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## ▷ “Access to Land”: The State and the evolution of landholding patterns in the U.S. and Argentina in the 19<sup>th</sup> century

### Introduction

When we consider the development of the United States and Latin America during the “long” 19<sup>th</sup> century in a comparative perspective, certain fundamental differences and contrasts stand out regarding the respective political, social and economic conditions. There is a progressive democratization of the political system in the North as opposed to lasting oligarchic rule in the South; greater social mobility in the U.S. in contrast to rigid social structures in Latin America; and dynamic economic growth and differentiation in the North as compared to initial stagnation and subsequent one-sided export-orientation of the economies of the South. Even though this very general assessment would certainly need to be further elaborated regarding regional and sectoral differences, it nevertheless emphasizes some essential characteristics of the different developments north and south of the Rio Grande, which also depended to a considerable extent on the different landholding conditions in both regions. Certainly, after the decline of the traditional southern plantation economy in the U.S. in the wake of the Civil War of 1861-1865, landownership patterns differed greatly in the North and the South. While in the U.S. small and middle-sized family farms shaped the countryside, in Latin America the agrarian sector was dominated far into the 20<sup>th</sup> century by large landholdings, with their concomitant features of multiple labor, tenancy and sharecropping conditions.

This situation had a lasting impact on the two American regions with respect to political as well as to social and economic developments. In the U.S. progressive democratization of landownership strengthened the democratization of the political system (as witnessed, for example, before and during the presidency of Andrew Jackson, 1829-1837), and –vice versa– access to land was furthered by the growing political weight of the rural lower and middle classes after the American Revolution. In Latin America exactly the opposite occurred. There, the peasants, effectively controlled and held in economic and social dependence by the great estates, the *hacienda*, were not able to emancipate themselves politically and thereby exert pressure on the ruling elites to achieve more equita-

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ble land ownership conditions. Consequently Latin American regimes retained their oligarchic characteristics quite far into the 20<sup>th</sup> century. Social conditions in the two American regions were equally shaped by different land holding patterns. Certainly, the relatively even distribution of land ownership in the U.S. could not prevent distinct social contrasts in the U.S. society as a whole but it excluded, at least in the rural society after 1865, those extreme inequalities characteristic of societies dominated by large estates. In Latin America especially the rural societies dominated by large landholdings showed a very skewed distribution of wealth and income and produced a marked social marginalization of land laborers, tenants and sharecroppers.

The different agrarian structures also influenced the economic development of both regions. Agriculture based on small and medium-sized farms is frequently assumed to be more efficient than one dominated by great estates. Within the American context, however, this assumption may not have been correct on purely economic terms, since both the cotton plantations of the *antebellum South* of the U.S. and many modernized great estates in Latin America from the last decades of the 19<sup>th</sup> century onwards excelled by their considerable profitability. And even on the level of the national economy, the output of an export-oriented agriculture based on plantations and *haciendas* was a central factor of overall economic growth both in the case of the *antebellum* cotton production of the U.S. and in that of the export oriented agricultural and cattle raising sectors in Latin America before the 1930's. In the long run, however, it is likely that the Latin American agrarian structures had a rather adverse impact on economic diversification, especially on a successful industrialization. In the U.S. industrialization set on early in the 19<sup>th</sup> century in New England, i.e. in a rural society of small farmers, and manufacture fuelled the extraordinary economic growth after the Civil War. In contrast, in Latin America, dominated by large estates, industrialization started much later, remained more restricted and failed to trigger an economic dynamism similar to that in the North.

In this article, we shall try to give a short, comparative outline of the evolution of landholding patterns in the U.S. and Latin America, i.e. the "access to land" during the "long" 19<sup>th</sup> century. Our main interest focuses on the political and social factors responsible for, and at the same time dialectically influenced by, the very different developments in these areas. As for the social and economic consequences of these developments, they will be alluded to rather briefly. At first, one might be tempted to consider such a comparison as hardly conducive to the answering of general questions about the "character" of a state such as the social base of political systems or the presence or lack of efficient mechanisms to settle social conflicts "democratically", since the state-run land policies seemed to occur in a completely dissimilar context, the main difference being the territorial expansion of the U.S. during the 19<sup>th</sup> century as compared to the situation of most Latin American countries. This meant that in the U.S. access to land occurred under circumstances characterized by the existence of huge amounts of "free" land west of the Appalachians (i.e. in a region of allegedly unclaimed property), transferred to the patrimony of the Union: the so called public domain. In the core provinces of Spanish America, by contrast, the subsequent land tenure system of the 19<sup>th</sup> century –Creole estates and Indian communal holdings– had already been shaped during the colonial period in most parts of the later national territory and not only on a relatively narrow Atlantic coastal strip as in the case of British North America. Therefore land tenure in the South was already largely moulded at the beginning of the national period and much less "open" than in most of the later U.S.

Nevertheless, at the end of the 18<sup>th</sup> and the beginning of the 19<sup>th</sup> century, the later development of land tenure both in the U.S. and in Latin America was not yet determined to such a degree that a more detailed analysis of this process could not reveal some interesting insights into the political and social factors influencing the land policies. For, on the one hand, in British America, too, great estates existed far beyond the end of the colonial period, even outside the plantation economy of the southern colonies. On the other hand, land tenure conditions in Latin America were subject to considerable change as well, be it by the alienation of large church properties, the transformation of communal land holdings into private property, the transfer of public lands to individual owners, the partition of great estates or the arbitrary appropriation of land by political and military rulers. Furthermore, during the 19<sup>th</sup> century, the countries in the southern cone of South America (Argentina, Chile) experienced a southward expansion, which –especially in the case of Argentina– was strongly reminiscent of the simultaneous westward expansion of the U.S., including phenomena such as the removal and extermination of Indians, the emergence of a frontier, etc. Yet the outcome of this process, regarding the access to land and the resulting land tenure patterns, differed completely from that of the U.S., as in Argentina the great estate clearly prevailed over the operator-owned family farm, which could gain a foothold only during certain periods and in restricted areas. It is for this reason that the U.S. and Argentina are the subject of this comparative article on the development of land tenure. Since the case of U.S. land policy is generally better known and more thoroughly studied than that of Argentina, which even in recent research is still more controversial, more attention will be paid to the latter than to the former. After treating the two countries separately, some central factors of the different developments will be discussed in a comparative conclusion.

### **The United States, 1790-1862**

At the end of the colonial period, land tenure conditions in the thirteen British-American colonies contrasted remarkably with the more equitable landholding patterns one hundred years later. At that time, landed estates were widespread not only among the slave owning planters of the South, but also in the middle-Atlantic colonies. However, in British North America, alongside the great estates, small- and middle-sized holdings also existed which in New England even constituted the dominant form of landed property (Karsky 1983: 1374). Furthermore, there were the small farmers in the frontier regions, the so-called squatters, who vehemently defended their holdings, very often forcing eventual legal recognition of their property. Whereas the peasants in Latin America were fully disregarded politically, the lower and middle classes in North America played a more prominent political role at the end of the colonial period, either because of their relative autonomy (frontier farmers, squatters) or because of their formal participation in local self-government.

In the years just preceding, during and immediately following the American Revolution, political unrest among the lower rural classes gathered momentum.

Whatever the local conditions of rural discontent, whatever the specific complaints and demands –land problems, heavy taxes, currency shortages, inadequate representation– the

movements both of the colonial and the early national periods share a common denominator of social conflict and search for alternative solutions to contemporary problems other than those sustained by the ruling political order (Karsky 1976: 88).

At the time of the war itself, with its radicalizing tendencies, small farmers became more militant. On a much larger scale than the later “revolutions” of Independence in Latin America, the North American settlers’ revolt against the British motherland (1776-1783) was also a struggle for the political power structure within the American colonies. As the “first mass mobilization war of modern times” (Mann 1995: 152) it united the patriots of the various colonies and it combined the anti-British upper class with the white middle and lower classes. Although the war did not overthrow the existing social order, it triggered democratic reforms such as the abolition of property qualifications for voting, of colonial privileges, etc. (Mann 1995: 153). As for the land tenure system, the American Revolution caused a certain diminution of colonial inequalities, too. Outside the plantation sector, a considerable amount of land in the hands of powerful landholding families was confiscated or transferred to public property, especially in the case of emigrated loyalists. “Consequently freemen in good standing with the authorities were able to acquire small tracts of land, and, generally speaking, the larger holdings were interspersed with small farms” (Gates 1976: 216).

Yet, the American Revolution was not a victory of the small land owners over the still existing big “landed interests” since it was mainly this class that held political and military sway during the North American War of Independence. Thus, the military hierarchy was also able to keep the levelling social and political tendencies of the lower classes in check (Tobler 2000: 57).

This outcome of the American Revolution determined not only the passing of the Constitution of 1787 and the successful establishment of the United States, it also laid the basis for the land policy of the U.S. in the future. This land policy was based on the Land Ordinance of 1785 and the Northwest Ordinance of 1787. The latter concerned the territorial expansion of the U.S. into the regions west of the Appalachian Mountains, notably the admittance of new states to the Union. The former regulated the survey and sale of the western lands ceded by the new states to the federal government<sup>1</sup>. From this time on, the latter owned all the land from the Appalachians to the Mississippi, later to include the immense territory bought from France in 1803 west of the Mississippi River (the Louisiana Purchase) and the land acquired in the Mexican War of 1846-48, i.e. the south-west of the United States.

The land policy of the United States between 1790 and 1862 (passing of the Home-stead Act) has been the subject of many controversies. While some students of the land policy, such as Paul W. Gates, one of the leading historians in this field, have emphasized certain obvious flaws in its shaping and management, others, like the economic historian Douglass C. North, have stressed the qualities of the land ordinances of the 1780’s as a more than adequate institutional framework for the transfer of land from public to priva-

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<sup>1</sup> For a detailed survey of U.S. land policy, its legal and administrative aspects, its political premises and its economic, political and social consequences see especially Gates (1968) and Robbins (1976); see also Billington (1967).

te ownership and, for that reason, conducive to economic growth, even though the welfare effects of this policy are more difficult to assess<sup>2</sup>.

The variations of the land policy since 1790 were matched by political and social changes taking place in this period, especially the growing political weight of the “common people” against the old, aristocratic East Coast establishment.

