THE PLATT-STEIN CONTROVERSY OVER DEPENDENCY: ANOTHER VIEW

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The lively exchange in the *Latin American Research Review* between D. C. M. Platt and Stanley J. and Barbara H. Stein over dependency and autonomy in nineteenth-century Latin America raises a number of significant questions in the field of historical interpretation.[1] It illustrates once more how difficult it is to support sweeping generalizations about so large and complex a region as Latin America, especially in a time period so filled with changes (in at least parts of the region) as the nineteenth century. The controversy over sources of action and their motivation, which characterizes dependency analysis, is unresolved. The argument is flavored with attributions of moral blame for events that may turn out, in a broader historical view, to have been highly fortuitous. The present comment is an attempt to insert and assess the force and direction of a vector usually passed by in the controversy. The case will be confined to Argentina, the country most often cited by Platt, and certainly the Latin American country most affected in its emerging pattern of economic development by marked shifts from Spanish to *criollo* to British influence over the century.

It appears that the Steins are correct in tracing the institutional continuity of the Spanish colonial (and, by continuation, criollo) heritage during this period, while failing to give sufficient weight to the progressive character of some British "neocolonial" institutions that distinguished them from the earlier controls. Platt is justified in questioning the deliberately expropriative motivation that most *dependentistas*, such as André Gunder Frank, ascribe to Western capitalist imperialism in delaying and distorting the development of former colonial countries. (The Steins disavow conspiracy theory as part of dependency analysis, yet in a passage in which they describe a strongly exploitative relationship between English merchants, manufacturers, bankers, and shippers and their clients in the New World, they conclude, "The English had been the major factor in the destruction of Iberian imperialism; on its ruins they erected the informal imperialism of free trade and investment.")[2] The question is whether the British merely looted the riches of the pampa, as the Spanish earlier did the mines of Guanajuato and

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Potosí. The reciprocal gains, as I will try to show, were not so uneven. Nevertheless, Platt errs in offering as an alternative to the dependency explanation a process of autonomous growth in which burgeoning foreign trade was only a late stage in the disposition of surpluses after domestic needs had been filled. "Yet apart from plantation economies and mining 'enclaves'," he says, "the pattern of economic development was initiated and determined, even for a country as closely linked to the international economy as Argentina, by domestic needs and priorities."[3]

But what must be explained in the Argentine case? Surely not an economy being forced into underdevelopment. A contemporary estimate in 1895 placed Argentine per capita income on a par with that of Germany, Holland, and Belgium, and higher than that of Austria, Spain, Italy, Switzerland, Sweden, and Norway.[4] As Díaz Alejandro has pointed out, in the latter part of the nineteenth and the early part of the twentieth centuries, Argentina grew at a rate that has few parallels in economic history: ". . . the fifty years before 1914 in Argentina witnessed one of the highest growth rates in the world for such a prolonged period of time."[5] Can we accept the view that such an epoch was chiefly the outcome of a colonial institutional heritage that merely shifted its locus from Spain to Great Britain with greater exploitative effect? "We are now readier to accept the fact," say the Steins, "that institutional factors or barriers play a determining—perhaps *the* determining—role in affecting the rate of economic and social change."[6] To be sure, Argentina lay at the geographic extreme of Spanish imperial control, and the *weakening* of colonial institutions in a frontier environment no doubt had something to do in a passive way with Argentina's subsequent growth, but this is not the burden of the Steins' argument.

On the other hand, can we be satisfied with Platt's explanation, which attributes to Argentina internal growth forces that provided a "natural path" to development? (Such a path was evidently not perceived by most other Latin American countries at the time.) As Platt puts the issue, "Could Britain really have molded the economies of Latin America to suit her own needs? Was there some machinery in existence at the time by which such a major undertaking could be planned and put into effect? Or did these economies shape themselves along lines determined domestically, in the tradition of the self-sufficiency enforced by isolation from world markets during the first half of the nineteenth century?"[7] He asserts the latter.

