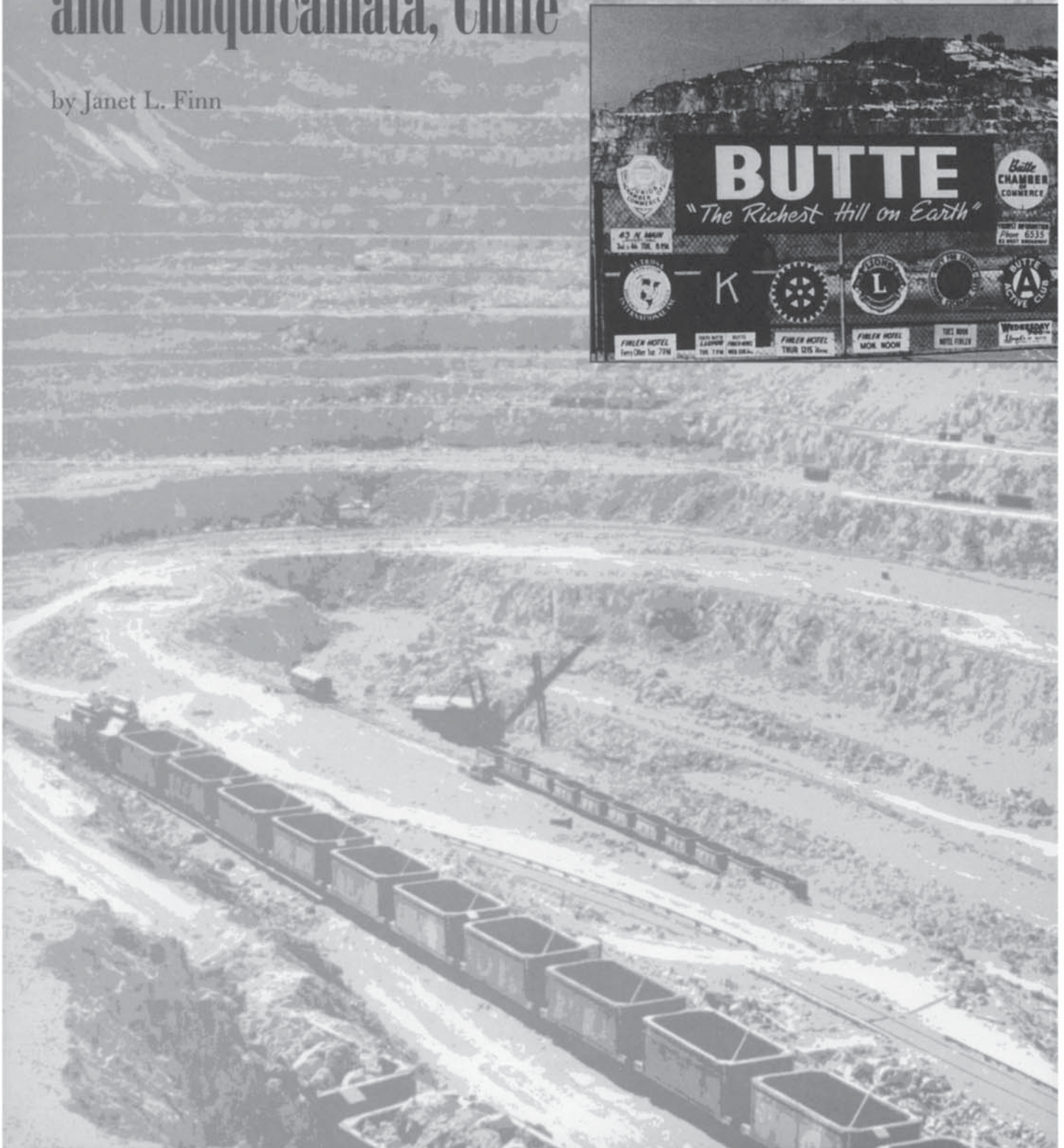
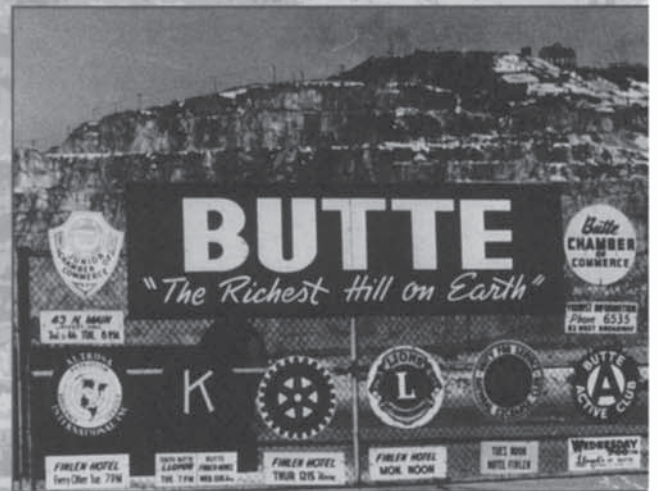



Intimate Strangers

The Interlocking Histories of Butte, Montana, and Chuquicamata, Chile

by Janet L. Finn





Between 1920 and 1970, the rich copper reserves of Butte, Montana, and Chuquicamata, Chile, served as corporate anchors for the Anaconda Copper Mining Company (ACM).¹ While Butte became known as the “Richest Hill on Earth,” Chuquicamata, Butte’s lesser-known sister city, enjoyed fame as the “Biggest Mining Camp in the World.” In fact, for nearly fifty years Chuquicamata was the source of two-thirds to three-fourths of the Anaconda Company’s profits.² Maximizing its opportunities whenever it could, ACM developed and exploited its mining and political interests at both sites. The result was a strategic transnational advantage affording the company a form of corporate reign that lasted until 1971, when Chile nationalized its copper industry and Anaconda’s Chilean properties along with it.

The historical links between Butte and Chuquicamata can be traced through the veins of copper that the Anaconda Company mined in the North American Rocky Mountains and the Andes of South America, through the company’s relations with its labor force, and through the sometimes contrasting, sometimes parallel histories of the company’s relationship with the two communities.

The story of how copper mining in general and the Anaconda Company in particular shaped the contours of community life in Butte and Chuquicamata must be drawn from both official and unofficial accounts, those documented in published sources and corporate and union reports, and those recorded in the memories and passed through the stories of the people who lived and made this history.³ The story of copper mining and community-making is complicated and, at times, contradictory. In Butte, for example, there is the conventional wisdom that “the company never had a strike it didn’t want.” It is a curious saying in a union

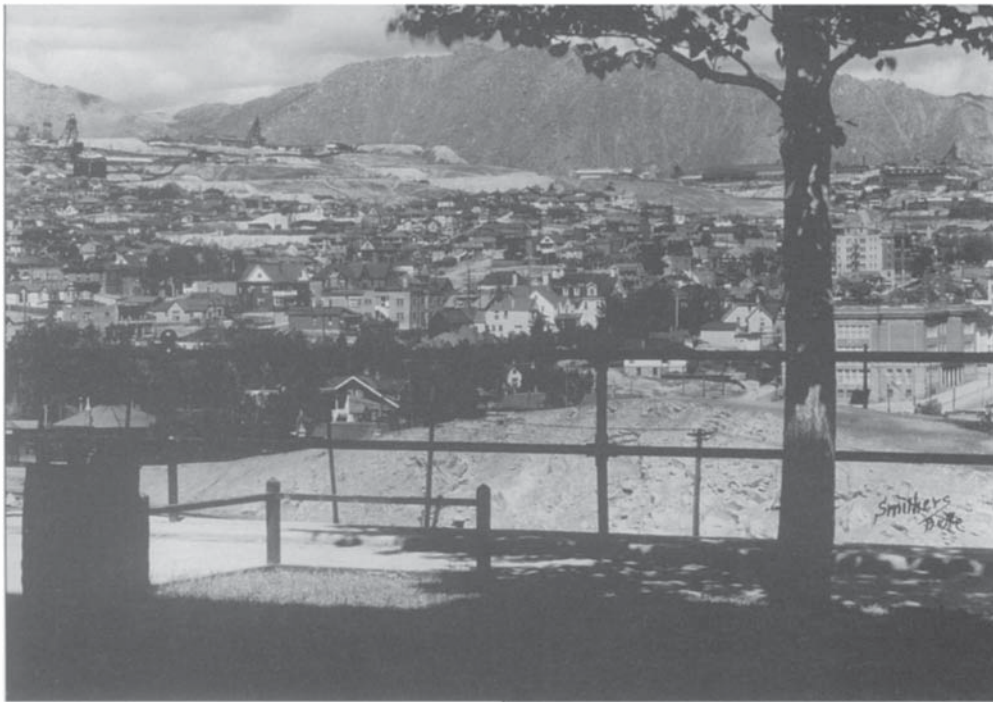
town where the strike was ostensibly labor’s ultimate weapon. Yet when the parallel histories of Butte and Chuquicamata are considered, there would seem to be truth in it.

A town of 35,000 people, Butte is located at the foot of the Continental Divide in the northern Rocky Mountains. The city has declined from its glory days and copper mining has lost its central place in the local economy, though remnants of the industry still dominate the terrain. A handful of gallows frames mark the entrances to a labyrinth of now defunct underground mines and the vast expanse of the Berkeley Pit, Butte’s open pit mine, is carved out of the town’s northeast boundary. Surrounding hillsides are largely barren due to the combined effects of high altitude and heavy metal deposits in the soil, the byproduct of one hundred years of copper production.

