

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: Business Annals

Volume Author/Editor: Willard Long Thorp

Volume Publisher: NBER

Volume ISBN: 0-87014-007-8

Volume URL: <http://www.nber.org/books/thor26-1>

Publication Date: 1926

Chapter Title: The Annals of Argentina

Chapter Author: Willard Long Thorp, Hildegard E. Thorp

Chapter URL: <http://www.nber.org/chapters/c4647>

Chapter pages in book: (p. 276 - 285)

CHAPTER X.

THE ANNALS OF ARGENTINA.

The Argentine Republic is a wedge-shaped country, occupying the greater part of southern South America. Its territory may be divided into three regions, the mountainous zone and tablelands in the west, the great plains or pampas in the east, and the desolate, arid steppes of Patagonia in the south.

The area of Argentina has varied from time to time as boundary disputes with other South American nations have been settled. On January 1, 1924, its area was 1,153,419 square miles.¹ The record of population growth of Argentina is as follows:

Date	Population ^a	Persons per Square Mile
Sept. 15, 1869 ^b	1,737,076	1.6 ^c
May 10, 1895 ^b	3,954,911	3.6 ^c
June 1, 1914 ^d	7,885,237	7.3 ^c
Jan. 1, 1924 ^e	9,556,072	8.3 ^f

^a Data for "population counted". This figure is sometimes slightly increased by adding estimates for Indians, Argentines in foreign countries, and persons not counted.

^b Argentine Republic Comisión directiva del Censo, *Segundo Censo de la República Argentina*. Buenos Aires, 1898. vol. ii, pp. xvii, cxxv.

^c Computed from original data given in square kilometers by multiplying by 2.59.

^d Argentine Republic Comisión directiva del Censo, *Tercer Censo Nacional*. Buenos Aires, 1916. vol. ii, pp. xii, 109.

^e Official estimate in *Revista de Economía Argentina*, June, 1925. Buenos Aires. p. 441.

^f Computed by means of the area stated above.

The period of largest immigration was the decade between 1880 and 1890. It is estimated that approximately 60 per cent of the population is rural, but that only 9 per cent of the total land area is under cultivation.

Argentina is chiefly an agricultural country. Alfalfa is the chief crop, but is used entirely for fodder. Three crops—wheat, corn, and linseed—dominate the agricultural situation. They are harvested in the early months of the year. The records of wheat and

¹ *Statesman's Year-book*, 1925. London, 1923. p. 672.

corn are given through the entire annals of Argentina. The linseed crop is first noted in 1903, when there was a large expansion in its acreage. During the twenty years from 1892 to 1912, the area in all crops under cultivation increased seven-fold. The cereal crop area is in the central part, the cattle and sheep are in the south. The wool clip has decreased in importance in recent years, while the meat industry has increased rapidly. No direct record of production is available for either of these industries. However, since wool is clipped in the fall, and the bulk of the clip is exported, the export of the following year has been used as indicating the success of the clip.

Mining is of little importance in Argentina. The discovery of large fields of petroleum, however, has led to rapid development in that industry in the last few years.

Because of the shortage of coal, metals, and water power resources, Argentina is severely hampered in becoming an industrial nation. Manufacturing is not extensive, except in those industries which prepare raw material for shipment, such as meat packing, flour milling, wool scouring, sugar refining, and the like. During the war, the check to imports increased the activity of other home industries, but this force was somewhat offset by the poor agricultural yields during these same years.

The importance of Argentina's foreign trade is indicated by an estimate published in the *Revista de Economía Argentina*, April, 1925, p. 287. This estimate demonstrates that for the ten years 1910-1919, 59.7 per cent of Argentina's total national production was consumed in the country and 40.3 per cent was exported. Ordinarily, these exports consist of agricultural products, 55 to 60 per cent; animal products, 35 to 40 per cent; all others, less than 5 per cent. The chief articles of import are textiles, and iron and steel products; the more important exports are wheat, corn, linseed, wool, and frozen meat. Prior to 1890, the balance of trade was continually unfavorable, but, in more recent years, exports have generally exceeded imports.

The currency of Argentina was placed on a gold basis in 1899. Much of the banking business is carried on through branches of foreign banks. In 1922, there were 32 principal banks in Buenos Aires having over 300 branches and agencies. There are two state banks, the Banco de la Nación and the Banco de la Provincia de Buenos Aires. References made in the annals to foreign exchange are

based on exchange on London prior to 1915 and on New York City thereafter.

