



**Nahuel Moreno**

**Critique of  
Aldo Ferrer's book  
*The Argentine Economy***

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# Foreword

In the article we present here, published in the magazine *Estrategia*, third period, year 1, number 1, 1964, published by Palabra Obrera, Moreno engages in a debate with the book *La economía argentina* (The Argentine Economy), written by Aldo Ferrer (1927-2016) the previous year. Ferrer was an influential Argentine economist, representative of developmentalist thinking, closely linked to ECLAC (the UN Economic Commission for Latin America and the Caribbean). He served as Minister of Economy in the province of Buenos Aires (1958-1962) and then at the national level during the de facto government of Levingston (1970-1971) and that of Isabel Perón (1975). In his book, Ferrer presents his development policy based on industrialisation and the creation of domestic markets, with the state playing a regulatory and promotional role for private, national, and international investment, as opposed to the policies that relegated Argentina to being a mere producer of agricultural and livestock raw materials.

Moreno debates the fundamental issues, particularly the question of the role assigned to Argentina and other semi-colonial countries by the central countries within capitalism in its imperialist stage.

## **The editors**

February 2026

# Critique of Aldo Ferrer's book *The Argentine Economy*

## Debate over books

Aldo Ferrer, *The Argentine Economy*

Fondo de Cultura Económica, 1963

It is evident to the Argentine bourgeoisie, as well as to workers and moderately informed intellectuals, that "...the country has entered a state of stagnation in the last 15 years. Gross domestic product per capita is now at 1948 levels, after having been permanently below them in the intermediate years. The living conditions of the urban masses, who represent about 75% of the total population, have worsened. Real wages are now 40% lower than in 1948, and general services such as public transport, housing, sanitation, education, and public health – particularly in Greater Buenos Aires, which accounts for 35% of the country's population – have also noticeably deteriorated. The geographical imbalance of Argentine development has intensified in recent decades, and the interior regions have reached their lowest point in relative development within the country. On the other hand, economic imbalances and social tensions have gradually worsened in the last 15 years. And what is more serious, the feeling of a lack of direction and a shared destiny has taken root in broad social strata. The stagnation of the unintegrated industrial economy has thus permeated all aspects of Argentine collective life" (p. 239).

This quote from the book we are about to discuss demonstrates the terror of the most enlightened sectors of the integrating bourgeoisie and of its possibly most serious theorist in the face of the colossal magnitude of the structural crisis that our country is suffering. In this book, Aldo Ferrer offers a historical interpretation of the development of the Argentine economy, and, as he himself states, finds only two culprits for the crisis: "In this work, I have held the thesis that the ultimate cause of the stagnation has been the erroneous management of national economic policy since 1930, when a new stage of Argentine development began. It is a remarkable fact that while the government was composed of representatives of the large landowners of the Pampas region and their associated interests, as well as when the national power passed into the hands of other social sectors during General Perón<sup>1</sup> administration, a clear understanding of the underlying currents that guide the country's economic and social development was consistently absent" (pp. 240-241).

A word to the wise is sufficient: the culprits of the crisis are the landowners and unspecified "other social sectors" who operated during General Perón's government. This short quote encapsulates the author's biased interpretation of economic history and the current crisis, as well as the solutions the author proposes. Clearly, Ferrer absolves the Frondizi<sup>2</sup> administration of blame for the crisis.

1 **Juan Domingo Perón** (1895–1974). Military and politician who led the bourgeois nationalist movement that emerged after the *coup d'état* of June 1943. From the Secretary of Labour and Social Security, he promoted a series of measures that were gaining the support of the workers, who turned massively to Peronism. He was elected president in 1946 and 1951. Overthrown in 1955 by a pro-Yankee military coup by the oligarchy and the Catholic Church the self-styled "Liberating Revolution". When this article was written, Perón was in exile in Madrid. In the 1970s, with a pact between the military and the Radicals, he was able to return, ran for president and returned to the government in 1973. For further information, see *The Gorilla Coup of 1955* available at [www.nahuelmoreno.org](http://www.nahuelmoreno.org).

