

## Revolution Through Reform

### Popular Assemblies, Housing Cooperatives, and Uruguay's New Left

Joshua Frens-String<sup>1</sup>

#### Abstract:

This article seeks to rethink the meaning of the “New Left” in Uruguay by looking at the convergence of new forms of popular “grassroots” participation during Uruguay’s devastating economic crisis of the 1960s. In particular, it focuses on the intersection of structural economists, left-wing intellectuals, the Uruguayan labor movement, and new cooperativist collectivities in an attempt to better understand the nature and breadth of reformist projects that endured throughout the decade. By more fully grasping these linkages, I suggest a more complicated understanding of the 1960s emerges – one in which the guerrilla is de-centered and other forms of participatory democracy are revealed. I suggest these latter projects –born out of the crisis of state developmentalism but quite distinct from the neoliberal era which followed it– were critically important in shaping the politics and culture of the Uruguayan New Left experience.

Key words: Uruguay, New Left, Congreso del Pueblo, cooperativism

#### Resumen

Este artículo propone repensar el significado de la “nueva izquierda” en Uruguay observando la convergencia de nuevas formas de participación popular durante la devastadora crisis económica que afectó al país en la década de 1960. En particular, se centra en la convergencia de economistas estructuralistas, intelectuales de izquierda, el movimiento sindical y grupos cooperativistas para comprender la naturaleza y amplitud de los proyectos reformistas desarrollado en esa década. Sugiero que al entender estos vínculos emerge una comprensión más compleja de los sesenta: la guerrilla pierde centralidad y cobran notoriedad las diversas formas de democracia participativa. Propongo que estos últimos proyectos –nacidos de la crisis del Estado desarrollista pero muy diferentes de la era neoliberal que le siguió– fueron sumamente importantes en la configuración de la orientación política y la cultura de la nueva izquierda uruguaya.

Palabras clave: Uruguay, nueva izquierda, Congreso del Pueblo, cooperativismo

1 PhD student in the Department of History at New York University.

“The city and the urban ultimately kindle highly diverse movements, form the most everyday demands to those of the urban guerilla (who, specifically targeted, disappears and is reborn).”

Henri Lefebvre, “The Worldwide Experience,” from *De l’Etat, Vol. IV*, 1978

## What’s Left? Rethinking Uruguay’s New Left<sup>2</sup>

Finishing a speech in Montevideo in August 1961, Cuba’s Minister of Economy, Ernesto “Che” Guevara, suggested Uruguay represented a unique hope: a democratic road to some form of socialism in a region where the legacies of colonialism still endured. While the Uruguayan government may not “agree with our ideas,” Che remarked, “they still allow us to express those ideas here, in the University and throughout the country.” The ability to advance the cause of social change through “democratic channels” was something that few countries in Latin America had both achieved and sustained in the early 1960s, and it was an accomplishment that, according to Guevara, the Uruguayan Left would be wise to “preserve.” “After the first shot is fired,” Che cautioned those who had gathered at Montevideo’s Universidad de la República, “one never knows when the last will be.”<sup>3</sup>

If the question of how, why, and when the Uruguayan Left lost its democratic vocation has been a chief preoccupation of historians and social scientists of Uruguay’s 1960s, Che Guevara’s visit to Montevideo has been natural a starting point. In his book on Uruguay’s most well known guerrilla organization, the Movimiento de Liberación Nacional-Tupamaros, Alfonso Lessa has suggested, for example, that the decision made by a small group of young leftists to take up arms over the course of the 1960s represented revolutionary maximalism par excellence. “Ernesto Che Guevara had directly warned potential Uruguayan guerrillas about the need to preserve democratic conditions in Uruguay and the impossibility of imposing revolutionary violence,” writes Lessa. “But they did not listen.”<sup>4</sup> In a 25-part series on recent Uruguayan history published in 2007, the right-leaning *El País*, Uruguay’s most read daily, made a similar point. Beginning its discussion of the turbulent 1960s with Che Guevara’s 1961 speech in Montevideo, the paper was one of many voices contending the revolutionary Uruguayan Left –rather than its right wing counter-

2 I am grateful to Greg Grandin, Aldo Marchesi, Alejandro Velasco, and Barbara Weinstein for their helpful comments on various iterations of this article. Versions of the article were also presented as conference papers at the Primeras Jornadas de Investigación del Archivo General de la Universidad de la República: “Ideas, saberes e instituciones del conocimiento,” Montevideo, Uruguay, October 2009 and the 125<sup>th</sup> Annual Conference of the American Historical Association (AHA) held in Boston, Massachusetts, USA in January 2011. A William J. Fulbright research grant to Montevideo in 2008 provided the necessary funding to carry out the research on which this article is based.

3 Che Guevara, “Discurso del Che en la Universidad,” Montevideo, 17 August 1961. Available online: [http://www.quehacer.com.uy/nuestra\\_america/Che/discurso.htm](http://www.quehacer.com.uy/nuestra_america/Che/discurso.htm)

4 Alfonso Lessa, *La revolución imposible: Los Tupamaros y el fracaso de la vía armada en el Uruguay del siglo XX* (Montevideo: Editorial Fin del Siglo, 2002), 61. For similar historical accounts of the 1960s which focus almost exclusively on the MLN-Tupamaros, see Hebert Gatto, *El cielo por asalto: El Movimiento de Liberación Nacional (Tupamaros) y la izquierda uruguaya, 1963–1972* (Montevideo: Taurus/Ediciones Santillana, 2004). And most recently, Julio Maria Sanguinetti, *La agonía de una democracia: proceso de la caída de las instituciones en el Uruguay, 1963–1973* (Montevideo: Taurus/Ediciones Santillana, 2008). On a regional scale, this argument about the New Left has been made by Jorge Castaneda, *Utopia Unarmed: The Latin American Left after the Cold War* (New York: Knopf/Random House, 1993).

parts—initiated a cycle of violence that left Uruguay “drowning in violence, battered by economic stagnation, and confronting an institutional crisis” by decade’s end.<sup>5</sup> The matter remains a hotly contested one, both in Uruguayan historiography and elsewhere in the region.<sup>6</sup>

Following historian Eric Zolov’s call to “broaden our conceptual understanding” of the Latin American “New Left,” the objective of this essay is to rethink what the New Left represented in 1960s Uruguay by shifting focus away from the so-called “revolutionary left.”<sup>7</sup> Rather than seeking to explain the relationship between an armed New Left and the breakdown of institutional democracy in the early 1970s, this article explores the robust arc of social, political, and economic reformism that endured throughout the decade. Focusing on the relationship between economic crisis, on the one hand, and new political associations forged between intellectuals, labor, and community-based grassroots organizations, on the other, I argue that the “new” Uruguayan Left represented a new coalition of diverse political traditions, whose very emergence centered around the common goal of preserving and deepening the social and economic rights Uruguayan workers and students had obtained over the first half of the twentieth century. In the face of austerity and growing state repression, the New Left adopted a program of structural reform promoted by Latin American economists and social scientists of the era—comprehensive agrarian reform, a new industrial policy, financial reform, the re-ordering of market relations in the area of housing, among others—and transformed them into the foundation of an alternative political project. That project, I argue, embodied nothing short of what, in 1966, Argentine sociologist José Nun called the hope of “revolutionary reformism” in the Southern Cone: the notion that a popular front coalition be re-assembled to demand the implementation of programmatic economic and social reforms and begin to rethink democracy less in terms of institutions and more as a process of participatory decision making.<sup>8</sup>

