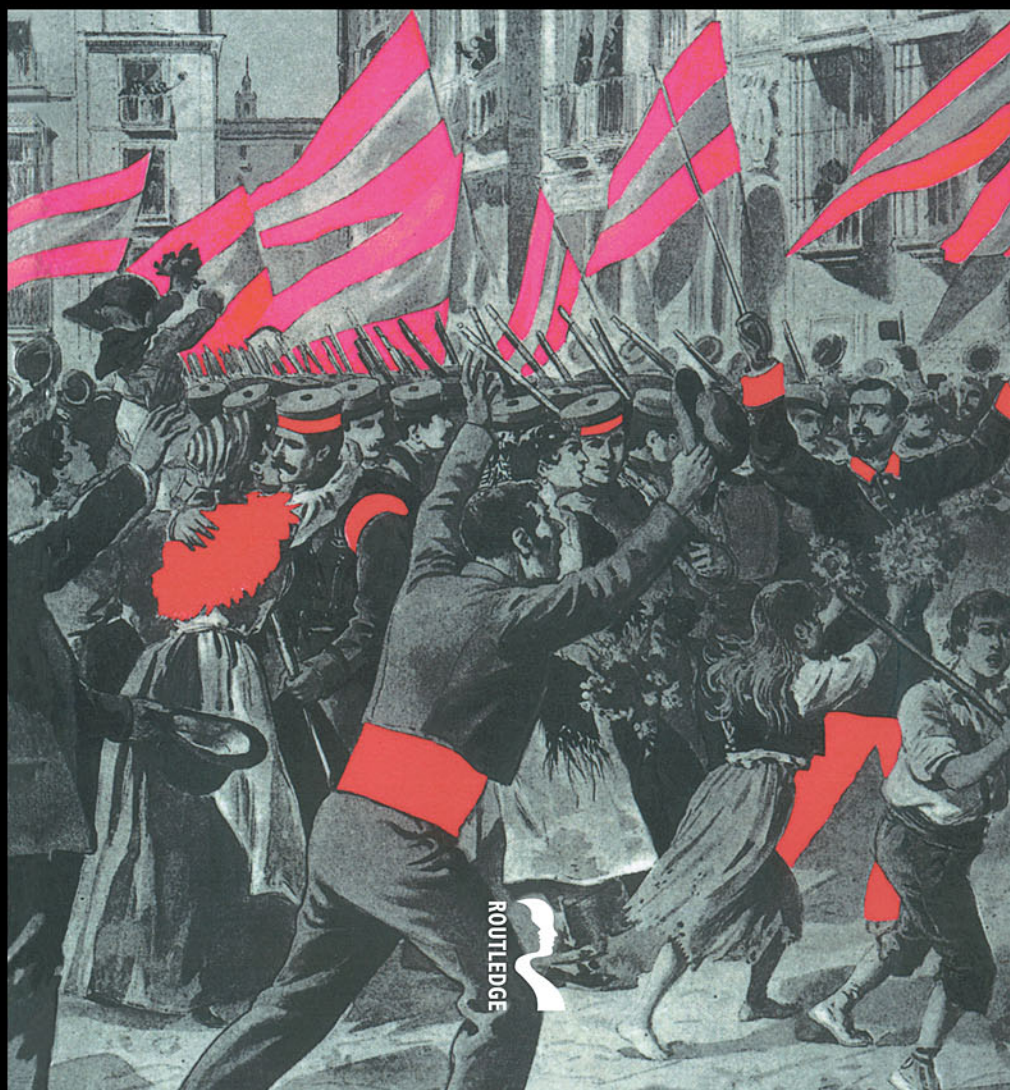


A SOCIAL HISTORY OF EUROPE

A Social History of
MODERN SPAIN

— Adrian Shubert —



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A Social History of Modern Spain

Social History of Modern Spain

Adrian Shubert



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For Agueda

Introduction

Spain and Europe: the Peculiarities of the Historians

Although this book is a social history, politics is at its heart. Political events set the chronology, from 1808 and the Napoleonic invasion which began the final disintegration of the Old Regime, to 1982 and the overwhelming electoral victory of the Socialist Party which confirmed the triumph of democracy following the death of Francisco Franco in 1975. Politics also determines the internal organization, with the Spanish Civil War as the dividing line between a long section on Spain from 1800 to 1936 and a shorter one on the period since 1939.

The book offers the social background to the two central events of modern Spanish history: the Civil War of 1936–39 and the democratic transition of 1975–82. Or to put it another way, it helps explain why democracy did not survive in the 1930s as it has done since 1975. I do not want to propose a social determinism whereby political forms are bound by levels of socioeconomic development. Politics has its own dynamic but questions of power, especially power in the state, cannot be autonomous of social relations and the conflicts they engender. Neither the Spanish Civil War nor the contemporary constitutional regime was inevitable but the differing social contexts of the democratic experiments of the 1930s and the 1970s and 1980s contributed mightily to the short life of the first and the longevity of the second.

This study has a second, but not secondary, major theme: in the nineteenth and twentieth centuries Spain has been in the European mainstream. For most historians of modern Europe Spain barely exists in its own right; it comes into view only on those occasions when it served as the stage for broader European events, as a major theatre for the Napoleonic Wars and as the battleground for hostile ideologies in the 1930s. And too many people, Spaniards included, are willing to accept the description of Spain given by W.H. Auden in his poem *Spain 1937* as ‘that arid square, that fragment nipped off from hot/Africa, soldered so crudely to inventive Europe’.

There are a number of reasons for this but the most important has to do with the nature of historical concern itself. When history was limited to high politics,

diplomacy and war, second and third rate powers could be of no more than passing interest. There was a clear hierarchy. The more powerful the nation the more attention it deserved. Washed—up great powers got no credit for their former greatness. As the scope of historical interest broadened and as social history became ever more important, the hierarchy of concern for various national histories lost whatever rationale it had had and a country such as Spain could be returned to the first division. Economically, socially and even politically Spain has been fully a part of the European mainstream over the last two centuries. The Spanish experience has been as different from those of Britain, France, Germany and Italy as they have been from each other but the family resemblance is undeniable. Put another way, when everyone is ‘peculiar’ peculiarity itself becomes a common ground. We already have the ‘peculiarities of the English’ and the ‘peculiarities of German history’.¹ Perhaps this book should be called the ‘peculiarities of the Spaniards’?

At best, Spain is seen as the black sheep of the European family because, it is said, it did not have that obligatory rite of passage, a bourgeois revolution. Little wonder, then, that things went wrong in the nineteenth and twentieth centuries: repeated coups, civil wars, military dictatorship... Because the dismantling of the Old Regime and the disentailments left the nobility relatively unscathed, left the structure of landholding unchanged and produced a new landed elite which appeared to have neglected agricultural improvements there has been much debate as to whether those changes constituted a bourgeois revolution.

