

# Argentine President Defies British Empire

by Cynthia R. Rush

In early March, the British Empire attempted to unleash a “lovely little war” between Colombia and Ecuador as a means of sabotaging regional integration and the nascent consolidation of the Bank of the South. When some adept regional diplomacy, led by Brazil, defused that option, at least for the time being, the City of London quickly shifted its sights to Argentina, intending to blow up that country through the vehicle of an orchestrated “agricultural producers” strike, to destabilize—even overthrow—the government of President Cristina Fernández de Kirchner.

The Argentine President, like her husband and predecessor in office, Néstor Kirchner, has been a pivotal leader in the fight for regional integration and the creation of new independent financing mechanisms, through the informal club of Ibero-American Presidents. British machinations around Colombia, Ecuador, and Venezuela have already turned attention away from that regional agenda, and a destabilization of Argentina would be a further blow to the process.

The City of London’s agent in Argentina is the Rural Society, a bastion of British liberalism representing the landed oligarchy which thinks that Argentina’s greatest mistake was aspiring to be an industrialized nation rather than remaining as Britain’s “plantation.” It was the Rural Society that backed José Martínez de Hoz, the finance minister of the 1976-83 military dictatorship, when he dismantled Argentina’s traditional family farm-based agriculture through the brutal application of London and Wall Street’s free-market and deregulation policies.

And why not? After all, de Hoz’s great-great grandfather, José Martínez de Hoz founded the Rural Society in 1866, and great-grandson “Joe,” as he is known to his friends, served as the Society’s president from 1945-1950. As the junta’s finance minister, beginning in 1976, Joe was heard to complain that Argentina’s “huge internal consumption of food” was an obstacle to larger agricultural exports. Let the “market” decide everything, he argued—even if people starve. While he quintupled Argentina’s foreign debt, de Hoz spent his time in office dismantling state-run regulatory agencies that protected the nation’s productive apparatus.

The “democratic” regime of Carlos Menem and his finance minister Domingo Cavallo, that followed in the 1990s, finished off Argentine agriculture by continuing de Hoz’s policies. This opened the door for the grain cartels, hedge funds, and speculators who control the lucrative soy monoculture which dominates the country today. Many smaller farmers who managed to survive Cavallo’s axe, subsequently caught the “soy fever,” convinced by the large landowners and their business partners



*President Cristina Fernández de Kirchner*

that soy cultivation was proof of “modernization,” while food production for human consumption was “backward.”

This explains how many small producers ended up in league with their erstwhile enemy, the Rural Society.

## Curbing Soy Production

On March 12, the Rural Society joined with three other agricultural organizations—the Argentine Agrarian Federation (FAA), Coninagro, and Rural Confederations (CRA)—to impose a lockout of all agricultural markets, ostensibly in opposition to the announcement made a day earlier by Finance Minister Martín Lousteau, that taxes on exports of soybean and sunflower seeds would be increased from 35% to 45%, applied on a sliding scale.

Lousteau explained that the tax was necessary to prevent soaring international commodity prices from being passed on to the internal market, and to ensure a more equitable income distribution. He added that such measures were necessary to curb the soy monoculture that has displaced other more traditional food crops, and endangered the population’s diet. This is the first such step the state has taken to address the issue of soy monoculture since 1995, and although a modest one, it is being welcomed by nationalists.

The finance minister was adamant that without the export taxes, local inflation would be far higher. But if it were up to the soybean producers, he said, “there would be no taxes at all, and if the soy price were to go to \$10,000 a ton, they’d keep the profits and only produce soybeans.” The Argentine government doesn’t share this selfish view, he added, and like it or not, “the state’s duty is to be the arbiter of the general welfare.”

President Fernández later pointed out that production of wheat, corn, and beef has declined because farmers are attracted to soybeans’ high profitability. The tax policy is not “anti-

soybean,” she said, but “pro-Argentina.” People need real food.

The producers weren’t interested. They set up roadblocks to prevent trucks transporting food and cattle from reaching markets, causing shortages around the country. Millions of tons of food rotted on trucks and had to be thrown out. Unable to obtain feed for their animals, poultry and dairy farmers were forced to destroy them. The shortages affected schools and hospitals, while some businesses, dependent on agriculture, started to fire personnel.