The factor most neglected in both these analyses, especially as they apply to Argentina, is the technological impact of the Industrial Revolution, then most firmly seated in the British Isles. Argentina in the late nineteenth century represents one of the most distinctive, instrumentally rich, and fully documented cases of cultural diffusion on record. What was most significantly deterministic about this process of

cultural diffusion was that it was predominantly *technological*, rather than *institutional*. To recognize the richness and complexity of this one-way technological flow is to give an entirely different meaning to the term "dependency" and to reduce the question regarding expropriative intentions to relatively minor significance. The major discontinuity between the colonial influence of Spain and the neocolonial influence of Great Britain on Argentina is that the former, by historical circumstance, was *pre*industrial and the latter was *post*industrial. Argentina indeed became increasingly dependent on Great Britain in the latter part of the century, but not primarily because Britain tied its trade and monopolized its financial resources. It was because Britain provided ready access to a technological heritage without which the pampa, under autonomous direction, would have remained for much longer an underutilized hinterland, of limited value to criollo society as well as to metropolitan Europe.

The principal influence of Great Britain (and, to a much more limited degree, the United States) in the latter half of the century was to introduce into Argentina a complex of technological innovations, engineering and managerial skills, and educational methods that were almost wholly novel to the prevailing preindustrial culture. These changes were introduced into a geographic region that was both endowed with exceptional natural resources and singularly receptive to development by virtue of institutional and demographic circumstance. In a brief comment, it is not possible to recount all of the elements in this transformation, but merely to suggest their scope and significance.[8]

By the mid-nineteenth century, the technological basis of Argentine life remained quite primitive.[9] The interior economy of the pampa depended upon the most rudimentary instruments and artifacts—the gaucho's saddlehorse, his Toledo knife, and his *boleadoras* to snare game and nearly wild horses and cattle. The remaining technological complement of what was chiefly a *saladero* economy, with regional outposts in the wineries of San Juan and the sugar *trapiches* of Tucumán—oxcarts, wooden sugar mills, wine presses, and handlooms—were derived mainly from the Spanish motherland in the colonial period or, in a few instances, from indigenous sources. Rarely were productive innovations added, even after independence, and the rural population remained largely illiterate and custom-bound. There was little foreign trade except in mules, salted hides, and jerked beef, and Buenos Aires was a small, relatively insignificant port whose estuary oceangoing ships could enter only with difficulty. Internally the country was beset by continual warfare among rival bands under *caudillo* leadership and the indigenous tribes. It was not an environment propitious to autonomous growth.

The principal innovations stimulating the Argentine transformation entered the country from abroad in a succession of waves primarily

affecting the agricultural, commercial, and transport sectors, and often had to wait upon their invention and testing abroad. Superior breeds of Rambouillet and Lincoln sheep imported by immigrant Irish, Scottish, and English ranchers began to replace the poor native flocks and made wool the major export product in the 1870s and 1880s.[10] (Could these settlers properly be called "British entrepreneurs," as the Steins label them?[11] Was sheepgrowing and its improvement with foreign breeds in the United States by similar immigrants considered an extension of exploitative British imperialism, or merely a reflection of local initiative?) Increasingly, sheep were grown for mutton and were shipped on the hoof in European sailing vessels.

This stage of Argentine growth was followed by the upgrading of cattle, also with new breeds whose names reveal their origin: the Durham Shorthorn, Hereford, and Aberdeen Angus.[12] Hogs for breeding came from the United States (Poland-China) and the British Isles (Yorkshire, Berkshire, and Duroc-Jersey). Large-scale livestock raising required fencing the ranges with barbed wire made feasible by the availability of cheap British steel. The problem of water in the dry pampa was overcome by the windmill pump invented by John Whittaker, a North American. The introduction of European clover and alfalfa vastly increased the carrying capacity of the *estancias* and was a major factor in permitting meat exports to take the lead.[13] At the same time, the construction of railroads, telegraph systems, port facilities, and packing houses utilizing mainly European engineering transformed the littoral of the Rio de la Plata and the adjoining pampa into an integrated production zone highly complementary to the British manufacturing economy. Argentina acquired a railway network larger than that of the British Isles during this period.

It is futile to argue, as Platt and the Steins do, whether the principal motive for the construction of the Argentine railways by some thirty private companies and a scattering of state enterprises was to serve domestic or export needs, or whether British investors were chiefly influenced by differential interest rates.[14] The overriding historical fact is that, once installed, the railroads tied Argentina into a major economic unit, and no other Latin American country, until very recently, has been able to utilize such a linkage of internal transport. Alejandro Bunge complained that, unlike the United States, Argentina did not derive the benefit of internal industrial centers clustering at the rail junctions.[15] But that was largely because the frontier heritage and the pattern of immigration in Argentina provided no stimulus to domestic manufacturing beyond a few minor consumer goods industries. Interior centers of activity did rise and fall, as when the introduction of French vines led to the shift of winemaking from San Juan to Mendoza, and the advent of

centrifugal mills from the United States gave Rosario the lead over Tucumán in sugar refining.[16]