There has been little increase in the railroad mileage of Argentina since 1914. The rapidity of development prior to that time is indicated by the following table:

Year	Miles of Railways ^a
1890	5,861 ^b
1900	10,292 ^b
1910	17,495 ^b
1920	22,490 ^c

^a Computed from original data given in kilometers by multiplying by 0.62137.

^b Argentine Republic Dirección General de Ferrocarriles, *Estadística de los Ferrocarriles in Explotación, 1911*. Buenos Aires, 1915. pp. 305, 306.

^c *Revista de Economía Argentina*, April, 1925. Buenos Aires. p. 292.

The development of Argentina has involved the use of enormous quantities of foreign capital. In 1913, over 90 per cent of the capital employed in railways was British.

In 1810, Argentina freed herself from Spanish dominion. A long period of anarchy and civil disturbance followed, and it was not until 1853 that stability was attained and a constitution declared. The war with Paraguay, 1865 to 1868, interrupted a period of steady development. After severe disturbances arising out of the election of 1880, practically a civil war, a period of rapid development and expansion set in. This boom period lasted through the decade and with its speculation and extravagant government expenditures, led up to the political, financial, industrial and commercial collapse of the early nineties.

1890 Recession; depression.

Sharp decline in industrial activity to stagnation; many failures; railroad construction boom checked; exports continue large, but imports decrease severely.

Marked financial stringency; much speculation; acute financial crisis begins, March; constant fluctuation in value of currency; depreciation increased by further issue of inconvertible notes; government finance collapses with failure of financial agents, Baring Brothers, November; many bank failures.

Good wheat and maize crops, and fair wool clip realize high prices.

Revolution, July, results in overthrow of President; great drop in immigration.

- 1891 Depression; panic.

Stagnation general, especially in construction; unemployment; maintenance of exports, with further decline in imports yields first favorable balance of trade in ten years.

Financial chaos; wide currency fluctuations with gradual fall in gold premium; bank failures and panic, June; moratorium for six months; feverish speculation.

Cereal crops small with fair prices; good wool clip, lower price.

Political unrest with riots and siege of capital, February, and revolts, May and July; low point in immigration.

- 1892 Revival; recession.

Improvement in all branches of industry, first half-year; relapse, autumn; revival in imports, and further increase in exports.

Money tight; currency steadier.

Wheat crop fair, maize good, wool clip small; prices decline.

High tariff established; slight increase in immigration; emigration begins.

- 1893 Mild depression.

Monetary and political difficulties cause dullness and inactivity; foreign trade declines, slight unfavorable balance.

Wide fluctuations in currency; record gold premium; point of greatest paper circulation reached; government finances unsettled.

Large wheat crop, poor maize crop, wool clip fair; prices decline further, except wool.

Civil war, January, and revolt, July, soon collapse; boundary treaty with Chile successfully negotiated.

- 1894 Depression.

Continued inactivity with many failures; dullness in foreign trade.

Tight money eases, end of year; continued monetary instability.

Large wheat crop, low price; maize crop small with good price; wool clip large with lower price; drought causes great loss to pastoral interests.

Severe drought; political difficulties between President and Congress cause President's resignation.

- 1895 Lessening depression.

Home industries continue severely depressed; slight revival in foreign trade.

Exchange slightly improved and more stable; government aids banks.

Smaller wheat crop, higher price; larger maize crop with lower price; good wool clip, very low price.

War scare with Chile.