2 **Arturo Frondizi** (1908–1995) was a lawyer and politician from the traditional bourgeois party the Radical Civic Union (UCR). In 1957, Radicalism, which had promoted and supported the 1955 military coup that overthrew Perón split. Balbín led the People's UCR, following the traditional line. Frondizi led the Intransigent UCR (Intransigent), with a developmentalist discourse. Frondizi made a pact with Perón, who was in exile, and won the presidency with the workers' vote. He governed

Since, despite his bias, he is serious, we will delve into a detailed analysis of his interpretation of history and the crisis, and the solutions he advocates.

## The Four Historical Stages

The author divides Argentine economic history into four stages. He defines the first as “...the stage of regional subsistence economies”, because it is not characterised by the existence of various economic and social complexes, since the different regions of the country produced only for domestic consumption and at very low levels of productivity. In the second stage – the “transitional stage” – an activity emerges for the first time in the history of what is now Argentina, which, to a growing extent, became integrated into the global market. The third stage – the “primary import economy” – began in 1860 and ended in 1930 with the global economic crisis. During this period, the expansion of agricultural exports, the arrival of large waves of immigrants, and the establishment of foreign capital transformed the country's economic and social structure in just a few decades. Finally, the fourth stage – the “non-integrated industrial economy” – began in 1930 and is still ongoing. This stage is characterised by a diversified economic and social structure comparable to that of modern advanced economies.

## A Small Oversight: Imperialism

The author not only specifies the four stages, but also points out that “...External factors have consistently played a decisive role in the country's development. Therefore, at the beginning of each Part, I try to situate the framework within which the stage being analysed will unfold, and this necessarily leads to providing a series of data and observations on the world economy of each period, which the reader is surely already familiar with” (p. 13).

It is curious, therefore, that in his commentary on the primary export economy, the author refers to the expansion and increasing integration of the world economy solely as an external factor, and neither mentions nor explains the phenomenon that characterises the world economy during that period: the rise and development of the great imperialist countries. On the other hand, this oversight is not accidental, since the word “imperialism” does not appear in any of the work's commentaries. Without understanding the phenomenon of imperialism, plunderer of backward countries, one cannot understand anything at all about the history – not only economic, but also political and cultural – of any country on earth.

What the author calls a “primary export economy,” we have called the process of primitive capitalist accumulation in Argentina. This definition of ours emphasises the fact that, from 1880 onward, this process of primitive capitalist accumulation and – in other words – of capitalist formation in the country, was distorted and exploited by imperialist forces. Specifically, we believe that between 1860 and 1880 there was a whole process of capitalist formation in the country, almost autonomous, and that, from 1880 onward, this process was reversed by imperialist penetration, which transformed us from an independent country into one dependent on European imperialism, especially British imperialism. And the process of capitalist accumulation was carried out almost exclusively for the benefit of imperialism and the landowning oligarchy. This process did not prevent the country from accumulating capital, but it slowed down the dynamics of that capitalisation.

The same statistics quoted by Ferrer, and the conclusions he draws, indicate that the interest on foreign capital invested in the country “... Over many years... represented between 30% and 50% of the value of exports” (p. 120).

If, roughly speaking, we calculate that between 1900 and 1930 the value of Argentine exports in current dollars, based on their purchase price, was around us\$ 40 billion, then the 30% interest on foreign capital represented approximately us\$ 12 billion that it took out of the country.

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from May 1958 to March 1962, when he was forced to resign under military pressure. Under his “developmentalist” program, he encouraged the privatisation of oil and the penetration of foreign investment, particularly from the United States. During his presidency, private and religious education was officially sanctioned, which was met with massive mobilizations of university and secondary school students, symbolized by the “secular or free” struggle.

