Selling Local Modernization through the Global Corporation: Coca-Cola Bottling in Colombia, 1927-1944*

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Abstract | The Coca-Cola Company sold drink concentrates and licensed rights to its trademarked brands to contracted bottlers who produced and sold bottled drinks in designated geographic areas around the world, including Colombia, beginning in 1927. The franchise system enabled international expansion without large corporate growth or direct local employment allowing the company to externalize liability and financial risk. The franchise system helped the company situate the production of Coca-Cola within local economies, conscripting local elites and workers into its industry, and negotiating its representational forms to fit local contexts. The Coca-Cola Company thus benefited from the economic and political power of both the U.S. and the Colombian elite as it established its business in the country beginning in 1927. Examining print advertising from the 1920s and 1940s, the papers of Coca-Cola executives, and publications of the U.S. multinational and its Colombian franchise bottler, this article argues that The Coca-Cola Company tenuously constructed its industry, products, and brands as simultaneously global and local. While localizing the Coca-Cola industry, products, and brand, the company alluded to its modernity and global popularity, available for purchase by enterprising merchants and thirsty consumers in Colombia.

Keywords | (Author) transnational history; food and drink industry; history of advertising; business history

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La venta de la modernización local a través de la empresa global: embotellando Coca-Cola en Colombia, 1927-1944

Resumen | The Coca-Cola Company ofreció a distintas embotelladoras alrededor del mundo sus concentrados de bebidas gaseosas y sus marcas registradas, para que estas produjeran y vendieran sus bebidas en zonas específicas. Colombia fue incluida en esta iniciativa a partir de 1927. Este sistema de franquicia permitió la expansión internacional de la compañía sin que esta tuviera un gran crecimiento corporativo y sin que debiera recurrir al empleo local directo, externalizando tanto la responsabilidad como el riesgo financiero. Al mismo tiempo, este sistema ayudó a la empresa a insertar la producción de Coca-Cola en las economías locales, reclutando elites y trabajadores nacionales en su industria y negociando sus formas de representación en los contextos locales. De esta manera, al establecer su negocio en Colombia The Coca-Cola Company se benefició tanto del poder económico y político de Estados Unidos como de las elites colombianas. Tras analizar materiales producidos entre 1920 y 1940, como publicidad impresa, documentos de los ejecutivos de The Coca-Cola Company y publicaciones de la multinacional estadounidense y de su franquicia colombiana, este artículo sostiene que The Coca-Cola Company construyó su industria, sus productos y sus marcas apelando tanto a lo global como a lo local. Para lograr este objetivo la empresa utilizó elementos nacionales, pero también su popularidad internacional como estrategia para seducir a ambiciosos comerciantes y a los sedientos consumidores colombianos.

Palabras clave | (Autor) historia transnacional; industria de alimentos y bebidas; historia de la publicidad; historia de negocios

Introduction

Coca-Cola can be purchased nearly everywhere in the world. The near global ubiquity of the material commodity resulted from one of the world’s first and most successful examples of international corporate franchising. The Coca-Cola Company’s material production was structured by contracting “independent” bottlers to manufacture drinks locally. The company sold concentrate and licensed the right to produce and market trademarked brands to franchise bottlers who would locally produce and sell bottled drinks in designated geographic areas. The franchise system enabled international expansion without large corporate growth or direct local employment, allowing the company to externalize liability and...
financial risk. While it outsourced ownership of material production, it also aggressively centralized ownership of the production and protection of forms of intellectual property as they crossed national borders. The business model, the drink “formulas”, and most importantly, the brands (all produced in Atlanta) became the corporation’s true commodities. To sell its drink brands, The Coca-Cola Company tenuously constructed its industry, products, and brands as simultaneously global and local. Through its franchises the company situated the production of Coca-Cola within local economies, conscripted local elites and workers into its industry, and negotiated its representational forms to fit local contexts, while also promoting itself with international claims to modernity. This article examines The Coca-Cola Company’s early decades in Colombia, from its first bottling contract with an established Colombian drink manufacturer in the 1920s-1930s, through its attempts to assert more control while promoting itself as a product of national industry with a new franchise of Colombian industrialists in the early 1940s, until the post-WWII arrival of a U.S. executive who would expand and consolidate bottling in the country and across Latin America. The Coca-Cola Company first entered international markets closely linked to U.S. economic and political interests with liberal developmentalist orientations, like Colombia, where Coca-Cola was bottled beginning in the 1920s. Although Coca-Cola bottles came off of ships traveling to Latin American ports and Coca-Cola pre-mix syrup was delivered to a small number of tourist and expatriate-oriented eateries where it could be combined with soda water to create the drink, the taste of Coke existed for only a small minority of people in Colombia before it was actually bottled in the country.

But in 1927, The Coca-Cola Company franchised its bottling for the first time in Colombia through Postobón (at the time Posada y Tobón), which manufactured and distributed the drink from its plants in cities including Medellín, Pereira, Cali and Bogotá. Young pharmacist Olarte Valerio Tobón, emulating imported carbonated soft drinks, joined prominent businessman Gabriel Posada Villa in founding Postobón in 1904. They began bottling their bebidas gaseosas for the urbanizing and industrializing population of Medellín, a history much like that of Coca-Cola’s pharmacist entrepreneur Asa Griggs Candler and marketing innovator Frank Robinson supplying Coca-Cola to the rising New South city of Atlanta beginning in the 1880s. Medellín, known for its inter-related corporate structures and early market

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capitalization that gave rise to powerful corporate consolidation, was a center of business and industrialization with a disproportionately important economic role in the country\(^3\). Medellín’s dramatic economic growth at the end of the nineteenth century was well-timed for the emergence of a bottled drinks business, as the city became a commercial center for the provision of both imported and domestic foodstuffs and merchandise to the surrounding booming coffee and gold mining regions, further contributing to fortunes for paisa merchants and propelling Medellín’s industrial growth\(^4\). The city’s merchants invested in manufactured goods industries, most notably textiles, but also coffee-packing plants, cigarette factories, chocolate companies, and breweries and bottling plants\(^5\). Medellín’s urbanization would be most dramatic after the 1930s, when “push” factors including high levels of violence, the lack of educational opportunities for rural children, and the economic struggles of campesinos drove people to the city from the countryside. But the “pull” of Medellín’s urban economy and industrial waged work began earlier, drawing in people who ate, drank, and shopped, as well as labored, constituting an urban, working and middle-class market for mass consumer goods like Coca-Cola\(^6\). Bottled beverages were among the most global mass-produced consumer goods of the first half of the twentieth century, both in terms of the simultaneous emergence of local bottled beverage industries around the world, and of the globalization of brands such as Coca-Cola through importation and international production. Postobón’s contributions to this global bottled beverage boom included the drinks Cola-Champaña (their first, a cola, from 1904), Freskola/Popular (also a cola from 1918), various fruit flavored carbonated beverages, and Agua Cristal (filtered water from 1917).

Other companies bottled carbonated beverages, including Gaseosas Lux and Gaseosas Colombiana, to name the most prominent (many of which would eventually merge with Postobón or Coca-Cola through various corporate acquisitions in the course of the twentieth century). Thus, when Postobón introduced Coca-Cola into the Colombian market, there were several bottled soft drinks to compete with it, including a number that Postobón itself produced. Coca-Cola also had to contend with a wide field\(^7\) of potables within Colombian


\(^{2}\) Ann Farnsworth-Alvear, Dulcinea in the Factory, 42-47.

\(^{3}\) Ann Farnsworth-Alvear, Dulcinea in the Factory, 42-47.

\(^{4}\) Ann Farnsworth-Alvear, Dulcinea in the Factory, 45-46.

