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2-24-93 The New York Times pg. A1

SWEEPING REVERSAL OF U.S. LAND POLICY SOUGHT BY CLINTON

BIG CHANGE FOR THE WEST

Administration Wants to Charge Market Rates for the Rights to Use Federal Holdings

By TIMOTHY EGAN
Special to The New York Times

SEATTLE, Feb. 23 — Acting on orders from President Clinton to cut grazing, timber, mining and water subsidies, Interior Secretary Bruce Babbitt is trying to roll back more than a century of practices that have promoted the development of the West at Government expense.

While the plan to charge market rates for commercial use of public resources is being billed as an effort to reduce the deficit, its real importance would be to reverse the way nearly 500 million acres of Western land, equal to about one-fifth of the United States, are managed.

By encouraging ranchers to run cattle on land once thought to be essentialy useless and trying to lure miners and loggers to remote high country, the Government has long treated the public lands of the West as a resource to be exploited. Under the Reagan and Bush Administrations, development was further encouraged by land managers who fought environmental restrictions.

Who Would Pay

With the Clinton plan, the Government would no longer allow timber companies to log national forest trees at below-market rates. It would begin charging royalties on gold, silver and other metals now mined at no charge from Federal land, and would raise the fee that ranchers pay to graze livestock on 280 million acres of public range. In addition, farmers would pay surcharges to irrigate more than nine million acres. Fees for recreation, like hiking, hunting and camping, are also under consideration.

Much of the revenue, estimated at $1 billion over five years, would then be used to repair rivers, forests, range lands and wildlife habitats that have come under strain.

"It's a brand new era in land management," said Mr. Babbitt, who promoted the new thinking in a tour of the West last week. He said the Government would no longer build dams "for dumb, stupid political reasons," and that fees for natural resources uses that now encourage poor stewardship would be raised to "give incentives for good management of the land."

Conservationist View

Conservationists have long called for many of the changes, saying that the Government was selling off Western resources at 19th century prices and allowing the land to be degraded.

But some Western political leaders, as well as those directly affected by an end to the subsidies, say the changes may drive smaller ranchers off the land, threaten isolated rural communities and put a damper on a recent boom in mining claims.

Still, critics concede that the proposed changes, some of which have been sought before by Republican Administrations but never as a single, sweeping package, stand a good chance of passing this time around under the banner of deficit reduction.

The Administration says the proposals can bring in $1 billion over five years. While the figure is minuscule compared with the overall Federal deficit of nearly $300 billion, the mere act of trying to charge fair-market prices for cutting trees, grazing or mining in marginal areas is likely to have a lasting affect on how the land is used. The Government manages more than half the land in many big states in the West.

"I see us as the department of the environment," Mr. Babbitt said in a speech in Phoenix that earned him a standing ovation before a room of Federal employees. "We are about the perpetual American love affair with the land and the parks."

Reflecting the new approach, President Clinton nominated two environmentalists today for top Administration posts: George Frampton, president of the Wilderness Society, as Assistant Secretary in charge of national parks and fish and wildlife; Jim Baca, New Mexico's land commissioner and a former board member of the Wilderness Society, as head of the Bureau of Land Management, the nation's largest land manager. Both appointments are

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subject to Senate confirmation.

In talking up the new approach, Mr. Babbitt was well received by park rangers, biologists and other land managers who say they have suffered through years of political pressure to favor industrial uses of the land.

"Most of us are ecstatic," said Jim Walters, a veteran National Park Service employee based in New Mexico. "We all look forward to a new day. It's like a dark period is over."

But the intended changes are generating a strong reaction from groups that have banded together calling themselves the "Wise Use" movement, many of whom view their grazing, mining and timber-cutting permits as property rights protected by the Constitution.

"If Babbitt tries to go through with this, what you'll see happen is some resource-dependent communities turn into ghost towns," said Chuck Cushman of Battleground, Wash., who is a leader of the groups that have been fighting environmental restrictions on public land.

