



THE RAM'S HORN

A MONTHLY NEWSLETTER OF FOOD SYSTEM ANALYSIS

No. 276, September/October 2010

ISSN 0827-4053

Water

by Brewster Kneen

An email message from a Finnish student doing a master degree in London led to a lengthy phone conversation about her thesis, “Merchants of Virtual Water – the ‘ABCD’ of Agribusiness TNCs and Global Water Security”. She made me realize that while I have paid much attention to water routes for shipment of grains and foods, particularly in regard to Cargill’s global activity from its very beginning 140 years ago, I have given no thought to the virtual water ‘contained’ in the crops shipped around the world by ABCD – Archer Daniels, Bunge, Cargill and Dreyfus. Virtual water refers, as you might imagine, to the water used in growing the crops such as wheat, maize and soya prior to their shipment. In her thesis, Suvi Sojamo also emphasises “the importance of the *non-intentional forms of power* of the global agribusiness grain traders in sourcing and distributing large volumes of water-intensive agricultural commodities” since “international water ‘flows’ in agricultural trade are comparable to the flows of the biggest rivers in the world.”

In my book, “Invisible Giant” (second edition, 2002) I describe the importance of the Mississippi River and the inland waterways in the USA that Cargill skillfully utilized in developing its global trading activity and the importance of similar river usage more recently in South America. With the huge expansion of maize and soya production in South America and oil palm in Indonesia and elsewhere, the virtual water consumed in their production must be taken into account.

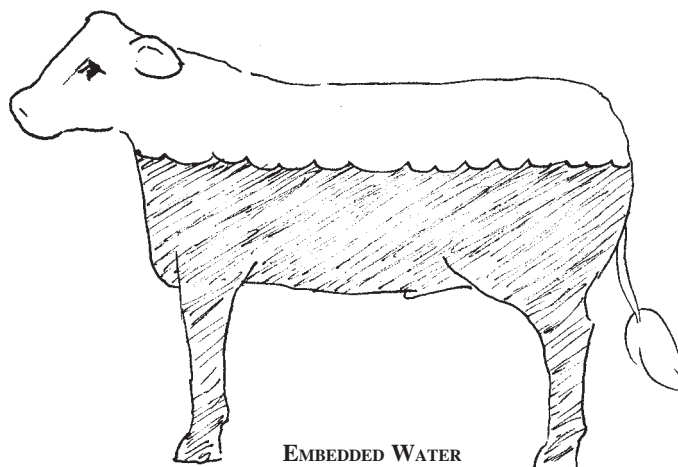
When we think of water management, we probably think of *government* and the large water corporations such as Suez, RWE, Vivendi (the three largest) and Nestlé. However, as Sojamo points out, even though ABCD manage only a small proportion of water compared to what is managed and consumed in the global agri-food supply chains, it is very important to consider their role, and their power, in *water governance*. (Nestlé, by the way, says it will invest about \$500 million over ten years ‘to produce more food and drink products with health benefits’. – G&M, 29/9/10. This says a lot about what it currently sells as food and drink products.)

Drawing on a table of the major exporting and importing countries of virtual water ‘flows’ embedded in agricultural crops, she shows that the largest *net* exporters of virtual water are Australia, Canada, the USA, Argentina and Brazil, hardly surprising if you consider their production and export of maize, wheat and soy. What needs to be added to this picture, but is beyond the scope of her thesis, is the production and export of beef, which, in Canada, is based on feedlot production using irrigated barley as a primary feed. Statistics Canada, in a report dated 13/9/10, reports that in Canada more water is embedded in forest products than in food. “The production of exported lumber, wood pulp and other forest products requires seven times more water than the production of exported agricultural commodities.”

The importance of paying attention to the governance (management) practices of ABCD is obvious when their size and market shares indicate that “they could handle almost 50% of the international water flows embedded in agricultural commodities and accordingly, up to 40% of the total virtual water ‘flows’ embedded in international trade”.

All of this raises the question of who actually controls water, or, as some would say, ‘owns’ the water.