- 
- 5 “El nacimiento de la izquierda radical en Uruguay,” *Historia reciente: Desde Hiroshima a las Torres Gemelas, El País* Vol. 19/25 (Montevideo, August 2007). Available online: <http://www.elpais.com.uy/especiales/2007/HistoriaReciente/>. The history is more complicated, of course. As *El País* notes, a university professor, Arbelio Ramírez, was shot and killed following Guevara’s speech. The incident, in addition to other incidents of right-wing violence, has been seen by some on the left as a precursor to the organization of small left-wing groups that utilized political violence in the early 1960s. This is something *El País* rejects but it nevertheless remains a matter of debate.
- 6 In the case of Uruguay, see Carlos Demasi, “Un repaso a la teoría de los dos demonios,” in Aldo Marchesi et al., eds., *El presente de la dictadura: Estudios y reflexiones a 30 años del golpe de Estado en Uruguay* (Montevideo: Trilce, 2003), 67-75. More recently, work by Mauricio Bruno has documented early 1960s political violence employed neo-fascist leagues in Uruguay. See, for example, Mauricio Bruno “Algunas operaciones de las ‘bandas fascistas’ y su conexión política,” *Cuadernos de la historia reciente: Testimonios, entrevistas, documentos e imágenes inéditas del Uruguay autoritario* (Montevideo: Ediciones de la Banda Oriental, 2008), 41-52. For an older interpretation about the rise of political violence on Left which runs against that of Lessa and others but remains useful, see Oscar Bruscherá “Las repuestas al autoritarismo: los Tupamaros,” in *Las décadas infames: análisis político, 1967-1985* (Montevideo: Librería Linardi y Risso, 1986), 43-57. For an alternative to Castaneda on a region-wide level, see Greg Grandin, *The Last Colonial Massacre: Latin American in the Cold War* (Chicago: University of Chicago Press, 2004).
- 7 Eric Zolov, “Expanding our Conceptual Horizons: The Shift from an Old to a New Left in Latin America,” *Contracorriente*, Vol. 5, No. 2 (Winter 2008), 47-73.
- 8 José Nun, “América Latina: la crisis hegemónica y el golpe militar,” *Desarrollo Económico*, Vol. 6, No. 22/23 (1966), 355-415. In preface to the second edition of his *The Last Colonial Massacre* (forthcoming), Greg Grandin suggests a similar line of inquiry be pursued with respect to the region’s twentieth century historical experience. “The real challenge,” he argues, “is not to answer why Latin American democracy is so fragile but to explain its inextinguishable strength.”

This argument is developed here in three parts. Part I, “Uruguay in Crisis,” explores how a devastating national economic crisis produced vigorous debates on the Left about what sort of alternative political project might supersede liberal developmentalism. It specifically looks at how notions of economic planning promoted by structural economists of the day were appropriated and refashioned on the pages of a new independent left-wing press and elsewhere. Part II, “Making a Broad Front From Below,” moves the story forward to 1964 and 1965, focusing on the unification of Uruguay’s labor movement as well as the convergence of labor and numerous other social organizations at the 1965 Congreso del Pueblo assembly, in many ways the first attempt by the Uruguayan Left to establish cross-partisan popular front in which political parties took a back seat to the organization of social movements.<sup>9</sup> Here I am particularly interested in the production of an alternative set of solutions to the economic crisis presented by labor and its allies. In part III of the article, “Revolutionary Living,” I examine how growing frustration with Uruguay’s two traditional parties and their inability to implement much-needed structural reforms, such as agrarian reform, led to a new wave of community mobilization around everyday demands. Touching on the role of two political parties not usually associated with the New Left, the Communists and the Christian Democrats, I show how notions of planning were rendered democratic through the collective housing movement and the passage of new housing legislation in 1968. I also discuss how, through economic crisis and state violence, a vision of a state that could be both participatory and redistributionist was concretized. As state repression grew during the early 1970s, such experiences provided social space for New Left popular democracy to, at least for a time, be realized.

## Part I, Uruguay in Crisis

Che Guevara’s 1961 visit to Montevideo occurred just days after the Cuban minister rejected the United States’ proposal of a 10-year, \$20 billion “Alliance for Progress” at nearby Punta del Este. At the time, Guevara’s vote had left Cuba isolated amongst its regional counterparts, but just two years later, the idealism of the Alliance for Progress was drawing sharp criticism from many in the region, including those had long been the program’s biggest supporters. In mid-1963, on the two-year anniversary of the Alliance’s launch, two icons of Latin American developmentalism, former presidents Juscelino Kubitschek of Brazil and Alberto Lleras Camargo of Colombia, expressed their growing frustration with the inter-American program, arguing that it had failed to allocate sufficient funds for national development projects around the region, done little to prevent private economic interests from controlling funding decisions, and hesitated to tackle what the Economic Commission for Latin America (CEPAL) had long maintained to be the root of the region’s economic underdevelopment – unequal exchange. The left-wing daily *Época* discussed the Kubitschek/Lleras report, calling the Alliance the latest “failed hope” in the long history of US-Latin American relations.<sup>10</sup>

9 In Uruguay’s national elections of 1962, the Communist Party had championed the formation of a popular front in the electoral arena. However, that experience did not extend beyond political parties and experienced little success in forging bonds between labor or community-based organizations.

10 “Esperanza fallida,” *Época*, 12 August 1963. For the first major articulation of ECLA’s declining terms of trade thesis, see Raul Prebisch, *Economic Development of Latin America and its Principal Problems* (Lake Success, NY: UN Dept of Economic Affairs, 1950).

Just days earlier, the paper had reported about such disappointment in more immediate terms, sending a team of journalists to write a piece about the Barrio Kennedy settlement, located on the outskirts of Punta del Este. In August 1961, delegates to the Punta del Este conference, the US ambassador among them, had traveled briefly to a small rancharío to christen the community with the name “Poblado Presidente Kennedy.” The visit had been a short one, with diplomats staying just long enough to give bi-lingual speeches, cut a symbolic ribbon on a new water pump and gasoline generator, and deliver an automobile that would transport the children of the poblado to the nearest school, two and a half kilometers away. But two years later, when *Época*’s correspondents had returned, they found the shantytown untouched by any further aid or social development projects. The gas generator no longer functioned. (After the speeches had been given, it turned out the residents had to pay \$25 each in order to buy gasoline). The water pump had been stolen. As for the car left to shuttle Barrio Kennedy’s children to school, “today,” *Época* wrote, “it’s being used by a local jerarca.”<sup>11</sup>

To be sure, the Alliance for Progress had not been a complete flop. Foreign aid had helped fund a national development commission, the Comisión de Inversiones y Desarrollo Económico (CIDE), created by the new Blanco government in 1960.<sup>12</sup> In 1963, the commission had finally begun to release its findings about the Uruguayan economy and its future development prospects. However, its 1963 *Economic Study of Uruguay* quickly demonstrated that crisis was not isolated to places like Poblado Kennedy.<sup>13</sup> Despite –or perhaps because of– austerity and liberalization measures adopted by the Uruguayan government elected to power in late 1958, economic growth, stagnate since the middle of the 1950s, remained so five years later. The commission, composed of social scientists from around the Southern Cone, detailed as never before the fundamental issues that underpinned this long economic decline, concluding that comprehensive agrarian reform was urgent.<sup>14</sup>

In many ways the CIDE presented a paradox. As its director Enrique Iglesias later suggested, the commission was, like the UN’s CEPAL before it, an exercise in modern-state formation.<sup>15</sup> Iglesias would call the 1963 report the “first significant contribution toward knowing the reality [of Uruguay] and the first integral vision of the country as a whole.”<sup>16</sup> Attacking a tradition of patronage and clientelism, another CIDE participant, sociologist Aldo Solari, described the situation before the CIDE as one in which economic policies were made in isolation from “reality” and with little consideration of economic “facts.”<sup>17</sup> Part hyper-

11 “Un símbolo,” *Época*, 8 August 1963. This paper uses *Época* as one of its primary sources for exploring New Left thinking. For more on the importance of the paper in providing a space for “independent” Left debate and dialogue during the early 1960s, see Eduardo Rey Tristán, *La izquierda revolucionaria uruguaya, 1955-1973* (Sevilla: Consejo Superior de Investigaciones Científicas, Univ. de Sevilla, 2005), 114-118.

12 See Adolfo Garcé, *Ideas y competencia política en Uruguay (1960-1973): Revisando el fracaso de la CIDE* (Montevideo: Ediciones Trilce, 2002).

13 See CIDE, *Estudio Económico de Uruguay: evoluciones y perspectivas* (Montevideo: Centro de Estudiantes de Ciencias Económicas y de Administración, 1963).

14 See, for example, Henry Finch, *La economía política del Uruguay contemporáneo, 1870-2000*. 2<sup>nd</sup> ed. (Montevideo: Ediciones de la Banda Oriental, 2005), 247.

15 For a similar argument about the UN Economic Commission for Latin America (CEPAL), see John Coatsworth, “Structures, Endowments, and Institutions in the Economic History of Latin America,” *Latin American Research Review*, Vol. 40, No. 3 (2005), 126-144.

