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## COMMENTARY AND DEBATE

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### OF PLANTERS, POLITICS, AND DEVELOPMENT

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Mauricio Font's "Coffee Planters, Politics, and Development in Brazil," raises a number of central issues about the nature of the polity and economy in São Paulo during the critical transition from export-oriented agriculture to domestic-oriented manufacturing.<sup>1</sup> Was the coffee economy fully capitalist? What was the relation between coffee and industrialization? Was there a "sectoral clash" between planters and manufacturers? To what degree did planters control the political parties and the state? In particular, was the state relatively autonomous of the most important economic group?

"Coffee Planters" does not answer all these questions in detail. Indeed, a short article could hardly do so, but this piece and Font's other studies do posit important hypotheses and offer inventive approaches to the issues.<sup>2</sup> In particular, Font emphasizes the importance of the "nonplanter" rural economy, dissension among coffee magnates, and clashes between planter groups and the state. He hypothesizes that a new political party articulated "big coffee" interests with other powerful economic groups and that the state (at state and federal levels) was increasingly moving toward autonomy from large planters.

Professor Font focuses on the period between 1920 and 1930. He argues that São Paulo's planter elite (which he views as having exercised a kind of Gramscian hegemony in earlier decades of the Republic) was losing control of the state, not only to industrialists, middle and

small farmers (including coffee growers), and other economic groups but also to an increasingly autonomous government led by the Partido Republicano Paulista (PRP) at state and national levels.

Font thus extends back into the 1920s the thesis of Francisco Wefort and Boris Fausto on the “Estado de Compromisso,” in which no group exercised hegemony during the Vargas years, in contrast to the authority of the planters before the fall of the Old Republic (1889–1930). According to this schema, the state enjoyed a consequent measure of autonomy from economic interests.

Basing his analysis on newspapers, planter trade journals, and the secondary literature on the 1920s, Font holds that over the course of the decade, the bases of planter rule were undermined by the lack of a saturated rural labor market, the long-term decline of the *comissário* credit system, and the decline of clientelism and *coronelismo* (rural bossism) as forms of interest aggregation. He also argues that an “alternative economy” appeared in the 1920s, based on the rise of small farms (frequently owned by immigrants) and on a growing share of economic activity by domestic commerce and industry. Industrialization, in fact, is seen as challenging, rather than depending on, coffee capital.

Font interprets relations between the planter elite and the state and federal governments as one of conflict that revolved around several issues: taxation, which the planters resisted; lack of continued state support for immigration; and monetary policies that conflicted with the short-term interests of planters. Finally, after analyzing the key personnel and policy statements of the Partido Democrático (PD), Font argues that this party was essentially a planter-dominated organization and that it can be contrasted with the ruling Partido Republicano Paulista. The latter, he asserts, was more closely associated with industrialists.

Font’s reasoning and data are convincing on the points concerning significant planter dissatisfaction with government policy and the growing importance of planters who were not magnates in the coffee economy, although these points had already been made in less elaborate form and with different emphases.<sup>3</sup>

I would depart from Font’s analysis, however, in certain respects on the big issues. First, was the coffee economy (which was based partly on the mixed wage and usufruct arrangements of the *colonato*) fully capitalist? Professor Font argues that it was not, because of state subsidization of the immigrant stream and the fact that the *fazendas* depended on cheap frontier lands and required a constant replacement of labor.<sup>4</sup> Yet one may note that cheap frontier lands apparently did not detract from the U.S. experience with capitalism. Also, the observed high incidence of labor turnover on the *fazendas* could support the opposite view from Font’s interpretation: that the Paulista labor market

exhibited a characteristic feature of a dynamic capitalist agriculture. Despite planters' repeated efforts to "saturate" the labor market, they often had to compete for workers.<sup>5</sup> Moreover, strikes—a feature of capitalist labor relations—occurred with surprising frequency in rural São Paulo, several dozen between 1890 and 1913 and over one hundred more before the end of the Old Republic.<sup>6</sup> As for state subsidization, Governor Júlio Prestes virtually terminated the program in 1927 because he believed that the labor market worked well enough to staff the fazendas without international transportation subsidies. This assessment was true in part because non-Paulista Brazilians were beginning to migrate to São Paulo's coffee fields.<sup>7</sup> More broadly, one may ask, did intervention in the economy by state governments lessen the degree of "capitalism" in the United States? Before the Civil War (the classic age of *laissez-faire*), Pennsylvania was involved in some 150 mixed corporations that were subsidizing railroads, canals, and other ventures.<sup>8</sup> One might also ask whether, from the Paulista planters' viewpoint, international transportation subsidies were not also a form of social overhead capital?

