

Luis Alberto Romero

A HISTORY OF ARGENTINA IN THE TWENTIETH CENTURY

One 1916

(fragmento)

On October 12, 1916 Hipólito Yrigoyen assumed the presidency of Argentina. It was an exceptional day. A multitude of people filled the Plaza del Congreso and adjacent streets, cheering for a president who for the first time had been chosen in elections with universal adult male suffrage, a secret ballot, and a compulsory vote, as stipulated in the new electoral law passed in 1912, thanks to the efforts of President Roque Sáenz Peña. Following the inauguration ceremony, the crowd unleashed the horses of the presidential carriage and dragged it triumphantly to the Casa Rosada, the presidential residence and seat of executive power.

Yrigoyen's victory, though not a landslide, was decisive and revealed the public's political will. From the vantage point of the period, full compliance with the Constitution -the heart and soul of the platform of Yrigoyen's victorious party, the *Unión Cívica Radical*- was crowned with a representative democracy that put Argentina in the vanguard internationally as far as such democratic experiments were concerned. This peaceful political reform coming to a happy conclusion was made possible by a deep transformation in the economy and society. During four decades, taking advantage of an association with Great Britain viewed as mutually beneficial by both countries, Argentina had grown spectacularly and had become wealthy. Immigrants, attracted by the country's transformation, were successfully integrated into an open society that offered abundant opportunities for all. Though there were tensions and conflicts, these were overcome, and consensus predominated over confrontation. Yrigoyen's decision to modify the traditionally repressive role of the state, using state power to mediate between different social sectors and to achieve an equilibrium, seemed to resolve the one remaining obstacle. In sum, Yrigoyen's assumption of power could have been considered, without greatly exaggerating, as the

happy culmination of the long process of modernization that had begun in the middle of the nineteenth century.

Another view of the country was possible in 1916, and many contemporaries adhered to it and behaved accordingly. For them, Yrigoyen resembled a barbarous caudillo, one of the warlords who many had believed were eliminated in 1880 with the end of endemic civil war and the final consolidation of political power in Buenos Aires. A government of the mediocre seemed to stand behind Yrigoyen. The political transition to democracy was viewed with suspicion; those who felt displaced from power demonstrated little loyalty toward the recently established institutional system and longed for a time when a select elite governed. Moreover, the First World War, which had broken out in 1914, offered a glimpse of the end of the era of easy progress, with growing difficulties and more precarious economic conditions, in which the relationship with Great Britain would be insufficient to ensure prosperity. The political and social tensions beginning to spread throughout the world during the final phase of the war, which were unleashed at its conclusion, were also manifesting themselves in Argentina and encouraged those who foresaw a future dominated by conflict. Society was sick, it was said; those who were responsible were foreign organisms; ultimately immigration itself was to blame. Thus an increasingly intolerant attitude grew in the country, expressed in a truculent nationalism.

Both views of Argentina, incomplete and distorted, were present in 1916; each, in its own way, was the result of the great transformation wrought over the previous half-century. For a long time, these images shaped attitudes and actions also influenced by new circumstances that corrected or refined the images bequeathed by the period of economic expansion.

State Building

During the decades before 1916, an era not so distant for the citizenry to have forgotten the rapid pace of recent changes, Argentina had embarked on a program that contemporaries called "progress." The first efforts in pursuit of progress could be traced back to the middle of the nineteenth century, with the great expansion in capitalism as the world began to become fully integrated into the international capitalist system. These efforts had mixed results and for diverse reasons. The greatest problem was the absence of effective institutions. State building was therefore a primordial concern. By 1880, when General Julio A. Roca assumed the presidency, the most difficult obstacles had been overcome, but much remained to be done.

The first task was to assure peace and stability and to assert effective control over the national territory. After 1810 and for some seven decades, civil wars had been endemic. Provincial authorities had fought among themselves and against Buenos Aires. The year 1862 marked a turning point, as the new national state, little by little and with little luck in the beginning, began to dominate those who had heretofore challenged its power, in the process ensuring that the army held a monopoly on the use of force.

