

The politics of the coffee economy: the conflicts between the republican oligarchies in Taubaté's Convention Project

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Abstract: This paper intends to deal with the approval process of the Taubaté Convention, in 1906, during the Rodrigues Alves government, which sought to solve the crisis generated by the fall in international coffee prices, the country's main export product since at least 1895. Towards the history of the politics, from Rosanvallon (2010), we consider the idea of "history making itself" that deals with how social and political actors understand a situation and how the political scope is permeated in modernity by tensions and conflicts, from which emanate social reflections and transformations, starting from political activity. In this way, we consider that the intervention of the State in the coffee economy, symbolized by the Convention, was not only an economic inevitability, but a political choice, after intense conflicts within the most important oligarchies of the First Republic, especially that of Sao Paulo, the main interested in the coffee valorization, and which conflicted with the President of the Republic, hesitant about the project.

Keywords: Taubaté Convention, New; First Republic; Political History.

Introduction

In this article, we intend to explore the political disputes involved around the Taubaté Convention of 1906, a milestone in the policy of intervention in the coffee economy, in the face of the crisis in international coffee prices, which had lasted more than a decade. Our focus is the Rodrigues Alves government, in which discussions about the need and type of measures to be taken to address the problem were intensified, and in which the three main producing states, São Paulo, Minas Gerais and Rio de Janeiro, through their governors, the articulations began on the said Convention.

We emphasize, beforehand, that this, according to the authors who will be explored below, especially Holloway and Perissinotto, would never have been executed in its original

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format. However, as our analysis deals more properly with politics than the economy, and more of the process of discussion, at the time, around the Convention, than its effective implementation, we will take into account the symbolic character, in the political sense, that the Convention and its approval had, setting a precedent for future interventions, until the so-called "permanent defense of coffee", of 1924.

Our approach, towards a political history essay, will be based primarily on Rosanvallon. After a movement to renew political history with Rémond in France, and also with Skinner and Pocock in England, Rosanvallon brings somewhat more recent contributions, and starting from another prism, which can be of great value for analyzing the processes Political.

The author differentiates his proposal from the so-called "history of classical ideas", paying attention to the fact that the philosophical history of the politician cannot be limited to the treatment of "great texts". It also stresses the proximity to the history of mentalities and the "complex object that is political culture", noting that the history of events and institutions should be understood as something in permanent construction, so that there would be no object "unrelated" to this type of history, in which it would be possible to gather materials employed by historians of ideas, mentalities, institutions and events (2010, pp. 44-45).

Rosanvallon still highlights the originality of his proposal, Whose Approach Beat the same time, interactive and understanding. Interactive, as it analyzes how a political culture, its institutions and events interact to constitute more or less lasting political forms. Understanding, since it seeks to understand an issue placing it in the context of its emergence, seeking to understand "history in its doing", while preserving its potentialities, that is, before it constitutes a given fact. The author notes that this comprehensive bias of the story goes in the direction proposed by Weber, who seeks to "reconstruct the way in which the actors understand their own situation", emphasizing the possibilities and impossibilities of action that structure their perspectives (2010, p. 48).

In addition to this introduction, the article will have two more sections. The following will discuss the Rodrigues Alves government and the last debates in Congress around the Taubaté Convention. As a source, we will use the collection of parliamentary discourses, entitled *Economic Policy: valorization of coffee (1895-1906)*, which brings together pronouncements and discussions of politicians of the treated period, allowing us to trace an evolution of the debates around the issue of the coffee crisis and state intervention, evaluating the discourses of those who stood against or favor, as well as the justifications given for both positions.

At first, we will make a general exposition of part of the bibliography on the coffee price crisis to later contextualize the Rodrigues Alves government and the political dispute surrounding the Taubaté Convention. We understand that, despite the political focus, it is necessary, albeit briefly, to compare some references on economics, although it is not possible to exhaust the theme within the space and the pretensions of the present work.

Delfim Netto considers that government intervention in the coffee economy only begins in 1906, thus pointing out that in the period since 1857, the initial milestone of its analysis, the government did not interfere in the coffee market. His work has as its starting point the global treatment of the coffee problem, seeking to interpret a historical reality and give a methodological contribution, making the analysis of the facts to then arrive at a theoretical model that allows the explanation of phenomena Treated. Thus, even with mathematical and statistical data for the interpretation of this economic problem, the author seeks to be based on historical knowledge (DELFIN NETTO, 1959, pp. 3-9).

The author argues that one of his main objectives is to observe the "cyclical behavior", which refers to an oscillation of coffee prices, whose period is not constant and with also variable amplitude. For this, it is also necessary to evaluate whether the analyzed series does not contain a "secular trend", because, if it does, such a movement could be combined or hidden by it.

Thus, during the first period analyzed by the author, the conclusion is that coffee prices are characterized by the fact that they fluctuated without presenting any tendency followed the global trend of price fluctuations. Moreover, according to the author, a preliminary analysis of coffee price movements shows that market behavior has changed since 1900 and that the previous three cycles since 1857 are explained by the supply and demand of the product.

With the proclamation of the Republic, there was a sharp drop in the exchange rate, which had not happened since 1868, due to the Paraguayan War. According to the author, there are several causes for this phenomenon, with emphasis on two: the disorganization of the banking system with the advent of the new regime, followed by budget deficits and inflation, generating the so-called encilhamento crisis; the abandonment, with the abolition of slave labor, of subsistence crops, since coffee began to demand greater resources. As a whole, the import of food increased.

Even high coffee prices were unable to maintain the exchange rate, as demand pressure grew sharply. This period, from 1886 to 1906, for the author, gives rise to the

problems that would be faced by the coffee economy in the following half century (DELFIN NETTO, 1959, pp. 25-27).

