The developing economies are integrated into a global system that is indeed very different from the world in which the industrialized countries grew. A most obvious change is the existence of the modern industrial states themselves. One of the major hurdles for the Third World, then, is to compete with mature economies that have a running head start in manufacturing, finances, and technology.

The concept of relative bargaining power helps us to understand these asymmetries in the global trade system. Trade is a bargain, a deal struck between two or more agents each having something to offer the other. The terms of trade, or the prices each can command, depend upon the relative bargaining power of agents in the transaction. There are both supply and demand determinants of bargaining power and the consequent prices. One must consider the product being offered and whether there are alternative sources of supply. The oil-exporting nations are an example of those most able to set prices due to a supply monopoly, whereas many agricultural exporters are subject to wide market swings and have little bargaining leverage.

One also must take account of demand considerations. Is the product a vital input in production, necessary for basic consumption, or perhaps seen as crucial to national security concerns? These are cases where, due to strong demand conditions, the seller has the greater bargaining power to determine price.

More important than supply and demand in assessing relative bargaining power is who determines and controls the rules of the game. Because the industrial countries have a longer history in trade, particularly one in which the now developing countries were
The Modernization of Underdevelopment: El Salvador, 1858–1931

E. Bradford Burns

"What most strikes me on arriving from Europe is the absence of all extreme poverty," Mrs. Henry Grant Foote observed approvingly of El Salvador in the mid-nineteenth century. The British diplomat's wife concluded that Southern Europe and the major cities of England suffered far worse poverty and human misery than the diminutive—and other observers would add "backward"—Central American republic. These first impressions of the country, to which Queen Victoria's government had posted Mrs. Foote's husband in 1853, were also her conclusions strengthened by eight years of residence there.

Her memoir revealed at least one explanation for the satisfactory quality of life: people enjoyed access to land. The large Indian population still possessed a part of its communal lands, ranked by Mrs. Foote as among the "most fertile" areas of El Salvador. Those who chose not to live in the communities, she noted, "generally have their own little piece of land and a house on it." The outskirts of the capital, San Salvador, seemed almost Edenic in her prose: "The environs of the city are very beautiful, being one mass of luxuriant orange and mango trees, bending beneath their load of fruit, and the cottages of the poor people are remarkably neat and clean, each surrounded by its own beautiful shrubbery of fruit trees." These observations buttressed her conclusion of the ready availability of food. The simple society excluded sharp distinctions between rich and poor. The Englishwoman praised the practical modesty among the upper class, although its humility sometimes bemused her. At one point she chuckled: "One custom struck us as very peculiar in this state. Everyone, from President downwards keeps a shop, and no one objects to appear behind his counter and sell you a reel of cotton, the wives and daughters officiating in the same capacity." She left an incomplete although suggestive portrait of the new nation, characterizing life as bucolic, devoid of social and economic extremes.

Around the middle of the century, a small group of foreign travelers and diplomats, among them John Baily, E. G. Squier, Carl Scherzer, and G. F. Von Tempsky, visited El Salvador. Their accounts corroborated Mrs. Foote's. Although those visitors considered the small nation to be overcrowded even then, they agreed that most of the population owned land, either individually or collectively. The large hacienda existed but did not monopolize the rural economy. Squier noted, "There is little public and unclaimed land in the state, and few large tracts held by single individuals." He contrasted that aspect of land tenure favorably with the experience of other nations he knew. The Indians, who at midcentury comprised at least a quarter of the population, worked either on communal lands or individual plots. A large number of them exclusively inhabited a Pacific coastal area of 50 by 20 miles between the ports of La Libertad and Acapulco, "retaining habits but little changed from what they were at the period of conquest," according to Squier. All the travelers lauded the generosity of nature and spoke of the abundance of food. Von Tempsky recalled that the Indian Village, Chinameca, he visited in 1855 was "well supplied with the necessaries of life." Particularly impressed with the region of Sonsonate, Scherzer lauded the abundance, variety, and low price of food. None mentioned either malnutrition or starvation.

The largely subsistence economy produced rather leisurely for the world markets. Indigo, traditionally a principal export, earned $700,000 of $1,200,000 from foreign sales in 1851. Minerals, balsams, skins, rice, sugar, cotton, and cacao accounted for much of the rest.

Even though the foreign visitors waxed eloquent about some idyllic aspects of life as they lived and perceived it in El Salvador, not one pretended that the isolated nation was a rustic paradise. Problems existed. The visitors lamented the disease and political turmoil. Still, even if life did not mirror the ideal, a socioeconomic pattern that benefited many had emerged in the long colonial period and much briefer national period: food was produced in sufficient quantity to feed the population, the economy was varied, little emphasis fell on the export sector, the land was reasonably well distributed, the foreign debt was low, and the absence of the extremes of poverty and wealth spoke of a vague degree of equality. Having endured for some time, however, by the 1850s such characteristics were about to disappear. The El Salvador those foreigners observed was on the threshold of change and a rather rapid and dramatic change at that.

Over the course of three centuries, Spain had implanted its political, economic, social, and cultural institutions in its vast American empire with varying degrees of effectiveness. Those regions nearest the viceregal capitals or well integrated into imperial trade patterns bore the most vivid testimony.
to their successful implantation. Consequently, no matter what great
distances might have separated Lima from Mexico City, the gold mines
of Colombia from the silver mines of Bolivia, or the sugar plantations of Cuba
from the cacao estates of Venezuela, similarities in economic and political
structures outweighed inevitable local variations. Historiographic studies
tend to dwell on the relative changelessness and continuity of some of those
institutions over half a millennium. The institutions surrounding the use of
land and labor are two useful examples; the concentration and authoritarian
exercise of political power is another. Still, the metropolitan institutions did
not fully penetrate every part of Spanish America. To the degree they did not,
those regions remained marginal to international trade and isolated from the
primary preoccupations of the crown. Fusing Iberian, Indian, and African
cultures and institutions, such regions remained nominally subordinate to a
distant monarch but for practical purposes more responsive to local condi-
tions.

More regional diversity existed in Spanish America during the period
when the colonies obtained their independence, 1808–1824, than there would
be at the end of the century. The reasons for the rapid homogenization during
the nineteenth century are not difficult to find. Many of the elites in all the
newly independent governments had embraced or would embrace the ideas
that sprang from the European Enlightenment. They admired French culture,
while they looked to England for their economic vigor. As the nineteenth
century waxed, their collective desire grew to create in the New World a
replica of Europe north of the Pyrenees. To emulate the “progress” the elites
believed characteristic of their model nations, they needed capital. They
obtained it through loans, investments, and trade, all three of which linked
them ever more closely to North Atlantic capitalism. Marvelous advances in
communication and transportation facilitated the growing conformity forged
by common goals and trade patterns. One major consequence was that as the
new nations neared the first centenary of their independence, the institutional
patterns of Latin America reflected a more striking similarity than they had
after more than three centuries of Iberian domination. To achieve conformity
required certain areas and nations, those that once had been marginal to
Spanish interests and thus most superficially incorporated into European
commercial patterns, to change dramatically. A predominately export-orien-
ted economy linked to international capitalism became the dynamo propelling
that profound, rapid change. In certain cases, radical transformation—
almost revolutionary in some instances—challenged the stereotypes of
“changelessness” and “continuity” often applied to the entire area.