... continued next page



EMBEDDED WATER

Most of us would probably say that water, like seeds, cannot be owned, regardless of the way they are treated in the disgraced world of market economy. When we pay our city water and sewage bill, we are paying for the treatment and delivery services provided by the city, not for the water itself as it might appear. Neither the city, the province, nor the federal government own the water. In fact, there are very real limits as to how much control they can exercise over it. This past summer, the Ottawa River levels were lower than the lowest recorded for the past 100 years. Then after near-record rainfalls in August and September, the river rose by two feet over a couple of days at the end of September. We figure that once the ground became saturated and could hold no more, the rain had no choice but to run off directly into the river. This is the kind of unpredictability which we should now expect as part of climate change, or better, climate chaos.

As mentioned above, in doing my research on Cargill I not only learned about its use of water routes such as the Mississippi River and more recently, the Parana-Paraguay River and Amazon River systems in South America, but also about the role of the Erie Canal in New York state. It was therefore fun to see a bit of this canal, and one of its locks, on a recent trip through New York State. The lockmaster was rightfully proud of the condition of the lock and its equipment, all immaculately painted and the brass in the electric control box all lovingly polished – clearly his responsibility. Pleased with our interest and appreciation of his efforts, he found a small booklet on the history of the New York State canals for us. In it is the speech given by the Governor of New York State in 1825 at the opening of the Erie Canal. If you thought the wonders of progress, the market and globalization to be achieved by world trade are more recent claims of free market ideologues, ponder this language of progress and empire.

“As a bond of union between the Atlantic and Western states [this canal] may prevent the dismemberment of the American Empire. As an organ of communication between the Hudson, the Mississippi, the St. Lawrence, the Great Lakes of the north and west and their tributary rivers, it will create the greatest inland trade ever witnessed. The most fertile and extensive regions of America will avail themselves of its facilities for a market. All their surplus productions, whether of the soil, the forest, the mines, or the water, their fabrics of art and their supplies of foreign commodities, will concentrate in the city of New York, for transportation abroad or consumption at home. . . The city will, in the course of time, become the granary of the world, the emporium of commerce, the seat of manufactures, the focus of great moneyed operations and the concentrating point of vast, disposable and accumulating capitals, which will stimulate, enliven, extend and reward the

exertions of human labor and ingenuity in all their processes and exhibitions. . .”

Today the New York state canal system is shrewdly and lovingly maintained as a tourist attraction and pleasure boat facility through the state. The efficient movement of freight by water in New York has been replaced by railways and the grossly inefficient use of highways and trucks, but ABCD wisely continue to use the publicly maintained Mississippi River for the export of grain from the heart of the continent.

The virtual water export of Peruvian asparagus

Promoting the production of food crops for export has been a key plank in World Bank development policy. One of the World Bank’s multimillion dollar projects has been the production of asparagus in the Ica valley of the Peruvian Andes, making Peru the largest exporter of asparagus in the world. Around 95% of this asparagus is grown in a 100 sq.km. area of reclaimed desert, requiring a huge amount of water for its irrigation – so much water that in some places the level of the aquifers has fallen by eight metres a year, one of the fastest aquifer depletions in the world, as well as drying up the wells of small farmers growing food for themselves. “Agro-exporters came with new government policies and tax exemptions. They bought water rights and started buying wells very far away. They have created jobs and that’s important, but the reality is that they are depleting the water resources and when the water is gone they will leave. But . . . we will never leave,” said one small asparagus grower. – *GW, 24/9/10*

Pakistan Flood:

“You cannot just produce six million new chicks”

“Pakistan was a net producer of wheat; farmers were in the habit of saving seeds for a handful of years. Although there wasn’t much money circulating in rural communities, many got by on subsistence agriculture. It was customary to borrow and trade with neighbours to meet extra needs. ‘Savings’ were held in the form of large animals, usually goats, cows or milk-producing buffalos. But when the flooding began, affecting more than 17 million people, entire herds [and flocks of sheep, goats, and chickens] – and several lifetimes worth of savings – were washed away.”

