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THE ARGENTINE CATTLE INDUSTRY UNDER PERÓN*

Much has been written about the damaging effects of the Perón administration[1] policies on Argentina's agricultural economy. It is more to the point to say that Perón's policies as they affected agriculture were to be highly detrimental to the Argentine economy.[2]

Shortly after his inauguration, Perón awarded to the Argentine Trade Promotion Institute[3] a monopoly of the foreign trade in the country's main agricultural and livestock commodities (wool excepted) so that the profits could be used to accomplish the rapid industrialization of the country and the social objectives to which Perón had pledged himself in his electoral campaign, and, in addition, to subsidize domestic consumption (*1*; 2, p. 1334; *3*, p. 18). It soon became known that the anticipated profits were to be enhanced by keeping down the costs to the government of products included in the trading monopoly (*4*, p. 30).

At the producers' level the plan worked out differently for cattle than for field crops. The government was able quite successfully to hold down the prices paid to producers of cereals and linseed, but in so doing contributed to a decline in the area planted to them and hence a reduction of exportable surpluses and the profits they were expected to earn for the government. However, the land withdrawn from crops was not withdrawn from productive use. There was more than a commensurate increase in the pasture and forage crop area during the same period. In Argentina much of the best land in the main agricultural zone, the Pampa, is in large holdings, part of which is leased out as relatively small cereal farms; the remainder of the estate land is operated by proprietors as live-

* I am indebted to the Commission for Educational Interchange of the U.S. Department of State and its Argentine counterpart for the Fulbright grant that enabled me to spend six months in Argentina in 1958. During that time, in addition to having access to materials not available elsewhere, I gained insights into the Argentine situation that could not have been obtained from published materials alone.

[1] June 4, 1946–September 19, 1955.

[2] Costs and related matters will be discussed in a companion article, " 'Subsidization' of the Argentine Meat Packing Industry," to be published later. This paper deals only with aspects of official policy as it affected one branch of the agrarian economy, but these reveal in general why the government failed in the achievement of its economic goals, and why persistence in pursuing them left a heritage of debt to successor administrations.

[3] *Instituto Argentino de Promoción del Intercambio,* usually referred to as IAPI.

stock, chiefly cattle, ranches. Shifts from one type of farming to the other, depending upon which is more profitable at the time, are typical of Argentine agriculture. If the increased area devoted to livestock had been accompanied by an increase in the exportable surpluses of meat, the government would have been much better able to pay for the program upon which it launched itself so lustily in 1946. But that was not to be the case.

An undetermined but presumably large loss of cattle (and crops) occurred during a protracted drought which began late in 1948, at the beginning of the Argentine summer, extended through 1950, and recurred during the 1951/52 crop year. During most of this time the government was subsidizing meat consumption, boosting wages and social benefits to workers, and otherwise increasing the amount of currency in circulation through lavish expenditures on its own projects. In consequence there was an unprecedented and rapid rise in domestic consumption that led to an enormous increase in cattle slaughter, which, in combination with drought losses, reduced the number of cattle available for slaughter, and hence the supply of beef. Yet it cannot be demonstrated that there was a net reduction in cattle numbers at any time during the Perón regime. Cattle production flourished, but the government did not profit from it. Mistakes and misconceptions at the very outset of Perón's administration, in addition to those already mentioned and in combination or conflict with them, led to consequences that later revisions of policy never succeeded completely in eradicating.

Perón was not an economist. Neither was his first economic minister, Miguel Miranda, who directed the course of the Trade Promotion Institute during its first two years. They appear to have thought that they could set and enforce prices with existing regulatory machinery. In the case of cattle there was already a limited system of official prices—it applied only to steers of export quality—a National Meat Board, and a National Meat Law, Law 11,747 of 1933, which gave the government broad powers to control all aspects of the trade in livestock and meat throughout the country.

OFFICIAL STEER PRICES

The finest types of beef cattle in Argentina had been developed to provide meat for the British and, with the exception of relatively small numbers for the luxury trade at home, had always been destined for that market. Official price schedules were tied closely to those paid by the United Kingdom for meat sold to it under the bulk purchase agreements which had governed the meat trade between the two countries since shortly after the outbreak of World War II.

The first official schedule of prices was announced early in 1941, after the British Ministry of Food had informed the Argentine government that until further notice it could accept only canned meat (5, pp. 20–21). With France out of the war, Germany was exerting the full force of its air and sea arms in the effort to knock out England, and in such conditions transportation and storage of such a perishable item as frozen meat, which made up the largest part of the meat contracted for, was out of the question. Since there was no other export market of any magnitude and since the domestic market could not absorb prime beef at prices the producers were accustomed to receive, the National Meat Board feared that if the emergency were protracted, the quality of herds might not be

maintained, which would jeopardize monopoly of Britain's chilled (cold storage) beef imports after the war. The Meat Board therefore worked out a system of steer classification and carcass grading, which scaled the distribution of payments in accordance with the classification and grades of the steers by quality standards, and not the form in which the meat produced reached the market, i.e., whether as frozen meat, canned meat, meat extract, etc. Although shipments of frozen meat were soon restored, official prices were retained. The meat contracts specified the quantities, types, and grades of the various forms and kinds of meat products to be supplied during a given period, but payments were made to the Argentine government in lump sums for distribution among the exporting firms.

Aside from the fact that it applied only to steers, there were other special aspects of the official Argentine system of steer prices that are central to an understanding of what follows. The prices were guaranteed, but only the meat packing and processing companies engaged in the export trade[4] were obliged to pay them, regardless of whether the steers were to be slaughtered for the export or domestic market. In another respect, the manner in which the official prices applied requires an explanatory digression.

Export packers and processors habitually acquired around 60 per cent of the cattle they slaughtered directly from the producers, a practice that has been called "the distinguishing feature" of Argentine cattle marketings (6, pp. 24–25). (Direct purchases are also made by butchers and meat processors who cater exclusively to local trade,[5] but the immediate discussion does not concern them.) Under the direct purchase system each of the companies had established clients, usually big operators whose offerings at any one time would be sufficiently large to provide enough animals to fill a train of cattle cars. The remaining animals required by the packers were purchased at auction, mainly at the Liniers Market of Buenos Aires—the most important in Argentina and reputed to be the largest cattle market in the world today—or the Municipal Cattle Market of Rosario. Small producers of high quality steers, whose scale of operations precluded their participation in the direct sale method of marketing their cattle, favored the Liniers Market because prices there tended to be better than in municipal cattle markets of Rosario, Córdoba, and Tucumán, and in "auction fairs" throughout the interior.[6]

[4] There are 18 such establishments. Fifteen are, to use the Spanish term, *frigoríficos*, i.e., refrigerated packing plants which specialize in shipments of carcass meat (7, p. 243). Most of them are in the immediate vicinity of Buenos Aires, although there are two at La Plata, 35 miles southeast of the Capital; one at Zárate, around 70 miles to the northwest; one at Rosario, Santa Fé Province; and one at Gualeguaychú, Entre Ríos. The latter two are the most remote of the so-called *central packing plants*. There are three plants that specialize in meat extracts, canned meat, etc. These are located in central Entre Ríos and are known as the *regional processors*. All but two of the export packing and processing firms were foreign-owned in 1946 at the beginning of Perón's presidency.

[5] The number of cattle involved in direct sales by companies not subject to payment of official steer prices is not separately reported in official statistics but is concealed, along with exports of cattle on the hoof, under the heading "Unregistered Sales." Between 1934 and 1945 the unregistered category averaged 15 per cent of total sales for slaughter, with cattle exports accounting for only a minor part.

[6] The premises of the municipal markets are owned by the cities in conjunction with municipal abattoirs. Except in Liniers, the aggregate of sales in the municipal markets is small in comparison with the totals in Liniers or in auction fairs. In addition to large sales of cattle for slaughter, the fairs sell breeding animals, feeders, etc., and other types of livestock. Auction fairs are conducted at regular intervals, though not necessarily daily, at established locations throughout the interior. They are naturally most numerous where the population is heavily concentrated, which happens also to be in the Pampa Region where by far the largest number of cattle are grown.

On all direct steer shipments from producer to packer or processor the official prices were fixed prices; on purchases made in auctions they were guaranteed minima. What the guarantee meant in the latter case was that although the packers could pay no less in auction than the applicable prices on the official scale, the government did not guarantee to reimburse them for auction prices above official levels. The official prices were meant to be enough higher than auction prices to make them noncompetitive. It was the intention of the Meat Board to pass on to the producers as much as possible of the amounts received from the British, converted into pesos at the official rate of exchange. In arriving at the amounts to be allocated at all stages from farm to ultimate market, the Meat Board limited profits of meat packers and processors and exporters of by-products, in order to leave a wider margin to figure on in arriving at the prices it could afford to guarantee to producers. However, foreseeing that there might be times when domestic demand would push auction bids above the official minima, the Meat Board established a Compensation Fund in October 1941 (*8*) to recompense the packers for any payments above official prices, without cost to the government. A levy of four-tenths of a centavo was charged against each kilo of steer beef exported and this was paid into the fund.

If it should be asked why, if there were an opportunity for producers to obtain higher prices than the guaranteed minima by selling at auction, they did not all take advantage of it, the answer is that producers preferred the direct sale method. It had many advantages: cattle arrived at the killing floor in better condition and at better weights because time was saved and one step in the farm-to-packer movement was eliminated. Also, for every time that auction prices moved above official levels, there had been many more occasions when they fell below.

Enforcement of the official system was a function of the National Meat Board. It supervised all sales in the Liniers and Rosario markets, had inspectors on the receiving and slaughter floors of the establishments to which the official system applied, kept sales records, scheduled export shipments, disbursed to the packers the amounts owing them on meat exported, and saw to it that the packers passed on to the producers the amounts due them after deductions of government taxes and levies.

Not only was the Meat Board apparently well organized to enforce official prices and such other regulations as Miranda saw fit to impose, but the direct sale method for cattle and the orientation of the meat and cattle trade of the country would seem to have been ready-made for his purpose.

The orientation of the commercially significant meat trade was toward Europe, because it provided the most lucrative outlets, important foreign exchange, and support for one of Argentina's leading industries. The orientation of the cattle trade was in the direction of Buenos Aires, where 30 per cent of the country's population is concentrated and in the vicinity of which most of the big packing plants are situated. Liniers auctions and direct sales to the central packers regularly accounted for between 55 and 60 per cent of cattle sales for slaughter in all of Argentina and an even larger share of the earnings.[7] So strong had been the combined influence of exports and the Buenos Aires trade that it was cus-

[7] These assertions are based on statistics of the National Meat Board as published in its annual report for 1957, Junta Nacional de Carnes, (hereinafter cited as JNC), *Reseña Año 1957* (pages unnumbered), and statistical series, originating with the Board, published in the monthly reports by the Dirección Nacional de Estadística y Censos.

tomary to gauge the economic well-being of the cattle industry by the prices paid in Buenos Aires–centered marketing outlets. Formerly, the Liniers Market set the tone of cattle prices for the whole country, while steer prices performed the same function for other beef types and grades, but the official steer prices had replaced the Liniers auctions as the strongest influence on all cattle prices. Miranda appears to have accepted the circumstances just described as being so firmly grounded that nothing could alter the pattern; therefore, if the official rates were set at levels considered remunerative by IAPI, there would be no difficulty in enforcing without greatly altering existing machinery.

MIRANDA AND THE OFFICIAL STEER PRICES

No change in existing controls was made initially by Perón's economic planners. The official prices continued to apply only to steers; they continued to be floor prices; only export packers were required to pay them regardless of whether the purchases were made directly from the producers or in Liniers or Rosario auctions. Enforcement of the system continued to be exercised by the National Meat Board. Only one of its functions was whittled down: the full responsibility of negotiating meat contracts with the United Kingdom.