One of the new nations, El Salvador, provides a striking example of the
rapid and profound change of a once-neglected outpost of the Spanish em-
pire. Further, its experience with progress or modernization accompanied by
the increasing impoverishment of the majority of the inhabitants illustrates
how a Latin American nation could modernize without developing.¹¹
Spanish institutions had imperfectly penetrated El Salvador. Throughout the colonial period that small area bore a closer resemblance to its Indian past than to any of the bustling centers of colonial Spanish America. Like the other Central Americans, the Salvadorans remained geographically isolated and largely self-sufficient. As Adriaan C. van Oss convincingly argued, the Central Americans had “turned their backs on the coasts and thereby on intensive commerce with the motherland.” Yet, within the short span of three decades, roughly between 1860 and 1890, El Salvador acquired the economic, political, and social institutions characterizing the rest of Latin America. These included a dynamic and modernizing export sector based on monoculture and the predominance of the large estate producing for foreign trade; a subservient, impoverished, landless rural labor force; concentration of economic and political power within the hands of the principal planters who exercised it from a single dominant city, the capital, which, if it fell short of duplicating its urban model, Paris, nonetheless contained districts reflecting the architectural influence of nineteenth-century Europe; and a political understanding and tolerance between an increasingly professional military and politicoeconomic elites. In a number of fundamental aspects, El Salvador became nearly indistinguishable from the other Spanish-speaking nations. The process by which that formerly isolated and singular state acquired institutions characteristic of the rest of Spanish America as well as the consequences of that process merit study.

For three centuries Central America formed part of the Spanish empire before it fell briefly under Mexican rule. A shaky confederation, the United Provinces of Central America, emerged in 1824 but crumbled under political rivalries a decade and a half later. In 1839, some of the leading citizens of San Salvador declared the independence of El Salvador, although the vision of a greater Central American fatherland remained constant in El Salvador. Promulgating a constitution in 1841, the Salvadorans embarked on a tempestuous political journey. The population of the new republic, estimated in 1855 to be 394,000, consisted largely of Indians and mestizos with a small minority of whites, blacks, and mulattoes (see table 1). Most of the population lived in the countryside.

The economic structures characteristic of the long colonial past remained intact during the first half of the nineteenth century. El Salvador continued to export in small quantities marginal products of limited demand. The Spanish mercantilist legacy rested lightly on the region because of its isolation and economic insignificance. The land-use patterns accommodated both Spanish and Indian practices. The Indian villages held the land they needed; the traditional Indian communities survived. The haciendas, the large estates owned by Spaniards and their descendants, also existed. In the early nineteenth century, there were approximately 440 haciendas averaging close to 2,000 acres each. They accounted for one-third of the land area. The Indian communities produced food for local consumption. So did the haciendas, but they also grew the principal export crops, foremost of which was indigo.

Indigo production required both a regular and a seasonal labor force. The haciendas drew their workers from neighboring Indian communities. They also slowly but steadily encroached on Indian lands. The control of the political institutions of the new republic by a small merchant and planter class complemented those trends. The new national elite fully understood the importance to their own prosperity of controlling land and labor. No longer did a distant Spanish crown thwart them. For the time being, however, certain other realities inhibited their economic expansion. The frequent wars in Central America, a scarcity of capital and credit, a disruption of trade routes and patterns, and the lack of any products in high demand in foreign markets caused a general economic decline throughout much of the first half of the nineteenth century. Those political and economic realities enforced a kind of balance between the Indian communities and the haciendas. Both seemed to provide satisfactory, if very modest, life styles. Such was the El Salvador described by Foote, Squier, Von Tempsky, Scherzer, and Baily.

After 1858, new socioeconomic patterns took shape. Greater political stability and closer contact with the North Atlantic nations, principally the United States, France, and Great Britain, partially explain the emergence of the new patterns. Very importantly, the elite found a new crop, coffee, that the country could grow and profitably sell abroad. It was nothing more, however, concentration on the growth and export of that single crop altered old institutions. Before the end of the century, the new coffee estates became the base of economic production, political power, and social organization. The coffee planters emerged as the powerful economic, political, and social elite.

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</table>

Instrumental in initiating the challenge to the old system, President Gerardo Barrios (1858–1863) directed the fledgling nation’s first steps toward modernization and change. A trip through Europe in the early 1850s had influenced him profoundly. In one letter back to El Salvador, he proclaimed his mission: “I urgently needed this trip to correct my ideas and to be useful to my country. . . . I will return to preach to my fellow countrymen what we Central Americans are and what we can become.”14 He did. He informed the legislative assembly in 1860 that he intended to “regenerate” the nation.15

In a pattern already becoming familiar throughout Latin America, those who would “regenerate” their society advocated rather uncritically the models provided by the leading capitalist nations of the North Atlantic. Their agrarian, industrial, and technological advances awed the Latin American elites. Those nations seemed to have found the sure road to “progress,” a gloriously nineteenth-century notion for which the current social science concept “modernization” is synonymous. In the minds of the elites, “to progress” came to mean to recreate the European model in Latin America. Carried to its extreme, it even signified the encouragement of European immigration to replace the Indian and African peoples of the New World. Within a broad Latin American perspective, Barrios was by no means unique in either his discovery of Europe or his hope of recreating his nation in its image. Within the narrow confines of bucolic El Salvador, however, he seemed to be something of a visionary ready to deny the past in order to participate in an alluring if uncertain future.

Barrios characterized the nation he governed as one that was “backward,” “destitute,” and “misgoverned,” and into which he believed he introduced “progress.”16 Both a military commander and the owner of a medium-sized estate, the president represented the nascent middle class in his lifestyle, outlook, and aspirations. His government vaguely encompassed a liberalism characteristic of later nineteenth-century Salvadoran politics. He favored individual liberties, opposed dictatorial rule, and sought to end the neo-feudalism dominating the countryside. He succeeded in accelerating a rural shift from neo-feudalism to neocapitalism. In a not unfamiliar pattern in nineteenth-century Latin America, however, liberty during the Barrios years—as thereafter—smiled exclusively on the elites, and authoritarian rule remained the practice despite rhetoric to the contrary.

A devoted francophile, President Barrios incorporated Liberal and Positivist ideas into his policies to turn his country from its Iberian and Indian past to a closer approximation of a rapidly changing Western Europe. In 1860, the first program he announced for his government included these five goals: promotion of agriculture, industry, and commerce; introduction into El Salvador of the progress that distinguished other nations; encouragement of immigration; reform of the educational system in accordance with the latest European ideas; and construction of roads and ports to facilitate international communication and transportation. Such goals typified the modernizers of nineteenth-century Latin America. Soon after the announcement of his program, the president promulgated the nation’s first civil code and a new educational plan, both of which inevitably drew on the latest European models. In true Positivist fashion, Barrios believed the government should play a direct role in encouraging exports.17 The most immediate results of his policies were to facilitate the growth of capitalism and to promote foreign commerce. Indeed, exports doubled between 1860 and 1862.18

Barrios appreciated the incipient agrarian and commercial changes already under way in El Salvador. In 1853, steamship service had been inaugurated between El Salvador and California. Six years later, the government began to pay a subsidy to the Pacific Mail Steamship Company to service the Salvadoran ports. As one immediate consequence, sugar and rum exports rose, a trend Barrios applauded. United States diplomats stationed in San Salvador also spoke enthusiastically about the rising export trade facilitated by the steamships.19 President Barrios not only encouraged the growth of crops with an international demand but favored land and labor laws complementary to such agrarian enterprise.

