *favela* way being common in most of the non-industrialized world: buy, cook, and eat what little you need (and can afford) each day. Next to the kitchen was the bathroom, and next to it a tiny bedroom with one bed.

The bathroom consisted of a porcelain bowl, squatter-style (no back, no seat), which sat on the floor but not level with it, as is the preferred style in Japan. The room was about three feet square with no wash basin and no bath. A single open tap poked through the wall, to one side, below which sat a blue PVC bucket; this was the flush mechanism. Another open pipe poked through the ceiling, directly above a small hole in the floor; this was the shower.

“As for sanitation,” Freyre notes, “the system that prevailed for many years in the cities was called the ‘tiger,’ a barrel that stood under the steps of the mansions into which the contents of chamber pots were emptied and, when full, carried away and dumped on the beach. The Negro in colonial days was obliged to perform this filthiest of tasks. He (carried) on his head, from the house to the waterfront, these barrels of excrement. By the time they were carried out, they were overflowing with filth; sometimes the bottom would fall out, drenching the bearer from head to toe. And the habit of defecating in a squatting position, like the native Indians, was so widespread, not only among the country people but among the poor, that even today there are Brazilians who are incapable of sitting on a toilet: they can only relieve themselves by squatting on the seat, often leaving it soiled.” [As a graduate student at the East-West Center, in 1964, in Hawaii, I had my first experience with this tradition. Exchange students from India, accustomed to a comparable technique, habitually left the men’s room in a putrid and unusable condition.]

The entire “system,” Luis explained to us later, backwashed in heavy rains. Strangely, other than a kind of musty smell, there was no lingering stench; however, I noticed a bottle of odor-eater in one corner, a testament to the Crocker-Henderson odor-classification system the two American researchers created in 1926 to distinguish clearly, and for the first time, the four fundamental odor sensations: fragrant, acid, burnt, and caprylic (“goatiness”). Of course. I had confused mustiness with goatiness. All this for a family of four, and yet the smallest unit I had encountered in the *favela* so far was a family of six. One comprised eight, of whom several were grown and out of the house, or they’d have been stacked in the bedroom like *salsiccha*, the spicy Portuguese sausage that was so popular here.

Luis had to leave for a job interview, so Roberto took us back up the alleyway and around the corner to his aunt Vida’s (Cida’s sister’s) bar. Whether this was the watering hole Faro had in mind earlier wasn’t clear, but when we arrived there he was, armed with a smile and a beer and another round of hugs for all. The “bar” was about the size of a walk-in closet, if that: barely five feet wide and maybe ten feet deep, with an old icebox at the back and a little counter perpendicular to one wall, with two stools. An old man sat silently on one of them, drinking shots of something dark and mysterious. He never said a word.

Aunt Vida looked to be about Cida’s age – late forties, perhaps – with a moon-shaped face and auburn hair, cropped short for summer. After welcoming us with hugs, she reached into the fridge and held up a bottle of Brahma beer. We shook our heads and, nearly in unison, said Pepsi. Out they came. Vida then popped a disc into a DVD player that sat on top of the icebox, next to a little flat-panel screen, and played a music video that featured a pop song that repeated itself endlessly. She had earlier been watching an afternoon soap, with a plotline that transcends cultural boundaries: sex, love, and gender conflict. With the prices of consumer electronics hardware dropping to bargain-basement levels, like agricultural commodities – aided and abetted by piracy – it was not surprising to see this setup in an unlicensed “bar” in a “Happy Slum” on the outskirts of one of the world’s monster cities.

Intellectual property piracy in Brazil is a billion-dollar industry, according to International Federation of the Phonographic Industries. This reportedly puts Brazil on the top-ten list (headed, to be sure, by China), implicating politicians, judges, civil servants, and the police. The IFPI says that six out of every 10 DVD discs or CDs sold in Brazil are bogus copies. But Brazil is one major country that subscribes to new technology called Free Software – short for open-source code, like Linux, which is available by direct download, gratis. The global coordinator of Linux v.2.4, arguably the most popular operating system in the world today and a big Windows rival, is a 22 year-old Brazilian from the state of Paraná, Marcelo Tosatti. One of Microsoft’s anti-piracy sleuths was in São Paulo this week, as well, offering Brazilian users of pirate editions of Windows a steep discount on the legitimate version if they would just reveal how they got the bogus copy. (Microsoft is also trying this approach aggressively in China, Turkey, and the Czech Republic.)

A half-hour later, we were back at the bus stop, thanking Cida and saying goodbye, when two squad cars, a pair of police motorcycles, and a cop minivan suddenly descend on the scene, lights flashing and sirens whooping, turning the bus stop into a crime scene from CSI: Miami. The motorbike cops leap off, pistols drawn, helmets akimbo. They hustle into the butcher’s shop behind us and disappear up a flight of stairs. Traffic in the street outside is

momentarily paralyzed. Rubbernecks stop and gawk. (Humans are hardwired to do this, everywhere in the world. No tribes are exempt.) Strangely, none of the other cops makes a move, not even to tell us to back off; they all simply stay in their vehicles.

A few minutes later, the helmets casually walk back out, pistols holstered. They jump on their bikes, kick-start them into gear and roar off, lights still flashing but sirens silent now. The squad cars follow, then the minivan. Slowly, the street comes back to normal. We ask Cida what just happened, but she simply shrugs and shakes her head. When she asks a few people herself, they shrug, too. A drug bust, Noemi says. No, a payoff, Cida thinks. Nobody knows. Then our bus arrives. After a final round of hugs, we're sitting jammed like pretzel sticks in a rush hour crowd winding our way back into town.

After a long day in the *favela*, my thoughts turned to Carolina Maria de Jesus, a Brazilian peasant who lived in the slums of São Paulo and completed only two years of school, but who had learned to write and kept a diary which was subsequently published as *Child of the Dark* in 1960 after she had come to the attention of a Brazilian reporter. Her book remains the only published account of a Brazilian slum-dweller in the 20<sup>th</sup> century.

Carolina Maria de Jesus was born in 1914 in Minas Gerais, a child of sharecroppers. Courtesy of a local landowner, she attended school for free; years later she would remember walking home, spelling out the titles on movie posters, and realizing that reading could be done anywhere, not just in school. She left after completing second grade and went to work, first as a farm laborer, then, like Cida, as a cleaning lady. She scavenged newspapers and magazines that were thrown out. Unlike many black women in that time and place, Carolina celebrated her race; she thought her skin and hair were beautiful.

Her three illegitimate children had different fathers, at least one of whom had been a wealthy white man. At thirty-three, Carolina built her own house out of used plywood, tin cans, and cardboard. In order to feed her kids, she sold the waste paper she collected for about twenty-five cents a day. She also collected discarded notebooks so she could jot down her life story, accumulating twenty-six of them from 1955 to 1958.

She wrote song lyrics, poems, plays, novellas, and a diary in which she recorded the events of her day. In the diary, she details the daily life of the *favelados* and bluntly describes the political and social facts which rule their lives. She writes of how poverty and desperation cause people of high moral character to compromise their principles and dishonor themselves simply to get food for their families. Saving money is impossible. Many, including Carolina herself, turned to alcohol and drugs to dull the pain of their existence.

Carolina was discovered by the journalist Audalio Dantas in 1958 while he was covering the opening of a small municipal playground. Immediately following the ceremonies, a street gang moved in, claimed the area, and chased the kids away. Dantas saw Carolina standing at the playground shouting "Scram, or I'll put you in my book!" The intruders scrambled. Dantas asked about her book; she was shy at first, but took him to her shack and showed him her notebooks. He asked for a small sample and ran it as a column in his newspaper.

Her story “electrified the town,” and in 1960 *Quarto de Despejo* (*The Garbage Place*, released in the United States as *Child of the Dark*) was published. It became the most successful book in Brazilian publishing history. Although written in the simple language of a *favelada*, her book was translated into thirteen languages and became a bestseller in North America and Europe.

*When I die I don't want to be reborn  
It is horrible, to put up with humanity  
That has a noble appearance  
That covers up its terrible qualities  
I noted that humanity  
Is perverse, is tyrannical  
Self-seeking egoists  
Who handle things politely  
But all is hypocrisy  
They are uncultivated, and trickers.*

This book was her ticket out of the *favela*, and there are photographs of her moving from the shack into a small brick home. She wrote a second book, *I'm Going To Have A Little House*, which described her attempts to deal with fame and fortune in a world where the higher classes were willing to accept her writing, but not her. Her strong will and independent personality, rather than simple gratitude, were deemed inappropriate for a black woman from the slums. No one showed her how to deal with ordinary middle-class realities like opening a bank account or making a plane reservation, and she fell back on her previous habits and behaviors simply to survive. Carolina Maria de Jesus died forgotten and still in poverty in 1977, at the age of 63.

After the long bus rides, we washed up and had dinner at Bar Brahma with Noemi's friend, Helena, a forty-ish medical doctor who had trained in public health and who now works for Banco do Brasil. She wants to return to government work, she said. She missed it. When I asked her about birth control and state policy, she said that her parents, who are good Catholics, used condoms and that she, a physician who works under the national healthcare system, dispenses them, too. Because abortion is illegal in Brazil, affluent pregnant women can go to private clinics and have them done for a fee, she told us, but their doctors would still be breaking the law. Poor women are subject to the whims of risk, doubt, and uncertainty, and it looks like the invisible hand of the Catholic church is busy at work here (though maybe it's not so invisible). Government spending on health is relatively low, Helena told us. According to a 2005 study by the OECD, Brazil spends less on public healthcare than on maternal nutrition, “slum upgrading,” or school lunches.

We lingered awhile at the Brahma until Helena glanced at her watch, noticed the late hour, and excused herself, saying she had a long drive home. After we concluded the Byzantine pass-and-exit routine and said our goodbyes, Noemi and I strolled through Praça República to the Bourbon for a few last words. As I looked around, the lights were on in practically every building. São Paulo simply sprawls; it reminds me more of Tokyo (*favelas* excepted) than any other major city I've visited. Except for Avenida Paulista – skyscraper row – São Paulo seems to expand in every direction with a never-ending array of nondescript, low-profile office buildings, residential complexes, and retail shops. On and on it goes, virtually

endless, an urban carpet as far as the eye can see. It remains a magnet for the poor from Brazil's agricultural northeast, who see the city as a source of jobs and a key to the future, if not for them, then for their children. São Paulo and south is a first-world country, Brazilians say. Rio and north, the third world. I can't wait to visit Manaus and see the Amazon.

Still, one can't help but wonder about Brazil's future, and how vibrant it will be, without a greater commitment by the government on education to train more knowledge workers for the kinds of jobs the future will demand. Political and broadcast demagogues in the United States refer to this trend as "outsourcing jobs" – to India and China, primarily – and they scathingly criticize American companies for doing it. But if the workers in Bangalore or Beijing are better suited for the knowledge-intensive work these jobs require than their American counterparts in Brooklyn or the Bronx, that's where the foreign direct investment will continue to go. Not to America's distressed urban areas, though it's badly needed, and not to countries in the developing world that lag behind Asia's pace-setting trends in education and worker training. With nearly three-fourths of all FDI going to East Asia, the die seems irrevocably cast. Asia is the future, not Spanish America. Sadly, not Brazil.

### *Santiago, Chile*

At first, the queue at the LAN Chile counter at São Paulo's Guarulhos airport three hours before departure the next day was short – only a handful of people. A sign on the counter – in Spanish, Portuguese, and English – said "Open at 14:00," but nobody was there. The staff never showed up until 14:30, by which time the queue was quite long, snaking quietly single-file through the airport lobby. When they began to check us in, it took about ten minutes per passenger, at which rate – *quien sabe?* – I figured we'd be at least three hours late departing for Santiago. In this case, the way airlines were treating passengers these days, there would be no food for an unscheduled meal. And it looked like it was going to be another full flight. (It was.)

Eventually – *mañana* – another pair of LAN clerks meandered lazily out to staff the counter and somehow they managed to get everyone checked in on time. After snailing through the equally long (and equally slow) security and immigration lines, some Ronaldinho soccer (football) shirts displayed in the duty free shop caught my eye so I wandered over to check them out. The price was R\$139.- (~US\$66.-) for the privilege of wearing the shirt of the world's #1 player. Plus it came with the Nike *swoosh* logo stitched over the right breast. You could pay even more for Team Pirelli shirts, which were sponsored by Adidas. In my mind, they had this all wrong: they should pay *us* to wear the shirts, because we're advertising *them*.

Three and a half hours later, the LAN Airbus began its descent toward Santiago. "An intensely pink, almost violet sky cast its last light onto the navy blue mountains surrounding the valley," the Polish author Ryszard Kapuściński wrote, on the occasion of his arrival in Kabul some forty years ago. Santiago was a mirror image. "The day was dying, sinking into a total and profound silence, the hush of a landscape..."