“Rebuilding the country’s capacity to feed itself is critical for Pakistan’s long-term stability. Officials fear that if agriculture is no longer a viable means of subsistence, the country’s rural regions will be permanently abandoned and a mass population shift will take place into Pakistan’s already crowded urban centres.”

– *Jessica Leeder, G&M, 8/9/10*

PotashCorp: Benefits for whom?

Yes, we did deal with Potash last issue, but as the story plays out, it is worth looking behind the news for interesting contradictions. For example, the government of Saskatchewan is hoping any new owner of PotashCorp will help keep prices strong, in turn helping it earn higher revenues through royalties and tax revenues. While high potash prices may be good for the province, one has to remember that it is the farmers, in Canada and abroad, that pay the higher prices. Is it fair for the province as a whole to benefit at the expense of its farmers, or is it just the nature of the capitalist system?

Perhaps one of the reasons that Potash Corp is up for sale is that its CEO, Bill Doyle, stands to gain, personally, about \$400million by exercising his stock options if the company is sold at BHP-Billiton's offering price. "I find that absolutely obscene," comments Stephen Jarislowsky, of money management firm Jarislowsky Fraser Ltd, who points out that it is world-wide demand that determines the price of potash and the share price of the corporation, not the skill or cunning of senior PotashCorp executives such as Doyle. – *GM, 1/10/10*

A 2008 Conference Board of Canada report warned that takeovers by state-owned companies – which might be the case if China bids against BHP Billiton for PotashCorp – "may cross the line between commercial and political actions and make decisions that are not driven by commercial considerations".

If one or more Chinese state-owned companies were to buy PotashCorp, it would be to ensure that China has a secure and reasonably priced supply of

fertilizer to grow the food (on an industrial scale) required by its growing population. In the process, China could drive down the price – which would benefit Saskatchewan farmers. So who are the winners, and who's playing politics? And whose potash is it anyway? Some potash is produced on Crown land where the province owns the mineral rights (the rights to the minerals, not the minerals themselves), so a Chinese state-owned company could end up paying royalties to the government of Saskatchewan. Of course, we do have to ask, should we be encouraging the use of synthetic fertilizers at all?

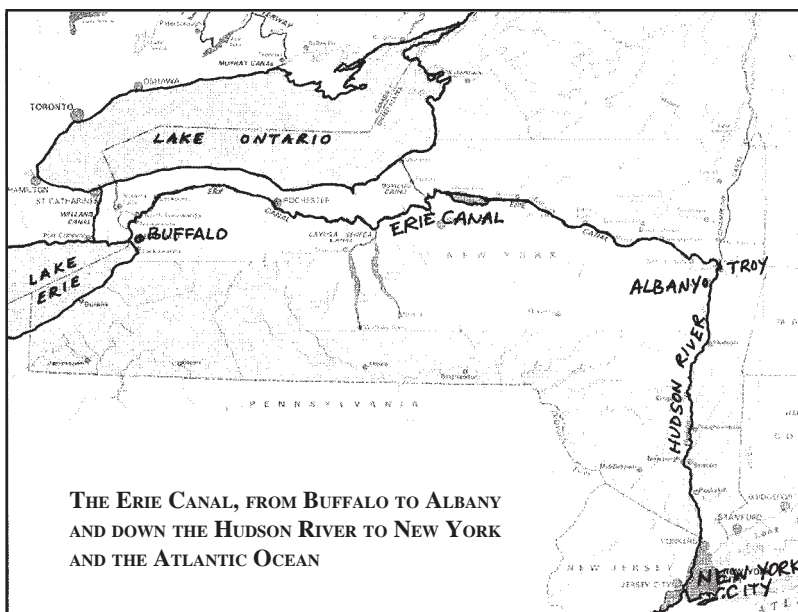
"China's interest in potash is security of supply and low prices. The private equity investors [that would have to be China's partners] would care not an iota about China's supply concerns. Their goal would be to maximize the potash price, all the better to make a quick, fat return and get out." – *E.Reguly, GM, 7/10/10*

Make war, not food

The Harper conservatives did away with six prison farms on the grounds that teaching farm skills was a waste of money because there isn't a great demand for farm labourers. (So why are there so many migrant workers on Canadian farms?) Now Public Safety Minister Vic Toews says the government emphasizes job-training programs in prison, pointing to an agreement with National Defence to have Kingston inmates refurbish military vehicles – clearly a growing job market under this regime. Genuine rehabilitation, which the prison farms reportedly provided, is clearly a bad idea. If your agenda is to create a climate of fear, you have to move beyond Stockwell Day's "unreported crimes" and reverse the falling crime rate by ensuring that prisoners are simply punished, not rehabilitated, and quickly return behind bars.

