Are We a Suitable Example for a Younger Republic?

By THOMAS SAWYER SPIVEY

An open letter replying to an article which recently appeared in the Washington Post, entitled, "America a model of Argentina," by Dr. C. Pellegrini, ex-President of the Argentine Republic.

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Sir:

I have read with pleasure and profit your beautiful essay entitled, "America a Model of Argentina." Inasmuch as you have freely commented upon my country in favorable and unfavorable terms, I presume to take your article for my text and beg to exercise the inspiration it gives me to write something, along these lines, which might be interesting to your people. I hope you will not feel offended.

By attempting to comment on your paper, I am aware that I impose upon myself a task which may lay me open to the accusation of unwarranted criticism. Therefore, I hasten to say in advance that I hope to be acquitted of any such purpose, if anything I may say seems to be seriously contrary to your views—we are not in debate. You may be pleased that I disabuse your mind of some errors in beliefs.
I am quite sure you will forgive me when you learn that I fully agree with you in most of those things essentially complimentary to your people, and when you find that I roundly scold my own country for manifest shortcomings.

The theme, itself, is inspiring. You grasp this spirit, as is evidenced by your eloquent and poetic treatment of the subject. Your beautiful diction, philosophic reasoning and vivid descriptions are quite sufficient to prove that you have experienced the rare and exquisite pleasure which comes with the ecstasy of inspiration while writing upon a favored theme.

These things are the pleasures of enthusiasm. But there is a never-failing sign you betray, which is the bubbling over of the heart under such a spell—you are too generous. You give too great credit where credit is not due, and in this over-zealous generosity you lose sight of philosophy and the underlying principles of things.

Great and inspired men are always too generous in their praise of those things which they desire to please, or which please them.

This fault, and it is a fault—but one easily condoned—is not engendered by prejudice or undue bias, but is wholly spontaneous, coming directly with sincere motives.

This may be forgiven in a writer of the Latin race—they write like they love—ardently.

You culminate your generous praise of the United States, and applause of its people, by announcing that our institutions should be taken as models by Argentina.

You will surely acquit me of any purpose of seriously criticising your article if I differ with you, in a friendly spirit, on this point.

The "get there," "break the record" qualities which you so aptly describe, in our "hustle and bustle" for wealth are truly American, but abhorrent to the educated, thinking people.
These odious methods are new inventions, harmful to the moral stamina of the nation and recognized as violations of the laws of good and lasting government. Moreover, there are no laws in nature to justify them.

It tends to foster a condition which raises every man's hand against his brother, where almighty wealth is at stake.

It is the germ of that sentiment and passion which involves nations in war, when the whole nation becomes imbued with a greed and desire for gain, regardless of loss and pain to others. It is then a national disease.

There is no deep sympathy in this new creed, therefore it should not be assimilated in the codes of other nations.

It is a good thing to know that our own government recognizes the baneful effects of ultra-commercialism and is attempting to check its ravages. But it has waited too long. The constitution has been weakened by its encroachments.

Ultra-commercialism to-day holds a stronger grip upon the world, and especially upon this country, than religion, or the fear of God or the devil ever did.

Gold is our God and our worship of it wholly sincere.

The pride of our nation is the pompous pride of commercial achievements. I do not mean, by ultra-commercialism, the operations of established business institutions, I mean the speculative influences of so-called modern high financering, which converts nothing into something.

You advance certain propositions regarding your own race, quite worthy of deep and serious consideration.

You accredit to the Latins the civilized of the world. This is true, the Latin race is the warm, flowing, expanding peoples.

In nature the warmth thaws away the ice and snow of winter, that budding spring may unfold the beauties of the vegetable kingdom.

It is the warmth which produces the flowing waters, and the mists, which cause things to mingle, then separate, each
to assume its natural position, according to its specific gravity.

It is the principle of love which causes the activity essential to bring forth good fruits.

The Latins occupy this position in the human affairs which disperse men over the face of the earth.