Flávio Saes (1981, pp. 243-246) seeks to make an analysis that deviates from the version rooted in Brazilian historiography, in authors such as Celso Furtado (1968) and Edgard Carone (1970), that coffee farmers imposed their economic interests on the policies of the federal government during the First Republic. Thus, avoiding the assumption of "coffee with milk", the author leaves for an interpretation that evidences the divisions between coffee makers, as well as the fact that the economic policy of the central government did not directly meet the pressures and proposals of the sector. Therefore, it considers that the period between 1896 and 1906 made the perception of the coffee crisis more acute, giving rise to several sets of proposals to remedy it and conflicts around the theme. For him, the Taubaté Convention and the Conversion Box came to "combine different interests, compatible with a complex set of economic policy measures".

According to the author, the decentralization of the Republic has reached extremes in relation to banking reform. At the same time, coffee plantations expanded between 1891 and 1897 and pressure groups on the federal government grew and became more complex. However, the government's economic policy did not respond exclusively and necessarily to the proposals of the coffee sector. Similarly, in the monetary and exchange rate issue, the government's "official solution" varied and the government adhered, at any given moment, to a type of proposal.

Regarding the exchange rate, the author points out that the varied interpretations of the time about the decline suggest its different meaning for each group affected by the phenomenon. Public servants, trade and wage earners in general complained of "scarcity", while coffee makers pressed for the currency to remain devalued. As far as credit is concerned, Saes notes that the employed labor required more resources from coffee makers and that the banks created in the early 1890s were not enough to meet the demands. This forced farmers to sell their products quickly at low prices (SAES, 1981, p. 251).

Perissinotto (1997, pp. 14-15), in his work on the State and coffee capital, points out that "the State was not a mere instrument in the hands of interests linked to the exporting sector" and that the ruling class in the Old Republic did not constitute itself as a homogeneous whole and monolithic, but fractional in relation to the economy and politics.

For the author, the "traditional" historiography about the period can be divided into three main lines, with regard to the relations between state and coffee elite. The "instrumentalists", who saw the State as a mere instrument of the economically dominant

group, with Joseph Love as the main exponent; the "societalists", who attributed autonomy to the State, but explain it from exclusively social factors. As an example of this line, the author cites Boris Fausto; and the "statists", who saw a certain autonomy of the State and bureaucracy, without belittling the fact that the State acts in a "social context", receiving pressures of various kinds. Steven Topik's work would represent such a vision (PERISSINOTTO, 1997, p. 24).

The author stands next to a "revisionist" current in relation to the period, whose fundamental axis "[...] it is the recognition that the Old Republic, contrary to what traditional studies claim, did not constitute a period dominated by a liberal state, weak and absent from broader social processes" (PERISSINOTTO, 1997, p. 399).

Topik also notes that works dealing with the "defense of coffee", such as that of Delfim Netto and Holloway, make important contributions, but emphasize more economic theory, in an attempt to test its suitability for reality, than examine a historical process. His analyses focus heavily on the idea of economic necessity and ideological preference and leave aside the dispute between conflicting interests within the state and the oligarchies. For the author, these works deal inappropriately with the dynamics of state intervention, placing it in a very linear and passive way (TOPIK, 1987, p. 14).

Faced with this approach, the author's criticism seems to be directed to a retrospective analysis of economic history. The focus of the authors mentioned seems to be to reconstitute the facts that led to a given data: the intervention of the State in the coffee economy, but in a linear and little conflicting way, giving the impression of necessity and inexorability of the economic policy adopted. Topik, however, puts his analysis in terms of political disputes, an interaction of models and proposals that, circumstantially, made the State adopt a certain line in the conduct of economic policy, at the same time as the pressures of the groups initially damaged generated further adjustments by the government.

Topik considers financial policy as the foundation of the Republic's economic project. The way in which it reacted to crises and financial problems conditioned the actions of the State, especially with regard to the circulation of products and capital, since the author points out that the government believed that it should not interfere in production.

Viscardi (2001, pp. 13-15) puts out that the logic of federalism in the First Republic was marked by uncertainty regarding the presidential succession. With each succession process, hegemony had to be recomposed, through "political machinations made in closed circuit", seeking to attract allies and fend off competitors, so that "[...] instability was a condition for the relative balance of the oligarchie game." Linked to this were the interests of coffee-

producing states in maintaining control of the federal government, which, for this, required alliances with non-coffee states, such as Rio Grande do Sul. According to the author, who takes into account the differences between the elites of Minas Gerais and São Paulo throughout her work, the "theater of the oligarchies" was not "a game of marked cards", but politics is considered as an arena of "options, strategies, preferences of the actors", trying to elucidate what was "open" in that set of relationships.

The author's central thesis is the challenge of the idea of *the milk coffee policy* and the Minas Paulo alliance, starting from two fundamental assumptions. One of them is that Minas Gerais suffered from internal disputes between the elites, which affected in its national projection, so that its political weight was due to its economic power and the fact that it had the largest electoral contingent in the country. The other refers to the symbiotic relationship between the republican state and coffee growing, in the sense that the dependence on coffee exports and their international prices made the sector "[...] foreign exchange, fiscal and monetary policies established nationally." Thus, the political sphere was fundamental to coffee interests. However, the need for alliances at the national level, with non-coffee-growing states, limited the action of the oligarchies in the exclusive defense of their demands, ensuring relative autonomy to the State in relation to the coffee universe (VISCARDI, 2001, p. 22).

Topik also considered the so-called coffee and milk alliance fictitious and without empirical basis, but only suggested the hypothesis that, because it was not part of its object of study, it was not deepened. For the author, the coordinated and harmonic relationship between São Paulo and Minas Gerais was nothing more than an idealization of a chaotic and conflicting process (TOPIK, 1987, p. 28).

