

Introduction

This is a history of the National Steel Company (Companhia Siderúrgica Nacional; CSN), Brazil's foremost state-owned company and its largest industrial enterprise in the mid-twentieth century. President Getúlio Vargas's Estado Novo government (1937–1945) created the company in 1941 as the engine of import-substituting industrialization (ISI), a set of policies designed to expand domestic industrial production and reduce dependence on imported capital goods. The CSN built an integrated steel mill in Volta Redonda, a city in the interior of the state of Rio de Janeiro that came to be known as the *Cidade do Aço* (Steel City). It symbolized the state's capacity to effect economic change. Once production began, in 1946, the CSN instantly became the country's main supplier of steel, cutting imports by half, and it retained that dominant position throughout the postwar republic (1946–1964). Its output of bars and beams sustained the construction boom in São Paulo and Rio de Janeiro, and most of Brazil's railroad companies came to rely on its production of rails for new track and replacements on existing lines. The CSN also supplied heavy plate, zined sheet, and tin plate for a broad range of industrial applications from ship building to the manufacture of tin cans. Prestige projects such as the construction of the new national capital Brasília, the friendship bridge to Paraguay, the subways in Rio de Janeiro and São Paulo, and the *Avenida Atlântica*—the boulevard along Rio de Janeiro's famous Copacabana and Ipanema beaches—all consumed steel made in Volta Redonda.

The company's significance was not purely economic, however. The Vargas regime wanted the CSN to set a shining example in the implementation of new social welfare policies for industrial workers. The CSN built Volta Redonda as a company town with subsidized housing and a wide range

of urban services in order to foster peaceful labor relations and create a model for Brazil's social development in the industrial age. The government also encouraged the CSN to apply the provisions of the 1943 *Consolidação das Leis do Trabalho*, a comprehensive labor law that guaranteed basic workers' rights and created a framework for industrial relations. On the other hand, Volta Redonda served as an early testing ground for new institutions of labor control such as the political police, which kept labor organizers under surveillance in order to prevent subversive movements. The Estado Novo government reformed the state to foster industrial development and prevent violent class conflict, and Volta Redonda was the place where these agendas intersected. The CSN's workers were simultaneously agents of Brazil's state-led industrialization, beneficiaries of the Estado Novo's new welfare policies, and targets of the state's labor control. Their history illuminates the reach and the limits of Vargas's reforms.

While workers are the protagonists, this book does not offer a conventional labor history focused on strike movements. The history of Volta Redonda defies analysis in those terms because the CSN did not suffer a single strike during the postwar republic, a record that distinguished it from industries in Brazil's urban centers. Rio de Janeiro and greater São Paulo saw persistent labor conflict that peaked in three strike waves: from 1945 to 1947, in the mid-1950s, and in the early 1960s. These strikes affected companies in the metalworking sector but never spread to Volta Redonda.¹ The CSN appeared to be insulated from the industrial labor politics that shaped the history of the postwar republic through a series of deep crises and ultimately led to the 1964 military coup. To explain the CSN's record, one might hypothesize that the steel industry itself was less prone to strike movements, yet the experience in other countries suggests otherwise. European steelmakers suffered many small-scale strikes in the postwar period, and companies in Japan and North America regularly faced extensive shutdowns.² The steel industry in the United States experienced no less than five national strikes between 1947 and 1959.³ Neither national labor politics nor industry-specific patterns help explain the seemingly peaceful labor relations in Volta Redonda.

Labor historians would attribute the absence of strikes either to a lack of worker solidarity or to highly effective labor control, under the assumption that successful strikes indicate a high degree of labor organization. The history of Volta Redonda in the 1940s appears to fit such a conventional interpretation. The CSN recruited a workforce made up primarily of rural migrants, built a company town to house them, and cooperated closely with the political police to prevent labor mobilization. Labor scholars have argued that rural migrants' lack of socialization into an industrial working-class culture conspires against effective labor organization, and

they have also noted that company towns are not conducive to mobilization because they lack spaces of sociability that are beyond company control.⁴ The control the CSN exercised over its property also facilitated repression that quashed any attempts at militant labor organization. Labor historians have shown that workers' rural origins, resistance to the disciplinary regime of the company town, and the struggle against state repression can be sources of solidarity, but they would still not expect to find strong labor organization in a company town inhabited by rural migrants and subject to heavy policing.