They penetrate to the heart of things and cause them to expand and grow. It is in this generous, expansive nature that the Latin expresses his highest enjoyment. In his passions and his activity he does things—and these things more often dissipate his vitality and energy, than they conserve them. He scatters his forces and falls an easy prey to the more concentrated forces and conservatism of the cold unyielding Anglo-Saxons, who represent the cold principle—always trying to concentrate and control energy, that it may not be wasted, but conserved and utilized for their own selfish, ungenerous, unloving ends.

Pray, which shall we do, freeze the warm, loving Latin people or thaw the cold, calculating Anglo-Saxon?

Or is it possible to amalgamate them into the new and perfect race? This wholly depends upon the position upon the earth the nation occupies. In a cold climate, cold devours heat. In a warm climate, warmth devours cold. In a temperate climate things flow together and seek a common level.

By a close study of the United States, it must be candidly admitted that we have not formed that "homogeneous solid," of which you speak so eloquently. Unfortunately you have only been brought in contact with that element which reflects the good qualities with which, you say, the American people is "overflowing."

You admire our "audacity," while you should know, as a philosopher, and a scholar, that "audacity" is one of the most ungenerous and dangerous attitudes we have assumed, if we view the greatness of a nation from the standpoint of right and just principles.

Webster's definition of "audacity" is "impudence."
It is the applause of our "audacity" that has turned the head of the over-grown boy—the "colossus in the full vigor of his youth."

You unconsciously strike the keynote of our present attitude in the world of nations.

The strong independent youth does not reason, he depends upon his strength and courage—we have both—he plunges ahead in the race; exhausts his resources; wastes his energy, and drops by the wayside, while the older and better trained athlete reserves his strength for the finish.

The representative Anglo-Saxon race does not recognize the people of the United States as a part of it, but it does recognize us as that thoughtless youth, burning up his vitality, and patiently awaits the finish, the weakness which follows the excesses of youthful dissipations.

The "bluster," "brag," "noise" and confusion engendered by undue praise, has made the United States the most uncertain, unstable and dangerous experiment of the civilizing periods.

We have such vast natural resources, our energy knows not whither to turn. Our playthings are so numerous and varied, we are never satisfied, but jump from one to another, running after every expensive fad presented.

Consequently, we are the most wasteful nation on the face of the globe. Our Congress unblushingly makes appropriations which anticipate a deficit of a tenth of a billion dollars, knowing that a generous people will find a way to pay, or that coercive methods will produce it.

We mingle the cold with the hot, as we mingle the Latin with the Saxon; the Indian with the negro and the Mongolian with the Hindoo.

We instinctively try to put out the torturous conflagration without reasoning why we do it. We use ice in everything. As the Latin youth loves to cool his ador in the atmosphere of the cold Anglo-saxon women, we love to mingle broken ice with our liqueur.
Notwithstanding the ulterior feeling that we are burning up, we go on, heaping the fuel higher, that the "Phoenix" which we hope may rise out of our ashes may be a big, strong, healthy bird, forgetting, in our neglect of philosophy and reason, that the size and constitution of the bird depends upon the inherent potentialities within the microscopic germ of the egg and not upon the size of the nest or the materials of which it is composed.

A liberal man, who habitually views such things through the generous eye of diplomacy, may feel shocked at these radical views. One may appear to be unpatriotic. It takes a brave and fearless man to be truly patriotic in these strenuous times.

The accusation of being unpatriotic is a deadly weapon in the hands of our demagogues. It is always the strongest weapon of sophistry, yet the simple armor of candor and truth turns it easily.

One of the saddest conditions now prevailing in the United States is that which bids us halt before speaking the plain truth, to consider what offense, political or commercial, frank avowal may give. It is true in the limiting of debate in our Congress and in the daily intercourse of our people, few men dare let their conscience wholly guide them.

No governmental principle ever contemplated control of men's souls, yet present conditions as utterly own the souls as they do the bodies of men.

If we are correct in the conduct of our institutions, then why the "big stick" principle? If there is no one to be chastised occasionally, why the "switch," or "ferule?"

Is the old world more unruly than the new?

Perhaps the "big stick" is only intended to frighten other nations, like the hideous Chinese Gods and Idols. If this be true, then, this youthful country is up to some mischief which is offensive to others or else, the child of the
wilderness is beginning to teach and dictate to the parent of the old world.