On the other hand, the great watering down of foreign capital is well-documented, making these figures even more serious as a dead weight on Argentine economic development. Moreover, the political and economic influence of this capital was almost decisive, as demonstrated by tariff policies and the structure of British railways in Argentina. This meant that the entire infrastructure — a term dear to Ferrer — of Argentine communications was directly at the service of the economic and commercial interests of British imperialism.

## The Causes of the Current Crisis

We must apply the same criticism to the fourth historical stage he analyses, which he calls “non-integrated industrial economy”, and which we call abnormal capitalist accumulation or capitalism under chronic crisis. We have given it this name because the process of capitalist development in the country is carried out constrained by the tremendous grip of the agricultural and livestock crisis caused by the crisis of world capitalism, and by the brutal colonising offensive of British imperialism, first, and of Yankee imperialism later.

This is how Ferrer completely ignores the decisive influence that the 1931 economic restructuring by imperialism had on Argentina’s economic development. This restructuring led to our economic incorporation into the British Empire through the infamous Roca-Runciman Treaty,<sup>3</sup> with all its accompanying secret and public agreements. This transformation of the country into a semi-colony of the British Empire explains the economic disasters of the period. Similarly, the author overlooks the fact that, from 1940 onward — that is, from the moment it recovered its pre-crisis production levels — Yankee imperialism embarked on the political and economic colonisation of all of Latin America, and especially of our country. Or is it that Ferrer, such a well-informed author, who has access to all sources of information in the Western world, given his status as a “serious economist,” is unaware of the US Department of Commerce circular prohibiting the sale of spare parts and machinery to countries that maintained their neutrality? Is it perhaps also unaware of the economic blockade that, tacitly or openly, subjected Argentina between 1940 and 1950?

This complete disregard for the political and economic role of imperialism in Argentina is compensated for by Ferrer’s insistence on the retrograde role played and still being played by the landowning oligarchy. We fully agree with Ferrer that Argentine landowners, through their land monopoly, prevented massive agricultural colonisation, the formation of a strong domestic market, and, subsequently, the development of a significant industrial economy. But we do not forget for a minute that the fundamental factor in our economic disaster is imperialist plunder. Ferrer also fails to point out that this crisis of national decline reached its peak precisely under the government of the most faithful servants of Yankee imperialism that we have known in our country: its masters, Frondizi and Alende.<sup>4</sup>

## A Single Cause of the Crisis?

Ferrer is surprised that the commercial and industrial bourgeoisie were completely opposed to Peronism’s interventionist policies. This surprise is accompanied by the constant denunciation of landowners and the Peronist government as the main causes of the crisis. We have already emphasised how Ferrer ignores imperialism, but we must add that his ignorance now reaches even broader limits — if that’s possible — since he fails to point out that merchants and industrialists are also responsible for the crisis.

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3 The **Roca-Runciman Treaty** was a commercial agreement signed on 1 May 1933 between Argentina and the United Kingdom, signed in London by the Vice President of Argentina, Julio Argentino Roca, Jr., and the president of the British Board of Trade, Sir Walter Runciman.

4 **Oscar Alende** (1909-1996): doctor and leader of the UCRI, Intransigent Radical Civic Union, which emerged from the division of traditional radicalism headed by Frondizi. He was governor of Buenos Aires under Frondizi (1958-1962). He represented a current of democratic opposition to dictatorships, but always within the framework of the bourgeois regime. After the proscription of Peronism, he sought to embody a progressive solution from above, founding the Intransigent Party. In 1983 he ran as a presidential candidate, defending a limited democratic and anti-imperialist program, without breaking with the capitalist system. In 1989 he joined Frejupo, promoting Menem’s candidacy for president.

Our author does not conduct a historical-economic analysis of the Liberating Revolution,<sup>5</sup> that holy crusade of all foreign exploiters against the country and its workers.