The second large question is, what relation existed between coffee exports and industrialization? As one might expect of capitalists who knew how to hedge as well as how to speculate, Paulista coffee planters diversified their investments to include commerce, banking, and industry. One of the richest of all the planters was Antônio da Silva Prado, whom Font characterizes as "the quintessential traditional planter in the state." Although this characterization is repeated later in the article, in the intervening pages Senhor Prado is termed "a truly consummate entrepreneur," who in the 1920s was "retrenching from industrial and commercial activities and reaffirming [his] agrarian interests."<sup>9</sup> In short, this owner of fazendas, banks, factories, and export operations was seeking to maximize profits when coffee prices were peaking, while hedging against losses with a diversified portfolio. Many other coffee magnates also spread their wealth across a wide array of investments, as noted below.

On the role of the "small farm" in the coffee economy, I believe Font's interesting case is overstated. He discusses "smallholdings" in the context of a 1927 survey showing that 37 percent of São Paulo's coffee trees were found on units with fewer than fifty thousand trees. If this figure defines the upper limit for smallholdings, Font's argument tends to prove by definition.<sup>10</sup> Aside from the capital required to get an enterprise with fifty thousand trees into production—and a lead time of four to five years before the trees started to bear—during the period in question, one adult could tend only twenty-five hundred trees (and even fewer, by some estimates). Thus an estate with fifty thousand trees would require up to twenty adult workers (or more workers in

family units), an establishment that does not fit the commonsense meaning of "smallholding." Elsewhere, Font has adopted twenty thousand trees as the criterion for "small farm," but even this number would require the labor of eight adults. At any rate, the 1927 survey he cites also reveals that only 18 percent of the coffee trees grew on farms with fewer than twenty thousand trees per unit. About half the 1.1 billion trees in production as late as 1931 were on estates having one hundred thousand trees or more.<sup>11</sup> Even these figures tend to understate the concentration of ownership because coffee magnates held widely scattered properties. Font does show, however, that the coffee economy extended far beyond the large estates, and he stresses the importance of small farmers in creating a market for industrial products.

The third question is, to what degree did planters control the political parties and the state? In treating the conflict between planters and the ruling PRP as a crisis that emerged in the 1920s, Font misses elements in the political process that a longer-term perspective would elucidate. These aspects may be summarized in three points. First, a struggle among planters over the proper role of the state in the export economy during the period of alleged planter hegemony had preceded the first valorization in 1906–1908 and surfaced repeatedly in the PRP.<sup>12</sup> Second, PRP politics had developed a generational cleavage by the 1920s, when the party leadership reflected a virtual gerontocracy. During the lifetime of the PD (1926–1934), the median age of the PRP executive committee was fifteen years older than that of its PD counterpart.<sup>13</sup> Third, Font tends to view planter interests through the same lenses as did their spokesmen in the press, concentrating on the short term. He does not consider the point that Washington Luís had to concern himself, first as governor and later as president, with the long-term interests of the coffee economy. Another planter-president, Campos Salles, had found it necessary to proceed similarly at the turn of the century, and for the same reason: to meet international debt obligations so that the coffee economy would be able to borrow in the future.

The thesis of planter rejection of state authority also runs into the problem of government "output." São Paulo's coffee debt expanded enormously between 1926 and 1930, and almost half its total foreign debt in 1930 was contracted by PRP leaders directly for valorization.<sup>14</sup> By contrast, the only instance of a state subsidy to a manufacturer in the 1920s amounted to 0.4 percent of the 1929 budget and was not renewed. Thus the coffee debt in 1929 was 215 times larger than the state subsidy to a manufacturing concern that year.<sup>15</sup>

Finally, to the degree that planters were losing power to the state, an alternate hypothesis could be advanced to explain the phenomenon, at least in part. In the case of the 1926 loan for ten million pounds, Lazard insisted on a São Paulo state guarantee of the debt.

