

ply crisis trace to this period. Under the 1972 U.S.-Soviet Grain Agreement, negotiated by then-Secretary of State Henry Kissinger, Russia became the largest buyer of grains on international markets. This corresponded to a shift in Soviet policy: Instead of slaughtering their cattle herds to compensate for frequent harvest shortfalls, they turned to importing grains and continued building their vital beef herds. Ironically, over the past decade and a half, the United States appears to have reverted to precisely the opposite policy, with the USDA policies encouraging record levels of premature slaughterings of U.S. breeding herds, herds which will require decades to rebuild to sufficient quality.

In 1972-73, Exportkhleb imported an astonishing 19 million metric tons of grains from the United States alone, primarily from Cargill and Continental Grain. This represented fully 75% of all grain traded commercially in the world that year. Because of the generous government subsidies which Dr. Kissinger arranged, the scandal was dubbed by the press "The Great Grain Robbery." The government claimed "poor information," and the companies claimed ignorance. From that point until today, the Russians have claimed control of world cereals trade as the largest international buyer, changing the face of world food supply control in tandem with the large multinational grain trading conglomerates with whom they have dealt since 1972.

And today, Henry Kissinger sits on the Board of the Cargill Corp. of Minneapolis.

Bank Failures

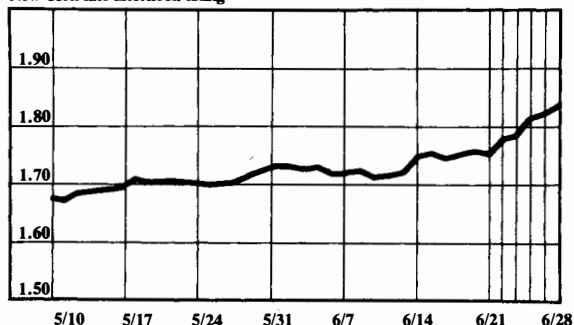
On June 17, the **Liberty Bank of Seattle**, in Seattle, Washington went bankrupt. It had assets worth \$19 million. The **Bank of Westminster**, in Westminster, Colorado, was closed on the June 22. Three other banks in Texas also failed in the week ending June 24. Two smaller banks in Texas, the **Tri-Cities Bank and Trust** in Glenn Heights, with assets worth \$9.6 million, and the **Texas National Bank** in Victoria, worth \$12.5 million were closed that week, as well as the **Northwest Bank and Trust** of Houston, with assets totaling \$100.9 million.

On Wednesday, June 29 the **Claiborne Bank and Trust Company** in Homer, Louisiana, with total assets of about \$12.6 million, was closed. The **Republic National Bank** of Norman, Oklahoma, with total assets of about \$27.2 million was closed on Thursday, June 30. Two other Texas were also closed on Thursday, the **First National Bank** of Sherman Texas, with total assets of about \$25.2 million and the **Mercantile Bank and Trust** of San Antonio, Texas, with total assets of about \$82.3 million.

Currency Rates

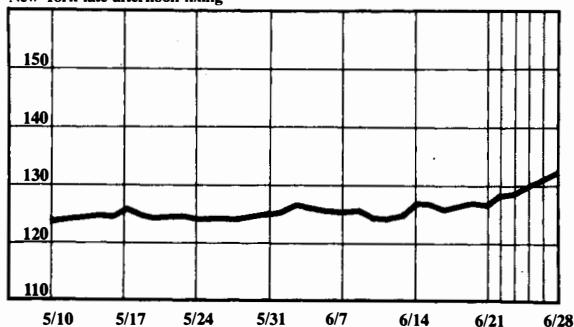
The dollar in deutschemarks

New York late afternoon fixing



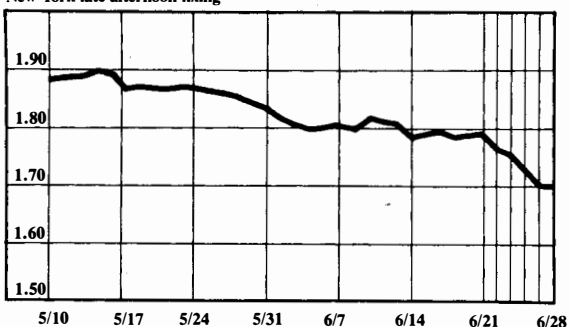
The dollar in yen

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