16 Enrique Iglesias, “La visión de Enrique Iglesias,” in A. Garcé, *Ideas y competencia política en Uruguay*, 160-161.

17 Aldo Solari, *Estudios sobre la sociedad uruguaya I* (Montevideo: ARCA Ediciones, 1964), 47.

bole, his words were not totally inaccurate either. Uruguay's last population census had been in 1908, and the country's economic indicators, if they existed at all, were incapable of tracking long-term changes in the Uruguayan economy. Again it was *Época* that became one of the first to cite the CIDE's 1963 study in significant detail, demonstrating the work was more than the stuff of modern social science. "The CIDE has put front and center for the country the basic characteristics of this most serious crisis that has spread across the country," the paper wrote, citing a handful of the CIDE's most startling statistical revelations. A third of the country's land was now controlled by just one percent of its population. Per capita consumption had fallen below 1951 levels. Uruguay's gross national product had, in absolute terms, dropped below that of 1954. "Productive stagnation, unemployment, [and] shortages," the paper wrote, "are all an unsustainable burden on our national future." Should political leaders reject the sorts of sweeping reforms the CIDE recommended –beginning with agrarian reform– the editors of *Época* argued the crisis would only deepen.<sup>18</sup> By revealing economic crisis in its most acute moment, the CIDE demonstrated the shaky economic foundation upon which an old regime teetered.

In an important way the CIDE –and, by association, the CEPAL– inscribed social and political meaning upon Uruguay's crisis of the early and mid 1960s. For perhaps the first time in the twentieth century, notions of inequality and underdevelopment, common in describing Uruguay's Latin American neighbors, began to be used amongst Uruguayans as well. Demands that the state break up large landholdings and, at least temporarily, nationalize productive sectors so as to redistribute national wealth became more common and more pronounced, particularly on the Left.<sup>19</sup> And in the early debates and discussions about a solution to the economic crisis CEPAL's presence was integral as well. While the regional commission held its annual meetings in Mar del Plata in May 1963, *Época*, in a five-part series, had interrogated some of the most important political figures in Uruguayan political life about CEPAL and the support (or lack thereof) that might exist for undertaking cepalino-backed "structural reforms." The answers reveal not only the seriousness with which much of the Left considered public policy but also suggest that an emergent New Left had not given up its faith in the sort of reformism the CEPAL had come to embody over the previous decade. When asked if he believed the recommendations of the CEPAL represented an appropriate means for transforming Uruguay's economic structures, the Socialist Party's new leader Vivián Trías, said he was still unsure what constituted the CEPAL program. "From what I know, the CEPAL has been rightly critical of the International Monetary Fund and I also know that in recent years there has been an attempt to marginalize the CEPAL –perhaps even to make it disappear by cutting its budget and limiting its independence," he argued. "This is surely because of its critical position toward the sort of neoliberalism being propagated by Wall Street." His only concern was that cepalino technicians might not have the political will to go far enough. The CEPAL would have to be more willing to support the "expropriation of foreign capital, the nationalization of foreign trade, and the expropriation of the latifundio" if its policies were to succeed, Trías concluded.<sup>20</sup>

---

18 "Qué hacer?" *Época*, 14 July 1963.

19 See, for example, "La riqueza en pocas manos," *Época*, 9 July 1963.

20 "Adonde va el Uruguay (II)" *Época*, 18 May 1963. See also parts I, III, and IV, V published in *Época* on 17, 19, 23, and 24 May 1963.

For that, some found meaning in more radical examples of regional economic change. Héctor Rodríguez, a former member of the Uruguayan Communist Party and among the labor movement's most revered leaders, looked at Cuba as a point of reference and comparison, arguing Uruguay's national economic crisis was not so unlike the former Batista dictatorship.<sup>21</sup> "The economic situation, so visible and painful to us all," Rodríguez wrote, "is creating within the people of this country the same type of reaction...that the severe conditions of tyranny created in pre-revolutionary Cuba." Like Che Guevara before him, Rodríguez acknowledged that the existence of democratic institutions in Uruguay made the country distinct from Fulgencio Batista's Cuba but maintained that nevertheless, like Cuba, Uruguay was being "beaten down [golpeado]". The trade union leader identified "an economic crisis for which nobody has been able to provide a decent solution" as the origin of Uruguay's distress. And while Rodríguez said he hoped that the national elections of November 25, 1962, would be the "epitaph" for an Uruguayan Left that focused its efforts solely on "electoral politics" ("electorerismo"), he ended his commentary by calling for the unification of "democratic and progressive forces."<sup>22</sup>

Rodríguez cited the Second Declaration of Havana, Cuba's call for Latin American solidarity in the face of North American economic and military intervention which sought to divide the region along Cold War lines, as a point around which Uruguay's Left might unite. Interestingly, two policies that are most explicitly criticized by the Second Declaration of the Havana were the Alliance for Progress and the Organization of American States' 1962 decision to expel Cuba from the inter-American system. While they might wield the evidence of economic crisis revealed by the Alliance for Progress's push toward reform, the fact that the Alliance for Progress was a project administered from Washington, produced an increasing amount of popular disdain.

Such references tapped into a long-standing skepticism within the Uruguayan Left about foreign aid, in general, and United States' assistance, in particular. Unlike in Venezuela or Chile where so-called "democratic left" movements were believed to have been quite powerful, most Uruguayan leftists—both communists and non-communists—viewed the Alliance with great suspicion from the start. The case of Carlos Quijano, the long-time editor of the non-communist Left weekly, *Marcha*, is an illustrative example. Quijano had spent much of 1961 and 1962 ridiculing the proponents of the inter-American aid program for their faith in a revolution that could be brought by the "pedantic," "outdated politicians;" and "acronyms" like the IDB, the OAS, CEPAL, AID, and CIES.<sup>23</sup> Despite being an economist, Quijano never overtly supported the work of the CIDE. And yet, interestingly, he had long promoted a parallel political agenda rooted in the same sort of social democratic notions of economic development embodied by the CIDE. In fact, in 1928, Quijano was among the first to publicly propose the establishment of an independent Economics Faculty within the Universidad de la República, contending that such an institution was essential for the consolidation of Uruguayan democracy, national economic independence, and development.<sup>24</sup>

21 For more on Héctor Rodríguez, see Eleuterio Fernández Huidobro, *El Tejedor: Héctor Rodríguez* (Montevideo: Impresora Tristán SRL, 1995).

22 "Verterbrar al pueblo," *Época*, 2 May 1963.

23 "De agosto de 1961 a noviembre de 1963," *Marcha*, 15 November 1963.

24 See Carlos Quijano, "La Facultad de Ciencias Económicas," *Revista Histórica del Partido Nacional* 3 (August 1928). Reprinted in Carlos Quijano, *Selección de la obra del Doctor Carlos Quijano* (Montevideo: Cámara de Representantes, República Oriental del Uruguay, 1992), 67-80. Even before the 1960s, Quijano and his brand of "terceristas"—that is, advocates of an independent socialist position between the Soviet state socialism and

Like the economists of the CIDE, Quijano was also one of the most active promoters of agrarian reform, arguing Uruguay must “return to the countryside in order to reconstruct the country.”<sup>25</sup> A similar position vis a vis the Alliance for Progress was articulated by the sociologist Vivián Trías of the Socialist Party, who like Quijano, rooted his critique of foreign aid in notions of nationalism. In a pamphlet published shortly before the Punta del Este conference in August 1961, Trías denounced the Alliance for Progress as an early manifestation of transnational corporate capitalism, which, he contended, threatened the possibility of “national revolution.”<sup>26</sup>

What made the tercerista and independent socialist position distinct was the way in which regionalism and nationalism became central categories for considering how the historical challenge of unequal exchange between the global North and South might be overcome. A form of socialism rooted in national particularities and committed to, in Aldo Solari’s words, “creating new centers of power” –i.e. a multi-polar world system– was, in many ways, both a means and an end in building a pathway out of the crisis of the 1960s.<sup>27</sup> Again, nobody captured this sentiment more clearly than Quijano himself. Writing during the 1961 Punta del Este Conference, *Marcha*’s editor contended that the Alliance for Progress would only succeed if capitalism, unlike feudalism or slavery, was an “eternal” system. However, “if capitalism is simply one more historical category, one stage in history,” Quijano continued, the system’s future was condemned to failure.<sup>28</sup> The early 1960s remained a moment of radical possibility for Quijano. The future, the New Left believed, was theirs for the making.<sup>29</sup>

## Part II, Making a Broad Front From Below

As fear about deeper IMF-backed austerity measures grew, new discussions began about the need for popular mobilization. Uruguay had signed its first stabilization accord with the IMF in September 1960, and within a handful of years, *Época* wrote that “true unanimity of opinion” against austerity was emerging. “If [wage] increases are denied, if salaries and wages are frozen, if the current policies are maintained, perhaps a few businessmen will make larger profits, which will then be sent off to foreign banks,” the paper wrote. The other possibility was one in which Executive Branch moved swiftly, sending reform legislation backed by the CIDE to the national parliament to “reanimate” the economy. This would signify the beginning of change that was “unavoidable and no longer capable of being postponed.” With teachers and public sector

---

US liberal capitalism– had built support for their politics around notions of state sovereignty, non-intervention, and economic development. When the Alliance for Progress appropriated the terms of economic developmentalism in the early 1960s, independent socialists like Quijano were forced to maintain their political independence by restraining their talk about “development” and emphasizing “anti-imperialism.” See Aldo Soldari, *El tercerismo en el Uruguay* (Montevideo: Editorial Alfa, 1965).