The events of the 1950s, however, do not sustain an interpretation of the CSN's strike record as evidence for weak labor organization. The local metalworkers union became one of the strongest in the country and translated its growing bargaining power vis-à-vis the company into impressive wage gains and generous benefits for its membership. Real wages in Volta Redonda almost doubled from 1951 to 1958 and outpaced gains for industrial workers in the country's urban centers. The question is how the union developed such bargaining power without industrial action and what compelled the CSN, a mixed-capital enterprise beholden to investors, to pay wages and benefits that made its employees a privileged group among industrial workers. The simple answer is that the CSN was unlike any other company. As a state-administered monopoly producer of a key industrial input, the CSN always had the support of the state, and its scale, technology, and capital-intensive production had no equal in Brazil. The CSN had a unique "factory regime," to borrow a concept the sociologist Michael Burawoy developed to distinguish "apparatuses of production" under different political economies. He argues that factories under the advanced capitalism of the mid-twentieth century had very different "factory regimes" and corresponding "politics of production" from the ones Karl Marx had observed in the mid-nineteenth century. To understand the CSN's factory regime, the historian needs to consider, in Burawoy's terms, the specific "political and ideological apparatus of production" that "regulated production relations."⁵

The ideological pillars of Brazil's postwar state capitalism were *desenvolvimentismo* and *trabalhismo*; literally, "developmentalism" and "laborism." *Desenvolvimentismo* referred to the government's policy to promote economic development via state-led industrialization in order to raise the nation's standard of living. *Trabalhismo* designated the government's social welfare policies specifically targeting industrial workers.⁶ In Burawoy's Marxian terms, *desenvolvimentismo* was an ideology of production and *trabalhismo* the corresponding ideology of reproduction. Together, they defined the politics of production of Brazil's postwar state capitalism. Burawoy identifies state intervention in the labor

process—such as the existence of “social insurance legislation” and legal circumscription of “methods of managerial domination”—as a key characteristic of factory regimes of advanced capitalism. Such measures are “hegemonic” rather than “despotic” in that they persuade the workers to cooperate with management on the basis of consent, although never at the exclusion of coercion. The *trabalhismo* of the Estado Novo, with its social welfare legislation and comprehensive labor laws, was the Brazilian state’s hegemonic project for labor relations.

Desenvolvimentismo and *trabalhismo* shaped the CSN’s factory regime in ambiguous and often contradictory ways. State agencies, company managers, and workers all professed to be inspired by developmentalist goals even as they brought their competing agendas to bear on labor relations. *Desenvolvimentismo* served all three groups of actors at different times in justifying measures that shifted the balance of power in industrial relations. Company managers cited the mandate of national development as rationale for implementing a rigid disciplinary regime; the Labor Ministry used it to defend a 1947 intervention in the metalworkers union; and the union demanded that workers be compensated adequately for their contribution to Brazil’s development. *Trabalhismo*, on the other hand, served primarily the interest of the workers as they tried to reconfigure the CSN’s labor management in the early 1950s. It competed with the company’s Catholic paternalism and principles of rational administration as an ideology for day-to-day labor management, yet *trabalhismo* also inflected the implementation of the paternalist and the rational programs of labor management. In the 1950s, for example, the metalworkers union used the *trabalhista* labor law to co-opt scientific management and spread its benefits. The workers, at once subjects and agents of *desenvolvimentismo* and *trabalhismo*, exploited that dual role in order to reshape the factory regime and open up new arenas of struggle.