Now we come to the essence of the whole question; the proposition that the United States is a good example for the Republic of Argentina to follow.

I admit, 'tis true, every man's writings may be warped and used against him in argument, but as it would be manifestly impolite for me to assume the attitude of argument, in a friendly review of your article, I must apologize for referring to certain incompatibilities in order to emphasize what I desire to convey.

You begin your article by saying that the Latins "civilized the world," and that the race is not "degenerating."

If this be true, and we are not going to question it, then it throws the "model," which you select, into a dubious light, viewed from the standpoint of principle. A fundamental thing must degenerate, if it partakes of the eccentric characteristics of a composite body, because, by so doing it loses its individuality. Pure gold is better than an alloy.

Nature always puts us right when we earnestly solicit her aid.

I will attempt to prove to you that nature, herself, is opposed to your proposition, and, later, will show that nature cannot be fooled.

We take a sound beam of wood and analyze it carefully to find that its strength and stability rest upon the fact that it is composed of harmonious elements, the correspondence of which maintains balance, the intrinsic purpose of the combination is stability and strength. As long as fermentation is prevented, and this primary balance remains, the beam will remain sound and immune against decay.

We take a second beam, in a process of decay, and an analysis shows quite a different state. Heterogeneous elements are struggling to dissipate the fibre by fermenta-
tion, or decomposition—elements wholly different from those found in the sound beam. The beam is what we call rotten. Very often this decay is found most pronounced at the heart or core. The process of decay dissipates energy and strength, and attempts to first weaken the heart which supplies the nourishment, which retards decomposition.

Now, here is a definite example of the necessity to conserve energy. It is the perfectly understood and balanced energy which holds the fibres in the sound beam together and prevents decomposition.

It is the dissipation of energy, the mis-appropriation of energy by the several foreign elements in the rotten beam which hastens decomposition and takes the strength and solidity out of it.

Without contact, these beams cannot influence each other.

Suppose we should desire to strengthen the rotten beam by an alliance with the sound one. We bind them together.

As a whole, the combination is temporarily stronger, but see what nature thinks of the union. The sound beam was strong and perfect, standing alone, but upon assuming the burden of the unsound one it begins to yield up the energy which it needed for its own harmonious balance.

The gases in the unsound beam permeate the sound tissues, stirring up strife between the elements, and consume and appropriate the heat and energy thus engendered, and decomposition is set up in the sound beam. There has, at the same time, only been a slight, if any, abatement in the decay of the rotten beam. It has only transmitted the disease to the healthy tissues of the sound one. The unsound beam is never redeemed by such contact; the germ of decay always seizes upon and destroys healthy tissue.
Let us assume that the Argentine Republic, with its basic race, is that beam with the balanced elements, with the one fixed desire for a stable government.

Then let us assume that the United States, with its heterogeneous elements, is the beam in which fermentation is generating too great heat and waste of energy.

Does it not necessarily follow that, if your people should imbibe and assimilate the heterogeneous ideas, the gases of fermentation, set up by enumerable elements, struggling and fighting for energy, or money, which represents energy, they will be seized with exactly the disease which is consuming us, the craze for money, ultra-commercialism?

This is our national disease. It is a thousand times more fatal to a nation than yellow fever, and, singular to say, the alleged basis of it is yellow gold.

If you will analyze the South American revolutions you will find, in practically every case, that it was the corroding influence of gold that started it.

The Argentine Republic is composed, chiefly, of Latins, and, to avoid argument, we will say the Latins govern. It is proposed that the policy of the younger republic shall be patterned after that of a nation composed of so many different peoples that, it is impossible to enumerate them. So new is this conglomeration, the different nationalities still retain in full, their distinctive race colors. So numerous are the people of each nationality and so intermingled are they in power, it is difficult to say which nationality is the chief ruling force. The Anglo-Saxon though rules the finances.

It is past belief that such a mass can be reckoned as other than a composite nation of people, with sentiments and ideas of government in confusion. It is equally absurd to say that a definite and distinct type of composite American can be distinguished, one representing an average.