In his highly influential text, *Spain: A Brief History*, Pierre Vilar argued that ‘nineteenth century efforts on behalf of agrarian free enterprise brought no great success’, that the disentailments failed to produce ‘the highly exploited estates of the English or the Prussian type...[and that] the agrarian structure did not change’. Overall, ‘agrarian Spain placed material, legal and psychological obstacles in the way of capitalism’.²

This position has been stated even more strongly by the doyen of Spanish labor and social historians, Manuel Tuñón de Lara. There was a bourgeois revolution of a sort, but a failed one. The elimination of the ‘shackles of the feudal or seigneurial regime’ are necessary but not sufficient components of a real bourgeois revolution. This took place in Spain but it did not lead to ‘an authentic capitalist society’. There was constitutional government and economic development but there was not a real bourgeoisie. ‘The idea that the Duke of Medinaceli’, he writes, ‘went to bed one night the heart and soul of the feudal nobility and woke up the next day a bourgeois because his seigneuries had been turned into disentailed property is a matter for serious thought. A strange bourgeoisie, this! Or should we believe that from one day to the next Medinaceli, Alba, etc. changed their ideology, their values, their outlook?’ Even worse, the business elite was incorporated into the nobility and, he says, took on its mentality and ideology, which were anything but democratic and based on ‘the wholehearted defence of the existing structural order, a very “old regime” scale of values, a concept of legitimacy in which the historical and traditional aspects

of the dynasty and the Crown have priority over the legitimacy of circumstances or a patchwork in which the representatives of the people are at least theoretically allowed to *collaborate* in the exercise of power'.³

By favoring the landowning oligarchy the Spanish model of bourgeois revolution cut itself off at the knees. A new 'power bloc' emerged in which 'the noble ideology of the Old Regime dominated, in which the bourgeoisie which did exist was co-opted by the aristocracy and in which there was no agricultural modernization and little industrial investment'. The *sexenio*, the six year period of extreme political instability, opened by the Revolution of 1868 was a key moment: a new power bloc led by the Catalan industrial bourgeoisie might have appeared but did not. In Catalonia, where the Capitalist Mode of Production—in capitals—was already in place, class conflict so frightened the bourgeoisie that 'it became clear that the bourgeoisie would never lead the democratic revolution and would prefer to ally with the agrarian and financial bourgeoisies'. And fifty years later, when the First World War had put the political system on the ropes, yet another class, or part of one, did not know how to act properly. 'Claiming that the historical protagonism, the direction of events "was the task of the bourgeoisie" and that "our time will come later", the leadership of the most important working class party [the Socialist Party] did not respond to the demands of the economic situation.'⁴ The end result was the Civil War and the establishment of Franco's (fascist) regime.

Richard Herr has also argued that the landed elite which emerged was not a bourgeoisie. The method of selling land at auction necessarily meant that the purchasers were people with cash to spend—or government bonds to redeem—and that in a predominantly agrarian economy that meant those people who already owned or leased land. The result was a 'lay landed elite...[that] was an amalgam of old and new elements, and not properly speaking bourgeois, either culturally or economically'; an elite which 'included many more large landowners, aristocrats, clergymen, farmers and even tenant farmers than merchants, civil servants and professionals'.⁵

David Ringrose examined the bourgeoisie of the capital and found it wanting in revolutionary impulses. As late as 1850 there was not, he says, 'a cohesive bourgeois class' in the capital. The impetus for change came from lawyers and bureaucrats who had moved to the city and whose social background lay in the more dynamic elements of the southern landed elite. If the bourgeois revolution 'ended as it did'—but not, presumably, as it should—it was precisely because 'the landowning class sponsored it'.⁶

Such interpretations are based on Spain's failure to hold to an already scripted scenario which, it is believed, was successfully acted out elsewhere. Because there was no fully developed industrial society, because large estates remained in place, because the agrarian elite was dominated by the nobility and, allegedly, lacked a certain outlook and because the bourgeoisie made peace with it, Spain did not have a bourgeois revolution. Or, at best, it had a truncated, distorted one. This view amounts to an argument for the peculiarities of the Spaniards: that Spain

was exceptional in western Europe and that the blame lies with a bourgeoisie which was incapable of performing the role for which it was destined.

An almost identical analysis, that the political failure of the bourgeoisie in 1848 prevented Germany from enjoying democracy and ultimately led to Nazism, has long been made about Germany. Geoff Eley and David Blackbourn have taken this approach to task in a book whose main lines are highly relevant to the Spanish case.⁷ Bourgeois revolution, Eley writes, appears to mean ‘a set of changes forced through by the bourgeoisie itself, acting in its own interests, in direct confrontation with a feudal or “pre-industrial” ruling class’. The bourgeoisie is assumed to be necessarily liberal in politics and if a liberal order is not created then the bourgeoisie has somehow been co-opted or ‘re—feudalized’. It has failed to follow in the heroic footsteps of its British and French peers. For Eley, measuring bourgeois revolutions by their political outcome and assuming a ‘causal chain “bourgeoisie = liberalism = democracy” rests on a fundamental misconception of the nature of bourgeois revolutions’. These are defined not by their political outcomes but by ‘the conditions of bourgeois predominance in society’ which themselves rest on property relations and forms of control over the means of production. The bourgeois revolution becomes, then, a ‘longer process of structural change’ and can be found within ‘a considerable diversity of political regimes’. There is no single script but various national versions.⁸

Moreover, according to Blackbourn, the bourgeoisie as a ruling class is hard to find anywhere. ‘If one looks at nineteenth century Europe it is difficult to identify an unambiguous instance where the bourgeoisie ruled as a class, without the help of an old elite or oligarchy, without strongmen or allies from some other class or classes.’ It was not unusual for European bourgeoisies to take on some of the symbols or trappings of their partners from an older ruling class, nor when they did was this a sign of their feudalization. ‘It signalled, rather, the formation of a newly extended dominant class, with a symbiotic relationship between the old and new parts of this class.’⁹ This was quite normal in Europe.

Even in France, the site of the classic bourgeois revolution, historians have found the bourgeoisie hard to identify. As William Reddy says in his analysis of the recent historiography of the French Revolution:

it has become clear that such a class not only had no representatives in the revolutionary assemblies but in effect did not exist. There was no revolutionary bourgeoisie. Members of the upper strata of eighteenth century French society were more or less homogeneous in their values and based their status on ‘proprietary’ rather than profit-maximizing investments...Proprietary wealth was the support both of those who made the Revolution and those who resisted it.