Thus, the responsibility for the current crisis falls equally on all exploiters who have neither defended the country nor improved its economy in their eagerness to increase their profits — which is their sole motivation —and, to that end, have constantly sought to super-exploit the workers, allied with the imperialism of the day.

These two fundamental oversights by Ferrer about the causes of the economic crisis have a profound logic: Ferrer reveals himself in his book as an ideologue of the most upstart sector, yet the one that enriched itself most rapidly, of this industrial and commercial bourgeoisie, acting as an agent of the new imperialist colonisation in the country. This new bourgeoisie has no connection whatsoever with the old landowning and livestock bourgeoisie.

This is the class basis of Ferrer's flawed memory.

## Agrarian Reform, but... How?

As for solutions, Ferrer offers several for changing the structure. One of the most important is Agrarian Reform, although he calls it "Modification of the land tenure system". The curious thing is that he doesn't say a word about how to modify this system. He merely states in a call that "Argentina has excellent possibilities for transforming its agrarian structure, avoiding minifundia, due to the high supply of suitable land relative to the existing rural population" (p. 248).

The concrete problem is whether the lands should be expropriated for recolonisation, with or without compensation. And if they are compensated — as was done under the Alende administration with his minister Ferrer —, how: with government bonds redeemable in 20 or 25 years, or at a good price with cash, immediately? World experience, since the French Revolution, indicates that the only viable agrarian reform is one carried out without paying the landowners. Ferrer doesn't even consider this problem.

## Which example should we follow?

The author systematically points to the countries of Western Europe and the United States as the model for our economic future, as our ideal. It never occurs to him to consider that these very countries, having begun capitalist development early, are in the highest and most decadent phase of capitalism: imperialism, and that to date, in this century, no backward country has managed to replicate the evolutionary cycles of the imperialist countries. To explain ourselves better: to date, no backward country has gone through a stage of commercial capitalism, then manufacturing, then industrial, and finally, total capitalist disintegration, until transforming into a great imperialist power. This century has shown us a historical process of formation of large industrial countries completely different from the one Ferrer longs for and offers us as a model: countries with non-integrated industrial economies and chronic crises, such as Russia, Yugoslavia, Poland, Hungary, and China, which have transformed themselves or are in the process of transforming themselves into powerful industrial countries, leaping directly from their backwardness to socialist planning. Precisely this revolutionary leap meant the expropriation without payment of landowners and capitalist enterprises, the nationalisation of industry, foreign trade, and the total planning of economic development.

Curiously, Ferrer doesn't draw any conclusions from this historical experience. On the contrary, he warns against the danger that the continuation of the crisis will provoke a Marxist or socialist revolution. If he had possessed even the slightest intellectual honesty, he would have pointed out that the only example of the transformation of a backward country into a great industrial nation known in our century is that of socialist planning and revolution.

<sup>5</sup> **Liberating Revolution** is the name given to the dictatorship that ruled Argentina after the military coup led by the pro-Yankee oligarchy and the Catholic Church that overthrew President Perón in September 1955.

## The comic note in a serious book

Every methodological, theoretical, or informational flaw is reflected – sooner or later – in a discrepancy between what we say and reality. If the comical is the unusual, that which unexpectedly clashes with reality and common sense, then our author is no exception: his complete disregard for the role of imperialism in the Argentine economy leads him to the comical. Thus, in his plans, an idyllic future emerges where the great imperialist powers become benevolent and shower us with capital so that we can achieve a non-integrated industrial economy in our country: “Despite this, there are indications that, in due course and gradually, the barriers that divide the world economy will fall, giving way to even broader horizons, conceivably with the persistence of different social systems in various countries. In the short term, the most significant episode of the inevitable and unstoppable globalisation of the world economy will probably be brought about by general disarmament and the release of the vast resources currently spent on armaments and defence. It is understood that the release of these resources, within the framework of the new international situation that disarmament itself implies, will have a profound impact on world economic relations. A good part of the resources released by general disarmament will likely be channelled toward the developing countries of Latin America, Asia, and Africa, which, once the impossibility of war is accepted, will become the most important field of international relations and a major concern for the great powers” (p. 249).