\(^{5}\) In the Bourdieuan sense as used by Casanova to think about the field of literary texts at a given moment. See Pascale Casanova, The World Republic of Letters (Cambridge: Harvard University Press, 2007).
drinking culture, bottled or otherwise, including alcoholic beverages like beers\(^8\), imported liquors and domestically-produced alcoholic drinks like rum, aguardiente and chicha, but more frequently with other “soft drinks”, especially fresh fruit juices (of local fruit, rarely bottled but frequently made at home and almost ubiquitously sold by street vendors and restaurants), guarapo (sugarcane juice), chocolate santafareño (hot chocolate with melted cheese), and the beverage that was Colombia’s largest export, overwhelmingly to the US: coffee. Even with competing beverages, The Coca-Cola Company was confident that they would break into this new market. Ironically, Colombia’s economic reliance on a competitive drink, coffee, and the resulting ideologies of free trade and collaboration with U.S. capital interests amongst political and economic elites in the country, set the stage for Coca-Cola’s arrival.

**Follow the North Star: Liberal Developmentalism and U.S.-Colombia Relations**

Coca-Cola entered Latin America in the early decades of the twentieth century when laissez-faire tenets dominated economic policy\(^9\). Such economic practice was central to the ideology of liberal developmentalism, with its notion of modernization through liberal economic relations with developed nations like the United States. In Colombia there was a particular openness to trade with the U.S., shaped by the fact that the agrarian elite sought free markets for their coffee crop and wielded more power than the still nascent industrialist class that tended towards greater protectionism of their fledgling industries\(^10\). Like their counterparts in other parts of the world, Colombia’s political and economic elite subscribed to a developmentalist social as well as economic logic in the 1920s. They justified stark racial, ethnic, gender, and class inequalities as inevitable products of natural selection\(^11\). So, close contact with more “developed” foreign states, industries, and populations was assumed to help lift their nation out of isolation and “backwardness”\(^12\). Colombians could develop their economy and people by modernizing along the path that other nations had taken before them: through economic relations with those nations, as they believed in classic developmentalist terms.


\(^{10}\) On liberal developmentalism see Emily Rosenberg, *Spreading the American Dream: American Economic and Cultural Expansion, 1890-1945* (New York: Hill and Wang, 1982).


\(^{12}\) James Henderson, *Modernization in Colombia*. 
By the 1920s Colombian president Marco Fidel Suárez articulated the country’s strategy of aligning its foreign policy and economic interests with the U.S. as the doctrine of *respice polum* or “follow the North Star”\(^\text{13}\) which would remain in place for most of the twentieth century. Given its economic and political history, the Colombia of the early twentieth century would not have been the most obvious choice for foreign investment, or the target of Coca-Cola’s expansionary sights, suggesting the determination of international capitalists to put their excess capital to work in new markets. Through the first boom of economic globalization in the nineteenth century, when world trade was dramatically linking many nations, Colombia was arguably Latin America’s least-favored international market. It was not very accessible to foreign capital, with its complex and rocky political terrain and its poor transportation infrastructure, which thwarted the movement of people and goods across the diverse and often competing geographical regions of the country\(^\text{14}\). In its first century of national independence it had seen three military coups, two international wars, and nine civil wars; one of them, the War of a Thousand Days, ending as recently as 1902. The Colombian government was deeply in debt as a result of these ventures, collecting little income through taxes, and had dramatically lost a major portion of its territory —what would become Panama— to the US. But in the 1920s, U.S. capital, and soon Coca-Cola concentrate, was arriving en masse to Colombia. In 1919 the U.S. successfully negotiated a peace treaty between Colombia, Panama -the isthmus-cum-neo-colony on which the U.S. would build and occupy a transcontinental canal providing the shortest and quickest route for ships between the Atlantic and Pacific oceans-, and the U.S. itself. With the peace treaty, the U.S. agreed to pay Colombia a 25 million dollars indemnity for their loss of the prized piece of territory, seemingly a small sum for such a strategically important piece of land, but a much-needed injection of money into the capital-weak Colombian economy. Colombia was in such need of capital that it capitulated to the treaty even with the U.S.’s refusal to include language expressing regret over instigating Panama’s independence. The U.S. further leveraged the negotiations and Colombia’s need for money to pressure the country out of proclaiming national control over its subsoil, an action that would have prevented future oil exploration and exploitation by U.S. companies\(^\text{15}\). U.S. banks also swelled Colombian coffers, lending approximately 200 million dollars to federal, departmental and municipal governments just in the 1920s\(^\text{16}\).

Princeton University economist Edward Kemmerer, “the so-called ‘Money-Doctor’” served as a “one-man International Monetary Fund” sent on missions to overhaul Colombia’s financial


and fiscal systems (something he would do in subsequent missions throughout Andean Latin America, and in countries in Africa, Eastern Europe and East Asia)\(^\text{17}\). With the goal of making the country more attractive to foreign lending and investment, the Colombian government employed Kemmerer to create a Colombian central bank, pin the Colombian currency to the gold standard, and set the Colombian economy on a course of liberal developmentalism grounded in orthodox economics, patterning the country’s capitalist institutions on the model of the U.S. and escalating the country’s dependence on international trade and finance\(^\text{18}\). Much of what the U.S. had enforced through coercion and threat of force in Central America and the Caribbean was replicated in Colombia through consent and claims to economic science in the private missions of a technocrat like Kemmerer: “Fiscal order, more efficient customs administration, punctual debt payments, monetary stability, modern banking, Anglo-Saxon commercial practices, equal rights for foreign capitalists, increased international loans and trade, and displacement of European competitors”\(^\text{19}\). As Emily Rosenberg has argued, U.S. capitalists had succeeded in advocating for “capital investment imperialism” in Latin America to continue to grow profits abroad where the U.S. economy was saturated at home. U.S. financiers, fiscal and financial advisors, and corporate executives functioned as “capitalist missionaries”, spreading the word of U.S. capitalism in Colombia\(^\text{20}\). At the end of the 1920s, Colombian wealth was calculated at just 500 USD per capita with consumers’ purchasing power estimated at 1/20\(^\text{th}\) of that of U.S. citizens, and economic gains in the country rarely trickled down from the top 10 percent of Colombian society\(^\text{21}\). U.S. capitalists were interested in financing investment in Colombia in the hopes of addressing the poverty of the majority of the country, not only for Colombia’s own good, then, but to improve Colombian consumer capacity for purchasing goods from the U.S. In 1929 a U.S. Bureau of Foreign and Domestic Commerce representative explained it as such:

> If we can bring the remaining 90 per cent into the market we shall enormously increase our sales in those countries. That is why the United States, even for the most selfish commercial reasons, is desirous of helping the peoples of Latin America to attain a greater degree of prosperity. Our hopes for future increased trade with Latin America are based upon the rise of the masses, and not upon the purchases of the present wealthy ruling classes.\(^\text{22}\)


\(^{20}\) Emily Rosenberg, *Spreading the American*, 50.