It is no longer viable to identify political groups with social ones they are supposed to represent.¹⁰

A number of Spanish historians who have addressed this question, such as Bartolomé Clavero, Angel García Sanz and Josep Fontana, have taken an approach congruent with that suggested by Blackbourn and Eley and by Reddy. While accepting for the most part Herr's argument that the disentailments did not lead to substantial changes in the structure of land ownership or the identity of the landowners, they have argued that this is less important than the changes in the legal nature of property and property ownership. It is a mistake to make bourgeois revolution synonymous with expropriation. As García Sanz argues, 'revolution implies changes more sweeping than limited changes in the ownership of property'; 'transfers of property are not essential to it, although they may be imposed by the political situation if the revolution is to triumph'.¹¹ Respect for the property of the existing elite, or part of it, may also be encouraged by the existence of significant popular opposition to the political and legal changes taking place. In Spain, as we shall see, this was certainly the case. From this perspective then, the bourgeois revolution is what Clavero has called 'a radical change in the way society is constituted' and one which 'does not imply any change in the groups which dominate'. It is fundamentally a legal, and not an economic, revolution.¹²

This is, I think, correct. There certainly cannot be any doubt that in the thirty years following the Napoleonic invasion the legal superstructure of the Old Regime was dismantled and a new type of society was created. Privilege as an integral part of the organization of society was destroyed and although the nobility emerged in a strong position and the structure of landholding was little modified this did not mean that important changes had not taken place. The Church was stripped of its lands, the municipalities would lose theirs before the century was out and in many places the peasantry found its position on the land less favorable than before. Vast amounts of land changed hands and a new class of landowners was created. Many, although not all, already had contact with the land, often as tenants or agents of the institutions they were now supplanting. In addition, after 1834 Spain was definitely committed to some form of political liberalism, even if it was far from democracy. By my calculation, between 1812 and 1914 Spain had more years of constitutional, representative government than any other continental country, including France.¹³ The new class of landowners would form the bulwark of the liberal polity which emerged so haltingly during the nineteenth century and which found its most lasting expression in the Restoration monarchy (1875–1923). They would also form the bulwark of the opposition to the agrarian reform efforts of the Second Republic and be the most fervent supporters of the military reaction to it.

For the time being the most convenient solution is to replace the term bourgeois revolution with one less freighted with implications, such as liberal revolution. Such a term is applicable to Spain in the first forty years of the nineteenth century and allows us to resolve the apparent contradiction that revolutionary change was overseen by the 'wrong' social group. It also allows us to locate Spain in the mainstream of nineteenth-century European history and not

excommunicate it for failing to live up to standards which other nations supposedly met.

Little real harm is done if historians err on a question such as this, but if political leaders base their strategy on such faulty historical analyses the result can be disastrous. Some of the problems which beset Spain's Socialist Party (Partido Socialista Obrero Español [PSOE]) during the Second Republic (1931–9) stemmed from the mistaken belief that the Republic heralded the long delayed bourgeois revolution. Taking republican politicians such as Manuel Azaña for the political wing of the bourgeoisie and not for what they really were, more or less free-floating intellectuals without any particular social base, Spanish Socialists grossly over-estimated their influence and the prospects for realizing a programme of wide-ranging social reform by parliamentary means. They also failed to recognize that the symbiosis of bourgeois and former seigneurial lords which had been produced in the nineteenth century was the bourgeoisie and would see the Socialists' reforms as revolution and do whatever they had to in order to forestall it. When reality did not live up to the formula the divisions within the party reappeared and became much more bitter than they had been:

To a large extent the development of the Socialist movement during the 1930s was influenced by the importance of an essentially incorrect historical analysis of what was happening in Spain. The calculations of all three sectors of the PSOE were based on the certainty that a bourgeois directed progressive revolution was about to take place. When it became apparent, by 1933, that this was not happening, each sector reacted according to the norms of behaviour it had established during the pre-Republican period.¹⁴

When, in the spring of 1936, the political situation demanded a strong and unified response from what was the most important political party in the country, and when such a response *might* have forestalled the military revolt which began the Spanish Civil War, Socialist leaders were unable to provide one.

The Book

From its geography to its economic and social formations and even to its politics Spain is, more than most, a country of regions. In the post-Franco period this has even been recognized and embodied in the structure of the state. I have tried to be faithful to this regional diversity, and to do so looking beyond Catalonia and the Basque Provinces, whose regionalist movements have, since the late nineteenth century, made them a political problem, to regions which have received much less consideration, such as Galicia and Old Castile.

Finally a *caveat*. The modern history of Spain, and especially its modern social history, is much less developed than that of France or Germany. We know much more about populations than families, about relations between social

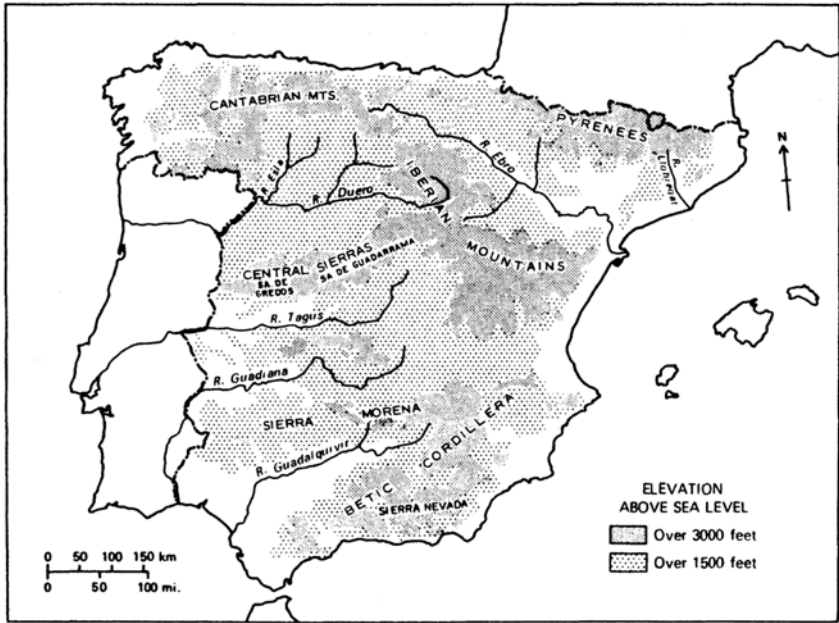


Figure 1.1 *Spain: Physical Features*

classes than between men and women, about labor than leisure. This poses problems for a book such as this which, necessarily, relies heavily on the work of others. The effect is akin to putting up road signs for a highway which has yet to be built. The ride—and the read—will be bumpy. Still, such a situation has its brighter side. There is nothing like being jarred by a pothole to call attention to a job that needs doing. It is too much to hope that the potholes in Spanish social history will soon all be filled in but perhaps there will soon be a few more signs at the roadside saying ‘Historians at work’.

1

A Century of Dynamism

Spain stands at the western extreme of the European continent. It is a large country, some 500,000 square kilometers, with a large variety of physical environments. The most striking feature, as [Figure 1.1](#) shows, is the prevalence of mountains. Spain is, after Switzerland, the most mountainous country in Europe. The Pyrences, at a constant height of at least 5,000 feet which exceeds 11,000 in places, block the entrance to the Iberian peninsula. The Cantabrian range, which averages between 5,000 and 6,000 feet, cuts the northern tier, Galicia, Asturias, Santander and the Basque Country, from the rest of the country. After a narrow gap, the Iberian Mountains begin, running roughly parallel to the Pyrences. The vast central meseta is broken into two by the central sierras, the Guadalupe and the Guadarrama. In the south the Betic Cordillera, an irregular series of mountain ridges broken by north-south rifts, contains the country's tallest peak, at 11,420 feet.

