



AAM President Expresses Concerns with Argentine Default

Matlack Calls Upon U.S. Treasury to Protect the Interest of U.S. Farm and Ranch Families

WASHINGTON (RuralWire), Dec. 4, 2007 – Larry Matlack, President of the American Agriculture Movement (AAM), recently expressed grave concerns over Argentina’s \$100 billion debt default and the detrimental effects it has had on the ability of U.S. farm and ranch families to compete in the global marketplace.

In 2001 Argentina initiated the largest recorded sovereign debt default in history, an action that immediately drove down the value of the Argentine Peso, thus creating an unfair subsidy for Argentine exports, particularly their agricultural products.

“AAM has been very vocal for the past few decades in our call for the inclusion of currency issues and how they impact world trade,” said Matlack. “Argentina’s actions related to their financial default are a manipulative practice to drive down the value of their currency and create an unfair export incentive for their country’s agricultural products.”

“AAM supports every nation’s sovereign right to establish its own domestic food and agriculture system,” explained Matlack. “That is what we want for the United States and that is what we would want for Argentina, but currency manipulation has impacts well beyond a nation’s borders and food sovereignty. We saw the similar issues with Mexico after ratification of NAFTA in the mid 1990s. We feel that Argentina’s decision to drastically depart from debt restructuring norms is a clear attempt to extend their unfair currency advantage in the global market.”

“AAM encourages Argentina to return to the negotiating table to discuss a fair restructuring plan that will allow it to reaffirm itself as a member of the community of responsible nations,” concluded Matlack. “We also call upon on the U.S. Department of Treasury to protect the interests of the U.S. farm and ranch families. A refusal to act sends a signal to other countries that the U.S. does not have a clear and unified policy of eliminating trade distorting practices in world markets, a move that could result in further adverse impacts upon U.S. farmers and ranchers.