And as if this weren't enough, on the same page, he makes a call where, based on a report prepared for the United Nations by a group of experts, which calculates the surplus capital that will result from disarmament. The report states that the world currently spends us\$120 billion annually on armaments and defence. Our author adds: “...This figure is equivalent, at the very least, to two-thirds of the annual production of all the world's underdeveloped countries, which is to say, the production of approximately 70% of the world's population. That figure of us\$120 billion is also equivalent to the world's annual merchandise exports; equivalent, likewise, to 8% or 9% of the world's annual production; and, finally, equivalent to half of the world's annual capital accumulation.”

The harsh reality is that the United States, during Kennedy's<sup>6</sup> three years in office, was able to weather the chronic crisis of its capitalist economy by increasing its spending on armament production from us\$40 billion to us\$50 billion. This “minor detail”, its implications, and its consequences for backward countries and workers around the world have gone unnoticed by our author.

## How to Get Out of the Crisis

For Ferrer, the solution to the crisis is essentially an intellectual problem, a clash between two conceptions: “It should not be forgotten that beneath the current political issues lies the basic contradiction of the present Argentine process: an economic policy aimed at restoring the foundations of the primary export economy and the historical impossibility of achieving this. Ultimately, then, the two basic conceptions of social life meet again, in a possibly definitive confrontation: that of the primary export economy with its sphere of development and its complex of social relations, on the one hand, and, on the other, that of the country's economic integration to lay the foundations of a dynamic society that internalises the basic engines of modern development: the accumulation of capital and the assimilation of technical progress” (p. 257).

Ferrer ignores the basic premise of historical and political science, accepted by official historians, liberal or reactionary, such as Guizot, Pirenne, or Beard, which is the class struggle. And this is how he limits himself to advising the various national classes, mainly industrialists and workers, to readily accept his conception. Regarding the working class, he concludes that “... the experience of the last 15 years is that, as much or even more than with increases in nominal wages, the workers' movement should be concerned with the management of economic policy, especially monetary policy” (p. 255). What he is proposing here

6 **John Fitzgerald Kennedy** (1917–1963), also known as JFK, was the 35th president of the United States, serving from 1961 until his assassination in 1963. He served at the height of the Cold War, and the majority of his foreign policy concerned relations with the Soviet Union and Cuba. A member of the Democratic Party, Kennedy represented Massachusetts in both houses of the United States Congress before his presidency.

is a policy of integration in which the role of the workers is to support and influence that economic policy. He sees this only as a matter of class collaboration: workers must contribute to economic development and thus improve their own living conditions while also contributing to the policy of transformation. He advises the same to business owners.

What Ferrer doesn't say is that having an economic development plan poses two problems: one political – which classes, which parties, which leaders control the government from which to develop and implement the plan – the other is the economic plan itself, its perspectives and scope.

If he were to propose the solution to our economic crisis in these two simple terms, he would have to acknowledge that only the working class in government is capable of drafting a plan, taking into account solely the possibilities for the development of the national economy. That is to say, it is the only class that has no socio-economic constraints of any kind preventing it from formulating a plan, striving for Latin American unity – since there is no possibility of any small economy – nationalising foreign trade and the largest imperialist powers, besides carrying out agrarian reform without compensation to the landowners.

And finally, we will only pause to point out the impotence of bourgeois intellectuals, which is clearly reflected in the ridiculous tautology the author falls into at the end of his work, when he implies that the crisis is overcome... by overcoming the crisis!: "... The only possible path to achieving Argentine social and political development, within the framework of the current republican institutions, lies in the definitive overcoming of stagnation and in the integration of the economic structure!" (p. 258).