The author also lists a group of authors, whose research began from the 1980s, such as Topik and Perissinotto, who focus on the relative autonomy of the State in the face of hegemonic interests, but while taking into account the importance of such sectors in the definition and redefinition of political directions. These works state that hegemony in the period was constructed in a conflicting and non-monolithic way, with the need to make room for other interests of different groups, while the State was an actor in the political arena, with interests not always similar to the economic claims of the main oligarchies. Furthermore, this approach states that the State has responded mainly to the pressures of the oligarchies, despite maintaining a certain autonomy, and that other oligarchies, other than the Paulista and coffee, previously regarded as "minority and unimportant" were the articulation of political directions (VISCARDI, 2001, pp. 47-49).

In view of the above, it is possible to notice the existence of conflicts between the oligarchies, involving both the dispute between the states and those within the main leaders of these. Moreover, the federal government was relatively independent of the pressures of the oligarchies, even those of the president's electoral base, as was the case with the first three civil presidents – and Paulistas – of the Republic. Thus, one can speak in an agenda proper to the Presidency that, in this case, as we will see below, had more similarities with the previous government (Campos Sales) than with the demands of coffee makers in São Paulo.

The Rodrigues Alves government: between the continuity of Campos Sales and the pressure of São Paulo's crop

According to Faoro (2001, pp. 18-24), in the preface to Afonso Arinos de Melo Franco's work entitled *Rodrigues Alves: apogee and decline of presidentialism*, at the end of the Prudente de Morais government, the presidency was not yet institutionalized, depending much, still, on the personal power and articulations of the president. Moreover, it was a closed institution, dependent on the choice of "bosses" and the "goodwill of the stay".

Similarly, the government of Campos Sales, at its end, had a severe opposition, led by Elo senator gaúcho Pinheiro Machado, in conjunction with the oligarchies of the northern and northeastern states. The strength of Rio Grande do Sul, largely bequeathed by Júlio de Castilhos and Borges de Medeiros, was "the most efficient destabilizing force of the system".

As Minister of Finance in the Prudente de Morais government (a position he also held in the Floriano government), Rodrigues Alves had to deal with complex problems related to the banking, monetary and public debt system. Of these, the most complicated was in relation to the demands of the issuing banks, which put great pressure on the government, with great exaggeration. The banks, however, considered the minister's severity to be excessive. Franco points out that, at the time, the Republic could not get rid of the vicious financial circle bequeathed by the Empire, with budget deficits, debts to be honored and new contracted.

In 1900, Rodrigues Alves took over the government of São Paulo. At that time, the crisis over the fall in international coffee prices was already triggered and particularly concerned the state, with the huge expansion of coffee and the consequent overproduction, which also affected other producing countries such as Sumatra, Java, Central America and Mexico, complainants of Brazil's coffee production policy. At the same time, Alves was concerned about the drop in foreign exchange, which harmed imports and the problems of

internal collection of the state. Similarly, he understood the coffee problem not only related to international prices, but also dependent on factors related to production, whose costs should be mitigated in order to expand its consumption.

Franco points out that, since 1900, "[...] with the prejudicial precociousness that can never be avoided, the problem of succession" has arisen ". President Campos Sales, faced with pressure for the new official candidate to be a "historic republican", preferred an administrator to continue his work. In addition, the alliance with Minas Gerais was articulated, which the vice-president was supposed to do, inaugurating the alliance between the two states, at the level of the presidency of the Republic (FRANCO, 2001, pp. 259-263).

With the election more than predictable in 1902, the challenge was the formation of the Mwith the aggravating climate of political dissatisfaction of the end of the Campos Sales government. Of course, the most anticipated and most difficult decision was about the treasury portfolio, which was taken over by Leopoldo Bulhões, then senator for Goiás. Rodrigues Alves' decision followed Campos Sales' recommendations and aimed at a financial policy "[...] founded on principles and disconnected from the immediate interests of São Paulo." Just as well as Joaquim Murinho, Finance Minister in the Campos Sales government, Bulhões was not from São Paulo and, it was believed, had a vision less limited to the problems of coffee. The expected was that, like his predecessor and as Rodrigues Alves himself when he occupied the portfolio, the new minister would be a supporter of the "classical orientation", with balanced budget, stable currency and exchange rate at "natural rate".

Despite the historical harmony between the president and his finance minister, the political conditions and the economic and financial situation were different. The Campos Sales government had improved its finances and, perhaps even as a result, suffered from great opposition from coffee growers. It would then be up to Bulhões to guarantee the fiscal, credit and budgetary bases intended by Rodrigues Alves, without falling exchange rates and without inflation.

In the government Rodrigues Alves increased, however, the pressures for the valorization of coffee, with the protagonism of Jorge Tibiriçá, then president of São Paulo, which would culminate with the Taubaté Convention and the Conversion Box, which advocated low paper and exchange rate emissions. These proposals clashed with the program intended by the president, which earned him strong opposition in his home state, "expertly exploited by personal opponents, such as Pinheiro Machado" (FRANCO, 2001, p. 23).

Rodrigues Alves, according to Viscardi (2001, pp. 80-86), had the stigma that, during the Empire, he was part of the Conservative Party, was not a historical Republican and was opposed to the abolition of slavery. However, it was positioned as a conciliatory element, in the context of São Paulo dissent, between glycerists and prudentists. In addition, he was considered a scholar of financial issues, having been Finance Minister in two previous Republican governments. Although linked to the ideas of economic and financial orthodoxy, it indirectly addressed coffee interests.