Santiago's new international airport has a spanking new departure terminal upstairs but the arrivals hall downstairs was still under construction. It's very dark and dreary, particularly when you arrive at dusk, as I had. Chile does not "require" a visa of visiting American travelers; instead, it insists on a "reciprocal visa" that must be purchased on arrival.

Washington mandates a tourist visa for visiting Chileans to the US, so Chile “reciprocates.” But there were no signs anywhere for these reciprocal visas. I proceeded directly to immigration, thinking they’d simply stamp my passport and take payment there (presumably pocketing it). But when the drowsy immigration official flipped through my passport and found no “visa,” he hurriedly mumbled something in machine-gun Spanish and pointed back toward the end of the line.

As I searched for some kind of reciprocal visa booth, I saw only a line of empty kiosks, each with a sign saying *cerrado* posted prominently in front. I was about to give up and ask for help in broken Spanish when I saw the reciprocal lady flirting with the foreign currency guy in his cubicle. I held up my passport and she went back next door, where she took my five twenties (in cash), stamped a receipt, and stapled it upside-down to the last page.

Most travel advisories recommend taking the TransVIP shuttle vans to *centro*, the cheapest, safest, and most reliable transportation from the airport. Most international airports, JFK included, seem to be populated by crews of cab drivers looking for an easy mark. The *Times* runs occasional stories about the clueless foreign visitor who winds up paying \$125.- for a straight \$35.- trip to Manhattan by way of Long Island and the Triborough Bridge, with an unscheduled (and involuntary) tour of the Bronx included. Latin airports are similarly populated, too, but with the added attractions (also involuntary) of kidnapping, extortion, and even murder. So I made a beeline to the TransVIP desk and quickly bought an \$8.- ticket to town, confident that I would get there without hassle.

In our minivan, a young American graduate student shared the back seat with a returning *Chilena*, a thirty-something woman on her way home. He was in the country for the first time, he said, in halting Spanish, and planned to stay several months to hone his language skills. The rules of the game are, if a foreigner shows enough courage to embarrass himself in your native tongue, you speak it and try to help. She didn’t bite. She responded to his Spanish questions with English answers, which was a waste of his time. In situations like these, it helps to have memorized a few expletives or idiomatic expressions in the target language before you leave home, if for no other reason than to shock your interlocutors into playing along.

But he didn’t, and she wouldn’t, and the ride was uneventful, except for the fact that the driver made a wrong turn at the airport exit and drove *away* from Santiago, until another local rider finally straightened him out. It wasn’t me, though I did wonder why we were heading away from the mountains and had simply chalked it up to trainee day. Or a flaw (truth in advertising). Maybe TransVIP was a scam, I thought; once they got going they’d pull onto a dark shoulder of the highway and shake us down. But all these fears proved groundless and the driver eventually deposited me, an hour and a half and several stops later, across the Alameda from my hotel. He knew where it was, at least.

The sun was already up the next morning when I went for an early jog around *el centro*. Santiago is to the Andes as Salt Lake City is to the Rockies: a sprawling metropolis that squats in a flat brown bowl, a valley surrounded by stunning, snow-capped peaks. But as your glance comes down from mountain highs to street-level lows, it can be disconcerting.

Is it the fault of the native Mapuche tribe or the conquering Spanish, I wondered? Dust everywhere, old beat-up city buses parked along the highway, graffiti-marked, muddy and unwashed. Mosaic tiles in the sidewalks pockmarked with potholes, construction debris swept into piles and left untended. A homeless person sleeping in the alleyway next to my local “five-star” hotel, the Plaza San Francisco (note: \$85.- a night); at the next corner, a large pile of trash being picked apart by a flock of pigeons. Trash seems to be everywhere – lining gutters, jammed in tree wells, even stuffed in the potholes themselves. There is the usual collection of water bottles, beer bottles, plastic bags, Styrofoam boxes from Burger King, empty cigarette packs, crushed butts – the flotsam of our modern world.

Still, the area around the perimeter of the Plaza San Francisco resembles nothing if not a *faux* 19<sup>th</sup>-century Left Bank neighborhood: cobblestone streets, a boutique hotel here, an Internet café there, a wine shop on the corner. Two square blocks of unreality. If you squint to avoid the ubiquitous trash, you could almost imagine yourself in Disneyland.

Not a trash bin in sight, and in the historic *centro*, too, a stone’s throw from the Plaza de las Armas, where Augusto Pinochet’s tanks rumbled in to launch his coup in 1973, under Henry Kissinger’s guiding hand and ably assisted by the CIA, to overthrow the democratically elected government of Salvador Allende, bringing to Chile the free-market measures being incubated by Milton Friedman’s Chilean acolytes at the University of Chicago, known locally as the “Chicago Boys.” But Pinochet’s economic policies went hand-in-glove with seventeen years of serious human rights abuses – repression, brutality, torture, and the forced “disappearances” of several thousand political opponents. Yes, well, as his defenders are quick to point out: Hitler built the autobahn and Mussolini made the trains run on time.

Maybe the CIA enjoys the occasional success, but it’s not easy to tell based on their notable failures. They orchestrated the overthrow of Mohammed Mossadegh in Teheran, in 1953, a nationalist and democratically elected president of Iran who opposed foreign intervention in Iran’s economy (he nationalized the Iranian Oil Company). This enabled the Shah to return, until he was deposed by Ayatollah Khomeini in 1979; we live in the remnants of that blowback today. Then there was the infamous Bay of Pigs, in 1961; the invasion of the Dominican Republic, in 1968; Pinochet’s overthrow of Allende, in Santiago, in 1973; General Videla’s coup in Buenos Aires, in 1976; the Iran-Contra affair (Irangate), in 1986; and a full-court-press of dysfunctional intelligence that led to the invasion of Iraq in 2003. *Plus ça change, plus c’est la même chose.*

These events are just the public tip of the iceberg; their offspring continue today with a silent partner called the Pentagon, which conducts covert programs called Joint Combined Exchange and Training [JCET] in foreign countries. JCET is secret and not accountable to Congressional oversight. This enables Washington to provide lethal-tactics training to states that are prohibited by Congress from receiving assistance under the International Military Education and Training Program [IMET], which *is* subject to Congressional review. Under JCET, US Special Forces are providing assistance to military units in Columbia, Guinea, Indonesia, Pakistan, Rwanda, Suriname, and Turkey, despite Congressional criticism of their respective human rights records.

I was a young undergraduate in Texas when the Bay of Pigs fiasco occurred, and that’s when I lost my political virginity. I’ll never forget the day our State Department spokesman held a

major press conference not long after the invasion and, on national television, said that “the United States government has a right to lie to its citizens in the interests of national security.” In 1972, following the Watergate break-in, President Nixon lied to the nation and denied having anything to do with the affair. In 1986, President Reagan said his administration had nothing to do with the sale of Israeli weapons to Teheran and denied that this event was related to the release of Americans taken hostage in the US embassy there.

This is all stale news, of course; the problem is, it keeps getting freshened up. When Philip Agee published his scathing, inside account of the CIA [*Inside the Company: CIA Diary*. New York: Stonehill, 1975], he was forced into hiding when his former employers tried to kill him. (The Ayatollah, it seems, is not the only authority capable of issuing a *fatwa*.) Agee detailed the paramilitary and psychological operations the CIA used in foreign countries. “The cardinal rule in planning PP operations,” he writes, “is 'plausible denial', possible only if care has been taken in the first place to ensure that someone other than the US government can be made to take the blame. PP programs can be found in nearly every CIA station. Psychological warfare includes propaganda (also known simply as 'media'), work in youth and student organizations, work in labor organizations (trade unions, etc.), work in professional and cultural groups and in political parties. Paramilitary operations include infiltration into denied areas, sabotage, economic warfare, personal harassment, air and maritime support, weaponry, training and support for small armies.”

Over the years, the CIA has created a virtual alphabet soup of front organizations abroad that create dysfunctional propaganda. Joseph Göbbels, who famously said that “people will believe a big lie rather than a little one, and if you repeat it often enough people will sooner or later believe it,” had nothing on the CIA, which created (and financed) the Anti-Communist Christian Front; the American Institute for Free Labor Development (AIFLD), a CIA-controlled labor group funded through the US Agency for International Development (AID); the Argentine Federal Police, used for phone tapping; the Catholic University Youth Organization; the Center for Economic and Social Reform Studies (CESRS), a reform businessmen’s organization; the European Assembly of Captive Nations; and on and on.

Oh, and lest I forget, the Asia Foundation, too, which was one of the good guys. Or so I thought in 1966, when I applied to work for them in Southeast Asia as a freshly-minted grad student. But as I was weighing their offer, it was disclosed that they, too, were a cover for the CIA in Asia, collecting covert intelligence through their several branches in Tokyo, Seoul, Taipei, and Bangkok. So I declined and went to work for AID instead, helping train public works officers for assignment to Laos and Thailand. Little did I know then that AID also worked hand-in-glove with the CIA. <Sigh.>

Propaganda fronts can create press releases faster than many bona fide news organizations themselves; when we read quotes in the daily press by spokesmen from groups with unfamiliar acronyms, one is hard-pressed not to believe they’re not created from whole cloth. Nearly twenty years ago, Ed Herman and Noam Chomsky wrote a brilliant book on the subject of propaganda titled *Manufacturing Consent* (New York: Pantheon Books, 1988), which documented the immense power of information concentrated in the hands of major American industrial corporations, the national print and broadcast media, and the Federal government. Add the CIA and its many tentacles and you don’t have to wonder why the

major media were such cheerleaders for Washington's propaganda efforts in late 2002 that served as a runup to the invasion of Iraq. All the news that's fit to print? One wonders.

But I digress. My visit to Santiago coincided with front-page news in *El Mercurio*, Chile's leading daily, that the Chilean lefty tennis pro, Marcelo Ríos, would soon play an exhibition match against Andre Agassi as part of his plan to return to the ATP Tour. Ríos, called *El Chino* (the Chinaman), is a former #1-ranked player and the only Latin pro to earn the world's top ranking without ever having won a Grand Slam title. His nickname stems primarily from his reserved nature, but he looks more like a drug dealer or a thug than an Oriental potentate. He sports a perennial 2-day growth of beard and ties his long black hair back, street-style, in a ponytail. He needs nothing more than a major image makeover, which might also improve his output on the court. When I saw him play the US Open, in the late 1990s, his performance, like most of the slow-court specialists, was characterized by nonchalance if not outright laziness.

Also on *El Mercurio's* front page was the Cardinal *arzobispo* of Santiago, Francisco Javier Errázuriz, quoted as being "shocked" by the corruption and violence in Chile. His comments did raise a fundamental question: where's he been all these years, and his Church, if not flying the flag of hypocrisy? He brought to mind that famous quip, from *Casablanca*, when Captain Renault, coolly played by Claude Rains, says to Bogey's character, Rick Blaine, as the croupier hands Renault his winnings: "Rick, I'm shocked – shocked! – to hear there's gambling going on here."

But the unkempt, generally undistinguished, slovenly look to Latin American cities – is this a Spanish influence or is it somehow embedded in the native DNA? In Santiago, the poster child for free-market economies, adobe façades are crumbling, exposing the brickwork behind; concrete steps are chipped and in disrepair; cobblestones in disarray, loose and unkempt. These traits used to be associated with crummy socialist systems everywhere, from Moscow to Havana, where the architecture was plebeian and nothing was maintained in good condition. Which seems all the more ironic in modern, free-market Santiago...

There was news, too, of more instability in Bolivia, where president Evo Morales was hosting a new alliance of Andean countries called *Comunidad Andina de Naciones*, whose acronym CAN was equally prominent in the local press. Chile's new president Michelle Bachelet, a medical doctor, was there, confirming her country's willingness to join. Nothing was mentioned in public, but one wonders if the new alliance was being organized to counter Mercosur. Which raises a more fundamental question: why two economic alliances in Spanish America? Europe wrote the manual on economic integration; why not take a page from that book and create a unified market – call it the Latin Union – and eventually a unified Latin currency like the Euro – a *peso Latino*? Political union may be a bit much to hope for. You think?

La Plaza de las Armas dates back to 1541 and the founding of Santiago by Pedro de Valdivia. It was the historical center of the city and is so-named because it was a protected area in the town center for storing weapons. The square is bounded on two sides by the Cathedral de Santiago, in front of which stand the plaster statues of two early Jesuits (I didn't ask their names), and the Museo Histórico Nacional. The museum is small but takes you through nearly five centuries of Chile's history in six rooms on two floors; about half the exhibits are

either unlabeled and the other half are undated, assuming the visitors will simply know then this Generalissimo or that *arzobispo* reigned supreme.