\(^{22}\) “Colombia’ letter from Louis Domeratsky to Walter J. Donnelly” (April 17, 1929), in U.S. Department of Commerce, Bureau of Foreign and Domestic Commerce, Record Group 151, File n.\(^\text{e}\) 460, as quoted Paul W. Drake, *The Money Doctor*, 30-31.
This logic drove lending to Colombia, so that by the end of the 1920s every level of Colombian public administration, as well as Colombian banks, its agricultural sector, and burgeoning industrial class, had all benefited from and became beholden to U.S. credit and capital, and had accrued significant U.S. foreign debt obligations in a process that came to be known as prosperidad al debe. These entanglements with the U.S. economy and the practices Colombia adopted based on its model, not to mention the resulting significant debt account, would reverberate through Colombia during the global depression of the following decade. While at the turn of the century Colombia had ranked last and second to last in Latin America in terms of per capita exports and foreign investment, by the 1920s many Colombians were enjoying the “Dance of the Millions”, as this renowned period of influx of foreign capital from the Panama indemnity, bank loans and coffee earnings was characterized. By the 1920s, Colombian coffee capitalism had fully taken root, with agrarian colonos increasing production annually amid the lucky occurrence of consistently rising prices of the profitable export, pouring capital into coffee producing regions in the early to mid-twentieth century. Although Colombians controlled the production of most of the export commodity, they financed this expansion through credit from mortgage banks floating bonds in the U.S. market. More money circulated amongst more hands in the Colombian economy than before, especially to the hands of those that profited from some aspect of the foreign coffee trade or to those of the broader group that benefited from government financing of much needed public works projects like transportation and communications infrastructure, itself financed through foreign debt and seen as essential to the smooth movement of commodities for import and export. Paired with the demographic shifts of people moving to different regions of the country for that employment, there was a dramatic growth in the retail and wholesale commercial sectors, with people spending both for personal consumption and resale. There was, for the first time in Colombia, an expanding market in non-durable goods industries for personal consumption: textiles, packaged foods, and of course, bottled drinks.

**Introducing Coca-Cola in the Land of Coffee Capitalism**

The appearance of the Coca-Cola commodity in Colombia could be seen as a symbol of the influx of U.S. capital into the country in the 1920s. But, in fact, rather than directly invest in drink manufacturing in the country, The Coca-Cola Company outsourced its production to Colombian franchises, as it did elsewhere in the world. This meant that the underlying U.S.

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27 James Henderson, *Modernization in Colombia*, 120.
Corporation invested little in Colombia, while it relied on the outlay of Colombian capital, in this case from Postobón, to develop its industry. In 1927, The Coca-Cola Company went into business with Postobón, which began producing Coca-Cola first at its Medellín plant. Coca-Cola’s franchise contract granted the Colombian company monopoly rights over the territory in which they bottled Coca-Cola products and the right to use the Coca-Cola trademarks and buy drink concentrates. In exchange, The Coca-Cola Company in Atlanta profited from concentrate sales and provision of technical and promotional services, while retaining the right to control essential production and marketing details, violations of which could jeopardize a bottler’s contract.

This history of Coca-Cola’s first franchise with Postobón—which would become the largest and best-known Colombian soft drink company, Coca-Cola’s main competitor, and Pepsi’s Colombian franchise from 1970—has been virtually erased from official company histories of Coca-Cola and its bottlers, which narrate the origins of Coca-Cola bottling from the 1940s. But evidence of it remains in Postobón’s early advertising of the product and Coca-Cola company magazines’ celebratory mentions of the drink’s first expansion into the country. Coca-Cola’s earliest advertising in Colombia in the late 1920s and early 1930s demonstrates the complex representational politics of an international product constructed by both a growing multinational corporation and local franchises in Latin America. Postobón introduced Coca-Cola to Colombia with advertising produced by The Coca-Cola Company in the U.S. or the corporation’s Latin American Division in Mexico City, selected by the Medellín-based executives for Colombian consumers. Advertising in El Heraldo de Antioquia, the Medellín daily newspaper with the largest circulation according to the Advertisers’ Guide to Latin American Markets, represented Coca-Cola as a sign of modern business and culture now available to Colombians. For decades, Latin Americans had purchased imported goods, especially from Europe, which held associations with modernity, and the quality and style emanating from “centers” of development and culture. In the 1920s and 1930s U.S. products were relatively new to the Colombian marketplace. They also had to contend with recent events that threatened the perception of the U.S. in Colombia: U.S. assertions of

28 “Medellín, Colombia… New Plant for ‘Coca-Cola’”, The Red Barrel, September, 1941, 29. The Coca-Cola Company deems its contracts proprietary and thus are not available to the public, but a contract available through the U.S. Library of Congress’s archive provides a glimpse into the clauses of this period. See “Indenture of Agreement between The Coca-Cola Company and Solomon’s, Ltd., Burma” (May 14, 1927), in Library of Congress, The Coca-Cola Company Collection, Motion Picture, Broadcasting, and Recorded Sound Division.


30 Such consumption of foreign goods, somewhat contradictorily, also allowed for a sense of Latin American nationalisms, as Colombian consumers conceived of themselves as able to partake of imports through their nation’s emergence into international markets and relations. See Benjamin Orlove and Arnold J. Bauer, “Giving Importance to Imports”, in The Allure of the Foreign: Imported Goods in Postcolonial Latin America, ed. Benjamin Orlove (Ann Arbor: The University of Michigan Press, 1997), 8-13.
economically powerful, including, in 1928, U.S. lenders cutting off credit to the country in disapproval of government spending and recent legislation protecting national oil reserves\(^3\), as well as more violent assertions of the power of U.S. capitalists in Colombia, when, under a threat to Colombian sovereignty by U.S. military intervention to protect corporate interests, the Colombian army colluded with the United Fruit Company to massacre striking banana workers in Santa Marta in 1928 and was dispatched to Barrancabermeja to defend the Tropical Oil Company in 1927 and 1929. Strategically, then, Postobón’s first Coca-Cola advertisements emphasized the global popularity of the drink, rather than its North American identity, asserting the class and culture universally associated with its drinkers around the world. According to the ads, Coca-Cola was the “preferred drink in the whole world” (figure 1).

**Figure 1.** *El Heraldo de Antioquia*, Medellín, January 21, 1931

Coca-Cola’s are served to men and women dressed in urbane, modern attire enjoying moments of leisure in sophisticated settings in ads that celebrate the “discerning palate[s]” of the consumers of “The Queen of Drinks” (figures 1 and 3). With Europe as the model of taste and culture for Colombian elites, Postobón advertised their franchised product through claims of European popularity, rather than American: “With this drink they quench the thirst of thirty European countries.”\(^3\)

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\(^3\) James Henderson, *Modernization in Colombia*, 168.  
\(^3\) *El Heraldo de Antioquia*, Medellín, January 3, 1928.
Advertising directly addressed the issue of the cross-cultural acceptance of the product, suggesting that Coca-Cola should be accepted in Colombia as it had been “everywhere” by the best of society, also implying that if it was not, the class and worldliness of Colombian youth might be in question: “On the terraces of the casinos, clubs, ballrooms, cafes, everywhere, Coca-Cola is the drink chosen by elegant youth. No other drink, in the entire world, has had the same acceptance” (figure 2). That ad, “good company”, with its double play on the word “company” (the same in Spanish as in English), suggested that the drink paired well with both social life and capitalist expansion. The image of a Coca-Cola salesman, repeated over and over as if inexorably streaming from the Coca-Cola billboard and self-reflexively manifest in the newspaper advertisement, suggested the unceasing diffusion of the company’s business and products in Colombia and around the world. Such inexorable corporate growth, emanating from a noticeably English-language billboard, seems to contemporary eyes an uncomfortable image of U.S. corporate power, but at the historical moment may have signaled the pleasures of modernity offered by the reproducibility of machine production, evident both in the exactitude of the copies of the Coca-Cola salesman and in the implicit quality of their mass-produced wares.