- 1896 Revival.
Gradual improvement in trade and industry; sporadic failures; foreign trade improves, particularly imports.
Rapid appreciation in exchange; large gold imports; public finances embarrassed.
Further reduction in wheat crop with higher price; record maize with low price; large wool clip, price improved.
Dispute with Chile submitted to arbitration; influx of immigrants.
- 1897 Revival retarded.
Dullness; many failures early in year; foreign trade falls off.
Money tight to spring; rising exchange with wide fluctuations.
Cereal crops reduced by locusts, prices high; large wool clip with high price.
Cash payments on foreign debt resumed.
- 1898 Mild prosperity.
Steady improvement and expansion; return of confidence; foreign trade increases rapidly with large favorable balance.
Continued appreciation of currency; speculation.
Small wheat and good maize crops, sharply declining prices; record wool clip, high price.
Large reduction in immigration.
- 1899 Prosperity.
Continued increase in production and export; expansion in home industries.
Rapid appreciation of currency; currency stabilized, 44 gold pesos equaling 100 paper pesos.
Large harvests with low prices; wool clip small, high price.
- 1900 Recession; depression.
General decline into dullness; decrease in volume of foreign trade, especially exports.
Currency stable; government finance improves.
Large wheat crop and poor maize crop with rising prices; large wool clip with high price.
Export duties established.
- 1901 Depression.
Internal trade stagnant; many failures; commodity prices rise; foreign trade improves slightly.
Money market and exchange firm.
Poor wheat and excellent maize crops with rising prices; good wool clip, price falls sharply.
Floods; drought; political troubles; Chile war scare; large immigration.

1902 Depression; revival.

Continued inactivity, first half-year; general insecurity and uncertainty; sporadic failures; revival, autumn; large increase in exports and decline in imports.

Money easier.

Poor cereal crops with rising prices; wool clip good with high price.

Decline in immigration and increased emigration.

1903 Prosperity.

General activity and expansion; foreign trade records enormous increase.

Money abundant.

Cereal crops large with fair prices; increase in linseed crop with low price; wool clip fair, higher price; live-stock industries expand rapidly.

Beginning of period of large immigration.

1904 Prosperity.

No interruption to activity and expansion; foreign trade much increased.

Money abundant.

Very large crops with rising prices; wool clip fair, high price.

Strikes; tariff lowered; period of railroad expansion begins.

1905 Prosperity.

Activity and expansion continue; record favorable balance in foreign trade.

Money easy; extensive stock speculation.

Enormous wheat crop with slightly lower price; smaller maize crop, higher price; large linseed crop, price very high; wool clip poor, high price; meat export increases.

Emigration extensive; martial law due to threatened railroad strike, October.

1906 Prosperity.

Continued activity and growth; commodity prices rise to peak.

Money tightens, checking speculation.

Poor wheat and linseed crops, large maize and wool; prices rise, especially wool; export of live-stock prohibited because of hoof-and-mouth disease.

1907 Prosperity.

No check to widespread activity and expansion; slight increase in failures; commodity prices high; foreign trade increase continued.

Money tight.

Wheat crop abundant with high price; failure of maize due to drought, very high price; linseed crop good, price fair; good wool clip with high price; meat exports small.

Railroad strike, July; revolution, autumn.

1908 Mild recession.

Expansion less general; dullness in summer; prices high; foreign trade increases.

Money tight.

Large wheat and linseed crops; small maize crop; good wool clip; large meat exports; prices high.

Political unrest.

1909 Revival; prosperity.

Widespread prosperity in agriculture extends to other lines of activity; labor troubles, May; further increase in foreign trade.

Money eases.

Fair crops of wheat and maize, large linseed harvest; wool clip fair; meat exports increase; prices very high.

Drought and locusts; political unrest leads to declaration of martial law for sixty days, November.

1910 Prosperity.

Domestic trade and industry active and expanding; general strike, May, causes temporary confusion; land speculation; commodity prices lower; volume of foreign trade increases, especially imports.

Money tightens.

Poor wheat and linseed crops with high prices; good maize crop, lower price; poor wool clip, price high; meat exports show large increase.

Severe drought late in year.

1911 Recession; mild depression.

Gradual recession to dullness; many important failures; volume of exports falls off sharply, resulting in unfavorable balance.

Money tight; exchange weak.

Crops very poor; prices low, except linseed which reaches high point; good wool clip at lower price; meat exports continue to increase.

Difficulties with Italy check immigration; emigration increases.

