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Uruguay: Three-day Cattle Producer Strike Forces Government Concessions

by Barbara Khol
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On Sept. 16-18, cattle producers in the northeastern region shut down operations to protest lack of government incentives for the industry. The strike the first of its kind in recent history received backing from the nation's largest agricultural and related business associations, which forced the government to meet some of the protestors' demands. Strikers had four principal demands: tax cuts for the livestock industry, elimination of export restrictions, gasoline price cuts aimed at reducing production costs, and new concessionary credit lines for livestock growers. According to livestock grower associations responsible for organizing the strike, President Luis Alberto Lacalle reneged on campaign promises to provide incentives for producers, especially a proposal to cut government taxes on gasoline. Levies of up to 69% make Uruguay's fuel prices the highest in Latin America. Independent media sources reported near total support for the strike throughout cattle-producing areas. In Paysandu, 380 km. northeast of the capital, wholesale and retail merchants who sell meat, wool, and leather products on domestic and foreign markets participated in the strike. Depressed economic conditions in Paysandu, the country's largest industrial center outside of the capital, contributed to solidarity strike actions by a variety of businesses linked to agriculture. Widespread support for the strike was also observed in the northern municipalities of Salto, Rivera, and Artigas. Salto banks with substantial credit lines to livestock growers also shut their doors. Although the two national livestock producer associations the Federacion Rural and the Asociacion Rural did not directly participate in the strike, they threatened to launch a taxpayer revolt and a nationwide strike in the near future if the government refused to meet producers' demands. On Sept. 17, President Lacalle announced tax payment deferment until January for cattle producers. The postponement applies to arrears and taxes coming due over the next few weeks. The president also approved a reduction in export taxes on livestock products. Lacalle did not mention gasoline prices, and other demands put forth by producers. (Source: Agence France-Presse, 09/15/92, Spanish news service EFE, 09/15-17/92)

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