A new contract was in the offing when Perón came to office, and Miranda was appointed chief of the team to negotiate it as part of a more general trade agreement. Actually, Perón had told the Congress in July 1946 that Argentina would not renew the existing agreement and that "on August 20, at midnight—the moment of its expiry—Argentine steers will have the same value as North American steers, which sell at 600 pesos, whereas the said agreement obliges us to sell them at 200 pesos."[8] Nevertheless, negotiations proceeded according to schedule, and agreement in principle was reached in September 1946. The term of the treaty was to be for four years; the general terms of the new contract (the seventh) were to apply for at least two years, starting with October 1, 1946. Prices to be paid by the British during that period would be "at least" 45 per cent higher than in the first contract (*10*), that of October 1939, which would amount to around 7 per cent higher than the prices in the previous contract, the sixth; "definitive" prices were to be worked out later. In addition, the British made a contribution of £5 million to apply to increased costs of production. Perón's July statement, echoed by Miranda, had been recognized as talking big; nevertheless, Miranda's inability to persuade the British to concede more than 7 per cent as the basis from which to negotiate was interpreted as a diplomatic defeat. Miranda thereupon set his sights on obtaining considerably more in the negotiation of "definitive" prices, those to be paid for each kind of meat according to grade and method of processing.

The British were prepared to bargain. They had asked that Argentina sell them its entire meat surplus, but all they had been able to persuade Miranda to concede was 83 per cent in the first year of the contract and 78 per cent in the second, plus any additional part for which other markets were not found. Neither side was willing to make further concessions—the British on prices and the Argentine on a higher percentage of total meat surplus—until the other had done so. This was the situation toward the end of November 1946, when the

[8] From English translation of the speech in *9*, p. 18.

Argentine Central Bank, of which Miranda was President, unexpectedly published a provisional schedule of new official steer prices to go into effect November 30 (*11*, pp. 5–6), which ranged from 22 to 36 per cent higher than those in force under the sixth British contract. Apparently Miranda thought that if he announced higher price guarantees to the producers than were justified by those the British had been willing to agree to they would be bound to honor them. This is suggested by a cryptic insertion in a statement issued by the Confederation of Argentine Rural Societies shortly after the first announcement of the new schedules: "the temporary prices . . . are to be regarded as a minimum, . . . so that any adjustments that may be made cannot be in a downward direction" (*12*, pp. 8–9).[9] The deadlock in negotiations continued.

The new official prices were not put into effect on the date scheduled. Toward the end of December, Miranda personally ordered that they go into force as of December 30 (*14*, pp. 26–27). Again nothing happened. Not until March 24, 1947, were the packers ordered to pay the new prices, although they also had to pay them on all qualified animals purchased since October 1, 1946, the effective date of the contract (*15*, p. 24). The British had added £2 million of "free sterling" to the £5 million already contributed in the trade agreement in return for Argentina's concession to sell the United Kingdom 83 per cent of its exportable meat surpluses during the two years of the contract.[10]

Even in March the new price schedule was labeled as preliminary, because Miranda was still trying to get better terms. However, when final agreement was announced on May 19, the increase over the sixth contract amounted to only 7½ per cent across the board, plus the two cash contributions totaling £7 million sterling; no change was made therefore in the prices as first announced in November 1946. The prices and donations received from the British did not equal expectations. If converted at the exchange rate then in force, it seems doubtful that they were sufficient to cover the 22–36 per cent higher official steer prices and, in addition, subsidize domestic meat consumption and leave the margin of profits the government had counted on receiving through management of the export trade in meat.[11]

[9] The statement throughout had an official cast; as one periodical commented: "It is nowadays anything but unusual for the public to learn about important government decisions in a decidedly roundabout way . . ." (*13*, p. 6).

[10] Dr. Edith Summerskill, Parliamentary Secretary, British Ministry of Food, and Glenvill Hall, Finance Secretary, British Treasury, on March 4 and 12, 1947, respectively, in *16*, pp. 879–82, 1761–62, 1765.

[11] Available statistics, though good of themselves, are not satisfactory for determining what the rate of increase actually might have amounted to because of differences in composition of the shipments. However, since they are the best to be had for this purpose, we used British statistics of meat imports from Argentina during the 12 months preceding the effective date of the seventh contract as a basis of comparison; i.e., 8,131,500 cwts. at a value of £38,421,800 (*17*). Increasing the value total by 7½ per cent and adding £3,500,000 (one-half of £7,000,000 because the prices established in the contract were to remain effective at least until September 30, 1948) to the resultant figure, and dividing by the volume of shipments during the base period gives a unit value 16.6 per cent above the unit value for the base period. It might easily have been possible, by using the Meat Board's system of allocating bulk receipts to favor steers, to have managed the 22–36 per cent increases in the official schedule, but it is hard to believe that there might have been enough left over to pay for subsidizing domestic consumption and still earn a profit for the government. Incidentally, the seventh contract did not run for two years; it expired on December 31, 1947. By applying the £7,000,000 contribution to the value total (£53,684,200) of British meat imports from October 1, 1946, through the terminal date, and dividing by 8,131,500 cwts., the unit value derived is 18.6 per cent above that for the last 12 months of the sixth contract.

The trade agreement which included the seventh meat contract was superseded in February 1948 by a broader agreement (the Andes), which incorporated the eighth contract, to cover meat shipments during 1948. In it the prices that the British were to pay were worked out by the same method as in the seventh (by consultation after a contract framed in general terms), and averaged around 26 per cent above those of the seventh. In addition, another cash contribution was made by the British, this time of £10 million sterling—135.2 million pesos at the basic rate of exchange—to be applied "towards increased Argentine costs of production" (*18*, p. 14) of the agricultural commodities and meat covered by its terms. Of the total, 92,752,000 Argentine pesos were assigned to meat. None of it, nor any part of the better prices received by the government for the meat shipped under the new terms, was passed on to the cattle growers, who continued to receive for their steers the prices set forth in the schedule based on the seventh contract. Not until August 2, 1949, were official prices increased, retroactive to April 1, 1949, the first change in the official schedule since October 1, 1946. The new list followed conclusion of the ninth bulk contract with the British on June 29, 1949. (For official prices of the top grade of steers, 1945–55, see Appendix Note A Table 1.)

Miranda had left the government on January 26, 1949 (*19*, p. 52), but much earlier than that it was plain that his cattle and meat policies had been arrived at without regard to the economics of market operations and certainly not to those which had been evolving in the Argentine cattle trade for some time.[12]

From the beginning of the official price system in 1941, bids in cattle auctions had tended to climb toward the levels of the guaranteed steer prices, especially since wartime prosperity, the limited supply of consumer goods, a growing population, and a reduction of slaughter-grade cattle between 1942 and 1945 had spurred domestic demand. When the October 1, 1946 steer prices were put into effect in March 1947, they were still above the average auction range in the Liniers Market, which, however, had been moving up in spurts since the new scale was announced the previous November. By mid-May 1947 the auction markets had caught up with and passed official prices.

Even though the cattle cycle was on the upturn, the domestic demand mounted faster under the impact of Perón's program. One effect calls for special treatment, the meat subsidy, which went into effect on January 1, 1947.

THE BUENOS AIRES MEAT SUBSIDY

Perón's strongest support came from the "shirtless ones," the laboring class, and one of the rewards as well as one of the costs he saw fit to pay to insure a continuation of that support was cheap meat. The politically significant part of the labor force was concentrated in the Federal Capital and its environs, yet the meat subsidy in the beginning *applied only to meat sold in Buenos Aires proper.* Buenos Aires is a huge city (the 1947 census reported the population of the Capital itself was in excess of three million; the suburbs added another million), and

[12] Preceding acceptance of Miranda's resignation on January 26, the government had been reorganized. The duties he had held were divided between two new Secretariats: Finance and Economy, and the posts were assigned to two young men, Alfredo Gomez Morales and Roberto A. Ares, described by *The Economist* as "academic economists" (*20*, pp. 662–63).

the amount of meat required to supply its population even without a subsidy is enormous.[13] But all the subsidized meat sales were not to inhabitants of the Capital. Like all large urban complexes, it is surrounded by bedroom suburbs, many of whose citizens work in Buenos Aires. Heads of households who formerly had nothing to do with the purchase of provisions for the family table became buyers of meat and other subsidized foodstuffs on their way from place of employment to station. Housewives or servants from the suburbs deserted neighborhood shops and traveled to the city to buy their supplies. All of this, of course, caused the demand for meat animals to be stronger than it would have been otherwise. But the prices paid in Liniers Market auctions were higher even than the accelerated demand would have induced had it not been for another aspect of government intervention in the meat trade.

Only the concessionaires of the Municipal Packing House of the City of Buenos Aires were eligible for reimbursement of the losses arising from the mounting prices paid for cattle in Liniers Market auctions and the low subsidized prices of beef at the retail level in Buenos Aires. The concessionaires together formed one of the four largest slaughtering operations in the country, but separately competed with each other and with other habitual buyers in the Liniers Market. In December 1946 the licensed concessionaires were "violently dislodged from the premises and from the possibility of slaughtering . . ."[14] and were replaced by four of IAPI's own choosing. Apparently there was no upper limit to the amounts that the Trade Promotion Institute would repay them to make up the differences between the low prices at which they could sell meat and the high costs of operation and of cattle. There was no incentive to them to exercise restraint in their bidding.

With steer prices in cattle markets vying with and frequently above official levels,[15] more and more big producers who in the past had dealt exclusively with the packing companies began sending their cattle to the cattle auctions.[16] Direct sales to central packers dropped by 390,000 head in 1948, with steers accounting for more than 210,000 head of the decline. The companies therefore had to buy more of their steer requirements in the open market at prices above the official level. Receipts into the Compensation Fund (see p. 154) were soon inadequate to the demands upon it; yet Miranda refused to permit overprices on steers

[13] It is difficult to segregate the data for the Capital alone, in terms of the number of cattle required to supply the beef consumed there. Cattle slaughter for consumption in the central packing houses, the national packing house of the City of Buenos Aires, and the abattoirs of greater Buenos Aires was 785,000 head higher in 1948 than in 1946, an increase of 25 per cent. Beef production in these establishments was 123,000 tons (26 per cent) higher (*21*). For the Federal Capital total meat supplies were 19 per cent higher in 1948 than 1946, but there was a decline in mutton and pork production (*22*).

[14] Communication of D. A. Salerno, representing the meat suppliers, to the Honorary Advisory Commission of the National Meat Institute (*23*, p. 35).

[15] "Prices [paid by the companies subject to the official system] for other cattle are said to be free, but show a direct relationship to steer prices. . . . Prices for cows [are at a] 10 to 15% discount from the scale for steers" (*26*).

[16] Aside from the level of prices, there was another aspect of the 1946 official schedule that contributed to higher deliveries of steers to auction markets. No steer was eligible for sale in the two top grades if it dressed out to less than 160 kilograms per side; that is, the animal had to weigh approximately 515 kilograms (1,170 pounds), liveweight, to qualify for sale in those grades, no matter how highly it otherwise might be graded and classified. Since the Argentine taste is for the less full-flavored flesh of younger, leaner animals, there was ample opportunity for producers of choice breeds to dispose of them at auction instead of holding them on pasture until they reached the specified weight.

purchased at auction to be figured in the compensation payments to the packers, as had been the case formerly.