It was here that I met Chile's very own Irish hero for the first time. Bernardo O'Higgins Riquelme was Chile's first native head of state, having commanded the military forces that won Chile's independence from Spain in 1817. O'Higgins was born in Chillán, in southern Chile, the illegitimate son of Ambrosio O'Higgins, Marquis of Osorno, Marquis of Vallenar, Baron of Ballynary. The father was an Irish-born Spanish officer from County Sligo, Ireland, who had been a Spanish colonial administrator. He was military governor of Chile from 1788 to 1796 and later viceroy of Peru (1796-1801). Bernardo never met his father in person, legend has it, because Spanish government officials in Latin America were forbidden to marry locals. His mother, Isabel Riquelme, was a prominent *Chilena*.

La Plaza de las Armas has two bronze statues that grace its center: the equestrian statue of Pedro de Valdivia, founder of Santiago, and Simón Bolívar, *El Libertador*, a native of Venezuela (but educated in Spain) who led the fight for independence and liberated Spanish America from Spain after two years of intense warfare lasting from 1817 to 1819. His name was subsequently given to Upper Peru when it was officially renamed Bolivia, in 1821.

Off to one side of the Plaza is La Casa Colorada – the Red House – which was the residence of Santiago's first governor. Today it contains a few artifacts from Chile's pre-colonial past: some simple clay pots, crude digging tools, a spear or two and a couple of bows (yawn). There were apparently two dozen native tribes, each speaking a different language, in the territory that eventually became Chile. Lots of dialects, but no written records. Come the Conquistadores. Question: why pick a fight, beyond the fact that fighting is hardwired into humans? Several of the native tribes, most notably the Mapuche, which still number nearly a million in Chile today, were warriors, too. The Conquistadores said, in effect, we're here from Spain, and we've got – what? – horses and olive oil and some powerful new weapons called guns. Let's swap. What have you Mapuche midgets got? Ah, yes, trinkets, a few furs, some indigenous fruit. No, thanks. But wait – what's that glittering over there? *Oro!* We'll take that, thank you very much. Not for sale? Too bad. Bang, you're dead. And so it goes, from Spanish America to Iraq, where the booty is black gold.

Conquest, here we come. Father Javier here will throw in a little Catholicism for good measure. Oh, yes, and a new language, of course. We'll help you create an Hispanic legacy in Latin America: many children, no science, no industry, very little literature, and some mediocre art inspired by Mary and Jesus and personified by our very own Baroque architectural style. These we freely give you. For ourselves, we will create an elite, which will control everything from agriculture to finance to trade, and we'll reserve educational opportunity exclusively for ourselves at the best academies so our children can inherit the wealth that we have just snatched from you. But not to worry. You will be poor but happy, illiterate and rightly fearful of Father Javier, who will show you, through his *arzobispos*, how to worship God Almighty and to procreate abundantly in His name, and in the name of Mary, the Mother of Jesus, forever and ever. Amen.

Chile's pre-colonial, pre-Columbian, pre-conquest past is best depicted in Santiago's Museo Chileno de Arte Precolombino, housed in a modest two-story 19<sup>th</sup>-century building catty-corner from the old Congress building (now closed). Case after case of *gnaluchos* (small

metal anthropomorphic figures), metal spurs, tribal ornaments, warp-tie died blankets, stone flutes, clay pots and jars with their distinctive Mapuche crosshatch design. Plus an abundance of stone tools, weapons, and shiny silver breastplates that bore witness to the warrior nature of the Mapuche, all organized chronologically and expertly displayed. At the entrance are several stanzas, in Spanish and English, taken from the 16<sup>th</sup>-century epic poem “La Araucana,” by Don Alonso de Ercilla y Zúñiga. “The simple people of these lands,” he writes, “with their honest kindness and endearments, showed that cupidity had not yet entered the wilderness; nor stealing, wickedness, injustice, the ordinary nourishment of wars, had gained entrance to these sites; natural law had not yet been defiled.”

Santiago is crisscrossed by several underground subway lines, but judging by the traffic congestion above ground, relatively few people were using them. In São Paulo, the subways are packed with people but there is no commercial advertising in the corridors. In Santiago, there are very few people but wall-to-wall ads throughout the underground corridors, no doubt another contribution by the Chicago Boys. There are also flat-panel displays suspended from the ceilings above the sparsely populated platforms with non-stop advertising from morning to night. Strangely, there’s not a single automated ticket dispenser to be found (nor in São Paulo, either, for that matter). In Santiago, you can guess why: it may be cheaper to pay underemployed workers a buck an hour to dole out tickets than it is to invest in and maintain expensive computerized equipment.

So the queues snake around the *bileterias* like opening night at the cinema and besides, who’s watching the clock? This is the land of *mañana*. It reminded me of the time, nearly forty years ago, when I was in graduate school and working part-time in Tokyo on a study of the Tokyo subway system, where in 1967 all tickets were sold manually, as well. American equipment manufacturers were interested in selling (or licensing) automatic ticket dispensers but couldn’t justify the layoffs that would inevitably result, layoffs that went against the grain of Japanese business culture, layoffs that the Tokyo metro unions naturally and vociferously opposed. (The Americans also couldn’t get it through their thick skulls that even when the rules eventually changed, which they did, only Japanese manufacturers would get the ensuing supply contracts. Their time would have been better spent looking for partners and not floor space.) It would take the Japanese nearly a generation to introduce automation to their subway system; when the machines came, around 1980, they came with a vengeance, were supplied by Japanese manufacturers like Omron-Tateishi, and were installed wall-to-wall.

As I strolled around *el centro*, I was sorry not to have had enough time to get up into the mountains. Several months earlier, though, I had contacted Habitat for Humanity, applied online, and was accepted into one of their Chile “builds,” providing I “passed” an oral interview that was designed to test your Spanish and confirm your prior overseas living experience. I leapt that hurdle somehow, but when I saw where the Habitat project was going to be sited – in Iquique, bordering the Atacama Desert, a 12-hour bus ride from Santiago – I called the project leader back. Two full days of our tenure in Chile would be lost to travel, I said, so could I offer to contribute local airfare, which was relatively cheap, for the team? She said she’d get back to me; when she did, she said the Iquique build had been cancelled.

So I poked around Habitat’s Website to learn more about its international projects – they have these “builds” all over the world, and most people are familiar with photos of Jimmy

Carter or Jesse Jackson or (more recently) Bush *père* wearing hard hats and holding hammers and grinning for a photo-op. Habitat asks that you pay your own airfare – understandable – and donate a project “fee,” typically about \$2,000.-, which goes toward housing and food. Fine. But in its tax returns, Habitat discloses quite a large expense – \$100 million in 2005 – as financial support for its international partners. What was *that* all about? When I called the project leader back to ask, I was brusquely informed that if I had so many questions, perhaps I would be happier in a more structured program somewhere else. *Adios*, Habitat.

Next I strolled from La Plaza de las Armas to the Palacio de Gobierno, the Chilean White House, where Pinochet had ousted Allende in 1973 and caused his suicide). It is surrounded by Stalinist-like, low-rise, cheeseblock architecture, uninspired structures that house a host of Chilean government ministries today – Foreign Affairs, Public Works, Agriculture, the Central Bank – all ringing the Congreso Nacional like uniform wooden blocks, unremarkable, smog-stained and gray. A grim and grimy scene, so un-free-market.

I paid a visit to the Teatro Municipal, inaugurated in 1857 with a performance of Verdi’s *Ernani*, but it was hard to find because it’s lot more than a low-profile replica of l’Opéra. Perhaps that’s because it had been erected under the supervision of Charles Garnier, who built the *le vrai* Opéra in Paris. His Santiago version burned to the ground in 1870 and did not reopen until 1873.

Thence to the Bar Nacional, billed as one of Santiago’s most historic watering holes; it merits only a pair of yawns. It may have been something special in the 1930s but is a shadow of its former self today, with a linoleum floor, stainless steel-and-naugahyde chairs, and Formica tabletops that evoke a strong *déjà vu* sense of the 1950s and the overrated, gristly steak-and-potatoes menu that goes with it. ESPN was broadcasting a local football game that BN displayed on a large flat-panel screen and that mesmerized the few people present, waiters and busboys included. Canary-yellow city buses belch by, diesel-fired and backfiring, old and dirty, dust-encrusted and crowded, their windows and sides sprayed with graffiti that belies Chile’s reputation as a more advanced, modern economy. At infrequent intervals, a spiffy new lime-green Volvo import whispered to the curb, sowing seeds of hope.

I took the subway out to Las Condes next. Las Condes is Santiago’s poshest neighborhood, where the ground-floor levels of Fifth Avenue-style apartment buildings along the Avenida Vitacura are filled with luxury boutiques bearing world-famous names like Burberry, Tommy Hilfiger, Polo, Versace, and Valentino, plus a host of upscale stores with unfamiliar local names like Almacenes that sell expensive handcrafted clothing based on Mapuche colors, patterns, and designs. They were all inexplicably shut that Saturday afternoon. Totally dead, like Rodeo Drive in Hollywood after an 8.8 on the Richter. Only a solitary Starbucks was open for business but it might as well have closed, too, so few were the customers that day.

I tried a little broken Spanish on a security guard who sat at the front of Almacenes, leaning back in a chair propped against the storefront, a classic character out of a John Ford western. His eyelids drooped, his holstered pistol a tempting target for any passing troublemaker, his answers to my questions abrupt and short: *quien sabe?*, *no se*. Another security guard, sitting half-asleep in a surveillance vehicle with the door wide open, was, when awakened, a bit more forthcoming. What did he think about Chile’s female President? Not the first time, he

said; Argentina had led the way with Evita Perón. Madonna was arguably more famous in the singing role than Juan Perón's political successor herself. But virtually all of Pinochet's victims had been men, and a wave of female empowerment erupted, inspired by the wives, mothers, and daughters of Chile's own *desaparecidos*. When this guy found himself unemployed, he said, his wife wouldn't let him mope around the house: she pushed him out to find another job.

The closest subway station to Avenida Vitacura was Ecole Militar, the Military Academy where Chile's army officers trained, where Augusto Pinochet was hospitalized, under the care of military doctors, and where, the very next day, he would die. Little did anyone know, or even suspect, that the plaza fronting the school would shortly be flooded with *manifestadores* as news of his passing filled the streets.

Chile's economy was much in the news while I was there (despite the fact that, as in São Paulo, there were no copies of *The Economist* or *The International Herald Tribune* at any kiosk in centro). The price of copper had quadrupled since 2003, pushing \$3 a pound, giving Chile an export windfall and bolstering the Central Bank's foreign exchange reserves. This in turn has strengthened the peso and made Chile's exports less competitive, generating complaints from wine producers and fruit exporters. Like Brazil, Chile's economy is still dominated by natural resources -- agricultural products and minerals, like copper and tin), with less than 20% of GDP comprised by manufactured products, and those primarily for domestic consumption. President Bachelet's center-left coalition -- between her Socialist Party and the Christian Democrats -- is struggling with how to use this windfall

Her cabinet's deliberations are further complicated by a law that guarantees the military ten percent of government revenues from copper exports, legislation that predates Pinochet but was made more generous during his rule. So the Chilean military went shopping and has bought nearly \$3 billion worth of weapons since the year 2000. A recent study showed that Chile spends more per-capita on military expenditures (\$90.88 per inhabitant) than any other Spanish-American country, and the country's 2006 copper export revenues are expected to give the army another \$1 billion windfall in 2007. By contrast, Pinochet's administration never built a single hospital during the seventeen years it was in power, from 1973 to 1990.

Today, Chile's GDP, like its modest population of just 16 million people, is comparatively small: \$100 billion in 2006. Singapore, whose influence in East Asia far outweighs its small size, produces a GDP of \$125 billion with a population of 4.4 million people. Besides high finance -- corporate banking, leasing, and some sophisticated financial services -- Chile's economy is still dominated by extraction: mining, forestry, fish, fruit, and wine. The environmentalist Sara Larraín chides her country's government for slavishly following "the model of a colonial economy continued into the present." Chile's economy may rank 20<sup>th</sup> in the world for its vaunted "economic freedom," but it ranks only 50<sup>th</sup> for innovation.

I returned underground late that afternoon to *centro* by way of Museo Bellas Artes, Santiago's very Parisian art museum, whose location was mirror-reversed on a street map opposite the metro station, making it harder to find. There were surprisingly few people on the street and none in the museum; the only ones there were a half-dozen guards who ambled about aimlessly in the lobby. Sidewalk cafés were vacant, park benches bare, streets empty. When I

inquired, all I got was a shrug. Siesta-time. *Nada*. Then, as the sun dipped below the mountain peaks in the distance, turning the cirrus clouds a radiant peach, I made the long walk to Torres, another of Santiago's historic cafés (“since 1875”), home to politicians and poets alike. It, too, was practically empty, but it had cotton tablecloths and cotton napkins and old black-and-white photos on the walls evoking happier times as German drinking songs looped quietly in the background (if German drinking songs can ever be quiet). Its ambiance was strikingly similar to that of Balzar, a favorite Parisian brasserie on the rue des Ecoles, around the corner from the Sorbonne and a block from *la boule Miche*, now no longer family-owned but a reluctant newcomer to the Flo group that owns and runs La Coupoule, Julien, Bofinger, et.al. Its grilled *pollo* was quite tasty, the Merlot too.