Beyond the mountains, the country is dominated by the vast central tableland. The northern meseta has an area of some 15,000 square miles and an average altitude of 2,700 feet. The southern meseta is three times as large but, at less than 2,000 feet, has a lower average elevation. The coastal lowlands are very small. Catalonia, for example, has a very narrow coastal strip which is brought to an abrupt end by mountains only twelve miles inland. The only large lowland area is the Andalucian plain.

The mountains make movement from one region to another difficult and even obstruct movement within some others, such as the Ebro basin and the Cantabrian strip. The principal rivers, the Tagus (600 miles), the Ebro (540 miles), the Duro (525 miles), the Guadiana (465 miles) and the Guadalquivir (395 miles), are too fast flowing or suffer too much silting at their mouths to compensate much as aids to communication and transportation.

Spain also has a tremendously wide range of climates, from temperate in the north-west to semi-arid in the south. Some areas in the north-west get between 60 and 70 inches of rain per year but some two thirds of the country is deficient in rainfall, that is, does not get enough rain to sustain normal plant growth for four months out of twelve.

There are three main climatic zones. The maritime zone, from the north coast to the Cantabrian mountains which includes Galicia, Asturias, Santander, and the

Basque Provinces, has mild winters, abundant precipitation spread throughout the year and warm, but not hot, summers. (Few Britons take vacations here. The weather would remind them too much of home.) The inland areas, the mesetas, the Ebro basin and adjoining mountains, have a continental climate. Temperatures fluctuate greatly, both from winter to summer and from day to night. The summers are very hot and the winters very cold. In January the average temperature in many parts of the northern meseta is only a couple of degrees above freezing. Rainfall is low and irregular throughout the year. The south frequently experiences alternating drought and flood. The final climate is the Mediterranean zone, which takes in the Andalucian plain and the southern and eastern coastal strips. There is little variation in temperature from winter to summer and in both seasons temperatures are higher than in the interior. The hottest area is between Seville and Córdoba, where the mean temperature in July and August is between 85 and 88 degrees Fahrenheit and readings of more than 100 are common. Rainfall is unreliable. This is what package tour operators mean by 'Spain'.

A country's basic geographic and climatic facts of life do change, albeit very slowly. Landscapes, however, are shorter lived. By the economic activities they choose to undertake men and women can change the face of a country very quickly: woodlands disappear, the frontiers of cultivation expand—or recede—rivers are polluted, wildlife is killed off. While very often ecologically harmful, such changes are also indicators of economic dynamism and demographic expansion. In the nineteenth and early twentieth centuries the face of Spain changed markedly, as industrial development scarred the beauty of many rural landscapes and an expanding agriculture reclaimed land long given over as privileged pasture to the sheep. When he travelled through Spain in 1796 Robert Southey noted that 'rich tracks of land are uncultivated ... we have often travelled five or six hours without seeing any trace of man except the agreeable memento of a few monumental crosses'.¹ Had he been able to return five or six decades later he would have had to look much harder to find such a scene.

An Evolving Economy

The Spanish economy in the nineteenth century and the first decades of the twentieth presents something of a paradox. Industrialization began early, in the latter decades of the eighteenth century and even though Spain experienced continual economic growth over the nineteenth century it fell further and further behind other European countries such as Britain and France and, after 1870, even Italy. As Leandro Prados has put it 'growth and backwardness are two sides of the same coin...long term sustained growth was accompanied by backwardness in relative terms'.¹ The Spanish pattern of economic development was not identical to that of north-western Europe, but it was even less like that of the contemporary Third World. Spain was not, as Nicholas Sánchez Albornoz has claimed, 'an underdeveloped economy *avant la lettre*'.² It was fully a part of

European economic development although *sui generis*, with a 'sustained increase in per capita income after 1830'. From 1780 to 1930 'Spain experienced a moderate but constant transformation which followed its particular route to modernization'.³ Spain was not an economic failure, as Jordi Nadal has called it,⁴ nor was it trapped in stagnation. Its economy was growing and changing, but more slowly than those of other countries. It was a laggard.

Agriculture

In 1914 agriculture was still the core of the economy: it produced almost 40 per cent of the national income and employed over 60 per cent of the labor force, compared to 18.5 per cent in manufacturing and mining. Even in 1930 it remained the dominant sector, employing almost half of all working Spaniards, while wines, fresh fruit and other agricultural products accounted for 35 per cent of total exports, down only 10 per cent from 1850. There are few reliable statistics for Spanish agriculture in the first half of the nineteenth century but contemporaries believed, and historians generally agree, that production increased substantially, keeping pace, at least, with the increase in population. Certainly throughout the first half of the century, Spain was able to feed itself, and in a number of years export surplus grain. This increase culminated in the 1870s and was followed by decades of crisis at the end of the century and then by a strong recovery in the twentieth century.

There were a number of reasons for this expansion of production. Josep Fontana has argued that the loss of the American colonies and the wealth derived from them forced Spain to cut back on its imports from Europe, basic foodstuffs among them.⁵ The decree of August 5, 1820, issued by a liberal government, banning imports of wheat and other key cereals so long as the price in Spain remained below stated levels was a major stimulus to domestic production. This policy of rigid protectionism was retained until 1869 and over the course of the half century in which it was in effect grain was imported during only four subsistence crises.

This expansion in production was due almost entirely to the extension of cultivation. The only estimate of the actual amount of land brought into cultivation is 4 million hectares between 1818 and 1860, although the reliability of the sources on which it is based has been questioned.⁶ There was not much in the way of technical improvements before 1850 and yields of wheat and other grains actually declined between 1800 and 1860. There is evidence that by the 1860s grain cultivation was becoming more sophisticated, at least in Andalusia, as some leading landowners invested in modern agricultural machinery. François Heron has gone so far as to claim that there was 'a vast movement of mechanization in the Andalusian countryside in the second half of the nineteenth century'.⁷

Wheat producers benefited from a growing domestic market as well as from exports to Cuba and, until 1881, regular exports to other countries. After that

