

are usually referred to as an "inventory hedge" storage capacity, but the location of some of the facilities shows their strategic war reserve purpose. The majority of the silos, though above ground, are behind the Urals, in southern Siberia and in northern Kazakhstan. The exact location of the refrigerated storage is not known.

Associates of Kissinger have been prominent in the continuing food build-up in the Soviet Union. Armand Hammer, the longtime Soviet liaison to Western business circles, provided the Soviets with new meat fattening and slaughterhouse methods—the "boxed beef system." Hammer and Cargill Grain, the leading exporter of grain to the Soviets, had taken over the boxed beef market in the United States. Julius Hammer, Armand's father, was a charter founding member of the Communist Party USA; in 1921 Hammer got the first export-import company franchise with the Soviet Union.

All the international grain companies (Bunge, Louis Dreyfus, and André, as well as Cargill and Continental) have kept the grain flowing to the U.S.S.R. over the past 13 years, embargo or no embargo. In the latest U.S.-U.S.S.R. grain protocol, signed last summer, the State Department included an unprecedented "sanctity of contract" clause in which the United States cannot embargo a grain sale, unless it first officially declares a state of emergency or war.

What the U.S. is doing

Whatever the Russians are up to, there is no question about the status of U.S. emergency food supplies. There aren't any, and the USDA and Federal Emergency Management Agency have no plans for strategic stockpiles.

A few years ago Congress enacted measures for a "Wheat Food Disaster Reserve," and a "Feed Grain Disaster Reserve," which together call for about 6 million metric tons of grains to be kept in the U.S. Department of Agriculture holdings or in the farmer-held storage. But there is no provision for strategic siting, or protection against radiation.

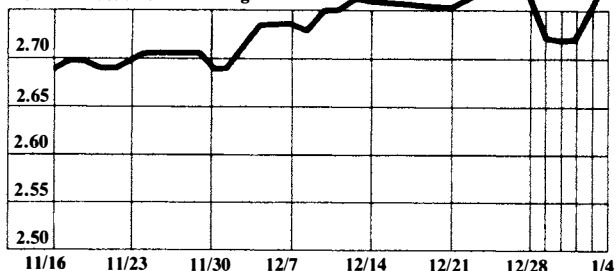
U.S. grain stocks are higher than the disaster reserve requirement; corn stocks alone, as of August, were about 29 million metric tons. But the 1983 Payment-in-Kind acreage reduction program brought the harvests and the stocks way down. The United States needs well over 210 million metric tons annually for proper domestic consumption. There was a 44 percent reduction of feed grain production from 1982 to 1983.

A preliminary briefing for the cabinet was prepared by the Federal Emergency Management Agency on Jan. 29, 1982, describing U.S. food vulnerability in the event of a nuclear attack killing half the population. This study, which has never been updated, made the presumption that crop yields would be adequate—unless fields were hit in the early part of the growing cycle in the spring—because of the facile observation that North American agriculture is highly dispersed. There was no action to implement hardened storage of strategic food supplies.

Currency Rates

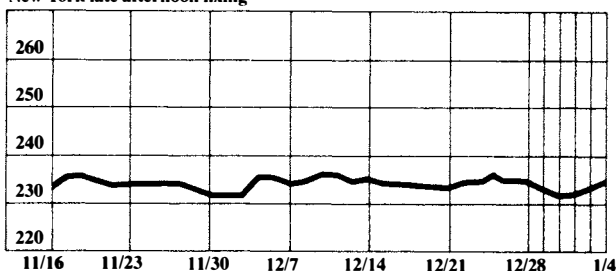
The dollar in deutschemarks

New York late afternoon fixing



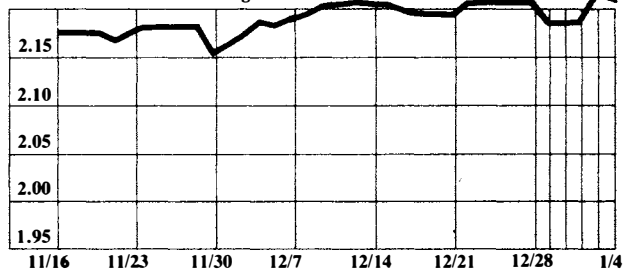
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing

