

8. How the Argentine Economy Fared, 1946–1953

The preceding chapter showed how Argentina has been blighted culturally as well as politically by the Perón regime. The present chapter is addressed to the questions: How has the nation's economy fared? and What has this meant to its people and its international economic position? These questions will be examined at length, as their importance deserves. They involve two of the three major objectives announced by the regime: social justice and national economic independence, both of which have been made the subject of some of its most highly publicized pronouncements, including a formal Declaration of Economic Independence (July 9, 1947) and two Five-year Plans (1947 and 1953).

1. PANORAMA

The economic history of Argentina's first seven years under Perón could be summed up in three words: "Boom and crash." The temptation to adopt this simple text is strong, especially if one dislikes Perón's regime, for it can be (and has been) used to show that his regime is not only politically iniquitous but also economically incompetent.

Some of the most obvious facts support this view. The boom, which lasted only two years, was due mainly to two factors for which Perón deserves no credit, whereas he unquestionably helped to precipitate the crash. The two boom factors were the large wartime gold and foreign exchange balance (\$1600 million)