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LABOR IN LATIN AMERICA

Comparative Essays on Chile, Argentina, Venezuela, and Colombia

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Modern Latin American Historiography and the Labor Movement

Twentieth-century Latin American historiography suffers from two very grave deficiencies. It has failed to recognize the decisive historical role of organized labor and the labor movement in the evolution of the societies of the region. And it has failed to account for the very *different* ideological and political trajectories of the various Latin American labor movements—Marxist in some countries; neo-fascist in at least one; liberal, until now, in several others. Both of these deficiencies have a common root: neglect of the full social implications of the ways Latin American economies were integrated into an evolving world capitalist system in the century after 1880. After that date, the maturation of the industrial societies of the North Atlantic Basin created the enormous capital and technological resources, and internal social and political imperatives, that propelled a massive export of European capital to the rest of the world. In Latin America, elite social groups took advantage of these conditions to transform their own societies. One by one, Latin American nations came to specialize in the production of one or more primary commodities for export.

Latin American humanists and anthropologists writing in the 1930's were the first scholars to recognize and evaluate the importance of this export-oriented transformation. But it was structural economists, associated with the United Nations' Economic Commission for Latin America, who most thoroughly explored its implications for what they called the dependent (or reactive) economic development of the region. In the decades following the Second World War they constructed systematic typologies of export economies and brilliantly traced the implications of each for national economic development in the Latin American periphery of an evolving world capitalist system. Meanwhile, other Latin American social scientists and historians explored the social, political, and cul-

tural dimensions of the region's economic transformation. All of this work, however, curiously neglected the role of organized labor and the labor movement.[1]

This failing seems especially surprising given the march of historical events in the region in the postwar period. The once seemingly commonsensical argument that industrial workers were relatively unimportant in societies whose main function in the modern world was to produce primary commodities for export lost its logical appeal after 1945. The major Latin American nations emerged from the crisis of world depression and war with rapidly industrializing economies and relatively powerful organized labor movements. In subsequent decades they became primary recipients of foreign manufacturing investment in the underdeveloped world. Yet even as the manufacturing sector in these economies came to overshadow the primary sector, most Latin American scholars insisted that industrial workers were an insignificant force for historical change in the region. Such workers, they argued, were a favored group in national labor markets. Winners among a surplus of urban workers competing for a small and very slowly expanding number of jobs in capital-intensive manufacturing industry, industrial workers were a politically conservative and socially conformist labor aristocracy. This notion was developed systematically by Latin Americanists in the 1960's[2] and persisted well into the 1970's. It was confirmed by the bulk of contributors to a major review of Latin American labor studies published in 1977.[3]

By that time the most developed societies of the region were manifestly in crisis. Rapid industrialization, under the aegis of foreign capital, entailed the progressive denationalization of domestic manufacturing industry, along with an increased dependence on imported capital-intensive

1. The most important of the works by these humanistic social scientists is the brilliant essay by the Cuban anthropologist Fernando Ortiz, *Cuban Counterpoint: Tobacco and Sugar* (New York, 1947), originally published in 1940. Mature statements by the Latin American structural economists are Celso Furtado, *The Economic Development of Latin America* (Cambridge, Eng., 1970), and Osvaldo Sunkel, with the collaboration of Pedro Paz, *El subdesarrollo y la teoría del desarrollo* (Mexico City, 1971). The most important of the other works referred to are Fernando Henrique Cardoso and Enzo Falleto, *Dependency and Development in Latin America* (Berkeley, Calif., 1979), originally published in 1969, and Tulio Halperín Donghi, *Historia contemporánea de América Latina* (Madrid, 1970).

2. Influential formulations of this position are a pair of books edited by Claudio Vélez, *Obstacles to Change in Latin America* (London, 1965), and *The Politics of Conformity in Latin America* (London, 1967), and the contributions of Henry Landsburger, especially "The Labor Elite: Is It Revolutionary?," in Seymour Martin Lipset and Aldo Solari, eds., *Elites in Latin America* (London, 1967). Exceptions to the rule are the works of Robert Alexander. Writing from a liberal, anti-Communist perspective, he consistently stresses the importance of organized labor on the modern historical development of the region.

3. Rubén Katzman and José Luis Reyna, eds., *Fuerza de trabajo y movimientos laborales en América Latina* (Mexico City, 1977). Exceptions to this generalization are the notable contributions to the volume by Elizabeth Jelin, Silvia Sigal, and Juan Carlos Torre. Their work pointed in the direction of the reassessment discussed below.

technology and machinery and on expanded imports of industrial raw materials and fuel. It quickly created serious balance-of-trade difficulties and chronic inflationary pressures. Governments relied on large-scale international borrowing to overcome these problems and to build the economic infrastructure vital to industrial expansion. Then, as they were required to meet stiffer and stiffer conditions for the renegotiation and expansion of these loans, they adopted austerity measures that were designed to be borne primarily by the working class.

That solution—the one most attractive to domestic capitalists as well—gradually drove the working class into opposition to the state, revitalized the left, and, in the open political systems typical of the major Latin American nations in the early postwar period, stymied the effectiveness of the austerity programs. Far from surmounting the problems posed by industrialization, the new strictures soon threatened the very viability of the whole process of economic expansion, and led progressively to the breakdown of open political systems, to a massive repression of organized labor and the left, and eventually to a partial abandonment of the drive toward industrialization itself. This process was discernible as early as the mid-1950's and ran its course in the relatively more advanced societies of the Southern Cone and Brazil in the 1960's and early 1970's. By the mid-1980's it was threatening to envelop the political systems of such other major countries as Mexico, Colombia, and Venezuela.[4]

The working class was thus manifestly at the very center of the crisis of postwar Latin American economic and political development. Yet so broad was the consensus over the relative unimportance and the conservative nature of organized labor among scholars of Latin America that for a long time they focused their efforts to explain what was happening everywhere but on the working class. Outstanding contributions examined the economic imperatives of "deepening" capitalist industrialization, and stressed the role models of middle-class and technocratic groups.[5] Other scholars explored the dynamics of corporativism and the state, or sought explanations of the crisis in the cultural and institutional legacy of Iberian colonialism.[6] These contributions were important, and the best of them recognized the significance of organized labor to their analysis. None of them, however, focused attention theoretically and empirically on labor itself. One book that did, a major reinterpretation of

4. A fine analysis and summary of the literature dealing with this process and its implications for organized labor is Paul W. Drake's unpublished manuscript, "Journeys Toward Failure? Political Parties and Labor Movements Under Authoritarian Regimes in the Southern Cone and Brazil, 1964-83" (1983).

5. Guillermo O'Donnell, *Modernization and Bureaucratic-Authoritarianism* (Berkeley, Calif., 1973).

6. A handy overview of this work is James Malloy, ed., *Authoritarianism and Corporativism in Latin America* (Pittsburgh, 1977).

the labor history of the region published in 1977, concluded that organized labor's role in the modern history of Latin America was a limited one indeed.[7]

The reasons for this lag between historical developments and social science theory are in themselves worthy of investigation. Did it reflect the sociology of Latin American social science, the increasingly repressive conditions for research in Latin America, the priorities of funding agencies, or the weight and prestige of theory and research agendas constructed in the developed world?

This last proposition appears to have been especially important. To a generation of scholars in the developed West writing in the decades following the Second World War, the weakness and unimportance of organized labor seemed a plausible supposition. After the war, combative Marxist-led labor movements that had been strengthened all over the West during a decade and a half of crisis in the world order were quickly contained. In country after country labor unions were transformed into relatively docile, compliant, bureaucratic organizations that were fully integrated, under the watchful regulatory eye of the state, into the legal and political life of their respective societies. The success of this general capitalist offensive against organized labor owed much to the outright repression of the political left, to the skillful manipulation of the issue of nationalism as the rivalry between the major capitalist and socialist wartime allies degenerated into the Cold War, and to the hegemony of liberal cultural values and ideology in the postwar West.[8]

Most fundamental to the success of this offensive, however, and the key to the durability of its results was a historic compromise between labor and capital. The terms of that compromise are now well known, even if the importance of its long-term implications has yet to be fully comprehended. Capital, in principle, recognized the right of workers to organize, to bargain collectively, and to strike for higher returns for their labor. Organized labor, for its part, either explicitly (as in the United

7. Hobart Spalding, *Organized Labor in Latin America* (New York, 1977). The best and most recent survey of Latin American labor history, Spalding's work differs fundamentally from the approach pursued in this volume. It emphasizes how changing external, international ties affect the common experience of the labor movements of the region, as against my stress on the meaning for labor of the internal dynamics of Latin American societies. It focuses on the relative cohesiveness of the ruling class rather than on the experience of workers in explaining the differences in the various Latin American labor movements. Most importantly, it stresses the relative lack of labor influence on national history, whereas I argue for its decisive importance.

8. The restoration of liberal cultural hegemony after the war was a direct result of the outcome of the fighting, which left the liberal capitalist powers victorious. But it was achieved only through philosophical and social concessions to domestic popular forces spawned during the world crisis that Karl Polanyi identified in *The Great Transformation* (1944). The most important of those was the compromise with organized labor discussed below. As with the labor initiatives, the contradictions within all of the social institutions of the capitalist welfare state have now become manifest, their future uncertain.

States and much of Latin America) or implicitly (as in Western Europe and parts of Latin America) renounced the goal of socialist transformation, and acquiesced to the capitalist logic of perpetual revolution in the forces of production. In particular, labor gave ground on the issue of control in the workplace in exchange for a major share of productivity gains. Capital thus eliminated the principal immediate obstacle to economic expansion in the postwar era. It tamed powerful, disruptive organized labor movements that threatened to undermine the process of capitalist accumulation. In effect, capital turned organized labor into a partner. Unions joined management in disciplining the work force and in regularizing and containing industrial conflict. In exchange, organized workers preserved their unions and watched their real wages and material benefits rise.[9]

This historic compromise has structured much of the subsequent history of the world capitalist system. How it did so is still very imperfectly understood. But that it has had enormous economic, social, political, and intellectual implications—each manifested differently over time in the various parts of the world system—is now apparent.

The viability of the postwar compromise between capital and labor in the West depended on the continual expansion of capitalism, both on a world scale and in all the separate societies where the compromise was effected. The first condition, expansion of the system as a whole, was met spectacularly over the course of the next three decades. Success in meeting the first condition, however, inevitably compromised achievement of the second. The economic implications of capital's commitment to organized labor in developed, high-wage societies forced it to shift the base of its productive operations to lower-wage economies abroad.[10] The effects of this process, which ultimately undermined both economic

9. Perspectives on the importance of this compromise are developed by Charles Maier, who stresses an "ideology of productivity" as the guiding principle of the foreign policy of the United States in the restoration of the capitalist order in postwar Europe, and David Montgomery, in his treatment of the importance of the issue of control in the workplace in workers' struggles in the labor history of the United States. Charles Maier, "Two Postwar Eras and the Conditions for Stability in Twentieth-Century Western Europe," *American Historical Review* 86:2 (Apr. 1981):327-52; David Montgomery, *Workers' Control in America* (Cambridge, Eng., 1979). The relationship of control over the organization of work to the logic of capitalist development is explored most thoroughly in Harry Braverman, *Labor and Monopoly Capital* (New York, 1974). The concept of "partnership" is advanced to explain the transformation of the European labor movements in Giovanni Arrighi's suggestive essay "The Labor Movement in Twentieth Century Western Europe," in Immanuel Wallerstein, ed., *Labor in the World Social Structure* (Beverly Hills, Calif., 1983).

10. Capitalists, of course, took other measures to circumvent their compromise with labor in the developed world. They effectively stymied the expansion of organization to other sectors of the labor force. And they promoted or acquiesced in the legal and illegal immigration into developed societies of workers from low-wage societies. In the United States this immigration was massive and to a large extent illegal, a fact that left the working class as a whole vulnerable to ethnic explanations of its class problems and impeded the legal organization of immigrant workers. These issues are explored by Alejandro Portes and John Walton, among many others. See their *Labor, Class, and the International System* (New York, 1981).

growth and the compromise with labor in the developed world, were not apparent for decades. Beneficiaries of mechanisms of capital accumulation and exchange within the world system,[11] and able to develop capital-intensive and high-technology productive and service industries in a modified international division of labor, the developed societies experienced impressive economic growth through the 1960's. Growth was particularly rapid in the developed economies of Western Europe and in parts of East Asia where wages were much lower than in the United States, and where the flow of investment from the United States into manufacturing production in the postwar decades was spectacular. By the 1970's, however, the structural effects of this massive shift in productive investment in the world system began to reveal themselves in the developed world, first in the premier capitalist economy, and then in the others. As manufacturing industry moved abroad, and domestic industry failed to modernize and became less competitive in the world market, developed Western societies began to experience declining economic growth rates, chronic balance-of-trade problems, high unemployment, and rising inflation.

The social, political, and intellectual dimensions of the historic compromise in the developed West were no less dramatic. The eclipse of a powerful political left anchored in an organized working class left capital free to pursue the implications of the compromise virtually uncontested at home, and to use the resources of the state to pursue its ends ruthlessly abroad. In its efforts to expand and protect investment overseas, the United States in particular soon found itself enmeshed in a series of costly endeavors. These ranged from publicly financed overseas investment insurance to political subversion abroad, from schools for foreign labor leaders to major international wars. Although the cost of these endeavors did not seriously undermine the political and ideological hegemony of capital in the United States, each contributed significantly to the economic problems stemming from the shift of productive industry abroad. At present it is the legacy of that economic process that is generating the most severe social and political problems in the developed West. Organized labor has seen its relative numbers decline, its economic and political power severely curtailed. In recent years the terms of the historic compromise in basic industry have broken down completely. Although

11. There is of course no consensus in liberal and Marxist economic theory over either the existence or the relative importance of such mechanisms. The position taken here draws on the propositions advanced in Paul Baran, *The Political Economy of Growth* (New York, 1957), Samir Amin, *Accumulation on a World Scale* (New York, 1975), and Arghiri Emmanuel, *Unequal Exchange* (New York, 1972). Theory aside, the operation of such mechanisms seems best to explain the developments discussed below: the rapidity with which the obstacles to capitalist expansion were revealed in Latin America in the postwar period, and the fragility of the compromise between capital and labor there; and the delay in the manifestation of both in the developed capitalist world.

organized labor as a whole has yet to reevaluate its postwar commitment to capitalism, it has joined with a coalition of social groups in the cry for industrial protection and "buy national" policies. Such policies, of course, threaten both the mechanisms of capitalist accumulation in the world system as a whole and the liberal theory of comparative advantage in world trade on which that system rests.

Still, the problems that beset developed capitalist nations today were very slow to emerge. They are more obvious now with the aid of a hindsight sharpened by the social and political pressures unleashed by the breakdown of the compromise with labor and the general economic stagnation in the developed world. For more than two blissful decades the workability of the compromise with labor—indeed its inevitability—was endorsed by public opinion and celebrated in mainstream social science theory. Scholars postulated an "end to ideology" and wrote class conflict out of their theories of development in the modern world.[12]

Such a position is no longer tenable, even in the developed world. As world economic growth began to falter and the historic compromise between capital and labor began to break down in the early 1970's, large numbers of scholars turned their attention to a reevaluation of the role of labor in the history of the modern world. It is this work that has so profoundly illuminated the terms of the postwar compromise and now enables us to begin to assess the far-reaching implications it has entailed. In Latin American studies that reevaluation has produced what one scholar has called a "boomlet" in labor studies[13] and a growing recognition of the obvious: that organized labor is central to the continuing postwar crisis in the major countries of the region. Nevertheless, the reevaluation has yet to force Latin Americanists into a major theoretical revision of traditional notions about the role of labor in twentieth-century history as a whole.[14]

Latin Americanists have ignored the historic importance of labor in large part because we have looked in the wrong place. We have applied

12. For one critique of modernization theory, and a guide to many others, see Charles Bergquist, *Alternative Approaches to the Problem of Development: A Selected and Annotated Bibliography* (Durham, N.C., 1978).

13. Thomas E. Skidmore, "Workers and Soldiers: Urban Labor Movements and Elite Responses in Twentieth-Century Latin America," in Virginia Bernhard, ed., *Elites, Masses and Modernization in Latin America, 1850-1930* (Austin, Tex., 1979).

14. Debate in the field has centered instead on the relative virtues of the "dependency" approach as outlined in the work of Hobart Spalding, cited in n. 7 above, and on the promise of the "new" labor history developed by European and North American scholars. These issues are discussed in the Conclusion. See, in addition, the exchange between Eugene F. Sofer and Kenneth Paul Erickson, Patrick V. Peppe, and Hobart Spalding, and the articles by Peter Winn, "Oral History and the Factory Study: New Approaches to Labor History," and Charles Bergquist, "What Is Being Done? Some Recent Studies of the Urban Working Class and Organized Labor in Latin America," published, respectively, in the *Latin American Research Review* 15:1 (1980), 14:2 (1979), and 16:2 (1981).

uncritically orthodox Marxist and liberal approaches to labor history that were most appropriate to the historical development of the center of the world capitalist system. We accepted a dichotomy in studies of the working class that posited a separate set of assumptions and predicted behavior for rural workers (often viewed as "traditional peasants") and industrial workers (the "modern proletariat"). Rural workers were separated conceptually and defined out of "the labor movement"; urban workers—artisans and proletarians in manufacturing industry—became the subject of "labor history." The clumsiness of such a dichotomy was apparent to many. How did one classify, for example, workers in rural Cuban sugar complexes or miners in highland Peru who moved in and out of traditional agriculture?

It is only when this conceptual dichotomy, artificial to the history of workers in the underdeveloped world, is set aside, and a new category of analysis is put in its place, that the meaning of the labor history of Latin America fully reveals itself. The primary object of early-twentieth-century Latin American labor history should be workers in export production. Sometimes more "industrial" and "urban," sometimes more "agricultural" and "rural," sometimes pure wage workers, sometimes not, it is these workers, a class formed in response to the expansion of an evolving world capitalist system in the decades after 1880, who did the most to make the Latin American labor movements. It is these workers, and those in transport and export processing linked to them in the export-production complex, whose struggles most deeply influenced the modern trajectory of the various national labor movements of the region. By the mid-twentieth century, and in countries such as Mexico and Chile much earlier, that trajectory was institutionalized within the unions and parties of the labor movement and within the pattern of labor relations sanctioned by the state. In most of the countries of the region (Cuba is a notable exception) the trajectory of national labor movements established by mid-century has held firm in our own times. The fate of workers' early struggles thus powerfully influenced the pattern through which their postwar successors have affected the political and institutional life of the various nation-states of the region.