Chuquicamata or “Chuqui,” as the locals call it, is situated in the high mountain Atacama Desert of northern Chile. Chuqui, once home to 25,000 people, a classic company town whose social structure was set in concrete when the town was built in the early 1900s. Well-appointed management houses in the secluded “American Camp” overlooked the crowded rows of worker housing below.

Today Chuqui is home to only 10,000 people. Many mining families live in nearby Calama, the regional commercial center, while others have left as a result of heavy layoffs in recent years. Chile’s National Copper Mining Corporation, CODELCO (Corporación Nacional del Cobre), has controlled the mines since 1971, but traces of Anaconda’s influence remain. The local hospital and other public buildings bear the names of former ACM personnel, and soccer games are still played in Anaconda Stadium.

If Butte, Montana, was home to the “Richest Hill on Earth” and Chuquicamata, Chile, was the “Biggest Mining Camp in the World,” the Anaconda Copper Mining Company profited hugely from them both. During ACM’s half century of domination in both places, the company often pitted one city’s labor force against that of the other. An ore train at the lower left offers a sense of scale for Chuquicamata’s open-pit mine (circa 1950) that rivaled Butte’s Berkeley Pit, whose north walls provide a backdrop to the sign proclaiming pride of place in the inset photograph (left, late 1970s).



C. Owen Smithers, photographer, MHS Photograph Archives, Helena

Although located on separate continents and in opposite hemispheres, Butte and Chuquicamata had much in common, including similar arid mountain environments and, over time, the effects of one company's exploitation of rich copper deposits. Above is a view looking northeast across the heart of Butte (circa 1940s); at right, northern Chile's barren Atacama Desert stretches beyond a Chuquicamata residential neighborhood (1994).



Courtesy the author

The tumultuous history of Butte's rise from mining camp to industrial center has been well documented.⁴ At the core of that history, the Copper Kings battled for control not only of Butte but the state of Montana and the copper industry. From these corporate antagonisms and alliances, Marcus Daly and the Anaconda Copper Mining Company emerged as the victors.

Rapid development of the electrical industry in the late 1800s sparked demand for copper, an excellent conductor, and with it large-scale hard-rock mining in places like Butte. As mining expanded, so did the need for a permanent labor force. Butte became a magnet

for laborers, drawing large numbers of European immigrants. The town's Irish community, for example, established itself as a formidable social and political force. Mining was hard and dangerous work, and the miners began to organize by forming the Butte Miners Union in 1878. Later, Butte became the birthplace of the Western Federation of Miners (WFM) and an important site for early organizers of the Industrial Workers of the World (IWW). As a result, Butte gained hyperbolic fame as the "Gibraltar of Unionism."⁵

The reality behind Butte's reputation as the "Gibraltar of Unionism" was more complicated. Unions gained strength as the Copper Kings embroiled them-

1. Throughout I refer to "Anaconda," the "Anaconda Company," or simply "the company," reflecting colloquial references in both Butte and Chuquicamata. The company was officially incorporated as the Anaconda Copper Mining Company (ACM) in 1895. The corporate name was changed to The Anaconda Company in 1955 to better represent its diverse interests beyond copper.

2. "An Ex-banker Treats Copper's Sickest Giant," *Business Week*, February 19, 1972, 52-54.

3. For studies of Butte history, see Jerry Calvert, *The Gibraltar: Socialism and Labor in Butte, Montana, 1895-1920* (Helena, Mont.,

1988); David Emmons, *The Butte Irish: Class and Ethnicity in an American Mining Town, 1875-1925* (Chicago, 1990); C. B. Glasscock, *The War of the Copper Kings: Builders of Butte and Wolves of Wall Street* (New York, 1935); Arnon Gutfeld, *Montana's Agony: Years of War and Hysteria, 1917-1920* (Gainesville, Fla., 1979); K. Ross Toole, "A History of the Anaconda Copper Mining Company: A Study in the Relationships Between a State and Its People and a Corporation, 1880-1950" (doctoral diss., University of California, Los Angeles, 1954); and Michael Malone, *The Battle for Butte: Mining and Politics on the Northern Frontier, 1864-1906* (Seattle, 1981).

National Guardsmen, armed with machine guns outside Silver Bow County Courthouse in September 1914, constituted graphic evidence that the Anaconda Copper Mining Company could muster substantial political clout when it needed to squelch labor unrest in Butte.



A.J. Thirk, photographer, MHS Photograph Archives, Helena

selves in their own struggles in the 1890s. By the 1910s, however, union organization was marked by factionalism, interunion struggles, and infiltration by company operatives. The more conservative leadership of the Butte Miner's Union often found itself at odds with the WFM leadership, while Socialist Party activists competed with the IWW to promote a more radical union organization. Butte's mining companies took action against this progressive shift, instituting in 1912 an employment policy known as the "rustling card system," which tightened control on hiring practices and assured that men with reputations as union agitators were denied work in the mines. Through political and economic influence of state government, Butte's mining companies successfully enforced their collective will. In August 1914, for example, after a number of violent incidents and a series of temporary shutdowns, the National Guard occupied Butte under what would be the first of several periods of martial law to squelch labor activism.

After 1914, labor organizing in Butte was subdued but not extinguished. During World War I, the demand for copper, a strategic metal necessary for arms manufacture, pushed production to maximum capacity. Copper prices were high and miners' wages reached \$4.75 a day. Concern for the high cost of living and dangerous working conditions combined with resistance to the war on the part of many immigrant workers served to fuel labor's discontent. In June 1917, the disastrous Speculator Mine fire claimed the lives of 168

men and sparked a new wave of labor activism, led by the Metal Mine Workers Union, which went on strike. Butte mining companies refused to negotiate with the fledgling union and rejected offers of government mediation. Anaconda officials claimed that the labor strife was part of a "systematic campaign" by the IWW to "interfere with and prevent the production of metals essential for the Government in the prosecution of the War."⁶

Radical labor organizer Frank Little arrived in Butte shortly after the Speculator fire to promote miner affiliation with the IWW and was lynched by an "unnamed gang" on August 1, 1917. While Little's death served to energize the waning strike effort, the union's failed attempts to obtain government intervention and the copper companies' use of strikebreakers left striking miners with little power. In mid-August federal troops were again dispatched to Butte to "maintain order." The strike limped along until late December 1917 when the union officially declared it over. This repressive atmosphere was encoded in law with the passage of the Montana Sedition Act in 1918, which further stymied the nascent unions. Federal troops remained garrisoned in Butte until 1921.⁷

Copper sales dropped abruptly when the war ended in 1918. With copper stockpiles high, Anaconda curtailed operations between 1919–1920. Thousands of miners were out of work, and those still employed saw their wages reduced. A strike in April 1920 called by the IWW to protest the miners' plight turned violent

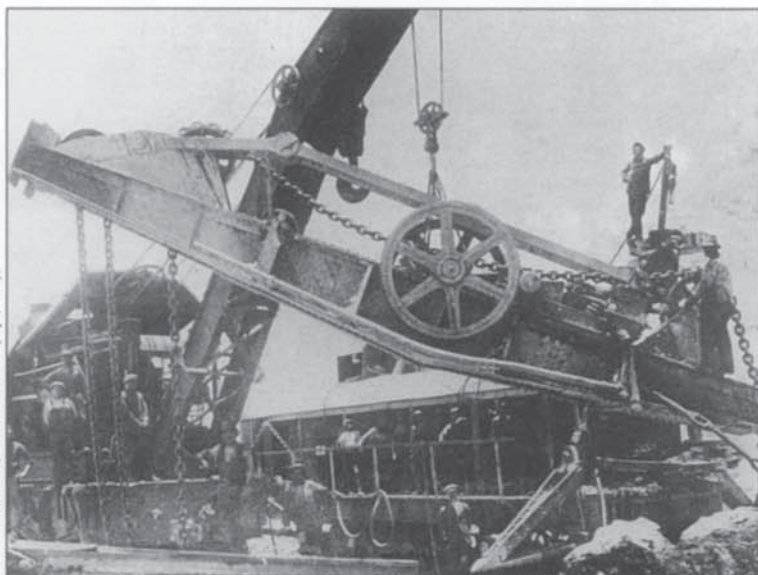
For studies of Chuquicamata see Jorge Alvear Urrutia, *Chile, Nuestro Cobre* (Santiago, 1975); Corporación Nacional del Cobre, *El Cobre Chileno* (Santiago, 1974); Eulogio Gutierrez and Marcial Figueroa, *Chuquicamata, Su Grandeza y Sus Dolores* (Santiago, 1920); Ricardo Latcham, *Chuquicamata Estado Yankee: Visión de la Montaña Roja* (Santiago, 1926); and Raul Barros Garces, *Amaras al Cobre Como a ti Mismo* (Santiago, 1986).

4. See Calvert, *Gibraltar*; Emmons, *The Butte Irish*; Glasscock, *War of the Copper Kings*; and Toole, "A History of Anaconda Copper Mining Company."

5. Calvert, *Gibraltar*, 3-35; William Haywood, "The Battle at Butte," *International Socialist Review*, 15 (October 1914), 223-26; and Harold Varney, "Butte in the Hands of the IWW," *One Big Union Monthly*, 1 (March 1919), 36-37. See especially Calvert, *Gibraltar*, for an extensive analysis of this period of Butte's history.

6. *Report of the Anaconda Mining Company, For the Year Ending December 31, 1917* (hereafter *Annual Report*); Calvert, *Gibraltar*, 93-126.