The scholarship on postwar Brazil has treated *desenvolvimentismo* and *trabalhismo* largely in separation and thus missed how connections and contradictions between the two political projects shaped the country’s production regime. This was not a matter of oversight or deliberate omission. Instead, contemporary political concerns and an academic division of labor have informed the scholarly approaches to the history of industrial labor. A succession of crises and the experience of the military regime (1964–1985) shaped the political socialization and intellectual concerns of Brazilian scholars. Above all, they have wanted to understand the causes of the 1964 military coup, from their perspective the defining moment in Brazil’s postwar history. Foreign scholars, especially those from the United States, often approached their studies with a Cold War agenda, trying to understand whether Brazil faced the risk of massive social unrest or even a

socialist revolution. Social scientists thus focused heavily on the relationship between labor and capital and on the corresponding labor politics, whether it was to explain the failure of the postwar republic or to assess Brazil's democratic prospects. The study of development policies (for example, *desenvolvimentismo*) and the political economy of development was a separate field, left to economists and economic historians.

To make sense of the crisis in the early 1960s, most political scientists focused on the role of organized labor in national politics. Ruth Berins Collier and David Collier aptly summarized that line of scholarship in *Shaping the Political Arena*, where they argued that Brazil possessed a "highly constrained industrial relations system, in which unions were particularly weak and dependent on the state," and concluded that this resulted in the "displacement of the workers' struggle into the political arena."⁷ In an interpretation that focuses on organized labor's autonomy from the state, they conclude that the Brazilian labor movement in the early 1960s was "constrained in the sphere of industrial relations," but "managed to carve out an area of much greater *political* independence from state control than one might expect."⁸ Despite the reference to industrial relations, they pay little attention to labor's action in the economic arena and its impact on the politics of Brazil's state capitalism. They treat industrial relations as an alternative arena for labor to demonstrate autonomy, but not as an entry point into a discussion of the interplay between developmentalist economic policy, workers' power, and labor politics.

The Colliers' analysis echoes concerns that had informed the work of Robert J. Alexander, the first North American scholar to devote sustained attention to industrial relations in Latin America.⁹ Alexander's 1962 study of labor relations in Argentina, Brazil, and Chile, part of a wave of internationally comparative research, focused on the significance of industrial relation systems for the political stability of Western-style democracies. He lamented that Brazil had no "reasonably honest party of the democratic left with leaders capable of attracting the workers and the lower middle class" to counter the influence of the "particularly dangerous" Communists.¹⁰ In Alexander's wake, social scientists writing in the 1960s and 1970s continued to stress the political role of organized labor in studies on the corporatist regime, populist politics, and industrial conflict regulation.¹¹ A first generation of North American historians working on Brazil's postwar political history incorporated the politics of organized labor into their analysis.¹² Thomas Skidmore, in particular, blamed populist labor politics for undermining Brazil's modernization and triggering the 1964 coup, but he did not discuss the impact of competing *desenvolvimentista* and *trabalhista* agendas on the crisis. He highlighted the industrial workers' political articulation in support of President Goulart but paid little attention to their economic power.¹³

As early as the 1960s, orthodox economists began arguing that *desenvolvimentismo* based on import-substituting industrialization had failed as a strategy for sustained economic growth. These critics “felt,” as summarized by Werner Baer, “that the inefficient industrial structure resulting in the production of high-priced goods . . . would severely limit the prospects of industrial growth.”¹⁴ They lamented the stagnation caused by import restrictions and saw the greatest promise for the future in radical industrial rationalization and the promotion of agricultural exports.¹⁵ The nonorthodox (or “structural”) critics, on the other hand, believed that ISI had not addressed the underlying socioeconomic problems, such as the unequal distribution of income and the backwardness of the agricultural sector, and was therefore bound to fail after the initial dynamism had spent itself. In fact, some structural critics went as far as to argue that ISI had aggravated the very problems that it was supposed to help resolve.¹⁶ More recent critics of Latin American *desenvolvimentismo* often contrasted the inefficiencies of the ISI model with the supposed benefits of implementing the Washington consensus, rehashing the arguments of the orthodox economic critics.¹⁷