Figure 2. El Heraldo de Antioquia, Medellín, October 27, 1930

Such advertising seems to have targeted not only consumers but potential merchants of Coca-Cola, seeking to share in the profits of such “good company”. In an effort to introduce its new product to as many store shelves as possible, Postobón advertised Coca-Cola’s way of doing business as well as its bottles of cola. The advertisement “When the demand exists” stressed both in words and in its very presence the ease with which a vendor would be able to sell Coca-Cola because of the “demand created with quality and advertising”. The Coca-Cola trademark offered
vendors a branded reputation built up through marketing and consistency of production, which would bring additional profits for the vendor over “cheap imitations” (figure 3). Many of these early Colombian advertisements identify the Postobón franchise as “sole dealers” of Coca-Cola, not only to combat the possibility of “imitators and substitutors”, as Coca-Cola called those that piggybacked on their reputation or profited from the production or provision of similar products, but also to produce the sense that others would want to copy their product. Such language implied the quality expected by the multinational and the degree of exclusivity of being granted a franchise.

Figure 3. El Heraldo de Antioquia, Medellín, July 14, 1930

Language about Posada Tobón as “sole dealers” and the frequent identification of Posada Tobón as the franchise bottler at the bottom of ads asserted the role of a local Colombian company in Coca-Cola’s production. In its earliest globalization, The Coca-Cola Company framed the franchise bottler as a handpicked, trusted industrial elite, serving as conduit to the corporate and consumptive modernity already enjoyed in the north. At mid-century, when the company faced challenges from those concerned with national economic development and the neocolonial economic, political, and cultural ramifications of multinational corporations doing business in developing countries like Colombia, the discursive emphasis on the localness of Coca-Cola production would increase significantly. But at the earliest moment
of The Coca-Cola Company’s global expansion, the local franchise was already being con-
ceived and represented as a foothold for the corporation’s growth in new markets and for consumers’ and retailers’ first steps toward the international brand and the modern culture of consumption associated with it. But various elements of these advertisements betray the infancy of the Coca-Cola bottling and marketing systems in Colombia and the awkwardness of these first steps in representing a brand still primarily produced in the United States for a distant geographic, cultural and linguistic market. Internal details provided by The Coca-Cola Company to its franchises have been left on the ad “He Aquí” (all the material below the black lines), identifying its production by The Coca-Cola Company’s Latin American Division in Mexico City and directing its proper reproduction for the public (figure 4).

Figure 4. El Heraldo de Antioquia, Medellín, January 17, 1931

One of the earliest print ads for Coca-Cola’s Posada Tobón franchise in Colombia was reproduced exactly as it was used in the U.S. market without translation to Spanish (figure 5). The ad “Stop at the Red Sign” justified Coca-Cola’s very presence in the country with the teleology that “It had to be good to get where it is”. Playing on the signification of red STOP signs, the ad directed readers to stop for a Coca-Cola whenever they saw the red brand signage, an idea that was part of a larger advertising strategy attempting to create
a psychological association between Coca-Colas and “arrows” and “signs” —other ads suggested: “Whenever you see an arrow, think of Coca-Cola”— in the hopes of triggering automatic consumer reactions in the frequent encounters people had with such modern symbolism in their daily lives. But even if such psychological associations could be made between Coca-Colas and signs (in itself a big hypothesis), here the strategy clearly missed the mark as the ad’s own signification took on unintentional and confusing meanings in English, a foreign language that only a small percentage of the population could read.

**Figure 5. El Heraldo de Antioquia, Medellin, March 20, 1928**

As early as 1929 The Coca-Cola Company bragged in Red Barrel, its magazine for bottlers of its products, that “‘Coca-Cola’ is already a well-known product to a large part of the Colombian public”33 and in The Coca-Cola Bottler, the official organ of the Coca-Cola Bottlers’ Association, that

the drink was being bottled in “about ten Coca-Cola plants in the little country of Colombia”³⁴. Historical photos show horse-drawn carts delivering Coca-Colas, man-powered pushcarts selling Coca-Cola on the streets, and signs on restaurants and storefronts in Medellín, Cali, and Bogotá in the late 1920s³⁵. Images of the June 1929 anti-government protests in Bogotá show students and banana workers marching through plazas and streets backed by Coca-Cola billboards and “Tome Coca-Cola” signs on storefronts, suggesting that the brand had already become part of the visual culture of major Colombian cities³⁶. Despite its public message to other bottlers, the company was far from satisfied with the progress of Coca-Cola’s market growth in the country under Postobón, and it suspended its franchise in the 1930s. In Postobón’s version of this story, it bottled and distributed Coca-Cola from 1927 until 1936, at which point the U.S. multinational “decided to officially establish itself in Colombia and Panamá”³⁷. This “establishment” was a newly formed Colombian franchise whose executives would instead assert that Postobón had effectively stopped producing Coca-Cola before this point and that “the franchise was suspended for factors of product quality”³⁸.

There would have been ulterior motives in representing the fallout as a failure of quality, as Postobón would become the largest national soft drink company in Colombia and the new Coca-Cola franchise’s main competitor in the country. It is clear that The Coca-Cola Company was frustrated with Postobón’s resistance to investing in the development of Coca-Cola over its pre-existing, and often competing, brands. The Coca-Cola Company surmised that Postobón had courted its franchise in order to protect its own Colombian soft drink business and restrain the Atlanta Company’s expansion in the country³⁹. The Coca-Cola Export Corporation ended its franchise relationship with Postobón, choosing instead to have a gap of several years before the drink was bottled again in 1941 in central Colombian cities by a franchise that principally produced Coca-Cola products and thus, from the perspective of the Atlanta Company, hopefully shared a commitment to its brands and interests. Colombian soda producers wasted little time in positioning their drink brands, often marketed as authentically national, to confront the return of Coca-Cola on Colombian soil. Postobón responded to the loss of the Coca-Cola franchise

³⁵ “Photo of Man with Coca-Cola Carts on Streets of Cali”, W8223; “Postcard of Café in Cali”, W8225; “Photo of a Street Scene with Coca-Cola Sign in Medellín”, W8226; “Photo of Horse Cart in Front of Café Nacional in Medellín”, W8215; “Photo of Cart on a Street in Medellín”, W8227; “Postcard of Coca-Cola Sign on Building Opposite Railroad Station in Medellín”, W8219, in Library of Congress, The Coca-Cola Company Collection, Motion Picture, Broadcasting, and Recorded Sound Division.
³⁶ Photo illustration, “Aspectos de la imponente manifestación de ayer tarde”, El Tiempo, June 9, 1929, 1.
³⁸ INDEGA, La Chispa de la Vida n.° 9 (1976), in Biblioteca Pública Piloto (BPP). There is no mention of Colombian Coca-Cola bottlers in the mid-1930s in Company publications, which instead emphasize a 1939 start date of “continuous” bottling in the country. See Armando Grumberg, “Coca-Cola in Colombia”, Coca-Cola Overseas, February, 1959, 3.
³⁹ Julio Moreno, “Coca-Cola, U.S. Diplomacy, and the Cold War in America’s Backyard”, in Beyond the Eagle’s Shadow: New Histories of Latin America’s Cold War, eds. Virginia Garrard-Burnett, Mark Atwood Lawrence and Julio Moreno (Albuquerque: University of New Mexico Press, 2013), 34.
by investing more into its cola drink, Freskola, and launching an additional competitor, King Cola. Postobón represented Freskola as part of traditional Colombian celebrations, as in the advertisement depicting a 1904 Christmas celebration, which suggested that three generations of antioqueños had chosen Freskola ever since (figure 6). While Postobón’s drink Cola-Champaña was introduced as early as 1904, the recollection of Freskola in this historical moment was imaginative nostalgia, as it would be over a decade later before Postobón produced the drink. Postobón’s 1944 advertising for Popular stated it directly: “The drink of Colombians.” Gaseosas Colombianas, which featured the national symbol of an Andean Condor on its drink logos, launched a new cola, Kol-Cana, and continued to promote its long-established (since the 1920s) “cola champagne” flavor, Colombiana, with the three colors of the country’s flag and even more overt nationalism with taglines celebrating it as a “national product.”