In mid-1948 the companies subject to the official system informed the government that they would buy only so many cattle as current income permitted. They matched their performance to their word. When the government was finally convinced that they were not bluffing, it agreed to a more realistic basis of payments to them (*24*, pp. 5–6; *25*). Nevertheless, slaughter for the export market was so low in 1948 that shipping quotas under the eighth British contract were not met, and this at a time when meat exports had become more important to the government than they had been earlier.

Meat was the one big export item for which the foreign demand remained lively, yet domestic consumption was cutting into export surpluses. It had been the government's intention that the Buenos Aires consumer should be subsidized by meat exports but not at the expense of the export flow. Miranda was in a quandary. Political considerations barred serious contemplation of abandoning the meat subsidy. Yet more meat had to be made available for exportation to counterbalance the falling off of profits on the agricultural staples. The problem was how to eat one's meat and have it too. Direct shipments of steers to the export packers could have been restored to former levels by raising official prices above auction levels, but that would have cut into the anticipated profits that the government had earmarked for itself. Miranda explored the situation with the Minister of Agriculture; the result was a statement to the effect that the suppression of cattle markets was being considered, ". . . since the National Government could guarantee stable prices for these products, as occurs at present with those products originating from arable farms . . ." (*27*, p. 15). A commission composed of economic officials of the government, under Miranda's chairmanship, was appointed to explore how best to accomplish it and, as part of the endeavor, how to improve cattle marketings and other points concerning cattle and meat supplies.

Price stabilization, though implicit in government planning since Miranda became Economic Administrator in 1946, had not before been so explicitly stated as a goal of the official steer policy. Without stabilization, it had become apparent that the high profits on meat exports that had figured in the government's economic plans would be whittled down. The consensus of the government's economic planners was set forth in a communiqué issued in November 1948. They recommended that "all cattle marketed for export should be sold directly to the packers without passing through any market," and noted that additional measures were also under consideration: "the advisability of fixing basic prices, both for home consumption and for export; rules for getting better results from pastoral lands; [and] the necessity of restricting exports of livestock on the hoof . . ." (*28*, pp. 8–9). (Cattle exports had risen phenomenally since 1946.) The next month the government announced that it was contemplating the abolition of the Buenos Aires livestock markets (*29*, p. 20).

What was wanted was to restore official steer schedules to their former influence on cattle prices, but it is questionable whether, even in 1948, the abolition of Buenos Aires auctions could have accomplished the desired end. During that year steer sales in the country as a whole were almost 200,000 head lower than

in 1947,[17] but direct steer sales to central packers were down by 210,000 head (23 per cent) and entries in the Liniers Market by close to 100,000 (9 per cent). Formerly the interior markets would have been the first to feel the effects of a country-wide falling off in steer sales, and the central packers the last. No longer were the official prices, which only the export packers and processors were required to pay, the lure they once had been, but the Buenos Aires meat subsidy, with the fillip it at first had given to Liniers auction prices, was not doing enough for steer prices to overcome the attractiveness of other, formerly less favored markets.

In the circumstances, the contemplated "basic" prices could not have been enforced. The government could not even control sales at its own doorstep. The black market flourished. Slaughter in registered suburban abattoirs rose phenomenally. Clandestine slaughter followed suit, as new slaughter yards began to appear in the suburbs to take advantage of the ballooning demand in the center. Their production frequently reached the customers through the same retail channels that handled the subsidized meat from the municipal plant. Even so, supplies were frequently tight. Attempts of the government to halt the black market trade through pressure on the Union of Meat Suppliers were met with defiance. Whereupon, the government removed the officials of that body (23), but to no effect.

This was the situation when Miranda left office in January 1949. The internal effect of his handling of the cattle and meat situation had been to weaken the official price system, the one element in the marketing chain over which there already existed a measure of control when Perón came to power, the kind of control that Miranda belatedly had concluded would have to be applied on a broader scale if the meat export monopoly were to be made to contribute larger earnings to IAPI's funds.

CONTROL SCHEMES FOR CATTLE MARKETS

Miranda's successors acted to recover the ground he had lost. As stated earlier, they raised official steer prices in August 1949 by 35 to 40 per cent, according to grade, in order to revive direct sales. They did not do so, however, until they had abandoned the subsidy for meat sold in the Federal Capital, which was done early in July, in the hope of reducing domestic consumption and the competition for meat animals that it had created. In November they took another action that requires preliminary explanation.

Miranda had come to realize that it was fruitless to attempt to impose price controls beyond the Buenos Aires area because of the shortage of refrigerated storage and transportation facilities. There were some twenty meat companies in the interior equipped with refrigerated storage space (7, p. 243), but their facilities were adequate to maintain only sufficient reserves for their immediate vicinities. It was unlikely that they would have submitted willingly to attempts by the government to bring them into a central control scheme. What the

[17] This was probably not clear at the time. Sales records were assembled currently for sales in the Liniers and Rosario markets and direct sales to export packers and processors, but there was a lag in reporting sales elsewhere. Incidentally, the 1948 decline was not caused by the drought, which did not begin to be felt until toward the end of the year, but by heavy slaughter in 1947, the highest since 1941.

government wanted was a series of government-controlled cold storage plants throughout the main livestock zone to serve as centers to which cattle from each vicinity could be shipped directly and from which meat supplies could be distributed as best suited to the purposes of the administration.

The nucleus of such a network already existed. The Meat Law of 1933, in addition to creating the National Meat Board, had provided support for a domestic meat-packing industry to be owned co-operatively by a compulsory organization of cattle producers, whose capital was derived from a tax on all livestock slaughtered in the country (the tax also provided the operating expenses of the National Meat Board). The co-operative, the Corporation of Argentine Meat Producers—*Corporación Argentina de Productores de Carnes*—known as CAP, had not lived up to expectations. Prior to Perón only three small plants had been acquired (*30*, p. 8). Even if wartime conditions had permitted a more vigorous program of development, there was such serious dissension among the major shareholders—shares were distributed on the basis of tax contributions by individual producers—who did not favor building up a big domestic packing industry, and the smallholders, who did, that the government intervened in the management of the organization in 1943 (*31*, p. 5). The intervention was terminated in July 1946 (*32*, p. 1035). While Miranda was pondering the problem of how to restore the effectiveness of the official steer prices without increasing them, he requested that Congress authorize an increase of the Corporation's capital from 100 million pesos to 250 million, in order that it might establish "packing plants in the provinces . . . 'to rationalize' the domestic consumption of meat . . ." (*33*, p. 12). This was done in September 1948.

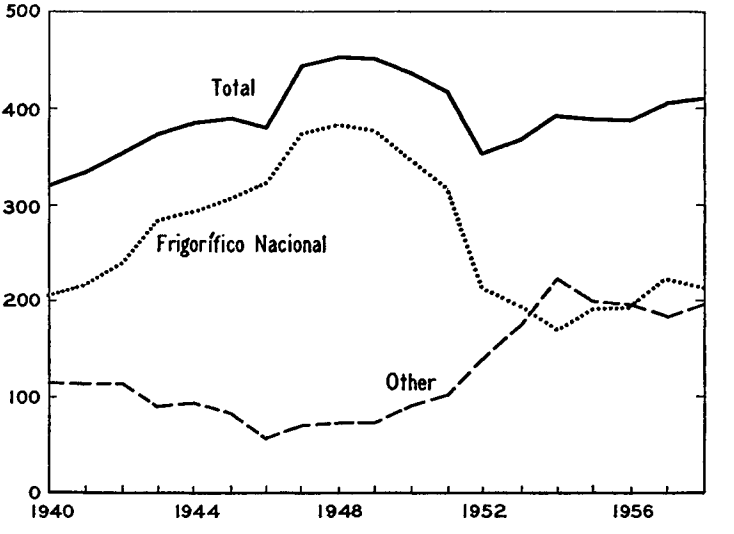
Miranda obviously regarded CAP as a potential instrument of national policy, and his successors made it one. CAP's chief function had been to bid up prices in Liniers auctions whenever they showed signs of a serious fall. When the government canceled the meat subsidy for Buenos Aires in July 1949, meat prices soared, but buyer resistance soon developed, leading in turn to a drop in the demand for cattle and hence in auction prices. This should have been a signal for CAP to spring into action, but this time it did not do so, though not from failure to try. Regarding CAP's relationship with the government as quasi-official and the duty to the shareholders paramount, the directors of CAP found themselves in fundamental disagreement with the economic officials who were determined to hold down cattle prices. Thereupon, early in November 1949, the administration "accepted the resignation" of the managing director, and Perón by executive decree once more intervened in the management of the Corporation. According to the director appointed by Perón, CAP's duty was to make its purchases "at prices the State considers reasonable, without pretending to assume a role greater than the one to which it is entitled nor less than it is obliged to take" (*34*, pp. 15, 29–30).

The meat subsidy was reinstated in November 1949 because, even with lower cattle prices, inflation had caused meat prices to be higher than consumers were prepared to pay. Discontent among the laboring class carried a threat of political repercussions; hence, the restoration of what subsequently were to be known as the "political prices" of meat, but with modifications in scope. The subsidy was extended to the suburbs which together with the Capital came under the desig-

nation "Greater Buenos Aires." Distribution of meat at all levels within the boundaries of Greater Buenos Aires was to be in the hands of licensed vendors, who were required to observe the price limits set by the National Meat Board, which were raised to prevent the rampant consumption of the first subsidy period. The concessionaires of the Municipal Packing House of Buenos Aires were obliged to exercise restraint in their bidding, and other recognized packers in the area were allowed larger participation in supplying the subsidized market. (Chart 1 shows the effects of the January 1947–July 1949 subsidy and of the

CHART 1.—Meat Supplies for the Federal Capital*

(*Thousand head*)



* Based on Dirección Nacional de Estadística y Censos, *Boletin Mensual de Estadística* and its predecessor, *Síntesis Estadística Mensual*. Data for the period 1940–50 from January 1954 issue; for the period 1951–54 from December 1956 issue; for 1955 from August 1957 issue; for 1956 from October 1958 issue; for 1957 and 1958 from August 1959 issue.

favored position the Buenos Aires Packing Company previously enjoyed, together with the effects of the new regulations on the distribution of packing house slaughter.)

Late as it was announced, the new schedule of official prices brought about an improvement of direct sales that made the total for 1949 higher than that of 1948, although the gain was made at the expense of the Liniers Market, not the interior. The improvement was not carried over into 1950, when shipments of steers from ranch to packing house were smaller even than in 1948. In this case, it cannot be said that the decline was attributable to the inadequacy of the official rates. The British contract came up for renegotiation in April 1950 and an impasse on prices developed almost at the beginning of discussions. In what looked like a page from Miranda's notebook, the government raised steer prices on June 7, 1950 to around 23 per cent above the 1949 list. When the British remained adamant, Perón suspended meat shipments to the United Kingdom in mid-July, and they were not resumed until the following April.

Shortly after the export ban was imposed, an administration-sponsored bill was introduced into the Congress for the purpose of giving legal sanction to a set of controls that were an extension of those proposed by the Miranda Committee in October 1948. It called for repeal of Law 11,747 of 1933[18] and substitution of new legislation that would make the government all-powerful in matters relating to the livestock and meat trade at whatever level (*35*, pp. 2957–63).

It goes without saying that the new bill passed. A Livestock Institute was created to carry out "the economic policy . . . the Executive Power may devise" (*36*, p. 13). The levy against receipts from cattle slaughter was doubled in order to provide its working capital; also a part of its capital were the Liniers Market and National Packing House of Buenos Aires, which were transferred to it from municipal ownership. (Since the municipal government of the Federal Capital is somewhat analogous to that of the District of Columbia, the transfer was similar to substitution of one federal authority for another.) Control of interior markets, including traffic in meat and meat animals throughout the country, fell within its province. CAP was to figure in the plan by acquiring abattoirs and refrigerated warehouses to provide the Livestock Institute with the facilities needed in the exercise of its functions.