The validity of these assertions is easily demonstrated in logical terms, although it has yet to be confirmed in detailed historical studies. The Latin American structural economists amply demonstrated the enormous importance of the export sector to the economic health and development of capitalism in the Latin American periphery after 1880. That sector provided the major opportunity for capital accumulation in the countries of the region. It determined the volume of foreign-exchange earnings, and thus the ability of a given economy to absorb imports of manufactured goods, capital, and technology. It generated, directly or indirectly, the bulk of government revenue, and consequently decisively influenced the

growth and power of the state. This extraordinary economic importance continued even under the conditions of large-scale industrialization achieved in some Latin American nations by the middle of the twentieth century. In furnishing vital foreign exchange, the export sector functioned under the conditions of import-substituting industrialization as a substitute for a capital-goods industry.

No two export economies were alike, of course, in terms of their capital, labor, and technology requirements. Some proved much more vulnerable than others to fluctuations in the world market. In some, ownership of the means of production was foreign and highly concentrated; in others it was domestic and diffused. Some employed large numbers of workers; others few. Some were high-wage economies; others not. Some produced exclusively for export; others produced for both the domestic and the international market. The structural economists showed how these characteristics and many others had radically different implications for domestic capital accumulation, economic diversification, and infrastructural development in the various Latin American countries during the classic era of free trade before 1930. They demonstrated how each characteristic influenced the ability of a given society to respond to the opportunities for industrialization during the crisis of the capitalist world order and the partial breakdown of the international division of labor in the period 1930-45. Finally, they showed how these structural differences continued to influence the success of national industrialization in the modified international division of labor that took form in the postwar decades.

Clearly, this kind of structural historical analysis can easily become economistic. By divorcing the study of economic development from the human forces that economic transformation unleashed—social classes, ideas, political parties—the Latin American structural economists not only tended to oversimplify the process of economic development, but in the end were unable to explain adequately the very problem they set out to answer: why some Latin American societies were more successful than others in the pursuit of economic development as the twentieth century progressed.[15]

15. I have excluded from this discussion the influential studies of the North American neo-Marxist economists Paul Baran, *The Political Economy of Growth* (New York, 1957), and André Gunder Frank, *Capitalism and Underdevelopment in Latin America* (New York, 1967), which emerged about the same time as those of the structural economists. These authors rightly insisted on the congenital weaknesses of peripheral capitalism and made fundamental contributions to our understanding of the mechanisms through which surplus is extracted from peripheral societies and siphoned toward the industrial core of the world system. But in their preoccupation with demonstrating the failure of capitalist development in Latin America and mechanical insistence on the inevitability of socialist revolution, they proved no less economistic and deterministic than the structural economists. By denying the developmental opportunities within Latin American capitalism, the neo-Marxists found themselves unable to account for the social complexity and diversity of Latin American history, making their work of limited use in the study of those societies.

The difficulties the structural economists encountered in explaining modern Argentine economic development provide a telling case in point. According to their analysis, the livestock and grain export economy that emerged in Argentina after 1880 was uniquely favorable to national economic development. Nationally owned, modest in its capital and technology requirements, geographically diffuse, high-wage, and relatively unaffected by fluctuations in world demand over a long period of time, it should have favored domestic capital accumulation, economic diversification, and sustained economic growth. Argentina should have been the most successful example of economic development in the region, and in fact was so until about 1945. Soon after that date, however, the economy began to falter, and the nation became the first in the region to fall victim to the contradictions of industrialization in the postwar era. To this day, Argentina has failed to emerge from the long period of economic stagnation, social conflict, and political crisis that first became manifest at mid-century. Argentina's crisis of development, as we shall see, is only indirectly related to export structure. It is a crisis that must be understood primarily in terms of a powerful labor movement conditioned by that structure that since 1945 has stymied the vigorous development of Argentine capitalism and forced established groups again and again to jettison the principles of liberal democracy.

Although Latin American structuralism, by itself, proved inadequate to the task of explaining the region's economic development, it provided essential conceptual tools for such analysis. Combined with traditional Marxist premises about the role of class conflict in historical change, particularly the struggle between capital and labor in the modern era, such tools become a powerful aid in analyzing not only Latin American economic development, but the modern history of the region in general.

First of all, the economic structuralists alerted us to the overwhelming importance of workers in export production within the Latin American working class. Like owners of the means of export production in peripheral capitalist economies after 1880, export workers possessed tremendous inherent economic and political power. Contention between these two social classes forms a central theme in early-twentieth-century Latin American history, deeply influenced the pattern of economic and political change, and helped fix the basic direction of twentieth-century developments in the societies of the region.

In the second place, in pinpointing the variables that influenced economic growth, the structuralists inadvertently isolated a range of factors that encouraged or inhibited the development of working-class consciousness and organization. In the all-important export sector itself a variety of factors were involved. Geographic location and climatic conditions not only influenced the strength of social and cultural ties between

export workers and the greater society, but helped determine the degree to which, as wage laborers, they depended on their jobs for their physical reproduction. Chilean nitrate workers, for example, labored in mines and processing plants in an isolated and otherwise uninhabited desert. They built informal social networks and cultural and political institutions for a class far removed from the major socializing institutions of Chilean society and utterly dependent on wages for its subsistence. The nationality of ownership in the export industry and the degree to which ownership was concentrated helped determine whether workers perceived themselves and their employers as separate, contending classes. Venezuelan oil workers, for example, quickly identified their class enemy as an international trust that manipulated the government at every turn. The capital intensiveness and technological sophistication of export production and processing influenced the organization of work and helped determine the size, concentration, skill, and wage level of the work force. The low capital requirements and simple production techniques used in Colombian coffee cultivation and processing, for example, enabled small landowners to compete successfully with large capitalist producers, and to maintain significant control over the means of production and the work process until recent times. The degree to which export production and wages reflected seasonal cycles or fluctuations in world demand and price not only gravely affected the material well-being of workers, but also shaped their sense of the fairness and rationality of the social relations that surrounded them. Such conditions, for example, laid the groundwork for the organization of the Cuban working class in sugar production. All of these variables affected the ability of capital to control or "discipline" the labor force by tapping unemployed, underemployed, or low-paid workers in the export sector and outside it during the periods of labor militancy. It was easy, for example, for management to replace striking workers in the meat-packing plants of Greater Buenos Aires, because there were waves of immigrants and underemployed workers available to take their unskilled jobs. Finally, the ethnic composition and nationality of export workers complicated their efforts to achieve internal unity as a class, and greatly affected their ability to meld nationalist and patriotic sentiments with their class perceptions in a collective struggle to improve their lives.

Nationalism also deeply influenced the broader issue of the relationship of export workers to their fellow workers and other social groups. Where export production involved a class and national dichotomy, one of national labor versus foreign capital, export workers were better able to mobilize the powerful sentiment of patriotism—a sentiment fostered by the dominant culture—in support of their class interests. In these circumstances, characteristic of Chile, Bolivia, Venezuela, and Cuba, among others, the class relationship between workers and capitalists in the for-

eign-owned export sector was recapitulated, in a sense, in the relationship of the whole peripheral society to the international economic system. The potential for anticapitalist alliances between labor and other social groups inherent in these analogous relationships was, in turn, greatly increased if the export sector proved unable to stimulate vigorous, sustained national economic development.

Where these structural conditions were reversed—where, that is, export production involved national capital and foreign or at least ethnically distinct labor—nationalist and patriotic sentiments could be turned more easily against labor. In these situations, illustrated in extreme form in Argentina, and to some degree in most nationally owned Latin American export economies, the class/national dichotomy in the export sector was reversed at the analogous level of the international system, and the potential for anticapitalist alliances between labor in the export sector and other social groups and classes in the larger society was greatly reduced. Such an alliance was even more unlikely if the export economy was relatively successful in directly fostering national economic development.

Of all these structural characteristics, however, the capital requirements of export production were the most important. Where those requirements were high, foreign capital was favored over national capital in the struggle for control over the means of production, capitalist relations of production tended to predominate over precapitalist ones, and concentrated rather than dispersed units of production were more likely to prevail. As a result, the structural variables that define export economies and influence their relative capacity to promote economic development over time tend to combine in patterned ways. And because these same structural variables also set the conditions for labor organization in the export sector and for class alliances between export workers and other groups, they tend to influence the development of the various national labor movements in predictable ways. Thus, for example, structural conditions such as foreign ownership and concentrated production that favor the development of cultural autonomy and class-conscious, anticapitalist labor organizations among export workers tend, at the same time, to inhibit the vigorous development of the economy as a whole. And this failure of capitalist development in turn strengthens the potential for broad, anti-imperialist alliances within the whole society. The reverse is also true. Structural variables such as national ownership, limited capital and technology demands, and diffuse geographical production systems, all of which inhibit labor organization in the export sector, tend at the same time (through their positive effects on other sectors of the economy) to promote economic development. And that economic development in turn limits the possibility for anticapitalist class alliances in the society as a whole.

If one continues to slice up historical causation in these neat and abstract ways, it is possible to locate modern Latin American societies along a continuum, defined by export structure, on which the potential for vigorous economic development functions inversely with the potential for labor organization and the strength of the Marxist left. Toward the left on such a continuum lie those export economies whose structural characteristics make them least likely to promote national economic growth and diversification; toward the right, those most likely to promote those developments. A country whose export economy falls toward the left on the continuum should also feature a historically strong, anticapitalist labor movement; a country whose export economy falls to the right, a historically weak, or ideologically co-opted labor movement. Stated differently, in countries with export economies situated on the left of the continuum the political left should be strong and the historical possibility for socialist transformation greatest. This crude set of relationships and predictions seems in fact to have considerable explanatory power. Those familiar with the history of the major nations of the region will recognize that Cuba, Chile, Bolivia, Venezuela (and perhaps Mexico[16]) fall historically to the left on the continuum, whereas Argentina, Uruguay, Brazil, and Colombia fall to the right.

Such an exercise is a useful first step in analysis. For several reasons, however, it obscures almost as much as it reveals about the individual Latin American labor movements and their influence on the development of their countries. In the first place, although the structural variables that define export economies tend to cluster, that clustering, in the real world, is never absolute. For example, foreign ownership, capital intensiveness, and technological sophistication—interrelated factors that tend to hinder domestic capital accumulation and economic diversification—may not be combined with concentrated geographical production and a small labor force, factors that also tend to have negative implications for domestic economic development. Cuba's sugar export economy approximates such a case. Conversely, domestic ownership, limited capital and technological requirements, and diffuse geographical production systems—factors that promote the development of domestic transport systems and stimulate the growth of agriculture and industry to supply the export sector—may not be combined with a high-wage labor force that helps to create a national market for domestically produced wage goods. Colombia's coffee economy fairly closely fits this pattern.

In the second place, an export economy may have a special character-

16. This interpretation of Mexican history is not obvious, much less widely accepted, but see the suggestive approach to the Mexican Revolution by François-Xavier Guerra, "La Révolution mexicaine: D'abord une révolution minière?," *Annales E.S.C.*, 36:5 (Sept.-Oct. 1981):785-814. I return to this issue in the Conclusion.

istic of such overwhelming importance that the predicted tendency of its impact on economic development and the labor movement, though always latent, is constantly overcome. Venezuela's petroleum economy is a good illustration. In terms of most of the variables noted above, that economy closely resembles Chile's nitrate and copper export economy. Yet unlike Chile's mineral exports, for which world demand and price have fluctuated wildly, and declined generally, in this century, the value of Venezuelan oil exports has until recently expanded geometrically. The Venezuelan labor movement initially developed under Marxist leadership and early cemented a broad anti-imperialist alliance with other social groups. But these developments were truncated after 1945, and again in the early 1960's, by liberal reformers able to win huge concessions from the oil companies, which they used to secure and maintain a compromise with organized labor and to institute significant social reforms.

Finally, and most important, is the fact that the two dependent variables derived from export structure—the potential for economic development, on the one hand, and the potential for labor organization and the growth of the left, on the other—interact historically in such complex and unexpected ways that they may in fact reverse the direction of the initial causal connection, and transform the independent variable into a dependent one. The subtle and often tragic irony of such paradoxical historical developments can be appreciated fully only in detailed historical analysis.

The chapters that follow explore the interaction between export structure, labor, and the left in the historical development of four of the larger, more economically advanced Latin American nations. The first two chapters deal comparatively with Chile and Argentina, the next two with Venezuela and Colombia. Although each chapter attempts to provide an interpretation of national history from the early nineteenth century until contemporary times, each emphasizes the period of the twentieth century when the ideological and institutional trajectory of the labor movement was fixed, and when its enduring influence on national life was clearly defined. The chapter on Chile thus concentrates on developments before 1930, whereas those on Argentina, Venezuela, and Colombia focus on the period up to mid-century.

Argentina and Colombia are treated at greater length than Chile and Venezuela, but this was not decided by their size alone (Argentina and Colombia, with populations of roughly 28,000,000 in 1983, are about twice as large as Chile, with some 12,000,000 people, and Venezuela, with 16,000,000). The depth of treatment reflects primarily the state of the existing literature on the four countries. In Argentine and Colombian labor history, the sector of the working class emphasized in this study—

workers in export production and processing—has received relatively little previous attention. Moreover, in Argentine and Colombian historiography as a whole, the importance of export workers to the evolution of the labor movement and national history has been slighted. In Chilean and, more recently, in Venezuelan historical studies, by contrast, export workers have attracted considerable attention, and their influence on the course of national life is more widely recognized.

In choosing to focus my research on these four countries and to pair them for comparative, sequential treatment I have sought to illustrate the power and range of the interpretive framework outlined in this introductory chapter. In important respects, Chile and Argentina approximate polar types among the Latin American nations. This is true in terms of both export structure and, until very recently, twentieth-century political evolution. In Chile's foreign-owned nitrate and copper export economy, organized labor evolved under Marxist leadership and ideology. The left became the strongest in Latin America. Conversely, in Argentina's domestically owned livestock and cereal export economy, organized labor ultimately became corporatist in leadership and ideology and a weak left was eclipsed by the right-wing popular nationalism of Juan Domingo Perón. The different political trajectory of the left contained within it paradoxical implications for economic development and social transformation in the two societies. In Chile the paradox was most poignant in political terms, in Argentina in economic terms. In Chile, the left's political success within a bourgeois, democratic system worked to constrain liberal capitalist economic development after 1950 and fatally undermined the left's ability to effect the transformation to socialism. In Argentina, the eclipse of the left and the rise of Peronism effectively smothered the potential for social transformation and severely eroded the country's once great potential for economic development. Thus, by the 1970's each country, by different routes and in part for different reasons, reached an economic and political impasse that was at least temporarily "resolved" through the imposition of authoritarian military regimes, the repression of organized labor, and the pursuit of neoclassical liberal economic policies. There is a strong element of convergence in these developments. As Guillermo O'Donnell[17] and others have shown, since the 1950's and 1960's all of the larger, more developed Latin American countries have faced a set of common economic and political problems generated by the exhaustion of the "easy" phase of import-substituting industrialization. Emphasis on the mechanisms of contemporary convergence, however, should not obscure the ongoing legacy of historical divergence. That divergence helps explain the great differences in the success and functioning

17. See *Modernization and Bureaucratic-Authoritarianism*, cited in n. 5 above.

of the authoritarian regimes in these two countries and has decisively influenced the nature of their current transformation.

The export economies of Venezuela and Colombia diverge in the same directions as Chile's and Argentina's do, but each has a special characteristic that moderates and complicates its influence on labor organization and economic and political evolution. Thus, on a continuum defined by export structure and twentieth-century political evolution, Chile and Argentina tend toward the poles, whereas Venezuela and Colombia lie toward, but on opposite sides of, the center. Venezuela's foreign-owned petroleum economy, unlike most other mineral export economies (especially Chile's), has experienced sustained growth and generated increasingly large government revenues since its inception in the early decades of the twentieth century. Colombia's domestically owned coffee economy, unlike most other agricultural export economies (including Argentina's), has featured very widespread ownership of the means of export production. The basic structure of the Venezuelan export economy favored the initial autonomy and organizational strength of labor and the left; its special feature helps to explain the displacement of the left by the reformist liberal governments that emerged in the 1940's and 1950's. The structure of the Colombian export economy hindered the development of working-class cultural and organizational autonomy; its special feature tended to push social and economic unrest into traditional political channels and toward the intraclass warfare of the period called *la violencia* in the 1940's and 1950's. In both countries these mid-century developments had profound implications for economic and political evolution. They resulted in organized labor movements that, in contrast to the left- and right-wing political commitments of Chilean and Argentine labor, were primarily concerned with bread-and-butter issues. In both countries, the weakness of the left (more extreme in Colombia than in Venezuela) has contributed fundamentally to the maintenance of relatively open liberal developmentalist regimes in the postwar period.

Marxists will have noted by now that in largely ignoring the standard category for analysis of Latin American labor history, the industrial proletariat, I seem to have thrown out the baby with the bathwater. Throughout the discussion of export structure I made little mention of perhaps the most important feature that distinguishes one export economy from another—the existence or not of fully developed capitalist relations of production, the existence or not of free wage workers. I did so not because I consider that issue unimportant, but because I wanted to make an important point too often slighted in orthodox Marxist Latin American labor history.