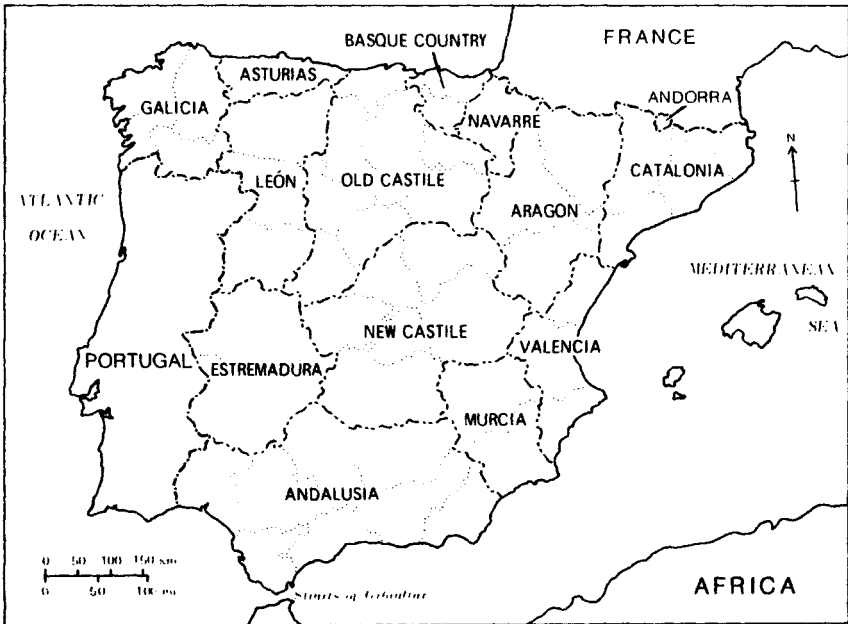


Figure 1.2 Spain: Historical Regions

date, however, Spain imported much more wheat than it exported and failed to generate a trade surplus in grains before the First World War. Improvements in transportation and the opening of the American west brought grain from the Ukraine and the United States into Spanish ports at prices below those for Castilian grains. Castilian landowners responded, as did their German and Italian counterparts, by lobbying for increased protection, which they got in 1892. They also took land out of production, almost 3 million hectares between 1888 and 1893.

Castile was the region most affected by the expansion of cereal cultivation. For most of the region the nineteenth century brought what Sánchez Albornoz has called an 'economic involution'.⁸ The economy became less complex and diverse than it had been under the Old Regime and more dependent on a single agricultural product, grain. Wool production did not expand and small-scale textile manufactures were killed off by Catalan products. The agricultural sector was oriented to the market, as it had long been, but the changes stemming from the liberal revolution did not lead to the investments required to improve efficiency and increase output.

The economy of the interior had long been dominated by the needs of the capital. This did not change in the nineteenth century, when Madrid continued to shape the economy of its vast hinterland, which covered virtually the entire central meseta. David Ringrose has summarized this relationship:

Because of its dependence on primitive overland transport, the size of Madrid was a factor of extreme importance in the economy of Castile, if only because the city constituted a market for agricultural products with few alternative sources of supply. The structure of that market was such as to provide its hinterland with only a limited range of incentives, and the city could not provide the variety and depth of demand needed to draw the Castilian economy out of subsistence agriculture embedded in a self-contained regional economy. Madrid could mobilize surpluses that traditional systems of rural control accumulated, but had little effect on productivity.⁹

The changes in land ownership prompted by the liberal revolution allowed for 'agricultural commodities [to be] more uniformly accumulated as rents rather than tithes, or through direct management...before they moved into supply systems focused on Madrid' but did not produce any more basic changes.¹⁰

Orientation to the market and new opportunities did produce important changes in some branches of agriculture. Perhaps the most sweeping took place in the sherry producing region of Jerez de la Frontera. Export markets for sherry began to expand in the 1840s, prompting the merchants who controlled the trade 'to consolidate sherry production from vine to wine'.¹¹ They sought to purchase existing vineyards, which were in the hands of peasant owners, or expand cultivation into new, less suitable lands. The area in vineyards increased by 50 per cent between 1817 and 1851 and by another 50 per cent in the next twenty years. This option was highly capital intensive: in addition to the purchase price of the land, owners had to buy the vines, put up buildings and fences and buy wine presses—and then wait four years for the first crop of grapes. However, the cheaper sherry which was produced from these new vineyards found expanding markets in Britain in the 1860s and, as a result of the phylloxera epidemic, in France after 1875. The peasants from whose grapes the traditional, expensive sherries were produced were faced with rapidly declining prices, from about 110 pesetas per butt in 1865 to 40 in 1880, and many were forced to sell their land. By the end of the century the owners of the large sherry firms, many of them such as Duff, Garvey and Byass originally British, controlled most of the vineyards and had assumed positions of local social and political influence.

Jerez was not the only place in Spain for which wine production was important. Vineyards were crucial to the Spanish economy in the nineteenth century. The area under cultivation grew four times over the course of the century, much of this in Catalonia, and production increased six times between 1860 and 1890 alone. The importance of wines lay in the fact that they were a bulwark of Spanish exports: they accounted for one-third the value of all exports in 1857 and their weight increased until 1890. And even though phylloxera hit the country hard in the 1880s, Spain remained the leading wine exporting country in Europe from 1880 to 1914. On the eve of the First World War wines

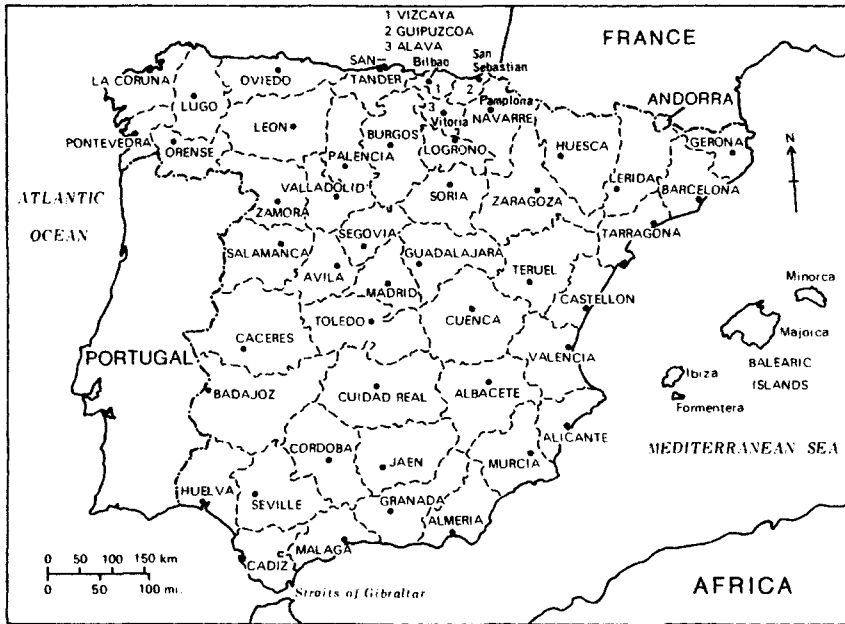


Figure 1.3 Spain: Provinces

were the country's second most important export, accounting for only slightly less value than did minerals.

Two other crops, oranges and olives, both of them exported in large quantities, also advanced during the nineteenth century. Oranges were grown in Valencia using both irrigation and fertilizers. The area dedicated to orange trees increased from 2,675 hectares in 1872 to 37,500 in 1915 and the value of exports rose from 2.7 million pesetas in 1855–9 to 57.7 million in 1905–9. Olive cultivation underwent a tremendous expansion, especially in the first three decades of the twentieth century, when the area under cultivation increased by 50 per cent. Traditionally grown in Seville and Córdoba and the lower Ebro, olive trees expanded into eastern Andalucía. The early twentieth century also saw an improvement of the quality of the oil produced, at least in western Andalucía, due both to better care of the trees and to more advanced processing techniques. In 1914 olive oil was Spain's tenth most valuable export.