25 For Quijano’s position on agrarian reform, see “Volver al campo para reconstruir el país,” *Marcha*, 5 May 1961. Also, Carlos Quijano, *La reforma agraria en el Uruguay: algunos aspectos* (Montevideo: Cuadernos Uruguayos, 1963).

26 Vivián Trías, *El plan Kennedy y la revolución latinoamericana* (Montevideo: Ediciones “El Sol,” 1961), 88.

27 A. Solari, *El tercerismo en el Uruguay*, 122.

28 “Los 4 pecados capitales del CIES,” *Marcha*, 11 August 1961.

29 For an excellent analysis of how the notion of “alternative futures” underpinned global New Left thinking, more broadly, see Manu Goswami, “Remembering the Future,” *The American Historical Review*, Vol. 113, No. 2 (2008), 417-424.

employees walking out on strike, the paper argued that “the voices of people with great authority” were growing louder and needed to be listened to carefully.<sup>30</sup>

Yet, the implementation of austerity led to a growing division between the traditional political class (i.e. Uruguay’s two traditional parties) and those whose allegiance lay with either the labor movement, a handful of smaller parties, particularly on the Left, or even more technical bodies such as the CIDE. In their own way, each provided a sort of “differential space” for producing political change and demanding economic reform that began outside the traditional institutions of political life.<sup>31</sup> By 1963 political discussion largely divided between pursuing a renovated form of developmentalism or engaging in a wholesale deconstruction of the country’s social safety nets. *Época*, in two editorials entitled the “CEPAL vs. the IMF,” used the competing ideas of the two international organizations to show the divergent options before the Uruguayan people and their government: agrarian reform and a new development bank, or the tough medicine of the IMF, which included trade liberalization and cuts to state spending.<sup>32</sup>

To be sure, the situation was significantly more complicated than this, for as discussed in the previous section, the reforms of the CEPAL were, for many, mere abstraction. For one, the sorts of recommendations of the CEPAL had not, by the early 1960s, been implemented in any concrete way in the region. Agrarian reform had, in 1964, only just begun in Chile, for example. The hope of such a program had, meanwhile, been thwarted by a coup that same year in Brazil. While both blue and white collar workers had an immediate sense of what austerity felt like—declining wages—there was less of an experiential sense of what a revamped Keynesianism might entail. In this way it became a joint project of economists, technicians, and labor to outline the substantive nature of a new national development project. In the words of Héctor Rodríguez, a popular political movement emerged in the mid-1960s to “propel” reform forward.<sup>33</sup> So too did that movement give reform its substantive character.

The Convención Nacional de Trabajadores’ (CNT) call for a national popular assembly in August 1964 was not the first declaration by a political movement in favor of a major reform package.<sup>34</sup> The Communist Party’s 1958 “Programmatic Declaration” (DP) and “Immediate Political Platform (PPI), for example, were remarkably similar, demanding agrarian reform and the nationalization of foreign monopolies.<sup>35</sup> Many of the leaders of Uruguay’s traditional parties attempted to brand the planning of a broad-based social congress as the latest such machinations of the Communists, but the effort to build a movement from below was a concerted effort. Indeed, the Communist Party played an important role in organizing the event but under the banner of organized labor, the Congreso del Pueblo provided a space to begin articulating demands in national rather than sectarian or partisan terms. According to Héctor Rodríguez, by

30 “El mensaje complementario,” *Época*, 13 October 1963.

31 On the notion of “differential space”—that is, those locations of radical change which are formed outside of traditional institutional spaces, see Henri Lefebvre, *The Production of Space* (Oxford and Cambridge, MA: Blackwell, 1991).

32 “Cepal versus FMI,” *Época*, 18 January 1963, and “CEPAL versus FMI (II),” *Época*, 19 January 1963.

33 Héctor Rodríguez, Interview, in Ingrid Siri, Marta Ponce de León, and Salvador Schelotto, *El pueblo delibera: El Congreso del Pueblo veinte años después* (Montevideo: Centro Uruguay Independiente, 1985), 230–235.

34 “La CNT lanza iniciativa,” *El Popular*, 2 August 1964.

35 See Wladimir Turiansky, *Los comunistas uruguayos en la historia reciente (1955–1991): Su contribución al desarrollo de la conciencia social en años de crisis* (Montevideo: Editorial Fin de Siglo, 2010), 23–30.

calling on the student movement, cooperatives, and unions to participate, organizers believed members of Uruguay's two traditional parties –not only members of the organized Left– would participate.<sup>36</sup> And by focusing on everyday demands rather than old ideological differences, cross-class and intra-party bonds had a better chance of being sustained.

In the official announcement of the Congreso del Pueblo ten months later, assembly organizers identified Uruguayan workers –both rural and urban– as being most intensely affected by economic recession, growing unemployment, a deteriorating healthcare and education system, a crisis in social security, declining purchasing power, and growing incursions on basic freedoms to organize and protest. This assertion was complemented by CIDE studies.<sup>37</sup> In fact, as the CIDE prepared its first ten-year development plan in 1964 and 1965, Héctor Rodríguez and José D'Elía of the bank employees union were brought on to the commission's advisory committee. Both men had also worked with a group of young economists from the commission –Alberto Couriel and Alberto Bensión, among them– to organize meetings between the economists and labor syndicates. In addition, a group that included Couriel and Bensión was hired by *Época* to begin writing columns on political economy under the moniker GEPES –the Group of Political, Economic and Social Studies. CIDE economists began appearing on national television as well, attempting to translate the economic program they were drafting for a broader national audience. As *Época* noted after one such appearance –an interview of Enrique Iglesias by journalist Carlos María Gutiérrez– “The future development of Uruguay –if it is ever to come about– will have to favor those with nothing and through its work, create the fortunes only some now possess.”<sup>38</sup>

While such collaboration was important, popular movements, most notably labor, tended to lead while sympathetic técnicos, be they CIDE economists or other intellectuals, followed. In January 1965, the CNT had approved a so-called “plan de lucha” which included a series of marches and work stoppages in the months leading up to annual May First demonstrations.<sup>39</sup> The objective of the work stoppages was to raise popular consciousness about the need for economic alternatives to austerity. In June 1965, the CNT also began to actively coordinate the participation of social organizations in August's Congreso del Pueblo, which would seek to expand popular pressure for structural reforms. “The country was experiencing a most difficult crisis, which is affecting all sectors of el pueblo trabajador,” the assembly's organizers wrote. Reflecting back on the mid-1960s and the year 1965 in particular, one Congreso participant, lawyer and university professor, José Claudio Williman noted that the people's assembly was an early expression of what would much later be called “participatory democracy.”<sup>40</sup> Meanwhile, according to Héctor Rodríguez, the event marked a point of inflection whereby an attempt at electoral unity –a so-called “political Left”– was superseded by a growing “social Left” that had grown out of the labor movement, the student movement, and even the Church.<sup>41</sup>

36 Rodríguez, Interview, in I. Siri, et al. *El pueblo delibera*, 231-232.

37 “Llamamiento y convocatoria,” *Época*, 9 June 1965.

38 “Poco crecimiento y muchos bancos,” *Época*, 4 August 1963.

39 “Bases del plan de lucha sindical 1965,” *Época*, 20 January 1965.