*Domingo*. Sunday. Back briefly to Weapons Square, where the locals were out in great number by mid-morning, another day of streaming sunshine at 3,500 feet, with temperatures comfortably in the 50s. The plaza swarmed with the diminutive Mapuche, olive-skinned, eagle-beaked, and dark-haired; in a Norte Americano locale, it could have been a local convention of lawn-maintenance laborers gathering to negotiate hourly rates. The ice cream vendor was there, and a bevy of chess games under the gazebo, and a burro ride for the kids, and a sweating Santa, looking sad, with not a single child waiting to climb into his lap.

The ethnic masses and their cultures are really four broad and distinct groups that tend to be indiscriminately lumped together under the facile but vague term “Latin America,” Freyre writes in *Masters and Slaves*. The first is that formed by the white or mulatto republics of the River Plata region [Argentina] and Chile, where “the climate and physical conditions in general encourage the type of colonization that is most favorable to the development of a predominantly European society. The second is typified almost exclusively by Brazil: a region where the European element never found itself in a position of absolute and undisputed domination. The third group is represented by Mexico and Peru, where the conflict of the European with the indigenous civilizations, the presence of mineral wealth, and the colonial system of exploitation resulted in an ‘antagonism of races’ rather than a ‘harmonious amalgamation,’ and in the creation of a European superstructure beneath which ran strangely remote and turbulent currents. The fourth group is represented by the Caribbean islands, where the European element is at most but a veneer.”

It was a short, 3-block walk to Mercado Central, the old fish market arrayed now around a central food court owned and supplied by the fish merchants, having celebrated its *centenario* just two years before. A similar *centenario* was being celebrated at Santiago's Estación Central, the old train station that was now empty and barren. All the cafés, located along the vacant platforms, were *cerrado*. But a small exhibition room was open on the lower level, near the odoriferous toilets; it had an array of tinted black-and-white photographs of grotesque Brazilian prostitutes, taken in or near the *favelas* of Rio de Janeiro, a few years before. That Brazil would tolerate such a scrungy exhibit I found surprising, though perhaps it said more about moral tolerance than about revulsion. The exterior of the station was a distant cousin of d'Orsay, one of Paris's most prized architectural creations, so brilliantly converted from 19th century terminus to contemporary storehouse of European impressionists like Pissaro and Monet.

Cart merchants arrayed their wares along the *paseo* and on little footbridges that span the Mapucho River. This ribbon of water slices through Santiago, carrying runoff from the Andes and at a furious clip, too. There were candied apples, cheap winter caps, knockoff sunglasses, pirated CDs and DVDs, plastic slippers, every sort of cheap knick-knack and assorted tsochkes. Another Santa stood in the full sun, he *sin niños* as well, sweating through a polyester suit, no doubt imported from China. There were cheap children's duds, T-shirts and crude shoes, reminiscent of Robert Hall or S. Klein or the "Little Mexico" squares scattered throughout the American southwest, from Albuquerque to Brownsville.

Mid-morning mass at the Cathedral de Santiago, back at Weapons Square, was packed; the monsignor droned on, the masses responding in unison to his verbal cues. I was struck once again by this power-hungry "catch and release" religion that wields such devious control over its adherents. The key is power-sharing between the political elite and the clergy -- it's in both their interests to collaborate -- they form the perfect junta, complete control. Who said that if organized religion didn't exist, we'd all be living in a police state? There may be a grain of truth in this aphorism, though the Latin cultures have had their share of organized religion and police states, both often at the same time. The church as prison, the padre as parole officer....

Most of the pews were filled with women, old and young alike. One side-effect of female empowerment in Chile is that nearly a third of Chilean homes are headed by women now, and almost two-thirds of the country's children are born out of wedlock. (So much for the Church.) History shows that intact, two-parent families are a key to social stability. It will be interesting to see if street gangs, teenage pregnancy and unemployment, and drug wars will come to dominate the news from Santiago ten or fifteen years from now.

Harry Potter was the biggest film star in town; I had no idea he spoke such fluent Spanish. Outside my hotel, some workers were on strike, banging drums and blowing whistles all day long, trying to attract whose attention, exactly, I had no idea. Visiting *gringos*? Latin businessmen? Maybe that gaggle of Japanese women who were in town as part of a swing through the cone. I never did understand how this noisemaking helped their cause.

A paucity of English, even in the hotel, despite Chile's reputation as the darling of American free-market strategy. Strange. But it's no drawback if you want to practice a little halting Spanish, if only the taxi drivers and pedestrians didn't speak machine-gun style -- *¡demasiado rapido, mas lentamente por favor!*

Corpulent seems to be the new look, here as in Brazil, news from the fashion runway in Rio notwithstanding. The more diminutive, demure Mapuche are *piñata*-plump rather than rail-slim. I never saw another jogger the whole time I was there.

Suddenly, Pinochet died, at 14:15 on Sunday afternoon, December 10th, at age 91, without ever having been brought to trial for his crimes. In a recent poll, 55% of Chilenos said he shouldn't be buried with state honors, and President Bachelet didn't disappoint: she stayed away from his funeral the next day, dispatching Vivianne Blanlot, her minister of defense, instead. Bachelet's late father was an air force general who had been tortured and killed by Pinochet in 1974; the next year, she and her mother had been detained and questioned for

several months at Villa Grimaldi, Santiago's most notorious torture center, until she was released through the intercession of powerful friends and sought temporary exile abroad.

Several thousand people jammed the Plaza Italia, a few blocks from the hotel, and proceeded down the Avenida Libertador – the Alameda – honking, blowing whistles, and banging drums in the traditional five-beat pattern: *bam-bam, bam-bam-bam*, endlessly, over and over. Celebratory confetti (shredded newsprint, actually) flew in the air, a Spanish American summer afternoon snowfall; the avenue was eventually blocked off to permit the impromptu *manifestadores* to march. I wandered among them but it was too noisy to ask questions, and besides, nobody was in the mood to talk; they just wanted to celebrate the dictator's demise.

Which they did – peacefully in daylight – but when darkness struck, so did the violence. Firebombs were hurled at the Congreso Nacional as the riot police swiftly (but with only partial success) erected flimsy waist-high barricades to prevent a beer- and whiskey-saturated minority from causing serious damage in their wildness. The angry ones pried up loose cobblestones and construction debris from street corner piles, and it didn't take long for the “young marginals” to start torching cars, fighting the police, and smashing ground-level windows all along the Avenida. They targeted our hotel, too; we were barricaded inside by the police after dusk. The sting of pepper gas slipped through the hotel ventilation system, taking me back to Seoul two decades earlier, in the aftermath of perennial student demonstrations at Seoul National University that protested the corrupt regime of Chun Doo Hwan. I could hear the unmistakable *pop-pop-pop* of teargas guns firing down the Avenida; fortunately, none of the drunken *manifestadores* had firearms. As it was, more than fifty of them (and a dozen policemen) were injured in the fracas.

Pinochet still elicits a visceral response, not only from his detractors but from supporters, as well. *El Mercurio* had comments from many of them. Hernán Büchi, Minister of Housing from 1985 to 1989, said that “it is difficult to explain, given its formation, Pinochet's vision for fundamental reform of the Chilean economy, (but) from that period they formed the basis for the most successful development in our history.” Andrés Santa Cruz, former president of the National Society of Agriculture, said that “he inaugurated an economic system that has allowed Chile to become so prosperous and to reduce absolute poverty.” Still, one must ask: how high a price did the country pay for its “free-market” development in terms of lives lost?

Lorna Scott Fox, whose father was Britain's ambassador to Chile from 1961 to 1966, writes about Pinochet in the December 14, 2006, issue of the *London Review of Books*. Chile's former president was arrested in 1998, in London, where he had traveled for an operation and to sign an arms deal for Chile. Immunity from prosecution for his crimes was lifted by the Chilean supreme court in 2000, following which the lawsuits exploded. He was indicted for his “Caravan of Death,” when in 1973 more than seventy dissidents were summarily executed by one of his army units; for “Operation Colombo,” which murdered nearly 125 people under the camouflage of “score-settling;” for a high-profile assassination – Eugenio Berríos, a bacteriologist who designed the agent that killed former president Frei Montalva, in 1982 – and for 59 counts of kidnapping and torture at Villa Grimaldi. Then, in 2001, he was discovered to have stolen millions of dollars through tax evasion schemes: the money was illegally laundered through Riggs National Bank in Washington. This was apparently the

last straw: the former dictator, derided as Pinocchio, lost his core support when unveiled to be little more than a common thief.

Pinochet's death was ironically marked that same day in Moscow, where the centenary of Leonid Ilyich Brezhnev's birth was being celebrated. Both men enjoyed adoring attention on national television; Brezhnev had held power for 18 years as General Secretary of the Communist Party in an era most noted for economic stagnation and human-rights abuses. A poll taken by the daily paper *Moskovskiy Komsomolets* disclosed that “the overwhelming majority of Russian people have very pleasant memories of Brezhnev's era.” Like Brezhnev, Pinochet himself evoked “a sense of stability, a lack of turmoil,” as Michael Specter put it in the January 29 issue of *The New Yorker*. When *Komsomolskaya Pravda*, Moscow's most popular paper, asked readers if the country needed its own Pinochet, the overwhelming response was yes. One reader wrote, “Pinochet made an exemplary and glamorous nation out of Chile. Stable and strong.” What Muskovites fail to realize is that they may already have an even crueller and harsher Pinochet in the person of Putin: author Anna Politkovskaya (shot four times in front of her Moscow flat) and former KGB agent Alexander Litvinenko (polonium 210, isolated in London) are merely the public tip of the iceberg.

Politkovskaya wrote a scathing account of Putin's brutal policies in Chechnya – published over here as *A Small Corner of Hell: Dispatches from Chechnya* – which reportedly became the tipping point for the Kremlin. “Supposedly,” she wrote, “the Russian troops are still there. And there have been no changes in their methods of carrying out the war. The purges continue, the commerce in living and dead bodies by soldiers as the principal military operation in Chechnya hasn't ended, and thousands of people search for their kidnapped relatives and, in the best case, ransom their corpses from those who defend the Motherland from terrorism. There is nothing [more] I can say. Because the time of Putin is the time of silence about what's most important in this country.”

Early the next morning, I went running along the Alameda to survey the damage. The entrance to our hotel was littered with broken glass; it crunched uncomfortably underfoot. The little Santa Maria church next door suffered damage to all its windows, which fortunately were not of stained glass but were still completely shattered: shards covered the sanctuary floor and pews closest to the wall. All along both sides of the avenue, broken windows could be seen in virtually every retail storefront: a drugstore here, a nearby MacDonald's there, the Biblioteca Nacional, too, all trashed. Cops were positioned at each street corner now, directing traffic; the stoplights no longer functioned.

Let's assume all of Spanish America had gone “socialist” in 1973 à la Castro's Cuba, by means of popular elections, à la Allende's Chile. The chance was nil, but assume for a moment it had. Thirty years ago, there were perhaps 200 million Latin Americans, all devout Catholics. Communism would die a global death in 1989 anyway, so even if the Latinos had gone Allende one step further and embraced the Soviet system, like Cuba, it would have eventually withered on the vine. Political dissidents in Florida were all Cuban, not Spanish American, so there was no domestic political pressure on Washington by other than displaced Batistas. But would an entire continent gone Communist have posed a threat to the United States? No. Attack us? Preposterous. Erode American beliefs and values? Patently absurd. The primary reason Washington opposed (and wanted to replace) leftist

regimes in Spanish America at the time was because of intense pressure from our vested corporate interests. Maybe it's time to amend the Monroe Doctrine and leave the Latinos alone. This backwater continent's not going anywhere.

The Monroe Doctrine was proclaimed by President James Monroe on December 2, 1823, and was formulated so that European powers would no longer colonize or interfere with the affairs of nations in the Americas. The United States planned to stay neutral in wars between Europe and its colonies, but the new doctrine said if these wars occurred in the Americas, the United States would view such action as hostile.

The idealistic authors of the Monroe Doctrine viewed it as America's moral opposition to colonialism, but it has subsequently been reinterpreted in a wide variety of ways, most often as a license for the U.S. to practice its own version of colonialism in the region. At the time, the United States was negotiating with Spain to purchase Florida, and once that treaty was in place, the Monroe administration extended recognition to other newly-emerging Spanish American republics, like Argentina, Chile, Colombia, and Mexico, all of which obtained their independence from Spain. In practice, the United States has used the Monroe Doctrine to side with whatever aspect of regional conflicts favored American short-term economic interests, rather than definitively drawing a barrier against European or other foreign intervention.