Understanding the importance of coffee on the world market and the suitability of El Salvador’s rich volcanic soil to produce it, the president promoted its production.20 Farmers had first started to grow small amounts of coffee for local consumption in the eighteenth century. Governmental encouragement of its production dated from 1846, without noticeable results. Barrios assumed a vigorous role in its promotion in order both to diversify exports and to increase national income. Under his direction, coffee exports had their modest beginnings. In his presidential address to the legislative assembly on 29 January 1862, he emphasized the impetus his government gave coffee, predicting (incorrectly) that within two years El Salvador would be the major coffee producer in Central America.21

In the decades after Barrios (really even including the Conservative government of Francisco Duenas, 1863–1871),22 the Liberals articulated a program of goals focusing on the modernization of the transportation and communication infrastructures, the expansion of coffee exports, the adoption of European models, and the strengthening of governmental power. Never loath to use force to implement their program, they extended their authority from the presidential palace to the most remote hamlet.

The relatively complex process of coffee production engendered a series of crises in the traditional neo–Hispanic and neo–Indian institutions that had adequately served a society whose economy leisurely grew indigo and food crops.23 The eventual triumph of coffee, a kind of victory of modern capitalism, necessitated new institutional arrangements.

Coffee production differed significantly from indigo, traditionally the primary export. The indigo plant grew without need of a great deal of care
or investment. Within a year, the farmer could harvest it, although the amount of pigment increased if harvest could be delayed two or even three years. Indigo production required a small permanent work force supplemented during the harvesting and processing, both of which were relatively uncomplicated. Coffee could be grown under a variety of conditions on lands ranging from a small plot or a few acres to vast extensions of land. Small coffee planters seemed to flourish in some parts of Latin America. Colombia provided a useful example. In El Salvador, however, the growing and most especially, the processing of coffee took place on medium-sized and large estates. Care, conservation, and fertilizing of the land and preparation of the coffee, including drying, processing, and sacking, required considerable capital and a large permanent work force generously augmented during the harvest season. Coffee planters waited three to five years for the first harvest. They required considerably more capital, patience, and skill than the producers of indigo. Those requirements severely limited the number of coffee growers but particularly the number of processors. Handsome profits, however, reimbursed the few who met the requirements.

The lure of a lucrative market prompted those planters who could bear the financial burden to expand their estates, which grew at the expense of communal landholdings and small landowners. The shift in landowning patterns fundamentally altered the lifestyle of the majority. The governments enthusiastically encouraged this change: they facilitated the concentration of land into fewer and fewer hands. Thus, in the decades between 1860 and 1890, the landholding patterns came to resemble the commercial capitalistic models characteristic of plantation economies elsewhere in the world. The first step was to label the Indian communal lands as retrograde, antiprogressive. They stood accused of the heinous crime of delaying or even preventing modernization. In short, they preserved the “backward” past. President Barrios initiated the legal attack on the ejidos, landholding communities, and the tierras comunales, municipally owned and worked lands. His policies forced part of those lands onto the market, just as ambitious entrepreneurs sought more acres for coffee trees.

An official governmental land survey in 1879 revealed that only a quarter of the land still belonged to the villages. The government of President Rafael Zaldívar (1876–1885) promptly oversaw the disposal of those remaining lands. Zaldívar proudly wore the modernizing mantle of Barrios, demonstrating his admiration for his predecessor by erecting an imposing mausoleum for him. An editorial in the Diario Oficial in early 1880 summarized the official attitude toward the communal lands, revealing once again the ideological continuity of the governments after 1858:

On the one hand, we see virgin fertile lands that are calling for the application of capital and labor to reap the wealth that is promised; while on the other, we see the majority of the inhabitants of our villages content to grow crops of maize and beans that will never raise this miserable people above their sorry position. They will remain in the same wretched state they endured in colonial times. . . . The government is determined to transform the Republic, to make each one of the villages, yesterday sad and miserable, into lively centers of work, wealth, and comfort.

Action followed. In early 1881, the government abolished the tierras comunales. With far-reaching consequences, the decree denounced ancient practices to declare unequivocally the economic policy in vogue for some decades dramatically enforced after 1881: “The existence of lands under the ownership of Comunidades impedes agricultural development, obstructs the circulation of wealth, and weakens family bonds and the independence of the individual. Their existence is contrary to the economic and social principles that the Republic has accepted.” A year later, a law dissolved the ejidos for the same reason: they were “an obstacle to our agricultural development [and] contrary to our economic principles.” The comunidades and ejidos bore the blame, according to official thinking, of thwarting “progress,” meaning, of course, the expansion of coffee culture. In both cases, the lands were divided among community members. Such actions disoriented the Indian and folk populations, which had little concept of private ownership of land. Quite the contrary, they identified the community and the land as one: the land existed for the commonweal of the group. The community cared for the land in an almost religious fashion. Cooperation rather than competition governed the economic behavior of those populations. In the government’s judgment, the Indians and rural folk obviously were not prepared to contribute to El Salvador’s capitalist future.

Once the communal lands were distributed into small plots, the coffee planters set about acquiring the land. Experience proved that it was easier to befuddle and buy out the new, small landowner than the well-entrenched and tradition-oriented community. The emerging rural class system, increasingly characterized by a small group of wealthy coffee planters and processors on the one hand and a large body of ill-paid laborers on the other, contrasted sharply with the more equalitarian structures of rural El Salvador prior to 1860.

Export patterns altered radically during the same decades. From the colonial period into the early 1880s, El Salvador had enjoyed varied agrarian production and export: maize, indigo, tobacco, sugar, cacao, coffee, cotton, and tropical fruits. The midcentury invention of synthetic dyes doomed the most important of those exports, indigo. Coffee more than made up for its demise. The export statistics tell the tale. In 1860, coffee composed but 1 percent of the exports; in 1865, 8 percent; and in 1870, 17 percent. In 1875, for the first time, the value of coffee exports exceeded indigo exports, quite
a change from 1865 when the value of indigo exports amounted to 15 times that of coffee. Table 2 indicates the changing nature of El Salvador’s exports during the critical 1864–1875 period. In 1879, coffee accounted for 48.5 percent of the total value of all exports. By 1910, it accounted for $4,661,440 of exports, totaling $5,696,706. Indigo by then earned only $107,936 on the world markets. During the decade of the 1880s, El Salvador became virtually a monoagricultural exporting nation, its economic prosperity largely dependent on the purchase of coffee by three or four nations, which, in turn, supplied investments, technology, and manufactured goods in quantities commensurate with the profits from coffee sales.