In the decades following the founding of the nation, the government’s main interest was to improve its financial position through land sales. Accordingly, between 1785 and 1800, the maximum size plot was set at 640 acres (260 ha) costing 2 dollars per acre. As a result, many speculators and wealthy land companies secured huge amounts of the available western lands, often on the basis of exerting considerable political influence. Poorer potential settlers had less of a chance to obtain land. And squatters who had illegally settled on unsurveyed land on the public domain had to fear for their property and were even sometimes expelled from their claims by federal troops. In this respect there was a clear difference between a more conservative federal land policy in the new territories and states of the West and a more liberal land policy in some of the original thirteen colonies, where squatter’s holdings were more often legalized and, sometimes, government land was sold at very low prices or even ceded at no cost at all (Karsky 1983: 1383-1384; Robbins 1976: 8-10).

From the beginning, contradictory interests influenced the U.S. land policy. On the one hand, there were the old and new landlords as well as the traditional East Coast establishment and, on the other, the settlers and squatters in the new western lands who were most interested in the speedy opening up of the public domain at advantageous conditions to their liking.

Within the specific context of the westward expansion of the U.S., with new states entering the Union and the concomitant shifts in political power on the national level, conflicts over land issues assumed a clear sectional character. Whereas the new western states mostly stressed the need for an expansive land policy encouraging further settlement, the more conservative eastern states pleaded for a more restrictive policy “to prevent the public land states of the west from drawing population away from the east, thereby reducing its congressional representation, and also affecting land values and employment costs in the older areas” (Gates 1976: 215).

Generally speaking, between 1790 and 1862, there was a shift in political power relations which favored the “agrarians” supporting a more democratic land policy in the interest of settlers. This development was based on the continuous advancement of the frontier and its demographic, social and political consequences. Owing to high demographic growth-rates and massive European immigration since the 1840s, the population of the U.S. increased from 3.9 million to 31.4 million between 1790 and 1860. This population growth occurred mostly on the western frontier, caused by domestic migration from East to West and later by the increasing numbers of European immigrants. More and more territories in the West became new states of the Union when the required numbers of free settlers (60,000) was reached. By 1840 “fully a third of the U.S. population lived in the new states between the Appalachians and the Mississippi” (Adams 1999:

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<sup>2</sup> Concerning the position of Gates see Gates (1968); Gates (1976) and also Gates (1996); concerning the position of North see North (1966) and North (1992).

57). Earlier, in the 1820's, further democratization of the political system had already been achieved, when the elitist *caucus*-System had been abolished as well as the remaining property qualifications for the voting rights of white men. Thus, conditions were ripe for the transition to a more popular, democratic government, no longer dominated by the traditional East Coast elites.

With the election of Andrew Jackson, a prototype of the successful frontier pioneer, as President in 1828, for the first time the new democratic forces prevailed. Though himself a prosperous land speculator in the beginnings of his political and business career, as President, Jackson championed the cause of the small, independent farmers, "to save the new states from a non resident proprietorship, one of the greatest obstacles to the advancement of a new country and the prosperity of an old one" (Gates 1968: 175).

Thus, from the 1830's, those political forces gained political strength which advocated a land policy in favor of land seeking settlers. Strongholds of the agrarians were the new western states, supported by reform-oriented groups on the East Coast (Robbins 1976: 43). This coalition, on which Jackson's "Democratic Party" was also based, achieved congressional passage of the Pre-emption Act in 1841, thereby prevailing in one of the most controversial issues of the land policy over the "Whig-Aristocrats" (Ashworth 1983: 37-39). This law, according to Robbins (1976: 91) a "capstone in the democratization of the public land system", granted squatters pre-emption rights to their claims, arguing that only the labor of the pioneer farmers had given true value to the newly settled lands. The culmination of this development –after the Graduation Act of 1852, reducing even further prices for land which had failed to find buyers when first auctioned– was the passage of the Homestead Act in 1862 (Gates 1968: 387-434).

With it, the agrarians' demand for free land out of the public domain was finally fulfilled, so that small farmers could receive land at no cost. The Homestead Act usually provided 160 acres of free public land to an individual who actually settled and cultivated it. Title to the land was granted after a certain period of settlement and cultivation; this same law was also valid for immigrants who intended to become American citizens.

As indicated above, there were also trends in opposition to those favoring small family farms. The role of powerful land companies and non-resident speculators has already been mentioned. Even outside the South, where –east and west of the Mississippi– alongside small farms the plantation economy continued to expand, there were tendencies towards estate building, as Gates (1968: 197-198) has noted with examples in Illinois and Iowa. In Illinois farms exceeding 5,000 acres accounted for more than 2 million acres or about 6% of the entire area. "The heyday of the bonanza farmer in the prairies of Indiana and Illinois was in the sixties and seventies, when the demand for land to be rented and worked by incoming immigrants was so constant that these landlords could develop their land with hired labor or tenants. These great bonanza farms –in Indiana they were as large as 40,000 and 45,000 acres– rivalled in size of operations and value anything in existence in the plantation South before the Civil War..."

If tenancy and the use of farm laborers were thus not absolutely unknown even in the West, they were nevertheless not widespread. American migrants from large rural families as well as immigrant peasants from Western and Northern Europe were hardly prepared to become tenants or even farm laborers. Tenancy might possibly be viewed as a transitional stage, as Gates notes:

The scattered bits of information we have on tenancy before 1880 suggests that in the fifties it was regarded as a transitional stage in which few expected to remain for long, that tenants were acquiring some livestock and equipment and, if they could not gain title to the land they were improving, they would not tarry many years on it but would strike out for free or cheaper lands farther west (1968: 215).

Under the political, social and demographic conditions of the U.S. in the first half of the 19<sup>th</sup> century, large estates could only develop as the dominant form of land holdings if they could effectively recruit and control dependent labor for the plantations. This was the case especially in the South where cotton plantations expanded rapidly into the new states east and west of the Mississippi. The laborers on these plantations were mainly slaves, who constituted an important share of the overall investments of such estates, often exceeding that in land. Thus, in 1859, “in the most important cotton producing states, 44% of the total wealth was invested in slaves, while only about 25% was in land (Adams 1999: 187)” But after the defeat of the South in the Civil War (1861-1865), the abolition of slavery and the replacement of the plantation economy by a system based mainly on sharecropping, large estates, even in the South, lost not only their economic preponderance but also their political, social and cultural dominance.

Thus, generally speaking, the continuous expansion of the family farm characterized the evolution of landholding patterns of the U.S. in the 19<sup>th</sup> century, notwithstanding the fact that land from the public domain, whose minimum price had been lowered to 1.25 dollars per acre in 1820, was always only a part of the whole land offer on the frontier. For the federal government granted land to the new states in the West for public use; furthermore the latter, besides the federal government, encouraged the construction of roads, canals and, especially, railways with generous land grants to private investors. Thus, the western railroad companies became the largest private land owners with well-organized land sales activities. In this way private suppliers of land, among them individuals who had acquired land at earlier auctions, completed the direct transfer of land from the public domain to individuals by the state. If land prices of private sales were often higher than the minimum prices at public auctions (in the case of the railroad companies they averaged 3 dollars per acre), so the quality of the soil and the market integration of the new farms were also frequently better than in the case of auctioned land from the public domain. In any case, in view of the marked competition between private and public land suppliers, no land monopolies could evolve which could have secured excessive land prices or even hindered land seeking-settlers from access to land. As D.C. North (1966: 132) put it: “In fact, availability is the one clearly evident characteristic of the opening up of the public domain”.

Even if a potential farmer had to buy land –and did not receive it for free, as was possible under the 1862 Homestead Act– land prices were probably not decisive in the total investments for establishing a frontier farm. According to Thomas Le Duc, cited by North (1966: 127) the land price was “not the critical determinant in the success of the authentic farm maker. An eighty-acre farm at \$ 1.25 would cost him \$ 100. This was only a small fraction of his total farm-making costs. If he lacked the skills and the capital necessary to develop a farm, free land wouldn’t help him.”

Bogue (1994: 303) estimates the total investment for a 150 acre farm on the frontier in 1860, at approximately 1,000 dollars. With a minimal investment of 500-600 dollars

for a small farm, the land price would only have been about 10% of the total. “One dollar in 1860 was about the daily wage for an unskilled worker”, while the price of a field slave on a booming cotton plantation was about 1,200 dollars (Adams 1999: 69, 78).

If liberal access to land in the 19<sup>th</sup> century was, at least psychologically, an important factor in the enormous spreading of small and medium-sized farms in the U.S. (in Iowa, for example, the most common farm size in 1860 was between 50 and 100 acres), the long-term economic success of these farms was, however, in no way assured. On the one hand this had to do with more and more adverse climatic conditions affecting the plain regions opened up since the 1850s and 1860s, where traditional agriculture was halted at about the 98<sup>th</sup> meridian. To be successful under these conditions a farmer needed to have a much larger amount of land, to rely on intensified mechanization and on appropriate farming techniques (dry farming), conditions that were seldom met by homesteaders. On the other hand the general economic conditions for many American farmers worsened in the years between 1865 and 1896, owing to the integration of the American agriculture in the world market with its violently fluctuating prices. Even though, according to North (1966: 137-148), there was no general deterioration of the economic conditions of the American farmers (except in the 1870's), at least in the Midwestern plains the farmers' dissatisfaction with falling sale prices, soaring freight rates, excessive charges by middlemen and high mortgage rates was sufficient to cause a vigorous political protest movement between the 1870's and the early 1890's, which had a lasting effect on the political scene of the U.S. At the same time the number of tenants among farmers in the West –i.e. outside the southern States, where sharecropping had replaced the old plantation system– increased notably between 1880 and 1900; in Iowa, for example, the percentage rose from 24% to 35%, in Kansas from 16% to 35% (Bogue 1994: 294).

Nevertheless, at the end of the 19<sup>th</sup> century there was one clear result of the preceding secular evolution of landholding conditions in the U.S.: the marked spread of family owned and operated small and medium farms. “There were about 450,000 European-American farmers by 1800. Fifty years later, the number was about 1.5 million, and by 1910, it was 6.4 million.” (Bogue 1994: 279). Despite all its deficiencies, the Homestead Act was of great importance to this outcome. “During those years (1860-1920), the number of farmers in the United States increased by some 4.4 million. At the same time, 1.4 million homesteaders or their heirs received final patents, equivalent to 32 percent of the increase in farm numbers.” (Bogue 1994: 289). Thus, at least regarding the access to land, the Jeffersonian Dream of an American Republic of independent farmers had largely come true in the rural parts of the United States in the late 19<sup>th</sup> century.