Latin American Marxists, many of them labor and political activists affiliated with the Communist parties of the region, have written many—and some of the best—studies on labor history. Unlike the majority of their academic counterparts, these militant activists never lost sight of the centrality of class conflict and the historical importance of the organized working class in the region. Moreover, and again unlike their academic counterparts, many recognized intuitively the importance of export workers to the march of labor and historical developments in their own societies. Indeed, it was from among the ranks of export workers that many of these grass-roots Marxist labor historians often sprang, it was toward export workers that they directed their organizational and political energies, and it was around export workers that they built their analyses.[18]

Many of these writers thus implicitly rejected the category of industrial workers as the primary focus for the early-twentieth-century labor history of their own societies. They did not, however, reflect deeply on the meaning of export structure for the relative success or failure of the Marxist left in organizing these workers, in developing national labor movements, and in influencing the course of national history. Part of the reason lies in the lack of comparative focus in their work, a kind of occupational hazard built into the lives of organizers and activists who depend on analytic concepts developed by others—in this case, by others outside their own societies. These activists worked with the simplistic orthodox Marxist notion that capitalism engenders a proletariat that, under the leadership of the Communist Party, gradually acquires the consciousness necessary to overthrow its capitalist oppressors and establish a socialist order. When such developments seemed to be confirmed by the course of national history, as they were in Chile, orthodox Marxists complacently and uncritically patted themselves on the back. When developments did not conform to these predictions, as in Argentina, Marxists tended to attribute the failure to tactics and leadership, or to ruling-class conspiracies, or to the ignorance of the working class. No other attitudes are possible if the main issue that determines the trajectory of Latin American labor movements is the existence of capitalist relations of production. In point of fact, however, such relations have been more, not less, developed in Argentina than in Chile throughout this century.

As we shall see, particularly in the Colombian case, the social relations of production in an export economy are fundamental to the analysis of labor history and the role of the left in Latin America. Given free wage

18. Outstanding examples of the work of these labor historians are Elías Lafertte, *Vida de un comunista* (Santiago, 1961); José Peter, *Historia y luchas de los obreros de la carne* (Buenos Aires, 1947); José Peter, *Crónicas proletarias* (Buenos Aires, 1968); and Rodolfo Quintero, *La cultura del petróleo*, 2d ed. (Caracas, 1976). These works are discussed in subsequent chapters.

labor, however, it is differences in export structure that best explain the remarkable disparity in the labor movements of Latin America, and the very unequal strength of the left in countries such as Chile and Argentina.

I discuss the strengths of this whole approach in greater depth in the concluding chapter of the volume. That chapter emphasizes ways in which the interpretive model advanced here would have to be modified to account for the historical specificity of the four countries compared. It also explores a range of other historical factors that limit the usefulness of the model in interpreting the diverse histories of the other countries in the region. The chapter ends with some reflections on the implications of the study as a whole. These, I argue, transcend the specifics of the role of export workers in twentieth-century Latin America. By placing labor at the center of historical analysis, the study raises conceptual and methodological questions for the interpretation of the modern history of other societies as well.

Abstract model-building of the kind pursued in this chapter can help to orient research and provide historians with a way to select illuminating case studies for comparative analysis. By itself, however, such modeling is a mechanical exercise, artificially abstracted from life and incapable of touching and moving its human subject matter.

Historians are rightly impatient with such models because, more than most social scientists, they learn through training and experience to appreciate the complexity and untidiness of social reality and change. Social scientists learn to cut off a manageable slice of social life and to specify as precisely as possible how various factors combine to influence it in patterned ways. Historians, by contrast, share more fully the conviction that such fragments cannot be adequately understood apart from the whole. The difference is, of course, one of degree, but it leads to quite distinct methodological traditions.

Historians have developed methods of analysis and modes of exposition that, however imperfect, should be understood as responses to the magnitude of the comprehensive task they set for themselves. Historians try to keep concrete human experience at the center of their analysis, a commitment that explains their reverence for primary sources in monographic studies, and their reliance on the historiographical method in general interpretive works. This method, used extensively in this comparative study, takes as its starting point not the absolute symmetrical demands of a model in search of confirmation through historical data, but rather a critical mastery of the corpus of literature written on a place and time. Historians attempt to write engagingly for the literate layman, and share a predilection for narrative and a preoccupation with prose style. These expository means reflect the assumption that general, dialectical

social processes are best unraveled step by step as they unfold through time, and that interpretation should be conveyed to a general audience with a nuanced subtlety appropriate to the effort to understand such complexity.

For all these reasons, the major analytical task of this book is to illuminate the questions posed by the body of historical writing on each of the four countries compared. The measure of its success should be its ability to explain, in laymen's terms, these very different historiographical issues through a common emphasis on the human experience of workers in export production.

2

Chile

The anatomy of Chile is fine and arbitrary. . . . In image and reality, the North is the head of Chile. . . . And what a beautiful and powerful head it is! Chile's budget depended on the sweat of the nitrate shovelers and tailing scrapers of Tarapacá, Antofagasta, and Taltal. The nation was sown in the nitrate trenches. And in the trenches the Chilean was remade, acquiring the visage of a fighter.

Andrés Sabella, *Semblanza del norte chileno* (Santiago, 1955)

The Distinctiveness of Chilean History

It is customary to begin studies of Chile with an emphasis on its distinctiveness. Its geography is unique and spectacular. More than 4,000 kilometers in length, the country averages less than 180 kilometers in width. Chile's ecology ranges from the arid Atacama Desert in the north, through the Mediterranean climate of the central valley (where most Chileans live), to the rain-swept forests of the south. Bounded by sea and desert, and by the massive Andes on the east, Chile lies farthest of all Latin American countries from the North Atlantic centers of the Western civilization of which it forms an integral part. Yet of all the Latin American nations, Chile seems to have evolved politically in a way that most closely approximates patterns in the industrialized nations of the North Atlantic Basin.

Thus a second distinctive feature of Chile, one stressed tirelessly, at least until recently, by observers both Chilean and foreign: its stable, democratic political system. Unlike the new nations of the rest of Spanish America, Chile quickly stabilized politically following independence. During the nineteenth century it developed a relatively strong state and a vigorous party system. Periodic elections were held, and rules were established for the peaceful transfer of political power. This process continued in the twentieth century and, as suffrage slowly expanded, Chile developed a very wide spectrum of ideologically oriented, mass-based political parties and a reputation for democratic pluralism. Finally, it distinguished itself in 1970 by electing the first Marxist head of state in the Western Hemisphere.

The military coup of September 1973, which ended that remarkable democratic experiment and destroyed the political institutions that had made the election of such a government possible, raises serious questions about the alleged distinctiveness of Chilean political history. Looking back, the coups and attempted coups that dot Chilean history over the last 150 years now become more salient. The civil war of 1891, with its tragic parallels to the events of 1973, takes on new significance. So also does the period of military intervention and extreme political repression and instability of the years 1924 to 1932.

In fact, paradoxical as it may sound, what is unique in Chilean political history is in large part the result of an important characteristic of Chilean social development that is shared by all Latin American nations: its dependence, since the nineteenth century, on exports of primary commodities to the industrialized nations of the North Atlantic. It is this shared characteristic, as much as the legacy of Western culture and Iberian colonialism, that justifies speaking of the whole of Latin America as an analytical unit in the modern period, and that largely determined which elements of Western culture (such as a strong state and a vigorous party system) grew and developed in Chile and which elements (such as economic and social structures) remained stunted or distorted.

Thus, for all that Chilean historiography may emphasize the role of great men and the early imposition of centralized political institutions in determining the political stability and economic growth of the nineteenth century,[1] the reality is somewhat more prosaic. Although the inheritance from the colonial era, particularly the relative cultural and ethnic homogeneity of Chilean society and the absence of powerful regional interests outside the heartland of central Chile, was an important factor, the overriding determinant of early-nineteenth-century political stability was the fact that Chile, alone among Spanish-American countries, developed a viable export economy in the period 1830-60. Expanding exports of silver, copper, and wheat underwrote the community of interest within the dominant class of exporters and importers in central Chile. This class divided into contending parties over secondary issues such as the role of the Church (an institution relatively weaker in Chile than in its Andean neighbors), but it was united over the basic issues of liberal political economy and maintenance of the social status quo. Growing international trade stimulated by exports reinforced this consensus and provided reve-

1. In more vulgar cultural-racial interpretations, nineteenth-century Chilean political stability, economic growth, and military success are the result of a felicitous mixture of selected regional varieties of Spanish blood and culture, a sparse and proud Araucanian Indian population, and the vigorous genes and world view of Northern European immigrants. The biocultural offspring of this happy marriage became the "Prussians" or the "English" of South America.

nue to build a strong, effective state.[2] Then, as the technical limits of Chilean agriculture and mining were reached and the export economy ceased to grow (a crisis made much more serious by the worldwide depression of the 1870's), Chile was able to use the strength and resources of its early development to mount a successful war (1879–83) against its weaker neighbors, Peru and Bolivia, and annex a new and exploitable export resource base, the nitrate fields of the Atacama Desert. There followed an enormous increase in the value of Chilean exports. And although much of the ownership of the nitrate industry passed from Peruvian into British hands in the aftermath of the war, the Chilean state, from 1880 to 1930, derived huge revenues directly (through export taxes) and indirectly (through customs receipts) from the foreign trade it generated. Meanwhile, Chilean agriculturalists, merchants, and industrialists benefited handsomely as government nitrate revenues grew, and the whole economy, stimulated by the growth in the mining sector, expanded.

The nitrate export economy transformed the dynamics of Chilean politics. The issues of Chilean control of the nitrate enclave and the disposition of government nitrate revenues precipitated the breakdown of elite consensus and constitutional norms in the short, bloody civil war of 1891. But nitrate expansion also underwrote the stability and form of the political arrangements that grew out of the war. The executive would not play a direct, developmentalist role in the investment of nitrate revenues. Nitrate revenues were too central to the economic life of the nation to leave them to the discretion of one man (the president) or to the party or parties he represented. Rather, control of the state and its revenues was vested in the parliament. There, all sectors of the dominant class and their foreign allies—their weight measured by their ability to control local elections and form party alliances—could struggle over the division and destination of the spoils.

The social and political forces unleashed by the expansion of the nitrate economy in the half century following 1880 generated a third distinguishing characteristic, the most important of modern Chilean history: the rise of a strong, leftist labor movement. The implications of this de-

2. The point is not that there were no sectoral economic and ideological interests contending within this broader class framework. Issues such as free trade and the role of the state in economic development also divided the social elite and, like the Church issue, precipitated several attempts to bypass constitutional and political norms to impose programs and win control of the spoils of government. But these divisions were not as sharp, nor were their partisans as desperate, as in other Latin American countries, particularly the ones discussed in this volume. Political contention in Chile developed within a broader and deeper elite consensus backed by the greater legitimacy and coercive capability of the state. Each of these distinguishing political characteristics was fostered and maintained by a viable export economy. This issue is discussed separately in each of the country chapters and treated more generally in the concluding chapter.

velopment are systematically ignored in liberal historiography, yet it is the one development that most decisively sets the nation off from its Latin American neighbors. The rise of a leftist labor movement after the turn of the century destroyed the country's political stability and caused the temporary breakdown of the party system in the 1920's. In the decades following the collapse of the nitrate economy in 1930, in an environment conditioned by the exploitation of a new mineral resource, copper, the Chilean labor movement helped reconstruct the party system and pushed the entire body politic to the left. That process not only decisively influenced the course of Chilean political history, it fundamentally altered the pattern of Chilean economic development.

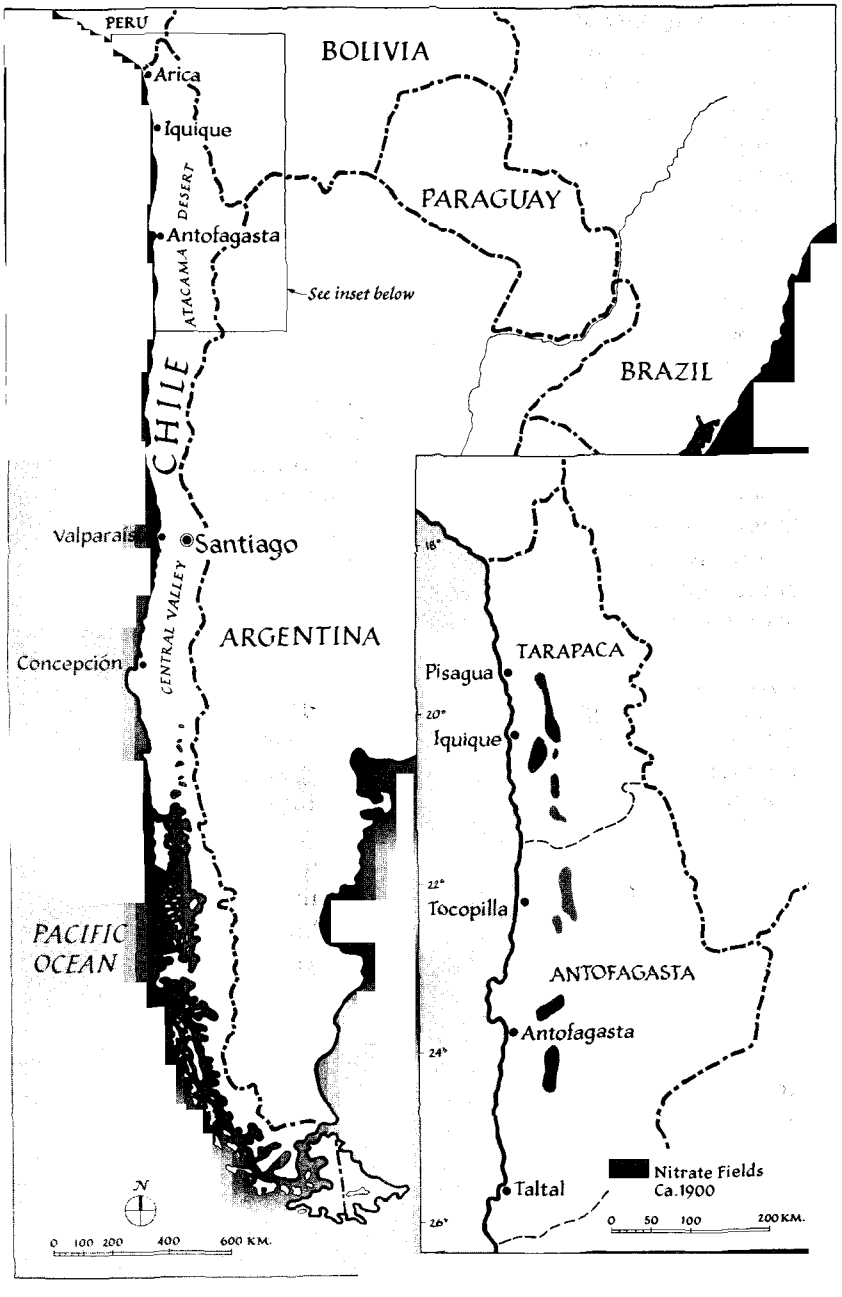
To summarize, then, it is the rise of a powerful, institutionalized, Marxist labor movement that most fundamentally distinguishes modern Chilean history. If the early emergence of a viable export economy in central Chile helps explain the political distinctiveness of nineteenth-century Chilean history, it is the nitrate and copper export economies that mold that legacy in the twentieth century. It is through the labor movement that the complex relationship between export structure and Chilean economic and political development becomes clear, and the meaning for modern human history of Chile's unique geography is revealed.

The Structure of the Nitrate Export Economy

The action of frigid Antarctic currents, prevailing winds, and elevated daytime temperatures makes a desert of a long strip of the central west coast of South America. In the driest part of this desert, the 700 kilometers from roughly 19° to 26° south latitude, lies a vast, elevated flatland, or *pampa*. Beneath the pampa's arid surface, in an area roughly 20 to 80 kilometers from the coast, lie shallow, discontinuous deposits of *caliche*, the raw material from which the natural fertilizer sodium nitrate can be extracted.[3] Here, far removed from populous central Chile, a huge mining and industrial complex emerged in the last decades of the nineteenth century. (See Map 2.1.)

Virtually unexploited until the nineteenth century, the nitrate fields of South America were developed in response to the changing needs and technology of European industrialization. The spread of capitalist relations of production in European agriculture, the movement of millions of people off the land into cities and factories, and the explosive growth

3. See Javier Gandarillas and Orlando Ghigliotto Salas, eds., *La industria del salitre en Chile por Semper i Michels* (Santiago, 1908), for a translation of the detailed and lavishly illustrated report of two scientists sent to Chile in 1903 under the auspices of the German government and an organization of beet-sugar producers. The origins of the nitrate industry are thoroughly examined in the classic work by Oscar Bermúdez, *Historia del salitre desde sus orígenes hasta la Guerra del Pacífico* (Santiago, 1913).



Map 2.1. Chile, ca. 1900, Showing Nitrate Fields and Major Nitrate Ports.

of population led to ever more intensive and scientific farming and a growing need for fertilizer. Guano, the fossilized bird excrement preserved on the easily accessible rainless islands off Peru's southern coast, was first tapped in the 1830's and 1840's to meet this need. But as supplies were depleted, as demand continued to grow, and as scientific understanding of plant nutrition broadened, the fertilizing qualities of sodium nitrate became widely appreciated. Nitrate was far less accessible and much more costly to produce than guano had been. But large capital investments and the application of new European technology to production and transport systems made large-scale exploitation of nitrate deposits in the deserts of southern Peru, Bolivia, and northern Chile possible after 1870. Although the bulk of nitrate production would always be used in fertilizer, nitrate served another need of the expanding capitalist nation-states of Western Europe—it furnished the raw material for gunpowder and explosives.[4]

The nitrate export economy, forcibly appropriated by Chile in 1880, profoundly influenced every aspect of Chilean society for the next half century. Part of that influence can be measured statistically. Export figures illustrate the expansion and cyclical nature of the industry, and annual employment figures tell us the number and nationality of the workers involved. Other available data allow us to estimate the industry's contribution to the national treasury and gauge the influence of those revenues on the government's fiscal policies; to sketch the evolving structure of the ownership of the production facilities; to estimate, through the figures on production costs and profits, the industry's contribution to national income and the process of capital accumulation in Chile; and to see some of the effects the nitrate sector had on other parts of the Chilean economy. The remainder of this section presents and evaluates information on these and other broad structural features of the Chilean nitrate economy.[5] Only with that structure clearly in mind can we begin to probe its implications for social and political developments in Chile.