Scholars have since provided historical perspective on Brazil’s developmentalism. Joseph Love’s comprehensive analysis of Latin American development thought demonstrates that it was neither monolithic nor simply a variation (or companion) of modernization theory. The ideas that ultimately congealed into *desenvolvimentismo* and later into dependency theory preceded modernization theory, and they underwent significant transformation between the 1940s and the 1960s.¹⁸ Kathryn Sikkink traces how Brazil’s development strategy responded to changing domestic and international economic circumstances and to the political priorities of changing coalition governments in the postwar republic. She portrays developmentalism as “a response to and continuation of the Vargas policies” and argues that its adoption in the early 1950s came in response to “changes in the international and domestic economy.” She sees the high point of the developmentalist ideology during the government of Juscelino Kubitschek (1956–1961), who promised to advance Brazil “50 years in 5” and created the new capital of Brasília as a symbol of the country’s ambition.¹⁹ The impact of *trabalhismo* and labor politics on Brazil’s developmentalism lies beyond the scope of those nuanced studies, however.

Brazilian sociologists in the 1960s came closest to integrating postwar social and economic policies, labor politics, and the collapse of the development model into a unified argument. They articulated a critique of modernization theory from a mixed structuralist and Marxist perspective as they tried to understand the particular weaknesses of Brazil’s industrial capitalism compared to the industrialized North Atlantic economies. To explain how rapid industrialization had contributed (and could further

contribute) to Brazil's social and economic development, they focused on the social conditions necessary to facilitate successful industrialization.²⁰ In *Dependencia y desarrollo en América Latina*, Fernando Henrique Cardoso and Enzo Faletto argued that a populist coalition of the industrial working class with national and foreign capital sustained the temporary success of the developmentalist regime in the 1950s. They viewed the end of that coalition as a trigger for the regime's collapse in the early 1960s.²¹ In a related line of investigation, Marxist labor sociologists studied the place of the industrial working class in Brazilian society to explain the lack of resistance to the 1964 military coup. They linked workers' political apathy to the nature of Brazil's industrialization process, which created a small, state-dependent industrial working class whose rural origins conspired against more sustained working-class organization.²²

Histories of industrial labor in postwar Brazil based on archival research began to appear in the 1990s. They deemphasize labor's relationship with the state and the classic issues of corporatism and populism. Inspired by the movement of the ABC metalworkers under the leadership of Luiz Ignácio Lula da Silva, these histories highlight workers' ability to defend their interests without recourse to the state and its labor bureaucracy.²³ The approach reflects the influence of British and American labor historians, who responded to the decline of unionized labor as a political force (and carrier of revolutionary hopes?) by adopting sociocultural approaches to complement the study of class and class struggle. Inspired by the work of E. P. Thompson and the new social history, scholars began integrating cultural approaches into the writing of labor history.²⁴ Central concerns for these labor historians were workers' ties of solidarity, their quest for citizenship, their ability to resist capitalist imposition, and a representation of their voices (in oral histories).²⁵ While the older school of social scientists emphasized the Brazilian working class's cooptation by the state and its leaders' cooperation with the state bureaucracy, this new generation of scholars highlights the workers' ability to act independently of the state, resist capitalist domination, and advance ideals of democratic citizenship.

My study is not easily categorized in the terms of the older social science literature or the more recent historiography. It attempts to step away from the politically and ideologically charged debates about union politics and workers' autonomy vis-à-vis the state, which still resonate in recent studies of working-class culture(s) that conceptualize workers' political choices as either *resistance* to capitalist exploitation and state repression or *integration* into a capitalist logic under state tutelage.²⁶ This dichotomy fails to capture the position of workers in advanced industrial capitalism, even if one allows for "negotiation" and shifting between the two positions.

The approach views industrial workers primarily as political actors and focuses on their role in labor unions, class-based parties, or social movements. While it does not assume that workers constitute an anticapitalist vanguard, the approach implicitly preserves a core assumption of old revolutionary politics, namely that workers affect social and political change above all as political rather than as economic actors.²⁷ Particularly in rapidly industrializing economies, however, industrial workers can wield tremendous economic power with serious political consequences, and that power is greatest in the most modern industries.

