
Interview: Humberto Volando

Argentine agriculture faces catastrophe

The following interview was granted to EIR in Buenos Aires, in mid-December 1986, by Mr. Humberto Volando, president of the Argentine Agrarian Federation (FAA). The FAA, headquartered in the city of Rosario, is a national organization which represents small and medium-sized agricultural producers. Its membership includes well over 800 provincial agricultural organizations, including cooperatives, youth centers, and producer and service associations in all areas of agricultural production. For 74 years, since its founding in 1912, the federation has fought to defend the interests, rights, and living conditions of its members, who were constantly pitted against the landed oligarchy and local representatives of international monopolies. The FAA's purpose, as explained in one of its publications, is "to make possible on our soil, the birth of the small and medium-sized agricultural business, a primary link in the formation of an agrarian middle class."

Mr. Volando is an outspoken critic of the monetarist economic policies adopted by President Raúl Alfonsín that are devastating all areas of the national economy.

EIR: What is the situation facing Argentina's agricultural producers today? We've seen reports of nationwide producers' demonstrations, and news that agricultural organizations have broken off dialogue with the government.

Volando: In general, the situation facing Argentina's producers is bad. The debt is large, and exorbitant interest rates make it grow every day. In the less-developed provinces, the so-called regional economies, the situation is catastrophic; the rural exodus is intense. The press reports that in Chaco and Formosa provinces, former producers *rob* to eat. In the nation's history, prices have never been this depressed, and naturally, profitability doesn't exist. This is true for all products, and we see no policies of reactivation on the horizon. Quite the contrary, there has never been in this country, an anti-producer policy like the one we are suffering today. The

zones that are not as bad off are in the *pampa* region, especially in the province of Buenos Aires.

In fact, the representative agencies have not broken with the government, at least not in the case of the FAA. We have simply withdrawn from a committee made up of the presidents of the four producer entities, and presided over by the finance minister. It just didn't work. The answer to the entities' basic demands, supported by all kinds of documentation, was always the same laconic one: "The government will not change its policy." In view of this, three of the four entities—Coninagro didn't pull out—decided that the committee was nonfunctional, and withdrew, although this does not mean they won't continue to make their demands heard at all levels of the national and provincial governments. I should add that the decision to leave the committee was made by each entity on its own.

The agricultural situation has sparked, and is sparking, massive protest: "misery marches" in Chaco, the march on the President's palace in Buenos Aires, meetings and assemblies called by our organization, plus what others do, are reflected in media reports.

What do they ask? The reversal of a crisis which is very serious today, but which goes back at least a decade: that we not be further oppressed by confiscatory taxes; that the foreign markets be sought, because *they do exist*; that meat and other foodstuffs not be imported (Argentina has imported pork, wheat, white wheat, poultry, dairy products, etc.). The imports of Polish potatoes caused a scandal, because of the implications, and, in the end, forced a 20% drop in the domestic price, further ruining Argentine producers; we demand the refinancing and consolidation of our bank debts, and new credits at interest rates in line with the industry's profitability.

EIR: For the producer in the United States, there is a campaign urging him and his family to consume more beef. But his family doesn't have the income to buy meat. At the same time, there is a national publicity campaign here which says that people shouldn't eat too much beef. Are you aware of a reduction in food consumption or a drop in nutritional levels in Argentina?

Volando: Official statistics show a pronounced drop in popular consumption, without disaggregating rural and urban consumption. Beef is still one of the cheapest foods in Argentina, so consumption per capita remains high; but since there are many people who don't have access to beef due to lack of income, it means that there are other high-income sectors which have maintained a level of squandering.

To have an accurate overview of the situation, we must keep in mind that one-sixth of the population [of 30 million] receives boxes of free food through the government's National Food Program (PAN), due to unemployment or inadequate income to maintain a family.

EIR: By what percentage, or by how many hectares, have producers reduced crops under cultivation, due to the economic crisis?