Figure 6. El Colombiano, Medellín, Colombia, September 30, 1943

As The Coca-Cola Company planned to establish its own franchises in Colombia at the end of the 1930s, the company invigorated its efforts to assert its legal ownership of elements of its brand as intellectual property. The business of The Coca-Cola Company in Colombia was as much devoted to the production (and protection) of trademarked cultural texts as it was

42 Asociación Nacional de Industriales, ANDI 65 años en imágenes publicitarias de sus empresas (Bogotá: ANDI, 2009).
43 José M. Raventós, Cien años de publicidad colombiana, 1904-2004 (Bogotá: Centro del Pensamiento Creativo, 2004), 83.
to the manufacturing of soft drinks. The Coca-Cola Company waged a global legal campaign to claim ownership over the terms associated with its brand, even if they were also associated with other goods. In the late nineteenth century, concurrent with Coca-Cola’s own origin, other tonics and remedies were making use of the ingredients of kola nut and coca, or at least of their images. As early as 1898, an “Elixir de Kola y Coca” was sold in Bogotá and advertised as a “tónico regulador del corazón y excitante del vigor cerebral y muscular”\(^{44}\). Over the first half of the twentieth century, The Coca-Cola Company and its Colombian franchises constructed their local business around the brand image, protected through the legal construct of its trademark and ensured through litigation against any producer deemed transgressing on its brand image. Stephen Ladas, Harvard Law professor and The Coca-Cola Company’s expert in international trademark law, described in an affidavit the trademark infringement cases The Coca-Cola Company brought against competitive drinks in Colombia since its early 1912 trademark registration in the country\(^{45}\). Targeting the use of the term “cola” in Colombia since 1939, The Coca-Cola Company won trademark infringement cases against Pepsi-Cola (to pre-empt its competition in the country, although the decision would not stand), King-Cola, Café Cola, Kinkola, CheroKola, ChirKola, ChurKola, CharKola, Lime Cola, Rika-Cola, Posto-Kola and Freskola, the Postobón drink produced since 1918, well before the bottling of Coca-Cola began in Colombia\(^{46}\). The Company also sought a second line of legal argumentation regarding the use of the term “coca”, regardless of the fact that coca cultivation and consumption was indigenous to Colombia\(^{47}\). Coca-Cola’s legal fixer, Roy Stubbs, served on retainer and on assignment in Colombia and across Latin America in the 1940s and 50s\(^{48}\). In the 1940s The Coca-Cola Company made a concerted effort to grow its industry, on terms it could more directly influence, by establishing franchise bottlers solely manufacturing Coca-Cola products in the country’s growing inland and coastal cities. In 1940 the company granted a new franchise to five antioqueño men, who, like their Postobón predecessor and primary competitor were launching their bottling business from the booming capitalist industrial community of Medellín: José Gutiérrez Gómez, Daniel Peláez, Alberto Mejía, Jesús Mora, and Hernando Duque. The Coca-Cola Company entered into a contract with its new franchise, the limited liability corporation named Industrial de Gaseosas (INDEGA), which established its


\(^{45}\) “Stephen P. Ladas, Affidavit” (New York, March 31, 1953), in Stuart A. Rose Manuscripts, Archives, and Rare Books Library (MARBL), Mark Pendergrast Research Files n.° 741, Box 15, Folder 6, 10.

\(^{46}\) “Stephen P. Ladas, Affidavit” (New York, March 31, 1953), in MARBL, Mark Pendergrast Research Files n.° 741, Box 15, Folder 6, 8-9. Freskola would be marketed under the brand name Popular.

\(^{47}\) The company continues to pursue this legal strategy, as evidenced in a 2007 case against Coca Sek, a Nasa Indian produced energy drink made with coca. Sergio de León, “Coca-Cola vs. Coca Sek in Colombia”, Associated Press, May 10, 2007.

\(^{48}\) “Roy D. Stubbs, Letters from Latin America”, in MARBL, Mark Pendergrast Research Files n.° 741, Box 3, Folder 11.
first bottling plant in Medellín. A year later, in search of additional capital, INDEGA became a joint-stock Company, opening itself up to new investors in order to expand its bottling operations from Medellín with new plants in Bogotá in 1941 and then in Cali in 1944. Of the four men, Gutiérrez Gómez would become one of the most important industrialists in Colombia, with experience in mining and agricultural credit before managing the Medellín-based pharmaceutical company Laboratorios Uribe Ángel. Just a few years later, as the president of the most powerful group of industrialists, the Asociación Nacional de Industriales (ANDI), and while also president of the franchise of a major U.S. multinational, Gutiérrez Gómez would promote national industry and even economic protection of Colombian industries, asserting that their particular economic interests were also in the best interest of Colombia and its peoples. The Coca-Cola Company did not rely on the INDEGA franchise alone to grow the Coca-Cola business in Colombia. In 1939, Coca-Cola had given a bottling contract to Robert W. Young “of Mexico” to open up a plant called Embotelladora Tropical Ltda. in the port town of Barranquilla. Located on the Caribbean coast at the mouth of the Magdalena River, one of the few routes of transport of freight into inland Colombia, and accessible to international trade and communications of the Atlantic, Barranquilla was the country’s chief port. This privileged geographic position made it an economic and industrial hub for the country, and a center for the trade of agriculture and livestock that provided the conditions for corporate growth and that drove a population increase (mostly from within Colombia, but also from international immigration), making the city ripe for the sale of mass consumables like bottled drinks. In a few decades this Barranquilla bottler, along with other coastal Coca-Cola bottlers that were established at midcentury, would be overtaken by Compañía Industrias Román, a fellow bottling company started by the Román family of the coastal colonial city of Cartagena. A family, whose story of a chemist/pharmacist who opened up plants to bottle their beverages (Kola Román) has become well known. The Coca-Cola Company franchised the production of their drinks with Industrias Román, thus covering the Atlantic coast. Industrias Román’s plants in Barranquilla, Cartagena, Valledupar and Montería were first acquired by

50 Eduardo Sáenz Rovner, La ofensiva empresarial: industriales, políticos y violencia en los años 40 en Colombia (Bogotá: Tercer Mundo Editores, 1992), 41.
51 Eduardo Sáenz Rovner, La ofensiva empresarial, 33; Ann Farnsworth-Alvear, Dulcinea in the Factory, 210-211; Marco Palacios, Entre la legitimidad y la violencia: Colombia, 1875-1944 (Bogotá: Norma, 1995), 174-180.
Bavaria, the large brewing company founded by a German immigrant to Colombia, before being absorbed by the corporate progenitor of INDEGA (Panamco) in 1970. With the exception of a few individual franchise bottling plants, this single company, INDEGA/Panamco, would monopolize Coca-Cola bottling in Colombia.