The export meat trade would never have amounted to much if Argentina had continued to ship jerked and salted beef, the food of slaves in Brazil. Cheap British steel made the canning and overseas shipment of corned beef possible, and after England closed its markets to live cattle and sheep from Argentina because of the ravages of hoof and mouth disease, the development of mechanical refrigeration gave the meat trade new life. It enabled the *frigeríficos*, constructed by U.S. and European engineers, to supply frozen meat for the European trade with great gains in shipping efficiency. The key innovation of the period—a method of processing and shipping meat long distances under controlled refrigeration—was the result of extensive experimentation in France, England, the United States, and Australia, with many attendant failures.[17] The Argentine technical contribution to the discovery that beef could be chilled, rather than frozen, and shipped across the tropics to arrive in England in good condition was negligible. It was this discovery and the development of the refrigerated ship to make it practicable—not the unsatisfied demand of British consumers nor the greed of British investors—that gave Argentina access to a vast new market for a preferred (price and income elastic) good. By 1905 Argentina had displaced the United States as the chief exporter of fresh beef and mutton to the British market.

The cereals phase of agricultural development dominated by wheat production followed. Although there is little evidence of domestic invention applied to cultivation or harvesting, Argentina was the first country in Latin America to achieve significant mechanization of agriculture. By 1888, there were 818 imported threshing machines at work in the country, and by World War I, North American harvesters and combines came into extensive use in the pampa.[18] The institution of the latifundia, so past-binding elsewhere in Latin America and in the southern United States, actually facilitated the use of machinery for extensive farming.

Grain exports were promoted by the application of Dutch techniques of dredging and diking in enlarging the great wheat port of Rosario and in creating the artificial port of Buenos Aires. As late as 1881, it required one hundred days to unload a five hundred-ton vessel in the offshore channel of the Rio de la Plata.[19] Sir John Hawkshaw, a leading British port expert, provided much of the technical advice that enabled a solution to the formidable docking problem of Buenos Aires, and thereafter the metropolis attracted European immigrants in the empty hulls of grain ships and grew at an accelerating rate. Gran Buenos Aires acquired electric power plants; an extensive transport system, in-

cluding the first underground urban railway in South America; and was connected to its principal overseas market in London by the longest transoceanic cable yet laid. Even the architecture and the methods of construction utilized in building the "Paris of South America" were largely borrowed from abroad, as James Scobie has so well described.[20]

How could the direction of a rapidly growing economy so dependent for its dynamic forces on outside technical contributions become a "natural" and "autonomous" process and continue its development into a more diversified and internally integrated stage? Only if its leaders saw the necessity to domesticate science and technology and assume managerial control, as the Japanese did in the contemporary Meiji period.[21] But for this the criollo culture did not prepare those at the top. In a two-class society with little native industry, there were few yeoman farmers and no urban middle class to push for the infrastructure (North America's "internal improvements") necessary to expanded and diversified interior growth. This is why the Steins' description of Spanish colonial institutions remains relevant.

The *estancieros* who came to dominate Argentine society during the early part of this century were direct products of criollo culture. They had little appreciation for the significance of invention, discovery, and adaptation nor for education as parts of the process of industrial growth, although as they became the beneficiaries of the export bonanza they rapidly adopted the modes of conspicuous consumption inspired by contact with Victorian and Edwardian England. Their scions became doctors, lawyers, and politicans, rather than engineers, agronomists, and managers. The wealthiest sent their sons—the notorious *niños bien* with their retainers and strings of polo ponies—to the Sorbonne and to Madrid, rather than to technical research institutes. Their concept of education, as Osvaldo Sunkel has said, was ornamental rather than functional. In general, although income flowed heavily to the landed estanciero class, Argentine investors were willing to take few risks on new enterprises during the growth period, preferring to use their profits to acquire more land and urban real estate. It was not for lack of financial resources that industrial investments remained in foreign hands and under foreign managerial direction.

In summary, an examination of the promotive forces in Argentine growth during the dynamic phase reveals the crucial role of borrowed (and, in a cultural sense, alien) technology and a remarkably passive role played by criollo entrepreneurship throughout the period. Dependence was not so much imposed upon Argentina by greedy design as it reflected the fortuitous union of two cultures at significantly different stages of historical development.