Figure 2.1 provides information on the growth, crisis, and ultimate collapse of the Chilean nitrate export economy during the period 1880-1930. We can see that nitrate exports grew impressively, if a bit unsteadily, up to the First World War. Exports, which stood at 330,000 metric tons in 1875, topped 1,000,000 tons in 1890 and reached 2,000,000 by 1908. In 1913, on the eve of the war, they peaked at 2,750,000 tons. The

4. Mirko Lamer, *The World Fertilizer Economy* (Stanford, Calif., 1957), Chap. 3.

5. Much of this information and analysis is drawn from two excellent studies co-authored by Carmen Cariola and Osvaldo Sunkel: "Chile," in Roberto Cortés Conde and Stanley J. Stein, eds., *Latin America: A Guide to Economic History, 1830-1930* (Berkeley, Calif., 1977), pp. 273-363; and "Expansión salitrera y transformaciones socio-económicos en Chile: 1880-1930," unpublished manuscript. I wish to thank Mr. Sunkel for sending me this paper.

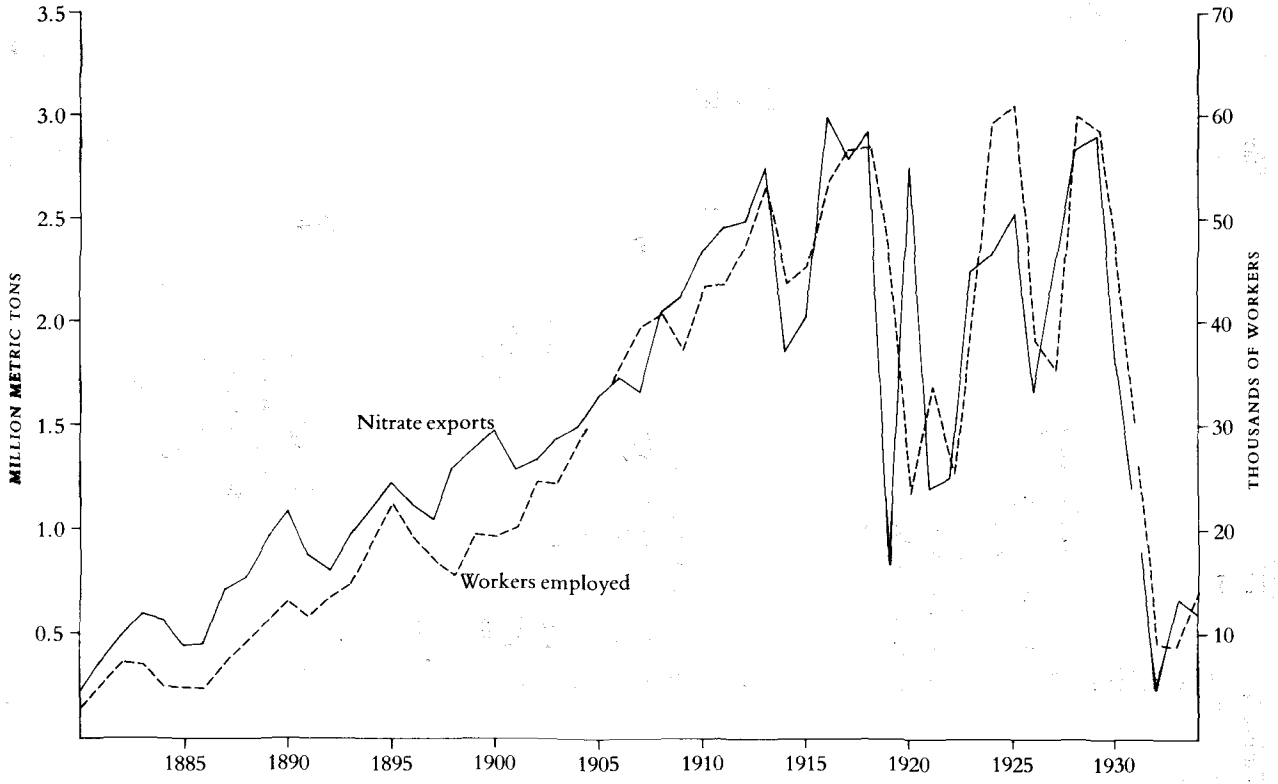


Figure 2.1. Chilean Nitrate Exports (in metric tons) and Workers Employed in the Nitrate Industry (in thousands), 1880-1934. Source: Arthur Lawrence Stickell, "Migration and Mining Labor in Northern Chile in the Nitrate Era, 1880-1930" (Ph.D. diss., Indiana University, 1979), Appendix A.

war seriously disrupted trade with Chile's major nitrate customers, and exports plummeted in 1914 and 1915. By 1916, however, wartime demand in Great Britain and the United States (which had replaced Germany as Chile's primary nitrate market) pushed exports above the prewar level, and they peaked again in 1918 at just under 3,000,000 tons. In the decade following the war the industry experienced a period of widely fluctuating demand, triggered by cyclical trends in the world economy and violent postwar changes in the level of U.S. imports. Exports fell to only 804,000 tons in 1919, shot back up to 2,750,000 tons in 1920, then fell again during the depression of 1921-22, when they averaged only 1,250,000 tons a year. The years 1923-25 saw another dramatic upswing, with exports reaching 2,500,000 tons in the latter year. After falling again in 1926 and 1927, they rose sharply over the next two years, to stand at approximately the all-time high level of 1918 at the end of the decade. But with the advent of the Great Depression, the industry virtually collapsed. At the nadir of the Depression in Chile, in 1932, nitrate exports amounted to only 244,000 tons, or less than 9 percent of their 1929 level.[6] To some extent, however, the data graphed in the figure, based as they are on yearly averages, mask the extremely volatile nature of the nitrate economy, especially after 1913. Monthly highs and lows during periods of rapid change were even more extreme.

Long-term trends in the world fertilizer economy underlay these violent fluctuations and the ultimate collapse of the Chilean nitrate economy. Chile was always the only commercial source of natural sodium nitrate. But just as the changing demands and technology of the industrial nations of the North Atlantic brought forth the Chilean nitrate economy, so they undermined and destroyed it. By 1895 European scientists had succeeded in fixing nitrogen by artificial means. Although this process was prohibitively expensive at first, new and cheaper techniques were soon developed, and the chemical fertilizer industry expanded. Finally, under the political and economic pressures of war and worldwide depression, first Germany and then the United States and other industrial powers turned to domestic suppliers to meet their needs.[7]

The wide fluctuations in world demand and prices for nitrates led the largest producers in Chile to form cartels to limit production and ensure

6. The industry slowly recovered after the Depression, and by the 1950's production again hit 2,000,000 tons, the level first reached in 1908. But nitrate never regained its central role in the economy. Struggling to maintain its 5 percent share of the world fertilizer market, the industry could contribute relatively little, proportionately, to foreign trade and government revenue. Meanwhile, mechanization cut its labor needs in half.

7. Cariola and Sunkel, "Expansión salitrera" (cited in n. 5), table 16, shows Chile's declining share of the world nitrate fertilizer market over the years 1913-24. Lamer, *World Fertilizer Economy* (cited in n. 4), p. 38, describes the changing technology of chemical fertilizers.

steady profits after 1890.[8] Although these efforts worked at cross-purposes with the interests of the Chilean state, whose nitrate revenues were tied to the volume, not the value, of exports, they met with some short-term success before the First World War. But with the rising importance of synthetics and the competition fostered by changing processing techniques within the Chilean industry itself—especially as U.S. capital and technology moved into the industry in the 1920's—the efforts of producers to moderate violent fluctuations in world demand failed. Although the Chilean government had subsidized stockpiles in an attempt to cushion the war's effect on production, it was only with the advent of the Great Depression and the collapse of the industry that it moved to take a major, direct role in the production and sale of nitrate.

Certain features of nitrate production as it developed in Chile made output in the industry especially sensitive to changes in world demand and prices. Nitrate is an extremely bulky commodity, and also one whose production was labor-intensive. Consequently, rather than invest in major storage facilities, companies found it easier and cheaper simply to dismiss their workers and reduce or close operations during cyclical downturns. Several circumstances facilitated this classic capitalist response, the first being the rapidity with which Chilean labor responded to renewed employment opportunities and higher wages in the nitrate sector during upswings. Given the relative lack of employment opportunities in agriculture and manufacturing in the nitrate enclave, laid-off men simply hung on with working relatives or friends or crowded into the port towns to await renewed employment. In more severely depressed times, nitrate workers were forced to leave the north by the tens of thousands and search for work in central Chile. But because, as we shall see, activity in all sectors of the Chilean economy was quickly affected by the fortunes of the nitrate sector, serious drops in nitrate production limited jobs all over Chile in public works, industry, coal production, and even agriculture. Widespread national unemployment and wage-cutting during these periods facilitated the recruitment of workers in central Chile once labor demand revived in the north. Recruitment was also made easier, after the turn of the century, as the development of rail lines and shipping routes increased the geographic mobility of workers eager to improve their wages and conditions of work. Real wages were higher in nitrate production than in other sectors of the Chilean economy, and workers responded avidly to the recruiting efforts of nitrate companies.

The Chilean state played an active role in ensuring the flow of labor in

8. Prices for Chilean nitrates closely paralleled changes in world demand. After exceptionally high prices at the end of the First World War, the price of a metric ton (in 1960 U.S. dollars) fluctuated between $40 and $90 in subsequent years. The all-time high was $144 in 1920. Cariola and Sunkel, "Expansión salitrera" (cited in n. 5), table 9.

and out of the nitrate enclave. It provided free transportation to workers and their families out of the north during severe depressions in the industry. As the fluctuations in production became more severe and the numbers of people involved increased, it began to provide food and shelter for the unemployed in the nitrate port towns and in the capital, Santiago. By 1913 the state was actively engaged in recruiting workers during upswings and trying to relocate and employ them during downswings.

But though the state was willing to take steps that would ensure nitrate companies their labor force and diffuse social tensions during hard times, it refused, until the labor reforms of 1924, to adopt measures that would have shifted some of the burden during depressions from labor to capital. Until that date, nitrate companies were not required to give notice to the workers they laid off, to pay them severance pay, or to contribute to the cost of their transportation out of the north.

The human cost of the cyclical unemployment in the Chilean nitrate industry can be judged from the data graphed in Figure 2.1. The work force ranged between 3,000 and 7,000 during the early 1880's, then expanded to a peak of over 13,000 in 1890. Employment reached another peak of more than 22,000 in 1895, declined in the late 1890's, then rose steeply—to reach 53,000 in 1913. After declining sharply at the start of the war, the work force increased to almost 57,000 in 1918. Employment then fell precipitously during the postwar depression of 1920-22, which saw the work force cut by more than half. Thereafter the number of workers fluctuated wildly. Employment rose to over 60,000 in 1925, fell back to only 36,000 in 1927, and then rose again in 1928-29, when it averaged about 59,000 a year. Three years later, in 1932, there were only 8,535 people still at work in the nitrate sector.

The economic insecurity of the Chilean labor force in a society tied to the boom-and-bust cycles of nitrate production was heightened by the government's inflationary policies during the nitrate era. Paper money was introduced to finance the War of the Pacific and was retained, despite an abortive attempt to return to a metal-based currency in the late nineteenth century. The government steadily expanded the paper money supply until the late 1920's. Although the economic effects of inflation and the motives of the political groups in control of Chilean monetary policy are debated in the literature,[9] there is wide agreement over the depressing effect of moderate inflation on the real wages of workers in all economic sectors. Fluctuating exchange rates and falling real wages sparked some of the most significant worker mobilizations, particularly in the nitrate sector, during the period 1890-1925.

9. The orthodoxy that the chronic inflation of the nitrate era was a result of the single-minded policy of landowners in control of the state was first challenged by Albert O. Hirschman, "Inflation in Chile," in *Journeys Toward Progress* (Garden City, N.Y., 1965), pp. 215-96.

As the nitrate economy expanded in the half century following 1880, so also did the revenues of the Chilean government. Before the outbreak of the War of the Pacific, the income of the Chilean state stood at less than 20,000,000 pesos a year. By the early 1880's that figure had doubled. Then, after an eighteenfold jump during the 30-year period 1882-1912 (to more than 750,000,000 pesos), revenues declined sharply, falling to 500,000,000 pesos during the First World War and the postwar depression. By 1922 the figure had climbed back to prewar levels, by 1924 reached the billion-peso mark, and by the end of the decade was approaching two billion pesos. Even if inflation accounted for almost half of this increase, the real expansion of government revenues during this 50-year period was spectacular.

This impressive growth was due in large part to taxes generated by the nitrate industry. By far the most important of the direct sources of revenue was the tax on exports of nitrate and iodine (a by-product of nitrate processing). This tax quadrupled during the War of the Pacific, and by the early 1880's it contributed about 20 percent of the state's ordinary income. That share rose quickly in the next several years, to hover around 50 percent for most of the period 1890-1917, then declined to 40 percent or lower as the industry entered the protracted period of crisis and sharp fluctuations in demand in the postwar period.[10] Another important direct source of revenue was the tax levied on the acquisition of nitrate lands. Nitrate capitalists claimed that they had invested £14,000,000 in such acquisitions up to 1903; this compared with an investment of only £4,000,000 in processing plants and less than £3,000,000 in railway and port facilities.[11]

In addition to these direct contributions to the treasury, the expansion of the nitrate industry stimulated the growth of foreign trade, with the result that customs revenues on imports rose dramatically. Until 1890, in fact, the government derived more income from this indirect effect of nitrate expansion than it gained from export taxes. Thereafter, throughout most of the period up to 1930, import taxes provided between a quarter and a third of the state's ordinary income.

These new and growing sources of revenue transformed the structure of state finance during the nitrate era. Internal sales, inheritance, and

10. The value of Chilean exports rose from 81,000,000 pesos in 1890 to 525,000,000 pesos in 1920; nitrate exports accounted for between 60 and 80 percent of the total value during that period. The data on government revenue in these paragraphs are taken from Cariola and Sunkel, "Expansión salitrera" (cited in n. 5), tables 6, 7, 22, 25, and 26.

11. Manuel Salas Lavaqui, *Trabajos y antecedentes presentados al supremo gobierno de Chile por la comisión consultativa del Norte* (Santiago, 1908), p. 606. Payments for the acquisitions of nitrate lands appear as extraordinary revenue in Chilean budget records; extraordinary revenue fluctuated widely from year to year, ranging from virtually nothing to more than half of ordinary income.

property taxes were reduced or eliminated in the 1890's and furnished minuscule contributions to government revenues until the 1920's. As late as 1916, during the wartime nitrate boom, only 4 percent of government revenues came from internal taxes, compared with 61.5 percent from export taxes and 27.1 percent from import duties.[12]

With these now-substantial and growing revenues at its disposal, the state was able to expand considerably its coercive apparatus and administrative control over Chilean territory. Military expenditures consistently accounted for about 20 percent of the budget during the entire period. Among all state employee groups, the one that increased the most after 1900 was the police force, the arm of government charged with preserving internal order. But substantial numbers of administrative personnel for the growing state railway system, telegraph operators, and schoolteachers were added to the public payroll as well. The growth of these groups reveals the significant efforts made by the state to invest nitrate revenues in human and material infrastructure to promote development. Large quantities of public revenues were also spent on public works, primarily government buildings.

Government tax and expenditure policies, and the influence of nitrate expansion on national markets and labor systems, combined to promote important changes in the development of Chilean agriculture and industry. During the nitrate era the rate of urbanization in Chile greatly increased. Nitrate expansion also altered the proportion of the national population living in the north. In 1805, according to census data, only a little more than one-fifth of the 1,819,223 Chileans lived in towns of more than 2,000 people. For the next 70 years, the pace of urbanization was slow; as late as 1875, only about one-fourth of the population of 2,075,971 were townsfolk. But 55 years later, in 1930, almost half of Chile's 4,287,445 people were urban dwellers. Meanwhile, the two northern nitrate provinces (virtually all of which, given the nature of economic activity in the desert, should be considered urban) more than doubled their share of national population, from 3.5 percent in 1885 to 7.7 percent in 1920.[13]

The influence of nitrate expansion on the process of urbanization was powerful and complex. Clearly, the increase in economic activity in the north, the growth of the import trade and the coastal carrying trade, and the flow of nitrate revenue through an expanded state bureaucracy into public works and human and material infrastructure all created economic opportunities for rural migrants in the cities, towns, and ports of northern and central Chile. In addition, the fuel demands of the expanding rail-

12. Brian Loveman, *Chile* (New York, 1979), p. 230. This work, the best one-volume survey of Chilean history, contains an excellent survey of the nitrate era.

13. Cariola and Sunkel, "Expansión salitrera" (cited in n. 5), table 2.

road and shipping network and of Chile's growing cities stimulated an important domestic coal industry near the southern port of Concepción.[14] But nitrate expansion also affected Chilean agriculture and industry in ways that both stimulated and responded to the urbanization process.

Carmen Cariola and Osvaldo Sunkel have persuasively challenged the idea, long accepted in the economic literature on Chile, that agriculture stagnated during the nitrate era. They have shown, on the contrary, that the whole period, at least until 1920, was one of growth, diversification, and rising labor productivity. This process was a result of a series of effects closely related to nitrate expansion. First of all, agriculture expanded geographically. The strengthening of the state and the development of transportation networks helped push the Araucanian Indians farther south and opened up new lands to wheat cultivation. Second, the growth of urban markets in central Chile and the mining areas of the north encouraged the diversification of agricultural production in the central valley. Finally, the modernization of the whole society fostered the spread of scientific techniques and the use of agricultural machinery in the countryside.

The last no doubt accounts in no small way for the increase in labor productivity in agriculture demonstrated by Cariola and Sunkel. But the increase may also be due in part to changes in tenancy and labor systems. Competition for labor generated by employment opportunities for rural workers in the nitrate zone and in manufacturing and services in the larger cities may have forced landowners to adopt more capitalist or more labor-extensive relations of production. Many landowners shifted from agriculture to ranching around the turn of the century. This response may reflect both the rising purchasing power (and meat consumption) of sectors of the Chilean proletariat and the inability of landowners to retain, without concessions they were unwilling to make, their workers on the land. After the turn of the century, the government imposed taxes on Argentine meat imports to protect Chilean livestock producers. The meat tax became an explosive political issue around which export and manufacturing workers, and urban consumers generally, mobilized dramatically during the first decades of the twentieth century.

The relationship of nitrate expansion to the growth of Chilean industry during this period is somewhat better understood, thanks in large part to the pioneering work of Henry W. Kirsch.[15] Contrary to previous inter-

14. But the demand for coal in the nitrate zone itself was not a particularly great direct stimulus in the growth of domestic production. Nitrate carriers often used coal for ballast on the return trip from Europe. In the early twentieth century only about one-fifth of the coal consumed in the north was Chilean. It was of lower quality and usually mixed with imported coal. As the century progressed, imported oil steadily replaced coal in the nitrate zone.