The domination of the national economy by coffee obviously affected the rural folk, the overwhelming majority of the population. The expanding coffee estates continued to dispossess vast numbers of them of their lands. They then, dependent on the coffee plantations for work and, to the relief of the coffee planters, formed a sizable pool of unemployed and underemployed who could be hired at meager wages. At the same time, the increasingly unstable position of larger numbers of the rural population created discontent and unrest among them. The rural poor protested their deteriorating situation. Major uprisings occurred in 1872, 1875, 1880, 1885, and 1898. The planter-dominated governments addressed the problem of maintaining order not only to assure tranquility but just as importantly to insure a docile and plentiful labor supply. Threatening fines, arrests, and punishments, the Vagabond Laws of 1881 required the populace to work. The Agrarian Law of 1907 further regulated the rural working class, while it authorized the organization of a rural constabulary to provide the physical protection the landowners demanded. Agricultural judges—in a fashion somewhat reminiscent of the Spanish repartimiento system—made certain that the labor force was available when and where the planters needed it. The new rural police enforced the judges’ decisions, intimidated the workers, protected the planters, and guaranteed the type of rural order the planters believed essential to their prosperity. They already had closely identified national well-being with their own.

By the end of the century, coffee had transformed El Salvador. The landowning structures, the land-use patterns, and the relationship of the workers to the land were radically different. Whereas in 1858, there existed a reasonable balance between large estates, small landholdings, and ejidos, by 1890, the large estate dominated. The increasing accumulation of capital in a few hands strengthened the coffee estate, improved coffee processing, and further facilitated coffee exportation.

A tiny but significant group of capitalists appeared by the end of the century. Foreign immigrants, who invariably married into the leading Salvadoran families, played a disproportionately important role among them. They skillfully combined their wider knowledge of North Atlantic capitalism with local needs. A small number of Salvadoran capitalists from both the upper and middle classes and the local representatives of British capitalists

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<th>TOTAL VALUE OF EXPORTS</th>
<th>VALUE OF INDIGO</th>
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Source: Rafael Menjivar, Asamblea Ordinaria y Desarrollo de la Cultivación en El Salvador (San José: Costa Rica Editorial Universitaria Centroamericana, 1980).
joined them. Some of them controlled the processing and/or export sectors of the coffee industry, highly lucrative and strategic enterprises. Their interests obviously intertwined with those of the coffee planters.

Political stability accompanied economic growth and change. Beginning with the government of Barrios in 1858 and ending with that of General Antonio Gutierrez in 1898, the chiefs-of-state stayed in office longer than their predecessors. In that 39-year time span, 7 presidents governed for an average of 5.7 years each, more than double the time the chiefs-of-state between 1839 and 1858 had served. Five of the presidents had military backgrounds. Force dislodged each president from office. The administration of Tomas Regaldo, 1898–1903, marked a transition. General Regaldo came to power through force, regularized his position through election, served the constitutional four-year term, and then stepped down from the presidency at the end of that term.28

The coffee elites had codified the political rules for their domination in the Constitution of 1886. It remained in force until 1939, the longest lived of El Salvador's many constitutions. Suppressing communal landownership, it emphasized the inviolability of private property. Within the classic framework of nineteenth-century liberalism, the document valued the individual over the collective. It enfranchised literate male adults, a minority in a land where illiteracy prevailed. Characterized as authoritarian and elitist, it served the planters handsomely during the half-century it was in force, defining the political boundaries of the "modern" state they sought to create.29 It contributed significantly to the new political stability.

Increasing political stability, rising exports and income, economic growth, and a careful attention to the servicing of foreign debts nominated El Salvador as a candidate for foreign loans used to purchase a wide variety of consumer items the coffee class fancied, to introduce foreign technology, and to modernize the economy. Not unnaturally, a government in the service of the planters favored investment in and modernization of the infrastructure servicing the coffee industry. Renovation of two important ports, La Libertad and Acajutla, was completed in the 1860s. The first bank opened its doors in 1872, and they multiplied in number during the decade of the 1880s. The republic entered the railroad era in 1882 with the opening of a modest 12-mile line between Sonsonate, a departmental capital and one of the principal commercial centers, and Acajutla. The line facilitated the export of the varied local products, among which coffee was rapidly becoming the most important. English loans in 1889 promoted the expansion of an incipient railroad system that also fell under English administration.

British investments accompanied loans and together they assured Britain's economic preeminence. Besides railroads, mining attracted British capital. In 1888, the English established the Divisadero Gold and Silver Mining Company and the following year, the Butters Salvador Mines. The British began to enter the banking business in El Salvador in 1893.

The coffee interests also appreciated the importance of a modern capital, the symbol of their prosperity, as tribute to their "progressive" inclinations, and the focal point of their political authority. By the end of the century larger numbers of the richest families were building comfortable, in some cases even palatial, homes in the capital. They broke some of their immediate ties with the countryside and the provincial cities to become a more national elite centered in San Salvador.

A sleepy capital of 25,000 in 1860, San Salvador boasted of no pretensions. A visitor in the mid-1880s remembered: "There is very little architectural taste shown in the construction of the dwellings or of the public buildings... the streets are dull and unattractive... The public buildings are of insignificant appearance."30 It compared unfavorably with the cities of similar size in Latin America. Sensitive to that reality, the newly prosperous coffee elites resolved to renovate the capital, expunging the somnolent past in favor of the envisioned vigor of the future. The city took on new airs as the center of a booming economy. By 1910, the population numbered more than 32,000. The central streets had all been paved and electricity illuminated the city. An excellent drainage system insured the good health of the inhabitants. A series of new buildings, among them a commodious headquarters for the government ministries, a cathedral, and a market, added to the modernity. The elites boasted of attractive homes in the capital. The new and beautiful Avenida de la Independencia combined with ample parks and plazas to provide grace and spaciousness to the city. The modern, still somewhat quiet capital made a favorable impression on visitors. Above all else it spoke of—and symbolized—the prosperity that coffee afforded the nation.31

The very restricted democracy fostered by the Constitution of 1886 functioned smoothly in the early decades of the twentieth century. From 1903 to 1931, each president was elected in the approved fashion—selected by his predecessor and ratified by a limited electorate—and served for the constitutional mandate of four years. The politicians respected the doctrine of "no reelection." Peaceful selection and rotation of presidents contrasted sharply with the violence characteristic of the change of governments in the nineteenth century. The preponderance of civilian presidents was also unique. Of the eight men elected to the presidency during the 1903–1931 period, only one was a military officer, General Fernando Figueroa (1907–1911).

The prosperity and power of the coffee planters reached their culmination during the years 1913–1929, an economic and political period referred to as the Melendez-Quinonez dynasty because of the two related families that held the presidency. Those families ranked among the largest coffee producers. When an assassin felled President Manuel Enrique Araujo in 1913, Vice-President Carlos Melendez assumed the presidency as the constitution provided and then won the presidency in his own right during the elections the following year. In 1919, his brother, Jorge Melendez, succeeded him for four years, followed by his brother-in-law, Alfonso Quinonez Molina, for another
quadrennial. This tightly knit family political dynasty demonstrated the ease incumbent presidents enjoyed in manipulating elections to select their successors. It further illustrated the increasingly narrow political base of the coffee planters. Indeed, fewer and fewer men controlled the thriving coffee industry, particularly the processing and export. During the dynasty, perhaps more than at any other period, those linked to coffee exports were able to monopolize both economic and political power. One obviously enhanced the other: Wealth conferred the prestige that facilitated political manipulation. In turn, their control of the government complemented their economic interests. During those years, the planters successfully held the small but aggressive urban middle class at bay, repressed or manipulated the impoverished majority—both the rural masses and the growing urban working class—and neutralized the military, from whose ranks had arisen so many of the nineteenth-century presidents.