That then becomes the excuse for the government's creation of 576 new cells at the six prisons that had farms, at a cost of \$155 million. That's \$269,000 each, and that's just the capital costs. It costs \$343,810 per year on average to maintain a female inmate for a year. Costs for a male in maximum security is \$223,687, in minimum security, \$140,527, and in a community correctional centre, \$85,653, based on information for fiscal year 2008-9. – *source: GM, 7/10/10*

Perhaps this money could be better spent on social housing.



Keeping the Books

Some years ago we decided to formally add the 'patron' level to our regular subscription rates for The Ram's Horn because we found subscribers were voluntarily adding some extra to their regular subscription renewals. This has worked very well and we are especially grateful to our many \$50 'patron' subscribers. At the same time, we thank all our regular subscribers, a surprising number of whom have been with us for two decades and more. In addition, we must thank our subscribers who get The Ram's Horn via e-mail, or simply read it online as we post every issue on our website, and continue to pay for their 'virtual' subscriptions.

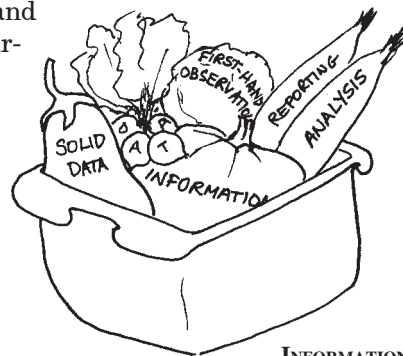
With the issue being available electronically, we have reduced the number of 'free' paper subscribers outside of Canada, the costs of which have been covered in the past by our patrons' extra support. Such support has also helped with the costs of various journals that we draw on. But now we have a new expense: the various sources of information whose own funding from foundations and media have been cut as a result of the financial melt-down of the past couple of years. The result is that we are being appealed to, as reader-subscribers ourselves, to contribute to the support of journalists, news sources and organizations who previously could afford to source and distribute their news at no cost to ourselves.

Here is the message recently received from Genet-News, our primary and invaluable source for news on biotechnology, which is based in Germany:

"Dear readers of GENET-news!

"GENET-news is a service brought to you since 1999 thanks to small contributions from the GENET member organisations, some foundations and subscribers, all engaged in the debate about genetic engineering. GENET is committed to spread independent, comprehensive, and in-depth information in all fields of research and application of this controversial technology. There is no institutional money or vested interest behind this service and we have always proudly insisted on such independence.

"GENET has struggled – and succeeded also with your support – to maintain this strategic service over the last ten years. Nevertheless we would like to ask each subscriber of GENET-news to make a yearly donation to GENET according to your financial possibilities in order to help running this service and help providing the necessary upgrades."



In addition to covering the regular costs of the Ram's Horn, which do not include any costs for our labour, your 'patron' support makes it possible for us to contribute in a small way to GENET-news as well as other important independent sources of information and analysis.

Long-time readers of The Ram's Horn may remember us writing about Dan Wiens and the first CSA farm in Canada about 20 years ago. The CSA philosophy has now been picked up by environmental journalist Stephen Leahy, of Uxbridge, Ontario, who is calling for community supported media. Here's his prologue to a recent article:

"Did you know that crabs, shrimp, lobsters and their ilk make up the bulk of species in the world's oceans? No one else did either until a "census of the seas" was conducted over the past 10 years. Turns out they account for 19 percent of species while fish represent 12 percent of species. There is an incredible amount of new information and my story barely does justice.