40 José Claudio Williman, Interview, in I. Siri, et al. *El pueblo delibera*, 242-245.

41 Rodríguez, Interview, in I. Siri, et al. *El pueblo delibera*, 235.

According to a report in the Communist Party's daily *El Popular*, more than 400 organizations from around the country had signed on in support of the assembly.<sup>42</sup> On the night the assembly opened in early August, the newspaper *El Día* reported that as many as 13,000 individuals had been present at Montevideo's Palacio Peñarol.<sup>43</sup> Again Héctor Rodríguez contended that the consensus was clear. "If we add up all of the activities of private studies, the opinions of the press, the diagnostic of the CIDE, the general strike of 500,000 workers on April 6 (1965) that protested against the bankrupted nature of national politics, what we see is a clear and practically unanimous state of concern and a corresponding willingness to be constructive but it is being totally ignored [by the government]."<sup>44</sup>

After three days of meetings, delegates representing four hundred organizations and movements at the country's first popular assembly approved a national "Program of Solutions." The cover of Uruguay's *Época* proclaimed the plan "a program for a new Uruguay."<sup>45</sup> According to economist, Alberto Couriel—one of those most intimately involved in both drafting of the assembly's program and compiling the various sections of the CIDE's 1965 development plan—the Congreso del Pueblo's "Program of Solutions" had taken the CIDE as its base and "pushed it to Left." The Congreso's program was "practically lifted from the thinking of the CEPAL and from the program of the CIDE," Couriel said later.<sup>46</sup> Indeed, the similarities are striking. The CIDE, in its plan that would be released just two months later, argued that economic prosperity had transformed social mobility, access to the highest levels of education and culture; health care, retirement pensions, and access to a certain standard of living and consumption as an "acquired right," not just an "aspiration." Similarly, the CIDE argued the issue was not one of "proposing simple targets of 'economic growth,'" but was rather about achieving "social development."<sup>47</sup> This meant implementing, "fully and simultaneously," a quite revolutionary reform agenda: agrarian reform, social security reform, trade policy reform, tax reform, comprehensive financial reform that included the creation of a new public development bank, labor reform that would re-found Uruguayan society through things like the creation of a new industrial policy, basic administrative reform, and housing reform. In many ways, both programs—that of the Congreso del Pueblo and the CIDE—marked the culmination of some of the first and most important cross-class collaboration on the Left.

But unlike the CIDE, the Congreso del Pueblo turned economic proposals into explicit political demands.<sup>48</sup> For example, after April 1965 collapse of Banco Transatlántico, one of the largest private banks operating in Uruguay, the Congreso called for the nationalization of the banks, as a solution to half-measures of financial reform that had done little to hold back predatory speculation. In this context, the Congreso del Pueblo's recommendation that the banks be nationalized was a particularly reasonable solution. But rather than adopting the proposal,

42 "Asistirán delegados de toda la Republica," *El Popular*, 30 July 1965. Others estimate adherence to the event was closer to 700 social organizations.

43 "Congreso del Pueblo sesiona desde ayer," *El Día*, 13 August 1965.

44 "Congreso del Pueblo," *Marcha*, 13 August 1965.

45 *Época*, 16 August 1965.

46 Alberto Couriel, Interview, in I. Siri, *El pueblo delibera*, 246-249.

47 See CIDE, *Plan Nacional de Desarrollo Económico y Social (1965-1974)*, Vol. 1, Plan General (Montevideo: República Oriental del Uruguay, 1965), 2.

48 For the Congreso del Pueblo's "Program of Solutions," see I. Siri, et. al. *El pueblo delibera*, specifically 113-123.

the Blanco government turned back to the IMF in late 1965, devaluing the peso and ending a dual exchange rate in an attempt to secure momentary peace. By 1966, speculation had returned, capital flight resumed, and inflation once again skyrocketed.<sup>49</sup> The antagonism between state and nation deepened. “The people will drive change [el pueblo impulsará],” the Congreso del Pueblo’s program read, “and the State will take on the task of implementing the necessary changes for the benefit of Society,” defined as “el pueblo organizado.”<sup>50</sup> It was amidst the popular sectors where the development imperative was being appropriated and socialized; and it was there where a different relationship between state and society was being imagined.

### Part III, Revolutionary Living: The Case of Uruguayan Housing Cooperatives

For a brief time between 1966 and 1967, the government did take up the issue of reform.<sup>51</sup> In February 1966, for example, the government approved the CIDE’s ten-year development plan, in effect committing itself to legislative action. In November, voters both brought the Colorado Party back to power nationally and approved a constitutional reform that mandated the creation of Uruguay’s Central Bank, institutionalized the CIDE into the Office of Planning and Budget (OPP), and placed a number of important CIDE social democratic planners in key government positions.<sup>52</sup> But while new institutions had been created, the underlying structural issues of the economic crisis continued to be ignored. A comprehensive agrarian reform project prepared by the reform-minded Blanco leader, Wilson Ferreira Aldunate, had been gutted of any significant meaning at the behest of Uruguay’s most powerful rural landowners’ body, the Asociación Rural del Uruguay (ARU). As early as 1964, the ARU stated that it would only support an agrarian reform proposal so long as the idea eschewed any mention of “structural reform.” According to the ARU, the CIDE’s diagnostic on this point was overly intrusive and did not correspond to what large landholders interpreted to be “the real needs of Uruguay.”<sup>53</sup> In the end, only four of the seven originally drafted bills were passed by the Colorado government elected in 1966, none dealing with the relationship between private property rights and national needs nor with the issue of land redistribution.

The 1966 constitutional reform, moreover, eliminated the unique *colegiado* governing structure that had become the hallmark of Uruguay’s deliberative social democracy. The labor movement had strongly opposed this move, but a pact between sectors of the country’s two traditional parties had, in the end, won out, reducing the power of Uruguay’s national parliament vis a vis the executive branch.<sup>54</sup> Finally, after failing to deal with the financial collapse of 1965 in a sustainable way, rising costs returned. From 1965 to 1968, Uruguay’s inflation rate rose

49 Walter Cancela and Alicia Melgar, *El desarrollo frustrado: 30 años de economía uruguaya, 1955-1985*, (Montevideo: CLAEH/EBO, 1985), 30. Also in A. Garcé, *Ideas y competencia política*, 117.

50 “Programa de Soluciones a la Crisis,” cited in I. Siri, *El pueblo delibera*, 114-115.

51 A. Garcé, *Ideas y competencia política*, 120-129.

52 Two of the most notable were Enrique Iglesias at the Central Bank and Luis Faroppa at the OPP.

53 Cited in A. Garcé, *Ideas y competencia política*, 87.

54 See O. Bruschera, “La reforma naranja,” in *Las décadas infames*, 15-18.

from 56.5% to \$125.3%.<sup>55</sup> Only after a June 1968 wage freeze did that figure begin to fall, but trade union bargaining rights had been sacrificed in exchange. In the words of two economic historians, the measure consolidated a “fondomonetarista” interpretation of inflation that focused exclusively on excessive demand (credit expansion, high wages, etc.) rather than on matters of productivity.<sup>56</sup> The move in this direction provoked a new wave of new social protest in late 1967 and 1968, which was met with the iron fist of Jorge Pacheco Areco—a little known Colorado politician who had assumed the presidency in December 1967 after the sudden death of President Óscar Gestido. This was paralleled by the growth of an increasingly repressive public security and intelligence apparatus that had, since 1965, begun an internal “modernization” process through an agreement with the United States Office of Public Safety.<sup>57</sup> Taken together, the political forces which amassed after 1966—the landed elite who defeated agrarian reform, the IMF which preached economic austerity but ignored the need for a new productive model, and an increasingly coercive and centralized security apparatus—marked a new counter-insurgent coalition intent on holding back the reformist movement that had organized from 1963 to 1966.

It would be a fool’s errand to attempt to locate the precise moment when legitimate social protest was met with a disproportionate level of physical force from the state or when some elements of larger protest movement devolved into armed insurrection. But if we are to date a moment of change, late 1967 and 1968 did mark a shift of undeniable significance. As historian Jeffrey Gould has shown, Uruguay’s 1968 was one of the most historically significant anywhere in Latin America in terms of both the crisis which preceded it, the protest which emerged out of it, and the repression with which that protest was put down.<sup>58</sup> In terms of political economy, Pacheco Areco’s assumption of power in late 1967 dismantled the possibility of a national “developmentalist” project in which labor, capital, and the state might form a new social alliance. In one of the last moves before his death, President Gestido’s decision to order a violent crackdown on labor strikes in early October 1967 had led to the resignation of the most important proponents of national development in the Colorado Party—Minister of Industry Zelmar Michelini, Finance Minister Amílcar Vasconcellos, and OPP chief Luis Faroppa. The new Pacheco government’s proscription of the Socialist Party and the closure of a number of news outlets, including *Época*, in December 1967 marked the beginning of a new period of heightened polarization.

Such crackdowns succeeded in atomizing protest on the Left, but they were incapable of extinguishing the demand for wide-reaching structural reform that had emerged throughout decade. While the political ground had narrowed considerably, efforts toward national mobilization generated by the Congreso del Pueblo and the CIDE’s national planning efforts had, if anything, inspired new political solidarities at the grassroots level and around everyday demands. These practices represented an alternative way of thinking through concepts of “gradual reform” versus “revolutionary socialism” that dominated conversations of high political and intellectual life during the 1960s. Adopting strategies of communal governance, for example, represented practices

55 Gerardo Caetano and José Rilla, *Historia contemporánea del Uruguay: De la colonia al siglo XXI* (Montevideo: CLAEH/Editorial Fin del Siglo), 513.