The gaucho Pinheiro Machado stood out in the articulation of the presidential successions of Campos Sales and Rodrigues Alves. The then senator had fought in the Paraguayan War and was a historic Republican. Despite trying to placate Julius de Castilhos as Sales' successor, after the defeat, he joined the government and became his greatest political articulator. As vice president of the Senate, he controlled access to the power of small states and the affairs of the Upper House, which, by greater parity in representation between the states, was easier to control than the House of Representatives. With this, he obtained the subjection of the governors, who would lose the support of their benches, if they opposed the interests of Pinheiro. The senator also articulated against the states of Bahia and Pernambuco, which also disputed the position of "second rank" in the national political arena, fomenting oligarchic disputes. In relation to São Paulo, although placed as a political ally, the gaucho was never an "unconditional client", and, at the end of the Rodrigues Alves government, his independence had airs of opposition.

Love (1997, pp. 99-114) considers that in the Old Republic, Rio Grande do Sul, politically and economically, was an "anomaly", since it was not based on export and was not a dominant state, such as São Paulo and Minas Gerais, but also not a mere "satellite". These peculiarities provided gauchos with an important participation in the political decisions of the period. The historical republicans of Rio Grande do Sul, especially Júlio de Castilhos, joined in a fervent way the Positivism comteano, especially in relation to the idea of republican dictatorship and the progressive aspects of the doctrine, constituting a vision "paternalistic and highly rationalist of nineteenth-century liberalism", unlike the other republicans, who used positivism as a kind of "ideological showcase".

Moreover, in Rio Grande do Sul, the importance of the social and family position, politically, was dimmed, giving rise to a greater centralization in the state government and less powers to the colonels, who, because they are more connected to the party and political power and more submissive to the decisions of their superiors, they originated in the state the figure of the "colonel bureaucrat". Furthermore, the state had solid relations with a

significant segment of the Army, and Castilhos, at the beginning of the Republic, considered by many members of the Armed Forces as "legitimate heir" of Floriano. Part of this close relationship was justified by the uncompromising defense of military funds by gauchos in Congress, but also by the fact that the Army saw in the Rio Grande do Sul Republicans the only possible allies to stand up to the miners and São Paulo.

In the face of this scenario, of pressures for intervention in the coffee economy and facing an opposition inside and outside São Paulo, in the Chamber of Deputies session, on May 3, 1906, President Rodrigues Alves's message was exposed to Congress.

Initially, the president dealt with the sanitation works carried out in the federal capital and also the construction "[...] a plentiful of comfortable, low-priced homes that are intended for the housing of workers and the less affluent population." Next, Alves talks about the construction of railways, tariff regularization and improvement of ports, in order to improve the development of productive forces (POLÍTICA..., 1915, p. 203-204).

Entering the coffee question, the president alludes to the Convention made by the presidents of the and São Paulo, Minas Gerais and Rio de Janeiro, as a timely initiative, but considers that it is a "mistake" to seek medicine for crises in its acute phase and that it is necessary to act before, during and after crises, "seeking to solve the difficulties in a way "the lessons of experience and the good notions of economic science". Furthermore, it puts out that the coffee crisis, "according to very authorized opinions", would be in decline (POLÍTICA..., 1915, p. 204).

However, the president refers to the expectation of abundant harvest that year, pointing out that the government has taken steps, together with the producing states, to promote the advertising of the product, including with the endorsement of credit operations for this purpose. It also points out that the resolution of the issue was no longer dependent on laws, but on the action of the producing states. Furthermore, he observed that the phenomenon of low prices due to overproduction was not only a phenomenon in Brazil, but that no legislative measure was able to contain the problem in a lasting way, and it would be up to the public authorities only to ensure the regularity of economic activities.

The president said that the organization of real credit and agricultural credit would facilitate the obtaining of resources by farmers, exempting intermediaries, and providing more effective resistance in periods of low prices, even if prolonged. Moreover, if *warrants* were to be installed effectively, it would be easier to resist pressure from speculators permanently. Similarly, these measures also benefited other producers, such as cotton and sugar.

Still, the president says he cares about coffee problems, which belongs to the crop, but that he must serve it with "discretion". About the currency, he says that it is a mistake to think that farming cannot thrive without low exchange rates and that the forced-course paper money regime "is what animates deviations from sound doctrine."

Finally, Alves reiterates that the main commitment and objective of the government is the financial reconstitution of the country, and the maintenance of the stability of the currency is its most delicate aspect and that "[...] it would be a mistake to retreat, as it will be the work of patriotism to remove from your deliberations the idea of breaking the monetary standard and that of fixing the exchange rate" (POLÍTICA..., 1915, p. 205-208).

The tone of Rodrigues Alves' message is optimistic and seeks to mitigate the seriousness of the coffee crisis, even given the fact that the Taubaté Convention is already in articulation and the increase in intervention proposals in the coffee economy, including calling for a more proactive stance president. In this way, it is noted that the president tried, until the last moment, not to get involved in the issue of "defense and valorization" of coffee, believing that the sanitation measures followed by him, as well as Conventions between the producing states themselves could solve the problem without the direct action of the federal government.

The Taubaté Convention and the state's intervention in the coffee economy

Viscardi (2001, p. 121) considers that the historiographical debate about how elites acted in relation to the formulation and feasibility of the Taubaté Convention is still open. The importance of the Convention between the coffee states and the active participation of the federal government is the sense that, although relative, the success of the Convention "served as a reason for new valuing interventions to occur as a solution to future crises". Holloway (1978, p. 100), for his part, considers that until 1906 the debate took place around the opportunity or not of the intervention and that after the Convention the discussion went to the ways of making it feasible.

Also, for the author, around the Convention, diversified interests came to the fore, making the state bureaucracy an important participation in the definition of the policy to be adopted, under pressure from the oligarchies, but acting with relative autonomy. Viscardi also seeks to review the level of participation of each pactuante state, especially that of Minas Gerais, considered with little interest in valuing due to the precariousness of its coffee economy (VISCARDI, 2001, p. 122).

