

Preface

The international community's perceptions of Argentina have changed profoundly during the past generation. Until about 1950 the prevailing opinion held Argentina to be a land of boundless natural riches and frontier wildernesses, and the stirring Colossus of the South, destined infallibly to become one of the world's greatest nations. Such judgments and expectations recur throughout the accounts of travelers and commentators in the nineteenth and early twentieth centuries. Among the best known of these observers are the British merchants, like the Robertson brothers, who seized the coming of independence to ply their goods in the remote communities of the interior; Charles Darwin, for whom the southern deserts of Patagonia inspired ideas that contributed to his theory of evolution; and the great French geographer, Jean Antoine Victor Martin de Moussy, whose multivolumed description of the country remains almost unsurpassed in breadth and detail. For the English novelist W. H. Hudson, the great pampas prairies evoked the romantic and nostalgic reminiscences of *Far Away and Long Ago*, while the Mulhalls captured the country's headlong economic expansion in their statistical yearbooks of the 1880s. Panegyrists of the early twentieth century include W. H. Koebel, Ernesto Tornquist, Alberto Martinez and Maurice Lewandowski, Lloyd's Bank of London, and the economist Colin Clark who predicted in his *The Economics of 1960*, published in 1942, that Argentina would soon enjoy standards of living second only to the United States.¹

Indeed, for many decades many Europeans believed that Argentina offered an opportunity equal to, if not greater than, North America. The pampas *estancieros* enjoyed the reputation that Texas or Arab

oil magnates have today, and the expression *riche comme un Argentin* remained a commonplace among the French until the 1930s. In 1907 Georges Clemenceau perceived the genesis of a great new national community originating from a spirit he equated with Manifest Destiny in the United States. "The real Argentinio [*sic*]," he commented, "seems to me convinced there is a magic elixir of youth which springs from his soil and makes of him a new man, descendant of none, but ancestor of endless generations to come."² The Spanish philosopher José Ortega y Gasset issued a similar pronouncement in 1929. The Argentine people, he declared, "do not content themselves with being one nation among others: they hunger for an overarching destiny, they demand of themselves a proud future. They would not know a history without triumph."³

Such copious expectations and laudatory reflections form a stark and bitter contrast with more recent judgments. For at least the past two decades economists have classified Argentina in the underdeveloped or "third" world, and by the 1960s Argentina was becoming a byword for political instability, inflation, and labor unrest. During the 1970s a sudden procession of horror stories emanated from Argentina—unbridled popular riots, guerrilla warfare, assassinations, abductions, imprisonment of dissidents, institutionalized torture, and eventually mass murder. For a time Argentina elicited a single association: *los desaparecidos*, the thousands of students, workers, writers, lawyers, architects, and journalists, men and women alike, who had "disappeared," simply vanished without trace. At this time too, Rio de Janeiro, Mexico City, Los Angeles, Paris, New York, London, and Rome became refuges for a vast diaspora of political and economic exiles from Argentina.

Lastly, in 1982 Argentina suddenly invaded and took the British-held Falkland Islands. But here Argentina's so-called fascist generals met their nemesis, as a British counterattack repulsed the ruling junta's military forces. Compounding the ignominy of this military defeat and renewed political instability was an unprecedented economic collapse: at least a fifth of the population was unemployed; prices were rising two- or threefold annually; the peso was depreciating at a rate recalling the fate of the German mark during the early 1920s; the foreign debt exceeded \$35 billion; and hunger plagued a country endowed with almost 200,000 square miles of the finest temperate farm land in the world. By late 1982 scarcely any country in the world exhibited more parlous and wretched conditions.

The central, compelling question about Argentina is simply, What went wrong? Why has Argentina failed to realize its promise? The most popular response blames Argentina's downfall on the economic consequences of Perón. Formidable critiques of Juan Perón, his movement, and his policies appeared in a United Nations report in 1959, and more recently in Carlos F. Díaz Alejandro's *Essays in the Economic History of the Argentine Republic*.⁴ A vast array of data supports the conclusions of both these works; they are, in many ways, unassailable. Without doubt, many of Argentina's misfortunes originated in Perón's heyday during the 1940s and early 1950s.