## A Political Strike

The producers were confident they could blackmail the government into retracting the higher taxes in the name of “justice” and fairness, claiming they were being “persecuted” by high taxes. While the local media attacked the President as “arrogant” and “authoritarian,” Buenos Aires Mayor Mauricio Macri, who shares the feudal outlook of New York City Mayor Michael “Mussolini” Bloomberg, vociferously proclaimed their support for “the farmers.”

At several demonstrations called during the lockout, members of the LaRouche Youth Movement (LYM) arrived, in the company of none other than the Queen of England herself, who anxiously called out for her friends in the Rural Society, as well as de Hoz and his oligarchic allies.

Given the pedigree of the strike supporters, Fernández was right to proclaim, in a feisty March 27 speech before a large group of supporters, that this is a *political* strike. It has nothing to do with export taxes, she said, and everything to do with the “economic model” she has adopted, based on a policy of social inclusion, more just income distribution, and expanding economic development. She explained that her government will always take into account the interests of small producers. But in an obvious reference to the oligarchical interests behind the strike, she pointedly added “Let’s tell the truth... Behind the small producers are hidden the interests of those large *pools* which think the state wants to steal all their profits.”

Fernández expressed her willingness to negotiate, but “not with a gun to my head.” The producers must end the strike, along with their “extortion against the people,” for there to be any meaningful dialogue. While insisting she would keep the export taxes in place, two days later, she announced a package of measures specifically addressing the needs of smaller producers, including subsidies for transportation, and automatic tax rebates. The producers responded that these measures were “insufficient.”

## ‘I Shall Not Betray You’

In the midst of the strike, Argentina observed the 26th anniversary of the March 24, 1976 military coup, whose economic destruction and military brutality is still seared into the national memory.

On April 1, speaking before an estimated 350,000 supporters gathered at the historic Plaza de Mayo across from the Presidential Palace, the combative President publicly associ-

ated the organizers of the ongoing agro strike with the events leading up to that 1976 coup.

Remember what happened in February of 1976, she told the crowd of trade unionists, politicians and leaders of social organizations. “There was also an [agricultural] bosses lock-out” against then-President Isabel Perón. “The same organizations which today boast of their ability to deprive people of food, also organized a lockout in February of 1976. One month later, we had the most terrible coup d’état, the most terrible tragedy we Argentines have ever suffered.”

During the 21 days of the current lockout, Kirchner continued, “I have once again seen the face of the past”—those who defended and abetted the actions of the 1976-83 military dictatorship—“who apparently wish to return.” But rest assured, she said. “That past which seeks to return today, won’t be allowed to do so, because Argentina has changed, the world has changed, and we have also changed.” It was during Argentina’s terrible past, Fernández said, that reactionary forces “often divided us through artificial confrontations, which they again try today to so crudely repeat.”

The Argentine President’s message was unmistakable: the oligarchic interests behind the strike want her out of the way. “I know there is a personal price to pay, when one chooses to side with the people ... and with a more just and fair society,” she said. “But I have the conviction, the strength, and the courage to fulfill the mandate conferred on me by the Argentine people. I shall not betray you.”

The following day, which was the 26th anniversary of Argentina’s 1982 retaking of the Malvinas Islands in the South Atlantic, which led to a brief war with Great Britain, the producer organizations announced that they would suspend the strike for 30 days. In a joint statement, their leaders indicated a desire to contribute “proposals, listen to explanations, and seek solutions together.” They also apologized to the Argentine people for having caused food shortages, while warning that should acceptable solutions not be forthcoming, they would resume the lockout.

There are reports that divisions among them had forced the producers to make this decision before they lost any more support.

As she addressed a group of veterans of the 1982 Malvinas War, in which Argentina was defeated, President Fernández reminded her audience that the country had suffered defeats prior to 1982. “On another April 2, but in 1976, we Argentines were presented with an economic program [by Martínez de Hoz], which caused the destruction of our country, and fundamentally, of our culture, a culture based on work, on effort, on production, on building ourselves as a Nation, on the power of our Republic and our Nation.”

It is very difficult for any nation in this position to win military battles, she said. But she firmly stated that Argentines will continue to build a country that is strong and respected in the world, “so that our voice will be heard in all fora denouncing the shame of a colonial enclave in the 21st Century.”