## Argentina, 1810-1912

Unlike the thirteen British Atlantic colonies of North America, Argentina's late colonial *estancia* economy already bore the essential features of the landholding patterns that were to crystallize a century later. It is true that both the *estancia* and the whole agricultural sector underwent far-reaching changes during those decades, but the contrast between a few well-entrenched large holdings, the *estancias*, and the rural universe of a floating population without political influence and with highly variable rights to natural and economic resources, remained unchanged. Nevertheless, it was not continuity which



characterized Argentina's rural history. Compared to the development in the U.S., the growth of Argentina's agriculture was characterized by sharp discontinuities and alternating cycles of sectoral dynamism and stagnation. Why then, we could ask, was it possible that in such an unstable, fluctuating economic and political environment, the core of rural social relations persisted? To put the question this way is unfamiliar for the usual approach to Argentine history, which implies that it was the disparate landholding pattern that lay at the basis of the difficulties in building a stable institutional framework within which sustained development could have taken place.

To be sure, there is no reason to cast doubt on the validity of assertions of this kind, for the concentration of land tenure did have far-reaching consequences for most aspects of the social, economic and political life. During the nineteenth century, however, Argentina experienced several revolutionary moments, each of which opened the possibility for change in the traditional landholding pattern. The first instance of a rearrangement of power relations was the struggle for independence starting with the successful popular resistance against two British attempts to occupy the city of Buenos Aires in 1806/07, and leading up to the revolution of 1920. Then the fall of the dictator Juan Manuel de Rosas (1829 to 1852) brought the liberals to power, once again ushering in a bewildering phase of violent conflict at the end of which stood the creation of the Argentine Republic in 1862. But the equilibrium between Buenos Aires and the interior provinces remained fragile up to the end of the 70's, when the *porteño* elites had to accept the federalization of the city of Buenos Aires. The takeover in 1880 by General Julio A. Roca, who had conquered the rest of the Indian territory a year before, established an authoritarian style of party politics and brought a decade of relative political stability. This consolidated a limited democratic system which would endure until the introduction of universal suffrage in 1912 (Gallo 1986: 377-391).

Besides these frequently abrupt political changes, a series of socio-economic processes altered the aspect of the Argentine pampas, which developed from a colonial hinterland to being the center of the country's export economy. Where wild cattle once grazed on wild land and gauchos roamed the countryside, large *estancias* increasingly laid claim to both cattle and land, replacing the rough pampas grass with alfalfa to feed better breeds of cattle, introducing wire fencing, and trying new economic activities such as sheep raising and cereal production (Taylor 1948: 214). Thus, one could conclude there were many opportunities in Argentine history to modify the uneven landholding pattern. But none of them was made use of.

The expansion of Argentine territory and the regulation of access to newly conquered agricultural land occurred against this background. As in the U.S. at the beginning of the 19<sup>th</sup> century, most of the territory of the Plata basin was “free” land used by nomadic Indian tribes. With independence the new economic dynamism caused the Creole elite, now in power, to force back the Indian population and to put the land to productive use. In principle, the newly conquered land was to be handed over quickly from the state to private individuals, according to market mechanisms, in order to establish a family farm agriculture similar to the American example. However, political fragmentation of the Argentine territory into autonomous provinces after independence led to different conditions and paths of development. It is therefore not possible to examine the land policy of the United Provinces of the Río de la Plata in general. Consequently, the following sections concentrate on Buenos Aires, the most important and best investigated province.

I. During the second half of the 18<sup>th</sup> century, abundance of land and cattle, which had characterized the extensive colonial agriculture for so long, gave way to a situation of relative scarcity. Now, both land and cattle began to be valued in economic terms and property rights began to matter. Within this process of appropriation, the specific landholding pattern in the Río de la Plata emerged, creating the colonial *estancia*<sup>3</sup>. On the one hand, its roots went back to land grants which the Spanish crown gave out to new colonists according to their social status (Ferns 1960: 55; Giberti 1981: 45). These royal *mercedes* stipulated a series of obligations and restrictions which were difficult to fulfill and the beneficiaries in particular, who lacked influence within the colonial administration, were in constant danger of being expropriated. On the other hand, it was also possible to buy land from the royal estates, the *tierras realengas*, but procedures were extremely time-consuming and expensive. Land prices were modest, but as the outlay to legalize the property represented a fixed cost factor, wealthy buyers who could afford to purchase large tracts were favored. Moreover, in the corrupt climate of the colonial administration, property rights remained insecure, favoring even more the rich and influential (Cárcano 1972: 7). In a strict sense, the tracts usually sold under this system in the province of Buenos Aires were not large-scale landholdings. In fact, Horacio Giberti (1981: 47) states that in relation to the limited productivity, these holdings were too small to be operated profitably. Before long, many of these holdings were bought up by wealthy officers, functionaries and merchants. The colonial *estancia* came into being in the hands of these men and their families who amassed estates of more than a hundred thousand hectares. Only a few held incontestable legal titles to their land. Giberti (1981: 48) speaks of no more than half a dozen at the end of the 18<sup>th</sup> century. This assertion contrasts with the traditional view of the late colonial economy as dominated largely by big cattle *estancias*. Recent historical research on that period has shown that apart from the *estancia*, a variety of medium and small scale cattle and farming units existed<sup>4</sup>. Obviously, the late colonial rural sector did not fit the monocultural cattle economy so often evoked by the traditional historiography. In the last ten years, historians have discovered that it was a rather diversified economy, more diversified than in the first decades after independence. In addition, the rural society did not seem to consist only of rich *estancieros* on the one hand and a poor landless population made up of dependent *peones* and semi-nomadic *gauchos* on the other. But these new findings should not be added up to produce a general revisionist position. If we consider the uneven distribution of the land and, above all, the highly discriminating quality of rights to it, it becomes clear that the center of the late colonial economy was the *estancia* (Mayo 1995: 31).

It is true that the smallholding sector based on family operated units was of considerable economic importance, especially in wheat production, but its members did not constitute a rural class. Neither were they integrated by convergent interests nor were the smallholders clearly separated from the *estancia* sector. Rather, they existed as an interstitial structure within the *estancia* economy, for the small farms were often located between different large holdings or they were situated under various legal arrangements

<sup>3</sup> Giberti (1964: 11-14); Giberti (1981: 38-48). See also Taylor (1948: 174-178).

<sup>4</sup> See for this the comprehensive review article by Garavaglia/Gelman (1995: 78-83) on recent research on rural history in Argentina. See also Mayo (1995: 55).

on the land controlled by the *estancias*. In particular, these family operated units were not precursors of “family farms”, in the Jeffersonian sense of owner-operated establishments. Thus, as a whole, they did not constitute an alternative model to the *estancia* economy, as was the case with the freehold farms of the New England colonies, which explicitly represented a well-defined alternative to models of seigniorial or capitalist rent arrangements in other parts of North America (Clark 1993: 200). In contrast, the farms in late colonial Argentina were complementary to the *estancia*. This is also underlined by the fact that, when the number of large cattle-raising *estancias* grew significantly in the last quarter of the 18<sup>th</sup> century, the farm sector expanded at the same rate (Garavaglia/Gelman 1995: 80).

There are still many unanswered questions concerning the socio-economic structure of rural Argentina and the power relations embedded therein at the turn of the century, but one thing is clear: the social relations in the rural sector on the threshold to independence were sufficiently complex to allow for very different outcomes. The *estanciero* class was certainly in a dominant position but there were other social sectors such as *peones*, *gauchos* and small and medium farmers. With respect to property rights, the latter’s institutional status was weak, as most of them tilled their soil as tenants (*arrendatarios*), sharecroppers (*aparceros*, *medieros*) or squatters (*ocupantes*). But the war of independence broke up the colonial social structure and destabilized the existing power relations (Salvatore 1994: 74-102; Halperín Donghi 1975).

In this revolutionary situation several factors seemingly pushed for an improvement of the social position of the lower and middle sectors. For a time the social and political elites had a reduced capacity to control the rural masses because the new Creole elite was internally dislocated and could not immediately fill the spaces of power left vacant by the expulsion of the Spanish ruling class<sup>5</sup>. Moreover, independence was not to be had without the military mobilization of the rural masses. Such mobilizations had their antecedents in the *gaucho* armies led by Creole officers against the British invaders of Buenos Aires in 1806/07 –after the Viceroy had fled the city without having the Spanish troops offer any resistance to the British (Ferns 1960: 28). Finally the Creole political elite had absorbed, at least in principle, a notion of equality based on French liberalism and had a development model in mind that would resemble the North American example.

In fact, at first sight, Argentina’s road to independence exposes some particularities which remind one to a certain extent of the experience of the U.S. Apart from the fact that it was the first to succeed on the continent –the Viceroy of the Rio de la Plata was definitely deposed in 1810– there was above all the direct involvement of Great Britain in those processes (Glade 1969: 182). On the one hand the defeat of the British troops in Buenos Aires in 1807 had invigorated the self-confidence of the Creole elite and drawn the lower classes onto the scene; on the other hand, the Argentine economy was closely linked to the British market and British capital. After the end of the Spanish colonial regime, these tendencies were reinforced but the protracted wars –first against the Spaniards, then through interregional and interfactional rivalries– which eventually led to the provisional post-revolutionary system of 1820, had far reaching social and political

<sup>5</sup> See e.g. Ferns (1960: 61) and on the insurrection of Artigas in the Banda Oriental Salvatore (1994). For a comprehensive analysis of the revolutionary period see Halperín Donghi (1975).

consequences that differed completely from those caused by the war of independence of the British colonies.

Probably the most significant difference from the example of the U.S. was that the middle and lower classes never developed into a power factor of their own. They could only marginally capitalize on their importance as an indispensable ally of the elites. This was due to the weakness and limited scope of social relations within those classes inherited from the colonial era. The fluctuating character of rural society and the interstitial position of the middle sectors had not been mitigated by the militarization of both the society and the state. Thus patronage and coercion remained the main features of the social relations between upper and lower sectors of society. From the beginning it was the Creole elites which benefited most from the war. Not only did militarization provide them with a framework to institutionalize their intra-class relations, but it also constituted the mechanism to establish stable channels of communication with the lower classes (Halperín Donghi 1975: 155-156).

