

reported before-tax profits of \$52 million, on which it paid a minuscule \$2.5 million tax. In 1985, one year after Labour came in, and after the deregulation, Goodman/Fielder-Wattie announced a profit of \$39 million and a tax *rebate* of \$6.8 million. In March 1987, after the merger with Elders Pastoral, the new EP/GFW conglomerate, announced a profit of \$174.5 million! At this point, it controlled approximately 75% of the bakeries and flour mills in New Zealand.

Just as important, this monopoly had access, through Elders Australia, to Australian wheat, then being exported under a \$185 a ton subsidy. Due to the subsidy, EP/GFW bought all the wheat they needed from Australian farmers (through Elders Australia) at \$350 per ton, but which really only cost the conglomerate \$165, after subsidy. Since they no longer depended on the New Zealand farmer for wheat, they were able to force the price for New Zealand wheat below \$250 per ton. The New Zealand wheat industry collapsed soon afterward. Before 1984, this could never have happened, since almost all wheat imports to New Zealand were barred. But in that year, the Soviets' friend, Trade and Industry Minister Mike Moore, concluded the Closer Economic Relations (CER) agreement with Australia, opening the New Zealand wheat industry to destruction.

The EP/GFW conglomerate controlled a key part of the prices and physical output of New Zealand farmers. In addition, through their control over the stock and station agents (together with the Business Roundtable's Fletcher Challenge), they also formed a stranglehold over the seasonal finance so crucial to the farmer. Wrightson NMA/Dalgety Crown, a subsidiary of Fletcher Challenge, controls 70% in the stock and station field, while Elder's, long tied to Fletcher Challenge, controls much of the rest. The stock and station agents have not only cut off access to credit for farmers who have financial problems, but have started eliminating credit to solvent farmers as well!

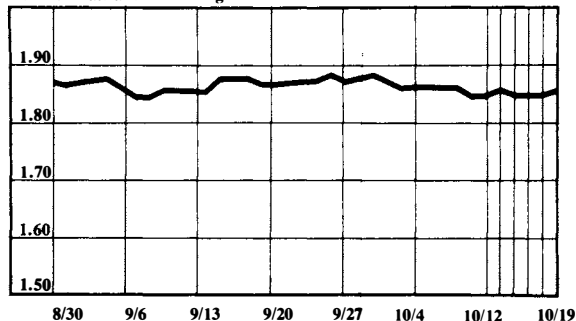
With the increasing private monopoly over all aspects of the rural sector, from finance availability and price, to control of the outlets for New Zealand farm products, it is not long until Justice Minister Palmer's dream of "no private land in New Zealand" comes true. The Rural Bank, which holds 71% of farm mortgages, will soon be put on the block to be "privatized" as well, a process already under way.

Since 1984, Citibank in New York has loaned the Rural Bank NZ\$2.25 billion (approximately U.S.\$1.46 billion). Earlier this year, Citibank sent one of their executives to oversee the day-to-day running of what may soon become their asset. Citibank also happens to be one of the key financiers, along with Chase Manhattan Bank, of the world's largest grain company, the Cargill Corp. (with \$32 billion in worldwide sales in 1986). Former Secretary of State Henry Kissinger, who opened the floodgates for cheap grain sales to the Soviets in the early 1970s, sits on the board of Cargill. According to reports in New Zealand newspapers, Kissinger Associates is also a possible purchaser of the Rural Bank.

Currency Rates

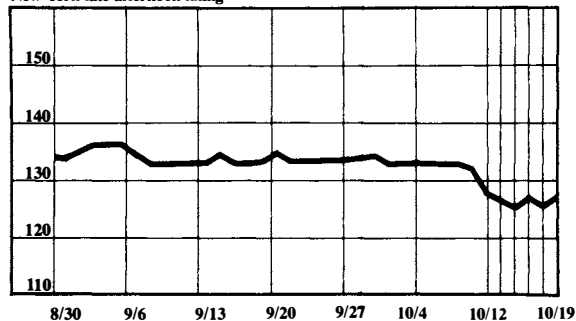
The dollar in deutschmarks

New York late afternoon fixing



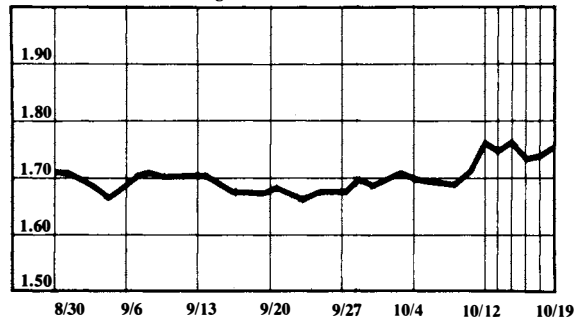
The dollar in yen

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