Similarly, São Paulo is considered by authors such as Holloway and Fausto, as having started the valuer program and then having been left alone when negotiating with the federal government and that the other two states were only invited to strengthen politically the project. Still, for Love, the coffee crisis was more harmful to São Paulo than to the other producing states, much due to the work system adopted in each one, that is, the settlement system, by São Paulo, and partnership, by miners and Fluminenses (HOLLOWAY, 1978, p. 61; FAUSTO, 1997, p. 220; LOVE, 1982, p. 264).

Viscardi (2001, pp. 124-133), however, disputes the view of these authors and argues that the participation of the signatory states was directly related to the level of involvement of each one with the production and commercialization of coffee, in the sense of its importance for the economy, especially with regard to levels of dependence on tax revenues from coffee.

For its part, the federal government received pressure from coffee growers to carry out the Convention, as well as from other non-coffee-producing sectors that opposed or had some resistance to the Convention, in addition to having to safeguard their own interests, nor always coincide with the immediate aspirations of the states. Yet, even internally, coffee interests were heterogeneous and were given by the different positions that economic agents had in the coffee market.

Viscardi argues that since the 1891 Constitution, the main source of revenue for the states has become the export tax, while the Union had import taxes as its main income. Thus, as the revenues of the federation units varied according to the volume of exports and the external price of coffee, there was instability of revenues, in addition to dependence on the current exchange rate policy. In turn, the Union received its taxes in foreign currency, so it benefited from the national currency valued. Thus, any variation in the exchange rate opposed the Union and states, which makes the Taubaté Convention a unique moment for the analysis of antagonistic interests between the federal government and the states.

However, although the exchange rate assessed favoured the Union, the same was not the case with regard to low coffee prices. The product in crisis reduced the country's import capacity, which undermined the budget. Thus, the depreciated prices did not interest either coffee growers, the states or the federal government. In view of this, however, the debate between the causes of the crisis originated in speculation or overproduction was reactivated. However, both reasons pointed out were inaccurate to explain the phenomenon of the crisis (VISCARDI, 2001, p. 141).

Holloway argues that the so-called monopoly of foreign companies on prices was expendable, since domestic production alone was large enough to cause overproduction. Topik points out that the crisis was also associated with the worldwide depression of 1893, although overproduction was an aggravating factor. In any case, all the solutions put forward by the various actors presupposed the union's greater participation in the coffee market (HOLLOWAY, 1978, p. 52; TOPIK, 1987, p. 76).

The projects presented by Alfredo Ellis and Cândido Rodrigues in June 1903 - which aimed at stipulating a minimum price for coffee for an indefinite period; advertising of coffee in consumer markets; agricultural credit; the study of consumer and producer markets; taxation of new plantations; credit operations made inside and outside the country by the government and the obligation of producing states to found credit institutions; the creation, if the government deems it appropriate, of a coffee bag (POLÍTICA..., 1915, pp. 132-133) - were vetoed by the budget committee. In then, the Sicilian plan was presented, which provided for the control of the coffee market through a private union, responsible for the purchase and sale of stocks, combined with a price control policy. The government, it would be up to the government to raise funds, through taxation international consumption and contain domestic production. The project gained the support of Ellis and the governor of Minas Gerais, Francisco Sales, while trying to garner the support of Jorge Tibiriçá, governor of São Paulo.

In 1904, there was a slight improvement in external prices and, despite isolated efforts by some politicians, the theme of appreciation through the intervention of the federal government was not yet unanimous. It was argued, on the contrary, that the increase in international prices would encourage competition from other producing countries and that artificial price increases would decrease demand (VISCARDI, 2001, pp. 150-151).

Perissinotto (1997, p. 314) argues that, from the beginning of the crisis to the Taubaté Convention, the proposals were divided into two sets: the Union's monopoly on the coffee market and more autonomous initiatives, based on Conventions between the producers themselves, with indirect intervention by the government. The second group would have given rise to the Sicilian plan.

On who would exercise the implementation of the Taubaté Convention, Viscardi mentions that a commission would be formed, with a representative of each pactuante state, in addition to a fourth member, also chosen by the signatories, responsible for presiding and untangling when necessary. Still, the execution of the Convention could be the assignment of some national association or company, but the preference was for official control. A "coffee

bag" would also be created that should evaluate the types produced in order to cope with foreign control over the classification of the product. Added to this would be the decrease in planting volume and the improvement in the quality of the coffee planted.

In addition, the Convention provided for a financing loan of 15 million pounds, negotiated by São Paulo, which would represent the signatory states. The loan would be borne by an additional tax of three francs on each bag exported, under the responsibility of the Union. Similarly, the entry of a large volume of foreign capital could greatly raise the exchange rate, causing the absorption of the desired profits through monetary conversion. To avoid this, the Conversion Box mechanism was designed to ensure exchange rate stability. Thus, one can have the dimension of the importance of the Union for the feasibility of the project, since, according to the current Constitution, the Conversion Box should be the competence of the Federal Executive (VISCARDI, 2001, pp. 154-155).

The state's intervention on the exchange rate contradicted President Rodrigues Alves, who claimed not to have even been consulted on the inclusion of the Conversion Box in the Convention made in Taubaté. In addition, the accession of former President Campos Sales to Caixa represented an isolation of the then president in relation to the São Paulo elite at the end of his Mandate. In any case, the situation pointed to the fact that the approval of the Convention would not be simple. In addition to Alves' opposition, the Rothschild, Brazil's largest creditor, feared the country's non-compliance with its financial commitments.