The germ of "get rich quick and return home" is in all, alike, no matter what the nationality. This wholly accounts
for the commercial greed of the American people. To those who left relatives in their native country, "home" means to return there. To those who have permanently settled in America, "home" means "retirement," a cessation of physical labor. In either event, it means a withdrawal of energy from the general strength of the nation. It is this ceaseless influence that has engendered that awful greed and desire for sinecure office in the United States. The taint has weakened the responsibility of citizenship.

We will go no further in this direction. There are so many valid reasons why the people of a younger republic should not wholly adopt our institutions as a pattern, I could not, in a brief article, attempt to enumerate them, but should I be able to point out one primary reason which is so vital, as to overtop all others, that will be quite sufficient.

There is but one truly great stone in the foundation of our nation—wealth. It is the basis of all we do, absolutely all—it is wholly controlled by the Anglo-Saxon race—therefore if you adopt our methods, again, you will be permitting the Anglo-Saxon race to set the policy for the Latin race. That policy is the destructive element, ever keeping up the fermentation that releases energy of the masses to be appropriated by the limited few.

Now, I will tell you why it would be no less than criminal for any new republic to emulate our political institutions. Gold is the basis of international exchanges only, notwithstanding it is assumed to be the basis of our circulating medium. There can never be a sufficient amount of gold for a safe basis of our medium of exchange.

The basis of all that we do in this country is the interest bearing bond. It represents the accumulated energy of human effort and in this form is most easily confiscated or counterfeited.

This creation of bonds is a craze. So many billions of bonded indebtedness are floating about that, instead of
repudiation manifesting itself in the direct way, it is surreptitiously shown in the shrinkage in the face value of the bonds. The depreciation of one very important set of bonds, usually creates a similar weakness in many others, so intimately connected are all the bonds with the financial pulse of the nation.

Periodical panics in the stock markets are due to colossal repudiation and readjustments of accounts represented by bonded indebtedness.

We are hopelessly and eternally committed to the bond, consequently, involved to so great an extent that the average human mind cannot grasp its meaning.

Taken as a whole, the bonded indebtedness of the nation, represented by industrial bonds; municipal bonds, of an endless variety, county bonds, state bonds and government bonds aggregates a total, appalling to the world.

It is utterly impossible for the nation to make good on the interest, from time to time, then to save our credit, and prevent utter ruin, and open repudiation, refunding measures are adopted, lower rates of interest asked, and this act is pointed to with pride as evidence of the solidity of our institutions, and the stability of our credit. It is essential to maintain our credit, because it is the underlying principle of the whole system.

Now add to this burden, taxation in every form and the actual cost of living and you will find that the people have no time to think of philosophy or to reason. It is physical action alone that will keep them from starvation.

This craze did not originate with the people; the government first set the example. Our financial system first began as an experiment and ended by the surrender, by the government, of the sole constitutional right to make the money which should be the medium of exchange. Now, the government prints the blanks and the signature of the bank officials convert it into money. The government
issues the volume countersigned in blank like signing a book full of checks in advance to be filled up by a clerk.

The government bond being the basis of our circulating medium, from time to time, it becomes essential to increase the national debt to make more bonds, in order to increase the volume of circulation.

The "Spanish-American War" was the last excuse for increasing the national debt.

We can now understand the danger of this policy. The people will not graciously allow an issue of bonds in times of peace.

War is a dangerous experiment. Then what reasonable and plausible excuse can be found for increasing our bonded indebtedness in the near future.

There are but two possible ways and both of these have been casually mentioned. The country is to be educated to one or the other.

The one is "government ownership" of railroads. The purchase of these vast properties would involve a bond issue which would be appalling. "Government ownership," in itself may not be a bad thing, under right conditions.

But, the purchase of these Roads at their inflated valuations would constitute one of the most colossal confiscations of property, by a few principal holders of railroad securities ever dreamed of.

The valuation placed upon the properties, would be based upon their earning capacity at the time of condemnation.