"... In an earlier age story-tellers like me would have come to your village, taught your children and told you useful stories about what I'd learned from wise elders in other villages in exchange for a place to sleep and something to eat. Today those stories are delivered electronically not in person. This seems to make it difficult for many people to participate in an exchange for mutual benefit. I give my articles to you for free. I could figure out a subscription or pay-per-click system but that feels wrong. Would you ask for \$20 before telling someone where the exit is during a fire? (ok, that's a bit over the top but hope you get my meaning here.)

INFORMATION CSA

"My family and I am are deeply grateful to those who have made contributions, let me sleep in their homes, paid for a meal, offered kind words or suggested contacts. Thank you all. I know I shouldn't feel this way but I am still embarrassed to ask for a fair exchange for my work but I have no choice.

Another message from Steve:

"Hello again. Quite a few people noted that my article on the extreme warming of the ocean and impacts on coral was the first to do so and was followed a week or so later by a number of others like New York Times. This week's story on the melt down of Arctic sea ice is also the first and perhaps only one to find out how all that melting affects the region's permafrost where extraordinary amounts of carbon and methane lie frozen. This is a story I prayed I'd got wrong so you

might want to stop reading. Sadly several scientists verified that I connected the dots properly.

“Summary: The Arctic sea ice is not going to recover. Huge amounts of extra heat are being trapped in the region melting the permafrost. If global temperatures rise from the present 0.8C above 30 years ago to 2C above, as seems very likely, large amounts – many more times than current emissions – of carbon and methane will be released. That tips the planet into catastrophic climate change. Emissions from permafrost have not been factored into how much countries need reduce their carbon emissions.

“I hate painting this bleak and dark picture. But this is what the science is saying and you have a right to know.

“Where do we go from here? I want to quit, to stop writing. I feel anguish and despair. In the end we have to be adults about this, accept the reality and deal with it. There is much to be done to alert everyone to the urgency, to take action and figure out how to live equitably and humanely under much different conditions than the past. I don’t have answers. The challenge defies description. All I know is this requires the best of all of us.

Sincerely, Steve

Glyphosate just won’t go away

Glyphosate, the active ingredient in Roundup, causes malformations in frog and chicken embryos at doses far lower than those used in agricultural spraying and well below maximum residue levels in products presently approved in the European Union. This is reported in research published by a group around Professor Andrés Carrasco, director of the Laboratory of Molecular Embryology at the University of Buenos Aires Medical School and member of Argentina’s National Council of Scientific and Technical Research (*available at <http://pubs.acs.org/doi/abs/10.1021/tx1001749>*).

Carrasco was led to research the embryonic effects of glyphosate by reports of high rates of birth defects in rural areas of Argentina where Monsanto’s genetically modified “Roundup Ready” (RR) soybeans are grown in large monocultures regularly sprayed with glyphosate from airplanes.

At the 6th European Conference of GMO Free Regions in the European Parliament in Brussels, Carrasco said, “The findings in the lab are compatible with malformations observed in humans exposed to glyphosate during pregnancy.” Reporting of such problems started in 2002, two years after large scale introduction of RR soybeans in Argentina. The experimental

animals share similar developmental mechanisms with humans. The authors concluded that the results raise “concerns about the clinical findings from human offspring in populations exposed to Roundup in agricultural fields.” Carrasco added, “I suspect the toxicity classification of glyphosate is too low. In some cases this can be a powerful poison.”

The maximum residue level allowed for glyphosate in soy in the EU is 20 mg/kg. The level was increased 200-fold from 0.1 mg/kg to 20 mg/kg in 1997 after GM RR soy was commercialized in Europe. Carrasco found malformations in embryos injected with 2.03 mg/kg glyphosate. Soybeans can contain glyphosate residues of up to 17mg/kg.

In August 2010 Amnesty International reported that an organized mob violently attacked people who gathered to hear Carrasco talk about his research in the town of La Leonesa, Chaco province. Witnesses implicated local agro-industry figures in the attack.