**Franchising Modernization: Asserting Coca-Cola as a National Industry**

Although INDEGA would dominate the Coca-Cola industry in Colombia, its growth was neither instantaneous nor smooth. Postobón and the large Colombian brewery companies controlled the vast market share of the bottled drinks business, and, according to INDEGA’s own internal history, the young company was beset by the challenges of “little experience, the constant pressure of the competition and import difficulties”54. The Coca-Cola bottling business required large capital expenditures in advertising to build the drink’s brand image in a young market. Through the 1940s, the Colombian Coca-Cola business, however locally incorporated, still depended heavily on imports. Concentrate was imported, flown into Medellín for INDEGA on a weekly basis by a DC3 plane from Colón, Panamá, where The Coca-Cola Export Corporation located deposits of concentrate destined for various South American countries. But that was just the start, according to INDEGA documents: Colombian Coca-Cola bottlers also had to import carbonic acid gas, glass bottles, crown tops, cases and packaging, and the bulk of their advertising, as well as any new machinery used in the production process55. In Colombia, the labor and political left were mobilizing, asserting that a larger swathe of Colombian society should share in the fruits of capitalist modernization. After a wave of strikes, labor federation, and organizing by workers in the late 1920s and 1930s, the Colombian government passed new labor legislation facilitating the creation of unions56. Colombian President Alfonso López Pumarejo of the Liberal Party was elected to the presidency twice in the 1930s and 40s on a declaration of a “Revolution on the March” and a platform of social and political reforms with backing by labor and rural constituencies. López’s populism and cooperation with the small but vocal Communist Party threatened Colombia’s industrial elite. Colombian industrialists were able to absorb some of the labor critique by employing a discourse of patriotic nationalism to conscript the Colombian state and citizenry into a shared commitment to the growth of Colombian industry. Colombian

54 INDEGA, *La Chispa de la Vida* n.º 10 (1976), in BPP.
industrialists pushed for increased protectionism to grow their businesses, putting themselves in conflict with coffee-growing exporters and their free trade orientation.

While the Colombian government and marketplace was open to U.S. foreign investment and brands, the global depression of the 1930s and economic slowdown during the course of World War II fueled critiques of the Colombian economy’s dependency on the United States. The Colombian government passed a 1936 constitutional amendment that gave the state the right to expropriate private property “for motives of public utility and social interest”, both of which worried U.S. multinationals (especially the oil companies) doing business in the country. The threat of expropriation was not acted upon, as López’s reforms were derailed by WWII and the Colombian support for the allies abroad, and also by the political conflict at home, including a failed presidential coup, a presidential resignation, and the devolution into large scale political violence in the late 1940s that continued through the 1950s. Despite the lobbying that favored Colombian manufacturing interests, López never fully endorsed protectionism, viewing tariff barriers instead as “a tax on many to benefit the few”, which increased prices on foreign goods, fomented monopolies and depressed wages in protected sectors, thus negatively affecting the working class, such as consumers and workers, while enriching the industrial elite. But Colombia’s manufacturing elite continued to promote the sense that Colombia’s future was industrial and in need of state subsidy and protection. As early as 1930, a competing product, Ko-Kana, was already attacking Coca-Cola’s vulnerable otherness, a sign of the growing challenge posed by more national-oriented conceptions of economic development to liberal developmentalist modernization, as Colombia began to experience the effects of a global depression. In comparison to the conscious appeals to universality and accidental foreignness that marked the Coca-Cola ads, Ko-Kana emphasized that it was a “national industry” in every link of its commodity chain: “It is notable the great number of Colombians that this great industry employs: Its corona tops, Colombian; its carbonic gas, Colombian; its labeling, Colombian; its sugar, Colombian; its bottles, Colombian; its advertising, Colombian; its Business, Colombian”. Produced by the “Colombian spirit”, the product had been embraced by the Colombian public in a true example of “Colombian Protection”, per the ad (figure 7).

59 Ann Farnsworth-Alvear, Dulcinea in the Factory, 210-211; and Marco Palacios, Entre la legitimidad, 174-180.
The Coca-Cola Company also dissuaded such potential threats posed by the labor and political left by casting itself in terms that might speak to the economic, political, and cultural interests of a developing nation. The franchise allowed The Coca-Cola Company to promote itself simultaneously as a global commodity representative of the modernity of developed countries and a local product enabling Colombian industry and consumers to develop and modernize. Thus, INDEGA and The Coca-Cola Company negotiated the shift from liberal developmentalist modernization in the first half of the twentieth century to the murmurings of more Keynesian developmental politics, achieved by putting forward local bottlers as conduits of national modernization. The Coca-Cola Company mobilized a modernization discourse, emphasizing the role of a modern drink and business in nation building, the construction of modern identities and institutions, and national industrial development. The imported Coca-Cola advertising continued to market Coca-Cola as the modern choice. The often-repeated tagline “Security, Protection, Hygienically Produced” represented Coca-Cola in relation to other local beverages, bottled or otherwise, that did not boast such modern claims in print. Emphasizing “quality,” “purity” and painstaking “care and attention in its preparation”, such ads suggested that Coca-Cola was safer than juices made on the street, fermented indigenous drinks or lesser-quality bottled soft drinks, which were not the

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Figure 7. El Heraldo de Antioquia, Medellín, Colombia, October 10, 193060

60 Ko-Kana was produced by Fabrica de Gaseosas La Pantera in Medellin.
products of modern technology. The Coca-Cola Company and its advertisers were also beginning to apply the modern theory of market segmentation, in which “homemakers,” “workers,” and the “youth market”, were not just represented, but constructed as social categories in advertising. In the elite Conservative-party oriented daily newspaper, El Colombiano, advertisements promoted modern middle-class conceptions of leisure paired with consumption of Coca-Cola. Such ads promised not only thirst-quenching refreshment, but also the possibility of a making a choice in terms of consumption and recreation, both presented as self-defining activities with the new identities opened up by capitalist modernity. Produced by Coca-Cola corporate advertising agencies and adapted from U.S. pattern advertising prototypes by The Coca-Cola Company Latin American Division and the local Export offices and bottlers, the ads often contained characters with lightly darkened features and were translated into a generic Spanish language for a broad Latin American market (figures 8 and 9). This model of pattern advertising attempted to create slight variations within an advertising campaign that could be more locally relevant to diverse markets. Many advertisements demonstrate basic attempts by INDEGA to identify images amongst the offerings from The Coca-Cola Company’s global marketing provisions that applied to Colombian culture and context. An example of this is The Coca-Cola Company’s “Drink Coca-Cola-Ice Cold” campaign that emphasized the thirst quenching refreshment of ice cold Cokes through images of recreation and sport, producing series of ads that drew on the simultaneously multinational and local appeal of transnational sports. INDEGA chose swimming, jai alai (from Spain) and baseball (from the U.S.), the latter two newly popular in Colombia, over other pattern advertising options such as American football and skiing, for example (figures 10 and 11).

As Colombian newspapers printed daily headlines of U.S. military valor against fascism in World War II, along with reports of American Good Neighbor policies, and as the Colombian elite increasingly published anti-communist tracts, the association of these advertisements with the United States granted ads the acceptable modernity of capitalist liberalism in relation to other political options. But efforts were made in advertising to assert the Colombian-ness of Coca-Cola products. Each ad ended with the requisite “Embotellado Bajo Contrato Con The Coca-Cola Co. por...” and left space for the local bottler to fill in its company identification, in this case, “Industri de Gaseosas”, in order to assert Coca-Cola’s local production. To be an “American” product, even in a time of relative American popularity in Latin America, was becoming more complicated, especially in Medellín, center of the rising Colombian industrial elite, amidst emerging calls for the protection of Colombian products in the face of (largely American) imports. INDEGA’s sponsorship of the 1944 Exposición Nacional de Medellín, a celebration of Medellín’s industrial prowess, provided an opportunity for the local bottling company to support the promotion of local industry, and to assert itself as a member. In this Colombian representation, Coca-Cola was both “the favorite drink of the Americas” and a “product of National Industry” (figure 12). From the U.S. perspective, as

61 “Bottled under contract with The Coca-Cola Co. by...”
provided by a reporter from Women’s Wear sent to the Medellín exposition to cover the growing textile industry, Coca-Cola’s presence was a sign of the city’s entrance into modernity: “It has all the entertainment features of our own fairs... ‘Coca-Cola’ is especially conspicuous and popular”62.