In anticipation of this, shrewd financiers have purchased, almost wholly, these railroad stocks, then pushed up the freight rates to the very limit of endurance, and increased and watered the stocks to bring down the earning capacity to a reasonable percentage, in order to increase the bonded burden at the time of purchase by the government. The government bond which they would receive, in exchange
for the railroad share, would, of course, give them a more stable and desirable security, because of its having behind it the whole earning capacity and property value of the nation.

These new bonds will become the basis for new circulation, or medium of exchange.

Thus, it may be seen, that the people will have been coerced into making a forced loan after having paid into the treasuries of these great railroads the exorbitant freight rates which gave them their inflated valuation, based on earning capacity. This forced loan then becomes a further burden by being made the basis of the circulating medium, absolutely controlled by those who sold the railroads to the government. The money being wholly controlled by the bankers, its volume may be manipulated at will in order to give "bank credit" an advantage over actual money and compel the people to pay an interest of 4 to 6 per cent for the privilege of having a medium of exchange.

The people exchange the control of the entire circulating medium of the country for control of the railroads and a perpetual burden of debt.

Now, which control would be the more valuable to the people?

This proposition will come before the people within a short time. The greatest revolution this nation will ever experience will be when the people awaken to the fact that they have been robbed of billions of dollars by private control of the circulating medium which should be controlled by the government at no cost to the people.

The other, and more dangerous plan of increasing the basis of circulation, is for the government to accept industrial, municipal, county and state bonds from the banks as they now accept government bonds, in the purchase of the privilege of uttering money. This plan has been seriously advocated. A way may be found by which the govern-
ment may place its endorsement, and guarantee, upon bonds issued by cities already groaning under a hopeless burden of debt.

This is wholly impossible for the reason that the greatest financial scandal this country ever suffered was caused by a similar system.

In the early history of our finances we had a system of State banks which issued what was called "wild-cat money."

The danger of that system was in that there was no check to the volume of money issued and no two dollars had the same purchasing power.

The State banks issued their own money and put into circulation endless volumes of it. It threw the country into a horrible state of financial anarchy and came near to disrupting the nation.

The underlying purpose of all this was exactly the same as is the ulterior purpose of the present schemes, to shirk responsibility, and confiscate the energy of the people.

There is no difference between "wild-cat money" and "wild-cat bonds," when the one is made the basis of the other. Therefore, when this proposition comes before the people they will again be face to face with the old time "wild-cat" financiering.

To justify their control of the nation's money the holders of the government bonds advance this principle; we hold it as security for this vast loan to the people, as one nation seizes the revenues of another in the forced payment of a debt. They wipe out all previous questions as to the validity of the debt.

This comes dangerously near to the principle of confiscation.

Now, let me ask you, Dr. Pellegrini, this one question. Would you, in view of the foregoing, advise your people to adopt these methods?

If no, then wherein is this country a model for the Argentine Republic?
I believe the Latin carries within his own potentialities all the examples of good government, good civilization and good philosophy essential for his stability, comfort and happiness without experimenting with those of any other nation, if it be possible for him to shake off the ulterior ruling power of the Anglo-Saxon race which has taken permanent grasp upon the secret reins of international government. I have my doubts about the Anglo-Saxon's ever again losing this control.

Look carefully to international law. That is the chain which is being fettered upon the Latin peoples.

There is one thing which the Latin republics, of South America, should view with self gratulation; the awakening of a truly colossal "yellow peril" in Asia will compel a "Pan-American" alliance, sooner or later, for self protection.

The hundreds of millions of human electrons of Asia will soon, now, be engaged with their quick brains and nimble fingers, in doing all that we can do mechanically, and at one fifth the cost. It is the rising of the new sun of civilization on the shores of Eastern Asia.

It remains to be seen whether we must, for a period, experience the darkness. Is the moon, the Anglo-Saxon race, to give us feeble light during our night; or will it desert us, to grope about, without wisdom, philosophy or reason until the far distant morn, when, again, the great and generous orb of day rises in our Eastern sky?

This is the serious problem for the Latin race to consider, and begin to light up for the darkness of industrial night on the Western Hemisphere.

Washington, D. C.,
March 4, 1905.