There is much that is omitted from this comment on the dependency controversy that would be necessary to do justice to efforts by

perceptive Argentines to overcome the cultural gap. These efforts would include at a minimum the reform of education and the reduction of general illiteracy by Domingo F. Sarmiento and Nicolás Avellaneda; other measures for modernization by the "Generation of Eighty;" and the ceaseless campaign for public attention to interior industrial development by Alejandro E. Bunge. However, in the end, the larger vision that these pioneers had for Argentina remained only partially fulfilled.

NOTES

1. D. C. M. Platt, "Dependency in Nineteenth-Century Latin America: An Historian Objects," LARR 15, no. 1 (1980):113–30; Stanley J. Stein and Barbara H. Stein, "D. C. M. Platt: The Anatomy of 'Autonomy'," pp. 131–46; Platt, "The Anatomy of 'Autonomy' (Whatever that May Mean): A Reply," pp. 147–49.
2. Stanley J. and Barbara H. Stein, *The Colonial Heritage of Latin America: Essays on Economic Dependence in Perspective* (New York: Oxford University Press, 1970), p. 155. Cited by Platt, "Dependency," p. 120.
3. Platt, "Dependency," p. 127.
4. Michael G. Mulhall, *Industries and Wealth of Nations* (London: Longmans, Green, and Co., 1896); p. 391. Cited by Carlos F. Díaz Alejandro, *Essays on the Economic History of the Argentine Republic* (New Haven: Yale University Press, 1970), p. 1.
5. Díaz Alejandro, *Essays*, p. 3.
6. Stein, *The Colonial Heritage*, p. 136.
7. Platt, "Dependency," p. 120.
8. Aldo Ferrer has recognized the impact of technical progress on the integration of the world economy, especially as it affected Argentina, in *The Argentine Economy* (Berkeley and Los Angeles: University of California Press, 1967), pp. 77–90. See also James H. Street, "The Ayres-Kuznets Framework and Argentine Dependency," *Journal of Economic Issues* 8, no. 4 (Dec. 1974):707–28.
9. For a revealing account of ordinary life in the interior of Argentina as late as 1877–80 by a contemporary traveler as related to his son, see Diego Newbery, *Pampa Grass* (Buenos Aires: Editorial Guarania, 1953).
10. James R. Scobie, *Argentina: A City and a Nation* (New York: Oxford University Press, 1964): pp. 82–87.
11. Stein, "Anatomy," p. 138.
12. Manuel A. Romero Aguirre, *Ganadería Argentina: su desarrollo e industrialización* (Buenos Aires: Compañía Swift de La Plata S.A., 1957), pp. 64–84.
13. Simon G. Hanson, *Argentine Meat and the British Market* (Stanford: Stanford University Press, 1938), pp. 11–16, 100–1, 117–18. The French and British breeds of sheep, cattle, and swine must be included as "technological" innovations, as they represented the products of generations of selective breeding, a process completely unknown to the gaucho. See Newbery's description of a *saladero* in *Pampa Grass*, pp. 72–74.
14. Platt, "Dependency," p. 121; Stein, "Anatomy," pp. 139–40.
15. Alejandro E. Bunge, *Las industrias del Norte* (Buenos Aires, 1922), 1:34–35.
16. Scobie, *Argentina*, pp. 144–46.
17. Hanson, *Argentine Meat*, pp. 18–47.
18. Carl C. Taylor, *Rural Life in Argentina* (Baton Rouge: Louisiana State University Press, 1948), pp. 143–45; James R. Scobie, *Revolution on the Pampas: A Social History of Argentine Wheat, 1860–1910* (Austin: University of Texas Press, 1964), pp. 82–84.
19. James R. Scobie, *Buenos Aires: Plaza to Suburb, 1870–1910* (New York: Oxford University Press, 1974) , p. 71. Ensuing passages describe the construction of the port of Buenos Aires (pp. 72–91).
20. Ibid., pp. 62–63 and passim.
21. Platt compares Britain at the end of the eighteenth century and Japan after the 1860s

as countries that achieved "rapid and easy industrialization." He explains that "Britain and Japan were thrown in upon themselves; if they wanted to develop, there was no alternative to manufacturing" ("Dependency," p. 123). But this overlooks the fact that in the British case, manufacturing had become an indigenous, self-sustaining activity; in Japan, the industrial technology utilized was exotic and required a deliberate strategy as well as great pains to obtain. It is curious that historians so frequently take the availability of advancing technology so much for granted, when users in developing countries so often complain about the cost of obtaining it.

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