Whereas the lower classes were exposed to growing militarization during the first years of independence, a process of ruralization began to occur within the upper classes. Blocked in commercial activities by the invasion of British merchants, many Buenos Aires merchants invested capital in land and cattle and became *estancieros*. In this process the power base of the urban ruling class shifted from the city to rural areas (Halperín Donghi 1975: 377-402; Halperín Donghi 1995: 42). This does not imply that it became a rural class. Post-independent *estancieros* rather combined rural and urban power networks. But they did not gain sole control of the state. From the beginning they had to share power with an urban-based group of politicians who had made their way to power as revolutionary intellectuals. To be sure, in sociological terms, the two groups were never strictly separated but, as regards the state, a permanent rivalry over the use of resources evolved between them. Usually conflicts arising out of these rivalries remained latent. In the context of the promising prospects in the world market, a basic consensus on economic issues emerged that conceded pre-eminence to the cattle industry as the center of an export-oriented growth model fostered by the new elites. Regional differences and rivalries, however, limited this overarching consensus to the provincial level. Beyond that level a complex and conflictive network of personal and familial loyalties and rivalries evolved. On the whole, therefore, the political system established in 1820 remained extremely fragile. This has been well depicted by Tulio Halperín Donghi (1975: 396), indicating the difficulty for the new leaders to gain political stability.

[They] were patiently trying to erect, [...] [on the basis of that tenuous yet complex network of continually changing personal relationships, [...] a system of mutual understandings between locally influential figures which would at least partially fill the void left by the ruin of the national state and its replacement by provincial states of only limited political vitality.

In other words, it was not possible to establish a stable regime on the provincial level without finding a solution to the national question.

**II.** In Buenos Aires the consolidation of the post-revolutionary regime and the successful integration into the world market as a producer of hides, tallow and salted meat intensified earlier efforts of territorial expansion and settlement. Already under the revo-

lutionary regimes new land had been conquered. Although some of the land had been sold or auctioned, most of it had been allocated by grants obliging beneficiaries to occupy and cultivate the land within due time (Cárcano 1972: 19-26). These regulations, however, had had only limited effects due to the ongoing wars and the instable political situation. In 1821, the post-revolutionary government of Buenos Aires prohibited all forms of land sales and grants and looked for a different mode of allocating land to private individuals (Infesta 1998: 63-64). It was found in the *enfiteusis* system of Bernardino Rivadavia, under which regime tracts of land were leased at a low rent for a term of twenty years. The system was a compromise between the financial needs of the empty treasury and the demand for land. As the province had guaranteed its rising debt with public land, it could not sell it without the creditors losing their securities<sup>6</sup>. The *enfiteusis* system tended to favor large holdings and land concentration because no upper limits existed for the tract to be rented (Lynch 1985: 616; Infesta 1998: 66; Infesta 1999: 109-111). It was also possible for the *enfiteuta* to sell his rights or to sub-rent part of his land. Furthermore, allocation of the land was managed by committees under the control of the large landholders. Under the *enfiteusis* system, between 1822 and 1836, most of the agricultural land of the province of Buenos Aires was leased in large tracts to a relatively small number of approximately 500 landholders. This result was clearly contradictory to the original intention of the law aiming at fostering yeomen farming in the province of Buenos Aires (Glade 1969: 238; Giberti 1981: 121; Ferns 1960: 100). This failure cannot only be attributed to the many imperfections of the law itself and in the application of its clauses. It is also due to the lack of a social base of small and medium farmers or landless families who were eager to become agricultural entrepreneurs and capable of exerting political and juridical pressure.

The political system of 1820 was not to endure because the mechanism that had made it work was at the same time its weakness. It was rooted in the permanent penury of the treasury of the provincial state, forcing the government to delegate certain executive functions to local power holders who, in turn, would hold their clientele in check and thus guarantee the internal order<sup>7</sup>. This gave rise to a peculiar constellation consisting of a weak (and poor) state and the most influential (and rich) members of the post-revolutionary ruralized elite. These large-holding merchant-*estancieros* held the state in financial dependency and used it to increase their own power base, but they did not act as a social class using the formal political structure. On the contrary, they preferred to remain on the fringe of the political institutions (Halperín Donghi 1975: 384-391).

Towards the end of the decade declining exports, the exorbitant indebtedness of the provincial treasury and the war with Brazil for the Banda Oriental threw this fragile equilibrium of power within the ruling class off balance and triggered the political crisis of 1828/29, which brought to power a man who combined in his person the various elements required to establish a stable political system. Juan Manuel de Rosas was a

<sup>6</sup> Cárcano (1972: 39). See also Halperín Donghi (1963: 93). For a concise definition of the system see e.g. Brown (1994: 245) or Giberti (1981: 119).

<sup>7</sup> This practice had already been applied by the former revolutionary central government of the directory. But then the power balance between the state and the local elites had been less disadvantageous for the former.

member of the *porteño estanciero*-elite, whose business network embraced all key sectors of the Buenos Aires economy<sup>8</sup>. As a successful military leader he could count on the loyalty of the army and the police forces. During the 20's he had used his economic and military resources to build up personal relationships with the rulers of other provinces. At the same time Rosas was well-acquainted with the rough world of the rural masses. His reputation of being a skilled *gaucho* and a ruthless but fair leader secured him the loyalty of a considerable clientele –notably that of the *gaucho* militias, the backbone of the armed forces of Buenos Aires (Vogel 1992: 350; Giberti 1981: 129).

Rosas established a dictatorial regime which was to last more than twenty years. Many historians consider the era of Rosas a crucial period for the Argentine land policy. Under his rule a considerable area of Buenos Aires territory was passed from the public domain to private individuals and the *enfiteusis*-system was abolished. Moreover, Rosas succeeded in expanding Buenos Aires territory and in securing the frontier<sup>9</sup>. But in the light of most recent research, the role of Rosas in predetermining later developments in the Argentine land policy should not be overestimated, especially if we bear in mind that after his fall in 1852, the provincial territory shrank to less than that of the pre-1833 situation (Infesta/Valencia 1987: 178).

Rosas' successors blamed him for giving out excessive land grants to the detriment of the public domain<sup>10</sup>. Today, we know that this critique is misleading because most of the public domain was regularly sold in public auctions<sup>11</sup>. But, as most of the land was bought by former *enfiteutas* and large holders, the land sales did not change landholding patterns; they did, however, change the structure of property rights. From now on, the central arrangement with respect to land tenure would be unrestricted private property. All other forms of tenure were measured from this point of reference. Undoubtedly, these reforms laid the foundation for a more capitalistic mode of exchange but, on the whole, Rosas fell short of initiating a thoroughgoing transformation towards capitalism. As Jeremy Adelman correctly notes, Rosas brought a certain degree of political stability –though on very fragile foundations– but he failed to establish another fundamental precondition of a functioning market –an effective judiciary which would have been able to enforce contracts between individual participants in impersonal exchange relations (Adelman 1999: 129-132). Consequently, property rights remained uncertain. This was

<sup>8</sup> Halperin Donghi (1975: 383); Lynch (1993: 20-24); Giberti (1981: 85-87). For a succinct review of Rosa's life see in the latter book the chapter on Rosas, pp 124-144. Still of value is the biography of Rosas by Lynch (1981). Rosas was a cousin of the three Anchorena brothers Juan José, Tomás Manuel and Nicolás Mariano who had been in charge of the Anchorean business since the death of their father in 1808. For Rosas' importance as business partner, advisor and manager see Poensgen (1998: 262-278). For the cattle business of the Anchorena family see Brown (1979: 174-200).

<sup>9</sup> Halperin Donghi (1963: 93), Giberti (1981: 132). The estimates of the total territory of the province of Buenos Aires vary considerably. For the time after 1833, some sources speak of more than 180,000 km<sup>2</sup>, others of something more than 110,000 km<sup>2</sup>. See e.g. Infesta/Valencia (1987: 207); Infesta (1998: 64).

<sup>10</sup> This critique had some influence on the historical literature. See e.g. Cárcano (1972); Giberti (1981) (first published 1954); Lynch (1993).

<sup>11</sup> E.g. Garavaglia/Gelman (1995); Infesta/Valencia (1987); Infesta (2000: 37-48) and Amaral (1998). Whereas land sales tended to be more important in the central and most productive regions of the province, land grants occurred mostly in regions near or on the frontier. See Adelman (1999: 127-129).

primarily true of small- and medium-holders; large-holding merchant-*estancieros* could rely on family networks –based on real or fictive kinship– in order to secure their rights. But their range of operation also remained limited compared to fully fledged market relations.

**III.** After the expulsion of Rosas, his adversaries in all the Argentine provinces endeavored to get rid of the dictator’s legacy. A new federal constitution was proclaimed by the provinces in 1853. Only Buenos Aires distanced itself and the ancient conflict dragged on between that province and the littoral and interior provinces now united in the Argentine Confederation. In Buenos Aires a group of urban liberal intellectuals, often called the Generation of 1837, attained power<sup>12</sup>.

The new Buenos Aires rulers had to cope with an array of challenges. The struggle with the Argentine Confederation weighed on the treasury and the Indians’ offensive under their leader Calfucurá pushed back the frontier. Domestically, a new balance had to be found between the state, local authorities and the *estancieros*, and a reliable judiciary had to be built up which notably respected private property. With the foundation of the Argentine Republic under Buenos Aires hegemony in 1862, the military threat came to a temporary end. With respect to property rights the new regime’s record was ambiguous. On the one hand it did take measures to end the arbitrariness of the Rosas era, on the other it acted too indecisively to disperse any doubts on its commitment to put private property before its own interest (Halperin Donghi 1995: 53). It hardly inspired confidence when the regime took six years to resolve the dispute on the validity of the *rosista* land grants and, eventually, annulled titles to the extent of some 17,000 km<sup>2</sup> (Infesta/Valencia 1987: 204-206).