Carrasco is also the co-author of a report, “GM Soy: Sustainable? Responsible?” released on September 16 by an international group of scientists.* The report documents a bulk of evidence in scientific studies on the harmful health and environmental impacts of GM RR soy and Roundup.

– *GMO-Free Regions Conference, Belgium, 16/9/10*

*“*GM Soy: Sustainable? Responsible?*” released 16/9/10 by Andrés Carrasco, Michael Antoniou, Paulo Brack, John Fagan, Mohamed Habib, Paulo Kageyama, Carlo Leifert, Rubens Onofre Nodari, Walter Pengue

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The globalburger: every bite counts ... as profit.

3G is a private Brazilian investment fund. Its main backer is Jorge Paulo Lemann, a former professional tennis champion who founded and later sold Banco Garantia – widely viewed as Sao Paulo’s answer to Goldman Sachs. Along with two fellow Garantia partners – hence the three Gs – Lemann has recycled that capital with great success. Starting with the purchase of Cervejaria Brahma, 3G bought up breweries in Latin America and created an industry leader in profitability. That allowed for the 2004 merger with Belgium’s Interbrew and the eventual takeover of Anheuser. Now 3G wants burgers to go with its beer, making a bid for Burger King’s global burger business.

Including the debt that 3G will assume, the deal is worth about \$4 billion. TPG Capital LP, Goldman Sachs Capital Partners and Bain Capital Investors collectively own about 31 percent of Burger King’s shares and will tender their shares into the offer.

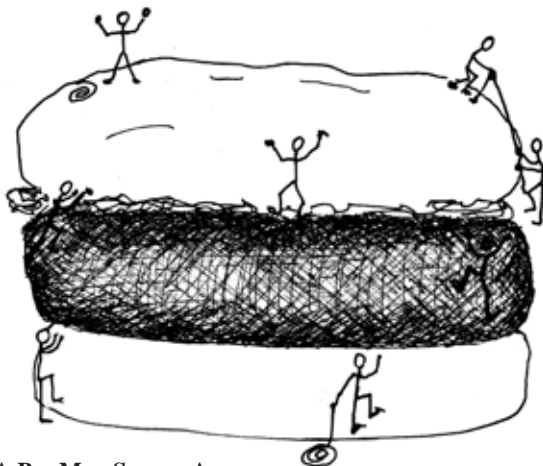
Burger King has 1138 restaurants in Latin America, with a total of 12,174 restaurants in 76 countries, compared with McDonanld’s 32,000.

– GM, *Financial Post*, 3/9/10

Try to imagine a 422 ton (845,000 lbs) hamburger! That’s the amount of a recall of ground beef from a single Cargill meat factory in 2007. Now, what do you suppose they did with it after recall? We never hear about that.

In addition to making people sick – sometimes very sick – “Big food recalls and disease outbreaks can cost a company millions of dollars while tainting a firm’s reputation. It’s a critical issue for Cargill, a global food colossus.”

– Mpls. *Star-Tribune*, 12/9/10



A BIG MAC SHERPA ATTACK

Corporate Collusion Illustrated

Cargill exited the seed business several years ago. As one would expect with Cargill, the sale of most of its seed business to Monsanto made good sense in the long term. Cargill was certainly happy to let Monsanto have all the headaches and legal battles over GE seeds, while Cargill continued to be a major supplier of other crop inputs, such as fertilizer, and purchaser of farm commodities, including organic, ‘conventional’ and GE.

Now Cargill is buying Unilever’s Brazilian tomato products business for \$350 million. Cargill has been operating in Brazil since 1965 and has 2300 employees in the country. It is Cargill’s intention to become “a leading force in Brazil’s supermarkets, focusing on shelf-stable consumer items”. It already markets several brands of mayonnaise, cooking oil and pasta in Brazil.