Rodrigues Alves, given the situation, requested that the draft Convention be forwarded to a separate vote of the Conversion Box, considered by him an idea of Nilo Peçanha in order to destabilize the government. However, Viscardi states that the position of Minas and Rio did not take place in order to weaken the government, but that the two states were opposed to the division of the project as proposed by Alves. However, as the project was concomitant with the presidential succession and the two states were committed to the Coalition around Afonso Pena, they were no longer committed to politically sustaining the government. In any case, the risk of Rodrigues Alves' veto caused the proposals to be forwarded separately, causing the Conversion Box to wait for Pena's possession (VISCARDI, 2001, pp. 157-160; HOLLOWAY, 1978, pp. 63-64).

Love (1982, pp. 263-269) argues that the issues most addressed by Paulistas in Congress were those related to coffee, so that the valuation program and the Conversion Box "were imposed as government policy thanks to the pressure exerted by the delegation" and "show the ability of Congress to overcome the resistance of the executive branch". The author argues that, although coffee was not the only political motivation of São Paulo, the theme

was undoubtedly the most important demand of state representatives with the federal government.

The action of the Paulistas, in Congress and beyond, aimed to place the coffee problem as a national interest and not only regional, in order to justify that the valorization of the product would be beneficial to the nation's coffers. However, citing the French geographer Pierre Denis, the author puts that the defense of protectionism, although based on the idea of benefit for the whole nation, actually favors only one class. Also on the action of São Paulo in the legislature, the author points out that Ellis and the other representatives of the state, in addition to putting coffee as a source of national wealth, also sought to present the coffee grower as a victim of foreign cartels, which controlled the external prices of the product, as well as railway monopolies and even the "greedy" settlers.

Those who opposed a valuation of coffee argued that the external loan that should be made to make it feasible was of greater value (15 million pounds) than the *funding loan* (10 million pounds). For its part, the House Finance Committee, to approve the project, he argued that the Russian example should be imitated, which, in order to defend its wheat against German speculators, adopted "neutralizing" monopoly measures. However, according to Love, the most incisive argument against valorization was that of João Pandiá Calógeras. For him, artificial prices generated a growing expansion of supply, which would reach an uncontrollable point. For the author, the predictions of Calógeras would be fulfilled two decades later.

Caixa's opponents claimed that it would serve only group interests and that the paper money put into circulation with unit value far below the thousand-réis gold would depreciate further in view of the appreciable issuance of money covered by reserves of Gold.

For Perissinotto (1997, pp. 314-320), the São Paulo Society of Agriculture and coffee capital generally endorsed the Sicilian Plan precisely because, unlike other proposals for intervention in the coffee market, the project did not put the question of monopoly by the State, but cooperation between producers, guaranteeing them freedom of trade.

The author argues that at the time of the first valorization, in 1906, the low presence of the State was largely justified by the lack of "institutional resources for the implementation of the plan". It points out that, at the end of the 19th century, the State did not even have a coffee statistics service and that such deflating generated an "institutional inability" of the State to more effectively control the valuation.

According to Holloway (1978, p. 14), faced with the prospect of large surpluses from the 1906 harvest, the political leaders of São Paulo turned to the federal government and the

other producing states for joint action. With the hesitation of the central government, São Paulo acted together with its foreign allies. The beginning of the valuation program was complex, involving Conventions, loans and commercial transactions, as well as bureaucrats, merchants and bankers, configuring an interaction between the various regional groups and relying on the influence of power foreign economy.

The author notes, however, that the Taubaté Convention, signed on February 26, 1906, had a "symbolic meaning", of pressure on the federal government, but never had the force of law. However, the measures of the Convention allow "[...] understand the aspirations and concerns of men who planned valorization" (HOLLOWAY, 1978, p. 61).

In addition, the federal government's refusal to accept the Convention and the low participation of Minas and Rio de Janeiro caused São Paulo to articulate alliances and loans with former "foreign adversaries". The other large producing states were hesitant, according to the author, because they did not have the same volume of production or financial resources as São Paulo and, if the valuation was successful, they would benefit, otherwise they could not do much about it (HOLLOWAY, 1978, pp. 70-74).

Viscardi (2001, pp. 161-174) stresses that, before being approved, however, in June 1906, Pena demanded modifications to the Convention, in relation to the federal government's approval for foreign lending, transferring the burden of the financial guarantee of the operation to the states signatories, in order not to risk public finances. Thus, it can be noted that even though he was elected with a protectionist program, Pena did not commit so directly to the corporate interests of coffee growers, configuring a position he called "moderate protectionism", in a kind of "middle ground" between the orthodoxy of the presidents of São Paulo and the role of the beginning of the Republic. In general, the changes made through the addition represented the federal government's intention to distance itself from the implementation and risks of the Convention.

Pinheiro Machado played an important role in the articulation of the Convention, serving as an intermediary between São Paulo and Pena. Thus, while strengthening his political importance, the Senator from Rio Grande do Sul used the Convention as a bargaining chip within Congress. The discussion on the project began on July 19, 1906 and its approval, with a wide margin, took place in August.

At the end of the process, the Taubaté Convention was far from its initial proposals and closer to the Sicilian Plan, which advocated less involvement by the National State. In spite of this, the success of the plan is affirmed, mainly because the approval of the project

meant the recognition of coffee as a national problem, which would serve as a basis for future intervention proposals in favor of the coffee market.

In possession of these considerations, we will move to the analysis of the clashes around the Taubaté Convention in Congress, seeking to demonstrate how the process that culminated in the approval of the Convention and the positions of parliamentarians favorable and opposed to them took place.

On July 17, 1906, the Finance Committee of the House of Representatives approved the Taubaté Convention "with the modifications contained in the Convention signed on July 4." It is stated in the opinion that the project is "[...] of exceptional value to the economic life of the nation for the relevance and complexity of the issues it stirs and the high responsibility of its promoters [the presidents of the three states]." The initiative represented a "new phase" of public authorities' action and a "reinvigoration" of national sources of wealth.