Some outstanding problems were resolved during and after the Paraguayan War (1865-70). The province of Entre Ríos, Buenos Aires' great rival in the establishment of a new state, and then the province of Buenos Aires itself -whose rebellion had been defeated in 1880- both had to accept the transformation of the city of Buenos Aires into the federal capital. The state then established its dominion over vast territories inhabited by indigenous peoples. In 1879, the southern frontier was secured, hemming in the Indian tribes there along the Andean foothills; in 1911, the occupation of the northern territories concluded. The territorial limits of the nation were clearly defined, and domestic problems were sharply separated from the external issues with which they had been traditionally linked. The war with Paraguay contributed to delineating the fluctuating borders of the Río de la Plata basin, and the 1879 Conquest of the Desert guaranteed possession of Patagonia, although tensions with Chile remained alive until 1902 and reappeared later.

After 1880, a new institutional framework was created, one that lasted for some time. Bolstered by recent military victories, a central power was consolidated whose juridical basis could be found in the Constitution sanctioned in 1853, which, in Alberdi's words, should uphold "a monarchy dressed as a republic". As the historian Natalio Botana argued, there was thereby assured a strong presidential power, exercised without limits in the vast national territories and strengthened by powers to interdict provincial governments and declare a state of siege. On the other hand, the checks and balances exercised by the congress, above all the prohibition of presidential reelection, ensured that executive power would not become tyrannical. Those who so designed the Constitution were conscious of the long history of civil wars and the ease with which the ruling class became divided and fell into bloody and sterile power struggles.

In this respect, the results met expectations. The rule of law was strengthened by a political system in which the executive, from the apex of power, simultaneously controlled politicians and political influence. In its most extreme form, this practice was called the *unicato*, the period of oligarchical rule between 1880 and Yrigoyen's 1916 election, but in reality it was routinely employed before and after 1916. The executive used such powers to discipline provincial groups but at the same time

allowed the latter a great degree of freedom in deciding local matters. Power that had been consolidated in the hands of the dominant groups in the littoral (Buenos Aires and Santa Fe) provinces -including the dynamic Córdoba- found different ways to use prosperity to win the cooperation of the aristocracies of the interior, particularly those of the poorer provinces, and thus to ensure the backing of the local aristocracies for a political order that they were in no position to contest.

Though by the state's basic structure had been established -its fiscal, administrative, and judicial powers- these powers were often mere ideas of what ought to be done. Lacking the instruments for realizing many of the most urgent tasks such as instituting public education and fomenting immigration, the state was at first the preserve of private interests. Nonetheless, as its resources increased, the state expanded its institutions and acquired a coherency and solidity long before society did. The latter, in a full process of renovation and reconstitution, initially lacked the organization and means for halting the state's advance.

The state acted deliberately and systematically to facilitate Argentina's insertion into the global economy and to find a role and purpose, it was hoped, that perfectly suited it. The chosen path entailed a close association with Great Britain, the foreign power that had been playing the role of mother country since independence in 1810. At first limited to ties of trade, the association became tighter after 1850, thanks to Argentina's production of wool -the first economic undertaking in the country organized on a strictly capitalist basis- contemporary with the deepening of Britain's industrialization, now converted into "the workshop of the world." At this time, the commercial relations between the two countries deepened, and financial ties became important as well, especially owing to the heavy British contribution to defraying the costs of building the state. True maturation occurred, however, after 1880, during the age of imperialism. In those years, Great Britain, undisputed master of the colonial world, began to face the competition from new rivals -Germany first and then the United States- as the entire globe was divided into colonial empires, formal or informal. When the association with Great Britain was being consolidated, Britain was entering its mature phase, unquestionably still a formidable power but not a very dynamic one. Incapable of confronting the industrial competition of its emerging rivals, it took refuge in its empire and monopolies, opting in favor of their assured profits through its preferred low-risk, high-return investments.

