

These levels of concentration would give the Windsor crowd a vise-like grip over world production under post-collapse conditions. They and the wealthy families, whom they allow to invest in shares in their companies and in their manipulated markets, are the prime beneficiaries and leading lights of the hoarding game. They are also rushing headlong to grab the raw materials they don't control, particularly in eastern Europe and in developing nations.

Buying control cheap

One must look at how the oligarchs set up the hoarding strategy, which is part and parcel of the speculative bubble of the last 35 years. Starting in late 1993, and accelerating this year, they started buying up physical assets at greatly reduced prices, either the physical good itself, or a share in a company that produces the good. The speculative bubble which has grown over the last 35 years, caused a ballooning of paper values, but forced the economy to operate at below the level necessary to maintain the net energy of the system. This caused disinvestment, causing farming and many mining enterprises to operate below the societal cost of reproduction.

Take the case of wheat, which at \$4.71-5.00 per bushel today, depending on whether it is spring wheat or hard Kansas City wheat, is more than 15% above the range of prices for wheat last year. But it is still well below the prices, which ranged from \$5-7.50 per bushel, that obtained in 1973. Today's wheat price is even further below the parity price required to cover the farmer's costs of production, plus provide a reasonable profit, which is needed to keep farmers farming. The same process exists for metals: Today, aluminum's price, at 88.25¢ per pound, while above the level of the last few years, is below its 1988 price of 110¢ per pound. For many other commodities, deflating them by the 1967 inflation index leaves them below prices of 30 years ago. Thus, prices are spiking up rapidly, making money for those with speculative hoards; but for most, though not all commodities, this is a local phenomenon. By historical standards, the oligarchy is taking advantage of looting of the economy to get commodities dirt cheap.

Financial end-game

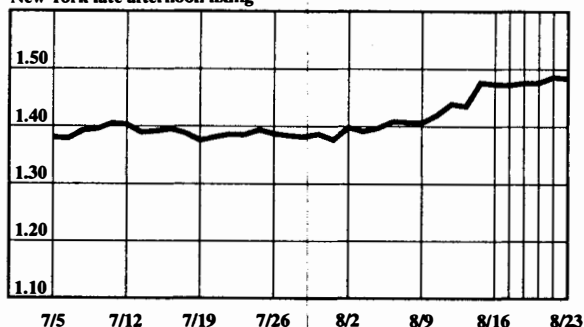
Meanwhile, on Aug. 21, Moody's invented a new form of grading the "financial" strength of banks, and slapped Japan's 50 leading banks with terrible grades. In its review, Moody's has given an "E" rating to three banks, which is defined as "in need of outside assistance," i.e., a bailout, and an "E+" rating to seven others. Of the banks given an "E+" rating, the Norinchukin Bank is the world's second largest agricultural bank.

In France, the Aug. 22 *Le Monde* reported that, in addition to the well-publicized problems of the Crédit Lyonnais bank, Banque Commerciale Privée, Pallas Stern, and Compagnie du BTP are in trouble. Japan and France have the world's first and sixth largest banking systems, respectively.

Currency Rates

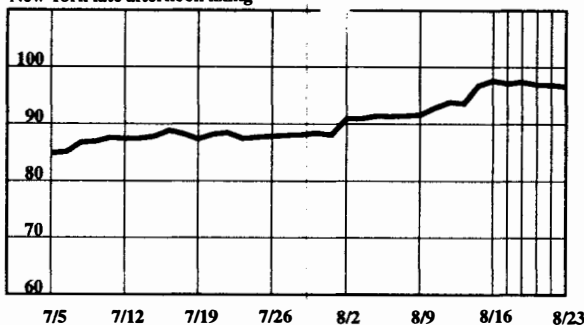
The dollar in deutschemarks

New York late afternoon fixing



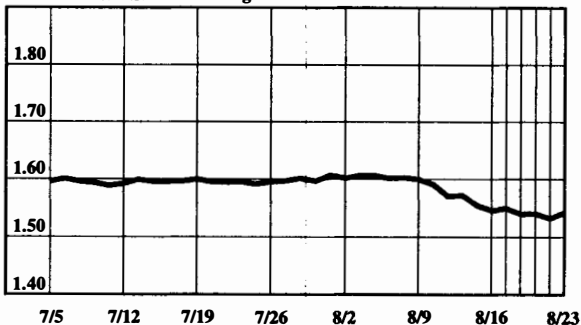
The dollar in yen

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