Livestock production also recovered from its nineteenth-century decline, especially in regions like Asturias where a burgeoning urban population provoked what is known as a 'dairy revolution'. Overall, the live weight of livestock increased by 63 per cent between 1900 and 1930 and the value of livestock production more than doubled, from 589 million pesetas in 1900 to 1.3 billion pesetas in 1930.

In sum, Spanish agriculture was more dynamic and varied than has often been pictured. Production of basic foodstuffs was more than able to keep pace with population growth, especially after 1895. Grain production increased slightly more than population between 1795 and 1895 but between 1895 and 1925 output per head increased 0.72 per cent per year. Spanish agriculture became increasingly export oriented, but it was not dependent on a single crop and was able to respond reasonably quickly to changes in demand and market conditions. As Garrabou and Sanz have observed, 'the fact that Spanish farmers could feed a growing population better and better and meet the needs of the industrial nations with the rapidity, variety and quantity that they did allows us to maintain that we are far from a static and backward agricultural sector'.¹²

Even so, in comparative terms the performance of Spanish agriculture was lacklustre. During the nineteenth century production increased more in Spain than in Britain or France but productivity grew more slowly. By the First World War the gross value per hectare was less than half the French and less than one-third the British. This was largely due to the composition of the crops: cereals were much more important to Spanish production, 41 per cent compared to 20 per cent in France and 11 per cent in Britain, and livestock much less, 18 per cent in Spain compared to 30 per cent in France and 68 per cent in Britain.¹³

The Textile Industry

As elsewhere in Europe, the lead sector of industrialization in Spain was the manufacture of cotton textiles, which was located in Catalonia. Production experienced rapid expansion in the 1780s and 1790s as rising wages stimulated the adoption of new techniques. The spinning jenny was introduced in 1784 and the mule jenny in 1803, but further mechanization was interrupted by the Napoleonic Wars and the subsequent political instability. Although 14 water-powered mills had been set up by 1808 there were only 36 in 1836. After 1814 the main problem facing the industry was the contraction of the market caused by the loss of the bulk of the American empire but the prohibition on imports of cotton goods declared in 1832 provided a safe, if limited, market and set the stage for significant growth and rapid mechanization. The industry became more concentrated, both geographically and in the number and size of firms. A small number of cities, Reus, Mataró, Manresa and especially Barcelona, became the undisputed centers of the industry. At the same time, the number of textile manufacturing firms was reduced and the average size grew larger: between 1841 and 1861 the average number of workers per firm increased from 18 to 71.

The 1860s were a period of stagnation, mostly due to the cotton famine caused by the US Civil War. In 1874, following the re-establishment of political stability and legislation which made the colonies captive markets for Spanish products, the industry experienced a new boom. As a result exports of Catalan textiles jumped from 458 tons per year between 1876 and 1880 to 7,859 tons per year between 1891 and 1895. The loss of Cuba and Puerto Rico in the Spanish-

American War threw the industry back into dependence on the home market, for unlike their Italian counterparts, Catalan textile manufacturers had never been able to develop export markets outside the empire. As a result, after 1904 the industry 'sank into stagnation and atrophy' although it did enjoy a temporary boom during the First World War.¹⁴

The small size of the domestic market has frequently been blamed for the weakness of the textile industry but Leandro Prados has recently argued that lack of exports was the reason, since by measuring just internal markets 'the gap which separates Spain from the more advanced countries of Europe is narrowed'. Much of the blame lies with industrialists who sought a safe haven behind high tariff walls rather than fighting for a share of the international market.¹⁵ This is borne out by the export figures. Manufactured goods accounted for 6 per cent of exports in 1830 and only 12 per cent in 1910, much lower shares than for any other industrial country in Europe.

While the Catalan textile industry made, in a limited way, a successful transition into the industrial world the traditionally strong silk industry, centered in Valencia, did not. Following a boom in the second half of the eighteenth century, the silk industry was almost killed off by warfare and instability between 1793 and 1830. Control of the industry passed from independent artisans to merchants, as it did in Lyons, but each individual controlled fewer looms than had been the case in the middle of the previous century. In addition, the quality of spinning and weaving, which remained in the hands of peasant families, was poor. The industry did begin something of a comeback between 1830 and 1850. Steam-powered machinery was introduced and some woven silk was exported. However, crops of raw silk were much smaller than in France and after an epidemic hit the silkworms in 1854 the industry had to deal with increasing prices and an unreliable supply of raw material. The importation of Japanese silk into Europe applied the *coup de grâce*.

Transportation

The transportation network contributed significantly to Spain's economic problems, especially in the central regions of the country. In the first half of the nineteenth century there were 'no fundamental changes in the basic mechanism of transportation', which depended on pack animals and carts. Many people engaged in transportation were peasants who did it on a part-time basis, while most of the professional carters were tied up by the government to supply the capital. The government was too poor to build new roads or canals and the privileges which it had given carters in the eighteenth century—access to common grazing lands and guaranteed winter pasture—were done away with during the liberal revolution. All this had had direct and severe economic consequences, contributing to 'an absolute ceiling for the level of development' while at the same time effectively isolating the interior from Catalonia,

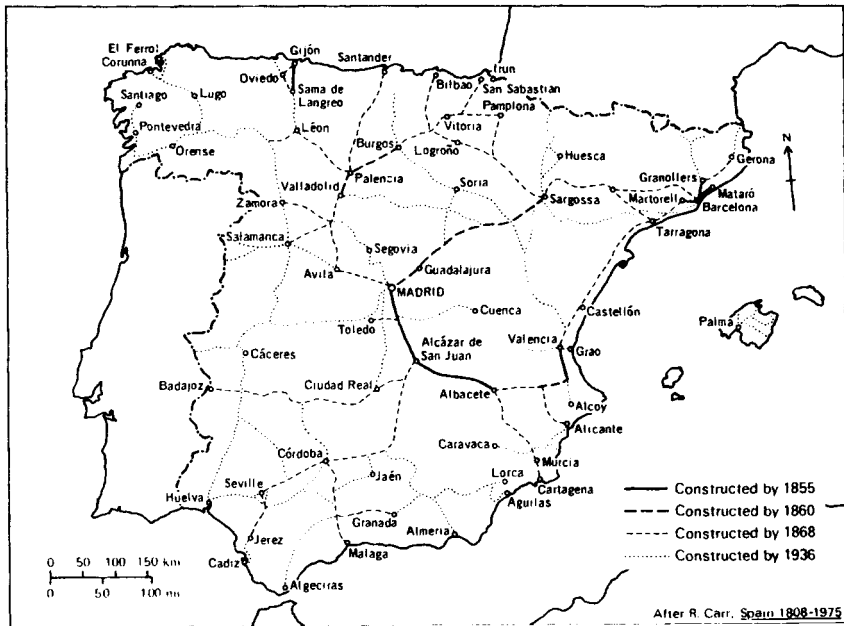


Figure 1.4 *The Railway Network*

restricting the accessibility of much of the domestic market and forcing it to rely on the colonies.¹⁶

The railroads broke this transportation bottleneck, but their contribution to Spain's economic development was much more limited than it might have been. The first line was built in 1848, between Barcelona and Mataró, but before 1855 the pace of construction was slow and only 456 kilometers had been put down. The system really began to take shape following the Railway Law of June 1855, and by 1868 almost 5,000 kilometers of track had been built. The law provided numerous benefits to railway companies, such as government subsidies and the use of public land. Most important for the national economy was the provision which allowed companies to import all construction materials and fuels duty free for ten years. The result was that the railway system was built and controlled by foreign companies. The two biggest companies, the Madrid, Zaragoza and Alicante and the Caminos de Hierro del Norte were both owned by French capitalists, the former by the Rothschilds, the latter by the Pereires. By the end of the nineteenth century they controlled some 80 per cent of all the railways in the country.