The focus of my study is on the steelworkers of Volta Redonda as economic actors, not in the sense of the rational benefit-maximizing individuals we encounter in neoclassical economic theory, but rather as men whose daily labor sustained the country's industrial expansion. These workers viewed themselves as key contributors to the nation's economic development and believed that they deserved to receive their fair share of the CSN's profits, both as a community and as individuals. In the 1950s the union entered the political arena—not to question the workers' place in Brazil's state capitalism, but above all to strengthen the union's bargaining position and advance its members' economic interests more effectively. The workers and their union pursued no revolutionary or even radically reformist agenda. They expected Volta Redonda's social and economic development to reflect the power of the CSN, but they never intended to threaten the survival of the company that employed them and guaranteed a high standard of living. Still, the workers' persistent push for higher wages and better working conditions placed a heavy financial burden on the CSN, which led to industrial conflict and contributed to a grave political crisis in the early 1960s. The history of industrial labor in Volta Redonda is thus above all a story of the political consequences of economically motivated action. It speaks to the power of these workers that their laying claim to the fruits of their labor interfered with the country's development policies and reverberated in the politics of the nation.

Rather than taking politics out of labor history, as it might appear at first glance, my study incorporates the politics of production in order to "undo" what Burawoy has called "the compartmentalization of production and politics."²⁸ His observation that studies of the process of production under advanced capitalism tend to underpoliticize production and overpoliticize the state certainly applies to the existing scholarship on Brazil's postwar republic. A social history of industrial labor at the CSN, in contrast, constitutes a study of the "actual, specific and concrete interventions" of the state to create the "conditions for the reproduction of capitalism" while embedding the analysis of a specific labor process in the history of Brazil's state capitalism.²⁹ It is not only a case study of industrial labor

under the postwar republic but also an analysis of the politics of production *of* the postwar republic. The attention to the unique politics of production at this state-administered enterprise distinguishes my work from studies by Brazilian sociologists, who have used the CSN as a case for the study of old versus new unionism under the questionable assumption that its capital-labor relations can be meaningfully compared to those at private companies in other industrial sectors.³⁰

What set the CSN's workers apart from their peers in other industries was their strategic position in Brazil's postwar economy. The labor economist John T. Dunlop introduced the term *strategic position* as part of his work on industrial relations in the 1940s and 1950s.³¹ Dunlop aimed to analyze what he called an industrial relations system (IRS) in order to get an understanding of workers' bargaining power depending on industry-specific technical contexts and country-specific economic, legal, and political contexts. In any IRS, Dunlop posited, a "hierarchy of managers," a "hierarchy of workers and a potential spokesman" (for example, a union), and "specialized governmental agencies" interacted with each other and were constrained by three "environmental features": (1) the technological characteristics of the workplace and the work community, (2) the market or budgetary constraints that impinge on the actors, and (3) the locus and distribution of power in the larger society.³² In those terms, the CSN—as the only modern steel mill in Brazil—constituted its own industrial relations system best understood as a "non-market unit" with "budgetary strictures" imposed by the state.³³

CSN workers owed their strategic position(s) to the company's place in the domestic economy (Dunlop's "market context") and to the technical division of labor in the integrated steel mill (his "technical context"). The company held a strategic position in Brazil's industrial economy because a shutdown would have disrupted the functioning of the national economy with serious implications for national security. The workers who had the power to affect a partial or complete shutdown of the mill held technically strategic position(s) within the mill's technical division of labor. Dunlop never developed a formal theory of strategic position, but he noted that the "technical context . . . shapes the relations among actors by indicating the extent of the power of strategic groups of workers to shut down an operation or enterprise."³⁴ He equated "strategic positions" with the "indispensability" of workers for industrial operations and their ability to stop many others from producing.³⁵

Workers in strategic positions mattered not only for the execution of strikes but also for the reshaping of all aspects of the "web of rules" governing industrial relations. Dunlop noted that "[t]he bargaining power of wage earners depends upon their strategic position in dealing with the

firm, and the strategic position of the firm depends in turn upon its dealings with the rest of the market [or industrial] mechanism."³⁶ He added that the "relative capacities" of workers to shut down operations and of managers to resist such shutdowns "influence their strategies in any conflict over the rules of the industrial relations system."³⁷ In other words, holding strategic positions empowered workers to wage the small and large battles of the class struggle. Unions that enjoyed the support of workers in strategic positions could bargain aggressively, reshape the factory regime, and potentially even alter the state's politics of production. The historical record of the CSN—a profound transformation of labor relations without a strike—indicates that its workers must have held considerable strategic power. My analysis of the structure of Brazil's industrial economy, the production process in steel, and the technical relations of work at the CSN sheds light on the sources of that power.