56 W. Cancela and A. Melgar, *El desarrollo frustrado*, 41.

57 See Clara Aldrich, *La intervención de Estados Unidos en Uruguay (1965–1993): el caso Mitrión* (Montevideo: Trilce, 2007) For more on USAID’s Office of Public Safety elsewhere in Latin America, see Martha Huggins, *Political Policing: The United States and Latin America* (Durham: Duke University Press, 1998).

58 See Jeffrey Gould, “Solidarity under Siege: The Latin American Left, 1968,” *The American Historical Review* Vol. 112, No. 2 (2009)

of Christian humanism and associationalism that straddled both sides of the intellectual divide. Perhaps nowhere was this as clear as in the mobilization of trade unionists and community groups around the issue of housing, which both despite and because of the turbulence of the decade, incubated some of the most radical expressions of an alternative future. Such experiments brought about a profound “democratization” of Uruguay’s political parties, an easing of sectarian differences, particularly on the political Left, and a new understanding of democracy as a process and daily practice rather than a static end point or institutional state of affairs.

If it was the case in the mid-1940s, at the height of Uruguay’s prosperity, that working class housing was “the most serious problem facing the country”—as argued by the country’s construction workers union (SUNCA)—two decades later the problem had worsened significantly.<sup>59</sup> During the mid-1960s the crisis had caused the number of construction contracts granted to SUNCA building contractors to fall significantly, but it was not until 1963, when the CIDE released one of its most important studies on the specifics the country’s national housing crisis, that the magnitude of the country’s problems was made known.<sup>60</sup> The CIDE study was directed by architect and sociologist, Juan Pablo Terra, the closest thing secular Uruguay may have ever had to a liberation theologian and leader of the country’s Christian Democrats. In it, Terra and his colleagues, many of whom subscribed to the scholar’s brand of Christian humanist social science, depicted the toll the crisis was taking on the country’s popular classes, both in Montevideo and in the countryside. Construction, in general, had fallen from more than 1.5 million square meters in 1956 to half that number in 1963. The amount of money being invested in housing, as a percent of national GDP, had fallen by 50% over that same period. And loans granted by the country’s state-run mortgage bank (BHU), were in the process of falling from \$10,000 million Uruguayan pesos during the 1955–58 period to just 350 million in 1968.<sup>61</sup>

Like the CIDE’s national economic diagnostic of 1963, the housing study stimulated new debate. In the Socialist paper *El Sol*, an article described housing as both a “universal problem” and the cauldron of a new revolutionary consciousness. While mentioning progress made by Cuba in addressing issues of popular housing, the paper said an “authentic revolutionary spirit” was needed to tackle a similar problem in Uruguay. But the definition of revolution was as much moral as it was social. “It’s not about running out to pick up arms,” the paper wrote, “but rather it’s a matter of dedicating one’s self to profound changes in how the home itself is conceptualized.” How, the paper queried, might the transformation of one’s living quarters into a dignified space give rise to a larger “struggle for the social good?” “The isolated home [la vivienda aislada], as decent as it may be, will never constitute an adequate solution to the problem.” Moreover, like the labor movement, *El Sol*, acknowledged the importance of the CIDE’s diagnostic but contended popular experience and participation needed to accompany the commission’s more technical assessment.<sup>62</sup>

59 See Pedro M. Ayzaguer, “La vivienda obrera y la defensa de la industria de la construcción,” Montevideo: SUNCA, May 1945.

60 CIDE, *Muestreo nacional de vivienda, febrero-abril de 1963* (Montevideo 1964).

61 See Benjamín Nahoum, “De la autoconstrucción individual a las cooperativas pioneras,” in *Las cooperativas de vivienda por ayuda mutua uruguayas: una historia con quince mil protagonistas* (Sevilla: Consejería de Obras Públicas y Transportes; Montevideo: Intendencia Municipal, 1999), 27.

62 “La vivienda socialista,” *El Sol*, 26 April 1963.

The country's cooperative movement grew out of this sense of individual introspection aimed at building social solidarity. Founded in the early 1960s by a group of radical Catholic activists, the Uruguayan Cooperative Center (CCU) had by 1965 committed nearly all of its limited resources to popular housing matters. While some CCU co-founders had taken part in the August 1965 Congreso del Pueblo, others embarked on trips to Scandinavia, as well as to a handful of experiments in other Latin American countries like Colombia, Chile, and Venezuela, studying in each how cooperative housing models might be adapted to the Uruguay's own realities.<sup>63</sup> From this, the CCU began advising three self-organized groups in 1966 –municipal employees in Fray Bentos, railway workers in Salto, and agricultural workers in the small town of Isla Mala– in what would become the country's first cooperative housing experiments. As one of the CCU's founders described it, the CCU brought together communitarian principles, a socialized form of Catholicism, anarchist traditions of mutual aid, and a commitment to using social scientific inquiry for the "common good."<sup>64</sup> While tied to the work of Terra, the movement never adopted a unifying partisan position but was rather a point of debate outside the formal political system.

Nevertheless, its roots became particularly strong in the country's trade union movement. Beginning around 1968, the organization worked to disseminate the success of their three cooperative housing experiments in the Uruguayan interior. Montevideo textile worker Armando Guerra remembered hearing one such program in early 1968, and when he left for his night shift at Textil Uruguay, one of the city's oldest textile factories, he mentioned the notion to some of his fellow workers. Having experimented with other forms of cooperative organization within the union before, Guerra was able to organize a small collective of trade unionists interested in pursuing a similar cooperative project in the area of housing. "Housing," Guerra later remarked, "was always a matter of concern" in Uruguay. And through the creation of cooperatives, he contended, the "social character" of Uruguayan trade unionism was extended beyond the shop floor. Amidst the unrest of May 1968, the textile workers visited all three pilot projects and, shortly thereafter, formed the first housing cooperative of Montevideo, the COVIMT-1 group, on land obtained from the Catholic Church. With the technical assistance of the CCU, the group broke ground on Montevideo's first cooperative housing complex that same year.<sup>65</sup>

The CCU's experience in the interior, and, by early 1968, in the capital, put pressure on the Uruguayan government to articulate a new legal framework for financing alternative collective housing arrangements. Like the three pilot experiments, COVIMT-1 and a handful of other cooperatives formed at nearly the same time were all forced to register themselves with the Finance Ministry as so-called "consumption cooperatives." Under the country's juridical framework, housing as such remained a matter to be exclusively dealt with by the private sector or through the state, even as the state's ability to distribute public housing contracts to private construction companies continued to decline.<sup>66</sup> The CCU imagined another model, however, and

---

63 See Juan José Sarachu, interview with author, Montevideo, 22 September 2008. Sarachu, a co-founder of the CCU, places particular emphasis on how the Venezuelan model, studied during a 1964 CCU visit to that country, framed some of the initial pilot projects in Salto, Fray Bentos, and Isla Mala.

64 Juan José Sarachu, Interview with author, Montevideo, 22 September 2008.

65 Armando Guerra, "COVIMT-1," testimony in Daniel Chavez, *FUCVAM, la historia viva: testimonios de organización y lucha: el cooperativismo de vivienda por ayuda mutua en el Uruguay* (Montevideo: NORDAN, 1990), 23-31.

66 Benjamín Nahoum, "Las cooperativas de vivienda por ayuda mutua uruguayas," in B. Nahoum, ed., *Las cooperativas de vivienda por ayuda mutua uruguayas*, 28. For more on the juridical framework, see José Luis

when it became involved in drafting a new housing bill with deputy Juan Pablo Terra in 1968, it demanded a reordering of the traditional understanding of market-based housing construction and ownership. In a new housing law, passed in the final days of that year, two types of cooperative models were enumerated. Under the “ahorro previo” model, predominantly middle-income groups would be allowed to use their collective savings to contract out private construction of cooperative neighborhoods while still retaining collective ownership rights to the cooperative properties themselves. Meanwhile, under the “mutual aid” model, the state would provide low-interest loans to self-organized groups that desired collective construction, ownership, and governance.

