

cially in areas dependent on U.S. grains, like sub-Saharan Africa and nations of Ibero-America whose capacity to import U.S. produced foods has already been wrecked by currency devaluations.

This purpose was announced in November 1983 in the journal of the American Bankers' Association by William G. Leshner, assistant secretary for economics in the USDA. Since his appointment in 1980, Leshner has consistently defended the interests of the powerful grain cartel. He took this view of his duty so far as to go on record against taxing the proceeds of commodity speculation in a letter to the U.S. Treasury Department. Leshner was not the only one to express the policy at the time, but his formulation was sufficiently concise. "... USDA has said many times before that the PIK program is a temporary emergency policy. It was designed to lower surplus stocks, which in turn would raise farm prices and improve farm income. This has been accomplished except for wheat, so there will be a PIK provision for wheat next year." Leshner's department was responsible for the over-estimation of farm income last year, for prices and income did not rise in the way he stated here.

The first reading on the harvest is that the USDA has accomplished its surplus-reduction effort. Acreage harvested is estimated to be 47 million acres, not the 51 million the USDA claims, for winter wheat. The lower figure is actually assessed from state figures which the USDA made available during the month of July. These sets of statistics estimated the total winter-wheat harvest by state, and the yield per acre by state. When the latter number is divided into the former the figure of 47 million acres is arrived at. But this count could go down further, because, for example, the Texas wheat harvest was one million acres less than the lower figure. Thus the USDA is actually circulating two alternate figures on the acreage of the winter-wheat crop harvested.

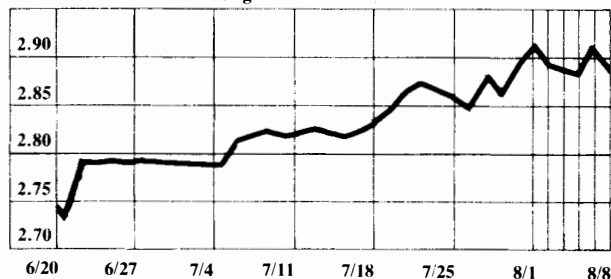
But acreage is only one of the elements considered. Yields per acre are reported by growers around the country to be at a level of 29 bushels an acre, not the more than 39 the USDA claims. These figures vary from region to region but on no way add up to the bumper crop the USDA claims. On these figures, the country could well produce a winter wheat harvest of 1.3 billion bushels, as opposed to the 1.9 billion bushels the department claims.

And then the supply situation could get really tight in the fall, for assuming the USDA has not lied about wheat stocks, the way it did with feedgrains and soybeans, the country would have just over 3 billion bushels of wheat available to satisfy requirements of about 1 billion bushels for domestic consumption, 1.5 billion for export, and over 500 million bushels for cattle-feed. And if the department has been lying about stocks, then supplies just won't be there. The Agriculture Department will have helped to give Mondale his 1973-style "food shock" for the election campaign, prices to the U.S. consumer will sky-rocket, and the Third World will starve.

Currency Rates

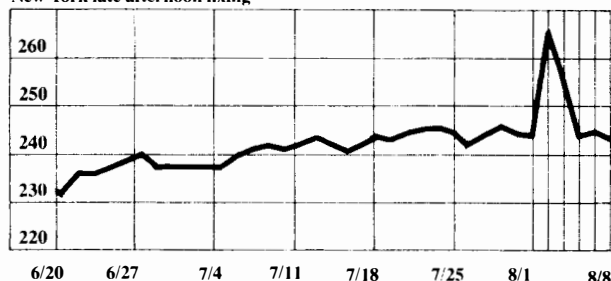
The dollar in deutschemarks

New York late afternoon fixing



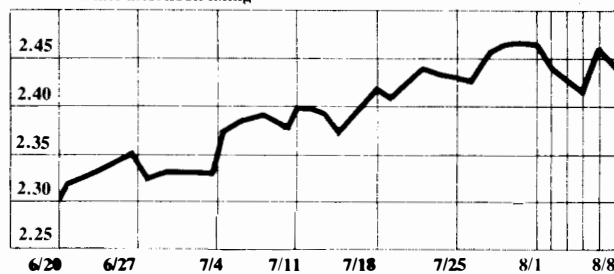
The dollar in yen

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