But I digress (again). There's an established tradition of economic mismanagement in Spanish America, with high debt, skyrocketing inflation, negative growth, and rising unemployment with its attendant labor discontent. Despite World Bank and IMF advice and assistance -- or perhaps because of it -- it has accomplished little but an infinite do-loop of mediocre performance if not outright failure. Who's minding the store? Worse, who cares? The huge gap between the elite and the peons... a region second only to sub-Saharan Africa in terms of unfulfilled potential. Always had it, always will. Old news.

Because the western half of the South American continent was invaded by military conquerors from Spain, and subsequently liberated by home-grown military leaders of its own, its history has been marinated in blood. Throughout the 19th and 20th centuries, these countries have moved inexorably through a series of endlessly repetitive and dysfunctional stages -- from left-wing liberal democracies to fiscal crises to right-wing military dictatorships (inevitably accompanied by serious human rights abuses) to temporary economic stability to new elections to still more fiscal mismanagement, chaos, and crisis. A series of endless do-loops. East Asia is there as a model for all to see, but few do.

Spanish-American governments still seem addicted to the old political saw of right vs. left, which according to the East Asian empirical model is really irrelevant in today's world. The key issue is *results*, and the East Asian political economies have cranked out two generations' worth, as I have noted extensively elsewhere. They've basically written the manual, but nobody's reading it. As Harvard's Sam Huntington pointed out nearly a half-century ago, you can have order without liberty, but not liberty without order. (This theme returns for an encore, below.) Well, as other Latin economies, notably Mexico, have tried to emulate the Chilean "free-market" model -- opening the market, freeing trade, and deregulating and privatizing former state-owned enterprises -- results have been consistently disappointing.

Chile's so-called "Latin success story" turns out to be several shades less than successful; now that Pinochet's epitaph can be written, my guess is that scorn will outweigh praise.

On my last day in Santiago, the return ride to the airport was in daylight. I could see what I had missed several nights before. Truth be told, not much. The expressway, direct from *el centro*, takes only a half-hour at mid-day. As the tall office buildings and squat government offices below them receded from view, with Las Condes off in the distance, the cinderblock shanties and hovels of Santiago's poor stretched along both sides of the highway, as far as one could see. It was all too familiar, and images of Favela Felicidade came quickly to mind. I was sorry not to have had a translator; Santiago Websites were the only ones that had not responded to my queries. So where were the Chicago Boys when you really needed them?

### *Buenos Aires, Argentina*

The first thing that strikes you about Buenos Aires – BsAs, as it is abbreviated locally, or simply BA – is that it's a very European city. No, not just European; French. You have to blink a few times to remind yourself that you're in Spanish America, because the capital city's dominant nineteenth-century architecture and short, 4- or 5-story buildings with their Mansard roofs and scalloped stone fronts take you straight to Paris and back to another era. You almost feel as if you're in a François Truffaut black-and-white film, shot in Paris in the 1960s, because BA's structures are quite old, really, stained with decades of soot and in need of some serious facelifts. As Steven Wright might say – or was it Woody Allen? – it's *déjà vu* all over again.

I arrived in Argentina mid-day on a Monday in mid-December, when summer was just getting started, but it was already approaching 100 degrees in the sun. Because BA sits on the coast at the mouth of a large river – la Plata – the humidity was plenty high, too. Fortunately, the airport bus was air-conditioned (somewhat), which helped ease the ride into town. Manuel Tienda León is the preferred local shuttle provider, recommended by several Websites and by my interpreter, Rocio, too. They operate a small fleet of sprightly yellow buses with the profile of a lion cub painted on the sides, and they leave punctually (rare for Spanish America) every half-hour for BA.

The city is about an hour's ride from the airport, down a relatively modern, multi-lane highway whose extraordinarily wide median strip seems to serve a dual purpose: it not only separates the inbound lanes from opposing traffic, it also collects a huge assortment of trash. I'm convinced that trash bins must be an endangered species on the Spanish American continent. All the usual suspects were there – plastic bags and water bottles, cigarette packs, toilet tissue, newspapers, magazines, glass beer bottles of all shapes and color and sizes, discarded crates and cartons. Countries with high rates of unemployment ought to at least be able to pay teams of trash-pickers a minimum wage to keep their public spaces clean. We're not talking advanced degrees or specialized training here. But the world has been Budweisered, as I learned on my first trip to Europe in 1962. It's worse today: Burger King, MacDonald's, Coke, Pepsi, and now, the youngest *doyen*, Starbucks.

Argentina is not a small country. With a total area of 1.1 million square miles, it's equivalent to the entire United States east of the Mississippi. It sits like an upside-down triangle,

occupying virtually the entire bottom of the continent, all the way south to Tierra del Fuego. Argentina's heart is the Pampas, like our Midwest, filled with acres and acres of wheat fields and grazing livestock. With a GDP of barely \$200 billion, Argentina's economy is dominated by natural resources, primarily beef. Its population is relatively stable, at 40 million, which is a bit of a conundrum; Argentina is a Catholic country, too.

Unlike the bus, my room at the Golden Tulip, a four-star hotel (\$65.- a night thanks to a deeply depreciated peso) on Avenida Callao in *el microcentro*, was suffocating. Callao is pronounced *ca-jow* in South America, not *ca-yow* as in Spain; here, Guillermo is *gui-jer-mo*, not *gui-yer-mo*. For unknown reasons, the room air conditioners were on the fritz the first two nights, so I quickly became acquainted with BA's heavy, thick air. The hotel was a block from the Congreso Nacional, another smog-smudged stone-and-concrete Greco-Roman relic in the Beaux Arts style. It took nearly a decade to build, and opened in 1906. Strangely, it was empty the whole time I was there; it was also smeared with graffiti, BA being home to its own *manifestadores*, as I would soon learn. That it was empty was not surprising; many legislatures around the world function only part-time. As kids, in Texas, we learned in school that our state legislature convened for only 60 days every two years; our sarcastic retort was that we might have better government if they met for just two days every sixty years. Or, in the words of the late Molly Ivins, when the legislature convenes in Austin, every Texas village loses its idiot. But I digress yet again.

Right across the street from el Congreso, on an opposing corner, was a gorgeous five-story stone building with a typical Mansard roof, looking like a miniature Printemps. It was completely boarded up. Windows gone, all covered with plywood. The concierge at the Tulip told me it used to have one of BA's most popular street-level cafés, where everybody went for their morning *empanadas* – cheese- or meat-filled pastries – and croissants and hot coffee. Today, it's a ghost. Right across the street from National Congress! In the heart of BA! How can this be?

Rocio and I lost no time getting to work. We met at the Tulip and headed for the Plaza Congreso, an immense pedestrian walkway that served a dual purpose: it not only fronted the Congress, it morphed into a broad, tree-lined median strip that divided the busy Avenida de Mayo. Rocio, a young Argentine in her mid-thirties, had received parts of her education in London; she was the product of an Argentine father, a banker, and a British mum. Being naturally bilingual, she discovered she was talented at translation work and made it her career. But she had a tongue stud. It clicked on random words and brought an even more colorful Spanish influence to her conversation – verbal castanets.

A construction gang was busily at work resetting sidewalk tiles that looked just fine the way they were and looked no different after. Government make-work, no doubt. We spoke with the supervisor, a young man named Raul, who told us that the mayor wanted all the major tourist areas in BsAs renovated. Hospitals and schools would be next. He couldn't explain Argentina, he said; it was a "flesh" thing, in the genes, sentimental. Family was key. His father was a businessman, his mother a teacher, his workers from the Ministry of Public Works. When we asked him about politics, he just shrugged. Bribery, he said. That's it.

In the course of the hot afternoon, we talked to a man who worked for the Library of the National Congress who said his salary was just enough to get him and his family through the

month (he had two children). A cop who looked like a transplant from Singapore declined to talk, but told us he was from Entre Ríos, in the north; he was Amerindian, which explained his dark skin and chiseled features. An older woman, a widow with a son (lawyer) and a daughter (psychologist), said she had never been outside Argentina; she felt her country's uniqueness was its sentimental spirit. A young man, early twenties perhaps, didn't say much, said he was from Paraguay, came to BA to look for work because there were no jobs in Asunción, where his pregnant wife was waiting to hear if she could come and join him. If he found work, he said, they'd get married, maybe here. He was still looking. An older man, retired from the export-import business, sat on a bench holding a few signs. He said he was part of an Eco-Demo, a local *manifestation* that was in town to make people more aware of climate change and to promote the benefits of aloe vera, a plant with a long history of cultivation in subtropical climates like Argentina's.

The traffic in BA is, well, thick. Just like – no, worse than other major world cities. Think New York or London or Paris at rush hour; Buenos Aires is like that, but all day long. As Rocio and I walked down the Avenida de Mayo, I saw my first-ever walking ads, sponsored by a local *revista* (magazine). They reminded me of those guys who, a century ago, wore sandwich boards on the sidewalks of Manhattan, hawking haircuts or potions of various kinds, or cheap suits (still in vogue today). Anyway, there were three of them, and they huddled together at the intersection of Avenida 9 Julio. When the light turned red, they shuffled into the pedestrian crosswalk and just stood there, facing the oncoming drivers, holding up small billboards with product ads. When the light turned green, they shuffled slowly back. It's a job. Maybe the kid from Paraguay would find something like this. Jobs were scarce, with Argentina's unemployment rate at 11 per cent of the work force.

That very day, or the next, I read that the Port Authority had sold advertising rights atop the tollbooths on the Jersey side of the George Washington Bridge to Geico (later rescinded; PATH thought they could hold out for more while legislators decried the commercialization of a state icon). But New Jersey is also looking to sell the Turnpike and other state assets because the state is in such perilous financial condition; its municipal workers now have compensation benefits – especially healthcare and retirement packages – that are far more generous than anything comparable offered in the private sector, and the state can't keep borrowing to make up for inadequate revenues. To make matters worse, New Jersey has the highest property taxes in the nation, so there's no financial wiggle room anymore, anywhere. (Fortunately, they're still deductible on Federal returns – for now.) Something's got to give, either the state's icons or its too-generous-by-half public employee benefits.

New Jersey is not alone. It was five years ago to the month – December 2001 – when Argentina suffered its most recent economic meltdown, one that followed three years of recession. Argentina's president at the time, Fernando de la Rúa, by most accounts an uncharismatic and unimaginative leader, had no alternative but to implement a strict regimen of spending cuts and tax increases mandated by the Washington Consensus (the IMF and the World Bank), which in turn crippled economic growth and created a new round of political infighting that prevented other, more thoughtful policies from being devised. Then the run on the peso began – it had been on a par with the dollar for some time – and investors moved en masse to get their money out of Argentine banks.

De la Rúa resigned on December 20, in the face of the most massive protests in the country's history, forcing his successor, Eduardo Duhalde, to unhinge the peso, and its value collapsed immediately. (The rate during my stay was 3.1 pesos to the dollar, and has been stable.) Personal savings evaporated overnight, a tidal wave of emigration followed, and then Duhalde was gone, replaced *the next day* by Nestor Kirchner, who still holds power and has, again by most accounts, restored economic stability. The weak peso kicked off an export boom and Argentina, which had defaulted on its international debt during the crisis, is back in compliance with its lenders. But unemployment remains stubbornly high, as does inflation, which persists at a rate above 10 per cent. The country, one person told me, "is ensured a brighter future, if managed sensibly."

That's a big if. This is Argentina's Achilles heel: it's another Spanish-American country that has great potential, and always will. But the endless do-loop of do-nothing politics has kept the country at a virtual standstill, addicted to abundant natural resources like a child to candy and unable, or unwilling, to break out of its stagnant past. It's the same story, in country after country, throughout Spanish America: exploit natural resources, keep the *campesinos* undereducated and poor, and elevate the elites to positions of power, which makes the Washington Consensus happy. Given the recent political tilt leftward in neighboring countries – Lula in Brazil, Bachelet in Chile, Morales in Bolivia, Correa in Ecuador, and the Castro-wannabe in Venezuela, Hugo Chávez – one wonders whether the electorate in Argentina will follow suit.

But nobody we interviewed had an opinion about this, other than to say, with a spit or a scowl or both, that all politicians of every party were thieves and that their sole ambition in running for office was, put simply, to steal. The cynics were alive and well in BsAs.

Rocio and I disappeared underground for a ride on BA's ancient subway, *el subte*, to the Plaza de Mayo, one of the city's largest public squares, where we expected to find a wide variety of willing subjects. The subway system has only five lines, which are relatively short – eight or ten stations each – and quite old – a far cry from the Paris metro with its 14 lines, 130 miles of track, 3,500 cars, and 380 stations. The car we took for two stops, on line A, was a throwback to Paris, too. Built by France's largest rolling stock manufacturer, Alstom, in 1962, it was made of mostly wood, with big rubber tires. In need of a serious facelift, its endearing feature was the sliding doors, operated manually, which came flying open as the cars entered a station, giving passengers a running start to their exits. And the *subte* left each station with a few doors still ajar, adding a little derring-do (if not outright danger) to the ride. No doubt the liability lawyers and accident insurance specialists are licking their lips.