7. Calvert, *Gibraltar*, 93-126; Gutfeld, *Montana's Agony*, 37-48; and Jeanette Producers, *Butte-Anaconda Almanac* (Butte, Mont., 1991), 12.



Chuquicamata miners, shown with heavy machines at left in 1920, knew the value of unionizing before Anaconda purchased the mine in 1924. In subsequent years, the company would show itself adept at the dual roles of benefactor, providing amenities including housing (below, 1966), and of strikebreaker.

From Thomas O'Hanlon, "The Perilous Prosperity of Anaconda," *Fortune*, May 1966, p. 236



as company security forces opened fire on picketing miners. The violence squelched the strike and marked an end to IWW power in the Butte mines.

An important turning point came in 1923 for the Anaconda Copper Company. Faced with sizeable stockpiles and a weak domestic copper industry, ACM had closed its Butte mines from April 1921 until January 1922. To "protect the business of the Company," Anaconda embarked on a strategy of vertical integration that would allow it to control metal sources and markets and "to promote the sale and distribution of copper and brass."⁸ To this end, ACM would become the world's largest consumer and producer of copper. It became the largest consumer of copper with its purchase in 1922 of a major fabricating plant, the American Brass Company. It became the largest producer of copper the following year with purchase of the Guggenheim family's copper mining operation in Chuquicamata, Chile, the world's largest copper deposit.⁹

Chile's history of mining and labor struggles had preceded Anaconda's arrival. With the help of new refining technology and British capital, Chile had become the world's largest copper producer by the 1870s.¹⁰ With rapid development of copper mining in

the United States in the late nineteenth century, however, the Chilean copper industry declined sharply. Meanwhile, Chile's nitrate industry, located in the desert north, was undergoing massive development. Used for fertilizer and explosives, nitrates became the country's leading export.¹¹ The nitrate miners' struggle against low wages and deplorable working conditions became the basis for a strong labor movement that would later inspire and inform organizing efforts among Chuqui's copper miners.

Due in part to Chuquicamata's geographic isolation and inaccessibility, Chilean mining interests did not begin extracting ore deposits until the 1890s. These small-scale efforts could not compete with the advanced technology and large-scale capital from Britain and the United States that were revolutionizing the copper industry. In 1912, the Guggenheim family purchased the Chuquicamata ore body and formed the Chile Explo-

8. *Annual Report*, 1921.

9. Calvert, *Gibraltar*, 115-26; and Ralph Chaplin, "The Picket Line of Blood: Another Red Chapter of Labor History from Butte, Montana," *One Big Union Monthly*, 2 (June 1920), 9; *Annual Reports*, 1910, 1914-1916, 1920, 1921; and Isaac Marcossou, *Anaconda* (New York, 1957), 167-83.

10. Corporación Nacional del Cobre, *El Cobre Chileno*, 25.

11. William Culver and Cornel Reinhart, "Capitalist Dreams: Chile's Response to Nineteenth Century World Copper Competition," *Comparative Studies in Society and History*, 31 (October 1989), 722-44; and Alan Angell, *Politics and the Labor Movement in Chile* (London, 1972).

12. Thomas O'Brien, "Rich Beyond the Dreams of Avarice: The Guggenheims in Chile," *Business History Review*, 63 (Spring 1989), 122-59; and Harry F. Guggenheim, "Building Mining Cities in South America: A Detailed Account of the Social and Industrial Benefits Flowing from Human Engineering Work of the Chile Exploration Co. and the Braden Copper Co.—Organization, Administration and Conception of the Objects Sought," *Engineering and Mining Journal*, July 31, 1920.

13. Gutierrez and Figueroa, *Chuquicamata, Su Grandeza y Sus Dolores*, 160-82; Latham, *Chuquicamata Estado Yankee*, 146-48.

ration Company (CHILEX). The building of Chuquicamata was a study in scientific management, as Harry Guggenheim personally oversaw construction of the mines, plants, and company town.¹² A heavy-handed paternalism marked his plans for the housing, education, health, and recreation of his miners and their families. Chilean workers were divided into Rolls A, B, and C, depending on their status as salaried workers or skilled or unskilled laborers. These divisions further determined the type and size of housing workers lived in, the schools their children attended, and which company store they could shop in. Such a stratified community development plan also reinforced the distinction between the “native” workers, who labored in the mines, and the “Americans,” who oversaw the operation. This fundamental divide was to become a symbol of inequity and a source of resentment that later fueled labor activism in Chuqui.

Chuquicamata, like Butte, proved a magnet for labor, attracting immigrants from Europe, Asia, and Latin America.¹³ Many came in the hopes of getting a job in the mines, which not only offered a salary but also housing, hospital care, and access to Yankee goods, from cigarettes to western movies. Those who did not find work in Chuqui often settled for low-paying jobs in Calama. Around the edges of the well-ordered company town of Chuqui a rather disorderly service economy developed. Reminiscent of Butte, the outskirts of Chuquicamata had its share of bars and brothels.

By 1913, Chuquicamata’s 1,300 miners, drawing on the lessons of workers in the nitrate mines, were beginning to organize. Luis Emilio Recabarren, noted politician, labor activist, and founder of the Chilean Socialist Worker’s Party, traveled to Chuquicamata in 1913 to support miners’ efforts. In a newspaper article describing the harsh conditions in Chuquicamata, Recabarren reported that “A Miner’s Union has been organized that is still small, but I am sure that it will be a firm base for future organization to put an end to all of the exploitation and tyranny.” In 1919, the miners organized a march in solidarity with striking railway workers in Antofagasta, the port city for copper export. Military troops, called in at the company’s request, broke up the solidarity action, arrested more than 600 miners and union leaders, and ousted union members

and their families from the camp.¹⁴ This show of military force muted labor action for several years, and by the time ACM purchased the Chile Exploration Company in Chuquicamata, it was in an advantageous position to establish corporate control with little interference from organized labor.

The Anaconda Copper Company worked in Chuquicamata in the 1920s in much same way it operated in Montana. It made its influence felt in Chilean national politics through payments to politicians for political favors, commission appointments, and intervention in electoral affairs. In addition, the company enjoyed virtual control of the municipal government in Calama.¹⁵ When miners did attempt to organize, the company countered with methods it had practiced in Butte. Company bosses, for example, kept a “blacklist” of presumed labor activists, which they exchanged with their compatriots at Kennecott’s El Teniente mines near Santiago to assure that workers fired from one mine would not be hired in another.¹⁶

Control of labor extended as well to the Chuqui community, a place with a total population of 12,700 in 1923 and a work force of 5,000. Company welfare workers made home visits to monitor family life, and the company initiated a program of attendance bonuses to reward steady and reliable workers. Correspondence among Anaconda officials in 1925 indicated that the company also concerned itself with the social engineering of marriage and family. Believing that married men were more dependable and less likely to engage in union activity than single men, company management in Chuquicamata sought a balance in the work force of 70 percent married men and 30 percent single men. While the married men would constitute the base of dependable workers, the single men could room with married couples and thus limit housing costs by reducing the need for more living units.¹⁷

Recognizing the value of a stable community and the need for second and third generations of miners, the company balanced discipline with pleasure. Chuqui’s miners and their families enjoyed holiday celebrations, cultural and sporting events, and first-rate,

14. Patricio Frias, *El Movimiento Sindical Chileno* (Santiago, 1989), 20; and Gutierrez and Figueroa, *Chuquicamata, Su Grandeza y Sus Dolores*, 172-79.

15. Latcham, *Chuquicamata Estado Yankee*, 40-42.

16. Kennecott’s El Teniente mine was an underground operation located about 100 miles south of Santiago. See Thomas Klubock, “Class, Community and Gender in the Chilean Copper Mines: The El Teniente Miners and Working Class Politics, 1904-1951” (doctoral diss., Yale University, 1993), 80. In 1915 the Guggenheim family merged their U.S. and Chilean copper operations and formed the

Kennecott Copper Company. Kennecott and Anaconda dominated the Chilean copper industry from their entry into the country until the nationalization of the mines. Over the years, Kennecott’s El Teniente mine sustained a rate of copper production roughly two-thirds that of Chuquicamata.

17. William Jurden, Chile Exploration Engineering Department, to William Wraith, Andes Copper Mining Co., New York, August 21, 1925, file 2, box 77, MC 169, Anaconda Company Papers, Montana Historical Society Archives, Helena.