The actual exercise of political power by the coffee class forged a unique chapter in Salvadoran history: prolonged civilian rule. When General Figueres, a constitutionally elected president, left the presidential palace in 1911, civilian politicians occupied it for the succeeding two decades, a remarkable record, never equaled before or since. Of course the economic strength, political influence, and social domination of the coffee elites had been a reality since the last decades of the nineteenth century. From the beginning of their rise to economic and political power in the 1860s and 1870s they had enjoyed amiable relations with the military. The planters counted on the military to support a political system complementary to coffee exports. Economic prosperity, after all, facilitated the modernization and professionalization of the army. The easy shift from military to civilian presidents manifested the harmonious relations between the planters and the officers.

The army had won its laurels on the battlefield. Nearly a century of international struggles—the frequent wars against Guatemala, Honduras, Nicaragua, and assorted foreign filibusters—and of civil wars created a strong and reasonably efficient army, perhaps the best in Central America. A prudent government pampered the military. A military academy to train officers functioned sporadically. In 1900, the third such school, the Escuela Politecnica Militar, opened, only to be closed in 1927. Five years later the government inaugurated the Escuela Militar, still functioning. Thus, for most of the years of the twentieth century, a professional academy existed. In 1909, the government contracted with Chile for a military mission to improve the training of officers. The Escuela Politecnica Militar and the Escuela Militar provided a reasonable-to-good education for the cadets and fostered the corporate interests of an officer class. Increasingly the academy drew its cadets from the urban middle and lower middle classes, two groups enthusiastically advocating the modernization of the country. While the officers' concept of modernization tended to parallel that of the planters, it also emphasized the need for up-to-date military training and equipment, manifested a growing faith in industrialization, and responded to the vague but powerful force of nationalism.

In 1910, the government reported that its army consisted of an impressive 78 staff officers, 512 officers, and 15,554 troops on active duty (a figure that seems to be inflated). Percy F. Martin, in his exhaustive study of El Salvador in 1911, reported: "The Government... have [sic] devoted the closest care and attention to the question of military instruction, and the system at present in force is the outcome of the intelligent study of similar systems in force in other countries, and the adaptation of the best features existing in each. A very high espirit de corps exists among the Salvadoran troops, and, for the most part, they enter upon their schooling and training with both zeal and interest." The government favored the officers with good pay, rapid promotion, and a host of benefits. Martin marveled at the comforts provided by one of the officers' clubs: "For the use of officers there exists a very agreeable Club, at which they can procure their full meals and all kinds of light refreshments at moderate prices; while the usual amusements such as drafts, cards, billiards, etc., are provided for them. So comfortable is this Club made that officers, as a rule, find very little inducement to visit the larger towns in search of their amusements." A contented military was the logical corollary to planter prosperity.

The further solidification of the corporate interests of the military was encouraged by the establishment in 1919 of a periodical for and about the military and in 1922 of a mutual aid society, the Circulo Militar. More than an economic association, it encouraged the moral, physical, and intellectual improvement of its members. One knowledgeable visitor to Central America in 1928 claimed that El Salvador had the best-trained army in the region.

Peace and order at home combined with increasing demands for coffee insured a healthy prosperity for the planters and their government. With the exception of an occasional poor year, usually due to adverse weather, production moved upward after 1926 toward an annual harvest of 130,000,000-140,000,000 pounds, as table 3 illustrates. After 1904 El Salvador produced at least one-third of Central America's coffee, its closest competitors being first Guatemala and second Costa Rica. After 1924, Salvadoran production surpassed that of Guatemala to hold first place in quantity (and many would add quality) in Central America. The elites and the government became increasingly dependent on income from coffee production.

A significant change in El Salvador's international trade pattern also took place. In the nineteenth century, El Salvador sold much of its exports to the United States and bought most of its imports from Europe. In the twentieth century, that triangular pattern became increasingly bilateral due to a closer trade relationship with the United States, which bought more Salvadoran exports than any other nation and began to furnish most of its imports as well.

Growing U.S. investments in El Salvador further linked the two nations
Table 3  Coffee Production, 1924–1935

<table>
<thead>
<tr>
<th>YEAR</th>
<th>POUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1924–1925</td>
<td>95,020,000</td>
</tr>
<tr>
<td>1925–1926</td>
<td>101,413,000</td>
</tr>
<tr>
<td>1926–1927</td>
<td>66,139,000</td>
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<td>1927–1928</td>
<td>149,474,000</td>
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<td>1928–1929</td>
<td>134,042,000</td>
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<tr>
<td>1929–1930</td>
<td>143,301,000</td>
</tr>
<tr>
<td>1930–1931</td>
<td>165,347,000</td>
</tr>
<tr>
<td>1931–1932</td>
<td>105,822,000</td>
</tr>
<tr>
<td>1932–1933</td>
<td>141,096,000</td>
</tr>
<tr>
<td>1933–1934</td>
<td>127,869,000</td>
</tr>
<tr>
<td>1934–1935</td>
<td>130,073,000</td>
</tr>
</tbody>
</table>


Economically, Prior to the opening of the twentieth century, U.S. investments had been practically nonexistent. In 1908, they totaled a modest $1.8 million, but they rose rapidly thereafter: $6.6 in 1914; $12.8 in 1919; and $24.8 in 1929. While these sums were insignificant in terms of total U.S. investments abroad, which in Latin America alone accounted for over $1.6 billion by the end of 1914, they represented a sizable proportion of the foreign investments in El Salvador by 1929. U.S. investors consequently began to exert influence over the Salvadoran economy. The pro-U.S. attitudes of the presidents of the Meléndez-Quinquén dynasty greatly facilitated the penetration of North American interests into El Salvador, while World War I reduced the British presence.37

The coffee planters and their allies exuded confidence. Coffee prices, land devoted to coffee production, coffee exports, and coffee income all rose impressively after 1920. At no time from 1922 through 1935 did coffee represent less than 88 percent of the total value of exports. During three of those years, 1926, 1931, and 1934, it accounted for 95 percent. The amount of land producing coffee increased from 170,000 acres in the early 1920s to 262,000 acres in the early 1930s. Meanwhile, coffee growing and processing concentrated in ever fewer hands with no more than 350 growers controlling the industry by the mid-1920s. The largest enjoyed annual incomes of $200,000.38

Ruling from their comfortable and modern capital, the planters and their allies were creating an impressive infrastructure of roads, railroads, and ports as well as a telegraphic and telephone communication network. The plantations, the government, and the army were efficiently run. In their own terms, the elites were highly successful. Still, they nurtured visions of further change. Some fretted over the dependence on coffee for prosperity and talked of the need to diversify agriculture. A few experimented with cotton as an alternate export. Others spoke in terms of industrialization, and limited amounts of capital did support an incipient manufacturing sector. The elites even discussed the extension of democratization and the inclusion of the lower classes in the political process. It was the talk of a contented minority that wanted to perfect their political and economic systems. Benefiting from the great changes wrought by transforming a largely peasant and subsistence economy into a plantation and export economy, the coffee elites assumed that their own prosperity reflected the well-being of the nation they governed.