15. *Industrial Development in a Traditional Society* (Gainesville, Fla., 1977).

pretations, which date the country's industrialization from the 1930's or the First World War, he argues persuasively that after 1880 Chilean manufacturing moved out of the artisanal era. In the following decades, the secondary sector developed rapidly. By 1915 the number of people working in manufacturing establishments employing five people or more stood at almost 53,000. By 1924 their numbers reached 85,000.

This process stemmed from the demand for manufactured goods stimulated by the War of the Pacific, from the expansion of the nitrate sector itself and its influence on the rate of urbanization, and from the growth of a communications infrastructure that integrated and expanded the national market. Kirsch emphasizes middle-class consumption as the main market for Chilean industry, but his data show that the largest branches of manufacturing provided items like sugar, beer, glass, shoes, clothing, and matches for urban mass consumption. Kirsch demonstrates that the pace of industrial expansion was linked closely to growth and fluctuations in the nitrate export sector. He shows how the few basic industries that managed to emerge in the period (e.g. cement and locomotive production) found their markets in the mining sector or in the construction of public works made possible by nitrate revenues.

According to Kirsch, the structural characteristics that define Chilean industry in the decades following 1930 were acquired during the nitrate era. National industry primarily produced light and durable consumer goods for sale in a domestic market protected from foreign competition. The firms engaged in industrial production became highly concentrated, and many enjoyed virtual monopolies. Most depended on capital-intensive production techniques and relied on capital goods and raw materials imported from abroad. Many were foreign-owned or foreign-financed: almost half of the proprietors of manufacturing concerns during the period 1914 to 1925 were foreign-born; and about one-third of total capital invested in industry in that period was foreign.

Government policy fostered all these industrial developments. Inflationary monetary policy, by making imports more expensive, provided blanket protection for local industry. Tariff policy after 1880, although aimed primarily at producing revenue, provided some protection and set low rates on the imports needed by domestic industry. Government credit policy consistently favored large enterprises producing consumer goods. Small producers, even successful manufacturers of heavy equipment such as locomotives, were denied credit and incentives. Protected and favored by such policies, light manufacturing provided higher rates of return on invested capital than agriculture and even mining and commerce. Kirsch found no evidence of structural antagonism between foreign and domestic export-import interests, agriculturalists, and industrialists. In fact, he shows how they frequently were the same people,

families, or financial groups involved in all sectors of Chilean economic and financial life, who used their control of the state to maximize short-term profits.[16]

Nitrate expansion thus exercised a powerful influence on Chilean economic development before 1930. But that influence was largely indirect, a consequence of jobs and demand opened up in the north and of government projects funded by nitrate revenues. Although the state managed to capture roughly half of the profits made in nitrate production,[17] most of the rest flowed into the hands of foreign capitalists and was remitted abroad. The scope of foreign ownership in the nitrate zone seriously undercut the direct contribution of nitrate production to capital accumulation in Chile.

Contrary to what might have been expected, the annexation of the nitrate zone in 1880 did not lead to control of nitrate production by Chilean nationals. At the start of the war, the bulk of production was located in the hinterland of Iquique in Peruvian-owned nitrate factories, or *oficinas*. Chilean policy in the newly acquired territories was designed to foster uninterrupted production and maximize revenue to a state at war. The legal dispositions developed to deal with the issue of ownership of nitrate companies and land claims in the new Chilean provinces of Tarapacá (Peru's former territory) and Antofagasta (which had belonged to Bolivia) redounded to the benefit of economic interests with access to liquid capital and to the bonds with which Peru had compensated nitrate capitalists when it nationalized the industry on the eve of the war.[18] Chilean and British capitalists had access to both. The Chileans were well established in the nitrate zone, and Chilean banks in Valparaíso financed many of the reorganized companies in the years after 1880. Chilean capitalists also had preferential access to information and personal contacts with government officials, a not unimportant advantage in the often corrupt process of entitlement and the sale of new nitrate lands. British capitalists and merchant houses, which had financed the transport and commercialization of Peruvian guano and nitrates, were also in a privileged position. In many

16. I have deleted from this discussion Kirsch's unwarranted emphasis on the cultural defects of Chilean entrepreneurs to explain this dynamic. In fact, his data and analysis show that foreign entrepreneurs acted like Chilean ones. Both responded to the opportunities for profit maximization that control of the state afforded an economic elite constrained from following patterns of investment more common in the very different economies of the North Atlantic Basin.

17. Cariola and Sunkel, "Expansión salitrera" (cited in n. 5), p. 27.

18. The Peruvian government, having almost exhausted the revenue-producing potential of its guano reserves and hard pressed by its British creditors to service its public loans, had nationalized the oficinas within its borders. It had also signed a secret defense treaty with Bolivia, wary of the reaction of Chilean and British capitalists. These interests played an important role in the events that led to Chile's occupation of Iquique, which triggered the war.

TABLE 2.1
Ownership of Companies Producing Nitrate, by Nationality, 1878, 1895, and 1926

Nationality	1878	1895	1926
Peruvian	52%	8%	1%
Chilean	22	13	42
English	12	60	41
German	7	8	–
Other	7	11	16

SOURCE: Adapted from Arthur Lawrence Stickell, "Migration and Mining Labor in Northern Chile in the Nitrate Era, 1880–1930" (Ph.D. diss., Indiana University, 1979), p. 27.

NOTE: Stickell has based his breakdown on different kinds of data: on productive capacity for 1878; on total investment for 1895; on actual production for 1926. But despite the problems of comparability (and some internal inconsistencies in his original table), his breakdown broadly suggests the changing patterns of national ownership in the nitrate zone during the period surveyed.

cases British speculators bought the greatly depreciated Peruvian bonds and drew on their connections in Valparaíso and in London money markets to meet the Chilean government's stiff financial requirements for legalization of their status. Alfred T. North, the British "Nitrate King" who emerged to dominate production and transport in the nitrate zone in the 1880's and 1890's, was the most successful of these speculators.

But British dominance of the industry by 1895 was not so much a result of acquisitions made in the early 1880's as a consequence of access to capital needed to expand and modernize production. A potential obstacle was eliminated by the political defeat of nationalist and statist forces in the civil war of 1891. Thus, British success was the result neither of alleged cultural defects among Chilean entrepreneurs nor of ignorance or lack of patriotic sentiment on the part of the Chilean officials who reorganized the industry following the War of the Pacific. Rather, it was the logical result both of assumptions about the best way to foster capitalist exploitation of the nitrate zone, on the one hand, and of the privileged position of British entrepreneurs and commercial interests in the world capitalist system at the end of the nineteenth century, on the other.[19]

Table 2.1 shows the changing pattern of ownership in the nitrate enclave over the half century beginning in 1878. By 1895 British capitalists had largely displaced both the Peruvian and the Chilean companies, whose combined share of ownership was reduced from 74 percent to 21

19. This issue has generated much heat in Chilean historiography. A recent review of the debate, which develops the most commonsensical and persuasive explanation of the failure of Chilean capitalists to control the means of production in the nitrate enclave following the war, is Thomas O'Brien, *The Nitrate Industry and Chile's Crucial Transition: 1870-1891* (New York, 1982).

percent. British and other foreign interests owned the bulk of nitrate production facilities during the period of expansion up to the First World War. But beginning at the turn of the century, and especially following the war, Chilean capital recaptured an important share of ownership. This trend was a result of a variety of factors. In the new century the industry's expansion came not in the northernmost province of Tarapacá, where British capital was most dominant, but in Antofagasta, where Chileans exercised more control. The war brought the elimination of German ownership and hastened the decline of the hegemony of British capital in the world economy. Finally, the introduction in the 1920's of a new capital-intensive technology for processing low-grade ores enabled U.S. capital, especially the Guggenheim interests, to capture a growing share of nitrate production.

In some ways, however, emphasis on the issue of ownership slights the degree to which the nitrate economy was under foreign, and especially British, domination during the whole period. British capital built and controlled most of the railroads and port facilities in the nitrate area. British ships dominated the carrying trade to Europe. British and German commercial houses handled the sale of nitrate abroad and financed production in Chile. Moreover, British and other foreign managers and technicians ran not only their own nitrate oficinas, but many of the Chilean-owned ones as well.[20]

The one sector of the nitrate industry that remained consistently Chilean was labor. Even before the War of the Pacific, a majority of the workers in the Peruvian and Bolivian nitrate zone were Chilean. The migration of rural Chileans to the nitrate zone was part of a broader historical pattern. From colonial times on, a large segment of the rural labor force in Chile consisted of migratory, landless workers who followed the harvest up and down the central valley. During the nineteenth century Chileans emigrated to Peru and Bolivia to work in railway construction and the nitrate industry, to Argentina to work in the livestock industry in the south, and to California to work in the gold fields. Nineteenth- and twentieth-century observers alike stressed the abject condition of Chilean rural workers, be they sharecroppers, tenants, or landless migrants. In the face of such misery, the propensity of Chilean rural workers to migrate to cities and mines or even beyond Chile's borders in search of better conditions is understandable. So, too, are the high incidence of alcoholism among the working class and Chile's shocking infant mortality rate. As late as the 1920's, for every 1,000 live births in Chile, 250 infants

20. Again, this predominance of foreign managers and technicians reflects the realities of the world distribution of technical and commercial knowledge in the late nineteenth and early twentieth centuries. By the 1920's there were many Chilean managers and technicians in the oficinas.

died within the first year. (Comparable figures are 100 for Argentina, 153 for Venezuela, and 159 for Colombia.)[21]

Arthur Lawrence Stickell has thoroughly studied the migration of Chilean workers to the nitrate zone. His data show that despite efforts by nitrate employers to discriminate against Chileans and recruit Bolivians and Peruvians who were willing to work for less, Chileans constituted the majority of the labor force during the entire nitrate era. Foreigners were most heavily represented during the first decade of the twentieth century, when they accounted for one-quarter of the nitrate labor force.[22] The vast majority of foreign workers, some 80 to 90 percent, were Bolivians or Peruvians. Most of the others were Europeans, many of them skilled workers. The number of foreign workers slowly decreased until by the 1920's Chileans constituted more than 90 percent of the work force. The nitrate industry's low incidence of foreign workers reflected a larger national pattern. Unlike Argentina, Uruguay, and Brazil, Chile never had a large contingent of foreign immigrant workers in agriculture, manufacturing, or mining.

Life and Work on the Nitrate Pampa

The root of the distinctiveness of the Chilean labor movement lies in the special experience of workers in nitrate production.[23] Conditions of life and work on the nitrate pampa were vastly different from those in other Latin American export economies. The location of nitrate production, the structure of ownership in the industry, the demography of the labor force, the nature of the work process, and the conditions of life in nitrate oficinas and northern port towns all had important effects on workers and created among them special needs and opportunities. Their

21. Arnold J. Bauer, *Chilean Rural Society from the Spanish Conquest to 1930* (London, 1975). Nicolás Sánchez-Albornoz, *The Population of Latin America* (Berkeley, Calif., 1974), p. 200.

22. Arthur Lawrence Stickell, "Migration and Mining Labor in Northern Chile in the Nitrate Era, 1880–1930" (Ph. D. diss., Indiana University, 1979). This rich study is a social history of nitrate labor based on previously untapped company and government records. It provides much statistical information on the recruitment and demography of the nitrate labor force, on wages and prices in the north, and on health facilities and housing on the nitrate pampa. Stickell laments the radicalization of Chilean nitrate workers and tries to show that, because conditions for workers eventually improved, that development could have been avoided. On the immigration policy of the Chilean government and the recruiting programs of nitrate companies, see also Miguel Monteón, "The *Enganche* in the Chilean Nitrate Sector," *Latin American Perspectives* 7:3 (Summer 1979): 66–79. Monteón traces the response of organized workers to the companies' efforts to undermine labor unity and bargaining power by encouraging foreign and domestic immigration to the north.

23. The argument pursued here does not deny the importance of other sectors of the Chilean labor movement. Nor is it meant to slight the significance of earlier, nineteenth-century developments in working-class organization and attitudes. Rather, it calls attention to the characteristics that distinguish Chilean labor history from that of other Latin American nations.

considerable success in defining an autonomous working-class culture and in building progressive social and political institutions for their class reflects not only their determination and creativity but also the unique environment in which they worked.

One of the most striking features of this environment was the geographic mobility of nitrate workers, much of which, as noted earlier, was a consequence of conditions beyond their control. The cyclical nature of the industry, especially after 1914, forced tens of thousands of nitrate workers to leave the pampa and sometimes the north itself during periods of crisis. But workers were also extraordinarily mobile within the nitrate zone in good times as well. Stickell, who has studied company records, reports very high levels of labor turnover. Labor leader Elías Lafertte recalls in his autobiography that as a youth he was employed in more than a dozen different jobs in as many oficinas during one three-year period in the early twentieth century. In periods of expanding production and high labor demand, workers would often remain at a given job for only a few days or weeks before moving on in search of better wages or living conditions. Employers frequently lamented their inability to keep their labor force and claimed that their problems stemmed from a "labor shortage." They devised ingenious credit and payment schemes and sometimes required deposits on tools in their effort to retain workers by making it costly to move. Workers were paid only once a month, and between paydays they were advanced credit in the form of scrip, or *fichas*, which could be spent for water, food, clothing, tools, and many other items at the company store. Nitrate companies restricted commerce by outsiders and routinely expected profits from the company store to defray about 10 percent of their labor costs. At some oficinas this percentage was much higher. Especially in the early years, markups in the company stores on some items of basic consumption such as bread could be as high as 50 or 60 percent. Workers could cash in fichas only at certain times, sometimes at a discount. Still, *fugados*, the name managers gave to workers who left without settling their accounts, were frequent, and the numbers of workers who cashed in their company scrip, even at a discount, in order to move on were numerous. All these credit and payment devices—which sought to retain labor, and which served the needs of capital in other ways as well[24]—were a constant source of worker dissatisfaction and were targets of protest during the entire period.

In moving from job to job, nitrate workers took advantage of a series

24. For example, the use of scrip and the extension of credit made large shipments of cash to meet payrolls at isolated oficinas unnecessary. Deposits on tools, which usually amounted to more than a man's daily wage, could furnish, especially at large oficinas, important sums of interest-free operating capital. Finally, restrictions on commerce reduced contact by workers with peddlers and merchants in pampa towns. Oficina managers often denounced peddlers as sources of information on conditions at other oficinas and as conduits of radical ideas.

of structural conditions in the nitrate zone. In the northern desert, capital could not immediately tap a reserve of unemployed or lower-paid workers. Virtually all economic activities in the north were nitrate-related and relatively highly paid. Individually and collectively (through the Asociación de Productores del Salitre) nitrate capitalists recruited actively in southern Chile during periods of expansion in the industry. Early in the twentieth century, as we have seen, they enlisted the resources of the state in these endeavors. Despite the success of their efforts, not everyone had the stamina or could acquire the skills for many jobs in nitrate production, and capitalists never succeeded in glutting the labor market during periods of expansion. If workers could not secure satisfactory employment in the north, they could not be absorbed into agriculture or marginal urban activities there. People came north to the desert to make money. If they did not, they were wont to return as soon as they were able to families and friends, and the less costly, more benign living conditions of the south.

Because the majority of nitrate workers were single males, they were more free to protest unfair or intolerable working conditions, and more willing to move in search of better ones. Both company and, later, government recruiters sought to enlist men with families. This policy was explicitly designed to tie the worker to the oficina and reduce the value of his major bargaining chip, his ability to move and find better pay or conditions elsewhere. Despite housing incentives and the offer of free transportation for dependents (defined in some cases to include more than the nuclear family), this policy met with only limited success. The Asociación de Productores del Salitre reported that in the first five years of its recruiting operation, from 1901 to 1905, it had brought 4,567 men, 751 women, and 276 children to the north. Stickell carefully surveyed the demography of the north and concluded that on average about half of the people in nitrate oficinas were single males, only one-fifth adult females. In fact, the whole demographic structure of the nitrate provinces in the early years of the twentieth century was skewed, with roughly twice as many males as females. The preoccupation of nitrate workers with female companionship and sexual gratification found expression in a rich regional vocabulary. *Andar al palo* meant to be (or move about) without a woman. *Casarse* ("to marry") was sarcastically used in the sense of sleeping with a woman. *Hacer la cosita rica* conveyed the pleasure of copulation. *Hacer el favor* was coined to express the decision by a woman to have sex. Nitrate miners used the verb *tirar* ("to throw or shoot") to mean to copulate, and *cartucho* ("cartridge" or "stick of dynamite") to refer to a woman's virginity. Whorehouses were simply *salones*. The verb *capotear* (meaning to tease or trick a bull with a cape) meant to gang rape.[25]

25. Andrés Sabella, *Semblanza del norte chileno* (Santiago, 1955).

Sex ratios in the north and the bachelor status of most nitrate workers thus worked in two ways to encourage labor to move about: they made the consequences of quitting a job less overwhelming, and they impelled men deprived of female companionship to seek it elsewhere.

However strong the desire to move, it was the competitive and diffuse nature of nitrate production that made moving sensible. Although ownership and production became more concentrated in the industry over time, both were relatively widely dispersed throughout the entire period.[26] Even at the end of the nitrate era, in 1928, some 69 oficinas, owned by more than half as many different nitrate companies, were still in operation. The number in earlier years was much higher. Some 53 were operating in 1895, 113 in 1908, a peak of 137 in 1925. After the war the number fluctuated widely: 125 in 1919, 53 during the depression of 1922, 96 during the boom of 1925. Most nitrate oficinas after 1900 employed a few hundred workers; only near the end of the period did some employ several thousand. The existence of many competing employers in a tight labor market made shopping for the best terms of work and living conditions possible; it also limited the ability of owners to discipline workers who complained, broke rules, or joined with their fellows to secure better conditions.

The diffuse nature of nitrate mining resulted in large part from the geology of caliche deposits, which were widely scattered and of varying size and richness. Until the late 1920's, when new technology made the processing of low-grade deposits possible, oficinas often had to close or relocate once the richest ore at a site had been extracted. During periods of low world demand and prices, marginal producers closed down, only to reopen again once the profit margin allowed. In both cases nitrate workers found themselves temporarily out of work and forced to move to find it.

