

PART I. BEFORE PERÓN

2. Economic and Social Development

The first permanent Spanish settlement in the present limits of Argentina was made at Santiago del Estero in 1553. Santiago lies in the interior of northern Argentina and for the next two and a half centuries this region (which local writers call "Mediterranean") contained the bulk of the population, wealth, and culture of civilized Argentina. Buenos Aires, though founded in 1580,* still had a population of only 2200 a century and a half later, and did not become the country's metropolis until the nineteenth century. During this long Mediterranean period, civilized Argentina was a precarious corridor stretching from the Plata estuary to the Andes, with hostile Indians on both sides. The population of the corridor was made up mainly of tame Indians, mestizos, and Negro slaves, ruled over by a white minority. The economy was primitively pastoral and agricultural, and insofar as it was not self-sufficient, its orientation was towards Chile, Peru, and Paraguay, from which Argentina's first settlers came. It remained one of Spain's least prized and most undeveloped possessions in America until the last half century of the colonial period.†

* The first settlement at Buenos Aires was made in 1535, but soon abandoned.

† Recently some Argentine historians (notably Ricardo Levene, *Las Indias no eran colonias*, Buenos Aires, 1950) have supported the thesis