
Interview: Ernesto Julio De Simone

Argentine farm leader blasts IMF austerity, backs New Bretton Woods

Argentine farm leader Ernesto Julio De Simone is the president of the Federation of Agrarian Cooperatives in the north-eastern province of Corrientes, which is also a crucial agricultural area for the Common Market of the South, or Mercosur. As a representative of that federation, Mr. De Simone is also a member of the executive committee of the Agricultural Intercooperative Confederation, Ltd. (Coninagro), which represents 200,000 Argentine farmers. Coninagro was one of the organizers of the three-day farmers' strike on April 21-24, called to protest the Menem government's free trade economic policy which has devastated the farm sector. The strike was a total success, paralyzing agricultural and related activity nationwide. Despite the protest, Argentine President Carlos Menem and Finance Minister Roque Fernández have refused to meet any of the farmers' demands, and producer organizations are now threatening to organize another strike, this time for a week. Farmers are asking for access to credit at reasonable interest rates, a halt to the imports of food at dumping prices, and renegotiation of their debt, which is currently unpayable.

EIR: You just carried out a very successful strike against the Argentine government's economic policies. What's the next step?

De Simone: This wasn't a strike against Menem or against the government. It was a strike against a system which is strangling us. If we don't get an answer within 30 or 40 days, we will meet to discuss how to continue this mobilization.

The point is not to create a national uproar and bring down everything. We want a reaction from those whose duty it is to react. This isn't a crisis provoked by the leaders of agricultural federations. When we go back to our farms, people ask us, "What happened? What news do you bring, Don Simone?" And, we have to tell them that the government hasn't responded.

Let me also make clear that this isn't just a farmers' strike. This was a *national* strike of historic proportions. Given that the farm sector is more oppressed, with a declining profitability, the farmer has to cut back on those things needed for his survival. So, the point is that farm towns and businesses are also dying. The success of the strike, particularly the [mobilization] by Coninagro and the Argentine Agrarian Federation which are mass based, in part was due to the fact that there

was a shared sentiment of both producer and the [farm-related] businesses.

EIR: The agricultural federations have met several times with the government to present their problems and to pose possible solutions. What has happened in these meetings?

De Simone: If we were having a conjunctural or temporary crisis, such as others we are having, the situation would not be so serious, but at this point the crisis is becoming systemic. And when we go to talk to the government, specifically with the current Economics Minister—and we do have specific proposals to make, which perhaps need to be developed more technically—he doesn't listen to us. His answer is: Either do what I tell you, or you die. And this is because he is linked by remote control to interests totally foreign to our own, so that what we don't have is a national agricultural policy. And we have an enormous and important potential which others covet.

Otherwise, you wouldn't see the kind of capital you see around here, doing big financial business. For example, thanks to the big financial and real estate business George Soros has done here, taking advantage of the conditions created by the current farm crisis, Argentine land is now worthless compared to other countries.

EIR: So, you're saying the government doesn't have an agrarian policy?

De Simone: There is a perfectly defined agricultural policy, but it isn't a national agrarian policy. It is an internationalist agrarian policy, which has brought us to the point of nullifying all that is genuinely Argentine. This globalist policy is part of an offensive against many of the concrete features which make up the nationality of any country: the concept of fatherland, and the broader concept of patriotism, which determines the behavior of individuals with respect to their country, in which national symbols like the flag lose their symbolism and end up as dishrags. The government's policies for education and security are a part of the same thing.

What is happening with agriculture, which is the patrimony of the Argentine people and which has a comparative value with respect to other countries which is truly important, is that we are working in the service of other people who, with a little money, using econometric formulas, steal our patrimony through the famous speculative bubble we've

heard so much about, and the rest of that policy is a total looting of the Argentine farm sector. Today, they are telling the whole world, with expensive publicity, that Argentina is the country of the future. But the question is, "That is true, but for whom?" So, the world is being offered the potential capacity that we have, but which Argentines are not using for ourselves and which is only benefitting a group of Argentines, who are the ones promoting this model.