Courtesy the author

company-sponsored entertainment that included performances by the Bolshoi Ballet. Even today, many long-time residents praise Anaconda for its community investments over the years.¹⁸

Anaconda, reaping the benefits of high copper prices during the 1920s, made major capital investments in Chile. The Chilean government took quick advantage by developing a tax system that could reclaim some of the corporate profits from the nation's resources. These heady times, however, were short-lived. Copper prices crashed in 1929, and the Great Depression took its toll with massive unemployment in both the United States and Chile, including a 66 percent unemployment rate in the Chilean mines. To support social and economic recovery both countries initiated important labor legislation in the 1930s. In Chile a new labor code enacted in 1931 formally acknowledged union rights to organize but also brought unions under state supervision by setting legal limits on strikes and institutionalizing a system that divided workers into plant and professional unions.¹⁹ In the United States, New Deal legislation legitimized union activity, established the National Labor Relations Board, and sanctioned the right to collective bargaining.²⁰

Organized labor had new legitimacy, and it was put to the test in a strike in Butte from May until Septem-



Allan G. Hooper Coll., MHS Photograph Archives, Helena

ber 1934. Through its consolidation early in the century, the Anaconda Copper Mining Company had acquired many of Montana's leading newspapers, especially in Butte and Anaconda, and it used them to defend its interests. In 1934 company-owned newspapers accused union members of promoting "lawless acts of violence and rowdiness by mobs of hoodlums." The *Butte Eye Opener*, a pro-labor newspaper, offered a contrasting view, reporting on solidarity strikes, attacking "scab" labor, and offering a daily accounting of the salaries earned by Anaconda bosses

while the people of Butte suffered.²¹

A brief article in the *Eye Opener* in June 1934 raised the troubling possibility that the strike was serving company interests. The Code of Fair Competition, approved by the Roosevelt Administration in April 1934 as part of the National Recovery Act, governed the production of copper and other commodities by setting minimum prices. Its purpose was purportedly to avoid price-cutting, keep mines operating, and protect jobs. The *Eye Opener* asked, however, "Who represented the sweaty miners at the meetings which lead to the adoption of the present copper code?" The code, the newspaper alleged, allowed ACM to sell from its huge surplus to its wholly owned subsidiary, the American

as the Wagner Act, granted labor the right to organize and bargain collectively. The right to organize had been recognized in the National Industrial Recovery Act of 1933, and in a series of executive orders, a National Labor Board was established and the right for workers to elect representatives for collective bargaining was recognized. See Harry Millis and Emily Clark Brown, *From the Wagner Act to Taft-Hartley* (Chicago, 1950).

18. Interviews conducted by author during ethnographic fieldwork between October 1993 and July 1996 in Chuquicamata and Calama and in Butte between June 1991 and May 1994.

19. Corporación Nacional del Cobre, *El Cobre Chileno*, 35; Urrutia, *Chile, Nuestro Cobre*, 110-12. Strikes were limited to sixty days.

20. Enacted in 1935, the National Labor Relations Act, also known

During the economic crises of the 1920s and 1930s, public service became a focus of Chilean youth organizations like the Chuquicamata scout troop at right (no date).



From CODELCO, *Album Histórico*, 6

Brass Company. With this outlet the company could maintain profits without mining more copper. “No wonder,” the *Eye Opener* concluded, “that the Anaconda has made no effort to arbitrate or make any concessions which might lead to settlement of the strike.”²²

The Anaconda Company stockholders report of 1934 indicated that, indeed, copper surpluses were high, that the company had ample stocks for “a great many months,” and that it could afford to wait out the union. When the strike was settled in September 1934, the Butte miners had gained raises of fifty cents a day and formal union recognition. In Chile, copper production at Anaconda’s Chuquicamata operations increased from 61,000 metric tons in 1933 to 98,000 in 1934, signaling both recovery from economic depression and the company’s capacity to balance and exploit its transnational resources strategically.²³ Butte’s labor struggles were being resolved at a time when the outlook for copper was looking brighter. Austria was in civil war and Adolph Hitler’s rise to power portended war, which would spur international demand for the red metal.

Through its network of subsidiaries, Anaconda had become the world’s largest producer and consumer of copper.²⁴ Despite its rhetoric, Anaconda did not necessarily want to see high copper prices because company subsidiaries were its best customers. The “copper market,” as one observer has noted, is often referred to as if it were an abstraction ruled by neutral economic principles. In reality, very little copper traded on the open market; instead, business arose from a series of

longstanding relationships and obligations between buyers and sellers, based on close ties, anticipated future contracts, informal price-setting, and mutual risk avoidance.²⁵ Corporate interests were best served by maintaining close relations with regular customers and negotiating sales without such outside interference as political movements and governmental control.

In contrast, the Chilean government had a strong interest in keeping copper prices and production high. Tax revenues generated funds for state operations and service of foreign debt. Moreover, the economic crises of the 1920s and 1930s had prompted growing state intervention in the economy, and in 1938 the Popular Front, a center-left coalition government, came to power. The Popular Front had won strong working-class support with its promotion of state-sponsored industrialization, import substitution, social welfare, and public works programs.²⁶ The government sought to implement progressive labor reforms and at times intervened directly in labor conflicts. Nonetheless, the Chilean state had very little control over a copper industry concentrated in a few foreign hands, the most powerful of which was ACM, which generated nearly two-thirds of the production in Chile’s large-scale mining sector.

Chile was a captive producer beholden to foreign corporations, and resentment of that fact was growing. Despite the central importance of copper in Chile’s economy, few benefits of the industry flowed back to the Chilean people and state. The companies, which

21. Butte *Daily Post*, June 19, 1934; Butte *Eye Opener*, May 16, June 6, 1934.

22. Butte *Eye Opener*, June 28, 1934. The “Blue Eagle,” with its accompanying slogan, “NRA Member—We Do Our Part,” was a symbol of compliance with the National Industrial Recovery Act. The article notes the irony in the fact that ACM’s fabricating plants were operating without interruption, supplied by Blue Eagle copper, while the company refused to negotiate with the striking miners.

23. *Annual Report, 1934*; Corporación Nacional del Cobre, *El Cobre Chileno*, 485.

24. Marcossou, *Anaconda*, 167-93.

25. Theodore Moran, *Multinational Corporations and the Politics of Dependence: Copper in Chile* (Princeton, N.J., 1974), 50-55. For analysis of Anaconda’s rise to power in the 1930s see “Anaconda Copper,” *Fortune*, 14 (December 1936), pt. 1, pp. 83-96; *ibid.*, 15 (January 1937), pt. 2, pp. 71-77.

26. For an excellent analysis of the Popular Front see Klubock, “Class, Community and Gender in the Chilean Copper Mines,” 421-515.

imported mining equipment and exported bars of copper for fabrication elsewhere, contributed little to Chilean industrialization, leaving the lion's share of the profits to the parent company. To improve the situation, the Popular Front government sought to expand state control of the copper industry through significant increases in taxes on copper and tried to involve the Central Bank of Chile in the pricing and marketing of Chilean copper. Despite increased taxes, the copper enclave kept tight control of its industry. Lacking access to longstanding market relations between producers and manufacturers, the Popular Front government realized little success in its efforts to exert state control over copper, which in turn left it politically and economically unable to fulfill many of its campaign promises to Chile's working class.²⁷ This tension between state sovereignty and transnational corporate interests became a central focus of political and economic debate in subsequent decades.

With the coming of World War II, escalating demands for copper relieved some of the economic tensions but created greater political friction between Anaconda and the Chilean government. Although copper production was at its peak in Chile and had the potential to contribute in a major way to the country's national tax revenues, it was not to be. War-time copper price controls, imposed unilaterally by the United States, diminished Chile's earnings from copper taxes and sales and further jeopardized the Popular Front politically. The Chilean government responded by increasing tax rates paid by corporations on their copper profits.

The end of World War II brought another downturn in the copper industry and with it a period of labor strife.²⁸ Escalated production had produced huge copper surpluses, and wartime price controls were still in effect. Facing an uncertain price for copper, the need to transform its fabricating plants from war to peacetime production, and not knowing whether Congress would adopt a bill providing for permanent copper stockpiles for defense, the ACM was reluctant to approve wage increases. Consequently, Chuquicamata miners went on strike.

It could be argued that the strike served short-term corporate economic interests by temporarily limiting outlay in wages and reducing the size of the copper surplus. Concessions to the miners would not, however, serve the company's long-term economic or political interests. During the years the Popular Front had been in power, Communist and Socialist union leadership had gained political strength. Labor activism was on the rise throughout Chile as union membership increased and unions joined in national confederations. The government was divided in its support of labor, however, and progressive sectors were losing ground. Refusing to negotiate, company spokesmen responded to Chuqui's miners with a threat familiar to Butte miners by rejecting strikers' salary demands as unreasonable, warning that their current high salaries jeopardized the operation's future.²⁹ The strike ended with government intervention, arrest of union leadership, and miner resentment. Within a year, Chile's fragile coalition government fractured, and then-president Antonio Rios moved significantly to the right. With the support of foreign corporations, Rios cracked down on communism and labor activism.

Back in Butte, miners who had gone off to war returned home only to find limited work and frozen wages. Their anger burned through failed contract negotiations and in April 1946 was acted out in a short but violent strike. Headlines in the company-owned press offered sordid details of the violence, sharply criticized miners and their wives for participating, and derided local law enforcement officers for inaction. For its part, the *People's Voice*, a prolabor newspaper, claimed the violence was company-sponsored. The strike lasted nine days, but resentment lingered as the company-owned press claimed the riots were incited by Communist workers.³⁰

In Chile, workers mobilized throughout the country. A series of strikes threatened the economic stability of the Popular Front and revealed its political fault lines. One month after settlement of the Butte conflict a second, month-long strike broke out in Chuquicamata. Company-controlled papers in Chuquicamata offered few details of the strike, but *El Siglo*, a Santiago-based prolabor, pro-Communist newspaper, accused the company of forcing strikers to pay higher prices in company stores, falsifying production costs, and col-

27. Ibid.

28. Chuquicamata *La Pampa*, February 14, 1945.

29. Response from Chile Exploration, unnamed company official, Chuquicamata *La Pampa*, February 17, 1945.

30. *Montana Standard*, April 15–19, 24, 1946; [Helena] *People's Voice*, April 26, 1946.

31. Santiago *El Siglo*, March 5, April 7, May 25, June 2, 1946.

32. *Annual Report*, 1946.

33. Chuquicamata *La Pampa*, April 30, 1949, for summary text of the law; *ibid.*, November 1947.

34. *Montana Standard*, February 16, 1950.

35. Until that time copper had been extracted only from oxide ores. See Moran, *Multinational Corporations and the Politics of Dependence*, 6–9.

