

Argentine tractorcade rattles Carlos Menem

by Gerardo Terán Canal

On July 27, Buenos Aires' Plaza de Mayo became the site of a raucous, aggressive protest as over 3,000 vehicles and 10,000 farmers filled the historic park in front of the government palace, the Casa Rosada, to demand that President Carlos Menem and Finance Minister Domingo Cavallo put an end to the neo-liberal economic policies which have destroyed thousands of farms. The motorcade of tractors, pickup trucks, cars, and other vehicles wound its way through the streets of the capital carrying chickens and pigs and other farm animals, while farmers tossed grain onto the streets and handed out produce free to onlookers. Bystanders applauded and waved, offering their wholehearted support.

The flags and banners they carried expressed farmers' anger: "Menem Was Handed the Country in Flames, But He Never Said He Would Hand It Back in Ashes," read one. "Why Import Pigs?" another read, referring to the unrestricted import of pork. "There Are Plenty of Fatsos in the Government!" Particular vitriol was reserved for Cavallo, the Harvard-trained monetarist who has refused to even discuss producers' demands or consider the slightest change in policy. One banner showed the minister's face with a skull and crossbones superimposed and the slogan "Danger—He Exterminates Farmers!"

The demonstration, organized by three of the country's four largest agricultural producer federations, caused such panic in the government that Menem and his staff fled the capital rather than face the producers. But this is only the first of several demonstrations planned over the next two months to protest the government's "convertibility plan" implemented on the orders of the International Monetary Fund (IMF). On the same day, producers throughout the country, including in Córdoba, Santiago del Estero, Mendoza, Neuquén, and Santa Fé, also conducted tractorcades against government policy.

Prohibitively high interest rates, high taxation and indebtedness, and a free-trade policy which has allowed unrestricted entry of foreign agricultural products have made it impossible for farmers to produce and make a profit. On top of this, devastating floods have destroyed crops in the *pampa húmeda*, the country's most important agricultural production zone covering most of the province of Buenos Aires and parts of Santa Fé and La Pampa. All of these factors have driven thousands of smaller and medium-sized producers out of business. At least 30% of farm debt held by banks is in default.

The quality of the vehicles in the motorcade told part of the story of the agricultural crisis. Of 3,500 vehicles, there were only 18 tractors, almost none of them new. The demand for tractors has declined dramatically in recent years because farmers can't afford them. Many had signs attached to them which read, "This Is Borrowed," or "This Belongs to the Bank." The delegation from the Argentine Agricultural Federation (FAA) brought with it an old Pampa tractor, the first produced in Argentina in the 1950s. The sign on it read "Perón Built Me, But Menem Finished Me Off." The Pampa was first built during the government of Gen. Juan Perón (1946-55).

Policy changes needed

Like agricultural producers across Ibero-America (see p. 12), Argentina's farmers are demanding relief from the IMF's onerous policies. A statement circulated July 27 by the three organizations leading the strike, the FAA, Rural Confederations, and Coninagro, called for refinancing agricultural debt with six-year terms at low interest rates and a two-year grace period, general availability of cheap credit through private and commercial banks, incentives to encourage production, tax relief, and barring imports of subsidized foreign agricultural products with which Argentine goods cannot compete.

Yet the government will hear none of this. Agriculture Secretary Felipe Solá, the only cabinet member who stayed in town on July 27, issued a press release which lied that the strike "didn't have the massive support of Argentina's farmers," and passed the demonstration off as a ploy to sabotage next October's congressional elections. The statement blamed the agricultural crisis on provincial governments and told producers to hold their protests there. Cavallo, whose arrogance has earned him the hatred of most of Argentina's productive sectors, went so far as to say that agriculture would no longer be the mainstay of Argentina's economy. In the past, he said, "governments lived on agriculture, but not now. Neither the government nor the producers can live from the profits generated by agriculture."

This attitude is fueling producers' rage. When Felipe Solá told farmers on a nationally televised talk show to accept their "difficult" fate, he was booed and shouted down. Countering the government's assertions on the success of the tractorcade, Arturo Navarro, president of Rural Confederations, declared that "this mobilization is a cry from the interior, from the agricultural family, which is felt in the country's industry and trade. . . . It is carried out by the regional economies—the Patagonia, the unprotected fruit producers. . . . The diagnosis has been made. Agriculture is in a terminal crisis." Referencing the "stability" allegedly produced by Menem's economic program, Navarro added, "I no longer believe in the stability of the cemeteries. . . . I believe in the dynamic stability of growth in production and export." This is what Argentina needs, he concluded.