- 1912 Depression; revival, autumn.
General improvement, especially in foreign trade; large favorable balance; commodity prices advance; many strikes.
Money continues tight.
Excellent wheat and maize crops, linseed poor; wheat price rises, maize and linseed prices very low; period of smaller wool clips begins; meat export increases.
Drought; immigration revives.
- 1913 Recession.
Slackening industrial activity; promotion of new companies; much speculation; commodity prices rise sharply; many failures; unusually large imports.
Money very tight.
Large wheat and maize crops with good prices, excellent linseed crop, very low price; crisis in meat export due to low prices.
- 1914 Depression; panic.
Period of liquidation with many failures gives way to general paralysis at outbreak of war; decrease in volume of foreign trade, especially imports; scarcity of shipping facilities late in year.
Collapse of real estate speculation, March; financial stringency with panic and moratorium, August; foreign exchange rises, spring, but collapses, autumn; stock exchange dull.
Very small wheat crop with high prices; good maize and linseed crops, prices low; export of meat increases slightly.
Peace treaty signed with Brazil and Chile; immigration falls below emigration.
- 1915 Uneven depression.
Boom in industries receiving war orders, stagnation in others; many failures; rapid rise in commodity prices; foreign trade records further decrease in imports and large increase in exports.
Exchange rises to April, then drops to low point, September.
Excellent crops with high prices; wool clip increases; meat exports small.
Bitter political campaign; further decrease in immigration.
- 1916 Depression; slow revival.
Business continues slack; slow improvement evident, summer; lack of confidence; commodity price rise continues; volume of foreign trade reduced but value increased, particularly imports.
Financial condition sound; exchange fluctuates slightly above par.
Poor crops, especially maize; prices high; marked increase in meat exports.
Droughts and locusts.

1917 Revival.

Gradual improvement; agricultural depression retards expansion of home industries; revival of activity accelerated, autumn; railroad strike, autumn; foreign trade volume reduced.

Money abundant; exchange very favorable.

General crop failures; prices high; meat exports continue large.

Export of food-stuffs prohibited.

1918 Moderate prosperity.

General activity with improvement in agricultural conditions; very low imports, exports increase largely with favorable balance.

Money easy; exchange reaches peak, May.

Large wheat, fair maize and poor linseed crops bring high prices; wool clip large; meat exports reach peak.

Serious labor disturbances threatened late in year.

1919 Prosperity.

Uncertainty in spring gives way to general boom; slight drop in commodity prices early in year, followed by gradual rise; serious labor troubles; great increase in foreign trade with record favorable balance.

Exchange falls; slight improvement, October.

Fair crops with good prices; wool clip small; meat exports continue large.

End of period of excess of emigration over immigration, and beginning of period of rapidly increasing immigration.

1920 Prosperity; recession.

General activity and prosperity; commodity prices continue to rise; wages advance; boom ends and prices fall near end of year; strikes, November; foreign trade large, with great increase in imports.

Money continues easy; exchange rises to peak, spring, and then falls, passing par in June, to low point in November.

Very large crops bring excellent prices; meat industry severely depressed.

Earthquake, December.

1921 Depression.

Severe depression; many failures; railroads in financial difficulties; labor troubles; commodity prices continue decline; foreign trade decreases; unfavorable balance.

Money tight; exchange rises to February, falls sharply to July, and then rises again.

Abundant corn and linseed crops, low prices; meat industry continues depressed.

Riots, May.

1922 Depression.

Liquidation with little activity and many failures; commodity prices decline; temporary revival, summer; further decline in foreign trade.

Money eases; foreign exchange steady after improving, first quarter.

Fair crops with higher prices; livestock industry continues severely depressed.

Uncertainty precedes Presidential election, April.

1923 Lessening depression.

Uneven improvement; building construction boom; decrease in number of failures; commodity price decline slackens; large increase in imports creates unfavorable balance of trade.

Money tightens; exchange improves to March, falls sharply to November.

Good wheat, very poor maize, and fair linseed crops; prices improve; meat export large.

Large immigration.

1924 Revival.

General revival of activity; continued commodity price decline; building continues brisk; many failures early in year; increase in exports enormous, decrease in imports, favorable balance.

Foreign exchange rises rapidly with temporary halt in late summer.

Large crops with higher prices; small wool clip, price very high; large meat exports.

Reorganization of State Railways; smaller migration.

1925 Prosperity.

Domestic trade active; construction slackens; increased failures in textile industry, last quarter; much smaller exports, slightly larger imports.

Money fairly tight; exchange declines to April, and then recovers nearly to parity; export of gold permitted, May; stock exchange quiet, prices firm.

Smaller crops of wheat and oats, good linseed yield; small wool clip; higher wheat, lower linseed, oats, and wool prices; marked increase in sugar production.

Declining immigration.