As an analysis of industrial relations that recognizes the economically and technically conditioned power of industrial workers, my study contributes to a critical history of Brazil's postwar state capitalism. Most historians of Latin American labor conceive of their work as a critical history of capitalism, but as long as class formation, political culture, and community remain the core categories of analysis, those histories will not develop their full potential. Rather than offer a specific analysis of labor's place in the national and transnational development of industrial capitalism, they reinforce (and at worst rehash) a general critique of the capitalist exploitation of labor. Unless they consider the technical context, take strategic power seriously, and embed their analyses in the politics of production of advanced industrial capitalism, labor historians can offer little more than variations on the theme of the exploitative wage relationship. While interesting, that story is often not the most important one to tell if labor history is thought of as a contribution to the critical history of a specific form of industrial capitalism. Attention to the workers' economically and technically conditioned power may in fact provide an avenue to reinsert labor history into broader debates about capitalism and to answer critics who charge that labor historians discarded Marx's most relevant contribution to the critique of modern capitalism when they abandoned the study of political economy.³⁸

The study of workers' strategic power also speaks to a primary concern of the new social history of labor: "agency." The case of the CSN demonstrates that workers in strategic industries could counter capitalist labor control, organize a powerful union, reshape the rules of industrial relations to their benefit, and defend the gains against political pressure. Workers in highly strategic industries or in strategic positions in any industry had the power to stand up to management; they were not condemned to be victims of capitalist exploitation. They could do more than engage in everyday

acts of resistance, discourses of empowerment, or community-based social movements. In contrast to workers in less strategic positions, they had the power to get a better deal for themselves, to help build a strong union for aggressive bargaining, or in some cases even to join a movement to undermine capitalism.³⁹ The analysis of economically and technically conditioned strategic positions combines history from the bottom up with attention to the shop floor (both dear to the new social history of labor) and with an analysis of the distribution of power in industrial society.⁴⁰

The story of labor relations at the CSN, with profound change in just a few short years, illustrates the importance of external conditions for the workers' ability to make their own history. The 1940s saw a paternalist developmentalism that aimed to combine the economic development for Brazil with social welfare for the people of Volta Redonda. During the CSN's construction and for the first few years of its operation, labor relations were on company terms, aided by the government's use of the political police to control labor. In the 1950s, the metalworkers union—benefited by President Vargas's push for the full implementation of the labor law—brought the members' technically strategic power to bear on industrial relations. The union extracted far-reaching concessions on wages and benefits, making the *trabalhista* promise of social welfare for the industrial worker come true in Volta Redonda.⁴¹ Throughout the 1950s and into the early 1960s, the union retained a very strong bargaining position and was able to defend most of the gains against the increasing inflationary pressure. In the end, however, the union's sustained success—based in the workers' strategic power—threatened to undermine a company that was central to Brazil's industrial development regime.

The chapters follow a chronological sequence with occasional overlap for the sake of thematic coherence. The first chapter provides background on the CSN's economic significance and explains the company's public image as a symbol of Brazil's postwar industrialization. It analyzes the state of the country's industrial economy in 1940 and illustrates why advocates of the national steel industry saw the building of the CSN as a major step toward an industrial revolution in Brazil. The analysis highlights the country's extremely uneven development, with a thoroughly industrialized core in the southeast, to explain the choice of location for the mill. The second part of the chapter illuminates how Vargas's Estado Novo government overcame the obstacles that had frustrated earlier attempts to establish a modern steel industry in Brazil. Expanded government powers, greater technical expertise, and diplomatic leverage created by World War II all played an important role. Overall, the chapter illustrates why the CSN became a symbol of national progress to all Brazilians, a status that protected it from partisan political squabbling until the late 1950s.