EIR: The government claims that it has had the highest yields and the highest agricultural productivity in many years. What is happening, then, to the profitability of the producer?

De Simone: There is a meticulously defined international agricultural plan which is being carried out with a meticulousness never seen before. But I don't need to be a scientist in economics to realize that I am putting my effort into the land, and getting nothing for it. The gentlemen who have been and are in charge of the economy, such as Minister Cavallo [Domingo Cavallo, Economics Minister until 1996] and previous ones, know this. The crisis the producer is suffering, and specifically the producers in the areas around the Federal Capital [Buenos Aires], is due to the absolute lack of profitability. And this is because, today, products are worth nothing and services cost a fortune.

There are the public services which the privatized companies provide for the government; there's transportation and the tolls, which previously the farmers were exempted from paying, and the high financial service charges. At the same time, international prices are preestablished; there is no free market in Argentina — that is a lie. This cost has nothing to do with the small and medium-size producer, but is due to factors outside farming. One can add to this the fact that, for the Argentine producers, subsidies ended with the Convertibility Plan; there are no kinds of subsidies, as there are in other countries like the United States and Europe.

EIR: Could you fill out the picture with some concrete figures?

De Simone: Let me tell you about my case. I am a producer of *Yerba Mate* [used to make tea]. I have 65 hectares. I have workers who are part of a cooperative and who earn \$250 a month, which in Argentina is pitiful, and the government tells us that labor costs are still too high. So, I'm not paying the workers any great fortune. And, I'm operating in fairly normal conditions, with a farm that has a fairly high yield; it was an old farm, which we gradually reconverted and modernized.

However, the net annual profit in 1998 was \$3,000. That was the annual profit, before taxes. In 1988, this crop gave me an annual profit of \$30,000; so, \$27,000 has gone up in smoke. And we must realize that *Yerba Mate* is a product that has no competition, either nationally or internationally.

Further, in 1988, some 170 million kilos of the product sold on the market, and today it is more than 260 million for the domestic market, with a retail price that rose a little. More

is also exported than ever before. So we can see that production is growing, sales are growing; yet, we are increasingly worse off. So, between the farm and the supermarket, someone ended up with my \$27,000.

EIR: What emergency measures are you proposing to the government?

De Simone: After the strike, we proposed that what was needed was a rescue plan. And we told the government: You created the problem, you have to solve it. What did they do

I think a New Bretton Woods conference is perfect, because it would imply an international rescue plan which could be coordinated with a national rescue plan, preserving the unique characteristics of each country.

with the financial aid to save the banks? There was money to help the banks which remained [after the 1995 Tequila Effect], and there is money to help the automotive industry. So, why is there never any money for the farmers?

They would have us believe that without immense amounts of capital, one can do nothing today. And, who has vast amounts of capital? The private banks don't lend to the farm sector, because there isn't sufficient guarantee of either profit or of repayment.

When the captain of a ship is facing an emergency in which the ship is sinking, he doesn't ask the crew or his first mate to tell him what to do, but he does what he knows has to be done to control the situation. And there are possibilities, the technicians know it.

Another thing is that there needs to be sufficient courage and patriotism to do it. And this message is not just for the current government, which is proving disastrous in what it is doing to the Argentine nation. The debt of the Argentine producer is unpayable, the Argentine debt is unpayable. It is unpayable. So, gentlemen, what are we going to do?

EIR: How do you personally view Lyndon LaRouche's proposal to convene a New Bretton Woods conference?

De Simone: I think it's perfect, because it would imply an international rescue plan which could be coordinated with a national rescue plan, preserving the unique characteristics of each country. Then, once calm is restored, and we guarantee that the ship is seaworthy, the captain should meet with his crew to discuss the contingency plan, so as to reach a port — a real rescue plan — that will save the ship and those on board.