36. Chuquicamata *La Pampa*, July 30, October 29, 1949; *Annual Reports*, 1948, 1949, 1950; and "Butte, New Mines, New Life," *Business Week*, December 27, 1947, 25.

lusion with Chilean government and banking interests.³¹ The strike in Chuquicamata ended as the United States Office of Price Administration lifted wartime price controls. With postwar reconstruction underway, copper was poised for a boom. Despite months of labor troubles, Anaconda stockholders were pleased to learn that while the company sustained a 10 percent decline in gross revenues, it enjoyed a 17 percent gain in net income.³²

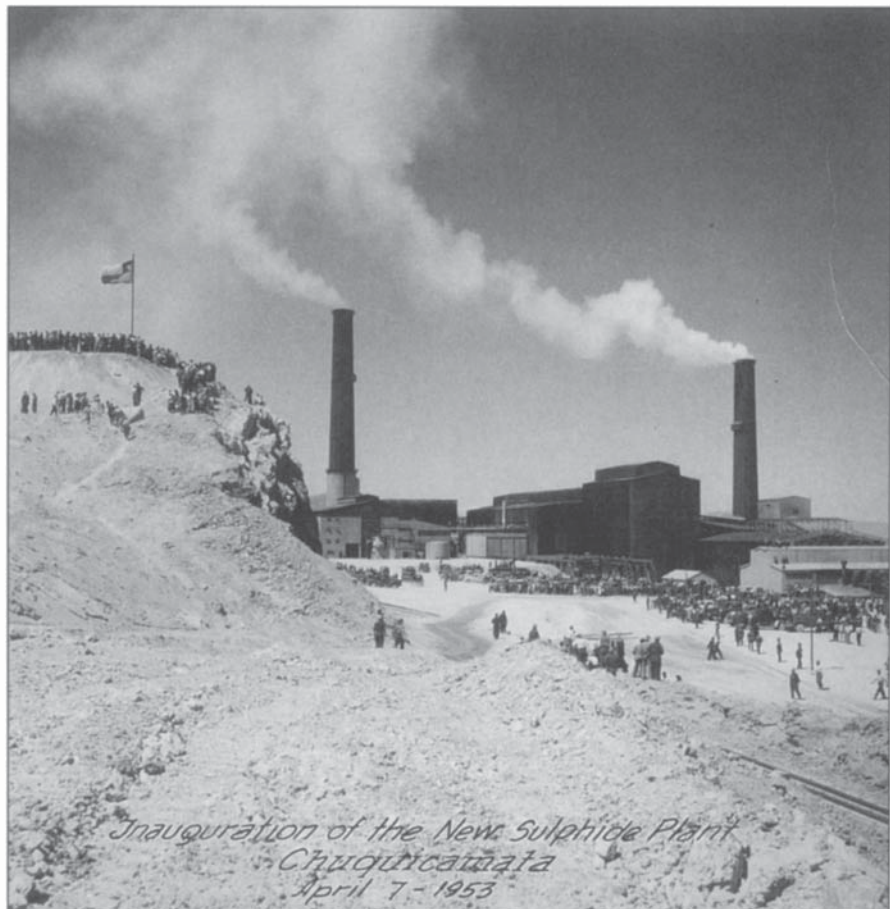
Although copper's economic future on the world market was again bright, labor strife continued. The "red threat" fueled political fear from Washington to Santiago, and Anaconda joined the high tide of nationalism defined by and through repression of communism. Radical party candidate Gabriel González Videla won the Chilean presidency in 1946 with support of the Communist Party. Because of heavy political pressure from capitalist interests, including the mining companies and the U.S. government, a compromised González Videla denounced his one-time Communist supporters. Continuing its sharp criticism of obstructionist practices of ACM and Kennecott, *El Siglo* was first censored and then shut down by government order in 1948, a censorship that lasted until 1952. In 1948, the Chilean Congress passed the law for the Permanent Defense of Democracy, repressive legislation that outlawed the Communist Party and resulted in a mass roundup and detention of party members and other leftist sympathizers. Throughout 1947 and 1948 there were ongoing arrests of labor activists in Chuquicamata, many of whom were relegated to Pisagua, an isolated town on Chile's north coast where a detention camp was set up.³³

Labor came under pressure in the United States in the postwar years as well. The Taft-Hartley Act, severely limiting labor's strike power, passed

in 1947 and, with the rise of McCarthyism, red-baiting became a popular tactic for discrediting union leadership. With serious implications for Butte, the CIO ousted the powerful Mine-Mill union in 1950 over accusations of Communist Party membership.³⁴ Thus, while power struggles for leadership of local unions defined labor politics in Butte, fragmented leftist parties vied for the loyalties of copper's rank and file in Chuquicamata.

A reduction in force in the Chuqui mines in 1949 served notice of the miners' vulnerability. With labor activism in check once again, Anaconda invested millions in new technology to recover copper from sulphide ore in Chuquicamata. Such expenditures made the company more vulnerable, however, because it needed to assure operational stability to recoup the investment.³⁵ The company therefore pulled back the stick and offered the carrot to its Chilean workers. It financed construction of a new union hall in Chuquicamata to replace what company officials called the "communist mausoleum."³⁶ ACM also invested in Butte's future by initiating the so-called Greater Butte Project, which involved expanded underground mining and plans for open pit mining.³⁷ As in Chuqui, an investment in community accompanied the investment in profit potential. The company paid for construction of a recreation center and sponsored a housing program for Butte miners.

Celebrating crowds gathered on April 7, 1953, to commemorate the opening of Anaconda's new sulphide plant, which would help insure continuing profitability of the Chilean mine.



Henry Gardner Coll., Butte-Silver Bow Public Archives

*Inauguration of the New Sulphide Plant
Chuquicamata
April 7 - 1953*

In June 1950 war broke out in Korea and with war came renewed political interest in copper. When the U.S. government fixed the price of copper as part of wartime production policy, the price paid for copper mined by U.S. companies in Chile and sold in the United States was considerably lower than prevailing world prices. During the Korean War, those differences were immense: the price set by the U.S. government was 24.5 cents per pound, while the world price was 40 to 50 cents per pound.³⁸ Not surprisingly, Chileans were unwilling to accept such unilateral decisions and pressure mounted across Chile's political spectrum to seek better markets for Chilean copper as well as tariff and pricing concessions from the United States. Still, Chile's leverage was weak, for while it could wrest control of its copper stocks from international companies operating inside its borders, it lacked access to long-standing market relations and thus to buyers.

Throughout the early 1950s, negotiations ensued at many levels. The fragmented Chilean copper unions were forming a confederation through which they could demand equal salaries, benefits, and common contract dates and advocate nationalization of the copper mines.³⁹

In May 1951, a Chilean delegation brought the nation's concerns to Washington and won a three-cent-per-pound increase in the price of copper sold to the United States as well as the right to sell 20 percent of the country's copper production independently in "free world" markets. By 1952 tensions between Chilean business and political interests and those of the mining companies had intensified, however, and in May of that year the Chilean congress passed a resolution indicating that while the country was not yet ready to nationalize the mines, it wanted more control over its resources. But the tensions between corporate and national sovereignty did not subside. The more Chile asserted demands for control of the copper market, the more intransigent foreign companies became, and when the Korean war ended in 1953 and copper prices plummeted, stockpiles were again a problem, and the Chilean government, copper companies. The U.S. State Department found themselves embroiled in conflict.⁴⁰ The Soviet Union offered to purchase Chile's surplus copper, but U.S. interests

blocked the sale and the American government refused to purchase Chile's copper stockpile despite the serious economic problems in Chile.⁴¹

The impasse grew out of the copper companies wanting a new deal with the Chilean government in which their autonomy in production and marketing would be assured. This tough stance subjected Chuquicamata to fear and uncertainty. Indeed, the companies were ready to use their strategic power and, when a strike was called in Chuqui in October 1953, the miners became pawns in the game.⁴² Union leaders said the companies refused to negotiate a settlement and accused Anaconda of using the strike to pressure the government for better terms. *El Siglo*, once again in print, alleged that company intransigence caused the strike, and for ACM, it said, "the strike is a transitory solution to the problems of accumulation."⁴³ Labor leaders in Chuquicamata also claim in retrospect that the company was attempting to fracture the newly formed national confederation of copper workers.

Whatever the company's true actions and motivations, the six-week strike held Chuqui miners and their families hostage to deep political play and on the local level raised fears of arrest and possible detention in Pisagua. At the international level, the copper companies and the U.S. government forced Chile to the point of economic crisis. As Anaconda euphemistically described the situation in its annual report: "The reduced sales and lowered taxable income of the American copper companies operating [in Chile] together with accumulation of stock of copper had a material effect on the economy of Chile."⁴⁴ One Chilean source observed: "Undoubtedly, the United States wanted the stockpile and the consequent penury for Chile to be a lesson for our intentions to freely sell copper."⁴⁵

Miners in Chuqui returned to work in December 1953 with higher salaries and improved benefits. In March of the following year the Chilean government finalized plans for the sale of 100,000 tons of surplus copper (of which 64,000 tons were from Anaconda's operations) to the Soviet Union. Within days, the U.S. ambassador to Chile arrived in Santiago with an offer from the United States to buy that same 100,000 tons of copper; the offer was accepted, thus averting the sale to the Soviet Union. Meanwhile, by August 1954 when another contract had expired and domestic stockpiles were high, miners in Butte and elsewhere in the United States were again on strike.⁴⁶

37. Marcossou, *Anaconda*, 272-91.

38. Stefan De Vylder, *Allende's Chile: The Political Economy of the Rise and Fall of the Unidad Popular* (Cambridge, Mass., 1976).