The transformation of Volta Redonda from an economically depressed village into South America's most modern industrial city is the focus of the second chapter. Building the steel complex pushed the limits of Brazil's physical infrastructure and engineering expertise, and it required the recruitment of a large number of migrant workers. The chapter uses quantitative sources from the company archives to trace the workers' origins, discuss the CSN's labor regime during construction, and analyze high labor turnover. A look at living conditions and the disciplinary regime illustrates why the workers who stayed remembered the construction years as a time of sacrifice.

The CSN planned Volta Redonda as a company town administered in the spirit of Catholic social doctrine. The third chapter probes the intellectual origins of this Catholic paternalism and analyzes how the company translated the ideology into social assistance programs to engineer a peaceful industrial community, the *família siderúrgica* (steel family). The chapter explores the reach of the assistance programs as well as their limits due to the mill's operational needs and an inherent contradiction between the hierarchical order and general welfare. Despite these limits, the implicit social contract became an integral part of the community's self-perception and shaped union discourse and demands in later years.

The fourth chapter focuses on labor management in the late 1940s. Transitioning to steel production, the CSN had to build a workforce with the skill profile to operate highly specialized equipment, which required extensive training programs and experimentation with staffing levels. The company rationalized its labor regime by introducing personnel rules, staffing plans, and career ladders, while preserving basic tenets of the paternalist regime such as penalties for the failure to comply with work orders and merit-based prizes and promotions. In effect, the paternalist practices limited the workers' access to some of the opportunities created by the career ladders as well as legally guaranteed benefits such as profit sharing. The inherent tension between the paternalist and rational tenets of the CSN's labor management would feed into the revival of the local union in the early 1950s.

The role of state institutions in controlling labor at the CSN in the 1940s is the subject of the fifth chapter. It focuses on two instruments of state intervention: the political police and the 1943 federal labor law. The federal and state political police spied on labor organizers in Volta Redonda and used accusations of Communist influence to justify repressive measures against suspected militants. The labor law allowed workers to create a union, in 1944, but also gave the state the bureaucratic tools to shut the union down as part of the anti-Communist crackdown in 1947. The records of the political police and the Labor Ministry show that these two strategies of labor

control went hand in hand. The chapter shows that the CSN could count on the state's unmitigated support for its strategy of labor control until the end of the presidency of Eurico Gaspar Dutra (1946–1951).

The sixth chapter assesses the workers' latent strategic power by analyzing the production process and the division of labor in the CSN's integrated steel mill. The analysis uses technical reports, the company's occupational descriptions, and publications on technically similar mills as a means of identifying potential bottlenecks in the production process that endowed entire departments and individual workers with the strategic power to disrupt production. The union leaders' ability to think strategically and bring the steelworkers' strategic power to bear in negotiations with the company led to fast-rising pay and expanded benefits throughout the 1950s.

Over the course of the 1950s, the metalworkers union developed from a dormant body subject to state intervention into one of Brazil's most powerful labor organizations. Chapter seven explains how the politics of the second Vargas presidency (1951–1954) led to the union's recognition as bargaining agent and illustrates how its leaders translated the steelworkers' strategic power into substantial material gains. The CSN opposed these changes to industrial relations, but it was outmaneuvered by a union with a superior industrial, legal, and political strategy. The narrative focuses on the two key union victories: the first collective labor contract in 1952 and the defeat of an attempted state intervention in 1955.

Chapter eight analyzes how the union tried to use its bargaining power to extract concessions even under the worsening economic conditions of the late 1950s and early 1960s. As rising inflation and the company's financial struggles diminished opportunities for general raises, the union tried to increase workers' take-home pay by pushing the company to expand incentive pay. It pressured the CSN through direct negotiations and labor court actions, and it assumed a growing role in shop floor management. Industrial relations grew tenser as management warned about financial collapse while union leaders insisted that the company fulfill its obligations to the community. The 1964 coup—in which the army occupied Volta Redonda—resolved the conflict by curtailing union power, limiting workers' control, and diminishing the CSN's financial responsibilities. The conclusion briefly sketches the changes to industrial relations after the military coup and lays out the lessons we can draw from the study of the CSN for writing the history of postwar Brazil and other developmentalist regimes.