This move permitted—or forced—the government to take over the Instituto de Café. Foreign pressure also helped shape Washington Luís's "adamant" views opposing federal financial aid to the institute in 1929.<sup>16</sup> Winston Fritsch, an economist who examined the archives of Washington Luís, the Rothschild Bank, and the Banco do Brasil, has concluded that one must "give a prominent place to . . . external economic constraints" in looking at long-term economic policy making.<sup>17</sup> Thus foreign dependency, rather than the "alternative economy," would be the key to explaining government action.

On the matter of the Partido Democrático, the opposition party after 1926, it is far from obvious to me that it was more planter-dominated than the PRP, as Font asserts. He concedes that Antônio Prado, Moraes Barros, and Nogueira Filho were industrialists as well as planters. Of the eight "planters" he specifically names, at least five were also industrialists, and he does not explain how he knows that coffee provided their families' "primary" source of income.<sup>18</sup> Although Font shows that the PD's leadership included no immigrant industrialists,<sup>19</sup> he neglects to note that none belonged to the PRP's executive committee either. The immigrant industrialists were perhaps "ineligible" for leadership in both parties because of their lack of higher education, which (as Bert Barickman and I have shown) was virtually a *sine qua non* for political leadership in either party.<sup>20</sup> In contrasting the PRP and the PD, Font also ignores the fact that leading planters staffed the PRP executive committee in the 1920s.<sup>21</sup>

Was the state relatively autonomous of the most important economic group? Font speaks of "impediments" to planter hegemony, "hegemonic decay," and the "autonomizing impulses of the Paulista political elite" in the 1920s.<sup>22</sup> His thesis, if indeed valid, refers to the diminution of influence of a powerful class fraction, rather than to the loss of hegemony of a social class as such, and as noted earlier, the most important planters frequently had overlapping portfolios. Planters were also industrialists, merchants, bankers, and exporters, a fact that muddies the issue of "sectoral clashes."

In any event, one would only expect to find a near unanimity of views among competing interests within the bourgeoisie in times of real crisis, which had only begun in São Paulo at the end of the 1920s. Class solidarity is found, not unpredictably, during the period beginning with the creation of the Frente Unica in February 1932 through the civil war ending in September. During this period, the economic elite felt threatened externally by federal intervention and internally by working-class militancy.

Dissension among members of the hegemonic class in noncrisis periods, such as the 1920s, might be interpreted as a sign of collective self-assurance, contrary to Font's view. Such dissension thus parallels

the public discussion in congress of decision making by a small political oligarchy, which showed the indifference of political leaders to the possible loss of political legitimacy with the populace. This attitude reflects the small suffrage and low mobilization in the Old Republic—only 3 percent of the population voted in most presidential elections.<sup>23</sup>

Bert Barickman and I have used three different types of quantitative evidence to try to establish the existence of a striking coincidence between property ownership and political leadership, as well as between property ownership and degree of political success in São Paulo between 1889 and 1937.<sup>24</sup> This coincidence, which was more marked in São Paulo than in any other modern political elites of which we are aware, in combination with the above-mentioned government policies, does not seem to support any strong tendency toward “state autonomy” during the 1920s.<sup>25</sup>

Where does this discussion lead? I believe that Font’s most important contribution concerns the role of the “alternative” or complementary economy in the complex development process that characterized coffee agriculture and ultimately linked coffee and industry. On the big issue of whether the plantation system was capitalist, the fact that so much turns on the matter of definition makes me pessimistic about any foreseeable resolution of the matter. The debate over modes of production in Latin America—bogged down in problems of definition, the hermeneutics of Marx’s own views, and the tendency toward historicism (every case, a new mode)—was quietly laid aside by its original enthusiasts in the late 1970s. This experience raises doubts about the utility of further debates over whether the *colonato* (or the mentality of the planters) was fully capitalist. A sizable, if inconclusive, body of polemical literature already exists amounting to a Brazilian version of what J. H. Hexter called the “storm over the gentry” in English historiography thirty years ago.

More resolvable is the relationship between coffee capital and industrialization. Recently João Manoel Cardoso de Mello and Maria da Conceição Tavares have made a rather convincing theoretical case for a direct relationship between the two, while Wilson Suzigan views the growth of manufacturing as having become somewhat less dependent on the fortunes of the export sector by World War I.<sup>26</sup> The role of the large planters is still an empirical issue, and research of probate records and the archives of commercial and financial institutions should provide answers.<sup>27</sup> This approach should also have much to say about the intensity of sectoral clashes between planters and industrialists.