**Figure 8.** El Colombiano, Medellín, Colombia, August 3 and 21, 1943

![Figure 8](image1)

**Figure 9.** El Colombiano, Medellín, Colombia, July 28 and August 20, 1943

![Figure 9](image2)

62 Women’s Wear article from February 15, 1944 quoted in “At Colombia Exposition”, The Red Barrel, March, 1944, 40.
Figure 10. El Colombiano, Medellín, Colombia, July 22 and August 12, 1943

Figure 11. El Colombiano, Medellín, Colombia, August 7 and 27, 1943
The linkages to the global economy within the Coca-Cola commodity chain and broadly in the Colombian economy brought the Depression and subsequent wartime downturn of the world economy home to these enterprising new Coca-Cola bottlers and their prospective consumers. At the beginning of the 1940s, they were selling a crate of Coca-Colas at noventa centavos so that retailers could sell to consumers at five centavos a bottle, and according to the Company, “while the product sustained this competitive price level, its sales were good”\(^{63}\). But in 1944 they found it “necessary for profitability” to raise the price of a crate to 1.60 Colombian cents, an increase of 100% to the consumer when the retailer sold each bottle at ten cents. The competition, namely “Postobón and Lux, for several months was able to continue selling their products at the old price, or 0.45 Colombian cents for a dozen, in 12 ounce bottles”. Coca-Cola sales dove and the INDEGA considered taking it off the market entirely. To “defend” themselves financially, the bottlers “had to resort to

\(^{63}\) INDEGA, *La Chispa de La Vida* n.º 10 (1976), in BPP.
competing in price with the competition” by putting out a new, cheaper product, Club Soda, and acquiring the existing brand, KIST, to bottle more affordable orange, grape, and “red” drinks. INDEGA reintroduced KIST as “another product [from INDEGA] that has the best popularity in Colombia”, relying on print advertisements and the Colombian public to promote KIST through an ingenious viral marketing campaign for the drink. Mysterious posters and newspaper ads around Medellín featured question marks and the KIST trademark timed with a company contest that hailed people to say “KIST arrives on Monday!” to everyone they see. According to the advertisements, INDEGA employees were planted around town with prize tickets redeemable for up to 20 Colombian cents to be given out to the first person who addressed them with that branded salutation. No details as to exactly how many tickets were actually given out. A small paid “news” story on the introduction of the new product, KIST, demonstrates the efforts towards emphasizing the embeddedness of INDEGA in local industry and society as well as its connections to international systems of capital and culture. It began, Industrial de Gaseosas Limited “of Medellín... gave to the public a new product, surely excellent, of admirable nutritive and refreshing properties”. KIST, “will surely have general acceptance”, the article continued, because it “is another pleasing effort from a company [INDEGA] linked to antioqueño progress, that is to say to the industrial prosperity of this state, which gained celebration and national familiarity and appreciation for ‘Coca-Cola,’ the drink with limitless international prestige”. Attempting to draft Colombians into consumption as an act of national civic duty, and enacting a remarkable disassociation of the intertwined capitalist interests of a franchise of a U.S. multinational, the article closed: “Our votes, not only as friends but also as Colombians, are that ‘KIST’ reaches the fame that it deserves and obtains the consumption that can be credited to its delicious flavor”. Not mentioned was that INDEGA was licensing KIST from the Citrus Products Co. of Chicago, IL.

There were increasing signs that developmentalism was beginning to lose some of its free market liberalism in Colombia. Both the global depression and the onset of World War II hurt trade between the U.S. and Colombia and exposed the developing country to the risks of integration with the global economy. Additionally, the increasingly powerful and well-organized industrial capitalist class demanded protection. Colombia maintained...
its free trade orientation throughout the 1930s, including signing a trade agreement with the U.S. in 1935 that reduced tariffs and eliminated taxes for over 200 U.S. products so that, in exchange, Colombian coffee and bananas saw neither tariffs nor taxes in the U.S. \(^{69}\). The country’s powerful export-oriented landed agricultural interests were persistent advocates for free trade, especially those of that other drink, coffee, which was seen as the base of the Colombian economy. But Colombian industrialists were becoming more powerful, and more threatened by what they saw as Liberal party economic policies that benefited import-export interests to the detriment of Colombian manufacturing, and by the allowance of a growing labor movement in the country that threatened their control over their factories. INDEGA’s own Gutiérrez Gómez, as president of the recently-formed ANDI, forwarded the industrial and class interests of national manufacturers with protectionist economic policy recommendations, even as this stance could have engendered a challenge to his Coca-Cola business’s reliance on ingredients and materials imported from The Coca-Cola Export Corporation. Middle class intellectuals from both major Colombian political parties began to propose a program of state protection, with the idea that Colombia should industrialize to become a “normal” and “fully developed” country\(^{70}\). Leftists also saw the global capitalist economy as exploitative and intrinsically susceptible to devastating economic crises. Support for government planning from the multiple and often divergent perspectives of developing national industries, empowering a national bourgeoisie, “modernizing” the Colombian economy and society, and protecting workers and consumers, was beginning to take root\(^{71}\). But such a protectionist program would not be seriously considered until the final years of WWII and after, when there existed a fear that foreign goods would inundate the Colombian economy\(^{72}\). Both the U.S. government and The Coca-Cola Company, to a certain extent, tolerated the murmurings of a Keynesian developmentalist logic of the modernization of international economies, especially in Latin America, as manifested in national industrialization and social welfare programs to relieve widespread poverty and economic disparity, inflate international consumer markets, and hopefully prevent social revolutions and protect capitalism in the long term\(^{73}\).

Sumner Welles, architect of the “Good Neighbor” policy, articulated the U.S. government’s position of offering the assistance of private banks and U.S. government agencies “to cooperate with all other American republics in such efforts of each to develop the resources of its country along sound economic and noncompetitive lines” in 1939. In implementing this policy, U.S. agencies undertook a study of Colombia to determine what kind of


\(^{71}\) James Henderson, *Modernization in Colombia*.


\(^{73}\) Emily Rosenberg, *Spreading the American*. 
commercial and industrial policies might be beneficial to its development, in U.S. terms. The resulting 1941 report conveys the U.S. government’s acceptance of import substitution industrialization policies as a necessary means of expanding Colombia’s manufacturing sector and suggests that government investments should be made to initiate industries and provide necessary investments in transportation and infrastructure in order to lower costs and improve the efficiency of Colombian manufacturers. With a larger manufacturing sector and a larger waged industrial working class, the report argued, the “home market” of Colombian consumers could be expanded beyond the small upper class. Better paid industrial workers could purchase the products coming off their own production lines. The report noted that Colombian “small-scale industries” in drink and food production such as soft drinks “have thrived in local hands”, like Postobón. But expectations should not be raised too quickly in regard of a Colombian industrialization, as “a number of foreign specialties… will continue to be imported even over tariff walls and other barriers”, such as Coca-Cola and Pepsi syrups. Expectations for an export market for Colombian manufactured products were not very high, according to the report, with a few exceptions: the soft drink industry could not only produce for national consumption, but also had the potential to make export products. As a principal coffee-producing nation with an existing soft drinks industry, Colombia could create a “coffee-cola drink” for export, which would merit government support; “should a coffee-cola drink be developed worthy of an attempt to explore the American market, some official encouragement might be forth coming”, presumably from the U.S. as well as from the Colombian government, the report hypothesized74. But no such drink ever came about, as the existing soft drinks producers expanded in Colombia, especially The Coca-Cola Company, which had granted new bottling contracts in Barranquilla in 1939 and the INDEGA franchise in 1940 in Medellín, which quickly expanded to Bogotá in 1941 and to Cali in 1944. Although these franchises increasingly represented themselves as local industries tied to the industrial development of their Colombian locations, their market growth came with the influx of U.S. capital and management after 1945. As INDEGA and Coca-Cola were concertedly characterizing the franchise as a Colombian industry to appeal to the increasingly protectionist Colombian nation, the company’s ownership and leadership was about to become more North American and demonstrative of the large role of the U.S. multinational in the direction of its “independent” franchise bottlers. Dependent on imported bottles, advertising, machinery, and the concentrate from the Coca-Cola Export Corporation in the U.S., Colombian investors were being financially drained by high costs in the post-war

74 “Developmental Programs for Latin America: The Colombia Study” (1941), in U.S. National Archives and Records Administration II (NARA), RG 229, Box 182, Commercial and Financial Country Files: Colombia, “Economic Analysis” Folder.

