
Argentine Agriculture

Regulation Is Back On the Agenda

by Cynthia R. Rush

The government of Argentine President Cristina Fernández de Kirchner is aggressively pursuing a bill that would expand the powers of the National Agricultural Trade Control Office (ONCCA), to ensure greater state intervention into the chain of food production and guarantee the nation's food security. This action dovetails with what's needed to protect, and expand, the food production of Argentina, one of the world's major food surplus nations, in line with Helga Zepp-LaRouche's call for doubling world food production.

As reported by the daily *Página 12* May 24, a new agency, to be known by the slightly different acronym ONCCAA, would be empowered to buy and sell agricultural products—mostly grains—to keep domestic food prices low, and combat monopolistic and oligopolistic practices. It would purchase food crops from farmers, paying them a fair price, and then handle exports as well. In other words, it would oversee all aspects of the agricultural production chain.

The government has designated Congressman Alberto Cantero, whose interview with Argentine LaRouche Youth Movement leader Emiliano Andino appeared in the May 23 *EIR*, as the pointman to ensure that this new agency goes into operation as quickly as possible. Cantero is chairman of the Agricultural and Livestock Committee of the Chamber of Deputies, and is currently working on hammering out the bill's final details.

This initiative couldn't be more timely, as it goes to the heart of the issue behind the agricultural producers' strike which began on March 12 and has continued intermittently since then, to protest higher taxes on exports of soybeans and sunflower seeds. When President Fernández announced the higher taxes on March 11, she explained that they were not only essential to the government's program of a more just income distribution, but were also an attempt to curb the soybean monoculture which has vastly expanded in the country over the past decade. By displacing more traditional crops, soybean cultivation is jeopardizing Argentina's historically diverse and nutritious diet, the President said.

Led by the landed oligarchy's Rural Society, whose pedigree is entirely British, the producers allege that the government's taxes are "confiscatory"—an astonishing claim given the enormous profits enjoyed by especially the larger producers who work closely with the international grain cartels. Even

smaller producers, such as those belonging to the Argentine Agrarian Federation (FAA), historically an enemy of the Rural Society, have done extremely well by jumping into the soybean business.

Since the government has refused to meet the producers' demand to rescind the export taxes completely, the latter have now abandoned any pretext that the strike is just about taxes, and are echoing the British Empire's line that aside from being corrupt, President Fernández is "mismanaging" the economy, lying about inflation, and threatening their "way of life." The fact that the producers are backed by the London *Economist*, *The Financial Times*, and their co-thinker *The Wall Street Journal*, makes their claim to represent Argentina's "true" national interests—in opposition to President Fernández—less than credible.

The government's proposed state regulatory agency, with the power to monitor all aspects of agricultural marketing, is not exactly what British financier interests had in mind. In fact, it's their worst nightmare.

For them, it raises the specter of the National Grain Board or the Argentine Institute for the Promotion of Trade (IAPI), created by President Juan Perón in 1946, whose regulatory powers greatly hampered grain cartel operations. IAPI purchased agricultural products directly from farmers, paying them a fair price, and then allocated food both for export, and for the domestic market, with no middlemen involved. It also issued credit for purchase of capital goods, regulated food prices, and purchased surplus production as well as raw materials for industry.

ONCCAA intends to facilitate improvements for food producers, distributors, and businessmen, as well as low-income consumers, seeking to increase the supply and availability of corn, wheat, beef, and milk, which will especially help small and medium-sized producers. With its own budget, and operating under the jurisdiction of the Finance Ministry, ONCCAA would ensure that farmers were paid fair prices, and take control of purchasing grains, should this become necessary. For example, it could purchase the 6 million tons consumed in the internal market, and then sell this amount to mills and guarantee a reasonable price for flour.

Very important too, is ONCCAA's plan to maintain a database on production, warehousing, processing, marketing, and distribution of agricultural products as well as livestock. This mapping of Argentina's agricultural capabilities would be crucial for implementation of Zepp-LaRouche's call to double world food production.

The local mouthpieces of the British financiers, such as the daily *La Nación*, are clearly panicked. In the May 30 edition, columnist Adrián Ventura howled that the government's bill is "absolutely interventionist," and too closely resembles the National Grain Board and the IAPI. "Such public entities only served to distort the market and provide jobs to thousands of public employees," he growled.