The manner in which the railway system was built undermined its economic value in a number of ways. First of all, the ability of the companies to import components duty free meant that railway construction did not provide any of the backward linkages which could have stimulated Spanish industry, especially iron. Jordi Nadal has calculated that between 1861 and 1865 imports of iron for

railway construction amounted to more than twice the output of the national iron industry, while according to one British historian 'in the 1850s Spain was the leading country in Europe in the absorption of machinery and railway iron'.¹⁷

Second, lines were built according to the interests of the foreign capitalists who controlled the companies, not according to the needs of the Spanish economy. Madrid was the hub of the network, with lines radiating outwards. This pattern 'did not correspond to the traditional channels of commerce', nor did it facilitate the economic integration of the various regions of the country so they could feed off each other's growth.¹⁸ Nowhere was this truer than in Asturias. Although it was only 200 kilometres from the principal market, the foundries of Vizcaya, the province's coal was consistently undersold by imports from Wales, in large part because of the unreliability and high costs of rail transport. The radial pattern did facilitate the export of raw materials, especially minerals, and the import of foreign manufactures, especially to Madrid. Even so, the domestic demand for rail transport when the lines were built was very limited. As George Stephenson remarked after visiting the country in 1845 in order to investigate the potential for building a railway there, 'I have been a whole month in the country, but I have not seen during the whole of that time enough people of the right sort to fill a single train'.¹⁹

Finally, although the railway companies were controlled by foreigners, much of the capital used to build the rail system was Spanish. By 1890 the state had provided some 766 million pesetas in subsidies, which amounted to about 30 per cent of the total construction costs. Another source of financing was the issue of vast amounts of bonds, most of which were purchased on the Paris Bourse by Spaniards. The railways absorbed large amounts of capital which could have been invested in other sectors of the economy. According to Gabriel Tortella, Spaniards invested almost seven times as much in railways as they did in industry. In Britain, with a much denser railway system, industry drew more capital than did railways.²⁰

On top of everything else, the railways continually lost money and represented an ongoing drain on an already overtaxed Treasury, so that they were unable to expand or improve their service to meet new needs. The inadequacies of the system were all too apparent during the First World War, when the wartime boom had stretched the rail system to breaking point, and in some places beyond. Between 1920 and 1922 the government provided 420 million pesetas in subsidies and the Primo de Rivera regime also invested heavily in the rail network.

In spite of all this the railways did contribute to Spanish economic development in one very significant way, by lowering the price of Castilian grain in markets on the periphery of the country, especially Barcelona. Ramón Garrabou and Jesús Sanz Fernández have calculated that 'transport costs were reduced at least 25 per cent right away and by the beginning of the twentieth century [they] had been reduced by 65 per cent'.²¹ The difference in grain prices between cities in the interior and on the coast was cut substantially

and areas such as Extremadura, which had not exported grain to other regions, were incorporated into an increasingly more articulated national market.

Mining

Railways were not the only part of the Spanish economy in which there was a large foreign presence. In the nineteenth century Spain was one of the world's most important mining centers and, except for the coal mines of Asturias, most mining activities were controlled by foreign interests. Laws passed in 1859 and 1869 opened mineral deposits to all investors and as a result foreign capital, mostly British but also Belgian and French, flooded into the country. Deposits of copper in Huelva, lead in Jaén and Almería, mercury in Almadén, as well as manganese, cobalt, silver and tin were exploited by non-Spanish firms. Spanish governments, facing suffocatingly large deficits which in the late 1860s ate up over 40 per cent of revenues, tried to deal with the situation by giving the Rothschilds monopoly rights to sell the products of the famous Almadén mercury mines in 1870 and selling off such important resources as the copper mines of Río Tinto to the British Río Tinto company in 1873.

To what extent did foreign control benefit the Spanish economy? Most Spanish economic historians argue that the contribution was not significant. Manuel González Portilla, for example, states that outside of iron mining little benefit accrued to the national economy, while in his study of the Río Tinto Company, which was the most profitable company in Spain until the 1920s, Charles Harvey calculates that the company's direct contribution to the Spanish economy was less than one million pounds per year. He also concludes that it had little positive effect on the Spanish economy and through its social and political power it actively sought to ensure that this was the case.²² Leandro Prados dissents. He argues that foreign capital 'financed the economic infrastructure, brought mineral resources into exploitation and increased exports' as well as mobilizing unemployed workers.²³

In one sector, the Basque iron mining industry, the benefits were clear. The invention of the Bessemer process in 1856 brought Basque high grade iron ore into demand in other European countries, especially Britain, and in the 1870s foreigners began to take an increasing interest in the Basque iron mines. Iron mining took off following the end of the Carlist War in 1876; by 1901 some 98.6 million tons had been extracted, of which 90 per cent was exported, with 60 per cent of the exports going to Britain. (In the 1880s and 1890s between 60 and 75 per cent of all British iron imports came from the Basque Provinces.) Some of the most important mining companies were subsidiaries of foreign iron manufacturers, such as the Orconera Iron Ore Company, which was founded by two British iron makers and the Krupps, but foreign interests were not nearly so dominant as they were in the mining zones of the south.

Most of the land on which the Basque iron mines were situated had come into the hands of the local bourgeoisie through the disentanglements which took place

after 1841. By the 1870s it was controlled by 'a small clan of Basque families, such as the Ibarra and the Chávarri' who were able to engage in their development. In 1890 these two families owned almost half of the producing mines and the Ibarra's were also heavily involved in the two largest foreign companies, the Orconera and the Franco-Belge.²⁴ Basque interests also controlled some 60 per cent of the substantial profits of the region's iron mines, which jumped from 82 million pesetas in 1891/5 to 273 million in 1896/1900. They also did well out of shipping, since most of the iron exported was carried in Spanish ships.

The profits from mining were the basis for the iron and steel industry which was created in Vizcaya in the 1880s. Iron production had initially been centered in Málaga, where charcoal-fired blast furnaces had been set up. Aided by the upheaval in the north produced by the Carlist War the south retained its dominance until 1860. Then it was overtaken by Asturias, where the presence of coal mines provided a significant saving in fuel costs. Asturian predominance was brief and by 1879 it had been surpassed by Vizcaya.