Scattered production facilities led to the rapid development of communications networks on the nitrate pampa. Privately owned nitrate railways measured some 860 kilometers in 1887, and twice that by 1905. Mule trails and, later, roads for truck, bus, and automobile traffic linked the scattered oficinas with each other and with the major nitrate ports. Workers used this transportation network, but until the 1920's many simply walked—searching for work in good times, relief in the ports in bad. Nitrate miners borrowed terms from the port and maritime workers

26. Firms producing nitrate worth over 1 million Spanish *quintales* accounted for 9 percent of total production in 1913, 30 percent in 1929. Producers of 500,000 to 1 million worth accounted for 21 percent of total production in 1913, 37 percent in 1929. Medium-size firms producing between 100,000 and 500,000 quintales accounted for 62 percent of total production in 1913, but only 26 percent in 1929. Small producers contributed only 8 percent of production in 1913, 7 percent in 1929. Stickell, "Migration and Mining Labor" (cited in n. 22), pp. 221 and 249.

with whom they formed close personal and organizational alliances to express their sense of constant movement on the vast pampa. Barracks in the nitrate oficinas were *buques* ("ships"). To sleep was *doblar el asta* (loosely, "to pull in the sails").

Nitrate workers developed an informal communications network of friends, relatives, and *compadres* all over the nitrate pampa and monitored conditions in the various nitrate oficinas. Although work and living conditions, as we shall see, were not good in any oficina, word spread when they were marginally better in one. Employers kept wages and expenses on labor as low as they could, but they were constrained from going below a certain minimum and were acutely aware of the competitive nature of the labor market. Wages in the nitrate zone were relatively high, and nitrate workers, especially single males, could accumulate enough savings to allow them to search for alternative work relatively quickly. Unencumbered by family obligations, single workers could pack up their clothes and tools on the slightest provocation, on getting word of better conditions elsewhere, or simply on a whim. Elías Lafertte captures all these ideas in a particularly illuminating passage:

> In those days, the most characteristic phenomenon on the pampa was precisely that of emigrating from one to another oficina. Nobody put down roots and it was very difficult to find, as happens in the countryside, people who had grown old in the same place. No; the pampinos were nomadic, roving people, who didn't stay long at the same oficina. Fortunately, there was a lot of work and although the companies knew who had been fired for grave offenses, they didn't deny work to those who were simply restless. People used to take off and move at the drop of a hat. The oficinas would open then close then open again. The pampinos would change their place of work in order to earn a few pesos more, because they were interested in a woman in an oficina several kilometers away, because they found better housing, or because the food was better in another place. If anyone had taken a survey, they would have been astonished at the number of oficinas each pampino knew. I myself, by the time I was twenty, had already worked at a long chain of nitrate centers.[27]

Nitrate workers collectively expressed the harsh reality of dependence on cyclical work and the limited independence of geographical mobility in the word they chose for the activity that dominated their lives. A job, they said, was a *pega*. The noun derives from the verb *pegar*, "to stick or adhere to lightly."[28]

The willingness, even compulsion, of nitrate workers to take advantage of the opportunity to move in search of better material conditions and physical and spiritual release was a powerful statement about the nature of work and the quality of life in the nitrate oficinas. Nitrate workers contended daily with conditions that sapped their physical and mental

27. Elías Lafertte, *Vida de un comunista* (Santiago, 1961), pp. 38–39.
28. Ariel Dorfman provided me with this last shade of meaning.

health and threatened their very existence. Under these corrosive conditions workers developed attitudes and institutions first to cope with, and then to change, the nature of their lives.[29]

The typical nitrate oficina was a noisy, smoky, smelly industrial company town set incongruously in the quiet grandeur of the Atacama Desert. Seen in daylight, from a distance, the oficina must have appeared as an inconsequential dot in the vast surrounding expanse of pampa and sky. At night, however, the electric lights and the rumble of the ore crushers could be perceived from great distances through the dry desert air. At those times, even from afar, the nitrate oficina conveyed an image of power and significance.

The nucleus of the nitrate oficina was the *maquina*, or processing plant, a black metal maze of tall smokestacks, crushing machines, boilers, huge processing tanks, and drying pans. To a practiced eye the size of the slag pile behind the maquina revealed the age of the oficina. Beside the processing plant was the coal storage area, and nearby the *maestranza*, or machine shop, where skilled workers repaired the heavy railway and processing equipment and sharpened the hand tools of the miners. A bit farther on sat the *campamento*, the barrackslike housing for production workers, and still farther, segregated from workers' dwellings, the more substantial houses for managers and technical personnel. The central part of each oficina also contained the *pulpería*, the company store. Some oficinas also featured a company-run restaurant and bar where single men could take their meals and drink. Some also contained a one-room school, sometimes funded by management. Only a few had a chapel.

Stretching out into the pampa, beyond the processing plant and living quarters, lay the oficina's ore reserves and the overturned remains of mined areas. Mining operations involved the bulk of the oficina's labor force, and wages for the miners alone constituted about half of total operating costs. The mining of nitrate ore began with the work of the *barretero*, who mapped a section of the deposit by digging a grid of widely spaced holes into the surface of the pampa. Caliche usually lay between one and three meters below the surface, and it was generally necessary to blast away the desert floor to uncover it. Using a variety of iron bars with sharpened or spoonlike ends, the barretero dug a hole through the deposit wide enough for a small boy to slip down and scrape out a chamber in the

29. Although descriptions of life and work on the nitrate pampa are many and varied, I found the following four previously cited sources most useful in preparing this section: the autobiography of Elías Lafertte (cited in n. 27); the meticulous manual for prospective nitrate entrepreneurs by Semper and Michels (cited in n. 3); the report of the congressional committee on conditions in the north edited by Salas Lavaqui (cited in n. 11); and the unpublished dissertation by Stickell (cited in n. 22). I have also relied on another congressional report, published as *Comisión parlamentaria encargada de estudiar las necesidades de las provincias de Tarapacá y Antofagasta* (Santiago, 1913).

rock below the caliche to accommodate an explosive charge. "Opening" a caliche deposit involved settling on a line of advance, then exploding a series of charges to open a *rajo*, or trench. Then the nitrate miner, or *particular*, could enter the trench to separate, break up, and load the caliche into a mule-drawn cart for transport to the oficina, where the quality of the ore was judged before it was dumped into the crusher. Meanwhile the barretero, who serviced several particulares, advanced a few meters and dug a new line of holes parallel to the rajo. Once the particular had removed the caliche uncovered by the previous detonation, he set charges in the new holes and the process of excavation could begin anew. Barreteros and particulares both owned some of their tools and were among the highest-paid workers in the oficina. Their earnings were determined on a piecework basis, at rates that fluctuated according to the hardness of the ground and the ease of extraction of the caliche. Disputes between these workers and management over rates of pay and over the quality and weight of the ore delivered to the oficina were common. Success at the backbreaking, dangerous work of barreteros and particulares involved much practical knowledge and considerable skill in the use of the poor-grade and unreliable explosives manufactured at the oficina and sold to miners at the company store.

Boys of different ages, often relatives of adult workers, played important roles in the mining process. In addition to the *destrazadores*, the 8- to 10-year-olds who dug the chambers for the explosives, there were *matasapos*, 10- to 12-year-old boys who helped particulares break chunks of ore too large to carry and load. Young teenagers worked as *herramenteros*, carrying tools to workers on muleback. Older teenagers might load or drive carts, or begin doing a man's work in mining. All workers who labored in mining operations in the sun on the open pampa—the *asoleados*, as Lafertte referred to them—were paid on a piecework basis.

Processing of the caliche involved crushing the ore, dissolving the sodium nitrate in it in water, then allowing the solution to crystallize and dry in the desert air. To this basic process, known to man in pre-Columbian times, the nitrate oficina applied mechanical power, fossil fuel, and a technology that greatly increased the efficiency of the dissolving process. Water and ore were steamed in a series of dissolving vats called *cachuchos*. Operations in the processing plant were, nonetheless, very labor-intensive:[30] *paleros* shoveled the caliche into the crushers by hand, *ripia-*

30. Semper and Michels explained: "Ordinarily mechanical installations, which save on labor, are avoided because, given the high price of coal, no economies over manual labor are obtained, and because complicated machinery [can break down] in the Desert and lead to unacceptable disruption of the work process." They explained the labor intensivity of mining operations in the same way, adding that the extensive nature of the process and the often soft surface of the desert made movement of machines difficult. See *La industria del salitre* (cited in n. 3), p. 47 and pp. 80–81.

dores entered the hot dissolving vats after the water had been drained off to break loose and remove the tailings, still other workers turned the drying nitrate powder in the sun and shoveled it into burlap bags sewn by boys and women, and finally loaders carried the incredibly heavy 139-kilogram bags onto freight cars for shipment.[31] Almost all workers in the processing plant were also paid on a piecework basis, determined in part by the skill required for a given task and the difficulty of performing it, and by production in the plant as a whole. Ripiadores, whose task had to be accomplished at great speed under conditions of extreme heat, were generally the most highly paid. Most processing plants ran 24 hours a day every day of the year except September 18, Chilean Independence Day. Shifts were twelve hours long, with a total of two and a half hours set aside for lunch and rest periods. Sometimes plant workers, who generally labored in gangs charged with a specific task under the direction of a foreman, would work an additional half shift. Stickell found that these workers often labored long hours in concentrated spurts of several days, then took off a day or more to rest. Most, however, averaged more than six days a week.

Work schedules and supervision on the pampa were less rigid. Particulares were more or less free to come and go as they pleased and generally worked 7 to 9 hours a day. Supervisors were primarily concerned that they extract the caliche thoroughly. When the ore was of low quality or difficult to mine, particulares sometimes had to be contracted on a daily-wage basis. A Bedaux time-work study done in 1930 found that nitrate miners set informal production levels for a fair day's work and pay. When time cards were introduced, workers slept for a time in the trenches so as not to exceed these levels.

Work in nitrate processing, as in mining, was dangerous. It was also unhealthy, disagreeable, and strenuous. Workers had to contend with constant dust from the crushers, mud from the dissolving process (Lafertte called processing-plant workers the *embarrados*, "muddy ones"), noxious fumes, and the ever-present heat from boilers and steam lines and the sun of the desert. Machinery was often in very poor repair, and safety regulations and protective devices were almost nonexistent. A parliamentary commission sent to investigate the situation in the north in 1904 found safety and health conditions especially shocking at the older oficinas. Whereas injuries to miners resulted primarily from cave-ins and the use of unpredictable explosives, plant workers had a high incidence of lung infections and were often mutilated or burned while operating

31. Semper and Michels noted that part of the early organizational success of stevedores in Iquique resulted from the very fact that few workers could handle the weight of nitrate bags. They go on to say that in the early twentieth century the weight of bags was reduced to 100 kilograms (*La industria del salitre*, p. 90). In 1904, however, a workers' committee complained to congressional investigators that no bags weighed less than 120 kilograms, and that some were as much as 150 (Salas Lavaqui, *Trabajos*, p. 588).

the machinery. Hospital facilities and doctors on the pampa were in very short supply. Indeed, only one hospital existed in the entire nitrate region in 1912. In that year it served 1,026 patients, 326 of them classified as suffering from industrial accidents. Of these, 83 were particulares, 44 ripiadores. Most of the patients were single males between the ages of 15 and 40. Most industrial accidents were not reported and were treated in primitive facilities in the oficinas. Workers usually had to contribute one peso a month toward this service. Company compensation for accidents was infrequent. Workers early organized mutual-aid societies to sustain injured or sick members and consistently resisted the one-peso health fee deducted by management from their wages. The need for minimal safety standards, especially protective grates over the cachuchos, figured among the earliest collective demands by nitrate workers.

In his off hours, the nitrate worker had little to look forward to. Workers were assigned to miserable company housing. In the early period these structures were usually windowless hovels built of rock and tailings. Later, housing constructed of corrugated iron became common, but these buildings offered little insulation against the sweltering days and very cold nights on the desert. Single workers slept several to a room; those with families were usually housed in two-room structures. Sanitation facilities in the campamento were limited to latrines set at the end of each row of housing. Workers bought their own water, which was usually delivered in barrels by the company.

Although food and drink were more expensive in the north than in central Chile, real wages were higher there than in comparable jobs elsewhere. Single men especially, who did not have to pay rent or feed other mouths, could save significant amounts of money. Nitrate workers ate better than most other Chilean workers. They usually had meat two or three times a day, and Semper and Michels, German scientists who studied the industry in 1903, believed their diet was superior to that of workers in their homeland.

Nitrate workers were almost entirely dependent on money income for their sustenance. Even family men were denied the possibility of a garden, although some families did raise fowl and pigs, which they could carry with them if they left the oficina. Women often provided meals for single miners, but they were often prohibited from opening a small store or bar by company policy. All these factors contributed to the nomadic propensities of nitrate workers. "There are no inhabitants [of the north] rooted in the soil by [the ownership of] houses, gardens, or other reasons that constitute a love for a fixed place," wrote the manager at Oficina Humberstone in 1915. "[T]herefore, a worker has no more reasons than his convenience to fix his residence in one or another oficina. . . ."[32]

32. Quoted in Stickell, "Migration and Mining Labor" (cited in n. 22), pp. 295-96.

Despite the harsh conditions of work and life on the pampa, workers managed to build a rich social life. They traveled outside the oficinas to visit relatives and friends, participate in funerals, and attend political rallies in port towns. In the small pampa towns that sprang up along rail lines near the larger oficinas they drank, gambled, visited prostitutes, bought supplies from merchants, and discussed common needs and aspirations. It was in such towns that many gained access to labor organizers, who were often banned from the private property of the oficina.

Important social institutions developed in the oficinas as well. Lafertte acquired many of the skills he would need as a labor organizer in the sports, drama, music, and dance clubs he participated in at various oficinas. We do not know very much about these clubs, or about how fully workers participated in the activities Lafertte mentions, but though many seem to have been management-inspired and dominated by white-collar employees, some were clearly worker-inspired and -controlled.

Mutual-aid societies, often called *filarmónicas*, spread north from central Chile and existed in many oficinas. Here workers taught themselves how to play musical instruments and learned to dance. Some filarmónicas also offered night classes in elementary education. The quiet decorum of these cultural oases that workers constructed to develop their minds and social skills stood in stark contrast to the noisy, physically exhausting environment they worked in, and the loud and bawdy atmosphere of the bars and brothels where they sought release from the reality of their working lives. Alcohol was prohibited in the filarmónicas, and even the all-male dance instruction proceeded in an atmosphere of great seriousness and formality. A sympathetic middle-class journalist reacted with a mixture of condescension and awe to his dance with a well-washed, formally attired member of a filarmónica in 1904. "My partner was extremely polite, and possessed of such strong muscles, that instead of my leading 'her,' 'she' led me as if I were a feather."[33] Some of these clubs were quite large, with memberships of several hundred workers at the larger oficinas. Workers contributed two to five pesos monthly to mutual-aid funds administered by filarmónicas and by sports and drama clubs. These funds were used to sustain injured and sick members, to pay funeral expenses, and to help support workers' families for a short period following the death of a member.[34]

Organizations of this kind were essentially defensive. Through them workers sought to sustain themselves spiritually and materially under the destructive social conditions of life and work in the nitrate oficina. Soon

33. Salas Lavaqui, *Trabajos* (cited in n. 11), p. 865.

34. A worker organization in Tocopilla provided care and treatment to injured and sick members in a facility of its own that contained "several beds" and handled around 10 inpatients a month in 1904.

enough, however, nitrate workers began to form institutions that sought to change the position of workers as a class. These institutions were noisy, creative, and combative. They have left a deep imprint on the historical record.

Worker Organization in the North

All over Latin America attempts by workers in export production to organize themselves to improve their economic and social position encountered virulent private and public repression. The reasons are clear. Given the importance of the export sector to national economic health, worker organization there—with its potential to reduce capital accumulation, paralyze production in the most dynamic and important sector of the economy, and stop the main generator of government revenues—had to be prevented. In the case of the Chilean nitrate economy during the period 1880 to 1930, however, one finds that despite the brutality and intensity of the repression, attempts by workers to organize themselves, ally themselves with other sectors of the working class, and build a labor and political movement capable of exerting a major influence on national political life were remarkably successful.[35]

As in other Latin American export economies, the first workers to organize and force concessions from employers in Chile were not those engaged directly in export production, but those in the transport infrastructure that grew up to service the export economy (maritime, port, and

35. I have relied in this section primarily on the following published works: Hernán Ramírez Necochea, *Historia del movimiento obrero, siglo XIX* (Santiago, 1956), and *Origen y formación del Partido Comunista de Chile* (Santiago, 1965); Julio César Jobet, "Movimiento Social Obrero," in Universidad de Chile, *Desarrollo de Chile en la primera mitad del siglo XX* (Santiago, n.d. [1953]); Julio César Jobet *et al.*, eds., *Obras selectas de Luis Emilio Recabarren* (Santiago, 1972); Luis Vitale, *Historia del movimiento obrero* (Santiago, 1972); Michael P. Monteón, *Chile in the Nitrate Era* (Madison, Wisc., 1982); and Peter De Shazo, *Urban Workers and Labor Unions in Chile, 1902-1927* (Madison, Wisc., 1983). The work of Ramírez Necochea, Jobet, and Vitale is built on classical Marxist assumptions about the revolutionary trajectory of Chilean workers; it demonstrates the great influence of labor, especially nitrate workers, on twentieth-century Chilean history. But because, as I argued more generally in Chapter One, such assumptions are largely borne out in Chilean history, and because these authors do not concern themselves with the very different pattern of other Latin American labor movements, they do not subject these assumptions to critical historical analysis. Monteón's work, unlike mine, emphasizes the "traditional" culture of Chilean workers and elites alike, and denigrates the accomplishments and strategies of the Chilean left. De Shazo's impressive primary research on anarchists in the urban labor movement serves as a corrective to accounts that exaggerate the role of nitrate workers and socialists, but cannot explain what so sharply distinguishes Chile's labor movement from others, such as Argentina's, where anarchism was also strong.