Volando: At least according to official statistics, the area under cultivation has not been significantly reduced. What we are seeing is the displacement of some crops by others. The important drop in the *volume* of production is due to poor crop preparation, the use of poorer-quality seeds, and the restricted use of agro-chemicals, as a result of the overwhelming economic and financial crisis affecting the producer, who, among other things, must work with obsolete machinery. Poor soil management, due to the same causes, conspires against decent yields.

EIR: In the United States, news reports mention that the Soviets are making attractive offers to Argentina, for example, that they want to finance the building of grain elevators, and deep-water ports. What does the FAA, or the producers, think about this?

Volando: For some time now, the Soviets have been offering a number of elements: machinery, building a deep-water port, and intensifying bilateral trade. All of this is tied in with the Argentine government's foreign policy, and should be evaluated in depth by the government to determine its final implications.

Trade between countries is a two-way street. If the U.S.S.R. makes important purchases from Argentina, it's understandable that they would demand reciprocity. Experiences of the past, as well as the present, show also that there are no ideological barriers to trade; if the two superpowers, which confront each other over their philosophical differences, trade abundantly with each other, I see no valid reason why developing nations shouldn't do the same.

EIR: The Austral Plan [the monetarist economic program imposed in June 1985] proposes that Argentina's foreign debt be paid by increasing agricultural exports. But credit restrictions and government austerity policies would seem to make this an impossibility.

Volando: This is a real contradiction, as you suggest. If we are expected to pay with exports, why do the creditor countries promote policies that lower prices? Why do they engage in dumping? Why do they take our markets? That's one part of it.

The other part is that we haven't yet settled the question of the foreign debt. No one really knows what its composition is, because we owe what *they* say we owe. That is, how much is "clean" debt, and how much is not? We don't think it's a good policy for the creditors to pressure countries, and force them to levels of subhuman misery. These situations are always accompanied by collateral circumstances which can be very dangerous: an increase in epidemics and even pandemics, in the area of health; increase in social chaos (drug

addiction, delinquency, bad habits, etc.). Eventually, the consensus of "every man for himself" is reached, and we already know that no one is paying too much attention to the methods used. Even the creditors may suffer the mentioned consequences that will swing right back to them like a boomerang.

In the Public Declaration approved by our 74th Congress, we said:

"The foreign debt is the dominant aspect of the crisis. The anti-inflationary [Austral] plan, monetary and financial policy, the credit system, the privatization policy, the reorganization of the State, the orientation of our foreign trade, and, finally, Argentina's insertion in the world, appear to be determined directly by our indebtedness, and by our impotence as a nation to stand up to the burden imposed on us by our foreign creditors. . . . To the degree that the debt continues to frustrate our expectations for development and improvement of our quality of life, there is generated in our society a 'culture of the debt,' which is the culture of resignation. The omnipresence of the debt is a permanent cause of frustration, but it also becomes a justification for lack of creativity, and for things which are unworkable. It functions as an inverse force, preparing a resigned society."

There is an incongruence in the recipes the IMF imposes on debtors, when it asserts that they must increase their exports. The debtors are supposed to export more; but if, aside from practicing protectionism, the creditor countries promote subsidized exports, and if the underdeveloped nations have no means of buying, we must then ask, to whom can we sell?

EIR: North American producers know full well that the large grain cartels like Cargill, and other Swiss ones, totally dominate national as well as international marketing and trade. What is the role of these cartels in Argentina in marketing, and in the process of production?

Volando: What you state in your question is also true for Argentina. Control by the multinationals is reaffirmed every day. Our country is not sovereign economically, but rather dependent, with the complicity of native minorities. One of the goals of our fight is to break these chains.

EIR: Some U.S. producers reported that, a few years ago, Cargill recommended that Argentine producers use a type of seed that would yield greater volume, but would have lower nutritional content—less protein.

Volando: I'm not really sure where the idea originated of producing a larger volume, but less nutritious kind of grain.

EIR: What is your opinion on the creation of an Ibero-American common market for food?

Volando: I think we should create an Ibero-American common market, for trade in all products and merchandise, not only for food.