

up a large employment potential both in the manufacturing and service sectors, and their proliferation would also create a demand surplus for the basic industries.

The constraints in enhancing agricultural productivity are few and basic. India has experienced a poor monsoon for the last four years. Lack of sufficient electrical power and the high cost of diesel has put a crimp on pumped-water use. Huge tracts of cultivated land still depend heavily on inadequate rainwater. Although fertilizer use among farmers is increasing—and the government provides a tidy sum in subsidy to this area—the crop productivity of land has not gone up. Another NCAER study points out that the problem lies in the mix of fertilizers. For instance, against a recommendation to use (N) and phosphates ( $P_2O_3$ ) in the ratio of 2:1, the average ratio in India is 5:1. As a result, nitrogen's effectiveness is reduced, and if the trend continues, productivity could become negative—for a double loss. Similar deficiencies can be pointed out in the case of other critical inputs—irrigation, quality of seeds, use of pesticides, etc.

For example, water management—perhaps the most basic problem, and a matter of gross neglect for years. Dr. B.B. Vohra, head of the government's Energy Advisory Board, has highlighted India's water problems extensively in recent papers, where he repeatedly points to the "tunnel vision" in water management policy. Since independence, 20.8 million hectares of land have been developed for their irrigation potential. Out of that, fully 5.2 million hectares still remain to be utilized. At the going cost of \$3,000 per hectare to develop, it would take another \$16 billion to make the "potential" utilizable! Due to lack of groundwater management, canal irrigation has resulted in water logging and salination that has already affected about 7 million hectares of land. In some places canal irrigation has turned into a curse.

The ministry of irrigation limits its concept of groundwater management to pumping up the water for farm work. Pumped groundwater in fact accounts for irrigation of about 26 million hectares of land, about the same that the large dams and canals have achieved so far—and at a fraction of the large projects' cost. However, pumping groundwater with systematic recharging of the aquifers has caused salination and a lowering of the groundwater table.

India receives annually about 330 million hectare meters (mhm) of water, excluding 70 mhm which evaporate immediately after precipitation. Of these, 330 mhm enter the soil, where about 110 mhm are retained as soil moisture and the remaining 40 mhm enter the deep strata in the form of groundwater. Of the remaining 180 mhm of water which do not find their way into the soil, only 17 mhm are impounded as run-off to the reservoirs. The rest—163 mhm of water, or 90% of the run-off—goes to the sea and is lost. After four decades of massive irrigation projects and expenditures reaching \$30 billion, only 10% of India's annually renewed water resources can be captured for use!

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## The European Community

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# Malthusians plan to cut fertilizer use

by William Engdahl

The European Commission, the 12-nation bureaucracy of the European Community (EC), is preparing a secret plan which would force drastic cuts in the world's second-most-important food-producing region. This would be implemented in the midst of the deepest depression in European farming since the 1930s. The cuts would be the result of centrally mandated cuts in fertilizer use, on the basis of the fraudulent claim that nitrates from animal and chemical fertilizers are "polluting" European water.

According to high-level EC sources who prefer to remain unnamed, the plan has already won the "green light" from the office of the Director General for Agriculture DG VI, Guy Legras of France. The plan is considered so sensitive politically, that its circulation is limited to six copies. "We want the action to be as drastic as possible," confessed one senior EC planner. But potential "political problems" mean that the measure is being carefully introduced first as an "environmental" issue for "sensitive land areas."

The discovery of the new plan comes just as the finance ministers of the 24 OECD countries, meeting in Paris, approved a resolution calling for elimination of some \$100 billion in government supports to agriculture; elimination of so-called surplus stocks of grain, meat, and butter, and decisive steps to bring national farm production into "free market orientation." Sources inside the OECD reveal that that plan is simply a propaganda ploy to loot desperate developing-sector debtor nations such as Brazil or Argentina, by allowing multinational cartel trading giants like Cargill or Archer Daniels Midland to set up "run-away" factories at low wages, to export super feed concentrates such as soyacakes. The scheme benefits neither developing nations nor industrial countries; but Cargill enjoyed a 66% net profit increase last year, as a result of such maneuvers.

By July of this year, the European Commission in Brussels plans to have a full 12-member EC "experts' review" approved, in which each member country will send up to two

officials to hammer out details of the proposal.

According to people involved in the scheme, the attempt to restrict nitrogen fertilizer and nitrates from animal manure, is aimed at cutting food production. "*We could not care less about the environment. This is going to be used to cut food production,*" said one. "This is the interest of [Agriculture Under Commissioner Franz] Andriessen, to cut production of agriculture to meet market demand."