Furthermore, the Convention would symbolize overcoming divergences and the lack of Convention on the means of combating the coffee problem, so that the measures would not be "adventurous attempts", nor of immediate or regional interest. The opinion acknowledges that the crisis originated in overproduction, however, the degree of discrepancy between coffee production, consumption and prices suffered from "unreasonable and unexplained variations", so that the Convention would not have "artificial means". They also recognize that production and consumption could be leveled without intervention, through the "merciless action of natural laws", but that this would harm all the work committed in the crop until then, favoring mainly the large producers and "[...] the progressive transmission of our territorial properties to foreign hands."

The approval opinion of the Convention puts that in the world coffee market, Brazil represented an exception, for having "[...] a quasi-monopoly established by the natural conditions that favour it." Thus, the measure would cause Brazil to compete with the "modern industry", which has the means to control competition and influence markets, which constituted "[...] in the saying of an economist, one of the most considerable economic phenomena of the contemporary era." Specifically, this would be done through the organization and alliance between producers to set a minimum price, "[...] in order to make a single will prevail in the price market and govern it sovereignly." Thus, the national economy would have "naturally" centralized coffee production, and the Convention would aim precisely to "coordinate its forces with a determined end", in order to unite "the isolated forces" of producers (POLÍTICA..., 1915, p. 208-214).

Finally, the opinion refers to the "[...] n. 16 of art. 48 of the Constitution [which] confers upon the President of the Republic the task of approving the adjustments and conventions that states conclude in accordance with Art. 65, subjecting them, when he complied, to the authority of Congress." Thus, having been submitted to the Taubaté Convention, the Finance Committee presented to the Chamber's resolution the following draft:

The National Congress resolves:

Art. 1º The Convention made on February 26 of this year by the presidents of the states of São Paulo, Rio de Janeiro and Minas Gerais is approved, with the modifications contained in the Convention signed by the same presidents on July 4 of the same year.

This approval excludes the clause referring to the gold and conversion issuing box, the creation of which is dependent on the resolution of the National Congress.

Art. 2º The provisions to the contrary are repealed (POLICY..., 1915, p. 214-215).

The opinion of the Finance Committee reveals that one of the justifications of the Convention was its "novelty", the fact that it is an unprecedented attempt in the history of Brazil's economic policy, which was very well in line with the ideal of republican modernity and with the perspective positivist of progress. Likewise, it tries to highlight the conciliatory character of the project and to remove merely regional or sectoral interests.

In addition, it is noteworthy that they recognize the origin of the crisis in overproduction and the possibility of resolution without state action, however they call for the "coordination" and "union" of the forces of the whole country around an issue posed as so important. The idea of a supremacy of Brazil's autonomy in the world market is also placed. Also, reiterating the conciliation character, the opinion highlights the need for the approval of the President of the Republic and congress for the effective and legitimate implementation of the Convention.

In the second discussion in the House, on the Taubaté Convention, Congressman Cornélio da Fonseca, from Pernambuco, member of the Finance and Expired Vote Committee, justified his position against the project. The deputy, producer of sugarcane, said that the situation of this was more "miserable" than that of coffee, but that even disagreeing with the proposal for valorization, he hoped for the positive results of the Convention.

Fonseca claimed that the project was the responsibility of the President of the Republic, according to art. 48 of the Constitution and that the House should not intervene in the matter. In addition, he observed that the autonomy of the states afforded to make loans for themselves in order to improve a certain branch of the economy and that a Convention was not necessary to reach the goal of valuing coffee (POLÍTICA..., 1915, p. 271-272).

In response, David Campista, also a member of the Commission, stressed the union's supervisory role in maintaining the "[...] solidity of federative ties and harmony of constitutional life", thus, the legislative power should judge, exactly, whether the Convention made by the states would not be harmful to the rights and interests of the Union and other states (POLÍTICA..., 1915, p. 276).

The discussion around this theme reveals how two political and institutional constitutive aspects of the Republic clashed with an economic problem. While the proponents of the Convention took a "presidential" stance, in which they held the central government accountable and expected the approval for the resolution of the crisis, the opposites were placed in a "federalist" manner, based on the assumption that the states interested in valuing coffee had instruments to effect it and that they should act on their own, since they had the much claimed autonomy.

In the session of July 20, still for the second discussion, Bahian Congressman Miguel Calmon, exposed his contradiction to the Convention, having used throughout the speech, to corroborate his thesis, several references to statistical data about the relationship between production, coffee consumption and exchange, as well as figures for the production of coffee and other agricultural products in other countries.

Calmon was "sure of the ineffectiveness of the planned appreciation", since the real cause of the drop in coffee prices would be, as in all commodities, excessive production, "characteristic of the universal agricultural movement in recent times". Moreover, the Deputy also belies the fact that other countries would be intervening in the price market.

The member cites the case of tea in Ceylon and India, which has increased production, cheapening the price and, as a result, increased consumption. Similarly, cocoa in America has undergone a similar process. It also puts the case of mate, another competitor close to coffee, whose price decrease increased demand for export. Thus, Calmon demonstrated "[...] the related intensity of the price crisis, for all-natural coffee substitutes."

Calmon then addresses the issue of speculation, claiming that it cannot permanently depress the quotes and its action "is rather useful than evil", mentioning that if it were not for speculation, the rubber plantations of the English colonies of the East would not have

Expanded. He also cites the "emeritus professor of Grignon, Daniel Zolla", for whom speculation would not distort the quotations, so that, when referring to the case of wheat in France, he puts that speculators were already acting in 1850 and 1875, when prices went up, and that they would be obliged to bear the price increase when production is scarce.

