

NOT FOR PUBLICATIONThe City Hotel
Córdoba, Argentina
August 1, 1942

Dear Mr. Rogers:

For a number of years Argentine economists have been preoccupied and baffled by the failure of their country to advance to a degree consistent with the many natural resources of which Argentina is the possessor. The question of a relatively static economy in a young country--the phenomenon is often described as early maturity--poses a challenge. Argentines themselves are surprised almost beyond belief by the strides now being made by their neighboring nation, Brazil, whose progress seems to increase with the tempo and the broadening of the world conflict. At the moment Argentines feel their deepening economic problems are caused by the war. They are confident that the test of history will place their nation at the head of all Latin America. My first reaction when I first saw this country and some of the tremendous riches which it has was that nothing could prevent it from having an important, and, from a world point of view, a significant future. In the sense that the country is relatively unpopulated it might be said to be young. If one should take away from it certain Twentieth Century characteristics such as the automobile, electricity and radio, Argentina might then be compared to the United States of the 1880's. If this kind of comparison has the merit of logic, the natural North American conclusion is that Argentina should be in the throes of a roaring evolution that neither war, Hell nor high water could stop. Those who know the Argentine well say that there are now present more symptoms of change than in any other period since the turn of the century. Even so, from a purely United States point of view, the changes being wrought are insignificant when compared to possibilities. Why does not Argentina change faster? Let us try to search out a part of the answer.

One can ask a thousand Argentines at random what, in their judgment, is the most pressing problem in their nation. Invariably, whether they are employees of the provincial or federal government, they will reply that it is "la mala política," or bad politics. My own reaction for weeks and months to this stock reply was that it was inadequate, superficial as an analysis. It occurred to me, because I was then judging Argentina by North American standards, that government direction had relatively little to do with the progress of a people. After all, I thought, people, independent of the state, must work out their own destiny. This opinion I expressed to Argentines. It did not impress them. I could see that they thought me vastly ignorant about the role which government has to play. Yet here, as I am at last beginning to appreciate, government is important, important beyond anything which North Americans can imagine. Argentine society depends upon governmental paternalism. Government, not individuals nor individual enterprise, creates the great utilities of the nation, influences the educational system and directs the development of the country. Enterprise in the Argentine is something which the people believe must be "fomented" by government. Because of the nature of Argentine society, this view of things is natural. The force of private capital is not known in the Argentine as it is in the United States. A handful of people, an Argentine aristocracy, owns most of the land and they guard their privilege to it jealously. Their capital, which is land, is not of an adventurous nature. It tends to hinder the settlement and development of the relatively unpopulated rural areas. Foreign capital which owns many of the railroads, some of the public utilities and most of the packing plants and which is losing its daring in the face of government restrictions faces an uncertain future. Foreign capital is regarded as predatory--and whether it be of English, United States or German origin it is not popular. Then there are the capital investments of the state, as represented by the railroads of the government, packing plants and, we might add, the many fomenting bureaus which are improvised to plan the future

greatness of the Argentine. Argentine capital, lacking the adventurous spirit, calls upon the state to develop the country. And because the job is too large for the state alone to do and because those who most demand the action of the state are reluctant to have the state tax them for the capital which it needs to accomplish the purpose, projects often are realized only in rhetoric from the political platform. That is why, economically, Argentina is static.

A static economy, by its very nature, is not a healthy condition for the soul. In a country where individual enterprise is uncommon and where success is difficult to achieve, wealth can most easily be obtained by a quick stroke at the expense of others. Hence a capitalist is not esteemed. A capitalist is considered to be a schemer, an opportunist, at times even a thief. A capitalist is not admired; they are more hated than they are admired. A capitalist is not regarded as one who promotes civilization; he is thought of as a plunderer. If a capitalist does good, it is regarded as a simulation--and the good he does is presumed to be for the ulterior purpose of placing himself in a position so that he can make another profitable deal at the expense of others. This conception of the capitalist has been inherited from the Spanish colonial system, under which system a capitalist had no social recognition. How different the concept of capital in this society from that which it enjoys in the United States! Not so long ago North American capitalists, almost by sheer personal initiative and the love of the doing, built great railroad and industrial empires. It was not merely a fortune most of them were after, only to acquire it and then jealously guard it; for many of them made fortunes only to lose them--almost it might seem so that they might again have the thrill of achieving something from nothing.