The end of dictatorial rule did not signify the weakening of the central power. It did, however, change the relationship between the landed elite and the state. In order to control the elections, the latter supported local power holders of sometimes dubious reputation, as long as they cooperated. Within this framework the political clout of the *estancieros* was limited. Although a basic consensus on the pre-eminence of the cattle sector was still respected, the relationship between the state and the *estancieros* was rather conten-

<sup>12</sup> The most prominent exponent of the Generation of 1837 was, without doubt, Domingo Faustino Sarmiento, president of the Argentine Republic between 1868 and 1873. Earlier, he had travelled to Europe and the United States. The latter in particular impressed him as a federalist model for solving the contradictory relationship between local demands for autonomy and a constitutional foundation of the Argentine nation. However, Sarmiento refused an ill-considered transfer of foreign constitutional solutions to the Argentine reality which, he was convinced, demanded a political structure of its own. This reservation did not grow out of an Anglo-Saxon pragmatism. On the contrary, Sarmiento had the idea that the Argentine constitution should be drawn up by the intellectual elite according to certain theoretical principles which were to be adapted to the geographical and social preconditions of the River Plate. Thus, Sarmiento, like most Latin American intellectuals, followed the traditional French way of thinking, conceiving modernity as a theoretical model to be approached by deliberate policies and not a process shaped by the mutual determination of existing institutions and new ideas. See Adelman (1999: 187); Halperin Donghi (1980: XXXV-XXXVII); Bonaudo/Sonzogni (1999: 31-36). For the distinction between Anglo-Saxon and French constitutional traditions see Chevalier (1993:156-158). Adelman (1999: 201-202) also refers to this point when discussing the constitution of 1853 and the question of judicial autonomy.

tious, the most important issue being the public claim on the rural labor force. The general scarcity of rural laborers was aggravated during the second half of the sixties because of the drafts for the Argentine troops fighting in the Paraguayan war. It was in that situation that a small group of enlightened *estancieros* founded, in 1866, the *Sociedad Rural Argentina*. They made two claims: first, to be the leaders of the class of large landholders themselves, and second, the latter to be the legitimate representatives of the rural population at large. Both claims proved to be unrealistic. The claim to the leadership of the *estanciero* class failed because there did not yet exist the ideological and social prerequisites necessary to form a political class capable of controlling the state<sup>13</sup>. The claim to hegemony of the *estancieros* over the rural population could not materialize because only few people lived permanently within the direct sphere of influence of the *estancias*. A mass of seasonal laborers and short-term tenants moved back and forth between the work on *estancia* land and other more independent occupations on the pampas. In other words, rural society had an eminently nomadic character, which constituted a weak foundation for the *estancieros* to build a hegemonic relationship with the rural lower and middle classes.

This underlying structure of social power relations remained unchanged until the electoral reform of 1912, which extended political participation and gave the lower and middle sectors of society their own political weight. The stability is astonishing, for the second half of the nineteenth century saw several far-reaching social and economic changes. First of all came the dramatic increase in sheep breeding. By the mid-sixties wool took over as the most important export product. Forty million head of sheep were now grazing on the pampas and had displaced the cattle to marginal areas (Sabato 1990: 26). Sheep raising, together with technological innovations, such as the introduction of wire fencing, raised land values and intensified production processes within the *estancias*. The expansion of the railway network (notably from 1880 onward), brought formerly remote regions closer to the international markets and lowered transport costs, contributing to the breath-taking expansion of cereal production<sup>14</sup>. In the 80's, within a few years, Argentina advanced from an importer of grain to one of the world's largest wheat exporters (Taylor 1948: 91; Gallo 1984: 212; Meissner 2000: 188). This, however, would not have been possible without a heavy influx of foreign laborers.

To achieve this, the Argentine government actively fostered European immigration. It was perfectly successful in procuring the labor force necessary to the expanding agriculture. As sheep breeding had changed the herds into flocks, immigration now changed the structure of the rural population. Between 1870 and 1914, almost six million immigrants entered Argentina, most of them coming from Italy and Spain. Despite this, with respect to the objective of populating the pampas with European settlers, the policy turned out to be a failure. Only little over half of those who arrived in Argentina settled permanently in the countryside, many of them seeking their fortune in the city of Buenos Aires and not in the countryside. In a sense, the high rate of temporary immigrants reflects the fluctuating pattern of the pampas society, its most salient expression being

<sup>13</sup> For this concept see Mann (1995: 8). The relative weakness of the *Sociedad Rural* is described by Sabato (1990: 29, 163-164), and Halperin Donghi (1995: 54-57).

<sup>14</sup> The development of the railway is well discussed. See e.g. Scobie (1964: 39-42); Gaignard (1989: 283-295); Ferns (1960: 338-354); Bünstorf (1992: 169).



the so-called *golondrinas* (swallows), seasonal workers from Italy and Spain who crossed the Atlantic and the equator twice a year to participate in the harvests of both countries<sup>15</sup>. Nevertheless, net immigration accounted for a good deal of the impressive growth of the total population from about 1.7 million in 1869 to over 7.8 million in 1914<sup>16</sup>.

Those who stayed in the Argentine countryside did not necessarily become landowners. Many failed because of ever-rising land prices, which made it increasingly difficult for landless rural workers to purchase a plot<sup>17</sup>. For example, the share of the costs for land in the initial outlay of capital necessary to establish a medium sheep farm rose from less than 25 percent before mid-century to over 70 percent by the eighties<sup>18</sup>. Under these conditions only a minority of the immigrants were able to surmount the last step of the “agricultural ladder” and become landowners<sup>19</sup>. Most of them were drawn into a system of short-term tenancy that evolved as a response to the *estancieros* need to improve their pastures in order to feed the new sorts of cattle introduced for meat production. Generally, the *estancieros* leased out certain lots for a two- or three-year term during which the tenant could sow wheat for his own benefit. After the contracted term the tenant had to leave the lot sown with alfalfa as pasture for cattle<sup>20</sup>.

The wheat-alfalfa-cattle-cycle made the tenants live a nomadic life, regularly moving from one leasehold property to another. As they did not become settlers on owner-operated units, their relationship with the soil as an economic resource and with the state as guarantor of property rights and contracts remained weak. This is especially true of many immigrants who were not naturalized and, consequently, lacked any political rights on the national level<sup>21</sup>. As foreigners they were not addressed by the political actors as a power base and remained outside the political system. The social and political marginality of the tenants –and notably of the immigrants– was not just the result of structural barriers to incorporation. Many of them remained willingly on the margin of the Argentine society. As tenants they chose to invest in cattle or to lease larger tracts instead of locking up their capital in land. As foreigners they had more faith in the assistance of the diplomacy of their fatherland than in the Argentine state.

<sup>15</sup> For this phenomenon see e.g. Adelman (1994: 108). Maybe it is worthwhile to point out that such a pattern could not have developed in North America due to the simultaneity of the harvest seasons.

<sup>16</sup> Cortés Conde (1986: 335-337); Taylor (1948: 90); Nugent (1992: 113-121). Somewhat different figures are provided by Díaz Alejandro (1970: 23).

<sup>17</sup> Sabato (1990: 55); Adelman (1994: 82). For the period 1850 to 70 see also Ferns (1960: 328) and Brown (1979: 152-154).

<sup>18</sup> Sabato (1990: 177). The land’s share of capital for a cattle *estancia* seemed to have been higher, whereas sheep *estancias* had to invest a smaller share in land. See Amaral (1998: 66) and Sabato (1990: 139).

<sup>19</sup> The purchase of a plot would be the most decisive step in the concept of the “agricultural ladder”. It describes the gradual ascent of rural workers from landless unpaid laborers on a family farm to outright owners. See Adelman (1994: 101-102); (Scobie 1964: 117-119).

<sup>20</sup> See e.g. Giberti (1964: 33); Giberti (1981: 182-183); Rock (1986: 401); Sabato (1990: 188-192); Adelman (1994: 131-146); Díaz Alejandro (1970: 154-158). At this point, it is important to stress that the system was by no means backward and inefficient. On the contrary it met the requirements of the modernising cattle industry very well. See Solberg (1985: 70).

<sup>21</sup> See for this Solberg (1970: 117-128). In some provinces foreigners did possess political rights on the municipal level. The abolition of the municipal political rights of foreigners by the provincial government of Santa Fe in 1890 constituted a major reason for the violent uprisings of colonists in 1892/93. See Scobie (1964: 128, 154); Gallo (1977: 338-339); Gallo (1984: 368-373).

In sum, all these changes –the shift to sheep raising in the 70’s, the return of cattle raising towards the end of the century in response to technological innovation in the processing and cooling of meat, the diversification of agricultural production, massive immigration and the expansion of the railway network– were the ingredients of an impressive period of growth<sup>22</sup>. By the end of the century the Argentine per capita income equalled that of Germany, Holland and Belgium, and economists mentioned Argentina together with other most advanced countries of Western Europe, the United States, Canada, and Australia<sup>23</sup>. Argentinians, in turn, did not fail to perceive these achievements with pride. In 1910 a publicist, referring to Argentina, enthusiastically asked: “[W]hat is the nation that, within only one century of sovereign existence, [...], has been able not only to amass the colossal fortune, the immense material riches which this nation possesses, but also to achieve the degree of civilization and culture that the fatherland of the heroes of the May Revolution has achieved?”<sup>24</sup>.

**IV.** The commitment of the Argentine government to development and modernization was always associated with the notion of creating a class of yeomen farmers in the pampas. In the second half of the nineteenth century, a series of regulations concerning the allocation of land were put into effect. They had to bridge the diverging interests of the government in selling the public land to small and medium farmers on the one hand, and in making high and immediate profits to fill the empty treasury on the other. This ambiguity was reflected, for example, in the revision of the land legislation in 1864. It granted tenants and subtenants an option of purchase, but the deadline for payment was too short, and small tenants in particular failed to obtain the necessary capital. In view of the quasi non-existence of long-term borrowing and general usurious interest rates for small scale borrowers, only few small and medium operators chose to buy. Under these conditions the law rather intensified than weakened the tendency towards land concentration (Cárcano 1972: 122-124).

Usually, the various laws concerning public land were, in the long run, only of limited importance for the evolving structure of landholding. It was, above all, socio-economic and political processes that shaped the modes of distribution and allocation of land. To a certain extent the famous general law on land, immigration and colonization of 1876, named after its creator Nicolás Avellaneda, president of the Republic from 1874 to 1880, was an exception. In 1945, A.F. Zimmerman (1945: 24) called it “one of the best land laws that Argentina ever possessed”. In fact, in its fundamental traits, it was in force for more than thirty years. The law was designed to foster the settlement of immigrants as yeomen farmers; not surprisingly, it reflected the US-American land laws in many respects. For example, it provided for previous surveying and division of the land into small

<sup>22</sup> See for this Díaz Alejandro (1970: 2-12, 148-159); Ferns (1960: 365); Solberg (1987: 65); Sabato (1990: 32-37); Taylor (1948: 371); Cortés Conde (1986: 327-349); Halperín Donghi (1985: 340-341); Scobie (1964); Giberti (1981: 152-190); Zeberio (1999: 293-362).