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economy: “These enormous demands on the company made the directors think about the urgent necessity of looking for good refinancing” 75.

The Coca-Cola Company was also feeling the effects of the economic depression and wartime austerity on its business. But with many of its international franchises in vulnerable economic positions, the company seized the opportunity to exert its influence on its international business with an eye towards expansion. In 1945, with the encouragement of The Coca-Cola Export Corporation, the shareholders commissioned two of their directors, José Gutiérrez Gómez and Daniel Peláez, to travel to Export’s headquarters in New York to negotiate the sale of interest in their company to Albert H. Staton and his budding Latin American bottling company, Refrescos S.A. of Panama (to be called Panamco after 1954). Staton was already a Coca-Cola Company man. He had joined the company in 1924, just a few years out from his mechanical engineering degree at Atlanta’s Georgia Tech University, where he earned top marks and was an all-conference football player and the president of the campus’s powerful secret society (with future southern business leaders and politicians amongst its ranks, including future U.S. president Jimmy Carter as an honorary member) 76. He worked for The Coca-Cola Company and its international marketing and sales business in Connecticut, Canada, Europe (where he served as general manager of Coca-Cola Europe), and Asia, rising through the ranks to become the Vice President of the Pan American Division of The Coca-Cola Export Corporation, even traveling to Colombia in 1938 to seek out potential bottlers and appointing Robert Young as the bottler in Barranquilla 77. From this position, managing the Coca-Cola Export Corporation’s business throughout Latin America, Staton not only assisted existing bottling businesses but also surveyed the field for opportunities to expand the market and his own profit therein. Staton had already owned bottlers in the United States and, just a few years earlier, in 1941, he and a group of investors had acquired Coca-Cola bottling operations in Mexico and Brazil 78. With the opportunity presented by Gutiérrez Gómez and Peláez he assumed management of INDEGA for Refrescos S.A., but kept all the local signage, advertising and corporate identification of the Colombian company. In 1945, Albert H. Staton traveled to Medellín, where he would continue to live while he wasn’t overseeing his investments elsewhere 79. After the death of his first wife, the American engineer married a Colombian

75 INDEGA, La Chispa de La Vida n.º 9 (1976), in BPP.
76 Marvin Gechman, “Tech Student Council in Thirtieth Year”, The Technique, Georgia Institute of Technology, Atlanta, May 9, 1952, 1.
77 Inge Staton and Ofelia Luz de Villa, The Unknown Legacy, 456.
79 INDEGA, La Chispa de La Vida n.º 9 (1976), in BPP.
Selling Local Modernization through the Global Corporation

woman and raised his children between the U.S. and Colombia. Staton expanded and consolidated Coca-Cola bottling in Colombia and grew the bottling company into a Latin American empire, the largest bottling corporation in Latin America (at the end of the century controlling plants in Brazil, Colombia, Costa Rica, Guatemala, México, Nicaragua and Venezuela) and the second largest in the global Coca-Cola system by the 1990s.

Albert H. Staton’s long history with The Coca-Cola Company enhanced the growing bottling company’s ties to the multinational, which realized the possibility for expansion under a trusted member of the Coca-Cola family. Staton now sought out “technicians” and “consultants” to revamp the Coca-Cola business in Colombia. As a good Coca-Cola man of his era, Albert H. Staton quickly sold off the recently acquired KIST franchise to Postobón, keeping only Coca-Cola and Club Soda, so the company could focus more of its attention and capital on the Coca-Cola brand. The Staton family was deeply entrenched in the Coca-Cola business: his brother John managed the Australian market before becoming Vice President of The Coca-Cola Export Corporation –in charge of export sales in South America at mid-century and remarkably well-positioned just as his brother’s franchises were getting their start in Colombia, Mexico and Brazil—, and later, Vice President of The Coca-Cola Company in Atlanta. Familial and corporate lineage intertwined, with successive generations of Staton men working for Coca-Cola and Panamco, and the family broadly became synonymous with the Coca-Cola business in Latin America, as well as with McDonald’s, a closely related corporate enterprise. Although Albert H. Staton in his 1949 article “Colombia and Coca-Cola” in Coca-Cola Overseas credits all past and future growth of the Coca-Cola business to his Colombian investment partners, José Gutiérrez Gómez and Daniel Peláez, it was the common practice of U.S. Coca-Cola businessmen to assert the local rootedness and leadership of the business. In contrast, retirees from the Colombian plants and executives at The Coca-Cola Company remember the Staton family, and Albert H. Staton in particular, as the dominant force in the expansion and management of the Colombian bottling system. In long obituaries and tributes recording the extensive public and private employment of José Gutiérrez Gómez, his presidency of INDEGA does not get a mention. Panamco detailed the history of Staton’s influence

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81 “45 Years and 4 Careers”, Coca-Cola Overseas, April, 1969, 33.
82 “45 Years and 4 Careers”, Coca-Cola Overseas, April, 1969, 33.
85 Al Staton, “Colombia and Coca-Cola”, Coca-Cola Overseas, June, 1949, 16-17, 28.
86 “José Gutiérrez Gómez”, Semana, April 1, 2006.
for its workers to read in a 1976 company magazine: "With the arrival of Mr. Staton, a complete reorganization of the three plants was made, and a new phase began; the experiences, the new techniques and the dynamic organization of this moment marked the beginning of the dizzying race that has not stopped to this day and that has converted our business in one of the strongest, most prestigious and united in Colombia”87.

While the news from the developing market published in Coca-Cola organs like Coca-Cola Overseas was remarkably positive, suggesting that The Coca-Cola Company was already a global business, the reality of the obstacles faced by the company were more starkly represented in reports from Export Corporation executives working the international markets, and bound up in discourses of racial difference and inferiority. Export’s Assistant to the Sales Promotion Manager, Ted Duffield recalled trips in 1948 to Medellín, where salesmen traversed the bumpy stones and rutted mud streets on horse-drawn carts to make deliveries. Seeing a group of “Indians of Inca ancestry trotting” with goods to market in sacks strapped to their heads, Duffield and his Colombian salesman partner talked them into replacing the “incredible... twenty-five pounds of rocks” each carried to maintain their “rhythmic dogtrot” on their return trip with bottles of Coca-Cola to sell back in their village “high in the Andes”88. Across the border, in Venezuela, Duffield charged 28 USD to his expense account in order to buy shoes for the barefoot sales force he encountered there89. In Company discourse, the radical otherness of international peoples and cultures was posed as an obstacle to Coca-Cola’s expansion, but as a surmountable one that demonstrated the very universality of its product and business90. Such difference became evidence that, through its system of franchise bottlers, The Coca-Cola Company enabled the local adaptation of what it saw as a global model, consumer capitalism, as it extended its business across diverse cultures and markets, chasms of wealth and ways of life, around the world. Through the franchise, The Coca-Cola Company sold Colombian industrialists, policy makers, workers and consumers on the palatability of both bottles of Coca-Cola and its business model.

87 INDEGA, La Chispa de La Vida n.° 10 (1976), in BPP.
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