In clarifying my own argument, I also found very helpful the dissertation of J. Samuel Valenzuela, "Labor Movement Formation and Politics: The Chilean and French Cases in Comparative Perspective" (Columbia University, 1979). Valenzuela explains the leftist drift of Chilean labor through the narrow lens of political structure and Weberian organizational theory. His argument is analyzed in more detail in n. 43 below.

railroad workers). These workers were more skilled and better off materially than most, and they were also exposed relatively early to radical working-class ideologies. But in Chile these transport workers quickly found support among, and in turn supported, workers in the nitrate sector itself. The result was a unique Chilean working-class institution of the early twentieth century, the *mancomunal*.

Part mutual-aid society, part resistance society, part vehicle for the creation and extension of working-class culture, mancomunales responded to the needs and aspirations of workers in the nitrate economy. These organizations grew up rapidly in the major port towns of the nitrate zone in the first years of the twentieth century. Built around a nucleus of port workers, and often initially led by *lancheros*, whose task it was to ferry nitrate in small boats from the docks and load it on oceangoing ships, mancomunales quickly brought in artisans and service workers in the ports, and railway and nitrate workers on the pampa itself. Mancomunales also spread south and developed into powerful, very militant organizations in the coal-mining zone near Concepción. All mancomunales were regional organizations that brought together skilled and unskilled workers from a host of different activities to pool resources and coordinate activities.

The strike activities of these militant organizations have received considerable attention in Chilean labor historiography. Julio César Jobet, for example, has written a fine summary of the strikes they undertook after 1900, culminating in the massive general strike in the nitrate zone in 1907.[36] That strike ended in the worst massacre in Chilean labor history at Iquique on December 21, 1907. Because the nitrate strike of 1907 conveys so starkly and dramatically the nature of early Chilean labor struggles and the importance of nitrate workers in the development of the Chilean labor movement and the left in general, and because it became a symbol of the struggle of the Chilean people against foreign capital and domestic conservative forces, it has inspired a stream of newspaper articles, histories, novels, and musical scores. The massacre and the general repression of labor that followed the strike of 1907 virtually destroyed effective labor organization in the north for the next few years and ended the era of the nitrate mancomunal proper. Very soon, however, structurally similar institutions reappeared in the nitrate ports and pampa. These organizations also led strikes, but they concentrated even more on the cultural, ideological, and organizational activities that had played such an important part in the endeavors of the earliest mancomunales. These activities, as well as the dramatic mobilizations of nitrate workers around strike issues, are the main legacy of the nitrate mancomunal in Chilean

36. "Las primeras luchas obreras en Chile y la Comuna de Iquique," in Torquato di Tella, ed., *Estructuras sindicales* (Buenos Aires, 1969), pp. 57-67.

labor history. The mancomunal never succeeded in establishing enduring worker organizations at the plant level to protect and advance the interests of Chilean workers. It did something more important. It helped workers to forge an independent vision of the world around them.

The cultural and social activities of the nitrate mancomunales have seemed quaint and impractical to some later observers.[37] But through these creative and often experimental activities, nitrate workers developed—however incompletely and imperfectly—autonomous tools of organization and socialization and cracked the cultural monopoly of the Chilean ruling class. The mancomunales and their successor organizations in the north continued and extended the mutual-aid functions of earlier working-class organizations. Members contributed to different funds to sustain themselves in the event of injury or sickness, and to pay funeral costs and legal fees. Formal educational programs included night classes in elementary skills and sewing instruction for women. Some organizations went further and established consumer cooperatives. The socialist group in Iquique pursued the audacious idea of a producer and consumer cooperative, and, for a six-month period before it failed (victim of a price war and internal mismanagement), it provided the city with much of its daily bread.

A variety of activities were aimed specifically at undermining the cultural values of the larger society. Drama groups took on explicitly proletarian subjects and themes in plays written largely by Spanish anarchists. Chilean activists mounted press campaigns and organized public meetings and debates to discredit capitalists, conservative politicians, and the Church. They built both on the indifference of males in Spanish culture to formal religious activity and on anticlerical currents sanctioned within the dominant culture to encourage workers to deprecate otherworldly solutions to the problems they faced. This task was facilitated by the limited presence of the Church on the nitrate pampa, where, as one congressional commissioner lamented, priests were "very scarce indeed." Although most workers probably harbored some Catholic religious sentiment, many began to ridicule the faith openly. One woman who told a journalist touring several nitrate oficinas in the early years of the century that she was a devotee of the Virgen del Carmen, when asked why she did not display the Virgin's image in her house, explained that she had hidden it away, "because if the others see it, they'd make fun of me and my husband."[38]

Unlike anarchists and anticlericals, socialists played down the issue of

37. Such was the burden of the attacks on *recabarrenismo* made within the Chilean Communist Party in the mid-1920's. Similar attitudes also find their way into Monteón's work cited in n. 35 above.

38. Salas Lavaqui, *Trabajos* (cited in n. 11), p. 867.

the Church and concentrated instead on redefining the concept of patriotism. Workers in the nitrate economy had begun early to perceive and to stress the structural dichotomy between foreign capital and Chilean labor. The workers' organization of Tarapacá reminded a congressional commission in 1904 that in the north "capital in its entirety is foreign." Foreign capital, they insisted, consistently pursued a style of action that was "arrogant and provocative." They went on to link their interests as a class with the larger national issue of Chilean economic well-being in the future. "It is a fact that the nitrate pampa still owes Chile many millions of pesos, which are waiting to be transported abroad if patriotic legislation does not remedy the many flaws that prevent workers from obtaining the part of this wealth that migrates out of the nation rapidly and without a single obstacle."[39] Socialists elaborated and systematized these perceptions and carried them to their logical conclusions. At a debate with a prominent conservative journalist in Iquique in 1913 or 1914, the leader of the fledgling socialist party cast the British capitalists who controlled the nitrate economy and the corrupt public officials who opposed the rights of labor as antipatriots. It was the workers who produced the wealth of Chile and the revenue of the state; they were the real patriots, he claimed. Aided by an audience packed by sympathetic workers, the socialist, according to Lafertte, "won" the debate and was carried out of the hall on the shoulders of cheering workers.

In their press, in public demonstrations, and in weekly organizational meetings, anarchists and socialists translated their doctrinal opposition to capitalism into terms workers could understand through their daily experience. They talked about the abuses of the ficha payment system and linked them to the evils of private property in general. They called for the abolition of social classes through a reorganization of production based on cooperative worker control. Socialists advocated the nationalization of the nitrate economy and, more immediately, the redistribution of income through progressive taxation and social-welfare programs. Both anarchists and socialists outlined the spiritual qualities of a new society where love and freedom would prevail. Drama and revolutionary songs reinforced these themes and became an integral part of most public functions organized by the leftist militants.

All of these political, social, and cultural activities coalesced around the working-class press, a key institution in the development of the Chilean labor movement. This was especially true of the activities of the socialists of Iquique, who held public functions in the large building that housed their newspaper. The nucleus of the party, militants of both sexes, lived in the building as well. They ran their newspaper as a cooperative and

39. *Ibid.*, p. 652.

relied on outside printing jobs more than advertising and subscriptions to pay the bills. The link between journalism and labor organization is most clearly shown in the career of Luis Emilio Recabarren, the man who emerged in the early 1920's as the greatest leader of the Chilean workers' movement. A typesetter by trade, Recabarren went north as a young liberal reformer to found one of the first working-class newspapers in the nitrate zone in 1903. He was radicalized through his experience in the nitrate mancomunales and spent much of the rest of his life founding and editing leftist, working-class newspapers. "Recabarren had a compulsion to found newspapers," wrote Lafertte, who edited many of them. The list of almost a dozen includes *El Trabajo* (Tocopilla, 1903-5), *El Proletario* (Tocopilla, 1904-5), *El Socialista* (later *El Comunista*; Antofagasta, 1916-27), and *Justicia* (Santiago, 1924-27). The most significant and long-lived was *El Despertar de los Trabajadores* (Iquique, 1912-27). Its name, "The Awakening of the Workers," reveals its fundamental purpose. *El Despertar*, like the other working-class newspapers of the nitrate zone, provided workers in ports and oficinas with an alternative source of information, a different view of the world. Its pages were filled with exposés of unacceptable working and living conditions, information on strikes and cultural and social activities, transcriptions of texts of European anarchist and socialist thinkers, and summaries of major speeches by Chilean militants attacking the cultural values and political monopoly of the dominant class.

Some historians have concluded that, given the high rate of illiteracy among nitrate workers, the emphasis of early labor activists on newspapers was misguided. I do not think it was. Many nitrate workers could read, and local militants probably read aloud to their friends or passed on information they had gleaned from the press in their own words. Given the respect with which illiterate and poorly educated people are taught to behold the printed word and those who can use it, a worker press must have also been a source of pride.[40]

Through the working-class press, moreover, militants built on earlier, more informal contacts between workers in nitrate ports and their nomadic friends and relatives on the pampa to establish a communications

40. The same could also be said of Recabarren's and other activists' dress, which Monteón criticizes. They did not dress as working nitrate miners, but instead (with the partial exception of Lafertte, who confesses he had a weakness for fine hats) wore modest dark suits, symbolic of education and culture. Anyone who has seen photographs of workers of the era in public demonstrations will know that those who could afford it dressed the same way. To attempt to dress as a member of the educated middle class was to affirm one's dignity. Good sources for photographs of worker mobilizations in the north can be found in the collection "Nosotros los Chilenos," especially Patricio Manns, *Las grandes masacres* (Santiago, 1972), and Mario Bahamond S., *Pampinos y salitreros* (Santiago, 1973). See also Enrique Reyes N., *El desarrollo de la conciencia proletaria en Chile (el ciclo salitrero)* (Santiago, n.d.).

network across the whole nitrate zone. Newspapers had representatives in some oficinas, and radical itinerant merchants carried newspapers, fliers, and pamphlets to others. Militants like Recabarren used these contacts to organize frequent speaking tours across the pampa. Nitrate workers often walked 25 kilometers or more to hear him speak and used the occasion to pick up radical papers and pamphlets on display. In the first years of the century, activists like Recabarren often traveled by horseback, their leftist newspapers and literature strapped behind the saddle. By the mid-1920's these tours were made in automobiles flying the huge red flags of socialism. By then rallies were often held on the open pampa at the very entrances to the major oficinas.

In all these ways (and doubtless many others hidden in the historical record), the working-class institutions of the nitrate zone gradually provided numbers of workers with the cultural tools, organizational skills, and confidence to commit themselves to collective action to change their lives. The depth of this commitment varied. Most workers, like most people everywhere, sought to avoid the sacrifices and risks of full-scale involvement. Yet what distinguishes the history of nitrate workers from that of most other sectors of the working class in Chile and in other nations is that significant and growing numbers of such committed workers emerged.

One unimpeachable indication of the growing cultural autonomy of nitrate workers is the reactions of employers in central Chile to the nitrate workers they hired during periods of crisis in the industry. Employer attitudes toward *los pampinos* were recorded in letters of complaint filed with the Office of Labor, which managed to relocate thousands of nitrate workers in jobs in public works and agriculture after 1914. Stickell surveyed these letters and found many employers uneasy with the nonconformist, assertive, and politically radical northern workers. Nitrate workers tended to refuse customary arrangements for wages, food, and conditions of work. Employers frequently expressed fear of political contamination of their local labor force. As they struggled with this problem, bureaucrats in the Office of Labor found themselves in a major dilemma. Fear of massive disorders impelled them to bring unemployed nitrate workers south; but to re-employ them risked contamination of the work force there, and to leave them in government-run hostels in Santiago was to risk politicization of the urban unemployed and the possibility of an alliance between radical nitrate workers and labor militants in the capital itself.[41]

Another indication, though a more problematic one, of the growing cultural autonomy and political nonconformism of nitrate workers is the

41. Stickell, "Migration and Mining Labor" (cited in n. 22), Chap. 4.

rising strength of reformist and leftist political parties in the north. All of these parties—Radicals, Democrats, and eventually Socialists—found proportionately greater support in the north than elsewhere. And although most nitrate workers could not vote, and most who did probably voted for left-wing Radical and Democratic candidates, the Socialist Party (Partido Obrero Socialista) founded in Iquique in 1912 managed to elect six municipal councilmen in 1915, and two national deputies by 1921. After that date, until the repression of 1926 and 1927, the electoral and congressional strength of the Communist Party (successor of the Socialist Party) expanded rapidly. Much of this success no doubt resulted from local electoral pacts with Radicals and Democrats formed to maximize the power of each in different electoral districts. Nevertheless, electoral data point to the existence in the north of hundreds of Marxist militants by the mid-1920's.[42]

It is of course difficult for historians to discover directly what most nitrate workers thought about their lives and their efforts to improve them. As late as 1927, 60 percent of workers in the industry could not read and write. In any case, unlike their class antagonists in the nitrate oficinas, workers had neither a cultural tradition of recording their problems and hopes nor much time and energy to do so. The closest thing we have to a memoir of a nitrate worker is Elías Lafertte's remarkable autobiography. Unlike the stylized autobiographies of Communist labor leaders in some other countries, Lafertte's book does not attempt to press the experiences of his early life on the nitrate pampa into an ideal, linear account of progressive radicalization and growing class consciousness. His book is honest, complex, and richly detailed. Nevertheless, Lafertte's autobiography was the product of a literate, highly politicized Marxist leader of the working class. Indeed, all the leftist writings of the nitrate era are open to the criticism that the attitudes they reflect are those of a tiny minority, far removed from the cultural values, social concerns, and political views of the mass of workers they claim to speak for.[43]

42. Arturo Valenzuela, *Political Brokers in Chile* (Durham, N.C., 1976).

43. J. Samuel Valenzuela, "Labor Movement Formation," makes this point in an extreme way. For him the trajectory of a given labor movement results from political structures and a concatenation of political events, themselves the product of the will of labor and party leaders. The implications of such assumptions for historical analysis are starkly revealed in his treatment of the settlement of an important railway strike in 1907, pp. 419–25. In his interpretation, the strike was a pivotal event in a political sequence that led to the massacre at Iquique later that year, and to the eventual eclipse of moderate social democratic leadership within the Chilean labor movement. Those events enabled more radical, leftist leaders and parties to fill the "organizational space" created by the emergence of the labor movement. Valenzuela is critical of the reformist leaders of the railway strike for not trying hard enough to "sell" a "favorable" settlement to the striking rank and file. That settlement, which was much less than the strikers demanded and was rejected by the majority, he considers favorable because *over the next several years* the exchange rate for Chilean pesos to

It is thus better to leave these sources aside for a moment, move back in time to the beginning of the century, and pursue the question from a different angle by looking at what workers actually did in their efforts to improve their lives. We have already discussed two early strategies pursued by workers on the nitrate pampa. They moved around a lot shopping for better conditions, and they organized mutual-aid societies to enrich their lives and buffer themselves and their families from natural and man-made forces beyond their control. Both of these activities implied a set of cultural values and attitudes that began to distinguish nitrate workers from other sectors of the Chilean working class, especially the rural workers whom nitrate producers mainly recruited for their labor force. Through their nomadic culture nitrate workers learned they could reject unsatisfactory conditions and, within limits, defy authority successfully. They also learned to trust in themselves, their friends, and their relatives in their search for a better life. In their mutual-aid societies workers taught themselves to pool resources and collectively confront and manage serious matters of education, health, injury, and death that no individual could handle alone.

It is ironic that the second (and more collective) approach met with approval and even encouragement on the part of owners and managers of nitrate oficinas, whereas the first (which was individualistic) encountered decided opposition from capitalists. As we have seen, nitrate managers devised schemes of payment and credit—work by the piece, payment once a month in scrip, tool deposits, and credit at the company store—to restrict the movement of their workers and the bargaining power and challenge to authority such movement entailed. But these management schemes never fully accomplished their goal. Moreover, each tended to intensify conflict between workers and management and to focus the demands of individual workers in collective ways. And though mutual-aid societies seemed to channel worker energies into innocuous cultural and social pursuits—and shouldered much of the social-welfare burden that

pounds sterling it would have established would have improved railway workers' real wages. Such an argument is not only ahistorical; like Valenzuela's work as a whole, it assumes that workers' past experience, current perceptions, and future expectations were relatively unimportant to the outcome; that the sacrifices and risks taken by striking workers can be measured and compensated in largely economic terms; that workers' collective understandings can be readily altered by untried leaders from a wide range of political persuasions; and that Marxist leaders of the period were not better equipped ideologically and politically than moderate reformers to take the risks involved in staying in line with militant rank and file. Valenzuela's explanation of Chilean labor formation is paralleled in his treatment of the Argentine case, pp. 366-69. He attributes the fundamentally different course of Argentine labor history to a fortuitous political event, the coup of 1930. That event is not explained within the sweep of early-twentieth-century Argentine economic and social history, nor is it related to the central problem—vital to an understanding of Argentine labor formation—of the complex causes of the anomalous course of Argentine historical development after 1930.

capital would later be forced to assume—the skills, confidence, and mutual trust workers acquired helped prepare them for the time when they would start to work collectively to overcome the man-made conditions that threatened their livelihood and embittered their lives.

Nitrate workers became involved in such collective action on a large scale as early as 1890. Many of the strikes that punctuated the next four decades began as spontaneous protests against procedures for determining pay, discounts on fichas (or the exchange rate of Chilean pesos to pounds sterling), and prices and false scales in company stores. Worker grievances have been called expressions of an "enraged liberalism" by one historian, but they were so only in a superficial sense. In the fateful strike of 1907, workers demanded the abolition of the scrip system and the immediate redemption of fichas at all oficinas without discount. Moreover, they wanted the fichas exchanged at a rate higher than the current official international exchange rate for pounds sterling to Chilean pesos. They also wanted "free commerce," adequate safety devices, free night schools, and two weeks' notice for workers fired for any reason. Finally, the logic of their protest led them to demand immunity for those engaged in collective action and legal, public recognition of the organizations they had formed to press their demands.