TEST OF THE NEW MEAT LAW

The test of the new organization began in July 1951. A new meat contract, in which the British conceded a big increase in prices, was signed on April 23, 1951 and led to a resumption of exports to the United Kingdom. Official steer prices based on the new contract were not raised until July 13. Had they been announced in April, they would have been above prices then current in Liniers. However, as soon as the export packers began buying to fill British contract shipping quotas, prices moved up, and, by the time the new official lists were published, auction prices were higher (*37*, p. 5). During the first two weeks of July cattle entries at Liniers had been 30 per cent above those of the same weeks of the three preceding years, yet auction bids soared. Before issuing the revised official prices, the government tried to bring auction prices down by reducing market competition in order to bolster direct shipments to packers, which had fallen off in consequence of the greater attractiveness of the open market. A drastic cut was ordered in slaughter for export orders. Ceilings on subsidized meat prices in Greater Buenos Aires were raised on an average of 34 per cent. And when the new steer schedules were announced they were made ceiling prices (*37*, p. 3).

For almost ten years (October 1941–July 1951), there had been no change in the manner in which the official system worked: for direct sales, the official prices were fixed; in auction purchases, they were guaranteed minima. Under the new order, the only guarantee was on direct sales.

[18] Although Law 11,747 had given the National Meat Board broad powers with respect to trade of the interior, its principal preoccupation had been to protect the interests of producers of export-type cattle. The identification of its interest with theirs was so close that the producers had come to regard it as their organization. This led to conflicts of interest in the Meat Board when the administration adopted a policy of trying to stabilize cattle prices. Since Law 11,747 gave the Meat Board administrative autonomy within the government, it had tried tenaciously to retain its prerogatives and the function assigned to it by existing law, making a new law and a more tractable council necessary from the point of view of the economic planners in the government.

In one respect the new regulations succeeded. Liniers prices plummeted. The volume of Liniers cattle entries did likewise. During the first weeks of August 1951 receipts were so low that they could supply little more than half of the amount of meat normally consumed in the metropolis. Moreover, direct shipments of packers did not revive to the extent anticipated. Therefore, in mid-August meat exports were suspended for two weeks.

For the first time the Capital was feeling the adverse effects of the long drought. To that time the drought had contributed to already large cattle sales for slaughter and exportation, which during 1947–50 averaged the highest of record to that date,[10] as the following tabulation shows (in million head):

1946	7.5	1951	8.6
1947	9.1	1952	8.3
1948	9.0	1953	7.3
1949	9.0	1954	7.6
1950	9.5		

The heavy cattle sales during June and early July 1951 were partially caused by a reappearance of drought conditions. Buenos Aires would have been short of supplies in any event, but the July regulations dramatized a situation that few seemed to have been aware of because the government had halted publication of the official statistical series in 1948 and did not resume publication until early in 1951, with 1950 statistics, and since that time had not carried reporting past the first quarter of 1951 (*37*, p. 6).

Despite the smaller cattle deliveries to Buenos Aires–centered outlets, the government was convinced that there were cattle to be had. When receipts at Liniers and the central packing plants did not revive materially by the end of August 1951, the government extended the export suspension, but in early September it also issued a set of stringent decrees aimed at forcing producers to ship to the metropolitan outlets and at controlling the black market.

> Slaughter quotas were assigned to abattoirs on the outskirts of Buenos Aires, whose business had soared as sales to the central markets and packing houses slumped; commercial slaughter in unregistered establishments was prohibited, as was also slaughter for home consumption within 50 miles of Buenos Aires; no new slaughter houses were to be authorized. Producers were ordered to ship cattle to the Buenos Aires market according to weekly quotas based upon October–December 1950 shipments, and railway dispatchers were required to help enforce the ruling by seeing that the same number of loaded cattle cars left their stations for Buenos Aires as in the base period (*37*, p. 12).

Packers were forbidden to buy in auctions; they could buy only from producers on direct consignment. Liniers prices were made the control prices for all auction markets in the country, but, under the new regulations, Liniers auctions were not "essentially governed by the free interplay of supply and demand . . . [but were] under the operation of maximum prices intimated to the market by the

[19] The earlier record had been 8.3 million head in 1924; the average for 1940–45 was 7.0 million head.

National Livestock Institute" (*38*, pp. 21–22).[20] (Presumably the government informed auctioneers just how high bidding was to be allowed to go, but did not publish the limits for fear producers would not send their cattle to Liniers if they knew that the government had imposed ceilings on prices there.) Producers, commission agents, auctioneers, and sales operators in the interior were to be held responsible for observance of control prices there. Defiance of the new regulations, if discovered, would lead to confiscation of cattle (*37*, p. 12).

As with other Perón policies, this one attempted to counteract earlier failures by doing too much too fast. The September decrees were a fiasco, a complete defeat for the government. Cattle arrivals at the Liniers Market came to a virtual standstill until the government, acting on the advice of the Argentine Rural Society, offered special bonuses for immediate shipments to the Capital.[21] There was sufficient response to permit lifting the export ban in mid-October,[22] but even then local supplies remained low.[23]

Monthly entries of cattle during the second half of the year averaged 40 per cent less than in the first six months; for steers, the drop was close to 60 per cent. Liniers steer sales for the whole year of 1951 were slightly higher than in 1950 because of the heavier entries there in the first part of the year resulting from curtailment by the packers of direct purchases during January–April when the embargo on exports to the United Kingdom was still in force.

Cattle sales for slaughter in the whole country were 930,000 head lower in 1951 than in 1950.[24] The decline raised a number of disturbing questions. Were drought losses heavy enough to account for so large a drop? Did the peak marketings of 1950 mean that cattle growers were curtailing production because of the unfavorable prices and conditions imposed by Perón? Questions such as these continued to recur during the next three years. Total sales in 1953 were 2.2 million less than the 1950 record, with only a slight upturn in 1954. What was happening to cattle numbers?[25]

[20] Incidentally, this was one of the few functions assigned to the Livestock Institute by the new regulations, although under the 1950 meat law all of them were within its province. However, a number of other bureaus and agencies were given the responsibility of enforcement. It may have been that the authorities felt that the Institute mishandled the July crisis. Whatever the explanation, the Livestock Institute had a short life. It was replaced the following year (October 1952) by the National Meat Institute. (The old name, the National Meat Board, and functions were restored by the Provisional Government in 1957.) All these changes meant that there were changes in the top echelon, but the structure and the main body of the staff were the same as under the original National Meat Board.

[21] The spokesman of the large producers, the Rural Society, had maintained that they were not defying the government, but at the same time suggested that they might be induced to ship cattle to Buenos Aires if bonuses were offered.

[22] Raising of the embargo was a token gesture. Contract shipments thereafter were never fulfilled during the period covered by an agreement. When the termination of the meat subsidy in Britain in July 1954 was accompanied by abandonment of state trading in meat, the arrears under the final Argentine contract were so large that another year passed before Argentina could take advantage of the free market in the United Kingdom.

[23] Combined Liniers and direct sales in September were close to 80,000 head under Liniers sales for slaughter in September 1950; the combined sales in October 1951 were also less than those of Liniers alone in 1950, but by a narrow margin.

[24] Computed from totals in *39*, p. 96, and *40*.

[25] Perón undertook to provide an answer to the question of cattle numbers by ordering an extraordinary livestock census in November 1952, but it only added to the confusion because it was taken in the Argentine spring when numbers were swollen by the spring calf crop, making it incomparable with earlier censuses and subsequent surveys made at midyear or reasonably close to it. The surveys were based on questionnaires in the major producing provinces, adjusted by spot checks and observations throughout the country.

Cattle Numbers[26]

As the accompanying table shows, between the census of May 10, 1947 and the survey on June 30, 1954 the cattle population is estimated to have risen by 2.5 million head, averaging around 356,000 head per year. This is in contrast to an average increase of 780,000 head between the censuses of 1937 and 1947.

TABLE 1.—CATTLE NUMBERS, ARGENTINA AND PAMPA PROVINCES, 1937–56*

(*Million head*)

Date	Argentina		Pampa Provinces[a]		
	Total	Increase	Total	Per cent of total	Increase
Census, 6/30/37	33.2	1.0[b]	24.1	72.6	2.3
Census, 5/10/47	41.0	7.8	31.6	76.8	7.6
Survey, 6/30/54	43.6	2.5	33.7	77.3	2.1
Survey, 6/30/56	46.9	3.3	36.9	76.7	3.2

* Source: Junta Nacional de Carnes, *Reseña Año 1957*, "Evolución de la Existencia de Ganado Vacuno en la República Argentina, Según los Censos y Principales Investigaciones Ganaderas Realizados a Partir del Año 1930."

[a] Buenos Aires, Córdoba, Entre Ríos, La Pampa, and Santa Fé.

[b] Outside of the Pampa Region, most provinces had experienced a decrease in livestock numbers since 1930, the date of the previous census.

In the Pampa Provinces, in which by far the greater number of cattle in the country is concentrated, the annual increase between 1937 and 1947 was around 750,000 head. From May 1947 through June 1954 it was 300,000 head.

The annual averages are merely suggestive. Conceivably all of the gain may have been concentrated in the last few years before the 1954 survey; there may even have been a decline between 1947 and 1951, caused by drought losses, on the magnitude of which there is no agreement, and the enormous slaughter and export totals in 1947–50.

The following totals (in million head) are higher than those given above (p. 164) because they include estimated farm slaughter:

1946.....	8.2	1951.....	8.1
1947.....	9.7	1952.....	8.8
1948.....	9.6	1953.....	8.0
1949.....	9.5	1954.....	8.2
1950.....	10.0		

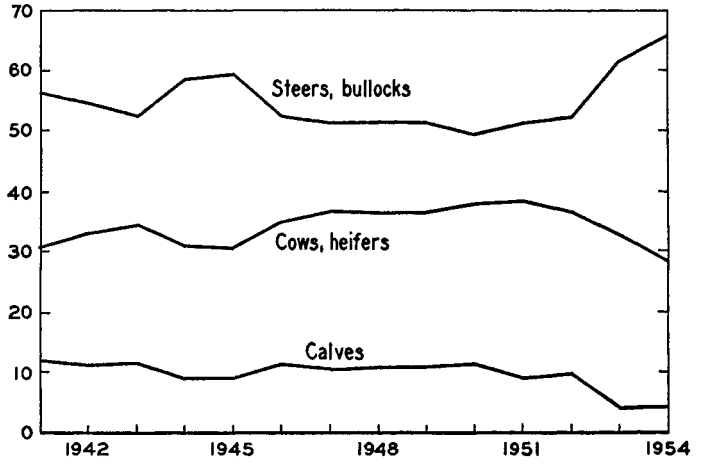
In Argentina the prudent level of herd reduction in any year is considered to be around 23 per cent of the total. In 1947 the total was 23.7 per cent of the cattle population reported in the census taken in May 1947, the seasonal equivalent of November in the Northern Hemisphere, by which time the autumn sales (those of March and April usually are the heaviest of the year) had already taken place. The somewhat lower slaughter during the next two years might well have been within the margin of safety if drought losses were not too heavy.

[26] The present discussion pertains chiefly to the period 1946–54. A more detailed treatment retrospective from 1956 back to 1937, together with statistical tables, charts, and maps, is given in Appendix Note B.