As we exited at the plaza, there was trash, trash, trash everywhere. In the gutters, on the sidewalks, floating listlessly in the streets. Why the hell does this bug me so much?

Signs for tango cafés were everywhere, too. Now this I don't get. Yes, I know, the dance is romantic and one of the country's most recognizable symbols. *Don't cry for me, Argentina!* But what's the big deal? Austria and Hungary don't blitz billboards with pictures of couples dancing the polka, and last time I was there, Texas wasn't pushing the square dance, either. (Okay, maybe on Broadway, where Rodgers and Hammerstein's "Oklahoma!" is currently enjoying a lame revival). Back home, we used to say that every time somebody moved from Oklahoma to Texas, it raised the IQ level of both states. What am I missing here?

The Plaza de Mayo was founded by Juan de Garay, in 1580. It is ringed by prominent buildings that create an historical timeline: the Cabildo (an autonomous municipal council, the lowest administrative unit in the Spanish government) and the Metropolitan Cathedral date from the colonial period of the 18<sup>th</sup> century, while the Casa Rosada – the Pink House, where President Nestor Kirchner works, on the western edge of the plaza – reflects a 19<sup>th</sup>-century style. (I think if I were president of Argentina, I think I'd push for a color change.) It was from a balcony on this building that Eva Perón addressed throngs of adoring Argentine workers in the 1940s. Palm trees, fountains, and park benches adorn the center of the plaza, which is home to mothers of the *desaparecidos*, victims of the country's military dictatorship in the 1970s who still come here to demonstrate every Thursday afternoon.

But it was Monday and our first subject was a divorced architect who was there to protest pollution. He said it may very well be true that South Korea has a powerful economy, but Argentines cherish the family – people. A 79-year-old woman, a retired math teacher with seven grandchildren, told us she had no expectations for the future. *Nada*. She voted for Kirchner, she said, because he had stolen enough before so maybe he has no need to now. She, too, said Argentina's key asset was its people (repeating Raul), the “flesh”.

A gang of construction workers huddled at one end of the Plaza as a convoy of paddy wagons screeched to a halt and Federal riot cops suddenly surrounded the Casa Rosada. One laborer with bad teeth told us that the cops always come out when a large number of *manifestadores* is expected. So we asked a cop if today was special, and he just shrugged. “We're on hand for prevention,” he said. A young Argentine sat on a park bench holding a baby; his wife, he told us, was Swedish. He said he admired the Swedish system of creating jobs for everyone; taxes may be high, sure, but they were justifiable based on results.

Meeting a Scandinavian was propitious, in a way, because I had cautioned Rocio against introducing me as American, given the anti-American sentiment that can run high in Argentina. (I wanted to leave BA in one piece, needless to say.) But I couldn't say I was British, either, because of Britain's sullied reputation from efforts to sail up the Rio de la Plata in the early 19<sup>th</sup> century and acquire more territory for the Empire. More recently, when the Argentine military stupidly invaded the Maldivian islands (*las Maldivas*, which we call the Falklands) in 1982 and tried to claim them for Argentina, the Iron Lady sent the British fleet to throw them out. So we forged a safe compromise, and I became a Canadian temporarily, for safety's sake. (Please don't tell Homeland Security.)

After snagging a quick *empanada* to quell our hunger, we walked down Avenida Florida, the main shopping street of Buenos Aires: upscale perfumeries and *fashionista* boutiques cheek-by-jowl with downscale McDonald's and Burger Kings and the Argentine equivalents of Kresge's. It was mobbed by pedestrians in mid-afternoon, as throngs of shoppers came to take advantage of Christmas sales. (Christmas tinsel hanging limp in 90-degree heat is one huge disconnect.) We cornered a retail “pimp” next, a young man who said he worked on commission by giving his business card to passersby and shepherding them into a leather goods store. He had come to Argentina as a permanent resident from a small town in central Brazil a decade earlier, he said, and was married but had no kids. He told us he was pessimistic about the future but said he was doing better here, with two sets of papers, than he had been back home. An old shoeshine man with a leathery, tired face sat opposite the

store, said he made only nine pesos a day on average. He had to work two jobs; this one, and in a restaurant kitchen at night.

Suddenly, pedestrians scattered as two cops came running down the Avenida, whistles screaming, chasing a young man whom they successfully subdued a short distance away. We followed at a distance, and as one cop handcuffed the suspect, we queried the other and learned that they had been trailing this guy for several days, watching him shoplift from several stores and then unload the merchandise on the street. This was not uncommon, they said, given current economic conditions.

Those same economic conditions promote kidnappings in Argentina, too, for ransom – profit is clearly not restricted to the retail sector. Kidnappings have also become notorious in Brazil, where gangs often use the technique, and they're not hesitant to use violence, either, which somehow seems out of character in that country. While I was in BA, though, some kidnapers swiped a man right off the street, in Recoleta, the high-rent district, and demanded a peso ransom of the equivalent of \$150,000 from his father, a presiding judge in the Federal courts. Dad, obviously no stranger to crimes of this nature, tried to bargain with the kidnapers, offering them only about \$112,500. (Evidently he valued his son at a 25 per cent discount to market.) *And the kidnapers agreed!* When the cops finally found them (and the money), they arrested the criminals and freed the son. But when the money was returned to the judge, about \$20,000 was missing, which the police tried to justify by saying it was their “commission” for having found his son.

This story appeared in BA's leading daily, *la Nación*, which recounted other harrowing tales of kidnappings, jewelry store heists, and daylight robberies, all in the Recoleta district. Recoleta is to Buenos Aires as Harajuku is to Tokyo or Mayfair to London or Fifth Avenue from East 57<sup>th</sup> to East 63<sup>rd</sup> in Manhattan. Hermés, Ralph Lauren, Wempe jewelers, the Ritz-Carlton, Lopez Taibo furs, Bettina Rizzi leather, Raffaello designer clothing, Guido shoes – they're all near the Avenidas Pueyrredon or Libertador in the heart of Recoleta. So if you're an enterprising kidnapper or high-end thief, you're not going to waste your time in the more shabby *microcentro*, the old historical center of town. You'll focus on Recoleta.

Not long before my visit, Jim Surowiecki, who writes on business matters for *The New Yorker*, was in BA and witnessed a daylight robbery in Recoleta. When two Japanese visitors emerged from a jewelry store, they were held up at gunpoint and robbed. The story made the international press, which of course went on to mention that Buenos Aires had become a dangerous city to visit after the economic crisis of 2001. But it's Recoleta, not the city.

That evening, after Rocio went home to Tigre, a residential suburb west of BA, I sampled some *chorizo* (sirloin) at a modest little *parilla* near my hotel, a steakhouse called Chiquillin. Argentina used to produce more beef than any country in the world, which held true until the Depression, when demand, particularly in Europe, dropped precipitously. Argentines still consume more beef per capita – about 150 pounds a year – than anyone else, but Argentina is only the third-largest exporter now, after Brazil and Australia. I ordered a half-bottle of Malbec, a softer, younger sibling of Merlot similar to *le Côt* varietals in France. Based solely on a single sample, the best Malbecs clearly find their way to overseas markets.

The most recent data on beef production I came across was about a decade old. Based on these numbers, Argentina ranked fifth in total cattle but fourth in the production of beef.

Rank	Country	Cattle	% of the Total	% of Total World Production
1.	India	272,655	26.4	2.3
2.	Brazil	144,300	14.0	10.1
3.	China	113,160	10.9	6.0
4.	United States	101,749	9.8	24.9
5.	Argentina	54,875	5.3	5.5

India has the world's largest population of cattle, as the table above shows, but they're not raised for food. The United States ranks first in beef production because the US raises most of its cattle for meat, but our cattle don't graze, they eat grain. As I noted twenty years ago in *Trade War*, the American steer has become the greatest garbage disposal in the world. To get a pound of beef on American plates, the American steer has to reduce sixteen pounds of grain and soy. The other 15 pounds is manure. Our Department of Agriculture once estimated that the manure of American livestock contains the protein equivalent of our entire soybean crop. This same livestock consumes the protein equivalent of six times the recommended allowance for humans and causes three times the water pollution contributed by industry. Yet the United States still imports enough beef to put two hamburgers on every American's plate, every day of the year, and that includes a lot of folks who don't eat beef.

But there's yet another angle. A recent report by the UN's Food and Agriculture Organization calculates that nearly one-fifth -- about 18 per cent -- of the current global warming effect comes from livestock -- more than is caused by the world's transportation systems combined. It is estimated that some forty per cent of global grain output is used to feed animals rather than people, and that just half of this grain would be sufficient to eliminate world hunger if -- a big if -- means for equitable distribution could be found. The number of vegetarians in the developed world is rising, true, but the world's per-capita consumption of meat is rising even faster. In 1981, it was 62 pounds per year; in 2002, 87.5 pounds. Americans, of course, make the rest of the world look skinny: they consumed 275 pounds a year in 2002. Even the Chinese are liking prosperity: their annual per-capita consumption has increased more than four-fold during this 20-year period, from 33.1 to 115.5 pounds, well above the average.

But I digress. The next morning was rainy and gray. Nothing makes old, soot-stained buildings look sadder than tears of rain and the disappearance of sunshine. Fortunately, the gloom lifted around mid-morning, so Rocio and I walked the length of Avenida Florida to where it empties into the Plaza San Martín, named for Argentina's independence hero, Don José de San Martín, who fought with Bolívar to liberate Spanish America from Spain. The plaza is an immense public park that slopes toward the river and is a gathering place for Argentines throughout the day. A French landscaper, Charles Thays, designed the upper plaza, where San Martín's equestrian statue, in bronze, dominates. More than three hundred

trees shade the park – gomeros, jacarandas, and tipas – which also overlooks the Ministry of Foreign Affairs.

There we met an Argentine diplomat, a man in his late forties who said he worked at the Ministry as a consular officer. He told us he had previously spent a decade in Southeast Asia, issuing visas and stamping passports, but was happy finally to be home. He said Mercosur was important for Argentina and that Brazil was one of his country's most important foreign relationships. He had no gripes about his salary (government bureaucrats everywhere seem to have pretty good pay packages now), and said that if he had to explain his country in a word, it would be "family."

We met a pair of office ladies on break – one divorced, one still single. The divorcée said she had a young son of 11; her hopes for him were that he "study and study and study..." A young couple sat stretched out on the lawn, posters at their sides. They were part of another eco-demonstration, on break; he was sipping his way through a quart of beer. When we mentioned Korea, he said, "Well, South Korea may have faster economic growth, but it's a divided country and at least Argentina is united." We walked around a man, unshaven and unkempt, who alternately prayed to the skies and shadow-boxed his demons.

Rocio and I stopped for an espresso at the base of the plaza. As we descended the steps, the Mansard rooflines receding behind us, I was struck by the thought that Buenos Aires was a city living in its own shadows. Argentines had their past but maybe not much of a future. They also don't have *macchiato*. In BA, if you want a dollop of cream in your coffee, you have to order *café la lágrima*, which means "coffee with a tear." As we sipped, another *manifestadore* passed by carrying a big sign that said, *No à la SIDA, sí à la VIDA!* No to Aids, Yes to Life. Hard to argue with that, really. I can honestly say that after nearly a week in Buenos Aires, I never saw a single demonstrator with a sign that said yes to Aids, no to life.

Buenos Aires is home to a thriving film industry, though, and Fabián Bielinski is one of Argentina's most acclaimed directors. Was, that is, until his untimely death last summer at the young age of 48. His first release, "Nine Queens" (*Nueve Reinas*) was a Hitchcockian delight, a story about con men with multiple twists and turns; his latest, "The Aura" (*El Aura*) is a taut thriller about an epileptic with a photographic memory who extricates himself from a wild gangster shootout in Patagonia. His works are reminiscent of David Mamet's penetrating social commentary (*House of Games, Glengarry Glen Ross, The Verdict*). Daniel Burman and Rolo Pereyra are two other noted Argentine directors, the latter best known for *Oro Nazi en la Argentina*, a documentary about local Nazis in BsAs and how they funded espionage and propaganda from BA.

The rain had finally lifted but the clouds still hung low. We wandered over to the *Estación Retiro*, BA's central train station, which was built by the British (along with the country's principal rail lines) in the 19<sup>th</sup> century. It stood opposite the *Torre de los Ingleses* – a replica of Big Ben in miniature and a gift from the United Kingdom. After the Falklands misadventure, Argentines renamed it the *Torre Monumental*. The station is another old monument that shows its age. A dozen commuter lines terminate here – trains that serve upscale neighborhoods like Tigre – and overland buses, too, as well as two of BA's subway lines.

