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soycakes, constitute the single most valuable agriculture feedstock import in the EC. Almost all is imported under a clever "tax-free" GATT exemption which the multinational trading companies secured some years ago from Brussels. The entirety of the so-called EC "grain surplus" in recent years can be traced to the record import of such soybean and other grain substitute products, which have displaced EC grain as an animal feed. The entire market is controlled by the six or so cartel grain giants, whether for soybeans from Brazil and Argentina, or from the United States. The United States produces some 60-75% of soybeans outside the East bloc.

"There is no adequate substitute for soybeans as a high-protein feed," insisted the FEDIOL representative. According to estimates from Cargill, Continental, and others, soybean stocks are at their lowest level since the mid-1970s.

The U.S. Department of Agriculture held over 500 million bushels of soybeans in 1987. But in order to reduce the U.S. federal budget deficit, the U.S. government has sold its entire surplus stock of soybeans over the past 12 months. "Right now, U.S. government stocks are sold out. There is nothing there, and this has always been used as the world's strategic soybean reserve," a commodity economist familiar with the U.S. situation told *EIR*. What is not revealed is who bought this large volume of soybeans. Traders point to Cargill, Continental, and the large grain multinationals. The same is nearly true with U.S. wheat reserves. According to the International Wheat Council, U.S. government wheat reserves, standing at 23 million tons a year ago, today stand at a mere 6.8 million tons.

EC grain reserve intervention stocks have similarly plunged sharply to less than 5% of annual EC production. On April 25, when the dangers of crop shortfalls and stock draw-downs were known to only a few trading insiders, a mysterious syndicate, whose identity remains secret, bought the *entire* EC surplus intervention stocks of milk powder, reported to be 170,000 tons. Milk powder is used as a high-protein feed substitute for soymeal in feeding calves. According to sources in the EC feed-processing industry, the buyers were a syndicate of "three to four extremely large companies, with Cargill reported among them." The reason? "Whoever did that is cornering the feed market in clear expectation of soaring prices in coming weeks."

Regardless of who grabbed the huge stocks of milk powder or wheat, what is clear is that the world is poised for the food equivalent of what the Seven Sisters did to oil prices in the artificially manipulated 1979 oil shock. A handful of multinational trading companies, operating outside government bounds, across national borders, is positioning itself to create one of the most criminal speculative food crises of the century. Food supply for hundreds of millions of people and animals will be sacrificed on the altar of "market-oriented" lunacy.

## Bank Failures

Two banks failed the week of June 17 in Texas, with one bank in Arkansas requiring an FDIC assistance operation in order to avoid bankruptcy. The Kingsland National Bank, with total assets of about \$13.7 million, was closed on June 16. Security Bank and Trust will assume about \$13.2 million in 1,700 deposit accounts from Kingsland. The Century National Bank of Austin, Texas, with assets of about \$56.6 million, was also closed on June 16. Community National Bank will assume \$56.6 million in 5,600 deposit accounts and will purchase \$42.4 million of the failed bank's assets. The FDIC also injected \$2,100,000 into the Bank of Imoden, Imoden, Arkansas, in order to offset losses at the bank. A further \$1.5 million was provided by Spring Rivers Bancshares, Inc. The measures were taken to prevent the Bank of Imboden from failing.

In the previous week, Parkway Bank and Trust of Dallas, Texas, with total assets of \$42.4 million, was closed on June 9 and reopened on June 10, as a branch of Deposit Guaranty Bank. Deposit Guaranty assumes about \$39.3 million in 2,565 deposit accounts and will purchase approximately \$25.3 million of the failed bank's assets.

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