Overslaughter does not necsesarily mean that the commercial reduction of herds is too large in relation to the total livestock inventory. It has to be interpreted in terms of the composition of the cattle population and the composition of slaughter (Chart 2). Cows and heifers appear to have bulked too heavy in the

CHART 2.—Composition, Cattle Sales for Slaughter and Exportation, 1941–54*

(Per cent of total)



* Computed from Junta Nacional de Carnes, *Reseña Año 1957*, "Composición por Clasificación de la faena registrada . . . ," and *ibid.*, "Evolución de la Exportación de Vacunos en Pie . . . ," which add up to total cattle sales for slaughter in *ibid.*, "Evolución de la Comercialización de Hacienda Vacuna . . . con Destino a Faena y Exportación en Pie . . ."

The breakdown on which the chart is based is for commercial transactions only, since the composition of farm slaughter is not known.

In Argentine usage, steers (*novillos*) are castrated male cattle of approximately 2 to 3 years of age, while bullocks (*novillitos*) are yearling steers.

totals, at least through 1952, particularly since the proportion of cows reported in the 1947 census was low as compared with the breakdown for 1937 (see the accompanying table). Even so, with 5.4 million heifers at mid-1947 and sales for slaughter for the whole year amounting to 1 million head, there should have been at least 8 million cows in 1948, even including farm slaughter. The large calf crop in 1947, approximately half of which were female, and the relatively low commercial slaughter rate for calves thereafter could have supplied replacements to make up for the abnormal 1947–52 slaughter record for cows if drought losses of calves and breeding stock were not too high. But maintenance of numbers was not enough. They had to be increased to keep pace with the growth of the human population, the wider spread of purchasing power, the meat subsidy in Buenos Aires, and the foreign demand.

Even if there had been no decrease in total cattle numbers, there must certainly have been a reduction in steers. This assertion is made on the assumption that in the period under discussion there was little carry-over in the number of steers from year to year for extra fattening, because of lively demand. Yet steer sales were comparatively little higher than the 1937–46 average, for the obvious reason that replacement stocks were lowered by the almost tripled depletion of bullocks.

TABLE 2.—COMPOSITION OF CATTLE HERDS, AND CATTLE SALES FOR SLAUGHTER AND EXPORTATION, 1937–54*

(*Million head*)

	Cows[a]	Heifers	Steers	Bullocks	Calves[b]	Bulls oxen, etc.[c]	Total
Census total, 6/30/37 ...	14.4	4.1	2.3	3.2	7.4	1.5	33.2[d]
(per cent of total)	43.6	12.6	6.9	9.7	22.6	4.6	100.0
Sales, 1937–45[e] (average)	1.7	.7	3.4	.4	.8	.1	7.1
Census totals, 5/10/47 ...	16.7	5.4	3.3	3.8	10.0	1.8	41.0
(per cent of total)	40.8	13.0	8.1	9.3	24.4	4.4	100.0
Sales, annual: 1947	2.4	1.0	3.7	1.0	.9	.1	9.1
1948	2.2	1.1	3.5	1.1	1.0	.1	9.0
1949	2.1	1.2	3.5	1.2	1.0	.1	9.1
1950	2.3	1.3	3.5	1.2	1.1	.1	9.5
1951	2.2	1.0	3.4	1.0	.8	.1	8.5
1952	2.0	1.1	3.2	1.2	.8	.1	8.4
1953	1.7	.7	3.6	.9	.3	.1	7.3
1954	1.5	.6	4.2	.8	.3	.1	7.5
Survey totals, 6/30/54 ...	17.9	5.8	4.0	4.6	9.4	1.9	43.6
(per cent of total)	41.0	13.4	9.2	10.6	21.6	4.2	100.0

* Source: Junta Nacional de Carnes, *Reseña Año 1957*, "Composición de las Existencias de Ganado Vacuno . . . , según los Censos y Principales Investigaciones . . ." ; *ibid.*, Tables, "Evolución de Comercialización de Hacienda Vacuna . . . con Destino a Faena y Exportación en Pie, . . . Cifras asolutas." Columns may not add up to totals because of rounding.

[a] Includes dairy cattle.

[b] 1937 census—male calves represent 10.9 per cent of total, female 11.3 per cent; 1952 census, 12.2 per cent for each sex; 1954 survey, 10.7 per cent male, 10.9 per cent female.

[c] Annual sales in this category under 100,000 head prior to 1941; over 100,000 but less than 115,000, 1942–46 (except 1945: 97,000); 120,000–144,000, 1947–54.

[d] Total includes 9.6 thousand head in the Federal Capital, without discrimination as to sex and age.

[e] Except for steers, these averages were all raised by a marked advance in 1946.

The foregoing provides one of the explanations of the shortage of cattle sales to the Buenos Aires-centered outlets that began in 1951 and were critical through 1953. But what about the 500,000-head increase in 1950 sales for slaughter? Was it entirely the consequence of big demand, or did some of it represent premature disposition to forestall further drought losses? Or did it mean, as has been said, that producers were closing out because it was not financially rewarding to do business under Perón? The evidence does not support this last claim. Three million hectares were added to the livestock area of the Pampa Provinces between 1947 and 1950 (*41*, p. 90),[27] yet the National Meat Board argues that official prices for the cereals and linseed were more favorable than those for steers during the period.[28] If this were the case, one must therefore look for other explanations of the shift of land from crops to pasture during these years. The drought, not prices, certainly had something to do with it, and the land might have reverted to former crops if the price relationship had not been more favorable to cattle growing thereafter (*42*). Prices notwithstanding, cattle production actually may

[27] The increase was from 33.4 million hectares, the average for 1945–49, but was 3.7 million above 1949.

[28] According to a parity-price index which measures steer prices in terms of the quantity of cereals and linseed that could be purchased by 100 kilograms of steer, live weight, paid for by central packers at the basic official rates.

have been more profitable prior to 1950 because increased costs (taxes, farm equipment, wages, shipping) fell more heavily on the crop farmer, and for an added reason having nothing to do with prices or costs, but with other income.

As was explained earlier, the typical Argentine farmer is a renter, and the livestock producer a land owner. Rents had been frozen by law since 1943. With inflation eroding rental income, many producers canceled leases and turned the acreage into pasture. Whatever the explanation, as early as 1948 it was reported that high prices were being paid for breeding stock because cattle production was regarded as the most promising form of agricultural enterprise (*43*, p. 7).

From 1948 through 1954 the most financially rewarding branch of cattle production was the growing of breeding stock (*42*, p. 52). Livestock production had become speculatively attractive, thereby contributing to the meat shortages because many animals usually sold for slaughter were retained or sold for breeding. The active demand and the high prices it inspired had caused established cattlemen to change their production practices; breeders and fatteners abandoned specialization and began to handle herds through the stud-to-market cycle. Small scale cattle ranches multiplied as landowners took over farms previously leased to grain growers and operated them on their own or sold them to nonfarmers attracted to the livestock industry because of the profits it seemed to assure.

Drought losses and herd expansion explain the drop in total cattle marketings following 1950, but they do not tell the whole story of what happened to Liniers and direct sales under the official price system. To return to 1951, when the decline amounted to 930,000 head, with steers making up to 68,000 of that figure, total cattle deliveries in the Liniers Market of Buenos Aires and direct sales to meat packers and processors were almost 1.4 million head lower than in 1950, of which steers accounted for 207,000. That is, the very market outlets that the government was trying to use to stabilize prices throughout the country, those that in combination had been the focal points of the cattle trade, experienced a diminution in sales that was more drastic than the decline for the country as a whole. Furthermore, the municipal markets of the interior, where the government had succeeded in establishing controls, also suffered. On the other hand, auction fair and unregistered sales were nearly 400,000 head higher than in 1950. Unregistered sales outlets received 214,000 more steers than in 1950, although purchases of all other cattle by them rose by only 100,000 head. Cattle sales in auction fairs were close to 300,000 head higher; steers represented 15,000 of the increase.

What had happened was typical of the market response to every government attempt until 1953 to stabilize prices or impose marketing controls: each was followed by a pronounced falling off in sales in the more easily regulated markets. The steps in the process already discussed are recapitulated below, with some additions.

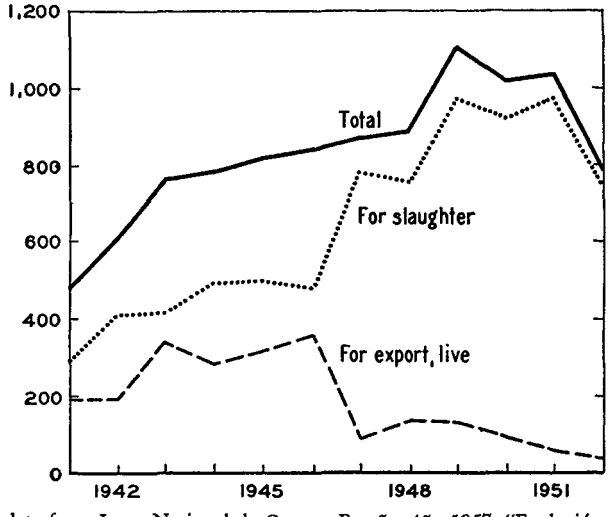
EVASION OF MARKETING CONTROLS

The first reaction was the diversion of steers from outlets where the official prices were fixed, that is, away from the direct method of sale to central packers and authorized regional processors. Through mid-1951, most of the diversion

was to the Liniers Market, because the official prices applied there and at Rosario as minima, not at fixed levels as in direct sales. In 1948, cattle exports, which had been much above normal since 1944, began to cut into the availability of cattle for export slaughter for the United Kingdom and other countries whose currency was needed to pay for imports. The government thereupon made exportation of cattle on the hoof subject to prior permit (*44*, p. 8). Steer exports dropped in 1949 by 270,000 head, but the decline did not produce the relief anticipated; it merely increased unregistered direct sales in the interior (see Chart 3). In July

CHART 3.—Unregistered Steer Sales*

(Thousand head)



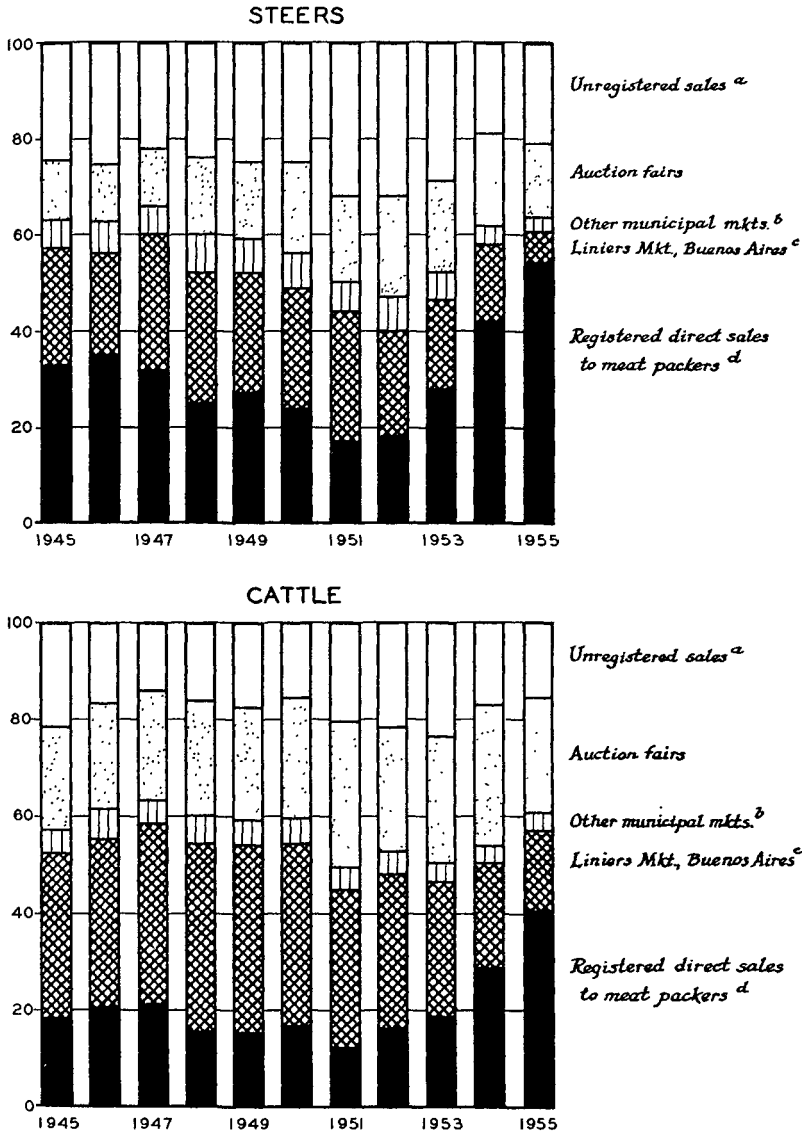
* Based on data from Junta Nacional de Carnes, *Reseña Año 1957*, "Evolución de la comercialización de hacienda vacuna de la República Argentina, con destino a faena y exportación en pie, durante los años 1934 a 1957, por Lugar de Operación. II.a) Novillos. Cifras asolutas," and *ibid.*, "Evolución de la exportación de vacunos en pie, por clasificación, durante los años 1934 a 1957."