While the shift to coffee culture may have created an aura of progress around the plantation homes and the privileged areas of the capital, it proved increasingly detrimental to the quality of life of the majority. One U.S. observer contrasted the lifestyles of the classes in 1931:

There is practically no middle class between the very rich and the very poor. From the people with whom I talked, I learned that roughly ninety percent of the wealth of the country is held by about half of one percent of the population. Thirty or forty families own nearly everything in the country. They live in almost regal splendor with many attendants, send their children to Europe or the United States to be educated, and spend money lavishly (on themselves). The rest of the population has practically nothing. These poor people work for a few cents a day and exist as best they can.39

This grim observation was by no means novel. After a tour of Central America in 1912, Charles Domville-Fife concluded that “there are more comparably poor people in this country [El Salvador] than there are in some of the larger states.”40 An academic study of the 1919–1935 period speaks of “recurrent food shortages” and “economic desperation” among the masses in a period of high living costs and low wages.41 The cost of basic foods skyrocketed between 1922 and 1926: corn prices, 100 percent; beans, 225 percent; and rice, 300 percent. The importation of those foods, once negligible, became significant in 1929.42

An analysis of the class structure in 1930 suggests the concentration of wealth: it categorized 0.2 percent of the population as upper class.43 An accelerating rate of population increase accentuated the problems of poverty. The population reached 1,443,000 by 1930. The vast majority was rural. Yet, only 8.2 percent could be classified as landowners.44

The very changes that facilitated the concentration of land into fewer hands also precipitated the social and economic disintegration of the life style of the overwhelming majority of the Salvadorans. The changes squeezed off the land those who grew food for their own consumption and sold their surpluses in local market places. The relative ease of access to land—hence, food—depicted by the five travelers in the 1850s was no longer accurate after
1900. The dispossessed depended on seasonal plantation jobs. Some began to trickle into the towns and capital propelled by rural poverty and the search for urban jobs, which either did not exist or for which they were unprepared. The extent of the new social and economic disequilibrium was not immediately appreciated. Impressive economic growth masked for a time the weakness of the increasingly narrow, inflexible, and dependent economy.

As is true in such overly dependent economies, events in distant marketplaces would reveal local weaknesses. By the end of the 1920s, the capitalist world teetered on the edge of a major economic collapse whose reverberations would shake not only the economic but also the political foundations of El Salvador.

With his term of office nearing an end in 1927, President Quinonez picked his own brother-in-law, Pio Romero Bosque, to succeed him, a choice with significant consequences. Don Pio, as Salvadorans invariably refer to him, turned out to be more liberal, less conventional, and highly unpredictable in comparison with his three predecessors of the Melendez-Quinonez dynasty. He entered office riding high on the wave of coffee prosperity, but the international financial crisis that began in 1929-1930 soon tossed his government into a trough of economic troubles, testing all his skills in navigating the ship of state.

The dynamic sector of the economy suffered the vicissitudes common to nations dependent on the export of a single product. In an indictment before the Legislative Assembly, Minister of Finance Jose Esperanza Suay pointed out the cause of the nation’s economic plight: “The coffee crisis that this year [1929] has alarmed everyone clearly indicates the dangers for our national economy of monoculture, the domination coffee asserts over agrarian production.” El Salvador may have been an efficient coffee producer, but it was not the only one. In fact, exporters were beginning to outnumber importers. The economic prosperity of at least ten Latin American nations, of which Brazil was by far the most important, also depended on coffee sales. At the same time, a few African areas were producing coffee for export. Demand fell while supplies remained constant or even increased in some instances. Consequently the price dropped drastically. In 1928, El Salvador sold its coffee for $15.75 per hundred kilograms—in 1932, for $5.97. The financial consequences for El Salvador can readily be perceived in an economy in which coffee constituted 90 percent of the exports and 80 percent of the national income. Not surprisingly therefore, government revenues plummeted 50 percent between 1928 and 1932. El Salvador witnessed the highest index of rural unemployment in Central America. Small coffee growers suffered severely. Their loss of land through bankruptcy and foreclosure—an estimated 28 percent of the coffee holdings—augmented the estates of the large landowners. The problems revealed a modernized but underdeveloped economy, one that readily responded to foreign whims but failed to serve Salvadoran needs.

The planters’ reaction to the mounting problems exacerbated the nation’s economic woes. They increased the amount of land devoted to coffee in an effort to make up for falling prices. The consequences of that trend were as obvious as they were disastrous: the economy depended more than ever on coffee, more peasants lost their land, rural unemployment rose, and food production for internal consumption declined.46

President Romero Bosque tried valiantly to ride out the economic storm. Politically he fared better. Practicing the liberal ideology he preached, he permitted the full play of those liberties authorized by the Constitution of 1886 but hitherto suppressed. His administrative talent and his unimpeachable honesty impressed his fellow countrymen. He determined to make honest men of politicians. He turned on his less-than-scrupulous predecessors and even sent Quinonez into exile. Those actions heightened his popularity despite the economic crisis.

To the amazement of all and the consternation of the professional politicians, Don Pio decided to hold an honest presidential election in 1931. Contrary to all previous political practices, the president advanced no candidate. It was indeed an historical first. Since no political parties existed, a few hastily organized to take advantage of the unprecedented opportunity to electeer.

The six new parties represented the interests of the working, professional, middle, and planter classes and thereby reflected the social changes overtaking El Salvador.47 A small but vocal urban working class had emerged in the 1920s, flexing its muscle in several important strikes. The presidents of the dynasty flirted occasionally with that potential source of political power. Their policies gyrated from wooing the workers to repressing them. In 1925, some workers and intellectuals, with the assistance of communist leaders from Guatemala, founded the Communist party of El Salvador. In the excitement of preparation for the 1931 election, a Labor party also emerged. It nominated Arturo Araujo, who enjoyed a genuinely popular following. The candidate sought to distance himself from his more radical supporters, the foremost of whom, Agustin Farabundo Marti, was busy organizing rural labor, an activity guaranteed to disturb landlords and arouse the suspicion of the military.

To avoid any of the international influences among the Labor party members, most notably of communism, Araujo turned to the ideas of Alberto Masferrer to enhance his party’s program. An intellectual, philosopher, and writer, Masferrer dominated Salvadoran letters.48 The strongest voice of the newly invigorated nationalism in El Salvador, he criticized the institutions that had been shaped by the coffee class and called for greater social justice. In Patria, the prestigious and lively newspaper he founded on 27 April 1928, Masferrer protested against the presence of foreign companies, the lack of decent housing, and the high cost of living. He advocated industrialization and the protection of national resources from foreign exploitation. He denounced those “who have the souls of a checkbook and the conscience of an account ledger,” those who kept “the people in misery, who kill by hunger
thousands of persons, and who cause more than half the workers to die due to lack of food, shelter, or rest before they reach the age of thirty.” Both the extreme left and right verbally assaulted Masferrer. The right labeled him a dangerous Bolshevik, criminal agitator, and subversive. The left attacked him as a demagogue, traitor, and right-wing socialist.

