

empty. There is no reserve for soybeans. We're depending on this new crop, and nature has a funny way of sometimes spoiling your plans: There's drought now in China. Right now, the Midwest looks fairly good, but there is a drought that seems to be spreading across Illinois and Missouri, so we might not have all the corn and soybeans that's being predicted.

Yes, I would agree that we have to go back to a normal granary of some balance, similar to what Canada does, in order to make our consumers comfortable. They won't be very happy with sky-high beef and pork prices.

EIR: Have you seen patterns of direct investments into factory herds in the last few years?

Blaska: Sure. But although we are hearing it in the pork industry, in dairy, we are not getting it from what we call the milk processors. They're not making investments. Years ago, we had a few going into it in Florida, Arkansas, and a few other places, but they're not doing that in dairy; it's too much risk for them. It's a big management problem to run a dairy. The money that is going into dairy now, is pretty well generated from inflation of the land around big cities, especially in California, so that these people that are dairying, are selling the land, and moving on and making bigger factories in another states. Idaho is the recipient of a lot of that money, and Kansas is getting some of that now, coming from farther west, but it's generated by inflated land values, and then it is reinvested, for tax reasons, in dairy. I don't know how long that curve will last.

EIR: Besides the famous cattle feed lots, and processor-owners of cattle in the United States, in Argentina, George Soros is now one of the biggest owners of wheat lands, and is holding maybe 20,000 tons of wheat, alone, off the market, speculating.

Blaska: Well, IBP, the big pork packer, announced last week, that because of the shortage of hogs, they were going to invest in production facilities on their own.

I would hope that our anti-trust laws are more clear than that. That the packers would be allowed to produce their own livestock, I think that would be very dangerous. I would not want to see that happen. This would be as bad as communism, or worse.

EIR: Command production, you mean.

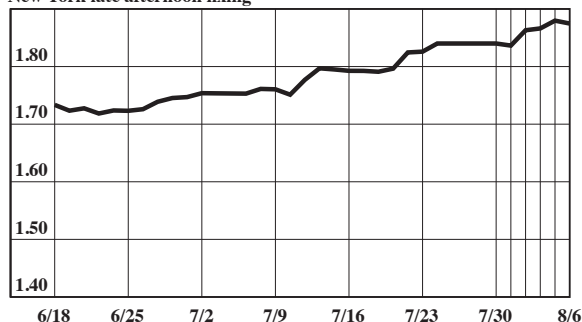
Blaska: That's right. Because what they'll do is use that production over your head, to keep the price of the rest of the producers down, and that we can't tolerate. But that's being done in the pork industry, and in the beef industry, and certainly in chickens—the Tyson, Cargill, and other interests. But dairy is still pretty clean, as far as the outside investors go.

There is an interesting trend going on right now. There is a lot of producer unrest. But the Congress hasn't given us a clear signal yet, as far as dairy goes.

Currency Rates

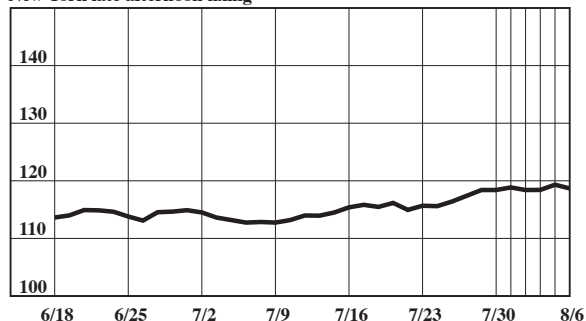
The dollar in deutschemarks

New York late afternoon fixing



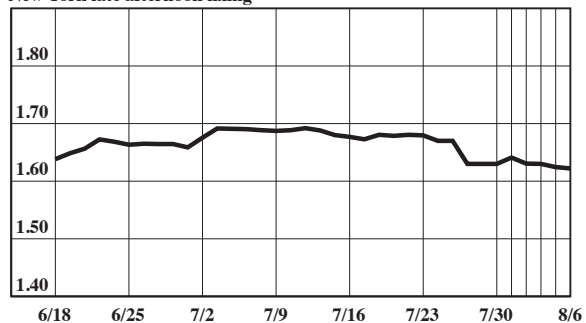
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

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