Since I finished writing this book, revised statistics on the Argentine national product for the postwar period and important contributions by several economists have appeared. These, together with my own recent research, highlight some problems that were not emphasized in this book—among them, the low level of efficiency in manufacturing and the new prospects for agricultural production and exports. A very active discussion on the strategy of industrial growth and the importance of foreign trade in manufactures to promote expansion and greater efficiency has been taking place. Furthermore, recent data show a better record of economic development than the one considered in this book, which is based on earlier data. I have added a few footnotes to take this into account.

The recent contributions and data mentioned above do not change the essential facts I deal with in the final chapters of this book. My basic conclusions on the current problems and prospects of the Argentine economy remain unchanged. That is why I prefer to introduce only minor changes into this edition. I have included statistical tables with economic and social data of special interest, and I have eliminated, as unnecessary in this edition, an appendix explaining the principal economic terms used in the text. Furthermore, I have condensed or discarded a few footnotes and paragraphs in the Spanish edition which I considered superfluous to this one.

A. F

Buenos Aires, September, 1966
Argentina presents one of the most paradoxical cases in contemporary economic experience. Although a country with all the conditions necessary for rapid and sustained development, its rise in output since 1948 has barely kept up with its population increase, and the living standards of large sectors of its society have not advanced or have even deteriorated.

Furthermore, recently there has been a pronounced contraction in economic activity with a consequent unemployment of labor and productive capacity and a drop in income levels. There is little doubt that these trends are directly related to the country's prolonged political crisis and instability as well as to the loss of a feeling of common destiny among its different social groups.

I am convinced that there can be no adequate understanding of the reasons for this stagnation (including current short-term problems) without an analysis of the historical roots of the present situation and the changes in the world economy that traditionally have played a leading role in Argentine development. Ultimately, current problems are explained by the country's inability to readjust its economic structure to the conditions of modern economic development and to a new international situation.

In this book I shall try to analyze the economic formation of Argentina. Nearly two decades of work on the country's problems, in both an academic and an official capacity, have persuaded me that only a historical approach permits a systematic and broad understanding of the problems of national development and, therefore, the framing of a policy to strengthen the economic structure, to accelerate the rate of development, and to raise the living standard of the population. I hope that this work will stimulate empirical research and an analysis of Argentine development, making clear its trends and defining its objectives in this second half of the twentieth century.
In Argentina there is an increasing interest in economic topics, particularly those related to present conditions. Of course, no intense process of growth and of national purpose is possible unless the Argentine people are educated in the causes of growth so that they may acquire a "development mentality." My book is an attempt to satisfy the rising concern with these topics and to make them comprehensible to the general public. For this reason, I have added an explanation of terms commonly used in macroeconomic analysis which are indispensable to the text. The economist will find that some passages go into too much detail and that others are not technical enough.

The available bibliography on Argentine economics is still inadequate for the student of the economic and social sciences who wishes to view the problems of Argentine development in their historical perspective. Irrespective of the wide range of readers for whom it is intended, this book may fill part of the void by encouraging new generations of students and specialists in the social and economic disciplines to build a framework of reference permitting the tools of economic analysis to be usefully applied to the realities of my country.

A. F.

Washington, D.C., December, 1962