<sup>23</sup> Díaz Alejandro (1970: 1). Compared to the USA and Canada, the statistical evidence did not support such an optimistic view. By the end of the century, Argentine per capita income was slightly more than 50 per cent of that of the USA and two thirds of that of Canada. See also Coatsworth (1999: 151) and Bulmer-Thomas (1994: 439).

<sup>24</sup> Quoted in García Hamilton (1991: 14).

farms of one hundred hectares each. The first one hundred lots in a given area were granted free to interested settlers. The remaining farms were sold at the low price of two pesos per ha (about eight cents in gold pesos). However, the law did not live up to expectations. Within twenty-three years only seventeen colonies were founded and less than 5000 km<sup>2</sup> placed under cultivation (Zimmerman 1945: 24). According to Miguel A. Cárcano (1972: 160), the law mainly failed because it left the possibility open for indirect colonization by private companies, thus encouraging speculation and further concentration of land. Another drawback was that the settlers only got their titles after having fulfilled certain conditions stipulated by the law, which left them at the mercy of local, sometimes corrupt, civil servants<sup>25</sup>. The uneasy situation of the settlers is graphically summarized by Cárcano:

The very title of property was delayed and he [the settler] constantly felt the uncertainty of his rights. Depending on the government, he was in permanent danger of suffering the modifications of new laws and rules, capricious or selfish interpretations, delays and vicissitudes. He lived on land which, in reality, was not his own; he could not offer it as security for a credit, because he was subject to conditions susceptible to diverse interpretations and modes of enforcement<sup>26</sup>.

After the *Conquista del Desierto* (1879), which enlarged the Argentine territory by about 350,000 km<sup>2</sup>, the economic background for the regulation of access to land changed dramatically. While in 1865 the total area of tilled land in Argentina was estimated to be less than 1000 km<sup>2</sup>, at the end of the century it embraced more than 200,000 km<sup>2</sup>. At first glance, the elimination of the Indian threat had at last created a situation similar to that in the U.S. and Canada, with thousands of square kilometers of free land open for colonization. Now, the Jeffersonian dream of Argentine liberals seemed to come true.

Strongly influenced by U.S. legislation, the land policy of president Roca aimed at favoring colonization. For example, it recognized the rights of squatters who had helped to protect the frontier. Those who had lived for over thirty years on the land they claimed were granted definite titles. Later squatters could obtain a price reduction of up to two thirds when buying their plots. Another means of populating the remote agricultural lands in the Chaco and Patagonia was the *Ley del hogar* of 1884, the Argentine version of the U.S. Homestead Act, which provided for a division of 27,000 km<sup>2</sup> into farms of 625 hectares. Soon, however, the size of these farms proved to be too small for them to be operated profitably, and most of the land in Patagonia was bought up by a few large companies (Cárcano 1972: 181-182; Zimmerman 1945: 23-25; Scobie 1964: 116).

Colonization schemes also failed in the pampas, the zone best suited for farming. This can be attributed only in part to imperfections in legislation and law enforcement. The very conditions of the military campaign against the Indians prevented widespread colonization. To finance the expedition, the state had given out government bonds exchangeable for land as the frontier advanced (Scobie 1964: 39, 47-50; Gagnard 1989: 32-33). Thus, most of the newly conquered territory was turned over to bondholders.

<sup>25</sup> See the many complaints brought forward by colonists against local officials, notably the *jueces de paz* in Gallo (1984: 379-427).

<sup>26</sup> Cárcano (1972: 157) (first published in 1917). See for this also Scobie (1964: 157-159).

What remained was auctioned in large chunks, and by 1884 most land was in private hands (Gaignard 1989: 253). Only some marginal land was eventually granted by President Roca to the soldiers of the 1879 military campaign.

The rapid process of appropriation was not accompanied by the seizure of the new lands. Many proprietors did not even know the location and quality of their lots. Only the expansion of the railway allowed for the gradual occupation of the “desert”. In these circumstances it was not the state but private colonization companies and big landowners that set the terms for the colonization of the pampas. This was even true of the province of Santa Fe, which had promoted colonization since the 1850’s and where, compared to other regions of Argentina, a relatively strong family farm sector had developed. But, after 1880, farmers could not benefit from the southern expansion of the province into the pampas. The impressive growth of Santa Fe’s wheat production was mainly based on the expansion of tenancy and sharecropping (Cortés Conde 1979: 121; Gaignard 1989: 364-374; Gallo 1984: 89-93).

In historiography the results of the conquest and subsequent occupation of the new territories, the pampas, the Chaco and Patagonia, are hardly in dispute. Minor disagreements exist on such issues as the evolution of land values, the tendency towards subdivision of large holdings, the opportunities for immigrants and the defining of periods. Agreement, however, prevails that the territorial expansion in general favored the cattle industry more than agriculture and that it did not fundamentally alter the landholding pattern of Argentina. Yet, different explanations arise concerning the causes of such an outcome. We can mainly distinguish two approaches, one stressing institutional factors, the other emphasizing prevailing factor endowments. The former argues that it was above all the monopolization of land by the *estancieros* and imperfections in legislation and jurisdiction which blocked the way for the immigrants to become owner operators. The latter, however, focuses on the lack of demographic pressure relative to the new territories, on the complementary economic relationship between cattle ranching and wheat growing, on inadequate transport facilities and on the relative prices of land, cattle and wheat<sup>27</sup>.

At a closer look, the different interpretations are not mutually exclusive, they rather complement one another. This has to do with the very course of the territorial expansion. The appropriation process in the 80’s was accompanied by speculation and monopolistic tendencies. The general crisis in 1890 brought about a change, and land prices which had dramatically risen during the 80’s fell sharply. The decline of land values discouraged pure speculation and favored colonization and the subdivision of holdings. But the best land remained in the hands of large holders who managed to cultivate their domains profitably under various forms of tenancy. After the mid 90’s land values rose again and it became increasingly difficult for newcomers to buy land. At the same time, revolving round the thriving meat-processing industry, the urban labor market provided favorable conditions for immigrants. For them to buy plots and settle as farmers was only one option among others –and not even the most attractive one (Scobie 1964: 161, Klein 1983: 318-319; Cortés Conde 1979: 209-210).

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<sup>27</sup> See for the institutional approach e.g. Scobie (1964); Cárcano (1972). Proponents of the factor endowment approach are Klein (1983) and Cortés Conde (1979).

Against this background it was difficult for small holders and tenants to form politically powerful organizations. On several occasions they rebelled but their actions were short-lived and seldom went beyond the municipal level. Only in 1912 did a prolonged strike of tenants and seasonal workers put the “agrarian question” on the national agenda. But by then the lower and middle rural classes had already been absorbed by the Radical Party and were dominated by urban interests. Unlike the U.S., the territorial expansion of Argentina neither brought forth a strong rural class of small and medium farmers nor altered the power balance between Buenos Aires and the rural provinces. After the *Conquista del Desierto* most of the new land had been declared property of the national state and had been divided into administrative entities under the direct jurisdiction of the central government. These *Territorios Nacionales* lacked the demographic, economic and political dynamism of the National Territories in the west of the U.S., and it took them a long time to gain the status of provinces with equal rights within the federal framework<sup>28</sup>.

The dynamic growth process during the fifty years following the *Conquista del Desierto* did not create the conditions to overcome the traditional landholding pattern of Argentina. Without a self-confident class of family farmers strong enough to press politically for their own interests, any reform project was doomed to failure from the beginning. In his comparative study on Canada and Argentina, Carl E. Solberg (1985; 1987) brought out this point very clearly. He saw the absence of a strong pressure group of farmers as one of the main reasons why the Argentine state never implemented a concise agricultural policy in this respect. But Jeremy Adelman (1994) might well be correct when suggesting that the outcome would have been the same even if there had been more political pressure from the farmers. Argentina differed in several other key factors from Canada, among them being the weak political institutions, the delayed class formation and the wider palette of agricultural export opportunities. Development along the path of family farming would probably not have been feasible, or, at least, not optimal. Argentina took another path of growth, that of concentrated property and large landholding –and prospered remarkably during several decades. But as no synergy effects evolved between economic growth and political democratization, it accumulated a debt of stagnating productivity, social inequality and political exclusion that was to be paid off when the phase of extensive growth came to an end in the 1930’s.

## Conclusions

Comparisons of countries like the U.S. and Argentina are ultimately driven by an interest in the question of the one’s “success” and the other’s “failure”. Although it is not an easy task to define such normative concepts exactly, in our case it is sufficiently obvious that the U.S. has done much better than Argentina in terms of almost any relevant social, economic or political indicator. While the U.S. is often presented as the model for successful development of a so-called “region of recent settlement”, in the

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<sup>28</sup> The most dynamic national territory, La Pampa, obtained the status of province only in 1951. See Gaigard (1989: 33, 227-234); Glatz (1997: 74-84).

case of Argentina scholars try to find causes for her presumed failure<sup>29</sup>. The vast array of explanations embraces features such as distinct colonial traditions, contrasting conditions of territorial expansion, or general differences in culture and mentality. But more fundamental arguments concerning, for example, the importance of internal and external factors or the role of free trade vs. dependency have also been developed. Moreover, a series of theoretical approaches addresses the problem<sup>30</sup>.

Within this larger context, the present paper focuses on the evolution of different landholding patterns in North and Latin America, certainly one of the most crucial aspects of development in regions of recent settlement. Well aware that neither subcontinent constitutes a homogeneous historical case, we restrict ourselves to comparing the landholding patterns of Argentina with those of the U.S. At the same time, we pay special attention to the role of the state in the formation of the landholding patterns. It goes without saying that in this period of time non-governmental, notably economic, factors also influenced that development. Nevertheless, public land policy was of decisive importance in the U.S., while its impact was more limited in Argentina. It is interesting to note that the ideal of independent yeomen farmers played a crucial role, not only in the U.S. where a real model of a rural society of this kind existed already in colonial New England, but also in Argentina where it found its way into numerous laws. Even in Mexico where great estates were firmly established at the end of the colonial period, the notion of an independent yeomanry was of some importance, for example during the *Reforma* in the 1850's or, in the late 19<sup>th</sup> century, in the context of the laws on public land (*baldíos*). But, in fact, the agrarian structure of small and middle-sized family farms only took hold in North American society, whereas in the south the dominance of large landholding remained intact or, in some cases, even intensified.