For his campaign, Araujo adopted Masferrer’s program of vitalismo, the “vital minimum” that the philosopher defined as “the sure and constant satisfaction of our basic needs.” Thus, Araujo campaigned for the nine major points advocated by vitalismo, among them: hygienic, honest, and fairly remunerated work; medical care, potable water, and decent sanitation; a varied, adequate, and nutritious diet; decent housing; sufficient clothing; expedient and honest justice; education; rest and recreation. Within the context of Salvadoran society in late 1930 and early 1931, Araujo ventilaed some “revolutionary” views. Vitalismo, he declared, would be financed by transferring funds from the military budget to social expenditures. One can but speculate about the reaction to such a proposition within the confines of those comfortable officers’ clubs.

Masferrer himself held some unconventional ideas about the role of the military within Salvadoran society. That fully one-sixth of the national budget went to the army in 1929 disturbed him. It was not productive investment; it did not contribute to national development. “For a country that no longer fights wars, our army is extraordinarily expensive. . . . And, if there are no longer any wars to fight, why should the state maintain such a burdensome institution?” he asked. The army could serve much more useful national goals if it added to its traditional roles of protection from foreign invaders and the maintenance of internal order those of building and maintaining roads, providing water to the villages, improving the health of the inhabitants through sanitation campaigns, protecting the forests, and helping the population in times of natural disaster.

Araujo also heeded Masferrer’s call for land reform. The philosopher advocated the nationalization of the land and its redistribution. He classified the landowning system as well as the relations between the landlords and rural workers as “feudal”: “The lord in this case is the landowner, he who gives and takes, he who permits the worker to reside on his lands or expels whoever does not obey or please him.” Araujo planned to have the government buy the land from the rich and redistribute it to the poor.

With its platform firmly buttressed by the ideas of Masferrer, the Labor party aroused the enthusiasm of large numbers of people who viewed its program as the means to solve the deepening economic difficulties and to create a more just society. For his running mate, Araujo chose a military man, General Maximiliano Hernandez Martinez. The general had borne the presidential standard of the small National Republican party before he joined forces with Araujo. First as a presidential candidate and later as a vice-presidential candidate, Martinez appealed to the popular classes on social issues.

Honoring his promises, Don Pio remained impartial during the selection of presidential candidates and the campaign. The elections took place in early January 1931. Araujo won. He confronted an impossible task. Somehow he had to reconcile the vast differences among the Labor party, the coffee planters, the military, and the newly emergent middle class. He had to accomplish his miracle in the midst of the worst—and what would be the longest—economic crisis in modern Salvadoran history. The problems cried for bold action; an irresolute president proved to be incapable of acting. He ignored the “vital minimum” program that he had supported during the campaign. His inaction confounded and then alienated his followers. Frustrations mounted daily; unrest resulted.

On 2 December 1931, the military responded to the crises precipitated by economic collapse and political unrest. The soldiers turned out of office the first and thus far only freely elected president, who fled the country after less than one year in office. The military coup was the first in 33 years—since November 1898, when General Tomas Regalado seized power—and the first staged by professional army officers who did not come from the dominant socioeconomic class. Three days later the military junta turned power over to the constitutional vice-president, General Hernandez Martinez, who also had served as minister of war. His exact role in the coup d’etat still remains unexplained. Invested with power, he governed energetically for the next 13 years, a record of political longevity in El Salvador.

Most sectors of society greeted the military seizure of power with relief. It had become painfully apparent to all that President Araujo, immobilized by the economic debacle and the inability of the national institutions to respond to new demands, could not govern. The majority thought the young officers who carried out his overthrow would be able to resolve the crises threatening to destroy the nation. Rightly or wrongly, the populace put trust and hope in those officers. The Marxist student newspaper Estrella Roja congratulated the military on the coup d’etat. It reiterated the belief that the incompetence of Araujo “imposed a moral obligation on the military to remove him from office.” The newspaper quickly pointed out, however, that the coup itself could resolve few of the nation’s fundamental problems:

Pardon our skepticism. We do not believe that the coup will end the Salvadoran crisis which is far more transcendental than a mere change of government. The crisis has deeper roots than the incapacity of Don Arturo. It results from the domination of a capitalist class that owns all the land and means of production and has dedicated itself to coffee monoculture.

Although no profound institutional changes were forthcoming, Araujo’s downfall represented something more than “a mere change of government.” It initiated new alliances and a sharing of power. In short, it ended the coffee planters’ monopoly of economic and political power.
The economic collapse had not triggered the coup. The causes of the political change also included the growing social, economic, and political complexities engendered by incipient industrialization and growing urbanization, more intensive nationalism, the roles played by immigrants, an urban proletariat, an expanding middle class, and professional military officers in an increasingly varied society, improved transportation and communication, and efforts to diversify the economy. Further, any explanation of the coup must take into account the inability of President Aranjo to govern, an unfortunate reality in the country's first democratic experiment, which may have revealed as much about institutional structures as it did about the chief executive.

The demands on the government varied, and while some could be reconciled, others could not. The rural folk looked to the communal past for a solution to their plight. They wanted the government to return land to them. The planter elite obviously favored the present land distribution and the export economy from which they had extracted so many benefits for such a long period. The expanding middle class and the professional military thought in nationalist terms that included a reduction in the level of dependency, a wider sharing of social benefits, and industrialization. Their solutions to the crises lay in the cities. Urban growth had been slow, and, as Table 4 shows, the populations of the five largest cities remained relatively small. Urban dwellers accounted for only 15 percent of the population. Yet, they provided many of the leaders advocating innovations.

The events of 1931 brought to a close a dynamic period in the history of El Salvador during which the coffee planters had gained economic and political ascendancy to dominate the nation. Stresses during the preceding decade demonstrated the increasing difficulty the coffee planters experienced in governing the nation. The brief political experiment under Don Pio and Don Arturo had been sufficient to prove that a functioning, pluralistic democracy would not work to the planters' best advantage. They lost their political monopoly. The coup in 1931 signified that they would not regain it. They understood by then that they would benefit most from an authoritarian government managed by the military and complementary to some of the goals of the middle class, which wanted access to the national institutions and upward mobility. Those groups worked out a suitable arrangement to the exclusion of the rural masses and the urban working class. They divided the tasks of government after 5 December 1931: the military exercised political power, while the landowners, in alliance with sympathetic bankers, merchants, exporters, and segments of the urban middle class, controlled the economy. Each respected the other. General Martínez succeeded in reestablishing oligarchical control, although he could not return the nation to the status quo ante 1931. El Salvador was entering a new phase of history.

During the 1858–1931 period, El Salvador reshaped its institutions in order better to export coffee; modernization had taken place, producing some of the advantages its advocates had predicted. There were more and better roads, a modest railroad network, efficient ports, and a capital city with sections boasting all the amenities of its European or U.S. counterparts. Almost everything connected with the export of coffee and the life styles of the elites seemed up-to-date, indistinguishable from what one might find in the capitals of the major industrial nations. Impressive growth had taken place. The statistics measuring population, coffee production, and foreign investments had risen impressively, and, until 1929, so had national income. An observer could conclude that certain aspects of national life had progressed in the course of seven decades, that the "progressive" El Salvador of 1931 differed considerably from the "backward" nation Barrios had resolved to "regenerate" in 1858.

National life was different, but not always in a positive way. Quite another legacy of growth and progress was the nation's acute dependence on the export of a single product, coffee, and its prosperity. Monoculture and plantations were some of the results, and they dominated the economy. The efficient production of coffee did not extend to foodstuffs. The countryside fed the population less adequately than before. By the end of the 1920s, El Salvador began to import food, not because the land could not feed the people—the hoary excuse of overpopulation has been disproven—but rather because the planters used it to grow export crops. On several levels, the nation had lost control of its own economy. By 1931, El Salvador confronted a series of political and economic crises, the consequences of the type of modernization its governments had imposed.