Between 1968 and 1973, the state registered 69 cooperatives, totaling 4338 individual housing units, under the 1968 Housing Law. Those cooperatives, in turn, applied for low-interest, long-term loans from the newly created National Housing Fund. Of these, 43 cooperatives (3,324 units) were of the mutual aid variety in which cooperativistas carried out the construction and organization of their complexes under principals of auto-gestión.<sup>67</sup> The emergence of housing cooperatives—and a new legal framework that made the model’s growth possible—represented a fusion of the country’s storied social democratic but often state-centric, history with a radically new form of democratic participation in which decisions about planning were made from below. In this way, the new housing law (13.728) that the National Congress passed in the final days of 1968, offered a novel legal framework for institutionalizing direct action and self-help around specific social demands.

To be sure, the notion was not one with which all were comfortable. The Uruguayan Communist Party (PCU), in particular, was quite critical of the 1968 Housing Law, given the Pacheco government’s apparent willingness to support the bill. During debate on the parliament floor the bill’s sponsor, Juan Pablo Terra, was forced to defend the proposed law from such attacks.<sup>68</sup> The notion of a parallel worker’s movement emerging outside the control of what had been a highly centralized Communist Party structure—and doing so with the explicit purpose of decentralizing the social and economic power of the state—caused significant consternation among the leaders of the PCU as well, as did the fact that many cooperatives were financed with loans from the United States and international financial institutions. As an editorial in *El Popular* had contended five years prior, such a system of financing represented a most “visible penetration of yankee imperialism” that at any moment could be pulled should the loan provider lose confidence in its recipient.<sup>69</sup> More important still, the PCU-aligned the construction workers union (SUNCA) argued that an already depressed construction sector might face more economic hardship should a new legal framework be adopted in which workers could more easily opt to accept state money and collectively construct their own homes. However, shortly after the passage of the 1968 law that is precisely what many SUNCA unionists began doing, building their own large-scale housing cooperative complexes around the periphery of Montevideo. In fact, by

---

Cazères, “La base jurídica,” also in B. Nahoum, *Las cooperativas de vivienda por ayuda mutual uruguayas*, 35-43. Also, see Juan Pablo Terra, *Proceso y significado del cooperativismo uruguayo* (Montevideo: ARCA/Banda Oriental/CEPAL, 1986), 51-53.

67 J.P. Terra, *Proceso y significado del cooperativismo uruguayo*, 53-54.

68 See, for example, “Intervención en la Sala de la Cámara de Representantes del 27 de diciembre de 1967,” republished in Juan Pablo Terra, *Obras*, Tomo I: Arquitectura y urbanismo, 103-108.

69 See “Cooperativas y Imperialismo,” *El Popular*, 9 February 1963.

the late 1960s, the party had created its own technical assistance organization to promote the construction of housing cooperatives within PCU-aligned trade unions. In turn, the Communist Party helped create their own party-affiliated federation, the Mesa Sindical Cooperativa. As one architect involved in advising the construction of some of the first Communist cooperatives described it, the PCU, at least through the late 1960s, continued to view of cooperativism “as a means to an end” rather than an end-in-itself.<sup>70</sup>

It is not entirely clear why, but by the early 1970s, the PCU’s Mesa had dissolved itself and the PCU-affiliated housing movement joined together with the country’s non-communist cooperatives to form the Federation of Uruguayan Mutual Aid Housing Cooperatives (FUCVAM). Hederson Cardozo, an active SUNCA labor leader and one of the individuals most instrumental in uniting the PCU-affiliated cooperatives with those of other trade unions and territorial associations, later described the original Communist Party decision to form a separate cooperative federation as “an error.”<sup>71</sup> Housing cooperativism had, according to Cardozo, become emblematic of workers’ commitment to self-determination, democratic planning, and the building of a larger social (or political) movement. “The greatest experience that we took away from building the cooperative,” he remembered, was showing that as workers, even under circumstances of exploitation, “we could provide a solution to the issue of housing.” The cooperative had become “an essential pillar in the workers’ struggle.”<sup>72</sup>

One could draw an alternative interpretation of this process through which sectarian differences of the Old Left dissipated. With the failures of state developmentalism becoming ever more evident, and with the outlines of neoliberal order, characterized by market-based solutions to social problems and the de-politicization of daily life, appearing over the horizon, the cooperative model was born in a moment of dramatic uncertainty. But crisis was so too held radical potential. In an interview some four decades after he joined the CCU, housing activist and architect Leonardo Pessina described the cooperative as an experiment in which the state provided economic resources to be fully administered by the organized communities. “The state subsidized us, but we were the administrators –the technicians, they were ours,” he maintained. Using a language of anti-neoliberalism, Pessina describes the project with the benefit of hindsight, suggesting the model did not “neoliberalize the state,” but rather, in Pessina’s words, “moved toward defining politics through participation” and the “struggle for and execution of resources.”<sup>73</sup> It is precisely this sort of uncertainty –and no doubt the violence with which the state attempted to fill the void– which led to the convergence of a new popular front at the level of neighborhood politics. And it was this convergence which helps explain the political unity of a broad-front electoral coalition not long after.

Juan Pablo Terra, who would give up his party’s ballot-line to the newly formed Frente Amplio coalition in 1971 frequently spoke in similar terms. “Nobody is under the illusion that a mobilization and rationalization of these efforts are sufficient to pull the country out of its economic and social crisis,” he wrote in 1969. “The problem was,” in his words, “incomparably larger.” The housing cooperative was but one mode of bringing forth an alternative society, turning the old notion of development on its head by infusing it with democracy from below. “It’s undeniable

---

70 Jorge di Paula, Interview with author, Montevideo, 14 July 2008.

71 Hederson Cardozo, “Covisunca, Zona 1,” Testimony in D. Chavez, *FUCVAM, la historia viva*, 66.

72 Ibid, 65.

73 Leonardo Pessina, Interview with author, Montevideo, 2 May 2008.

that progress in [the area of housing reform] will help to mobilize the rest of the country, will allow economic and social objectives to be reconsidered and will save Uruguayan society from an important amount of human suffering,” contended Terra.<sup>74</sup> Revolution was a “deep and rapid modification of social structure, deliberately promoted as a political project” for Terra.<sup>75</sup> In this sense, the spirit of mass participation, as seen in the Congreso del Pueblo, later embedded itself deep within the everyday struggles of trade unions and community collectivities. It represented an historic moment, one in which the relationship between political institutions and social movements was inverted. The organization of the latter served as a means of constructing the former.

## Concluding Thoughts

Forms of direct participation became the center around which workers, intellectuals, and cooperativists experienced politics during the late 1960s. In a time of crisis, such strategies attempted to hold the state accountable for its failure to implement much needed structural reforms, and a commitment to a more participatory politics anticipated in important ways the formation of a new, popular front-style electoral coalition. If one important characteristic of the New Left—in Latin America or beyond—was its demand for a participatory or insurgent form of democratic practice, I have argued here that our understanding of the New Left in Uruguay must be expanded so as to incorporate those political actors whose role in shaping the political terrain of the 1960s has at times been neglected.<sup>76</sup>

To move toward a more broad or general understanding of the New Left is not, however, to lose or obscure the particular nature of the Uruguay in the 1960s. Indeed, the construction of some alternative future is hardly imaginable without the collapse of much of what defined Uruguay’s before this era. By most accounts, the former “Switzerland of the Americas” would end the decade as the only Latin America country to be relatively worse off, in economic terms, at the end of the decade than at the decade’s beginning. If we look at per capita income in Latin America and the Caribbean, Uruguay and Haiti—two nations that rarely appear next to one another in the economic statistics of the region—were the only two countries whose per capita income *declined* during the 1960s.<sup>77</sup> These real economic dislocations, as well as the experiences they generated, formed the conditions within which the New Left sought to make a new history. The crisis became the impetus for mass mobilization while also providing the opening to imagine an alternative economic and social project. Rather than provoking splits between an Old Left—frequently read as the Communist Party—and the New Left—often read as new guerrilla movements—the 1960s were filled with just as many instances of unlikely political cooperation. To return to Ernesto Guevara’s both hopeful and admonitory words to Uruguayans as the 1960s had only just begun, the political debates 1960s were not simply about armed revolution or democratic reform. They were just as often about the possibility of redefining democracy, making it more responsive to everyday concerns, more immediate and more local, and, in nearly every

74 Juan Pablo Terra, “Perspectivas”, in *La vivienda*, Nuestra Tierra, no. 38 (1969). Cited in J. P. Terra, *Obras*, Vol. I: “Arquitectura y urbanismo,” (Montevideo: CLAEH, 1995), 98.

75 Juan Pablo Terra, *Mística, desarrollo y revolución*. Cited in J.P Terra, *Obras*, Vol. 3: Política y doctrina (Montevideo: CLAEH, 1995), 119.