Concluding the defense of speculation, the deputy alludes to the fact that, worldwide, there are complaints about speculators and that the examples given by Zolla would be completely applicable to the case of coffee in Brazil. Again, Calmon puts the price hike through an intervention that would cause consumers to trade coffee for other products such as tea, chocolate or alcoholic beverages, demonstrating that competition was wider than advocates of Appreciation.

In the course of the speech, the Member reiterates points already mentioned, such as the beneficial speculation that, according to him, would have been responsible for the discharge of coffee in the last two years; the fact that rising prices restrict consumption, increase competition and may lead to a boycott of other countries; the difference between the proposals of the Convention and the interventions made by other countries, such as Russia, USA, Greece and Java, in which there was no direct action by the government, but organization of the producers themselves.

Finally, claiming that the Convention's measures could overwhelm future generations, Calmon makes some suggestions for measures that could mitigate the coffee crisis: the stability of the currency; the study of the production and consumption of coffee and other products; the association of farmers; advertising of coffee abroad; the introduction of new cultures and "good working processes; and "[...] to keep the farmer aware of his true situation, not only in confrontation with competitors from other places, but also in the face of the demands of consumers", and the Taubaté Convention could make "the supremacy of our coffee" (POLITICS..., 1915, p. 286-310).

Calmon's speech focuses especially on theoretical issues and presentation of data, facts and comparisons with situations in other countries, seeking to distance the idea of specificity of coffee and Brazil. It can be seen that exposures of those opposed to the Convention, as well as the federal government in relation to health policy, were more "doctrinal", from the point of view of the theoretical rigidity they presented, while those of the defenders were more intuitive and ufanistas, despite comparisons with other countries' policies and statistical data.

Given the fact that the Taubaté Convention already represented a reality at that time, which would be difficult to repeal, the only way out of the opponents was to try to explain

the weaknesses and possible, almost certain, harmful and unintentional effects of the project, while voting against, it disclaims any responsibility for any failures. On the other hand, the accumulation of intervention proposals and repetitions of the justifications of the crisis increasingly corroborated and strengthened the supporters of the Convention. Furthermore, the fact of trying to "neutralize" or even put speculation as something beneficial, sought to be shocked by the already ingrained conception that speculative action was the main obstacle to be fought by the Convention.

In the Senate, the opinion of the Finance Committee highlights the importance of coffee plantations for national wealth, recognizes the crisis as originating in overproduction, but blames speculation and "[...] submission of our sales to the prices of the foreign markets, where, for us, counterfeits and substitutions of all sorts proliferate" (POLITICS..., 1915, p. 411).

Among the speeches, The Bahian Senator Barata Ribeiro, former opponent and now defender of the views of Rodrigues Alves, contrary to the Convention, raises the discussion, already made also in the House, about the possibility of the legislature making amendments to the project, which is rejected by the Senate presidency, which considers that it is up to Congress to approve or disapprove, since it was an Convention made by the states. Finally, the Convention is approved, with 31 votes in favor and 6 against (POLÍTICA..., 1915, pp. 416-428).

In view of the above, it is first worth mentioning that despite the relatively large margin with which the Convention was approved, the intensity of the positions to the contrary demonstrates that the project was not accepted in the same breadth. The discourses of the opponents not only reinforced the ideas present since the Campos Sales government, in relation to the need for monetary and exchange rate stability, the need for economic diversification, the origin of the crisis in overproduction and that the problem should be resolved before the economic problem, but they raised other issues, such as the strangeness that an Convention between states, in a federalist system, depended both on the approval of the central executive and the legislature, as well as examples that the implementation of the Convention could end up not reaching the initial intentions and aggravating the crisis, not only of coffee, but of public finances.

Nevertheless, the idea of "defense and valorization" of coffee predominated. The accumulation of intervention proposals, an aspect of political pressure, and the non-improvement of the situation of international prices, an economic reality, have pushed to a large extent for the approval of the Convention. But, moreover, again compared to the issue of federalism, the idea of coffee as a "national problem", which could affect the entire Union,

ended up prevailing. Thus, it is noted that the implementation of the Taubaté Convention was closely related to the type of Republic and republican political pacts that were engendered in Brazil. The ideas and positions of most politicians, as well as businessmen, could not get rid of state intervention, even though the federal government itself sought to avoid this direct involvement in the economy. The national character, armed with the idea of an "enemy" to be fought, "the speculator", was also decisive.

Final Considerations

Taking as a theoretical-methodological framework the consideration of the political (or political) sphere as "history in its making itself", it is possible to think of a characteristically economic theme, which often appears as given, due to necessary and inexorable relationships, as something significantly permeable by political disputes. Likewise, thinking about the actors' own political action in its time, while it happens, given the limited information and pressures they are subjected to, makes it possible to rule out an overly retrospective view of history, in which political interests and actions are very well outlined, when, in their historical moment, they were much more tenuous.

Similarly, the exhibition of part (within the limits of an article) of the debates in Congress, between different sectors of the Republican oligarchy, allows to further distance the already contested thesis of "coffee with milk", mainly illustrating the position of parliamentarians outside the São Paulo-Minas-Rio axis, which felt harmed by the demand for national action in favor of coffee states, in a political configuration that, since the republican propaganda at the end of the Empire, had as its flag the autonomy of the states. Moreover, as is clear from the bibliography cited, there were also conflicts between coffee states, as well as within the state oligarchies, especially in the case of São Paulo, in which the president himself, from São Paulo, tried to resist the pressures from its political base.

Thus, even though the Taubaté Convention was not implemented in the manner initially proposed, its discussion and approval by Congress illustrates the political competition of the time, within the standards of a nascent, *oligarchic* Republic, and with predominance of the states of the Southeast, which did not nullify the conflicts and the contestation by other actors, although minority, important in the national political scenario.

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