So there were plenty of subjects milling around on their way into or out of the city. We approached a woman with a young daughter in tow, and we wished them good luck when she tearfully explained that her daughter was in town for a kidney operation. (Rocio told me that Argentina's hospitals used to be the envy of South America, but no longer.) Next we spoke with a retired architect, a man who scolded us by saying Buenos Aires was not Argentina. He said he was from Córdoba, in the geographic center – Ché Guevara's birthplace and Argentina's second-largest city. *That is Argentina.* He said frankly that he feared Korea and its economic power. Then how about China? "Well, they make us even more fearful."

We stopped a man named Juan; he was lean, very fit, wore pressed khakis and a crisp striped shirt and carried a small valise. He also sported a huge smile, like the comic actor Jim Carrey. He said he was 60 (he looked a decade younger), in from the province of Mendoza to visit friends. Mendoza is at the foot of the Andes, in the far west, bordering Chile. In response to our questions, he thought for a minute and admitted that Japan and Korea may have done better economically than Argentina, "but they don't have our natural resources. That's what I'm most proud of." (Asia's lack of natural resources is just one reason for its success.) His father had been in the military during the Videla regime, "but he wasn't a criminal. And we don't speak ill of the dead."

Brigade General Jorge Rafael Videla was named Commander-in-Chief by President Isabel Perón in 1974. Perón, vice president to her husband Juan Perón, had become President following his death. Her administration had been both unpopular and ineffectual. Videla launched a military coup that deposed her on March 24, 1976. Two days later, Videla formed a nine-man junta and formally assumed the post of President. After the return to democracy, in 1981, he was prosecuted; now 81, he remains under house arrest.

Argentines refer to this period as *los días negros* – the black days. Videla took power during a period of extreme instability – terrorist attacks from leftist groups that had gone underground after Perón's death as well as violent right-wing kidnappings, tortures, and assassinations from the Argentine Anticommunist Alliance led by José López Rega, Perón's Minister of Social Welfare. Under Videla, the Argentine military government arrested, detained, tortured, and killed suspected terrorists and political opponents on both sides of the political spectrum. Estimates are that between 9,000 and 30,000 Argentinians were subject to forced disappearance – *los desaparecidos*, victims whose mothers still gather every Thursday afternoon at La Plaza de Mayo. Many of *los desaparecidos* were killed; others were illegally detained and tortured, still others went into exile. Videla banned labor unions and strikes, abolished the judiciary, and suspended most civil liberties. Despite these human rights abuses, Videla's regime, like Pinochet's before him, was sanctioned by the CIA and received tacit support from the Argentine Roman Catholic Church. *Plus ça change...*

When Videla took power, Isabel Perón moved to Madrid, where she lives today. Shortly after I returned to Princeton, I read that she had been detained and arraigned by the Spanish police at the request of the Argentine government, as part of a wider investigation into human rights abuses there. About 1,500 deaths attributed to the Argentine Anticommunist Alliance occurred while she was President. She has traditionally defended herself against these accusations by saying she was just "a poor, ignorant woman" with no political skills. (And the Nazis all said they were simply following orders.) But in 1997, a judge in Mendoza

had rejected that defense, saying that she had, after all, been the nation's chief executive and that many of the *desaparecidos* were abducted on the basis of decrees she herself had signed.

At the time Isabel Perón was in power, Argentina's current president, Néstor Kirchner, and his wife, Cristina, now a Federal senator, had been in college with friends who belonged to the leftist Montonero group and who were later abducted and killed. These events were captured by the director Roman Polanski in his 1994 Argentine drama, "Death and the Maiden," starring Sigourney Weaver in the role of a political activist married to a Federal judge, played by Gerardo Escobar, who is appointed head of a national commission to investigate the rights abuses of the former military government. Sir Ben Kingsley played Dr. Roberto Miranda, a former official Sigourney Weaver's character believed was responsible for her abduction and torture. Kingsley, through a chance visit to their home in a blinding rainstorm, becomes a victim of a some torture, both physical and psychological, by Weaver herself. ... *plus c'est la même chose.*

Back outside Retiro station, Rocio and I walked back up the steps of the plaza, encountering in turn a man selling packets of corn to feed the pigeons, a wino, and the wife of a Federal cop. The wino, who looked like he hadn't bathed in days and whose hands were stained black with oil or tar, said he was a Peronista himself, "like our president" (Kirchner heads a broader coalition of both left and right), and told us he depends on handouts from the government in order to live. One of the handouts no doubt enabled him to buy the outsized bottle of wine he was drinking from. The cop's wife, Lorena, walking with her 9-month-old baby, told us she works half-days in a supermarket to make ends meet. She said she planned to vote in the next election, though she doubted her vote would matter much because "there's just too much corruption, which is why Argentina has not done as well as Korea or China or Japan." If she only knew...

As we returned to the plaza, my right heel dragged across a camouflaged pile of fresh dog dung. The feeling is unmistakable. I let a couple of expletives fly, in English, and looked around for a place to scrape it off. "No, Steve," Rocio said, stopping me in mid-scrape. "That's really great! We believe it brings us good luck!" The image, if not the aphorism, seemed appropriate somehow for Argentina.

The subject of handouts came up periodically in our street conversations: the small, monthly "income supplements" or "subsidies" to low-income working-class laborers and their families, initiated by the Perónist regime half a century ago and still continued today. Many of Argentina's poor have become dependent on these handouts and don't even look for work. What Argentina needs is not handouts; it needs somebody like Lee Kuan Yew.

Much maligned in the West, this Cambridge-educated lawyer was prime minister of Singapore from 1959 until his retirement in 1990. Lee suffers no fools, believes in the greatest good for the greatest number, and has a keen sense of history. He attracted the best and the brightest into Singapore's government; he believes that not everyone can make the grade but everyone must make the effort. He hates poverty. He thinks the best way to provide for the poor is through work, not charity. He once said, "Give a man a gold coin and he will simply spend it and ask for more." He often quotes the parable of the fishes: give a man a fish and he'll eat for a day; teach him to fish and he'll feed himself for life.

Spanish-American countries don't need the World Bank or regional development banks or the IMF – they need smarter strategies to generate value-added exports, better public education systems, incentives to create national savings, more foreign direct investment (FDI), and “soft” authoritarian political systems that promote stability and stable institutions but without the excesses of their ubiquitous rightwing military dictatorships. At least two smart entrepreneurs understand this. One is the Bangladeshi economist Muhammad Yunus, who shared the Nobel Peace Prize last year with his offspring, the Grameen Bank, for their combined efforts to create economic and social development from below by extending microcredits to the poor. The other is Hernando de Soto, a Peruvian economist who, through his Institute for Liberty and Democracy in Lima, has created a concept called “meta-rights” – legal “rights to property rights” – that enable the poor to stake a claim in the capitalist system that otherwise mostly benefits the privileged. (I profiled de Soto extensively in my last book.)

We finished our street interviews that afternoon, Rocio and I, and said our goodbyes at Estación Retiro. I strolled back through the center of town, along the Avenida de 9 Julio, touted as the widest boulevard in the world (140 meters), named for the date of Argentina's independence (July 9, 1816). At its longitudinal center is a tall obelisk that gives the city yet another feel for Paris; here, the Place de la Concorde. At the intersection of Avenida de Mayo, I saw a *cartoñero* and used my newly-emerging Spanish to ask him a few questions.

The young man I spoke with said he was 23, lived alone, and didn't vote. He had one of the saddest faces I'd ever seen; his eyes were dark and empty, like shells, his hair matted and uncut. He wore ragged jeans and a pair of old canvas sneakers that leaked toes. When I asked if we could talk for a few minutes, he shook his head and walked away, tugging his little wooden cart behind him, the two bicycle tires on either side half-flat and silent.

Argentina's *cartoñeros* are a by-product of the country's 2001 economic crisis, which put a lot of people out of work and caused savings accounts to vanish, virtually overnight. They are poor people, including foreign immigrants, who come into the city to pick through trash for cardboard (*cartón*), paper, plastic, and glass. According to *La Nación*, about 25,000 *cartoñeros* collect and sell nearly half-a-million tons of cardboard and plastic every year, earning 70 million pesos doing so. About half the *cartoñeros* are registered with the government, which gives them a stipend of 150 pesos per month (about \$70.-). Neighborhood “bosses” collect from the *cartoñeros* and add 20 per cent before they sell in bulk to large recycling collectors, who then double the price and sell it to paper mills as raw material.

The *cartoñeros* might make out better if they could figure out a way to forge an arrangement with Zhang Yin in Hong Kong. She started a recycling company called Nine Dragons a decade ago that buys scrap, ships it to China, which has a chronic paper shortage, and makes it into corrugated cardboard. The cardboard is used for shipping cartons that are packed with value-added manufactured goods, stamped “Made in China,” and shipped straight back across the ocean. Nine Dragons buys scrap paper all over the world the world and has been the largest single US exporter to China (by volume) for the past five years.

I spent my last couple of days visiting some of BA's historical sites, such as Teatro Colón, the ornate Italianate theater on Avenida 9 de Julio that was modeled after l'Opéra in Paris. It opened in 1908 after 18 years of construction that took the life of one architect and saw the

murder of another. The second-largest opera house in the southern hemisphere (after Sydney), it's much grander than La Scala of Milan, has magnificent acoustics, and has hosted performances by Toscanini, Stravinsky, and Caruso. With all this, it was closed temporarily for renovation. I went back to Recoleta to visit MALBA – the Museo de Arte Latinoamericano de Buenos Aires – and left underwhelmed. Similarly with Museo Evita, a museum honoring the life of the actress and former first lady Evita Perón. It was like seeing a 3-D version of *People* magazine dedicated to one person.

As I walked around the city, I couldn't get that young *cartoñero* out of my mind. We live in a world where compensation for American corporate CEOs rivals that of rock stars, and where the salaries of professional athletes are stratospheric. The median salary of *starting* players in the NFL is \$1.7 million. Starters in the NBA earn multiples more – three times as much, on average. UK football star David Beckham just signed a five-year contract to play soccer in the United States for \$50 million a year. Our broadcast media are now saturated with commercial advertising sponsored by the same corporations whose names and logos adorn most sports stadiums and whose CEOs pull down conspicuously egregious pay.

The *cartoñeros* are symbolic of Latin America, of Africa, of the former Soviet republics. Life is hard. Nothing is guaranteed. Their future is bleak. But the irony is that barely half a century ago, in Korea and Singapore, the future looked bleak there, too. As I noted in my last book, average per-capita income in the Arab world in 1963 was higher than the per-capita income of South Korea. Today, it's half that of Korea, which is now the world's 10<sup>th</sup> largest economy. By 1963, Singapore had become an independent country after nearly 150 years as a British colony. Its population was growing at more than 4 per cent a year: half the population lived in squatter huts and fewer than 10 percent had flats in public housing. By 1996, Singapore had earned recognition as an “advanced developing country,” its per-capita income had risen to \$25,000, and its standard of living was on a par with Switzerland. East Asia has written the manual on economic development, but nobody's reading it.

I took another bright yellow Manuel Tienda León bus back to the airport to catch my connecting flight to São Paulo and from there, back to JFK. Ezeiza International Airport seemed somehow symbolic of Argentina's widespread problems. Opened barely two years earlier, in 2004, its spanking new departure terminal sat right next to the old airport building; the two were conjoined. But the new terminal looks as if it's been in use for twenty years: its urinals don't flush, there is no soap in the dispensers, half the faucets leak, the rubberized floor tiles are puckered and uneven, carpets are stained and worn, the wallpaper is loose, and the air conditioning system seems barely to wheeze at half-speed. Just another contrast with the efficient, spotless terminals in Hong Kong, Singapore, and Seoul, gateways to prosperity.

Tariq Ali, the Pakistan-born, UK-educated editor of the *New Left Review*, recently published his account of the leftward political tilt in Spanish America with the all-too-clever title *Pirates of the Caribbean: Axis of Hope*. He is avowedly a pro-Chávez, pro-Socialist, anti-globalization commentator, and typical of this breed of New Left Ideologues, he seems woefully underinformed about the economic strategies and related success stories of the East Asian dragons. An unabashed apologist for Spanish America's emerging socialist leaders, Ali seems to be about as guilty of spreading disinformation as the media networks of the Washington Consensus that he routinely criticizes as culpable culprits.

Predictably, in late 2002 during Hugo Chávez's first term as President, Washington regarded the Venezuelan socialist leader as “disloyal to American interests in the region.” So the Bush Administration unleashed the CIA's covert pit bulls to orchestrate a coup against him. “The temporary overthrow of an elected president,” Ali writes, “was so loudly cheered by politicians and media watchdogs of the new order that one might have been forgiven for imagining that we were back in the times of colonial suppression of native uprisings.”