But are explanations that blame Perón and Peronism alone fully satisfying? Such accounts often depict Argentine history from an unduly narrow partisan standpoint, and by personalizing history to the extent they do, the anti-Peronists render Perón a *diabulus ex machina* in a way that misleadingly inflates the political power he wielded. From such accounts we are often left with the intellectually and historically suspect impression that Argentina's decline was simply due to the actions of a political psychopath. *Anti-peronista* writing fails to examine fully or justly the content of Peronist programs and to evaluate the extent to which Perón enjoyed policy options. Nor does it examine adequately or persuasively the underlying issue: even if Perón did so much damage, what gave birth to Peronism?

Such were my instincts and preliminary questions when embarking on this study. My intent was in no sense to rehabilitate Perón but to create a wider historical picture and explanation for the events of the past thirty or forty years. Among the general arguments of this book is that long-term crises broadly similar to today's have occurred at earlier periods in Argentina's history: in the mid seventeenth and the early nineteenth centuries. One could no doubt unearth errors like those attributed to Perón that were committed by political leaders in earlier crises. But an account of the seventeenth century that blamed, say, Hernandarias, or one of the early nineteenth century pivoting on the failures of Rivadavia would satisfy no one. If we reject the notion of the *diabulus ex machina* during earlier crises, why accept such a narrow slant for the country's modern history?

Yet if this study departs from one orthodoxy, it is influenced—though I hope neither dictated nor overdetermined—by another. At a basic and broad level this book treats Argentina as a classically "colonial" society. It also views Argentine history as shaped

by long-established institutional structures, as well as by personalities, power, policies, and programs. Throughout its history Argentina has manifested several obvious colonial features: the country has always imported the bulk of its manufactured goods, and for long periods much of its capital; and economic progress in Argentina has largely stemmed from stable and complementary commercial and investment partnerships. Argentina also has a typically colonial physical structure: Buenos Aires, as the leading port-city and entrepôt, has constantly dominated an inescapably fettered hinterland. By and large “collaborating elites” with outside great powers have exercised stable, enduring political leadership. Argentina’s middle class is more the *comprador* or “clientistic” type than a classical capitalist bourgeoisie. We might also argue that Argentina has manifested classical colonial cultural traits in that its society generally imitates foreign examples rather than innovates.

Let me add to these conventional ideas the observation that Argentina is also colonial in that once an established system of complementary external linkages lies shattered—as a result of war abroad and changes in the international order—Argentine society has invariably failed to revolutionize itself in a self-sustaining independent direction. Instead, following such ruptures, society has turned in on itself in fierce competition to monopolize static or diminishing resources. Such are the common general features of the seventeenth, the early nineteenth and the later twentieth centuries. In each case, although the competitors for dominance were different, external rupture was closely attended by severe political stress and usually by political breakdown.

The recent history of countries like Canada or Australia (and perhaps in some measure Ireland, South Korea, Singapore, and even Cuba), shows that “colonial” forms are not invariably incompatible with economic expansion, high standards of living, or social and political stability. Indeed colonial societies can flourish, as Argentina once did. However, complementary external partnerships have always been a necessary condition for progress. Since World War II all successful colonial societies have maintained or created links with one or several of the the major industrial blocs: the United States, Japan, the European Economic Community, or the Soviet Union. In this sphere Argentina has failed. One of the major keys to its recent decline (if by no means the whole explanation), was its failure to conserve old links with Europe or create substitutes elsewhere.

The general aims of this study are to explore the impact of changing external partnerships and the development of colonial forms in successive stages of Argentine history. Commonly made analogies between Australia or Canada and Argentina that stem from their similarities in resources and from the temporary intersections in their respective developments in the late nineteenth and early twentieth centuries are in some important respects highly misleading. Such comparisons overlook contrasting historical origins and some quite different basic institutions. Unlike Canada or Australia, Argentina, of course, is "Latin American." The country was taken not by Britain in the eighteenth century, but by Spain in the sixteenth. Spaniards established in the River Plate region a standard microcosm of their American imperial system. The system's most basic principle was the exploitation of indigenous peoples by a white elite through tribute institutions. Remote as this early colonizing era is from the main currents of Argentine history—and neglected as it is by historians—it deserves closer attention as the origin of an enduring colonial tradition.

Tributary institutions prompted the emergence of a simple agropastoral economy but one inherently impeded from diversifying and developing. For tribute induced obstacles through the division of the social order into an indigenous mass close to subsistence and a small white ruling class. The latter desired a variety of manufactured goods, few of which could be produced locally under the existing social organization. To meet this demand the whites continually monopolized local resources, exploiting them to generate an inflow of imported manufactures. First they monopolized Indian labor, later cattle, and ultimately land.