The development of such an industry was further favored by the importation of inexpensive Welsh coal on the ships which had carried local iron ore to Britain. The existence of this Bilbao—Cardiff axis meant that Asturian coal was consistently undersold in the principal Spanish market. In 1882 the Altos Hornos de Bilbao was founded by a group of local businessmen led by the Ibarra's while at almost the same time the Chávarris were creating La Vizcaya. Using the latest technology from Britain and Belgium these large new companies quickly dominated the national iron industry: between 1890 and 1910 these two companies alone produced over 60 per cent of all the cast iron in Spain. In the process they forced many small Basque iron producers to shut down, so that the number of active foundries fell from 97 in 1868 to 15 in 1896. In 1902 La Vizcaya and Altos Hornos de Bilbao merged with the third large firm, La Iberia, to create Altos Hornos de Vizcaya, the largest and most profitable Spanish-owned industrial enterprise. The Altos Hornos complex covered 70 hectares, had a mile of dock space, 7 blast furnaces, 7 Siemens-Martin furnaces and 17 rolling mills. and employed 6,000 workers.

The only significant branch of Spanish mining in which foreign capital was not heavily involved was coal mining, which was centered in Asturias. But then Asturian coal was not too attractive to foreign investors: it was not competitive on foreign markets and there were few profits to be made. Large-scale mining in the region began in the 1860s, under the stimulus generated by the railways and the local iron industry, which displaced the charcoal-fired Andalusian foundries. It was only in the 1880s that large producers came to dominate the industry, but there was always a large number of small producers in operation. Atomization was one of the enduring characteristics of the industry. Of the four most important companies, Fábrica de Mieres, Duro-Felguera, Hulleras del Turón and Hullera Española, only the first was foreign owned, but the owners soon became nationalized Spaniards. Duro-Felguera was an integrated mining-metallurgical

firm started by Pedro Duro, Hulleras del Turón was started by Victor Chávarri to supply coal to Altos Hornos de Vizcaya, and Hullera Española was part of the industrial and shipping empire of the Marquis of Comillas.

The industry achieved long term growth; production increased almost ten times between 1887 and 1929, but its economic health was never secure. The Asturian mines suffered from the high cost and unreliability of rail transport to their principal markets in Vizcaya. Mine owners constantly complained about inadequate tariffs, which allowed British coal to undersell their product in Bilbao, even though the tariff on coal increased by 650 per cent between 1906 and 1922. Only during the First World War, when British coal imports were temporarily cut off, did the industry thrive. Production rose a modest 20 per cent during the war but prices rose by over 500 per cent, providing the mining companies with an unprecedented bonanza. However, they did not grasp the opportunity to modernize the industry and the end of the war brought an immediate crisis which lasted virtually unabated until the Spanish Civil War.

From Boom to Crisis, 1914–36

Neutrality during the First World War left Spain in a position to realize substantial economic benefits. The disappearance of imports such as coal and chemicals provided the opportunity for import substitution while demand for textiles and metals from the combatants gave Spanish industrial products unprecedented access to export markets. Foreign sales of cotton goods increased two and a half times during the war and the value of woollen exports increased twenty times. Imports fell in both volume and value while the value, if not the volume, of exports increased. Spanish shipping carried a smaller volume of cargo during the war than before but even so registered vast profits. Banks also did extremely well, with profits quadrupling between 1915 and 1920.

As with coal mining in Asturias, wartime profitability was totally artificial and the end of the war brought with it a widespread crisis. Inefficient producers which had sprung up to take advantage of the situation went to the wall in large numbers. In Catalonia 140 factories closed by April 1921. Nor had the benefits of the war years touched all sectors of the population. Even where nominal wages did increase they could not keep pace with the spiralling inflation. The growing impoverishment of the working classes, side by side with the ostentatious affluence of the wealthy, triggered both a newly intense labor militancy during the war and ongoing class conflict during the conversion back to a peacetime economy.

The liberal governments of the mid-nineteenth century have been strongly criticized by Spanish economic historians for so heavily favoring inappropriate investments, such as the railways, and for selling the country out to foreign capital, in effect turning Spain into a European version of the economically colonized nations of Latin America. Before the Restoration development policies were limited to the prohibition of cotton imports but after

1875 governments became more aggressive in promoting industrialization: tariffs were raised substantially beginning in 1891 and programs of naval construction introduced in 1887 and 1908 included provisions to favor domestic shipbuilders. Even so, this was much less than countries such as Germany and Italy were doing.

The new economic nationalism reached its peak before the Civil War with the Primo de Rivera dictatorship (1923–30). The regime has been characterized by Shlomo Ben-Ami as ‘a fairly measured, even incipient, essay in development [which]...rested on, and was instrumental in, formulating a fairly coherent economic ideology for the Spanish Right that was based on a “productive” and nationalist approach’, and as such was a forerunner of the autarky of the Franco regime. An enemy of economic liberalism, Primo’s governments were unprecedentedly ‘interventionist and...zealously nationalist’.²⁵ The regime favored Spanish-owned firms for defense contracts, subsidized big business and favoured monopolies. While some multinationals, especially International Telephone and Telegraph (ITT), did find lucrative opportunities others were attacked if their presence was felt to be inimical to national interests. This was what happened to the American, British and French petroleum companies which were nationalized in 1927 so that a national petroleum monopoly, *Compañía Arrendataria de Monopolio de Petróleos Sociedad Anónima (CAMPESA)*, could be set up.²⁶ The government also created a plethora of regulatory agencies which affected, in theory at least, all aspects of the economy. The regime was probably most active in public works, a policy which was popular with both business and the Socialist unions. Over 9,000 kilometers of roads were built. The rail network was expanded slightly, by 800 kilometers, but the government provided subsidies and issued bonds to finance a modernization of the system. There were impressive plans to build irrigation systems but only one, along the Ebro, was actually built, with the state contributing 52 million pesetas. The government also took some interest in promoting tourism and built the first of what would become under Franco a considerable chain of government-owned hotels in historic buildings, the *paradores*.

The regime raised Spain’s already high tariff walls even higher, making it the most protectionist country in Europe after the Soviet Union. It attempted to promote exports by providing export subsidies for Catalan textiles and in 1928 it created the *Banco Exterior de España* to stimulate exports, especially to South America, through credits and commercial facilities. These policies did have some success in reducing the chronic trade deficit as exports rose by a third between 1923 and 1929. However, primary products, and especially foodstuffs, continued to dominate exports—more so in 1929 than in 1914—and there was little reduction in imports, which fell by only 4 per cent over the same period.

Primo’s economic policies were favored by the general economic buoyancy of the 1920s, but they ran into trouble with the onset of the Depression. The regime quickly came to be recalled as a kind of golden age of prosperity but there has been some disagreement among historians over its real economic achievements.