and September 1951, after the government attempted to impose price ceilings in the Liniers Market, directly on export type steers and indirectly on all cattle, with both sets to serve as basing prices for sales all over the country, there occurred the resistance already described. The effects were more severely felt for steers than other cattle, and direct sales subject to official prices more than deliveries to Liniers (Chart 4). And direct steer shipments to central packers which needed steers of the best grades to fill export orders for carcass beef, in addition to canner types, fell off more than those to regional processors which exported canned meats and beef extract. This is not shown in Chart 4, which combines sales to both groups, but the following tabulation makes it clear (in per cent of total steer sales):

Year	Central packers	Regional processors
1946	28.3	6.6
1947	24.9	7.0
1948	20.2	5.1
1949	22.1	5.1
1950	18.6	5.9
1951	11.9	4.9
1952	11.3	6.2

CHART 4.—Market Shares of Steer and Cattle Sales for Slaughter and Exportation, 1945–55*

(Per cent of total)



* Source: for steers, Junta Nacional de Carnes, *Reseña Año 1957*, Table: "Evolución de la Comercialización de Hacienda Vacuna . . . con Destino a Faena y Exportación en Pie, . . . por Lugar de Operación. II.b) Novillos. Cifras relativas"; for cattle, *ibid.*, "I.b) Total de la Especia. Cifras relativas."

[a] Includes exports and estimates of unregistered purchases by interior abattoirs directly from producers.

[b] Rosario, Córdoba, Tucumán. Purchases by central packers in the Rosario markets were subject to official prices as minima until March 1953; as basic, 1953–55.

[c] Purchases by central packers in this market were subject to official prices as minima until March 1953; as basic, 1953–55.

[d] Includes registered direct purchases by central packing houses and regional producers, the only sales categories to which the official prices applied entirely as fixed prices.

The administration acted in numbers of ways to cope with the problem. Some of the September 1951 market restrictions that attempted to favor Buenos Aires at the expense of the interior were modified. Others were allowed to go into abeyance without the formality of official notice. Price ceilings for cattle sold in the Liniers Market were lifted temporarily on several occasions, then abandoned until March 1953. Packers were permitted to resume purchases in the Liniers and Rosario markets. On several occasions punitive measures were ordered against black-market operators (*45*, pp. 10–11; *46*, p. 508).

Perón personally announced an austerity program early in 1952 to apply to the whole country, which included the much publicized "meatless days." The purpose was to curb inflation and, for that year, was unexpectedly successful. The government was in a bad way financially; the economic policies and extravagances of Perón's first administration (he was re-elected early in 1952) had depleted the treasury. Foreign exchange was needed badly, but surpluses of the export staples did not materialize in the quantity or kind most hoped for; 1952 was the year Argentina had to import wheat, and even with the meatless days it was difficult to find meat for exportation.

CHANGE IN OFFICIAL PRICE POLICY

With supplies of cattle in the Buenos Aires area so tight, the government gave up its attempts to tie steer prices to meat prices in the British contracts; the July 1951 schedule was the last that had any direct connection with them. In the next two and a half years the administration raised the official rate six times (see Appendix Note A). It was seriously concerned with trying to curb inflation. Also, the Ministry of Agriculture did not think there was a shortage of cattle, and after the extraordinary census of November 1952 reported 45 million head (*37*, pp. 10, 18), or 4 million head above the 1947 census returns, the government was convinced that there were ample supplies which when ready for market would relieve the pressure on prices generatd by short supplies. Therefore the price advances, though individually not unliberal by earlier standards, were not enough to restore the old orientation of cattle sales toward the Liniers Market and central packers. Direct sales of all cattle had improved in 1952, but were partially offset by smaller deliveries to the Liniers Market; nevertheless, despite higher official prices and special bonuses for deliveries between May 15 and October 30, steer arrivals at the central packers and Liniers were even lower in 1952 than in 1951. There had been neither time nor funds to create the marketing structure throughout the interior which the administration had hoped would permit it to allocate cattle to the markets where they were most needed. Its hopes of doing so otherwise were frustrated by some of the officials entrusted with putting the new regulations into force.

Early in 1953 Buenos Aires was once more beset by a meat shortage, this time complicated by the scarcity of other basic foods; and the situation became explosive in March and April. At that time it developed that the head of the National Meat Institute and other highly placed Perón appointees, including his brother-in-law, were implicated in large-scale speculation in meat. They were forced to resign. On several earlier occasions Perón had threatened black marketeers with fines and imprisonment, but there had been little follow-

through. This time there was a wholesale roundup of meat-price violators and black market wholesalers. The capacity of federal prisons was taxed.

The government did not depend upon reprisals to achieve its ends. In May 1953 it again offered special inducements in the form of bonuses for winter delivery of steers to central packers and the Liniers Market. Furthermore it required central packers to maintain reserves of beef in cold storage to prevent recurrence of meat shortage crises such as the metropolis had experienced in the autumn of 1951 and in March–April 1953. Yet it extended liberal credits to producers to buy breeding stock. It was almost as if the administration was afraid to trust the returns of the 1952 livestock census.

The effect of credits to producers was further to inhibit the recovery of cattle sales for slaughter by heightening the demand for breeding stock. Nonetheless, steer sales in 1953 reached 3.6 million head, the highest since 1947 and close to 450,000 head more than in 1952. Direct steer sales to central packers during 1953 were more than double those made during 1952, although unregistered direct sales still dominated the market. In 1954 steer sales to central packers once more headed the field for the first time since 1946, and were higher than in any year since 1941. Total sales were still not high enough to take care of the demand. On February 8, 1954 a new official price schedule was announced that amounted to a small increase for lighter steers (*47*). It was the last revision that stemmed directly from the government's attempts to restore the official steer prices as the determining influence on cattle prices through the country.

The cattle cycle was definitely on the upswing, although it could not have been realized at the time because the traumatic effect of the recurrent crises of cattle shortages did not encourage optimism. Full recognition of the recovery did not come until December 1954, when for the first time since August 1950 the aggregate monthly arrivals of all cattle at the Liniers Market and in direct sales to the packers topped 400,000 head, with steers making up over 60 per cent of the total (*48*).

The improvement continued and, as was to be expected, prices in Liniers auctions reacted inversely to the larger number of entries; even steer prices fell slightly. The following tabulation gives six-month average prices for all cattle and for steers (in pesos per kilo, live weight) for January–June 1955, with comparisons (*49*):

Period	All cattle	Steers
1953 annual	1.937	1.971
1954 annual	1.925	2.046
First 6 months, 1954, average	1.908	2.000
First 6 months, 1955, average	1.834	1.964

THE CRISIS OF ABUNDANCE

There was an abundance of cattle such as the country had not experienced in a long time, and gloom settled upon the producers. The government took advantage of the situation to announce on April 28, 1955 its intention of broadening the official grading and price system to cover all cattle; grades and prices were published in mid-May (*50*, p. 22; *51*, p. 19). For cattle other than steers, for which seasonal bonuses were in force, the official prices were "not [to] be

exceeded in any circumstances, bonuses, direct or indirect, being strictly forbidden."

The new system was planned to be countrywide in application, but difficulties in working out arrangements caused postponement of introduction on the broad scale initially intended. In consequence the official prices applied only to direct sales; even purchases in the Liniers and Rosario markets were excluded.

All of this occurred at a time when direct sales would have been high without special inducements. Even during the cattle shortages, when the disequilibrium between official and market prices caused many steer producers to prefer auction markets for their animals, direct shipments of other types of cattle were much better sustained. When imposition of ceiling prices in 1953 revived direct steer shipments, the proportion of other cattle in direct registered-sale totals remained higher than before IAPI's price policy disrupted the established pattern of trade. With the application of official prices to all cattle but only on direct purchases by companies designated by law, the packers were overwhelmed with offers. Entries in the Liniers Market fell to almost a third of what they had been during the earlier months of the year. Apparently the only reason that interior markets were not similarly affected was that there were not enough authorized packing houses to handle more animals or cattle cars on the railroads to transport them.

The alarming thing about the Liniers Market situation was the large number of cattle remaining unsold at the end of each day (*50*, pp. 8, 10; *52*, p. 7). For the first time since Perón became president in 1946 there was legitimate cause for complaint that the working of the official system was creating hardships for a large class of cattle producers, not because the official prices were too low but because so many producers were excluded from the possibility of benefiting from them. At last, on July 18, 1955, it was announced that the authorities had arrived at a method for putting the new system into operation on September 1; on that date the fixed prices would apply in all cattle markets throughout the country (*53*, p. 29). Likewise on September 1 the official price schedules were to be increased somewhat, not only for steers alone but those for other cattle which had been in force only since the previous May.

If one should wonder why Perón's administration raised official prices, however slightly, when for the first time since he assumed the presidency in 1946 there were more cattle than the market could absorb, there are several possible explanations. Of course, it may be argued that the intention was to offset the march of inflation, although inflation had been following its customary course at the customary acceleration of pace since before February 2, 1954[29] (the date when the last increase for steers had been decreed), without the administration's taking cognizance of it in the official price of steers or, for that matter, of wheat to the farmer. And, as was said in the preceding paragraph, the official prices for other cattle were also raised although they had been in effect for little more than three months. A more credible explanation is that the government was anxious lest discouragement over the state of the market might lead to an injudicious depletion of cattle numbers.

[29] The cost-of-living index for Buenos Aires had risen over 100 points since then.

Export prospects were more promising than at any time in the preceding ten years. Even with cattle abundant, the final British meat contract had barely been filled. The government, still exercising the export monopoly over sales to the United Kingdom, had been deprived of the benefits of the good prices that had prevailed since British rationing had been lifted in July 1954, and was not willing to see its future participation in the trade prejudiced by a recurrence of shortages. But there is another inference suggested by the timing and the detailed plan for implementing the new system: that the government had never relinquished its determination to regulate cattle prices, but had learned from experience that the best time to initiate price controls is when the item affected is in abundant supply, and that the best way to make the control aspect more acceptable is to keep the prices higher than prevailing market bids until such time as the new system is firmly established.

In any event, the prices that went into effect on September 1, 1955 amounted to a relief measure, a subsidy to the cattle producers who at the beginning of Perón's first term in 1946 had been one of the sectors of the economy singled out to subsidize the industrialization of the country and the social-welfare goals of the administration.