In this way a colonial system based originally on tribute gradually evolved into one based on rent, as the sixteenth-century *encomendero* metamorphosed into the nineteenth-century *estanciero*. At the same time, demand for manufactured goods that the local economy remained unable to produce conferred parallel monopoly power on merchants who supplied such goods from abroad and on the mercantile urban centers that developed as import supply points. As a result a dualistic (and later pyramidal) social order, with its origin in tribute and resource monopoly, assumed an external physical form: elites controlled land and labor; the merchants and governing bodies of Buenos Aires captured resources from the interior elites; the city grew while the hinterland languished.

Argentina thus developed with basically the same features as the rest of Latin America. Colonialism had its roots in the mode of contact between Spaniards and the indigenous peoples, which by institutionalizing underconsumption and monopoly produced an uneven, underdeveloped, and soon largely inflexible economic structure. Argentina's beginnings made it fundamentally different from the United States, for example, though the two countries share some striking similarities in physical resources and economic potential. However, as early as the seventeenth century among the New England and Mid-Atlantic British colonies access to resources, particularly land, became increasingly open, and within less than a hundred years these British colonies had developed a substantial, expanding rural middle class that became a market for local manufacturers and the pillar of an evolving egalitarian political tradition. In the River Plate region not even the embryo of such a class appeared until the middle of the nineteenth century. Similarly, by the late seventeenth century the British colonies had developed shipbuilding, iron, textile, flour milling, rum distilling, hat making, glass, brick, and paper industries. In the River Plate region some small-scale manufacturing activities did appear, but they remained extremely fragile and insubstantial, largely dependent for their survival on nonwage, coercive labor systems.

In the River Plate the colonial economy created by the Spaniards persisted unchecked for some three hundred years—the period in which the region remained a formal dependency of Spain, and well after it had gained independence. Throughout society failed to develop metacolonial counterstructures. The region had a history of long cycles of ascent and regression. Following the tribute age of the sixteenth century came prolonged crisis and depression in the seventeenth century. Argentine society became increasingly isolated from European connections and retracted upon its existing foundations instead of undergoing internal change and development. The eighteenth century brought another long cycle of recovery, but numerous colonial forms persisted. The caste system, for example, simply updated ethnic-based relations of domination; monopoly reappeared in the burgeoning pampas cattle economy; and a succession of merchant cliques in Buenos Aires demonstrated a growing power to orchestrate the pace of economic growth and appropriate most of its fruits. Toward the outbreak of the struggle for independence, at the turn of the nineteenth century, came another long cycle of decline.

The Spanish colonial system fell into disarray, and external commercial partnerships collapsed. But in this period too, amid prolonged turmoil and breakdown, retrenchment rather than complete revolutionary change eventually predominated. Elites clung to power, adapting to new conditions and circumstances rather than being mastered or suppressed.

Thus for some three hundred years Argentina had repeatedly shown itself to be a society that could expand, under given conditions and within certain limits, but that lacked an autonomous drive toward development. One export commodity succeeded another as the economic leader; new regions were laid open to development; and social structures became more varied and sophisticated. But within such growing complexity, markedly atavistic features remained: colonial structures were invariably refashioned rather than transcended. During a celebrated congressional debate on protection in the 1870s, the historian Vicente Fidel López referred to the city of Buenos Aires as "an intermediary exposed to frequent crises, employed merely in sending abroad the products of the countryside and the provinces, and transporting foreign goods to the interior." López denounced the way in which "foreign manufacturers impose prices on our products. . . . We are the farmyard of foreigners, a piece of foreign territory, because we have no independence."⁵ By this point, we may argue, colonial forms had become so deeply embedded as to be insuperable unless subject to a shattering, overwhelming, and prolonged external blow.

Forces launched to mount such a challenge in the late nineteenth and early twentieth centuries did so incompletely and eventually failed. Around 1860 Argentina's agrarian resources attracted a multitude of European immigrants and a massive infusion of foreign investment. Both settlers and investors encountered a society willing to afford them shares in its material bounties, but one that also checked their efforts to alter its course or modify its fundamental identity; rather, the host society deflected foreign influences to extend and deepen many of its own historic propensities.

On the surface, however, capital and immigration provoked enormous change, as suddenly Argentina became a famous showpiece of pioneer agrarianism. But although few overt signs remained to testify to tribute and race domination as the founding principles of Argentine society, change remained incomplete in several crucial spheres. Economic growth was still primed by foreign capital and access to foreign

markets; land tenure patterns betrayed numerous legacies of monopoly; manufacturing remained weak and stunted; and Buenos Aires upheld its historic economic and political primacy.