76 See E. Zolov, “Expanding our Conceptual Horizons.”

77 Cited in L. R. Scheman, *The Alliance for Progress: a Retrospective* (New York: Praeger, 1988), 14.

instance, a more participatory experience. Against the backdrop of history and crisis, this project of the New Left—in the many forms it took—was nothing short of revolutionary.

## Published Sources and Collected Works

- Ayzaguer, Pedro M. *La vivienda obrera y la defensa de la industria de la construcción*. Montevideo: SUNCA, May 1945.
- Cardozo, Hederson. "Covisunca, Zona 1." Testimony in Daniel Chavez, *FUCVAM, la historia viva, Testimonios de organización y lucha: El cooperativismo de vivienda por ayuda mutua en el Uruguay*. Montevideo: NORDAN, 1990.
- CIDE. *Estudio Económico de Uruguay: evoluciones y perspectivas*. Montevideo: Centro de Estudiantes de Ciencias Económicas y de Administración, 1963.
- CIDE, *Muestreo nacional de vivienda, febrero-abril de 1963*. Montevideo, 1964.
- Guerra, Armando. "COVIMT-1." Testimony in Daniel Chavez, *FUCVAM, la historia viva, testimonios de organización y lucha: El cooperativismo de vivienda por ayuda mutua en el Uruguay*. Montevideo: NORDAN, 1990.
- Quijano, Carlos. *Selección de la obra del Doctor Carlos Quijano*. Montevideo: Cámara de Representantes, República Oriental del Uruguay, 1992.
- Quijano, Carlos. *La reforma agraria en el Uruguay: algunos aspectos*. Montevideo: Cuadernos Uruguayos, 1963.
- Terra, Juan Pablo. *Proceso y significado del cooperativismo uruguayo*. Montevideo: ARCA/Banda Oriental/CEPAL, 1986.
- Siri, Ingrid, Marta Ponce de León, and Salvador Schelotto. *El pueblo delibera: el Congreso del Pueblo veinte años después*. Montevideo: Centro Uruguay Independiente, 1985.
- Terra, Juan Pablo. *Mística, Desarrollo y Revolución* (1969). Cited in Juan Pablo Terra. *Obras*, Vol. 3: Política y doctrina. Montevideo: CLAEH, 1995.
- Terra, Juan Pablo. "Perspectivas". In *La vivienda*, Nuestra Tierra, no. 38 (1969). Cited in Juan Pablo Terra, *Obras*, Vol. I: "Arquitectura y urbanismo." Montevideo: CLAEH, 1995.
- Trías, Vivián. *El plan Kennedy y la revolución latinoamericana*. Montevideo: Ediciones "El Sol," 1961.

## Newspapers and Periodicals

- El Popular* (Montevideo)
- El Sol* (Montevideo)
- Época* (Montevideo)
- Marcha* (Montevideo)
- El Día* (Montevideo)

## Secondary Literature Cited

- Aldrichi, Clara. *La intervención de Estados Unidos en Uruguay (1965–1993): el caso Mitrione*. Montevideo: Trilce, 2007.
- Bruno, Mauricio. "Algunas operaciones de las 'bandas fascistas' y su conexión política." *Cuadernos de la historia reciente: Testimonios, entrevistas, documentos e imágenes inéditas del Uruguay autoritario*. Montevideo: Ediciones de la Banda Oriental, 2008.
- Bruschera, Oscar. *Las décadas infames: análisis político, 1967–1985*. Montevideo: Librería Linardi y Risso, 1986.
- Caetano, Gerardo and José Rilla. *Historia contemporánea del Uruguay: De la colonia al siglo XXI*. Montevideo: CLAEH/Editorial Fin del Siglo, 1992.
- Cancela, Walter and Alicia Melgar. *El desarrollo frustrado: 30 años de economía uruguayo, 1955–1985*. Montevideo: CLAEH/EBO, 1985.

- Castaneda, Jorge. *Utopia Unarmed: The Latin American Left after the Cold War*. New York: Knopf/Random House, 1993.
- Coatsworth, John. "Structures, Endowments, and Institutions in the Economic History of Latin America." *Latin American Research Review*, Vol. 40, No. 3 (2005).
- Demasi, Carlos. "Un repaso a la teoría de los dos demonios." In Aldo Marchesi, et. al. (eds). *El presente de la dictadura: Estudios y reflexiones a 30 años del golpe de Estado en Uruguay*. (Montevideo: Trilce, 2003).
- "El nacimiento de la izquierda radical en Uruguay," *Historia reciente: Desde Hiroshima a las Torres Gemelas, El País*. Montevideo. Vol. 19/25 (August 2007). Available online: <http://www.elpais.com.uy/especiales/2007/HistoriaReciente/>.
- Fernández Huidobro, Eleuterio. *El Tejedor: Héctor Rodríguez*. Montevideo: Impresora Tristán, 1995.
- Finch, Henry. *La economía política del Uruguay contemporáneo, 1870-2000*. 2<sup>nd</sup> ed. Montevideo: Ediciones de la Banda Oriental, 2005.
- Garcé, Adolfo. *Ideas y competencia política en Uruguay (1960-1973): Revisando el 'fracaso' de la CIDE*. Montevideo: Ediciones Trilce, 2002.
- Gatto, Hebert. *El cielo por asalto: El Movimiento de Liberación Nacional (Tupamaros) y la izquierda uruguaya, 1963-1972*. Montevideo: Taurus/Ediciones Santillana, 2004.
- Goswami, Manu. "Remembering the Future." *The American Historical Review*, Vol. 113, No. 2 (2008).
- Gould, Jeffrey. "Solidarity under Siege: The Latin American Left, 1968." *The American Historical Review*. Vol. 112, No. 2 (2009).
- Grandin, Greg. *The Last Colonial Massacre: Latin American in the Cold War*. Chicago: University of Chicago Press, 2004.
- Guevara, Ernesto. "Discurso del Che en la Universidad," Montevideo, 17 August 1961. Available online: [http://www.quehacer.com.uy/nuestra\\_america/Che/discurso.htm](http://www.quehacer.com.uy/nuestra_america/Che/discurso.htm).
- Huggins, Martha. *Political Policing: The United States and Latin America*. Durham: Duke University Press, 1998.
- Iglesias, Enrique. "La visión de Enrique Iglesias." In Adolfo Garcé. *Ideas y competencia política en Uruguay (1960-1973): Revisando el 'fracaso' de la CIDE*. Montevideo: Ediciones Trilce, 2002.
- Lefebvre, Henri. *The Production of Space*. Oxford and Cambridge, MA: Blackwell, 1991.
- Lessa, Alfonso. *La revolución imposible: Los Tupamaros y el fracaso de la vía armada en el Uruguay del siglo XX*. Montevideo: Editorial Fin del Siglo, 2002.
- Nahoum, Benjamín. *Las cooperativas de vivienda por ayuda mutua uruguayas: una historia con quince mil protagonistas*. Sevilla: Consejería de Obras Públicas y Transportes; Montevideo: Intendencia Municipal, 1999.
- Nun, José. "América Latina: La crisis hegemónica y el golpe militar." *Desarrollo Económico*, Vol. 6, No. 22/23 (1966).
- Prebisch, Raul. *Economic Development of Latin America and its Principal Problems*. Lake Success, NY: UN Dept of Economic Affairs, 1950.
- Rey Tristán, Eduardo. *La izquierda revolucionaria uruguaya, 1955-1973*. Sevilla: Consejo Superior de Investigaciones Científicas, Univ. de Sevilla, 2005.
- Sanguinetti, Julio María. *La agonía de una democracia: Proceso de la caída de las instituciones en el Uruguay, 1963-1973*. Montevideo: Taurus/Ediciones Santillana, 2008.
- Scheman, L. R. *The Alliance for Progress: a Retrospective*. New York, Praeger, 1988.
- Solari, Aldo. *El tercerismo en el Uruguay*. Montevideo: Editorial Alfa, 1965.
- Solari, Aldo. *Estudios sobre la sociedad Uruguaya (I)*. Montevideo: ARCA Ediciones, 1964.
- Turiansky, Wladimir. *Los comunistas uruguayos en la historia reciente (1955-1991): Su contribución al desarrollo de la conciencia social en años de crisis*. Montevideo: Editorial Fin de Siglo, 2010.
- Zolov, Eric. "Expanding our Conceptual Horizons: The Shift from an Old to a New Left in Latin America." *A Contracorriente*, Vol. 5, No. 2 (Winter 2008).