Another big issue, the “relative autonomy” of the state, has been widely debated in Brazilian historiography and should remain on the agenda. Relative autonomy is difficult to estimate and must be examined with the logically previous issue of the ruling-class hypothesis.



Here the problems of conception and measurement are daunting but can perhaps be overcome, as Richard Miller has recently demonstrated.<sup>28</sup> Granted, the relative autonomy issue is more complicated in the Brazilian case than in countries of the developed West because of the weight of international capitalism, as shown in the works of Marxists influenced by dependency theory. Finally, we need to maintain a tough-minded awareness of the patrimonial residues in the modern Brazilian state. In particular, Gunnar Myrdal's notion of the "soft state,"<sup>29</sup> whose principal capacity is the employment of functionaries, should make analysts wary of inferring that the state's failure to implement the projects of powerful economic interests necessarily results from any economic program of politicians or bureaucrats.

## NOTES

1. Mauricio Font, "Coffee Planters, Politics, and Development in Brazil," *LARR* 22, no. 3 (1987):69–90.
2. See especially Font, "Planters and the State: The Pursuit of Hegemony in São Paulo, Brazil (1889–1930)," Ph.D. diss. in 2 vols., University of Michigan, 1983.
3. For example, see Joseph L. Love, *São Paulo in the Brazilian Federation, 1889–1937* (Stanford, Calif.: Stanford University Press, 1980), 225–27 (on planter dissatisfaction). See also Thomas H. Holloway, *Immigrants on the Land: Coffee and Society in São Paulo, 1886–1934* (Chapel Hill: University of North Carolina Press, 1980), chap. 6 (on immigrants as landowners).
4. Font, "Coffee Planters, Politics, and Development," 72–73, 86. Compare the Marxist argument of José de Souza Martins that usufruct kept the colonos from becoming full proletarians because they were not completely separated from the means of production. Yet Souza Martins still views the *fazendeiro* class as capitalist. I prefer the view of Verena Stolcke and Michael Hall, who view the usufruct system as a means of minimizing planters' cash outlays and maximizing their profits. This situation occurred for three reasons: because prices of food were initially high, much of it being imported from other states; because usufruct would attract immigrants and therefore contribute to labor market saturation, forcing wages down; and because peak labor demands for coffee and food crops did not occur during the same season. See Souza Martins, *O Cativo da Terra* (São Paulo: Ciências Humanas, 2nd ed., 1981), 16, 19 (on fazendeiros as capitalists), and 18–19 (on noncapitalist features of the colonato). See also Stolcke and Hall, "The Introduction of Free Labour on São Paulo Coffee Plantations," *The Journal of Peasant Studies* 10, nos. 2–3 (Jan.–Apr. 1983):184. Also relevant to the large issues addressed in the opening paragraph of this note is Stolcke's *Coffee Planters, Workers, and Wives: Class Conflict and Gender Relations on São Paulo Plantations, 1850–1980* (London: Macmillan and St. Antony's College, Oxford, 1988).
5. Holloway, *Immigrants on the Land*, 171.
6. Stolcke and Hall, "Introduction of Free Labour," 185–86.
7. Small indirect subsidies were still being made to Japanese immigrants. For details, see Love, *São Paulo in the Brazilian Federation*, 12.
8. Robert A. Lively, "The Government-Business Relationship in Historical Perspective," in *The Shaping of Twentieth-Century America*, edited by Richard M. Abrams and Lawrence W. Levine (Boston: Little, Brown, 1965), citing the work of Louis Hartz.
9. Font, "Coffee Planters, Politics, and Development," 78, 79, 84.
10. *Ibid.*, 73.
11. See Font, "Planters and the State," 58 (on twenty thousand trees as a small farm); Holloway, *Immigrants on the Land*, 31 (on constant technology in the period) and 65