While official steer prices since 1953 had been high enough to restore direct sales to registered meat packers and processors, they cannot properly be labeled a subsidy to an ailing industry. Aside from the period when Miranda tried to stabilize prices by refusing to raise the official rates (October 1, 1946–April 1, 1949), steer prices were raised more and more often under Perón than those of the cereals and linseed. There is no intention of saying that the industry was as prosperous as in the years before Perón's "reforms" set off the rocket of inflation, but in comparison with other major branches of agriculture, none, with the possible exception of the sugar growers of Tucumán, did as well. For what it is worth (and it is worth little, in the opinion of the author), the average of official prices paid for steers in direct sales to central packers[30] may be deflated by the cost of living in Buenos Aires (wholesale prices, a preferable index, are not available for 1950–55), with the following results (in pesos per kilo, live weight; derived from official statistics in 54):

1939.....	.288	1945.....	.321	1951.....	.288
1940.....	.304	1946.....	.306	1952.....	.282
1941.....	.298	1947.....	.315	1953.....	.355
1942.....	.359	1948.....	.286	1954.....	.353
1943.....	.364	1949.....	.259	1955.....	.337
1944.....	.371	1950.....	.254		

Even if these deflated prices had any meaning, it would only be for those steers sold directly to central packers, which comprised 24.9 per cent of all steers marketed in 1947 and descended to 11.3 per cent of the total in 1952. In four years, 1948, 1949, 1951, and 1952, steer prices in Liniers and the municipal markets of Rosario, Córdoba, and Tucumán, which accounted for 34.7 per cent of total steer sales in 1948 and 29.2 per cent in 1952, averaged higher than the official

[30] These prices are used because the averages are more representative of the better grades of steers and hence give a better idea of the prices received by the majority of producers than if the prices paid by regional packers were figured in the totals.

prices paid in registered direct sales. Auction fair prices were always lower, and the prices paid in unregistered direct sales are estimated by the National Meat Board to have been the same as those in auction fairs, curiously enough, since the share of this category in all steer sales rose from 24.0 per cent to 32.2 per cent in 1952. If producers were paid no more on such sales than they would have received in auction fairs, they were placing a higher premium on defiance than their response to the official price increases following 1953 suggests. Not to be forgotten, also, is that during this period many producers found it more profitable to sell their cattle young for expansion of breeding herds than for slaughter.

The official scales from 1953 on were the price the government was prepared to pay to bring the market back into balance. It could not afford recurrence of crises in the meat supplies of the metropolis and a continuing loss of export earnings. Without the advances that tipped the scales once more in favor of the Buenos Aires–centered outlets, it is questionable whether the 1953 measures to contain the gray market would have been effective so long as the expansion of cattle herds reduced supplies of slaughter grades. Nevertheless, the price, added to that of maintaining the meat subsidy, which had been extended to Rosario and Bahía Blanca, was to cost the government dearly.

Not so much so, however, as the extension of official prices to cover all meat animals. Perón did not have to cope with that problem, however. His government fell on September 19, shortly after the system became country-wide in application.

APPENDIX NOTE A

With the footnotes, Appendix Table 1 illustrates the complexity of the official price system. No attempt is made in the table to reproduce all of the price changes for each of the grades under the official carcass-grading system, which are designated, from the highest to lowest, by the letters J, U, N, T, A, for *Junta Nacional de Carnes,* the National Meat Board, with subdivisions within grades. The prices given pertain only to the top classification, the J grade, which is the best type of steer produced in the country. Changes in the official prices were not made by raising prices in each grade by the same percentage; for example, the official schedule for October 1, 1946, which raised the prices of J and U_1 grade steers by close to 23 per cent, advanced the prices of lesser grades from 27 to 36 per cent. Furthermore, in most years the best price in any grade carried a definite weight limitation (all prices in the official system were on a dressed weight basis), with lower prices paid for weights in excess of those being encouraged at the date the schedule was issued. However, weights within grade were changed with some frequency. In the 1946 schedule the top price was paid only for steers dressing out at 160 kilograms or more per side. Thereafter the best prices applied only to dressed sides up to and including the weight favored at the time, not so much by the government as by buyers in the uncontrolled market (uncontrolled in the sense that the government was unable to control it). Appendix Chart 1 illustrates how the weight differentials favored lighter steers after 1950. Appendix Table 2 gives average prices, live weight, paid by meat packers and processors on all direct steer purchases under the official system. The higher prices paid by the central packers come from the fact that their main activity is the preparation of

APPENDIX TABLE 1.—OFFICIAL PRICES, J GRADE STEERS, 1945–55*

(Pesos per kilogram, dressed weight)

Effective Dates	Sides, up to 160 kg.	Sides, up to 130 kg.
8/22/45– 9/30/46	0.68[a]	0.68[a]
10/ 1/46– 3/31/49	0.85[b]	——[c]
4/ 1/49– 6/ 6/50	1.16	1.16[d]
6/ 7/50– 8/20/50	1.41	1.41[d]
8/21/50– 6/30/51	1.44	1.48[e]
7/ 1/51– 1/27/52	2.11	2.19[f]
1/28/52– 5/14/52	2.55	2.65[g]
5/15/52–10/20/52	2.64	2.74[h]
10/21/52–12/31/52	2.74	2.74[i]
1/ 1/53– 3/25/53	3.20	3.20[j]
3/26/53– 2/ 7/54	3.62	3.62[k]
2/ 8/54– 8/31/55	3.47	3.75[l]
9/ 1/55–12/ 5/55	3.72	4.00[m]

* Source: Junta Nacional de Carnes. *Reseña Año 1957,* "Evolución de los precios fijados para practicar la liquidación de tropas de novillos . . ."

[a] No weight limits in force.

[b] Dressed sides, *160 kg.* and over.

[c] *130 kg.* sides, J and U_1 grades not eligible, this sale.

[d] Dressed sides up to *170 kg.*

[e] Top prices 1.4800 pesos/kg. for sides up to *130 kg.*; price per kg. of first 20 kgs. in excess of 130—1.4100 pesos; for second 20 kgs. of excess—0.955 pesos, etc. The unit price of a 160 kg. side figured out as follows:

130 kg. at 1.4800 pesos	= 192,4000 pesos
20 kg. at 1.4100 pesos	= 28,2000 pesos
10 kg. at 0.9550 pesos	= 9,5500 pesos
160 kg.	= 230,0150 pesos
1 kg.	= 1,4384 pesos

[f] Top price, 2.1900 pesos per kg. for sides up to *130 kg.*, price per kg. first 20 kgs. in excess of 130—1.8600 pesos; for second 20 kgs. of excess—1.5800 pesos. Price of 160 kg. side, figured as in [e], comes to 2.1106 pesos per kg.

[g] Top price, 2.6500 pesos per kg. for sides up to *130 kg.*; price per kg. first 20 kgs. in excess of 130 kg.—2.2500 pesos; for second 20 kgs. of excess—1.1900 pesos.

[h] Top price, 2.740 pesos per kg. for sides up to *130 kg.*; price per kg. first 20 kgs. in excess of 130—2.3300 pesos; for second 20 kg. of excess, price per kg.—1.9800 pesos. Seasonal bonuses were offered for shipments during May 15–October 30.

[i] Top price applied to sides up to *160 kg.*; this is an increase only for weights of 131–160 kg. per side.

[j] Top price applied to sides dressing out up to *160 kg.* On February 8, 1953 the schedule was revised to penalize sides in excess of *180 kg.*

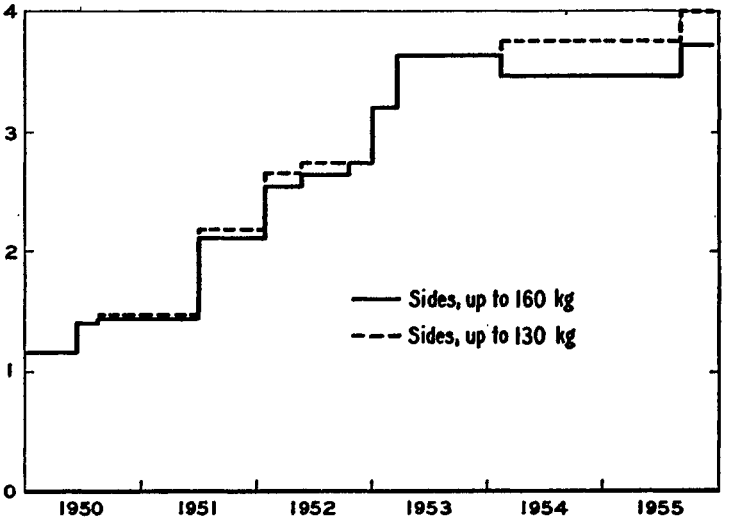
[k] Top price applied to sides dressing out up to *160 kg.*, until May 6, 1953, when penalties were applied to animals dressing out at more than *170 kg.* This schedule made the official prices maxima rather than minima, as formerly.

[l] Top price applied to sides dressing out up to *140 kg.* per side; price per kg. of first 10 kg. in excess of *140 kg.*—2.50 pesos; of second 10 kg. excess—1.00 peso. During September 6–30, 1954, 10 per cent was added to the official prices of all steers to be slaughtered for consumption in the Federal Capital and Greater Buenos Aires. Seasonal bonuses were paid for shipments between May 15–August 31, 1955.

[m] Top price applied to sides dressing out up to *140 kg.* per side; price per kg. of first 10 kg. in excess—2.50 pesos; for second 10 kg.—1.00 peso.

carcass beef for market; hence they use, on the whole, the better grades of steers. Regional processors of beef extracts and canned meat of various types do not require quality animals, and their purchases are usually in the canner grade at the bottom of the official scales.

APPENDIX CHART 1.—Price Differentials, J-Grade Steers, 1950–55*



* Based on Table 1.

APPENDIX TABLE 2.—ARGENTINA, OFFICIAL STEER PRICES PAID ON DIRECT SALES, 1945–55*

(*Annual averages, all classes, pesos per 100 kgs. live weight*)

Year	Central packers	Regional processors
1945	38.3	29.8
1946	43.0	31.2
1947	50.2	37.6
1948	51.7	41.0
1949	61.3	52.7
1950	75.4	60.3
1951	116.7	78.8
1952	158.9	128.6
1953	207.7	168.1
1954	214.4	174.1
1955	229.7	182.4

* Source: Junta Nacional de Carnes, *Reseña Año 1957*, "Evolución de las ventas de vacunos . . ."

APPENDIX NOTE B

Unfortunately it is not possible to pinpoint graphically the results of herd expansion during the years Perón was President of Argentina, 1946–55, because detailed breakdowns of cattle numbers are available only for the years 1937 and 1956 and then only for the central cattle region, which is smaller than the Pampa Provinces, for which census and survey data for intermediate years have already been used. Nevertheless, the locations in the central region in which the largest gains were made during the 20-year period are not irrelevant (see Appendix Tables 3 and 4; Maps 1 and 2).