– ST, 25/9/10

On another front, in July, BASF and Monsanto announced an expansion of their joint efforts to develop higher-yielding and stress-tolerant crops to include wheat. The collaboration that was established in 2007 includes corn, soy, cotton and canola. The companies say projects will be jointly funded and products that emerge from this will be commercialized by Monsanto, with a sharing of net profits: 60% to Monsanto and 40% to BASF. The partners will initially focus on developing biotech products for the North American and Australian markets, with the first enhanced yielding wheat product expected to reach the market after 2020. Around 2012, the companies expect to introduce the world’s first genetically modified drought-tolerant corn, pending regulatory approvals. [This is their escape clause: if they can’t actually produce drought-tolerant corn, they can always blame it on the regulatory process.]

Last year, BASF and the Brazilian Centro de Tecnologia Canavieira agreed to jointly develop drought-tolerant sugarcane varieties with 25% higher yield, with the first varieties scheduled to be launched in about 10 years.

Syngenta and Bayer CropScience have entered into a long-term business agreement, with Syngenta granting Bayer CropScience a worldwide, non-exclusive license for use of its VIPCOT insect control technology in cotton. The VIPCOT technology expresses two insecticidal proteins effective against a number of important cotton pests, including cotton bollworm and tobacco budworm. Syngenta’s proposed acquisition of the sunflower seed business of Monsanto is being investigated by the European Union competition authorities.

– Reuters, 22/6/10

Standards again

Cargill is a member of the Roundtable on Sustainable Palm Oil (RSPO), which has reported that one of Cargill's suppliers, Sinar Mas in Indonesia, has violated the industry code on sustainable palm oil production. This is the first time the 6-year-old RSPO has found a major member in serious violation of its rules. If Sinar Mas does not comply with the code it could lose its membership in RSPO. Cargill says it is important to work with its suppliers to meet sustainability goals which include not clearing 'certain high-value forests' and violating Indonesian forest management law. Burger King, Nestlé, Unilever and Kraft Foods have already cut ties with Sinar Mas over its treatment of rain forests.

– ST, 24/9/10

Agrotoxin use in Brazil

In early May, an important Brazilian newspaper (*Valor Econômico*) published the latest data on pesticide use in Brazil. In 2008 Brazil led the world in the use of these agrotoxins and in 2009 took an even greater lead, with over one million tons sold, which means an average of 49 pounds per hectare in the 2009/10 harvest, or 11 pounds per habitant! This data was collected by Sindag, the national union of the pesticides industry.

Soybean was responsible for the rise in agrotoxins with 530,100 tons of pesticides applied on 23.2 million hectares, an increase of 18%. There was also a 14.8% rise in the use of fungicides on soybean for the control of Asian rust in the regions of the south and middle west compared to last year.

Anvisa, an agency connected to the Ministry of Health, carried out 7 inspections of the main pesticide factories in Brazil between July 2009 and May 2010. Adulterated products and other serious irregularities were found in every factory but one (Monsanto), but that company was fined US\$815,000 for omission of information related to the production process of the pesticides.

At Bayer, Anvisa found 1 million litres of adulterated pesticides; at Syngenta, Anvisa found 1.15 million litres of adulterated chemicals and at BASF there were 800,000 litres of adulterated pesticides past their expiration date and without a fabrication or validity date. There were also products with pre-mix fabrication dates that were more recent than the final product fabrication date. The infractions will be penalized with fines up to US\$815,000. – *GM-Free Brazil Campaign, June 2010. GM-FREE BRAZIL is published by AS-PTA, Agricultura Familiar e Agroecologia.*

Tree Monocultures

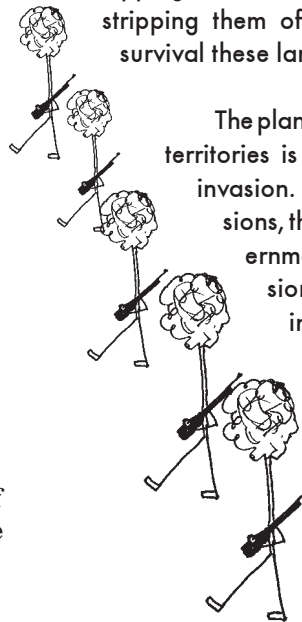
World Rainforest Movement

The silent army of tree monocultures continues its relentless march over the territories of southern countries. Along its way it depletes water resources, impoverishes soils, expels communities, destroys plants and animals.