The perceptive observations of two commentators, widely spaced in time, reveal the basic difference separating the El Salvador of the end of the 1850s from that of the end of the 1920s. Mrs. Foote had lived among a well-fed population. Large estates, small farms, and communal lands coexisted. The relatively varied export sector had played a significant but not the dominant role in the economy. The critical eye of Alberto Masferrer viewed quite a different situation. He assessed the state of Salvadoran society in 1928 in this way:

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**Table 4: Populations of the Five Largest Cities, 1930**

<table>
<thead>
<tr>
<th>CITY</th>
<th>POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Salvador</td>
<td>89,385</td>
</tr>
<tr>
<td>Santa Ana</td>
<td>39,825</td>
</tr>
<tr>
<td>Santa Tecla</td>
<td>20,049</td>
</tr>
<tr>
<td>San Miguel</td>
<td>17,330</td>
</tr>
<tr>
<td>Sonsonate</td>
<td>15,260</td>
</tr>
</tbody>
</table>

*Source: Gibson, "A Demographic Analysis of Urbanization," p. 338.
There are no longer crises; instead, there are chronic illnesses and endemic hunger. . . . El Salvador no longer has wild fruits and vegetables that once everyone could harvest, nor even cultivated fruits that once were inexpensive. . . . Today there are the coffee estates and they grow only coffee. . . . Where there is now a voracious estate that consumes hundreds and hundreds of acres, before there were two hundred small farmers whose plots produced corn, rice, beans, fruits, and vegetables. Now the highlands support only coffee estates and the lowlands cattle ranches. The cornfields are disappearing. And where will the corn come from? The coffee planter is not going to grow it because his profits are greater growing coffee. If he harvests enough coffee and it sells for a good price, he can import corn and it will cost him less than if he sacrifices coffee trees in order to grow it. . . . Who will grow corn and where? . . . Any nation that cannot assure the production and regulate the price of the most vital crop, the daily food of the people, has no right to regard itself as sovereign. . . . Such has become the case of our nation.58

In vivid contrast to Mrs. Foote’s earlier observations, Masferrer saw a hungry population with limited access to the use of land, a population whose basic need for food was subordinated to the demands of an export-oriented economy. The “progress” charted by the Salvadoran elites had failed to benefit the overwhelming majority of the citizens.59 Prosperity for a few cost the well-being of the many.

The contrasts between Foote’s and Masferrer’s observations suggest that little or no development had taken place, if one measures development by a rising quality of life index and the maximum use of resources, natural and human, for the well-being of the majority. Thus, the contrasts provoke serious questions about the wisdom of the type of modernization and economic growth El Salvador pursued after 1858, since neither addressed the needs of the majority of the Salvadorans. Rather, they left a legacy of poverty, dependency, and class conflict that succeeding generations of generals, politicians, and planters have not been able to resolve.

NOTES

2. Ibid., p. 84.
3. Ibid., p. 61.
4. Ibid., pp. 54–55.
5. Ibid., p. 60.
7. Squier, Notes on Central America, p. 326.
8. Ibid., p. 331.
11. For a series of useful case studies of the effects of the penetration of international capitalism upon the local economies during the nineteenth century, see Roberto Cortes Conde, The First States of Modernization in Spanish America (New York: Harper, 1974).
19. “. . . the commerce of the Central American States has wonderfully increased, and especially within fifteen years and since the establishment of the line of steamers from Panama. This has introduced and established regularity, certainty, and dispatch in their communication with the rest of the world. It has organized and maintained a mail service and secured a rapid, sure, and safe mode of commercial intercourse and exchange. In the interests which are thus growing up into importance, [sic] and wealth and commanding influence will be found the means of counteracting the unfortunate results of their political systems, and those interests must soon be powerful and widespread enough to be able to finally put down the political system which retards or hinders their development. . . . Since the establishment of the Panama Company's Steamers, the Revenues from the Custom House in . . . Salvador have more than quadrupled. The foreign commerce of all the Republics, which, previous thereto, was in the hands of a few who could afford to import cargoes around Cape Horn, has been opened to all. . . . The growth of California and the States on the Pacific has opened new courses for their trade” (James R. Partridge to Secretary of State, 22 April 1865, Diplomatic Dispatches from U.S. Ministers to Central America, General Records of the Department of State, National Archives of the United States of America).” The Republic of
Salvador, though territorially much the smallest of the five Central American States, is first in the amount of exports and only second in population. It has three seaports on the Pacific, La Unión, La Libertad, and Acajutla, at all of which the Panama Railroad Steamers stop twice a month, up and down, and at which American vessels land and receive freight and passengers. In the other Central American States these steamers land only at one port" (A. S. Williams to Secretary of State, 27 March 1867, ibid.).


21. Ibid., pp. 216-17.

22. This interpretation of the Duenas administration rests on the assessments of Derek N. Kerr, “La Edad de Oro del Cofee en El Salvador, 1863-1885,” Mesoamerica (Guatemala) 3 (June 1982): 4, 7, as well as on the diplomatic dispatches of A. S. Williams. In particular, see his dispatches of 12 January and 8 February 1969, to the U.S. Secretary of State, Diplomatic Dispatches from U.S. Ministers to Central America, General Records of the Department of State, National Archives of the United States of America.


25. Ibid., p. 173.


32. The role of the military in El Salvador, 1858-1931, and the relations between civilian politicians and military officers adhere in general terms to the broad observations made by Edwin Lieuwen concerning the behavioral pattern of the military throughout Latin America in the nineteenth and early twentieth centuries. See his Arms and Politics in Latin America (New York: Praeger, 1961), pp. 17-35. Vejar provides the details and some general conclusions for the study of the Salvadoran military in the nineteenth and early twentieth centuries in El Ascenso del Militarismo.

33. Martin, Salvador, p. 86.

34. Ibid., p. 87.

35. Ibid., p. 88.


37. Rafael Menjivar covers the topic and statistics of growing U.S. investments in Acumulación Originaria, pp. 55-81.


42. Ibid., pp. 126-127; Durham, Scarcity and Survival, p. 36.


44. Ibid.

45. Quoted in ibid., p. 121.

46. Vejar, Ascenso del Militarismo, pp. 102, 100.

47. These parties were the Partido Evolucion Nacional (National Evolution party), representing the most conservative and economically powerful groups; the Partido Zaratista (party of Alberto Gomez Zarate), grouping together the urban supporters of Zarate who favored the policies of the “Dynasty”; the Partido Constitucional (Constitutional party), sharing much of the conservative philosophy of the National Evolution party and appealing largely to the same groups; the Partido Fraternal Progressista (Progressive Fraternal party), directed by a general and enjoying military support, appealed to the rural workers in a paternalistic way; Partido Nacional Republicano (National Republican party), also directed by a general, Maximiliano Hernandez Martinez, and uniting professionals, students, workers, and some coffee growers; and the Partido Laborista (Labor party), appealing to the urban and rural workers as well as to smaller farmers. Ibid., pp. 113-14.