39. See Cristomo Pizarro, *La Huelga Obrera en Chile* (Santiago, 1986), 174; Klubock, "Class, Community and Gender in the Chilean Copper Mines," 696; and Elias Laferte and Salvador Ocampo,

Cobre de Chile: Nacionalización de Chuquicamata, Potrerillos y Sewell (Santiago, 1951).

40. Corporación Nacional del Cobre, *El Cobre Chileno*, 36-39, 69-78; Moran, *Multinational Corporations and the Politics of Dependence*, 65-90; Norman Girvan, "Las Corporaciones Multinacionales del Cobre en Chile," in *El Cobre en el Desarrollo Nacional*, ed. Ricardo Ffrench-Davis and Ernest Tironi (Santiago, 1974), 107-30.

Increased Anaconda profits in Chile could translate into worker benefits, as they did with the Roy H. Glover Hospital (right, no date) built in Chuquicamata in the late 1950s. As Anaconda broke off union-company negotiations in Butte in 1959, Chilean miners celebrated inception of mining at the new El Salvador mine at Indio Muerto, Chile (below, 1959).

From CODELCO, *Album Histórico*, 82

By late 1954, Chilean copper production rates had fallen to their lowest levels since before World War II and the country faced problems of international debt and national inflation. Under pressure from the United States and the mining companies,

From CODELCO, *Album Histórico*, 33

Chile's government abandoned efforts to intervene in the copper market and acquiesced to the so-called "free market" copper policy promoted by American corporations. Known as *Nuevo Trato* (New Deal), the policy supported the unfettered "rational actions" of foreign investors.⁴⁷ The copper companies won major concessions that included lower tax rates, free import of equipment, and an incentive plan whereby the taxation rate decreased as production increased. As in the early days of Anaconda's international expansion, repressive political practices had cleared the way for promotion of a "free market" economy. As production in Chile increased, corporate profits soared. Anaconda netted the largest annual income in its history: \$111.5 million in 1956. There were some benefits for workers as well. Anaconda announced a five-year plan that included construction of a modern hospital and more housing in Chuqui.⁴⁸

In a good position to expand in Chile, the company implemented plans for a new mine. Called El Salvador, it would be located near its depleted Potrerillos mine, roughly five hundred miles south of Chuquicamata. Also in 1956, Anaconda and the Mine-Mill union in Butte signed a three-year contract. With heavy start-up costs at El Salvador, low copper prices, and a diminished demand for copper, however, Anaconda a

year later curtailed operations in its high-grade underground mines in Butte. When the company similarly curtailed operations in Chuqui for the first quarter of 1958, a fifty-day strike ensued. Anaconda reported to its stockholders that the union's refusal

to accept government wage ceilings prolonged the strike.

The year 1959 proved to be a critical year for ACM and organized labor. With contract negotiations underway in Butte, the company claimed that mining and the Butte community would continue to prosper only if the industry could avoid additional costs. The Mine-Mill union called for substantial wage increases, improved insurance, and better pensions, but these issues were drowned out by a cacophony of voices in a power struggle among Mine-Mill, the Chemical Workers, and the United Steel Workers for control of local unions. Meanwhile, the El Salvador mine began producing copper in May 1959. As the company reported to stockholders: "We feel that we can conservatively predict that it [El Salvador] will be one of the truly great mines of the world and that no lower cost copper will be produced anywhere than from this property."⁴⁹

Weeks after El Salvador opened, union-company negotiations in Butte ground to a halt. A long and bitter strike began in August and lasted more than six months. The eventual settlement produced few gains for labor, and a series of layoffs followed. One local observer described it as the strike that broke the backs of the Butte unions. While the people of Butte endured half a year of uncertainty, Chuquicamata was enjoying favorite child status. On July 4, 1959, CHILEX Presi-

41. Santiago *El Siglo*, April 1-5, June 26, 1953.

42. For a thorough discussion, see Moran, *Multinational Corporations and the Politics of Dependence*, 75-90; Corporación Nacional del Cobre, *El Cobre Chileno*, 72-75; Santiago *El Siglo*, October 25, 1953.

43. Santiago *El Siglo*, October 13, 1953.

44. *Annual Report*, 1953.

45. Corporación Nacional del Cobre, *El Cobre Chileno*, 74.

46. *Ibid.*, 75; *Montana Standard*, July 24, 1954.

47. Corporación Nacional del Cobre, *El Cobre Chileno*, 75; Moran, *Multinational Corporations and the Politics of Dependence*, 95.

48. *Annual Report*, 1956.

49. *Ibid.*, 1957.

dent Charles Brinckerhoff initiated construction of a monument dedicated to Chuqui's miners with praise for the "great family of Anaconda." In October he claimed Chuqui was the "Copper Capital of the World" and announced plans for a Museum of Copper. In November, the new union hall was inaugurated. In December, Brinckerhoff announced plans for new housing in Chuquicamata, and in April 1960, he praised the miners for their year of record production. Anaconda mined 70,000 tons of copper in Montana in 1959, while it produced 350,000 tons in its combined operations in Chuquicamata and El Salvador.⁵⁰

Corporate prosperity notwithstanding, the failure of the *Nuevo Trato* to produce benefits for Chile brought the issue of state intervention in the copper industry back to center stage by the early 1960s. This powerful convergence of Chilean political and economic interests in nationalizing the copper mines posed a serious threat to the future of American companies. Chile's political left saw nationalization as part of a broader political movement for workers to control the means of production. The Radical Party and Christian Democrats believed that state management of the mines would generate revenues for state-sponsored economic development and social welfare. In addition, the conservatives' business interests tired of seeing the exodus of profits—profits that could be better invested in their own economic ventures. Perhaps most ironic was that elite landowners supported nationalization. Although the Chilean elites held many interests in common with the foreign copper companies, they were threatened by the agricultural reform envisioned by the Kennedy administration's "Alliance for Progress," and they supported nationalization of the mines as a key political bargaining chip. If land holders were to lose, so were the copper companies.⁵¹

The rising tide of socialist activism and anti-U.S. sentiment in Latin America set the stage for decades of political and economic tensions between the two coun-

tries. Both the U.S. government and the copper companies had a strong interest in maintaining Chile as a political ally, and did so by backing moderate Christian Democrat Eduardo Frei, whom they saw as the strongest supporter of their interests. Frei won the Chilean presidency in 1964 and upon taking office took a pragmatic approach, orchestrating the Chilean government's purchase of majority ownership of the copper mines.⁵² Plans called for a close partnership between Anaconda and the Chilean state that would result in production increases of more than 50 percent between 1965 and 1970. In theory, Anaconda agreed with the plan, assuring its stockholders that "the state and the Anaconda Company in Chile will become closely associated in purpose, interests and results."⁵³

In practice, however, Anaconda was loath to share the power and privilege of corporate sovereignty and refused to accept the conditions of Chileanization. ACM's 1965 annual report noted that the government-sponsored mixed ownership plan had been defeated and that the company was close to having the "conditions necessary for a major copper production increase in Chile." The company maintained full control of the Chuquicamata and El Salvador mines and agreed only to a 75/25 percent partnership with the Chilean government in the development of Exotica, a new, small-scale, mining operation.⁵⁴

ACM was well aware of the rising power of the leftist political coalition in Chile, which had narrowly lost the 1964 presidential elections. With a leftist government in power, there would be little interest in pursuing a partnership so favorable to the foreign companies. In fact, a plan for nationalization of the mines was agreed upon in 1969. But in the previous three years, the Anaconda Company maximized extraction of high-grade ore in its Chilean mines.⁵⁵

Labor activism was on the upsurge in Chile, meanwhile, and conflicts in the copper mines were growing

50. Chuquicamata *La Pampa*, July 4, October 21, November 7, December 19, 1959, April 15, 1960.

51. See Benjamin Keen and Mark Wasserman, *A History of Latin America*, 3d ed. (Boston, 1988), 339-42, 348-51.

52. Nathaniel Davis, *The Last Two Years of Salvador Allende* (Ithaca, N.Y., 1985), 20-21. Davis noted that approximately \$3 million had been allotted by the U.S. via the CIA to the Christian Democrats in the 1964 election.

53. *Annual Report, 1964*; on Chileanization, see Corporación Nacional del Cobre, *El Cobre Chileno*, 78-93; Urrutia, *Chile, Nuestro Cobre*, 161-71; and Ricardo Ffrench-Davis, "Integración de la Gran Minería a la Economía Nacional: El Rol del las Políticas Económicas," in *El Cobre en el Desarrollo Nacional*, ed. Ricardo Ffrench-Davis and Ernest Tironi (Santiago, 1974), 215-34.

54. *Annual Report, 1964*.

55. *Montana Standard*, January 3, 1970; Paul Sigmund, *The Overthrow of Allende and the Politics of Chile, 1964-1976* (Pittsburgh, Penn., 1977), 81-83; Francisco Zapata, "Trade Union Action and

Political Behavior of the Chilean Miners of Chuquicamata," in Robin Cohen, Peter Gutkind, and Phyllis Braxier, *Peasants and Proletarians: The Struggles of Third World Workers*, by (New York, 1979). See also frequent critiques in the Chuquicamata newspaper *Oasis* throughout 1973.