APPENDIX TABLE 3.—INCREASE IN CATTLE NUMBERS, PAMPA PROVINCES, 1937–56*

(Million head)

Division	1937 to 1947 [a]	1947 to 1954 [b]	1954 to 1956 [c]	1937 to 1956 [d]
Argentina	7.8	2.5	3.3	13.7
Pampa Provinces	7.6	2.1	3.2	12.8
Province of Buenos Aires	3.6	.4	1.5	5.5
Province of Santa Fé	1.8	.6	.4	2.8
Province of Córdoba	1.1	.5	.9	2.5
Province of Entre Ríos	.8	.6	[e]	1.4
Province of La Pampa	.2	.1	.3	.6

* Junta Nacional de Carnes, *Reseña Año 1957*, "Evolución de la Existencia de Ganado Vacuno en la República Argentina, Según los Censos y Principales Investigaciones Ganaderas Realizados a Partir del Año 1930." Columns do not necessarily add up to totals because of rounding. Provincial totals agree with figures for censuses and investigation years for the Pampa region given in Economic Commission for Latin America, *Analisis y Proyecciones del Desarrollo Económico, V: El Desarrollo Económico de la Argentina, Segunda Parte: Los Sectores de Producción* (UN, ECOSOC, General E/CN.12/429/Add. 1, Santiago, Chile, June 30, 1958), p. 90.

[a] Census, June 30, 1937.
[b] Census, May 10, 1947.
[c] Survey, June 30, 1954.
[d] Survey, June 30, 1956.
[e] 15,000.

Even though three-fourths of the gains in cattle numbers were made between June 1937 and May 1947, they were largely concentrated in a few years prior to the latter census. From 1937 through 1941 slaughter was consistently larger than in the preceding 10 years, culminating in 1941 with the second highest record to that date, which was recognized as overslaughter. Cattle prices were so good, however, that 1942 sales were higher than the cattle population was equal to, with a consequent diminution of sales later. Until 1945 the change from the prewar cattle area of the Pampa Provinces (*41*, pp. 51–90) was relatively small (in million hectares):

1930–36 average	30.0
1939–44 average	31.0
1945 annual	33.0
1946 annual	33.9

During 1945 and 1946 the wheat, corn, and flax area of the Pampa Provinces all dropped, but the decline for corn was almost double that of the other two.[31] Therefore it might have been expected that the largest gains would have been concentrated in that part of the humid pampa (55) which is ecologically most adaptable to those crops, especially corn—those parts of Zones I, II, III, IV, and VI of Buenos Aires Province and Santa Fé where the dot maps show the heaviest increase for the 20-year period; that is, within reasonable proximity of Buenos Aires and Rosario. Quite possibly the largest part of the small increase in cattle numbers between 1947 and 1954 occurred there. Some of the consternation at the time of the 1951 shortages in Buenos Aires was that observers on field trips

[31] Not all of the change in the crop area was accompanied by a commensurate rise in the cattle area.

APPENDIX TABLE 4.—CATTLE NUMBERS, CENTRAL REGION, 1937–56, WITH COMPARISONS*

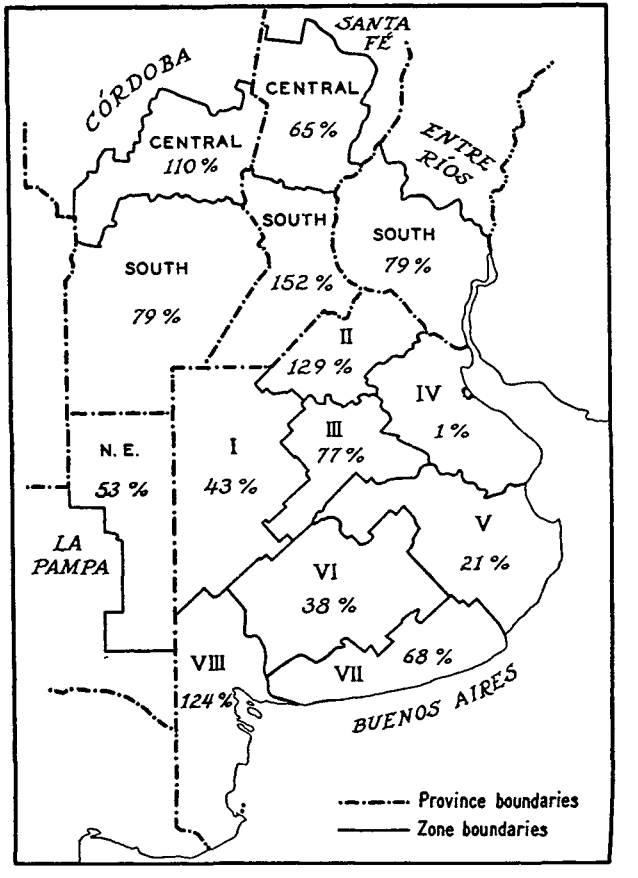
(*Million head*)

Division and description	Census of June 30, 1937	Survey of June 30, 1956
Argentina	33.2	46.9
Pampa Provinces	24.1	36.9
Central Region[a]	20.7	32.0
Province of Buenos Aires	*12.8*	*18.4*
Zone I (winter fattening)	3.0	4.3
Zone II (mixed agriculture, north)	.7	1.6
Zone III (mixed agriculture, central)	1.2	2.1
Zone IV (mixed dairying)	2.1	2.2
Zone V (breeding, east)	2.3	2.7
Zone VI (mixed breeding, central)	2.3	3.2
Zone VII (mixed breeding, southeast)	.9	1.5
Zone VIII (mixed breeding, southwest)	.4	.9
Province of Santa Fé Central Region	*2.7*	*5.2*
Central Zone	1.7	2.8
Southern Zone	1.0	2.4
Province of Córdoba Central Region	*3.0*	*5.6*
Central Zone	.6	1.3
Southern Zone	2.4	4.3
Province of Entre Ríos Central Region, Southern Zone	*1.3*	*2.3*
Province of La Pampa Central Region, Northeast Zone	.9	*1.4*

* Junta Nacional de Carnes, *Reseña Año 1957*. Figures do not necessarily add up to totals because of rounding.

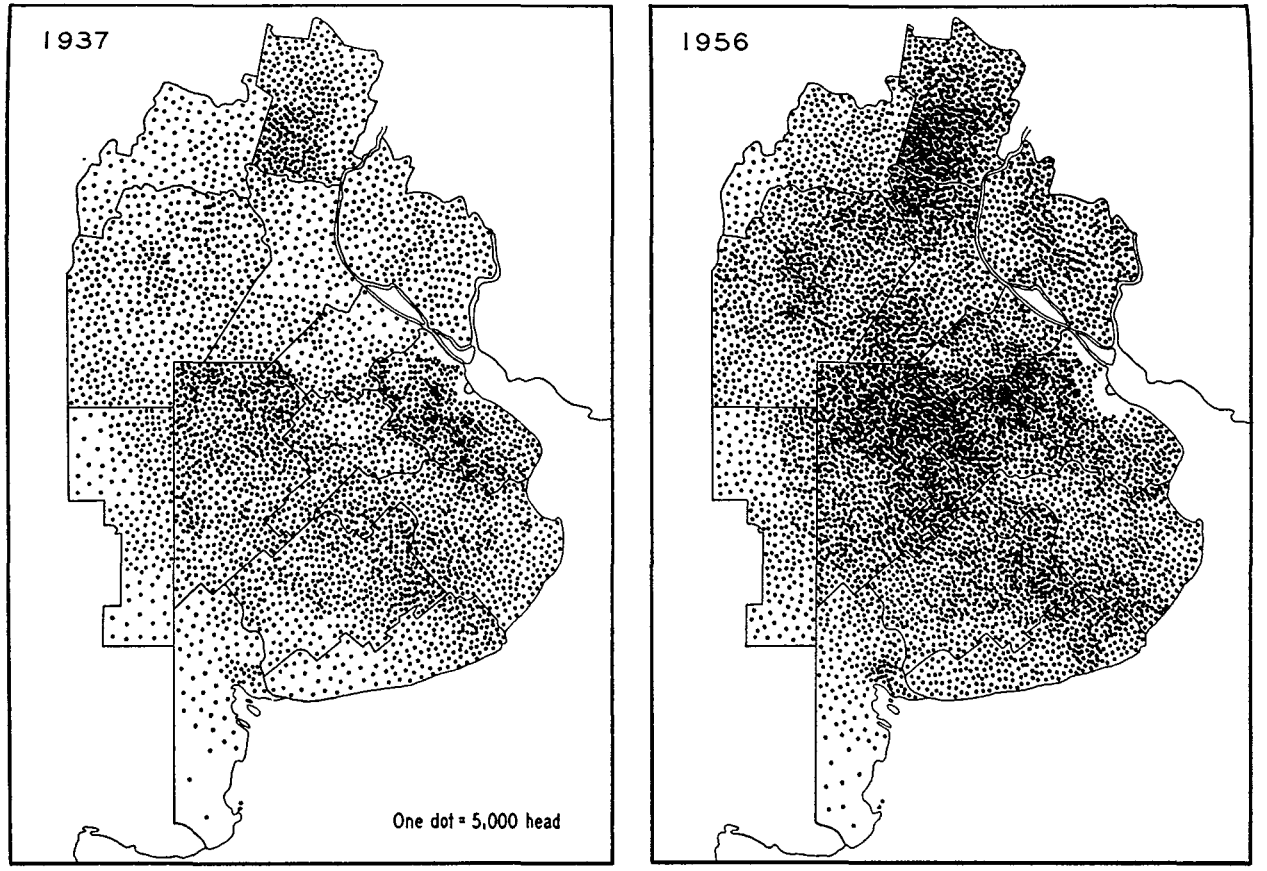
[a] All the Province of Buenos Aires; zones of other four provinces as noted.

MAP 1.—Cattle Increase 1937–56, Central Region, by Zones*



* Based on Table 4.

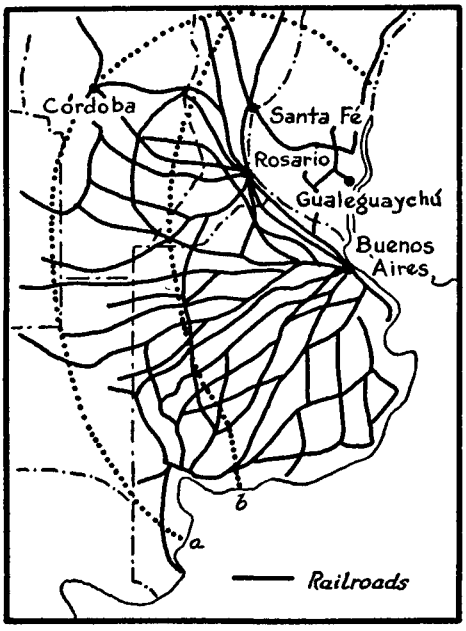
MAP 2.—Cattle Numbers, Central Region, Census of June 30, 1937 and Survey of June 30, 1956*



* Based on Junta Nacional de Carnes, *Reseña Año 1957*, "Existencia Ganadera."

to cattle ranches in the area saw little evidence of drought damage and reported ample supplies of mature cattle (*37*, p. 9). If losses of cattle in any part of the central region were offset by gains in the part of the country with the greatest population density (within the area bounded by the inner dotted line on Map 3),

MAP 3.—Main Railroad Lines, Central Region



[a] Limit of Pampa Region.
[b] Limit of humid pampa.

the Federal Capital should have been one of the last places in the country to suffer as a result of drought-reduced cattle herds. Incidentally, this was the section in which the government control mechanism was centered. All railroad lines led into it, and after 1948 these were government-owned. There are few good highways and, at that time, there were fewer trucks to use them than at present; railroads are the accepted means of transporting cattle. It is doubtful, however, whether the government could have enforced price and marketing controls even if the officials appointed to do so had not connived in defying them.

The big increases in cattle numbers between 1954 and 1956 apparently occurred throughout the livestock zone, and especially in the drier parts which had suffered most losses during the drought. During these few years there was little change in the cereal–linseed area, but a heavy drop in the numbers of sheep and draft animals in the Pampa Provinces (5.9 million head) had released pasturage not hitherto used for cattle.

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