The incompleteness of this late-nineteenth-century revolution exacted a severe toll in the 1930s, when Argentina entered another downward cycle. As the foreign stimulus to expansion waned and disappeared, society lurched into crisis. The depression of the 1930s resulted in the divisive and eventually abortive effort to achieve recovery under Perón, followed by progressive and by 1982 still unchecked, decline.

In endeavoring to cover so broad a span in this book, I have of necessity adopted an interpretative and synthetic approach. My chief concerns are with economic issues and politics, supplemented by brief discussions of the social order, as the data allow. Constraints of space and time have permitted only occasional, brief generalizations in the field of intellectual history and have precluded any discussion of Argentine cultural history or its notable literary tradition.

While acknowledging the importance of the early colonial period, much of the book deals with the twentieth century. This bias is partly a matter of personal preference and interest, but also a necessary response to constraints imposed by historiography and data. For the period before 1776 texts are few, and formal studies usually old. A fully documented history awaits the labors of battalions of future historians; until their work is forthcoming, our view of the sixteenth through eighteenth centuries is provisional and highly conditional. For the subsequent period, 1776–1852, several major monographs have recently become available, including Tulio Halperín Donghi's study of society at independence and John Lynch's account of Rosas.⁶ But these studies and a handful of others are incandescent beacons in an otherwise all-encompassing veil of obscurity. In depicting the general features of this period, I have deliberately avoided undue reliance on this small corpus of historiographical landmarks, a decision that required the exhumation of an armory of traditional works. Such are more of the inevitable travails of an extensive study, which to meet its objectives must rely heavily on an incomplete and uneven body of research.

Other historiographical problems complicate research on the later nineteenth and early twentieth centuries. "Neoliberal" historians have for the past twenty years sought to demonstrate the revolutionary scope and depth of this period's transition, arguing in effect

that this period marked a total rupture with all preceding it.⁷ In developing such arguments, the same writers have assembled a mass of data that no historian following them can possibly overlook. On the other hand, "neoliberals" have sometimes depreciated evidence pointing in another direction—that the late nineteenth-century transition was less profound or complete than they would like to believe. Here, too, insufficient data hinder the attempt to launch a counter-argument drawing on the elements of continuity between the late nineteenth century and earlier periods in Argentine history.

Lastly, I must offer a *pro forma* but necessary caution concerning statistics. All scholars agree that the statistical data on Argentina are weak until the second half of the nineteenth century and that they are again unreliable (and often frustratingly contradictory) from the mid 1940s on, when the bureaucracy weakened and data became a tool of propaganda. Statistics and quantifications in Argentine history are thus better treated as illustrating trends or relationships.

Postscript, for the Second Edition

I completed writing the first edition of this book in late 1982, and it was published in 1985 under the title *Argentina, 1516–1982: From Spanish Colonization to the Falklands War*. The present edition was prepared in mid 1987, and I have modified the book's title, slightly reorganized chapter 8, and added chapter 9 to reflect events of the past five years. I have not, however, altered my original arguments nor changed even a word of the preface.

Today, fortunately, conditions no longer seem so bleak as they did toward the end of 1982. The landslide election of Raúl Alfonsín in October 1983 has given us all strong hopes for Argentina's future. Nonetheless, as the brief military rebellion of April 1987 reminds us, the new democracy faces many difficult days ahead.

At a conference in West Germany in late 1981 I ventured to share a forecast with Dr. Alfonsín. "You will be the next constitutional president," I told him, "but I see little future for democracy." At that moment, during the grievous days of the Viola regime, the first part of my prediction (at which Alfonsín smiled) rested on little more than intuition. But the second part (which, of course, he denied) was founded on almost overwhelming historical evidence. As Alfonsín's administration approaches the start of its fifth year in office, it continues day by day to challenge historical patterns and to inspire unprecedented public support for constitutional democracy. One can

only hope that these courageous men and women will yet turn the tide of history.

A small final point. After the war of 1982, many journalists and scholars began to refer to the Falkland/Malvinas Islands. I have chosen to use *Falkland Islands* in this English edition and *Las Islas Malvinas* in the book's Spanish edition. As I trust the text makes clear, no judgment or prejudice should be inferred from this linguistic convention.