Each one of these demands, however, implied a challenge to the liberal principles of capitalist enterprise in general, and to the specific arrangements (often not so capitalist) through which managers sought to maximize their control and exploitation of the labor force in the nitrate zone. Universal exchange without discount of fichas for Chilean pesos at a premium rate not only threatened a major mechanism used by capital to hold its labor force on the pampa and undermined the use of inflation to cut capital's wage bill, but also violated the liberal principle of an international gold standard. Free commerce on the nitrate pampa threatened the capitalists' ability to recover through the company store part of their wage bill. It also denied capital, as the head of the Nitrate Producers' Association testified to the 1912 Parliamentary Commission, "the sacred right of property assured to us by the Constitution." That document, he explained, recognized capitalists' right to exercise "absolute dominion [over] our properties." Itinerant merchants, who sold liquor, engaged in subversive propaganda ("which they were wont to do"), or tried to lure workers away from the oficinas to other jobs, had to be dealt with sternly and expelled from the oficinas. Although it was hard for capitalists to deny the importance of safety devices publicly, workers' ability to decide where and when they were installed would challenge the supreme authority of owners to decide how best to invest capital and to dictate the way work was organized. As for schools, they might be provided at the discretion of individual employers, but they were really the business of

the state, not private enterprise. Finally, insistence on striker immunity and recognition of worker organizations challenged the most fundamental principle of all—the "freedom of work," by which capitalists meant their exclusive right to purchase labor on the market and contract with individual workers as they saw fit.

The anticapitalist logic of what may appear to the mid-twentieth-century mind as liberal aspirations was inexorable. Capitalists immediately recognized what was at stake. They refused to make any concessions on principle. They sought to break worker organizations at all costs. They employed spies and established blacklists. They locked workers out. When all else failed they called on the forces of the state to protect their interests. *Carabineros*, the police force that was partially funded by capitalists on the nitrate pampa, handled smaller protests by breaking up strikes, raiding the worker press, or jailing the most militant workers. When protest grew too large for the police to handle, the state was called upon to transport hundreds of workers out of the north or to send the army and navy to "restore order." Time and time again public forces accomplished that goal by massacring striking workers, sometimes by the scores and hundreds, and at least once, the left claimed, by the thousands.

Slowly, perhaps, large numbers of workers also began to understand what their anarchist and socialist leaders already knew. Their modest efforts to better their condition involved radical principles that challenged the basis of capitalist enterprise. "Perhaps," I say, because given the immense risks involved in collective protest, workers, like their leaders, had to be cautious, practical men. Whatever they may have thought about the implications of their demands, they had to couch their inherently radical aspirations in the liberal language of the dominant culture. They had to get what they could without losing their jobs, their personal freedom, or their lives. Though workers through individual protest and collective action gradually forced concessions in the nitrate oficinas, the degree of repression to which they were exposed through the whole era must have disillusioned and disheartened many. But it radicalized many others. The single document prepared by a workers' organization published in the Parliamentary Commission's report of 1913 declared that five minutes of officially sanctioned gunfire against the peaceful striking nitrate workers in Iquique in 1907 had done more to destroy their patriotism and respect for government authority than "a half century of systematic propaganda by a thousand anarchists."[44]

Despite the entrenched strength and pull of liberal assumptions, and the great risk involved for workers who participated in leftist politics, significant numbers of nitrate workers became anarchists and socialists.

44. The commission's report is cited in n. 29; the quotations here and above are from pp. 81-82 and 137.

They did so because those anticapitalist ideologies coincided with their perceptions of the world they lived in and offered meaningful solutions to their personal needs and aspirations. Society in the north was divided into two classes, each clearly distinguishable. One bossed, the other worked. One was wealthy, the other poor. Not only was each class ethnically and culturally distinct (a condition also met in Chilean agriculture and manufacturing), but capital was foreign, whereas labor was Chilean. Capital in the north systematically exploited labor, as any worker knew who had had his caliche wrongly assessed, had exchanged fichas at discount, had seen a friend maimed by an unsafe machine, or had paid exorbitant prices for falsely weighed goods at the company store. Capital and labor were locked in a never-ending struggle in which capital, assisted by the state, gave no quarter. Nitrate workers knew that they were totally dependent on the sale of their labor; they and their families had no way to sustain themselves during depression in the industry. Improvement in the condition of their lives would have to come through collective action by the workers themselves. Workers could move about as individuals during good times, but no capitalist would sustain them in bad. Parliamentary commissions studied conditions and congressmen debated reform, but conditions in the nitrate zone changed little. Capitalism was irrational. One month there was too much work; the next, thousands were unemployed, homeless, helpless. But capitalism was not only bad for workers, it was bad for Chile. Foreigners were scooping out the irreplaceable wealth of Chile at great profit to themselves. Little that nitrate workers saw could be said to redound to the nation's benefit.

It was on this last point, and the issue of political action to enlist the support of the state to meet working-class needs, that anarchist and socialist ideology diverged. Whereas anarchists insisted on the worldwide unity of the proletariat, early Chilean socialists were more apt to stress the unity between the aspirations of workers and those of other patriotic Chileans. This position allowed socialists to countenance collaboration with progressive sectors of other classes in efforts to better the position of the working class.[45] The socialists combined in electoral coalitions with parties that had reformist, nationalist aspects to their programs. They sought to promote legislative solutions to working-class problems at the national level. However antithetical to ruling-class privilege the ideology and programs of the socialists were, their electoral tactics enabled them to turn political norms sanctioned by the ruling class to the purposes of the working class. By the 1920's socialist strategy appeared

45. This is true despite the prohibition of pacts with "bourgeois" parties in the platform of the Partido Obrero Socialista in 1912. Perhaps that ban was a vain attempt to stifle what was already a logical tendency, given the electoral strategy and ideological position on patriotism within the party.

to be far more effective, and much less dangerous, to the Chilean working class than the uncompromising stance of the anarchists.

Anarchists were adamantly opposed both to petitioning the state and to forming political parties to contest for state power. To do so was to legitimize the capitalist state and the electoral procedures it used to validate its monopoly of political power. Given the fact that many nitrate miners owned their own tools and maintained significant control over the work process, the anarchists' emphasis on individual freedom and spontaneous grass-roots action found a natural audience. Moreover, because most nitrate miners could not vote, and because electoral abuses such as fraud and vote-buying were in any case widespread in Chile in the early twentieth century, it is not surprising that anarchists were initially much stronger than socialists in the nitrate zone. It was anarchists, for example, who led the great nitrate strike of 1907. But systematic repression and the relative failure of direct action, coupled with the growing success of socialist union-organizing and electoral strategies in the north in the 1920's, led anarchist influence to give way slowly to that of socialist militants.[46]

Had capitalism in the north led to diversified economic development and the emergence of a complex structure of intermediate classes, had it fostered rising real incomes and widespread property ownership by the mass of workers, liberal notions might have exercised more consistent appeal. Workers came to the north to make money and improve their station in life. Individualist aspirations were encouraged by the piece-rate system and by the dominant values of Chilean society. But the export economy of the north did not lead to capital accumulation and an expanding, diversified economy there. Profits were remitted abroad or distributed through the state in the south. All the official commissions to the nitrate zone concluded that very little of this money found its way into improvements in the north. Even in the large port towns that housed the mansions of the rich and the luxurious social clubs of the foreign community, public water, sewage, health, and educational systems were grossly deficient. Savings by nitrate miners could not be invested in property. Educational opportunities were limited. Periodic crises in the industry consumed what workers could save and left them helpless, unemployed victims of economic forces beyond their control.

46. Anarchist influence was much more enduring, especially among artisans, in the manufacturing establishments of Santiago. In several industries, most notably shoe manufacturing, they were able to establish very effective organizations at the plant level. Although socialists had some success in organizing textile, tram, and construction workers, anarchists predominated in the organized urban labor movement until the end of the nitrate era, as De Shazo has effectively shown. J. Samuel Valenzuela, "Labor Movement Formation," elaborates the political implications of the contrast in effective plant-level organization in the mining and manufacturing sectors of the Chilean economy.

It is true, as Stickell argues, that by the 1920's conditions of life and work on the nitrate pampa had improved, especially in the larger, newer oficinas. But it is unlikely that improvements significantly changed the structural opportunities available for ambitious individual workers. In any case, they came too late. Some workers had already developed a vigorous, autonomous vision of the world that was successfully competing with the dominant liberal one. Anarchist and socialist leaders had proved their commitment and courage in defending working-class interests through more than three decades of systematic repression. Moreover, improvements in the condition of workers appeared as the nitrate export economy ceased to grow and began to experience the violent convulsions that further radicalized workers and culminated in the virtual collapse of nitrate production after 1930. Finally, most of the improvements came in the 1920's as a result of the direct action and militant politics of national working-class institutions and parties. The most important of these organs of the workers' movement were dominated physically and ideologically by socialist leaders whose power base lay in the north. These institutions played a large role in the insurgency of nitrate and transport workers, and of urban workers, students, and white-collar workers in the period following the First World War, an insurgency that forced the Chilean ruling class to make concessions and adopt a new strategy of labor control. In 1924, at the cost of a total breakdown of the political system, the Chilean ruling class became the first in South America to abandon the failed policy of simple physical repression of organized labor. It tried instead to curb labor's revolutionary potential through legislative means by integrating organized labor into the institutional life of the nation. It is to that remarkable story, and its unforeseen—and tragically ironic—implications for subsequent Chilean history that we now turn.

The Crystallization of a Marxist Labor Movement

The economic and ideological forces unleashed by the First World War deeply affected the strength and orientation of national labor movements all over the world. The conflict for world dominion between two blocs of the major capitalist industrial powers stimulated enormous demand for machines, ammunition, food, and raw materials. Workers took advantage of conditions of full employment and labor organizations expanded rapidly. With the armistice in 1918 pent-up civilian demand pushed prices up rapidly. Real wages lagged far behind. Labor responded by using its new organizational strength to unleash a wave of strikes unprecedented in scope and power. By 1920, however, wartime demobilization and flagging consumer demand plunged the world capitalist econ-

omy into depression. As unemployment spread, labor all over the world saw its organizational strength compromised, its ability to strike effectively impaired.

The war that generated these economic trends also undermined the liberal philosophical foundations of capitalism and, among workers, reinforced anticapitalist ideologies of the left. The war featured the spectacle of the major capitalist powers in the core of western "civilization" harnessing their liberal political systems, their new science, technology, and industrial might, to annihilate their adversaries. The outbreak of the fighting in Europe created an ideological and political crisis within the world labor movement, and proletarian unity broke in the face of national demands and loyalties, especially among the social democratic parties of the Second International. Nonetheless, the war enabled the first socialist revolution to consolidate power in Russia. As it undermined liberal assumptions, then, the world conflict provided Marxists within the labor movement (including, initially, anarchists) with ideological inspiration and renewed confidence in their ability to forge a socialist future.

This volatile mix of favorable economic conditions and positive ideological forces in the immediate postwar period exploded in a massive mobilization by the left. It created a perception, shared by radical labor leaders and the political leaders of the ruling class alike, that social revolution was imminent. As revolutionary groups within the labor movement experimented with new forms of struggle to realize this goal, ruling classes searched for new devices to avert it.

Chile, more fully than any other South American nation, participated in this worldwide drama of war and worker mobilization. Its nitrate export economy, as we have seen, was intimately affected by the changes in trade, demand, and technical innovation generated by the war. Following the severe depression of 1914 and 1915, nitrate production reached an all-time high in the period 1916–18, then plummeted into the disastrous depression of 1919–23. In terms of fluctuations in the demand for labor, postwar price inflation, and the length and severity of the postwar depression, Chile's economy was affected more seriously by the world economic forces of the period than that of any nation in South America.

Because of the structure of Chile's nitrate export economy, and because of the relative development of autonomous anticapitalist thought and organization among Chile's urban, transport, and mining workers, the ideological forces unleashed by the war affected political life and the labor movement more profoundly in Chile than in the other nations of the continent as well. Although statistics on strike activity, and on membership in radical unions and political parties, are much discussed in the literature, all are hopelessly incomplete and unreliable. All estimates agree, however, that a wave of strikes of unprecedented proportion enveloped the

main Chilean cities and ports and the nitrate zone after 1918 and reached its peak in late 1919 or early 1920. Dues-paying memberships in leftist labor organizations and political parties probably expanded severalfold in the late 1910's and early 1920's. Far more important than the absolute numbers of such activists, which may have reached 20,000 or so by 1920, were the masses of workers ten times that size whom organized militants were able to mobilize in public demonstrations and general strikes in the postwar era.[47]

All anticapitalist labor organizations grew in size and broadened their influence over parts of the Chilean labor movement during the postwar period. Socialists dominated the labor organizations in the nitrate zone, anarcho-syndicalists were preeminent in Santiago, and the Chilean chapter of the Industrial Workers of the World came to predominate in the port of Valparaíso. Each group had considerable influence in the area of the labor movement dominated by the others, however. And although anarchists, syndicalists, and socialists competed with one another to expand their influence among organized and unorganized workers alike, all cooperated to excellent effect in mobilizing the working class as a whole for public demonstrations and general strikes in the immediate postwar period.[48]

But it was the socialists who moved to institutionalize their strength and influence in national labor and political organizations. For this task they were best prepared by ideology and experience. Years of struggle in the nitrate zone had convinced socialists that a solution to the problems of the working class would have to be a national one, achieved through access to the power of the state. The importance of nitrate production to national economic and fiscal life had meant repression by capital and the state so severe that maintenance of enduring organizations at the plant level in the nitrate zone had been impossible. Socialists understood how cyclical fluctuations in the nitrate economy created national problems of inflation and unemployment, how foreign ownership deprived the whole people of Chile of the wealth labor produced in the nation's most important industry. Labor leaders and organizers in the nitrate zone, like the nomadic labor force they appealed to, had built personal and political communications networks all over northern and central Chile. In the first years of the twentieth century these contacts were expanded south to the coal-producing zone and, farther, to small militant enclaves of sheepherders and meat packers in southern Chile.

47. All these statistics, which range from official counts published by the Office of Labor to later estimates based on research by scholars such as De Shazo, are collected and carefully analyzed in J. Samuel Valenzuela, "Labor Movement Formation," Chap. 7.

48. De Shazo, *Urban Workers* (cited in n. 35), provides a wealth of information on all these themes.

The vehicle used by socialists to build a national labor organization was the Gran Federación de Obreros de Chile. That timid, reformist organization, founded by railroad workers in 1909, enjoyed the toleration of government officials and possessed the rudiments of a decentralized national organization. Growing militancy among rank-and-file workers, especially in the regional section of Valparaíso, had led to a bitter strike and a change in national leadership in 1916. The next year, the FOCh held a national convention and opened its ranks to all workers. Socialist delegates enlisted the scores of worker organizations they controlled. Steadily, over the course of the next three years, the FOCh was transformed into a militant, revolutionary labor organization, the most powerful labor central in the country. This accomplishment was made possible by the numerical strength and national importance of the working-class organizations in the nitrate zone led by the socialists; by the contacts, organizational skill, and national prominence of the socialists' leadership; and by the appeal and effectiveness, within the context of Chile's political system, of the socialists' electoral tactics.

At the December 1921 FOCh convention held at Rancagua, near the huge new American-owned copper mine El Teniente, delegates voted to affiliate the FOCh with the Red International and to tie its membership politically to the Socialist Party, the Partido Obrero Socialista. The next month, representatives of that party voted to change their name to the Communist Party of Chile and to join the Third International. Affiliation with the international communist movement caused some dissent, especially from reformist elements within the FOCh. But given the ideological trajectory of the socialists, and the enormous prestige of the Soviet experiment at the time, it was probably inevitable. The most serious defector from the FOCh was the organization of railroad workers, but even these skilled and better-paid workers sought affiliation with the Red International after the split.[49]

In the changing economic and political climate of the postwar period, socialist and other labor organizations pursued a variety of tactics to expand their influence and consolidate and defend their gains. During the period of booming nitrate exports and high employment immediately following the war, union activists concentrated on job actions and organization within the working class itself. In his study of urban labor, Peter De Shazo found that the strikes of this period, in contrast to earlier ones, were more often successful. He also discovered that strike demands at this time were much more likely than in earlier years to center on measures to

49. In contrast to the argument presented here, Valenzuela ("Labor Movement Formation") places more emphasis on the personal influence of Recabarren in the takeover of the FOCh by the Partido Obrero Socialista, whereas Monteón (*Chile in the Nitrate Era*) stresses the divisiveness of the affiliation decisions.

establish and protect labor organizations and control the work environment. At the same time, however, militant elements within the labor movement began to forge contacts with other urban groups, especially those who were hurt by the economic dislocation of the postwar period and were potentially sympathetic to leftist ideological currents.

This second strategy became more important after 1919, as the nitrate economy faltered, and especially after 1920, when the postwar depression began in earnest. Spreading unemployment in the private sector and cutbacks in public spending not only eroded the bargaining position of industrial workers but threatened white-collar workers and professionals as well. Price inflation, stimulated by government advances of paper credit to nitrate producers and issues of paper pesos to make up in part for lost nitrate revenues, hurt all consumers.[50] At the end of 1919, on the initiative of the FOCh, organized workers mobilized a broad coalition of urban groups in an effort to pressure the government to reduce food prices and enact tax and educational reforms. These issues were vital to a wide spectrum of urban groups, who joined in massive street demonstrations of 60,000 to 100,000 people in Santiago in late 1919 and mid-1920. If the immediate demands of this coalition were moderate, the analyses of the situation provided by the anticapitalist orators who addressed the crowds were not. Meanwhile, white-collar workers and students were organizing and becoming more militant themselves. Teachers established a union as early as 1918, and radical students with ties to anarchists and the IWW organized in Santiago in 1919.

Into this volatile situation streamed thousands of unemployed nitrate workers in 1921. Faced with the growing threat posed by masses of unemployed workers in the north, the government rented warehouses and established hostels in the nitrate ports and Santiago and transported thousands of workers south. During 1921 and 1922, according to De Shazo, there were 20,000 unemployed nitrate workers and their families in hostels in Santiago. The FOCh organized these workers into unions, and despite the best efforts of government officials and police—and reports by government spies within the hostels—unemployed nitrate workers served as mobile shock troops for the strike actions and protest rallies of the period.

Although activities of this kind spread the radical vision of anarchists, syndicalists, and socialists to other sectors of the working class and to elements of urban middle groups, the deepening of the depression and growing public and private repression gradually sapped the strength of working-class institutions. Congress passed a residency law in 1919 that enabled government officials to deny entry to or expel foreign radicals.

50. Frank W. Fetter, *Monetary Inflation in Chile* (Princeton, N.J., 1931), Chap. 9.