

gill, ADM-Toeffer, Continental, Bunge, Ferruzzi-Central Soya, Nestlé. The U.S. situation is the same. Yet, international trade in cereals or beef is a tiny 11% of total EC or U.S. annual production. Some 85-90% is consumed in the domestic market, with no need of the multinational traders. Thus, to orient agriculture to "world market prices," is to arrange for the "tail" of the cartel's international market to wag the "dog" of domestic market.

Cartel grabs stocks?

The markets for world agriculture commodities are highly leveraged to reward speculation, if the speculators have insider knowledge and can control significant sections of world market supply. As any honest commodity futures broker will admit, the rules of that game are rigged to select advantage of certain insiders. According to a spokesman for the Brussels oilseed association FEDIOL, a 2-3% reduction in harvest supply for grains will produce "at least a 20% price increase" on futures markets. The Chicago Board of Trade, the world's largest commodity futures trading market, exploded in speculative frenzy in June as day after day of drought continues into critical growing times for U.S. soybeans, corn, and wheat. "I have never seen anything like these futures markets," said a senior official of Continental Grain in Europe. "We are sitting on top of a pure 'weather market' with markings of major disaster. These futures speculations are the 'action of the year'; it makes the dollar speculation look tiny."

Market speculators, dominated by "insiders" like Cargill, have bid the price of all feedgrains in June to new highs. Prices are presently rising by the legal daily limit in Chicago—3% per day. At the same time, they have speculated that prices for meat will plunge as farmers are forced to rush cattle and pigs to slaughter: Feed prices make holding them prohibitive. That would produce a "glut" of meat in U.S. and European markets. But, only for a matter of weeks. Soon, shortages of meat and pork would appear in shops throughout the industrial sector.

Perhaps the most critical element threatened by the current U.S. drought is the current crop of soybeans. Soya, used for over 2,000 years in China and Japan as a vital food source, is, per unit weight, the most concentrated source of protein known, some three times more concentrated than high-protein wheats. For this reason, large trading companies have developed it into the single most important U.S. agriculture export over the past 20 years. The EC and Japan are the largest importers. The current agriculture price structure internationally is effectively controlled by the price of soybeans.

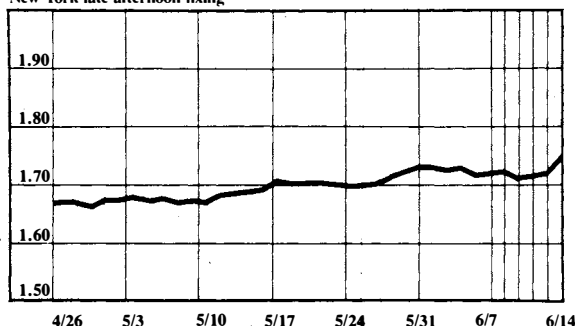
Entire regions of U.S. farmland from Iowa and Indiana to Tennessee and Oklahoma, have been switched over in the past 20 years to the growing of "cash crop" soybeans. Soybeans, crushed and processed into protein concentrates, called

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Currency Rates

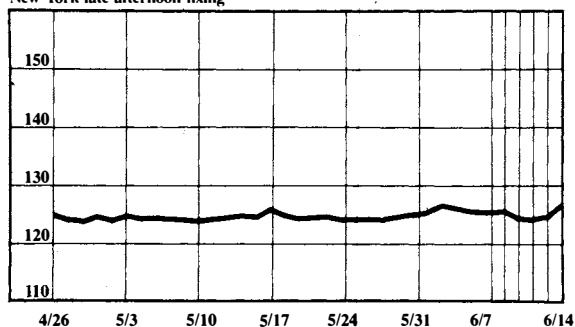
The dollar in deutschemarks

New York late afternoon fixing



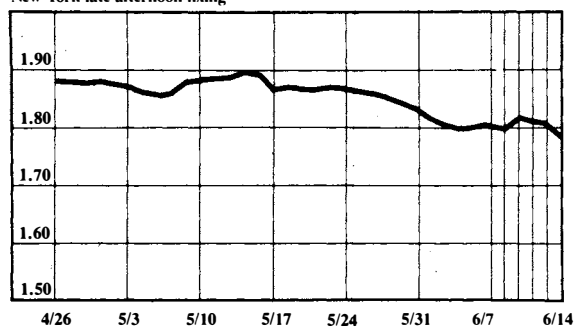
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