### The Danish precedent

According to Brussels sources, the tactic follows closely the unprecedented decision of the Danish Parliament, reached in February of this year, to force severe reductions in farm nitrogen use from fertilizers as well as manure, and to mandate billions of dollars of investment in manure storage tanks, on the false premise that manure piles, a rich source of nitrogen fertilizer, seep nitrates into the ground water and ultimately out to the ocean. There, Danish environmentalists lyingly claimed last fall, the nitrate increase results in faster growth of seaweed, purportedly robbing sea life of necessary oxygen. Danish soil scientists had demonstrated in exhaustive experiments over years, that fertilizer use is *not* chemically a major addition to ground water. But this did not stop the environmentalist demagogues.

Fritz Herman, a Danish farm leader and board member of that country's oldest alternative farmers' union, LFO, told a Coblenz, West Germany conference of the Schiller Institute on May 9, "I am here to warn German farmers of the dangers we in Denmark have experienced. In the last six months, we have been accused of being the worst destroyer of the environment in the world. It all centers on nitrogen in the seas of the Kattegat, so-called fish-death, and alleged pollution of drinking water." Danish farm suppliers since the January 1987 introduction of the legislation to Parliament, have seen orders for new farm equipment simply collapse. No farmer has been willing to risk major capital investment, in the face of such an attack on the basic elements of agriculture.

Unlike in Denmark, the EC attempt to cut vital nitrogen input will proceed in stages. "Our first step will be to localize the issue to application in so-called environmentally sensitive areas," said one source. "This will allow us to get it by without major controversy. We will show how it damages the environment, or health. Then it will be easier to expand into other areas. This will then allow us to move ahead and take other measures."

The "other measures" have not yet been defined, but the general intent is clear: to implement the "free-market orientation" strategy of the multinational cartels. That strategy, which is the base for Andriessen's policy since 1984, was drafted by David Rockefeller's Trilateral Commission, in an April 1985 report on "Agricultural Policy and Trade." The head of that task force was Andriessen's friend and adviser Pierre Lardinois, a fellow banker from Utrecht, Holland. Lardinois, now chairman of Rabobank in Holland, was An-

driessen's predecessor at the EC for agriculture.

This slashing of production parallels the process which savaged food production in the 1920s. Today, as then, the vital issue for governments is whether to protect production of food and industry, or to let the monetarists' policies devastate production of real wealth.

### No scientific basis

Is the new Brussels initiative based on any scientific evidence, which would demonstrate the causal relationship between the kilogram input of nitrogen fertilizer into agriculture? Hardly. It is based on *no detailed preliminary evidence from any competent university or agricultural research facility*. A source intimately involved in the preparation of the new initiative admitted, "The initiative is based on no close collaboration [with any scientific research agency—ed.]. *We based it on the general feeling*, as expressed in the literature on nitrate pollution." According to this "general feeling," nitrates from fertilizer and animal manure sources are responsible for 70-80% of nitrates found in ground water!

The latest issue of Andriessen's DG VI "Green Book," about to be officially issued by the EC, for the first time includes "admission" of the responsibility of agriculture for "pollution." While framed in general terms, sources in Brussels say this is considered a foot in the door for the whole "fertilizers pollute" offensive against European food production. "It is a good coincidence that our effort comes in the environment area, just when the EC is preoccupied with how to cut the surplus food production. Two or three years ago we could never have succeeded with such an initiative. Agriculture interests would have blocked it right away. We were actually surprised when we sent our proposal for comment to the Directorate for Agriculture. They returned it without major change and told us to proceed: They gave the 'green light.' *They see it as a possible measure to cut production. Our goal is to cut production,*" related an official involved in the direct discussions.

The Brussels bureaucrats are expecting to receive help from Denmark in implementing the bold measures. The proposed mechanism, to be applied first to "environmentally sensitive" areas, will be in the form of ceilings on nitrogen inputs from animal or chemical fertilizers, so that nitrate content in groundwater for "environmentally sensitive areas" does not exceed a proposed level of 50 mg/liter of water. There would be varied levels of allowed inputs of nitrogen; for example, for certain range crops, a maximum of 150 kg/ha., or a maximum animal holding capacity when manure is spread, of 2-3 cows/ha. for those designated areas.

EC planners expect this formula will hit the Netherlands, West Germany, Denmark, Britain, and parts of France most severely. "Nitrogen is one of the most important factors in plant growth," admitted one Brussels bureaucrat. This is why some are attempting to block its use for further development of the world's food supply.