The Western press, quickly and equally predictably, fell into lockstep with a sad preference for reporting fantasy rather than hard-fact reality. *The Economist*, *The Financial Times*, *The Miami Herald*, *Le Monde*, *Le Figaro*, *The Washington Post*, and *The New York Times* – not to mention the Opposition-controlled media in Caracas, which includes nine of the top ten national newspapers – all portrayed the uprising as a natural phenomenon, like some freak earthquake or unseasonable tropical storm, without once questioning the remotest possibility of another CIA-orchestrated coup in a region populated by so many similar previous events. (Venezuela is, after all, subject to floods, rockslides, mudslides, and periodic droughts.)

Not to be outdone, the American evangelist Pat Robertson told the million-plus viewers of his national TV broadcast, “The 700 Club,” that the Venezuelan president should be “taken out.” It’s inconceivable that he would have made such a rash statement without the Bush Administration's blessing, despite the State Department’s tepid and predictable denial after the fact. Just last month, when Chávez abruptly announced the nationalization of Venezuela’s telecommunications industry, the Caracas stock exchange fell 20 per cent overnight and Verizon, which owns a significant minority share of the national telecom company, dispatched several senior executives to Caracas the next day.

<Sigh.> There’s clearly a subplot here, but I don’t think it’s the artificial TV reality-show stuff Washington thinks it is. Chávez is a tweaker. A tease. I think he enjoys whacking the Washington piñata, which regularly generates favorable press for him throughout Spanish America and routinely encourages other Washington-tweakers to visit Caracas in a show of unity. (Iran's President Mahmoud Ahmadinejad is only the most recent example.) The fact is, Venezuela is a far-too-important trading partner of the United States to let a few pinpricks from Chávez kill the goose.

Venezuela is the largest oil producer in Spanish America; the US is Venezuela’s #1 export market. Petroleos de Venezuela SA, Spanish America's biggest oil company, exports 2.2 million barrels a day, two-thirds of which go to the United States, making it our fourth most important petroleum source after Canada, Saudi Arabia, and Mexico. Venezuela’s 25 million people generate a GDP of \$150 billion (in area, Bolivia is about the size of two Californias), of which oil comprises nearly a third. The US exports nearly \$10 billion in manufactured goods to Venezuela every year, accounting for about a third of the country’s total imports.

Hugo Chávez knows all this. So does everybody else. Which suggests that he also knows how hard he can really poke Washington in the eye. This is a grand soap opera, more worthy of daytime television than of global political contretemps. Besides, who else is going to inherit Castro’s mantel when Fidel finally makes his way to the socialist workers’ paradise?

Throughout Spanish America, radical economic experiments with globalization began about twenty years ago. With their economies hampered by foreign debt and runaway inflation, many politicians decided that salvation lay in market-friendly reforms that ultimately became known as the Washington Consensus – privatization of state-owned enterprises, balanced budgets (most often accomplished by social spending cuts), free trade, and openness to foreign investment. These reforms, the theory went, would lead to prosperity.

The reforms happened but prosperity didn't, so in Spanish America it has become a time of backlash. In addition to Brazil, Venezuela, and Ecuador, Bolivia has also elected a leftist leader. In late 2006, Evo Morales, forty-six, became Bolivia's President. In many ways, Morales represents a clean break with the past: he is Bolivia's first indigenous President (he's an Aymara Indian); he's a former leader of the *cocaleros*, the coca-leaf growers, and has promised to decriminalize coca growing; his party is the Movement Toward Socialism; and he has called for the re-nationalization of Bolivia's formidable natural-gas resources. Like Chávez, Morales is hostile to the United States, speaking freely of the need to resist "U.S. imperialism." The Bush Administration dismisses him as a kind of "unholy combination of Pablo Escobar and Fidel Castro," as Jim Surowiecki recently put it in *The New Yorker*.

His election, however, was a bit of a fluke, or as one observer noted, "a tragicomedy of good intentions gone awry." Back in 2002, some of Bill Clinton's political consultants (notably James Carville) tried to get Gonzalo Sánchez de Lozada back into office. Goni, as he is known, was a successful businessman, raised and educated in the United States, and had been President of Bolivia from 1993 to 1997, when he had instituted a center-left program of privatization combined with social security and national health care. But when he ran again in 2002, his liberal American advisers drew on their so-called "advanced technology of campaigning" – polls, focus groups, advertising, and branding – in a poor country that had been slipping and sliding toward a populist revolt. They also engaged in that peculiarly American activity called "negative campaigning" and adapted Willie Horton to Bolivia.

The young American filmmaker Rachel Boynton followed the campaign from start to finish and released a documentary called *Our Brand is Crisis*, which was nominated for an Oscar last year and which I saw at the Film Forum in New York. The Clintonites narrowly got their man elected, but he quickly lost power as throngs of angry *campesinos* gathered in the streets to voice their opposition to him. Goni had campaigned mostly on TV and not in person, and his ads simply attacked his opponents (including Morales) without showcasing his own ideas. He was perceived as having far too little compassion for the people's economic problems. Boynton also spliced in rueful interviews with the principals that she filmed afterward, so the viewer could see their reflections on the disaster as it unfolded. "The results," David Denby wrote in *The New Yorker*, were "a painful but instructive lesson in the dangers of American arrogance." Especially James Carville, whose accent and tone are both particularly irritating, and who seems utterly incapable of any cultural sensitivity whatsoever.

During the past fifteen years – including Goni's first term – Bolivia's per-capita economic growth was barely 0.5 per cent a year; today, half of all Bolivians live on less than two bucks a day. Bolivia, Surowiecki notes, has always been a very poor country with a few very rich people, "but inequality has worsened, with the elite skimming off most of the little wealth

that has been created. The immense gap between what neoliberal reforms had promised and what they delivered has inevitably left people feeling cheated and angry.”

The reforms failed in Bolivia because a “macroeconomic checklist” like the IMF and the World Bank create is not enough to make an economy work. Incorporating a new business in Bolivia reportedly takes fifty-nine days, entails fifteen separate procedures, and costs twice as much as the average person earns in a year. So, according to one World Bank study, most of Bolivia’s businesses remain “informal” – meaning they have no legal protection – with limited access to credit markets. (Sound familiar? This is Hernando de Soto’s turf.) Plus the Bolivian government bureaucracy has been more interested in patronage than in good policy. The government’s campaign against coca farming, for example, left the *cocaleros* without economic alternatives, since the infrastructure necessary to get food crops to market in a timely fashion didn’t exist. Privatization simply turned into a handout for the wealthy.

Unfortunately for Bolivia, though, Morales may be just as utopian as the neoliberals were. His economic vision looks like the Washington Consensus turned on its head: instead of privatizing industries, nationalize them; instead of liberalizing trade, control it; instead of deregulating industries and prices, subsidize and regulate them. So his promise is little more than what Bolivians heard two decades ago: “my program will lift us out of poverty.”

“It may be foolish to expect caution from a populist like Morales,” Surowiecki writes. “Radicalism is the basis of his appeal. Ultimately, however, utopian rhetoric and utopian strategies are the last thing a country like Bolivia needs, because they foster the illusion that prosperity is easy to achieve. Morales has some potentially useful ideas – most notably, land reform – which was instrumental in the development of Japan, South Korea, and Taiwan, countries where tenant farms owned by absentee landlords were gradually replaced by (smaller) independent farms. But his hyperbolic rhetoric and his lack of attention to the concrete realities of reform will make it harder for even his sensible ideas to work. Bolivians have been promised too many big victories. What they need now are some small ones.”

Another chapter in the globalization story played itself out in Bolivia, as well. In April of 2000, in the central plaza of Cochabamba, a city of eight hundred thousand and Bolivia’s third largest, the body of a young man named Víctor Hugo Daza lay on a makeshift bier. The seventeen-year-old student had been shot by the Army during protests sparked by an increase in local water rates. The protests had been growing for months, and unrest had also erupted in other parts of the country, forcing the national government to declare martial law. In Cochabamba, much of the population turned to the streets, battling police and soldiers in what people had started calling *la guerra del agua* – the water war. The protesters captured the central plaza, where thousands of them milled around a tiled fountain and the catafalque of Víctor Daza. Some of their leaders had been arrested and taken to a remote prison; others were in hiding.

The chief demand of the water warriors, as they were called, was the removal of a private, foreign-led consortium that had taken over Cochabamba’s water system. For the Bolivian government, breaking with the consortium – which was dominated by Bechtel Corporation – was unthinkable, politically and financially. Bolivia had signed a lucrative, long-term contract. Renouncing it would deliver a blow to the confidence of foreign investors in a

region where national governments and economies depend on such confidence for their survival. (Argentina's 2001 bankruptcy was caused in large part by a loss of credibility with its international bankers.) The Cochabamba rebellion set off loud alarms, particularly among major corporations in the global water business. This business had been booming in recent years – Enron was a big player, too, before its collapse – primarily because of a global drive to privatize public utilities.

To make a long story short, the people of Cochabamba eventually won the water war with Bechtel, which brings us full circle back to East Asia's demonstrative successes that have resulted without cultural warfare but still leave us with a handful of questions.

East Asian high-speed economic growth during the past 40 years has utilized a kind of “demonstration effect,” starting first with Japan, then shifting to Singapore and Korea and Taiwan, then to Southeast Asia (Thailand, Indonesia, and Malaysia), and now to China. This is sometimes referred to as the “flying geese” formation, with Japan (now China) in the lead. But Spanish America has no de facto economic “leader” – Brazil, for example, or Chile – from which others in the region can learn valuable lessons or follow suit. Instead of replicating economic success, the pattern is one of repeating tired political failure. Why is this?

The recent case I referred to in Sao Paulo involving the Catholic Church makes me wonder about the Vatican's persistent (and negative) influence on social policy. As I noted, the state of Sao Paulo had offered to send condoms free of charge through the mail to anyone who needed them, both for prevention of disease and of unwanted pregnancies. The focus, of course, was on the *favelas*. But the Church forced the state to rescind its policy. Chile seems to have modulated its population growth rate quite nicely, but Argentina and Brazil still have an estimated 40-50% of their populations living in poverty. All the East Asian economies have restrained population growth impressively (Singapore is now trying to increase theirs again), in part because secular policies are not subject to religious interference. (Confucianism and Buddhism are more philosophical in nature than religious.) Given the huge income disparity between rich and poor in Spanish America, can broader economic growth result as long as the Church continues to interfere?

In case after case in East Asia, value-added manufactured exports have typically been the main engine of growth. South America has, like the Philippines (the so-called “sick man” of Asia) stuck with import-substitution industries (ISI) for far too long. Even now, the objective of manufacturing in Spanish America is more for domestic consumption than for export, and not focused on added value. There is also the strong emphasis on commodities (food in Brazil, copper in Chile, beef in Argentina, oil in Venezuela, tin in Bolivia) because of the ready availability of these natural resources. But one reason the East Asian political economies have developed such impressive education systems is that they have no natural resources to begin with and realized early-on that they had to develop their human resources in order to succeed. (The lagging effort to strengthen human resources in Spanish America is consistently disappointing, and yet again, the Catholic Church may be a factor.) Why are local economists so distracted by their “macroeconomic checklists”?

All the East Asian political economies have been guided by authoritarian political systems, especially in their early stages: “soft” authoritarian regimes in Japan and Singapore (political domination or control by one party), “hard” regimes in Korea and Taiwan, both of which lived under martial law for nearly 20 years. Chile, Argentina, and Brazil, too, went through periods of military rule in the 1970s, but with much sadder outcomes: the “dirty wars,” political repression, *los dias negros*, the *desaparecidos*. Why didn’t these countries use their authoritarian control to establish stronger economies and raise income levels, like Asia’s little dragons did? Was US intervention (via the CIA) a decisive factor? Given the Monroe Doctrine and its shadow over Spanish America, I seriously question whether Washington would ever tolerate a “turbocharged” economy in the region, à la Japan twenty years ago or China today – I mean a really dominant economic power, with high-speed growth, value-added manufactured exports, powerful companies. For reasons relating to historical dominance, it seems, the United States needs to keep Spanish America in check.

Still, as I pointed out previously, this underwhelming continent strikes me as being on a treadmill to nowhere, stuck in the cultural quicksand that comprises its parochial past, incapable of breaking out to a brighter future. East Asia’s powerful demonstration effect may simply have limited applicability beyond its own shores. Their roots may be deep, but their seeds are not easily transplanted to barren soil.

The ultimate difference between Spanish America and Brazil may come down to a natural difference between Spain and Portugal in cultural styles. Commentators on the bullfight note that in Portugal the bull is not killed. The Portuguese say that bloodlust is engendered by killing the animal, and that to risk a man’s life for sport is somehow, well, immoral. But in more ways than that, the Portuguese bullfight is totally different, from beginning to end. It concentrates on agility, horsemanship and a kind of playfulness, while the Spanish version stresses courage, conquest, and death.

That’s the principal reason I look forward to seeing more of Brazil in the future, and less of Spanish America. I can’t wait to visit Manaus, for example, deep in Brazil’s Amazon jungle.

So a working title for the next installment immediately suggests itself and is ready to go: the chattering classes meet the *povos indigenas*.

Saludos.