In our opinion, the most important factors for these contrasting developments lie in the different political and institutional conditions, which will be briefly reviewed in comparative perspective. First, the influence of political or political-military factors for the access to land will be discussed; then follows a description of the role of the respective land policies; finally, some institutional and economic factors will be listed to explain the diverse landholding conditions in North and Latin America, i.e., more precisely, in the U.S. and Argentina.

**I.** Commenting on the significance of historical traditions in Latin America, Tulio Halperín Donghi (1969: 145) laconically noted the central importance of the political appropriation of land in Latin America:

<sup>29</sup> The notion of regions of recent settlement was introduced by Ragnar Nurske. See Gallo (1977: 326) and the introduction in Platt/Di Tella (1985).

<sup>30</sup> The frontier theory focuses on the specific conditions and effects of the territorial expansion; the staple theory assumes a leading export staple triggering distinct developments in each case; the factor-endowment approach compares different sets of factors of production which led to distinct institutional arrangements; the latter, notably those concerning property rights and transactions costs, are central to approaches bearing on the New Economic History. In the case of Argentina, this diversity is eclipsed by the question of when the causes were laid out for the decline after 1930. A concise discussion on different theoretical approaches is found in Haber (1997: 1-33). See also Adelman (1994: 5-12); Sabato (1990: 4-19) and Platt/Di Tella (1985). For the discussion on the frontier in Latin America see Hennessy (1978).

The Revolution did not obliterate one characteristic feature of Spanish American reality: namely, even after achieving independence, the support by the political-administrative power remains indispensable for the acquisition and preservation of wealth. In the countryside a striking continuity ensues: in the same manner as earlier, one does not obtain land so much with money, as through political favors by the political power, which, therefore, is maintained at all costs.

Thereby, a wide spectrum of politically conditioned forms of land appropriation can be observed: from outright takeover using military force, through types less crude but still based on political power, to privileged access to confiscated or state lands by virtue of superior political influence.

Mexico undoubtedly suffered most from this type of land appropriations in the 19<sup>th</sup> and early 20<sup>th</sup> centuries, notably in periods of civil war and political conflict between rival power groups. For example, *haciendas* were confiscated by political opponents and given over to their own adherents, or military commanders illegally took possession of agricultural estates, ran them for their own profit and ultimately claimed them as their own property. These were widespread practices in the wake of the struggles for independence in the early 19<sup>th</sup> century as well as during the Mexican Revolution between 1910 and 1930 (Tutino 1975; Tobler 1971). Mexico was the only Latin American country where land appropriations, at that time, also took place “from below”, by rebel peasants during the revolution. It is true that some of these estates were returned to their former owners by the more conservative revolutionary leaders, but in the course of the later phases of the revolution (1920-1940) a considerable part of them passed into the hands of the peasants.

In the 19<sup>th</sup> and early 20<sup>th</sup> century, other more subtle political methods of land acquisition played a considerable role, too. One of the best examples for the 19<sup>th</sup> century is the rise of Luis Terrazas, *caudillo* of the north Mexican state of Chihuahua, to become one of the largest land owners in all of Mexico. Terrazas had been able to purchase from the Mexican government, on specially favorable terms, one of the largest *haciendas* in northern Mexico, which had been confiscated from the former owner because of his collaboration with the emperor Maximilian (Tobler 1984: 104-105). Additionally, thanks to his political influence, Terrazas profited from the confiscation of church lands by the liberal government in 1859, as well as from the sale of public lands in the 1880’s and 90’s. Contrary to the original intention, both measures did not entail a widening of the landowner class, but rather a consolidation of latifundism.

In Argentina, military land appropriations played a smaller role than in Mexico. Traditional historiography often considered the land grants of generals Rosas and Roca to their military and political adherents to be one of the essential causes of the later dominance of great estates; actually, the effects of those grants remained rather limited. It is true that, in Argentina too, power holders distributed land time and again in order to honor political loyalty or military services, but they hardly transferred existing estates. In view of the limited church domain, the alienation of church property was of no importance either. Even in the recently opened regions of the Argentine frontier, the state did not give out real plots, but issued tradable land certificates –much as in the case of the military bounties in the U.S. In Argentina, however, this practice favored land concentration, for it was above all smallholders who transferred their certificates. Although the

political influence of the estate-owning elite in Argentina promoted the successive spread of latifundism, we shall see that it was rather institutional and economic factors which presented the greater obstacles for the lower and middle classes in obtaining land. Especially in the early 19<sup>th</sup> century, there are examples of politically privileged access to public land in the U.S. too, notably by influential private land companies. Also later, corruption and bribery as well as lobbying the federal government and congress did play a considerable role, particularly in the case of the huge land grants to railroad companies. However, in the general context of the relative egalitarian land policy in the U.S. these factors were of only minor importance.

**II.** Broadly speaking, land was allocated mainly by market mechanisms not only in the U.S. but to a considerable extent in Argentina, too. Nevertheless, Argentina brought forth the typical Latin American landholding patterns characterized by great estates, extensive land use and the lack of a strong middle sector. Why was this?

In the U.S., the state played a crucial role in the formation of relatively egalitarian landholding patterns. In this context, two premises were of special importance: first, a functioning state was established immediately after independence, creating a stable administrative and institutional framework for the land policy; second, regarding issues of land policy, political predominance shifted from the conservative aristocrats to the populist agrarians during the 19<sup>th</sup> century. In particular, the second factor was of utmost importance for the specific orientation of the U.S. land policy. Already in the late colonial period, the social and economic as well as the political dependence of the rural lower and middle classes on the colonial elite of British North America was less marked than in Spanish America. The mass mobilization in the wake of the war of independence against Great Britain additionally fostered the emancipation of the lower and middle classes from the upper class. In the course of the 19<sup>th</sup> century, this development gained strength also because of the particular change which the federal state and the crucial socio-political forces underwent in the context of the territorial expansion. As regards the land issues, the ensuing socio-demographic change altered the power relations between the more conservative old east coast states and the more progressive frontier states by gradually adding new states to the union. Beginning in the 1840's this process received additional impetus from the mass of mostly land-seeking rural immigrants from Europe who, for the most part, succeeded in acquiring land, became U.S. citizens and thus exercised political influence.

Argentina developed in quite another direction. Contrary to the U.S., even in the province of Buenos Aires, state building remained weak in the decades after the end of the war of independence; in fact, a true federal state came into being only in 1862. Generally, the "state" was much less capable than in the U.S. of enforcing an effective land policy. The relative weakness of the Argentine state was rooted in the particular social conditions at the end of the colonial era and the processes triggered by the *Independencia*, whose mobilization effects did not lead to the economic and political emancipation of the rural lower and middle classes.

The unsteady "fluctuating" character of the Argentine rural society had its class of rootless *gauchos*, dependent *peones* on the *estancias*, tenants or sharecroppers on the land of big land owners, and, interwoven in these structures, some small and medium farmers of more or less precarious status. If it did not prevent caudillistic patron-client



relations from continuing within the rural militias, it did, nevertheless, free the everyday life of the rural lower classes from effective clientelistic control by the big landowners. Such control was, for example, widespread on the large *haciendas* in Mexico. In this context the rural elite could not establish itself as a hegemonic class. Lacking a reliable rural power base, the *estancieros* had to concede the leadership in the state building process to an emerging group of urban revolutionary intellectuals. Of course, the *estancieros* dominated rural society but their relationship to the state remained weak as long as the latter respected their economic interests. Thus, the low capacity of the Argentine state to effectively penetrate the society and to deliberately shape new economic realities, was matched by a society whose lower echelons evaded state control and whose most powerful members did not care much about establishing strong political institutions. Therefore, in Argentina, society and state constituted relatively autonomous zones, more so than in the U.S. and Mexico. Using a notion introduced by Michael Mann (1994: 105-127; 1995: 479), we could say that Argentine society was not successfully “caged” within an emerging nation state. In the case of the U.S., the rapid “caging” of the lower and middle classes in particular entailed a dynamic change of power relations, tending towards levelling the most glaring social disparities and strengthening democratic participation. In Argentina, the lack of this dynamism led to the preservation of power relations as they had emerged in the early 19<sup>th</sup> century.

In that country the socio-demographic consequences and, particularly, the political outcome of the territorial expansion were completely unlike the results in the U.S. A progressively expanding area of settlement such as in the U.S. did not exist in Argentina. In particular, the advancement of the Argentine frontier did not bring about a permanent and relatively dense settlement of the newly-opened –or at least conquered– lands. While, in view of the specific economic use of the pampas and the predominance of cattle raising up to the 1860’s, the demographic consequences of the “expansion” remained weak, its political effects (as witnessed in the U.S.) completely failed to appear.

Basically, the territorial expansion of Argentina in the 19<sup>th</sup> century took place in the form of a military conquest. Thus, either national or provincial claims of sovereignty preceded successive settlement. This was also true of the expansion to the south from the 80’s onwards. Contrary to the U.S. the new territories did not rapidly gain the status of member states with equal rights, and additionally the Argentine elite effectively limited voting rights to the upper class and part of the educated (urban) middle class until the reform law of 1912.

European mass immigration, commencing in the 1870’s, was also ineffectual in causing substantial changes. Although the area under cultivation began to expand very rapidly and the number of European immigrants rose heavily, the socio-demographic and political effects of this development differed completely from those in the U.S. Not even the massive expansion of agriculture (mainly wheat production) brought about permanent settlement with people putting down roots as in the U.S. A large part of the harvesting was carried out by migrant workers; moreover, the specific Argentine system of land tenancy reduced tenants to “agricultural nomads”. Nor were the European immigrants able to exert political influence, as most of them did not attempt to obtain citizenship until the First World War. Thus, compared to the U.S., in Argentina specific economic factors, the different behavior of the European immigrants, and, in particular, certain institutional barriers, making it extremely difficult for new settlers to obtain land, were

of much greater importance for the access to (or exclusion from) landholding. These factors will be briefly summarized in the following passages.