In a society such as that which obtains in the Argentine, where can ambitious youth turn to in search of success? The land, although rich, offers an uncertain future, for the owners are guarding title to it. Conditions which they impose upon renters are such that renters cannot reasonably expect to purchase a farm; incomes of small tenant farmers are so small that the towns which depend upon agriculture do not, and cannot, develop the living and cultural standards which are the making of sound country communities. Private enterprise, Argentine youth thinks, has little to offer. Only in government does youth see opportunity and it makes a mad, unanimous scramble for government positions. Success is thought of as a scarcity item. Hence there is apt to be jealousy of one who goes ahead, for it is believed that the success of one lessens the chance of success for another. Youths claim that men of position try to hinder their advance, because men of position see in youth pretenders to their own positions. This attitude is absolutely the reverse to the helpful attitude of successful men in the United States, many of whom partly measure their own success by the number of men whom they "discover" and help to attainment. I have personal acquaintances among young Argentines, many of whom have a lot of natural ability. Although they are ambitious, being young, they cannot become too enthusiastic about the futures which they are to have. Many state that they do not have the right family background, that they do not possess the "cuñas", or influence, to get a start. Curiously enough, they are more or less resigned to an extremely modest career. They are not bitter or outraged at the system.

We have considered certain reasons why the Argentine, in the economic field, is not as dynamic as it might be. The lack of dynamic forces is a broad subject and might well be followed out in other fields, such as the educational system and law. Perhaps I may return at another time to the same general theme. It is an important theme, above all for the Argentine. One is almost forced to conclude that the Argentine, in order to realize the "Grandeza" of which its people speak and believe, must needs instill into its social system dynamic forces and ideals which it seems to lack. Perhaps a great wave of immigration at war's end will supply the stimuli, perhaps the forces will form and grow within the society itself.

"Está bravo. He has his nerve." That was the first reaction that I heard in Córdoba to a statement released to the press by Waldo Frank on the eve of his departure from the Argentine. Waldo Frank has been for many years one of the most welcome and best-received North Americans in the Argentine. He has been a consistent champion of the Argentine and has preached the necessity of Hispanic-Americanism as a necessary prelude to Pan-Americanism. It will be interesting to see if his popularity will decline by reason of the daring (described here as "crudely frank") statement. Frank realized, no doubt, better than anyone what the declaration might mean to his personal popularity, and perhaps that is why he titled it significantly, "My Adiós to Argentina." Said Frank in effect: "Everywhere I have found friends, good will, fine feeling, intelligence, intellectual generosity and vigor of mind. In every part of the Republic the people have a capacity to live in the world of ideas. They desire to know. They understand the meaning of world events to a degree that few other countries do. Nevertheless, there is confusion everywhere about, discontent and an uncertainty that approaches consternation. I am not speaking specifically of the government nor of the political leaders. I am speaking principally of those whose duty it is to form the conscience of the nation and to express its spirit--writers, teachers, the men of law and of the church, the leaders of the common man. The truth is that this nation is facing the greatest moral and spiritual crisis in its history. The world, led by Great Britain, Russia, China and my country, is fighting for the soul of humanity. How can one be neutral in this conflict? There are no neutrals. Yes, there have been peoples without conscience--entire nations--who did not understand. This was true in the United States until recently. This is not true in Argentina. Argentina understands clearly the meaning of this tremendous war. Since Argentina has not chosen a place of dignity, she occupies a place of humiliation. I love Argentina. And because its people have opened their hearts to me, I can only speak to them from my heart. I humbly believe what I speak." Frank's actual statement is much longer than the translated summary which I have made of it. It is written in effective Spanish prose. Waldo Frank has certainly sensed the spiritual unrest of the Argentine. My own interpretation of that unrest, which I do not set down here, is not exactly like Frank's. His is an interesting estimate. We would do well to read well the first part of Waldo Frank's statement which sets out many of the good qualities of the Argentine people. I agree with that part completely.

As I write this my days at the University of Córdoba are numbered. I hope that these latest letters, which have attempted to explain some of the more basic features of Argentine society and the thinking processes of Argentines, have not purveyed the idea that I have come to like the Argentine less by knowing it better. Quite the reverse is true. It would be hard for me to believe that one could be more cordially received than I have been received in Córdoba and in every other part of the Argentine in which I have been. Even as Waldo Frank, I must say that I have come to like Argentina very much.

Sincerely yours,

Francis Herron