56. Personal interview with Chuquicamata labor activist, July 1994.

57. See related articles in Santiago's *El Siglo* and *El Mercurio*, March 3-8, 1966.

58. *El Siglo* and *El Mercurio* offer dramatically contrasting accounts of the deaths. The incident triggered a special session of the Chilean Senate. See Republic de Chile, *Diario de Sesiones del Senado, Publicación Oficial, Legislatura Extraordinaria, Incidentes en el Mineral El Salvador*, March 12, 1966, bound volumes of official senate records, National Archives, Santiago, Chile.

59. For details of the strike see the *Montana Standard*, June 1967 to April 1968; "Bitter Aftermath: End of a National Copper Strike," *Newsweek*, April 15, 1968, 80; and William Timmins, "The Copper Strike and Collective Bargaining," *Labor Law Journal*, 21 (January 1970), 28-33.

more frequent. In late 1965, a six-week strike affecting the entire copper industry resulted in military occupation of Chuquicamata and arrest of labor leaders. In January 1966, miners at Kennecott's El Teniente mines initiated a strike that both symbolized and amplified existing tensions between Chilean labor and foreign capital. By February, miners at Anaconda's El Salvador mine had begun a solidarity strike, resulting in government intervention. Labor leaders from Santiago were prevented from entering Chuquicamata, where the miners had continued working while considering the possibility of a solidarity strike. Six union leaders were arrested, as was the secretary of the National Workers Confederation who had gone to meet with union leadership in Chuquicamata. According to one observer, among those denied entrance to Chuquicamata was Senate President Salvador Allende, who, in an impassioned speech in Calama's plaza, called for an end to imperialist control of the copper mines.⁵⁶

Chuquicamata miners joined the solidarity strike for two days beginning March 6, 1966. The prolabor press described entire sectors of the town being converted into make-shift detention camps as police made massive arrests. Procompany newspapers praised the armed forces and police for guaranteeing the "freedom to work" in the mining camp. While the miners in Chuqui returned to work, those in El Salvador continued their solidarity strike.⁵⁷ Their resistance ended on March 11, 1966, when troops opened fire on a large group of min-

ers and their families gathered outside the union hall, killing seven people and injuring dozens. For the political left, the deaths became emblematic of the "close association of purpose, interests and results" between the Chilean government and the Anaconda Company.⁵⁸

This massive extraction of copper in Chile for short-term gains in the face of nationalization was occurring at the height of the Vietnam War, when copper supplies were critical. The Anaconda Company could maximize its advantage by increasing production without creating a surplus. In July 1967, meanwhile, the labor contract affecting the operations in Butte was due to expire. The United Steelworkers Union had replaced Mine-Mill as the union representing Butte miners two months earlier, and was demanding industry-wide bargaining and common contract dates in the negotiations, concessions that the "Big Four" of U.S. copper companies (Anaconda, Kennecott, ASARCO, and Phelps Dodge) were unwilling to make. Consequently, the largest and longest strike in the history of the U.S. copper industry began in July 1967. The strike lasted nine months and affected forty thousand workers nationwide. Operations in Butte were idled and the local economy devastated while production in Chuquicamata was at its peak.⁵⁹ As in 1959, Chuquicamata once again reaped the benefits of corporate paternalism for its record production as the company announced plans for a new housing project and renovation of company stores.

Picketing Butte miners (below, 1967) were among the forty thousand workers nationwide to suffer through the largest and longest strike in the history of the United States copper industry.



World Museum of Mining, Butte

In the United States, news accounts and political rhetoric criticized striking miners for “interfering with the war effort.” The Anaconda Company ran full-page advertisements in Montana newspapers calling on the miners to return to work by Thanksgiving or Christmas. Yet many miners, in retrospect, have a different memory. As one labor leader put it, “Oh sure, the company wanted to negotiate with us.” Indicating the space of an inch between thumb and index finger, he added: “They gave us this much room to negotiate.”⁶⁰ In conversations about the 1967 strike, I heard the conventional wisdom of Butte miners: “The company never had a strike it didn’t want.” Their suspicions were echoed by a United Steelworker spokesman who charged that “the industry has refused to bargain with the union and thus precipitated the strike. . . . [T]he industry is engaged in a conspiracy to raise the price of copper and in cold blood is using this strike to gain this objective. . . . [W]e know that the industry welcomed this strike.”⁶¹

The strike lasted until March 1968, and Anaconda was the last of the four major copper companies to negotiate a settlement. After intense negotiations before the National Labor Relations Board in Washington, D.C., the strike terminated at midnight, March 30, 1968. The following day, the labor contract in Chuquicamata expired and miners there initiated a strike, again demanding improved wages and benefits packages. The Anaconda Company delayed action until the end of the conciliation period before putting forth an offer. The strike was settled quickly.

Miners in both places faced uncertain futures. Butte residents saw more and more of their close-knit neighborhoods consumed by the insatiable Berkeley Pit. In 1970, claiming the Berkeley Pit was Butte’s “bread and butter,” Anaconda announced plans to expand the mine westward, encroaching on the uptown Butte business district and eastward in the direction of Columbia Gardens, the community’s cherished park and playground. The very fabric of community was being threatened by the consumptive force of the pit. In the same year, Salvador Allende won the Chilean presidency by a narrow margin, despite CIA and corporate funding of opposition to undermine his election and inauguration.⁶²

60. Personal interview with former mine worker, Butte, Montana, August 1991.

61. Quoted in pamphlet, “What the Copper Strike is All About,” Joseph Maloney to the AFL-CIO, Seventh Constitutional Convention, December 12, 1967, labor history file 005, box 1, Butte-Silver Bow Public Archives, Butte, Montana.

Allende’s Popular Unity government, whose main elements were the Socialist, Communist, and Radical parties, embarked on what it envisioned as a peaceful road to socialism. With broad national support, Allende introduced a constitutional amendment to nationalize the copper mines. He offered both a rationale and a financial accounting to argue that the nearly fifty years of lucrative corporate profits had more than compensated for the purchase price and capital investments. On July 11, 1971, with unanimous approval of the amendment by a conservative majority congress, Chile reclaimed its mines from the foreign companies. The Allende government proclaimed July 11 the National Day of Dignity.

Despite the celebrations, nationalization of the mines in Chuquicamata was plagued with problems at the operating level. In addition to the Yankee exodus, Chilean men with years of experience were replaced by political appointees as Popular Unity sought to integrate itself in the mine and sell the political value of nationalization. Management turnover, equipment breakdowns, and political struggles over control of the operation left miners in a state of uncertainty. Gone was the familiar if paternal power of the past. In its place were confusion, conflicts, and shortages of basic goods. Meanwhile, in Butte, another strike was underway, but news of the strike was interrupted by news from Chile with headlines in the *Montana Standard* that read, “Copper Grab Due in Chile” and “Chile Congress Drops Copper Ax.”⁶³

The United States government demanded compensation for U.S. companies in Chile and imposed diplomatic and economic sanctions. The Butte copper strike lasted for months as did the uncertainty regarding Allende’s ultimate decision on compensation. On September 29, 1971, Allende accused the U.S. government and companies of violating the rules of fair play and proclaimed Chile’s freedom from exploitation at the hands of foreign companies. Allende concluded that ACM owed Chile money.⁶⁴ In October, miners in Butte returned to their jobs more confident about their place in Anaconda operations. As one local observer put it, “Salvador Allende had more supporters in Butte than anywhere else.”⁶⁵ As economic and political sanctions pressured Allende’s troubled government, however, loss of some 70 percent of corporate profits wreaked havoc with Anaconda’s financial stability.

62. *Montana Standard*, September 2, November 5, 1970; Davis, *The Last Two Years of Salvador Allende*, 21.

63. *Montana Standard*, July 5, 12, 1971.

64. See De Vylder, *Allende’s Chile*, 128-130, for a discussion of U.S. reaction to the nationalization of the mines.

65. “Environment: An Open-pit Dilemma for Butte, Montana,” *Business Week*, December 1, 1973, 94.



President Augusto Pinochet (far left, April 14, 1983) ruled Chile by military dictatorship from 1973 to 1990. Despite policies premised on privatization, Pinochet did not reprivatize the copper industry that his predecessor, Salvador Allende, had nationalized on July 11, 1971.

In retribution for Allende's decision, the Nixon administration announced plans to stop foreign aid and U.S. exports to Chile. The country was denied credit essential for international trade. The copper corporations called on their longstanding relations with copper buyers to block sale of Chilean copper on the European market. The CIA funded and orchestrated a "destabilization plan" whose fundamental strategy was to provoke and support strikes by trade associations and disgruntled workers. United States military intelligence provided technical support to their Chilean counterparts, and the U.S. government and copper companies provided financial support to *El Mercurio*, Chile's powerful right-wing newspaper chain, to launch a media attack on Allende's Popular Unity government.⁶⁶

In September 1973, the Popular Unity government was toppled by a violent coup in which Allende died. In his place, Augusto Pinochet gained control of Chile and would rule by military dictatorship until 1990. The military regime's violent repression included attacks on labor leaders and suspension of union activity. Some union leaders, administrators, and workers from the Chuquicamata mines were among the thousands who were "disappeared," executed, imprisoned, or tortured. Curfews, control of the media, censorship, and prohibition of political activity reconfigured the contours of daily life. The mines kept producing copper and daily life continued, under scrutiny, with surreptitious resistance struggling in the shadows.⁶⁷

Chile's economic policy under Pinochet promoted massive privatization and reduction of the role of the state. Once again, a repressive political climate consti-

tuted a friendly environment for capitalist interests. General Pinochet negotiated a repayment plan with the Anaconda Copper Company for loss of its Chilean assets. Despite some U.S. concern with his record of human rights violations, Pinochet soon found himself back in the good graces of American interests, with dollars and resources flowing once again. Contrary to its economic policy premised on privatization, the Pinochet regime retained the copper industry as a nationalized interest, instituting a policy whereby 10 percent of the industry's profits were directed to support the armed forces.