... The specific tree species chosen for these monoculture plantations varies, depending on the objectives of the companies that promote and establish them. Pine and eucalyptus plantations are aimed at supplying raw material for the pulp and paper industry; teak, pine and gmelina are grown for the timber industry; oil palm plantations feed the agrofuel industry; rubber tree plantations are geared towards supplying the automotive industry; and various species (especially eucalyptus and pine) are used for plantations marketed as carbon "sinks" in the carbon trade business.

The social and environmental impacts of monoculture tree plantations are many and pose serious threats to the soils, water, flora and fauna. But the most dramatic impact of these plantations stems from their occupation of the territories of indigenous, traditional and peasant farming communities.

Stripping these communities of their ancestral lands means stripping them of the vital resources and means of survival these lands formerly provided them.



The plantation companies' occupation of these territories is in many ways similar to a military invasion. As in the case of conventional invasions, the company owners and national government leaders responsible for the invasion do not carry it out themselves. The invasion begins with the arrival of company emissaries, who promise peace, jobs, wealth and development. They are followed by government officials, announcing that an agreement has been signed with the company that will benefit the local population enormously, and calling for their cooperation.

Once this stage is complete, the actual invasion begins. The first step is the destruction of local vegetation through the use of heavy machinery and toxic agrochemicals. And then, finally, the invading army arrives: endless columns of trees planted in rows that advance relentlessly across the local landscape. These invasions sometimes come up against initial resistance. But even when they don't, as time passes, and all the promises are eventually shown to be lies, the resulting impacts make resistance almost inevitable.



Whether the resistance comes before or after the invasion, once it emerges, the invaders adopt the classic strategy of "divide and conquer", pitting community members against one another. If this doesn't work, they move on to the next step: repression, whether directly through their own security guards, or with the support of the repressive state apparatus (the police, the courts, the army), which is quickly set in motion to come to the aid the government's ally.

— *www.wrm.org*, 10/10

Food for all – India

At the end of August India's agriculture minister promised that the government would carry out an order by the Supreme Court to distribute grain to the poor instead of letting it rot in warehouses. The court order came after India media reports exposed massive waste of government-bought grain in a number of Indian states. One paper quoted an unidentified government source as saying about 10 million tonnes of grain – enough to feed 118 million people for a year – were at risk of rotting. In 2009, the amount of grain wasted in warehouses across the country totalled 16 million tonnes, according to the Food Corp of India. — *AFP*, 1/9/10

The government will do all it can to provide affordable food to those below the poverty line but cannot implement the Supreme Court's order to give free foodgrains to the poor, Prime Minister Manmohan

Singh said. The Prime Minister's indirect message was that there is no such thing as a free lunch. India has no option but to industrialise, he said. "The only way we can raise our heads above poverty is for more people to be taken out of agriculture."

If that prescription sounded politically incorrect, Dr. Singh also took on the Supreme Court for straying into the executive's domain by ordering free food for the poor. "I respectfully submit that the Supreme Court should not go into the realm of policy formulation. I respect the sentiments behind the [court] decision that when foodgrains are rotting and people are suffering from deprivation, then some way should be found to ensure that the food needs of the deprived sections are met. But quite honestly it is not possible in this country to give free food to all the poor people."

The Prime Minister said figures vary but if one takes the Tendulkar committee's estimates, 37% of the population is below the poverty line. "How are you going to give free food to such a large segment of the population?" he asked. His government was committed to ensuring that food was available to the poor at an affordable price. "But to say that we can give foodgrains free, quite frankly, if we do that on a large scale you would destroy the incentive of our farmers to produce more food and if there is no food available for distribution what will you distribute?"

— *The Hindu*, New Delhi, 6/9/10



THE RAM'S HORN

Published 10 times a year by
Brewster and Cathleen Kneen
2746 Cassels Street
Ottawa ON, K2B 6N7, Canada
phone: (613) 828-6047

Subscriptions:

Canada, \$25 (regular), \$50 (patron)
United States: US\$25, CDN \$27
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Published 10 times a year; subscriptions expire with the issue number on the label.