Between 1880 and 1913, British capital in Argentina increased twentyfold. To the traditional British areas of investment such as trade, banking, and public loans were added mortgage loans for land, investment in utilities such as gas, and investment in transport such as streetcars and especially railroads. These investments proved enormously profitable. In some cases such as the railroads, the

government guaranteed profits and also granted tax exemptions and land alongside the tracks to be laid.

In subsequent years, these concessions became ever-greater problems, though contemporaries saw the Argentine-British connection in a positive light. Even though the British obtained handsome profits on their investments and trade, they left ample room for local businesspeople, especially for the great landowners for whom was reserved the lion's share of an agricultural production made possible by an infrastructure established by the British. The 2,500 kilometers of existing railroad track in 1880 became 34,000 in 1916, just slightly under the 40,000 kilometers in Argentina's railway network at its highest point. Some of the big spur lines served to integrate the national territory and ensure the authority of the state within its borders. Others densely covered the *pampa húmeda*, the fertile grasslands of the pampa, making possible, along with the port system, the expansion of first agriculture and then livestock, after these same British established the system of meatpacking plants.

This expansion required an ample labor force. The country had been receiving many immigrants in increasing numbers throughout the nineteenth century, but after 1880 the numbers grew dramatically. In Europe, immigration was encouraged by strong demographic growth, a crisis in the traditional agrarian economies, unemployment, and cheaper international passenger rates. Argentina decided to modify the traditionally conservative and selective immigration policy and to vigorously foment immigration via propaganda and subsidized travel costs. Neither of these measures would have been effective if possibilities for finding work had not simultaneously increased. The immigrants showed great flexibility and willingness to adapt to prevailing conditions in the labor market. In the 1880s, the immigrants concentrated in the large cities, working in construction in public works and in all the building that accompanied the urbanization process. Beginning in the middle of the following decade, with possibilities in agriculture becoming available, the immigrants headed en masse to the countryside, both those who came to settle permanently and those who traveled annually for the harvest. This phenomenon, made possible by cheap passenger fares and relatively high local wages, explains in part the strong difference between the old and new immigrants. Between 1880 and 1890, immigrants surpassed one million, with some 650,000 settling permanently, a notable number for a country whose population was approximately two million. In the following decade, after the economic crisis of 1890, immigration declined, and those who returned to their country of origin exceeded the numbers of arrivals with every passing year. The earlier immigration flow patterns were reestablished in the first decade of the twentieth century, when the positive balance of arrivals versus returns surpassed one million.

The active promotion of immigration was only one facet of a series of measures that the state, far from employing the hands-off philosophy of the supposed liberal principles it espoused, implemented to encourage economic growth, break bottlenecks, and establish conditions that permitted the development of private enterprise. Particularly between 1880 and 1890, such actions were intense and purposeful. Foreign investments were enticed and promoted with ample guarantees, and the state assumed the risk in the least attractive investments, only to transfer them to private hands once success was assured. In financial matters, it accepted and encouraged inflation for the benefit of exporters, and public banks handled credit policies very loosely, at least until 1890. Above all, the state undertook the so-called Conquest of the Desert, which resulted in the incorporation of vast expanses of land suitable for cultivation, in which great plots at minimum cost were transferred to powerful private interests and the well connected. Many of these were already or would become landowners, and this policy was a decisive turning point in the consolidation of the landowning class. The land was subsequently freely sold and bought, although its spectacularly high values until 1890 -based on the calculation of future earnings guaranteed by the capitalist expansion underway- reduced the number of possible buyers.

Though beneficiaries of the state's generosity -a state controlled by them- the pampa's landowners also displayed great adaptability to economic circumstances in pursuit of the greatest possible profits. In the littoral, where cattle were scarce and produce could move by river, landowners leaned toward agriculture; where the land was cheap, they opted for colonization, which brought land under cultivation; once the land increased in value, they preferred a sharecropping system. In the province of Buenos Aires, great landed estates and wool production predominated, until the establishment of meatpacking plants made the breeding of English blooded cattle stock for export profitable. Subsequently, the need for grazing lands stimulated agrarian colonization; land was devoted alternately to grain cultivation, fodder, and pasture, making agriculture inextricably bound with cattle ranching.