Although it received compensation from both the Chilean government and the Overseas Private Investment Corporation, Anaconda never fully recovered from the loss of its Chilean riches. In 1977, Atlantic Richfield Corporation (ARCO), a major oil company, took over ACM. While ARCO's stated plan was to continue operations as usual, labor conflicts persisted and layoffs increased. In 1980 all smelting and underground mining operations came to a halt, and in 1983 the open pit mine shut down, bringing all operations to an end. The shutdown took an emotional as well as economic toll. Many former employees waited for the mines to reopen, but others left Butte in search of jobs elsewhere. Local government and businesses worked hard to attract new industry, but with modest success. The Environmental Protection Agency became a major player in the local economy as a 100-year accumulation of mining waste contributed to Butte's fame as

66. Sigmund, *The Overthrow of Allende and the Politics of Chile*, 103-4, 153; Davis, *The Last Two Years of Salvador Allende*, 6-8, 31, 68, 308-10; and Benjamin Keen and Mark Wasserman, *A History of Latin America* (Boston, 1988), 353-54.

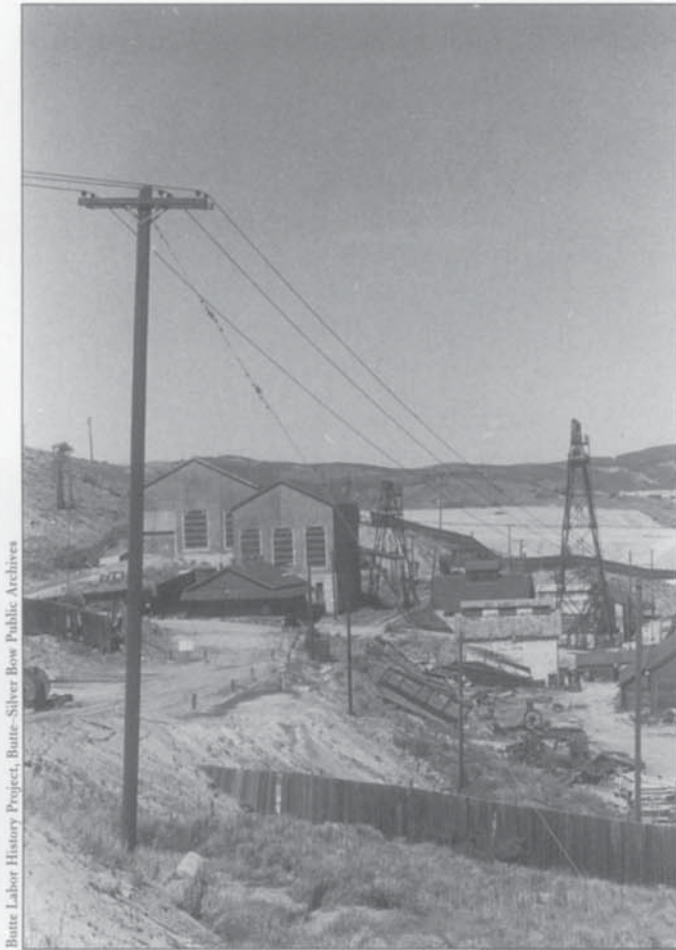
67. See Patricia Politzer, *Fear in Chile: Lives under Pinochet* (New York, 1989).

68. See Dan Baum and Margaret Knox, "Butte, Montana: The Rebirth of a Blighted City," *Smithsonian*, 23 (November 1992), 46-57.

69. See Alan Angell and Benny Pollack, "The Chilean Elections of 1989 and the Politics of Transition to Democracy," *Bulletin of Latin American Research*, 9 (January 1991), 113-35.

70. For examples of such strategies, see Ralph Armbruster, "Cross-National Labor Organizing Strategies," *Critical Sociology*, 21 (1995), 75-90.

71. Marcossou, *Anaconda*, jacket cover.



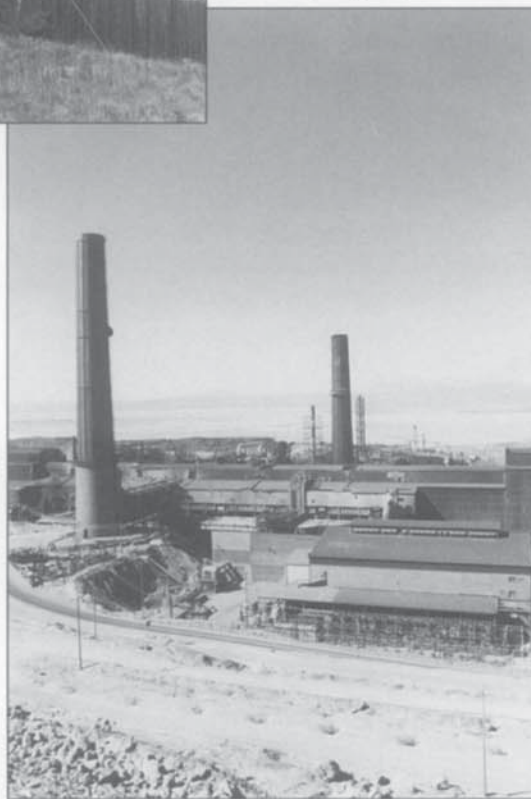
Butte Labor History Project, Butte-Silver Bow Public Archives

The abandoned Badger-State Mine yard (left, circa 1970) was one of the many symbols marking an end to mining in Butte by the Anaconda Company and its successor, ARCO. Open-pit mining resumed on a smaller scale in 1986, when Montana Resources purchased the Butte assets of ARCO. In Chuquicamata, the mine and such related facilities as the concentrator (below, no date), continue to operate. Despite workers' efforts to make a better life in the copper mining town, little has changed.

strike, refusing their midshift meal in symbolic rejection of their meager wages. Many who participated were arrested, and some were fired. In 1983, the collective power of national work stoppages challenged the military regime, and in October 1985 thousands of Chu-

the nation's largest Superfund cleanup site.⁶⁸ Mining resumed in Butte in 1986 with a modest operation employing about three hundred workers. Its scale was small, but the new mine had one significant feature: it was nonunion, signifying a profound shift in the labor practices of a community that had been known as the "Gibraltar of Unionism."

The past twenty years have produced a very different history for the people of Chuquicamata. Wages of copper miners declined under Pinochet's dictatorship. Despite and because of the fear, surveillance, and violence, people began to mobilize. Women took to the streets demanding answers about the disappearances and detentions of their loved ones, and workers began to organize. In 1978, after five years of repression and frozen wages, Chuquicamata's miners mobilized resistance. They began a daily hunger




Courtesy Osvaldo Vera

quicamata men, women, and children joined in a massive march from Chuquicamata to Calama to call for social and economic justice. Driven back by the military armed with guns, clubs, and tear gas, their force could not be ignored. They were part of growing movements throughout the country demanding an end to military power and a return to democracy. In a 1988 plebiscite, Chileans voted resoundingly against continuation of the Pinochet regime, and the country began rebuilding its fractured democracy.⁶⁹ Despite the formal shift from dictatorship to democracy, little changed in the Chuquicamata mines. The hierarchy fashioned by the Yankees eighty years earlier

retains its own autonomy today. Chilean politicians replaced gringos, military officers replaced civilians, and the civilians finally returned. But when asked about what has changed since the years of Allende, the typical response is "not much." People talk of when the

gringos ran the mines with a sense of nostalgia for the order of the good old days. Things were chaotic during the Allende years, and after that the hierarchy got bigger with more bosses and more bureaucracy. Faith in the unions has been undermined and current company demands for worker participation in CODELCO's "modernization" projects are met with skepticism. Workers see layoffs, early retirements, and the upsurge in nonunion contracted labor on all sides. In the mid-1990s, fear, uncertainty, and distrust grip the community spirit of Chuquicamata, something of a *déjà vu* to Butte in the 1980s. As people in Butte have struggled to pick up the economic pieces, the people of Chuquicamata continue to build a life beyond the military dictatorship. Both communities are bound as intimate strangers to a larger political economy that has shaped their interlocking histories.

The Anaconda Copper Company was ultimately successful in imagining, deploying, and taking advantage of a transnational community of labor, and did so in the form of cross-border organizing, negotiation of common contract dates and labor demands, or solidarity strikes.⁷⁰ The company's close localized ties to community and place worked to restrict the vision of its labor force; indeed, there is no history of labor solidarity between the miners of Butte and Chuquicamata.

When the miners of Butte speak at all of their Chilean counterparts, it is with resentment of the competition that often cost them their jobs. Likewise, miners in Chile see privileged difference more than common ground when they look north. If Anaconda pitted Butte and Chuquicamata against one another and laid "its impress on two continents," its operations and policies were likewise shaped as much by local labor and community struggles as by corporate dictate and government decree.⁷¹ The historical experience that unfolded between the Rockies and the Andes offers an important historical lesson: as global integration creates increased local dislocation, communities who share an interlocking history cannot afford to be strangers. 

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Anaconda's global business integration had severe consequences for Butte. As the headline in the *Montana Standard* put it on June 30, 1983: "Only one thing is sure about Butte mining: It ends tonight." Below, a solitary one-hundred-ton ore truck perches on the edge of the shut-down Berkeley Pit near the visitor viewing platform (early 1990s).



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