- (on labor requirements); J. F. Normano, *Brazil: A Study of Economic Types* (Chapel Hill: University of North Carolina Press, 1935), 41 (on the 1927 survey); and on the dominance of large estates, Caio Prado, Jr., "Distribuição de Propriedade Fundiária Rural no Estado de São Paulo," *Boletim Geográfico* 3, no. 29 (Aug. 1945):699 (originally published in 1935).
12. Love, *São Paulo in the Brazilian Federation*, 112–14, 221–27.
  13. *Ibid.*, 117, 165.
  14. *Ibid.*, 253.
  15. This subsidy was granted to an electro-metallurgical firm. *Ibid.*, 257, 302, 304.
  16. Winston Fritsch, "Aspects of Brazilian Economic Policy under the First Republic (1889–1930)," Ph.D. diss., Cambridge University, 1983, 197, 249.
  17. *Ibid.*, 253.
  18. Font, "Coffee Planters, Politics, and Development," 77. Antônio Prado made all kinds of investments, as Font concedes. Cardoso de Mello Neto was the president of electric and telephone companies as well as a banker. Moraes Barros, Nogueira Filho, and Sampaio Vidal owned textile factories, and Sampaio was the director and largest stockholder in the *Diário Nacional*.
  19. Font, "Coffee Planters, Politics, and Development," 70; and Font, "Planters and the State," 455.
  20. Joseph L. Love and Bert J. Barickman, "Rulers and Owners: A Brazilian Case Study in Historical Perspective," *Hispanic American Historical Review* 66, no. 4 (Nov. 1986):746.
  21. Examples are Jorge Tibiriçá, Dino da Costa Bueno, Manuel Albuquerque Lins, Carlos de Campos, Rodolfo Miranda, and Altino Arantes, among others. See Love, *São Paulo in the Brazilian Federation*, 296. Also see note 24 below.
  22. Font, "Coffee Planters, Politics, and Development," 70, 82. In "Planters and the State," Font cites Gramsci as the source for his views on hegemony, 13–14. It is worth recalling, as Winston Fritsch has in this context, that Gramsci himself allowed for concessions by the hegemonic group. Gramsci asserted that "a certain balance of compromises [is presupposed in the notion of hegemony, in which] the leading group makes some sacrifices of an economic-corporative kind." Fritsch, whom Font cites in "Coffee Planter, Politics, and Development" as supporting the thesis of increasing state autonomy (p. 82), believes that coffee interests were hegemonic in Gramsci's sense. See Fritsch, "Aspects of Brazilian Economic Policy," 247, 248, 253; and Antonio Gramsci, *The Modern Prince and Other Writings* (New York: International, 1970), 154–55.
  23. For example, see Joseph L. Love, *Rio Grande do Sul and Brazilian Regionalism, 1882–1930* (Stanford, Calif.: Stanford University Press, 1971), 118, 243.
  24. See Love and Barickman, "Rulers and Owners." The members of the political elite who were not members of the Partido Democrático included a smaller proportion of fazendeiros in the 1920s than in previous decades, as Font's thesis would indicate. One might expect this outcome from the increasingly differentiated economy. But in any case, the PD had a smaller share of fazendeiros on its executive committee than did the PRP (35 percent versus 60 percent) over the period of the PD's lifetime (1926–1934). *Ibid.*, 762; see also Love, *São Paulo in the Brazilian Federation*, 165.
  25. For a related finding on nineteenth-century Chile, see Maurice Zeitlin, *The Civil Wars in Chile (or the Bourgeois Revolutions That Never Were)* (Princeton, N.J.: Princeton University Press, 1984). Zeitlin's reformist and revolutionary bourgeois leaders were not "relatively autonomous bureaucrats." On the contrary, they were the consummate representatives of a distinctive bourgeois segment of the dominant class. . . . *Ibid.*, 8.
  26. Cardoso de Mello and Tavares, "The Capitalist Export Economy in Brazil, 1884–1930," in *The Latin American Economies: Growth and the Export Sector, 1880–1930*, edited by Roberto Cortés Conde and Shane J. Hunt (New York: Holmes and Meier, 1985), 82–136; and Wilson Suzigan, *Indústria Brasileira: Origem e Desenvolvimento* (São Paulo: Brasiliense, 1986), especially 345.
  27. The type of work needed is exemplified in a monograph that focuses on an earlier



- period. See Zélia Maria Cardoso de Mello, *Metamorfoses da Riqueza: São Paulo, 1845–1895* (São Paulo: Hucitec, 1985).
28. Richard W. Miller, *Analyzing Marx: Morality, Power, and History* (Princeton, N.J.: Princeton University Press, 1984), 101–67.
  29. Gunnar Myrdal, *The Challenge of World Poverty: A World Anti-Poverty Program in Outline* (New York: Pantheon, 1970), chap. 7, “The Soft State,” 208–52.