**III.** The Argentine state was not only too weak to overcome the considerable difficulties of peopling the vast territories of the Pampa, Patagonia and the Chaco, it erected for its part institutional obstacles to such a development. From the perspective of small and medium farmers, the social and political privileges of the elite with regard to land were less of an obstacle to the purchase of plots than generally uncertain property rights, time-consuming and expensive judicial procedures and the inefficient credit system. In 1895, an article in the *Review of the River Plate* denounced the harmful practices.

In theory, any new settler can get a grant of land, and if he were to go to the land office, and find an official who spoke his language, he would be greatly impressed with the liberality of the Argentine government. But when he came to test this liberality in practice, his opinions might undergo a most disagreeable modification. After wasting an incredible amount of time and patience, he would probably take advice from some friend, and buy or acquire land from some private holder rather than hang about the government office to no purpose. We know, as a matter of fact, that it has required two or three years to obtain from the government the right to rent land for which there was no competition and this although the services of an agent learned in government trámites (bureaucratic procedures) have been employed<sup>31</sup>.

John H. Coatsworth was one of the first scholars on Latin American history who stressed the importance of institutional factors for the low economic growth rate of the region<sup>32</sup>. He argues that high political risks and inefficient property rights raised transaction costs. In addition to this, the state was unable to provide public goods indispensable for sustained economic growth, such as reliable judicial and police institutions or an efficient transport infrastructure (Coatsworth 1999). It would seem, at first glance, that Argentina did not correspond to this analysis. Even if, up to the 1930's, her growth rate could not compete with that of the U.S., it exceeded that of many other countries. However, the growth of the Argentine economy was not based on increasing productivity but on the extensive incorporation of new natural resources into the production process. The benefits from this growth mainly accrued to the small upper class, and did not trigger spread effects that would have brought development on a broad scale. Moreover, only weak positive links evolved between economic growth and political democratization, strengthening the supremacy of the state over civil society.

Although Argentina was eventually established as a confederation according to the model of the U.S., her federalism took on an executive-biased and highly centralized character. The constitutional compromise of 1862 between the confederation and the province of Buenos Aires had only been possible by disregarding broad democratic procedures in the provinces. Up to the 1880's, the limited administrative and financial resources of the federal state prevented a clear-cut shift of power to the central government. The provinces themselves had only weakly institutionalized polities. Of utmost importance was their dependence on the fiscal resources of the federal state. The struggle between the

<sup>31</sup> *Review of the River Plate*, June 17, 1899, p. 7, cit. by Scobie (1964: 120).

<sup>32</sup> See for this the various articles by Coatsworth (1978; 1990; 1993; 1999).

national government and the provinces for a stable balance of power was aggravated by the peculiar (hegemonic) position of the province of Buenos Aires. A solid institutional and financial basis for the confederation was only achieved under General Roca, which enabled the federal government to impose its claim to hegemony over the provinces.

There were actually no fundamental disagreements between the provinces and the national state as far as land settlement policy was concerned. However, the unresolved question of authority between the two levels of government did not allow for a coherent settlement policy. Indeed, one or two provinces successfully promoted colonization, but without the effective support of the national government there was no way to break up the traditional landholding structure. Conversely, federal land laws could only partially be enforced for lack of efficient provincial administrations on the spot. Thus, the institutional obstacles for the peopling of the Argentine frontier with small and medium-sized family farmers did not have its roots in a strong state controlled by big landowners, but in the incomplete formation of political classes and the delayed state-building after attaining independence. Against this unstable institutional background the idea of peopling the frontier gained momentum only in the last three decades of the 19<sup>th</sup> century. The enormous territorial expansion at the beginning of the 1880's created the preconditions for Alberdi's *gobernar es poblar* and mass immigration. But already at the turn of the century, even before net immigration reached its peak, the closure of the agricultural frontier became apparent. Most of the newly won land in Patagonia and in the Chaco region was undesirable land for settlement. At the same time, the most intensive waves of immigrants coincided with extremely dynamic economic developments in the already settled area of the pampas and the seaports of the Littoral. A large part of the best agricultural land of the pampas was also productive grazing land, most of which was in the possession of big landowners. Though it would be incorrect to denounce the *estancieros* as actual land monopolists, immigrants attracted by the profit opportunities of the flourishing wheat market and willing to settle faced well-entrenched claims of property. It is true that, after 1880, there was an opening of the land market, which allowed the most successful immigrants to establish themselves as independent farmers and, occasionally, even to rise to the group of the *estancieros*; compared to the U.S., however, for most of the landless immigrants and Argentinians, the chances of acquiring land on their own remained limited. Usually they gained access to land not by means of property but through tenancy and sharecropping.

**IV.** As regions of recent settlement both the U.S. and Argentina provided a set of opportunities for enrichment and progress for hard-working people with initiative. This was true, at any rate, of members of the elite who had privileged access to capital and land by virtue of their superior position in society and politics. For the lower and middle classes the situation was quite distinct in both countries. Their rights were more respected and they had more political influence in the U.S. than in Argentina. As a consequence, in the latter country the institutional environment was by no means favorable for small and medium agriculturalists. For them the purchase of a plot involved not only high economic but also institutional risks and exorbitant transaction costs. Basically, this assertion applied to the whole of Latin America. In the 1880's, a contemporary observer of Brazil, the former U.S. Consul General in Rio de Janeiro, paradigmatically described the situation.

During three centuries the Crown has been making grants of land to various parties, the records of which do not appear to exist in any accessible form, if they exist at all. A man might expend weeks in exploring the wild lands, and if he should then find a tract he wished to purchase, he would not be sure of a clear title. If he resolved to run his risk and buy of the Government, his first proceeding would be to formally request, in writing, the president of the province in which the land was situated to cause the tract to be surveyed. The president of the province would designate a surveyor to make the survey and report upon the land, after which the Government would fix the price and conditions for its sale. If a sale should be effected, the purchaser would take the land subject to the claims of other individuals, which, if any were preferred, would, unless amicably adjusted, have to be determined by expensive and dilatory proceedings before a judicial tribunal<sup>33</sup>.

As this paper showed, the U.S. and Argentina differed in another fundamental point: the mutual integration of society and state. In the U.S., a close relationship evolved between all layers of society and the state from local self-government up to the top of the federal legislative and executive. In Argentina, interaction between society and state remained relatively weak. This was certainly true of the rural lower and middle classes, but, compared to the U.S., it applied also to the upper class, which was at the same time less capable and less motivated by the circumstances to erect a strong state that effectively claimed the monopoly of power.

Contrary to Latin America as a whole, at the end of the “long” 19<sup>th</sup> century both the U.S. and Argentina could reasonably be –and in fact were– considered successful federal republics with a promising future. Today, with the advantage of hindsight, we know better. The U.S. stand unequalled as the world’s superpower; Argentina, haunted by economic and political crisis, has not yet crossed the threshold to the industrialized countries of the First World. Taken by their own words, the founding fathers of the U.S. –if sometimes against their own intentions– mostly succeeded, whereas, in Argentina Alberdi’s “Possible Republic” failed to pave the way for the “Real Republic”<sup>34</sup>.

In this paper we have sustained the view that the basis for this distinct outcome was laid by the specific developments during the 19<sup>th</sup> century. If we consider the process of state and nation building in this period, not only as the formal establishment of a nation state with well defined boundaries and a core of relatively stable institutional arrangements but also as a multifaceted process of social integration, we can make out notably three shortcomings or strengths respectively, which are directly influenced by the way the access to land was organized. These are the degree of political democratization, the degree of social differentiation and the pace of economic growth. With respect to the latter, both economies were able to take their chances within the emerging capitalist world market and grew remarkably during the 19<sup>th</sup> century. But, while in the U.S. industrialization and technological progress opened a new frontier for economic growth well before

<sup>33</sup> Cited by Nugent (1992: 133-134).

<sup>34</sup> Both terms “República posible” and “República verdadera” were coined by Juan B. Alberdi, on whose “Bases y puntos de partida para la organización política de la República Argentina” the Argentine constitution of 1853 was largely based. Alberdi considered the “Real Republic” with extended civil and political rights not feasible in the Latin American context and therefore proposed the notion of the “Possible Republic”, where political rights were strictly limited to the intellectual and economic elites. See Lettieri (1999: 105-106).

the closure of the westward expansion, in Argentina the economy began to lose vigor when the costs of occupying open territories exceeded the expected returns. Obviously, the Argentine economy had grown on too narrow a basis and had failed to create the prerequisites to adapt successfully to changing circumstances. This also had to do with the lack of social differentiation. Unlike the U.S., where self-intensifying economic exchange networks evolved among a wide array of consumers and producers, Argentine society, with its marginalized rural lower and middle classes and its outward oriented upper class, did not constitute the basis for a sufficiently dynamic internal market. At the same time, while in the U.S. the “state” played a decisive role in coping with the difficulties of dynamic growth, the Argentine “state” was too weak to support sustained development. It not only lacked the capacity to really impose its policy within the economic and social realm, but it also lacked democratically legitimized procedures allowing for the effective articulation of social interests outside a small elite. In all of these contexts the organization of the access to land is a crucial factor for an understanding of the causes of such differences, not only between the U.S. and Argentina, but also, as Ezequiel Gallo (1977: 332-340) has pointed out, within Argentina itself, between more democratic and dynamic wheat regions and areas of large cattle-raising *estancias* tending to social and political encrustation.

It is true that external factors, such as the incentives set by the world market or the effects of international capital flows, had an impact on the different developments within Argentina and also between that country and the U.S., but these factors mattered only in a very general sense in pushing for permanent change. This change, however, occurred within historical settings made up of particular factor endowments, institutional structures and cultural practices<sup>35</sup>. It was such internal factors which acted on the modes of access to land and were for their part influenced by the latter. Responding to similar incentives, very different socio-political conditions and landholding patterns evolved in the U.S. and Argentina in the course of the 19<sup>th</sup> century. Although the differences have never been absolute, and examples of almost any aspect of social life could have been found side by side in both societies, their sums differed more from each other than the particular elements of each equation. To a great extent, this was due to the different roles the two states were able to play. Close interaction between state and society would by no means end conflicts (on the contrary) but, in the end, in the U.S. it helped establish procedures which would strengthen both state and society and enable them together to overcome the obstacles of development, while in Argentina this process remained largely incomplete.

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<sup>35</sup> See also Fogarty (1985).

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