Representative George Miller, Democrat of California who is chairman of the House committee that has jurisdiction over most Western land issues, predicts approval for the changes. Congress may even raise the fees more than the Administration's proposal, he said.

Most Westerners, he said, support the changes. Western states that have traditionally voted Republican, Colorado, Nevada, Montana and New Mexico among them, voted for Mr. Clinton last year.

"Reagan and Bush were just holding back the future," Mr. Miller said. "They were the last gasp of an outdated philosophy."

Senator Conrad Burns, Republican of Montana, said Mr. Clinton's plan, along with the proposal to tax energy, "is going to put Montana in a depression."

"The West is under siege right now," he said. "We've got no other way to make a living than the areas Clinton wants to tax and raise fees on. We'll be left selling 20-acre ranchettes to fancy-pants Easterners."

Most of the changes proposed by the Clinton Administration will need legislative approval, but Mr. Babbitt said he could take some action, like raising grazing fees, without Congressional consent.

"The question is not whether there should be an increase," he said of grazing, an issue that Congress has fought over but never resolved. "The question is how much."

About 28,000 ranchers graze livestock on 280 million acres of public land, run by the Forest Service and the Bureau of Land Management. They are charged $1.92 to graze one cow and her calf for a month, a rate that the Government has said is one-fifth of the market rate for Western states.

Some ranchers who hold permits are actually corporations like the Metropolitan Life Company that run cattle over millions of acres of public land. But most are small operations of less than 500 cattle. The Government lost about $50 million in administering the grazing program in 1990, according to the most recent report.

"I wouldn't complain if they raise it 50 cents or a dollar more, but if it goes much higher than that, a lot of people will be run off the land," said Arthur Lyman, a fifth-generation rancher who runs cattle on about 200,000 acres in Utah. "This is rough country. It's not easy to graze on. Not like private land. As far as I'm concerned, we already pay dearly for it."

Fees for Mineral Rights

In mining, President Clinton wants to begin charging royalties for hard-rock minerals removed from Federal land. More than a million people hold mining claims on public land, most of them bought for prices set by the Ulysses S. Grant Administration in 1872. Critics have long considered mining one of the big areas of abuse of Western lands. But supporters say it one of the last opportunities left in the country for a "little guy" to make it big with a mining strike.

On numerous attempts, Congress has failed to change the law under which any person can establish a mining claim to Federal land for $2.50 an acre. The practice has been abused by people who have no interest in mining, but instead wanted to obtain a right to Federal property at a rock bottom price for other commercial uses, critics have said.

Charging a royalty will ultimately hurt the small mining industry, Mr. Cushman said. "You'll kill the goose that lays the golden egg because most prospecting is done by the little guy," he said. "Now he won't have any incentive."

Mr. Miller said some of the biggest users of public land were wealthy individuals who used the "cover of the little guy" to keep the Government from raising fees to a market level. "They trot out the argument of hurting the small rancher or small miner to scare politicians," he said. The Government can exempt the small users from the fee increase, he added.

Timber sales in which the Government spends more money building roads and surveying land before any logging is done than it takes in from the sales have been a continual source of criticism. In 1991, timber programs in 69 of the 120 national forests were losing money. The Forest Service, which is run by the Agriculture Department, has announced a plan to end these so-called below-cost sales as part of the President's package.

2

pg. D18

Hopes for Russian Accord Lift Soybeans and Wheat

By Reuters

Wheat and soybean prices rose yesterday on optimism that American officials would offer food aid to Russia or resolve the country's debt problems at a meeting tomorrow in Washington.

In other commodity markets, energy prices were mostly higher, platinum and silver prices rebounded from Monday's steep fall, coffee prices tumbled and lumber fell.

Russia, historically the largest importer of American grain, has been effectively out of the market since defaulting on hundreds of millions of dollars in unpaid agricultural loans.

Analysts suggested the possibility that Russia's current agricultural debt might be separated from the debt of the former Soviet Union to make repayment easier. Russia's defaults would then total $13 million compared with the $338 million of current arrears.

Initial signs that OPEC was curtailing petroleum production as promised at the organization's meeting in Vienna last week pushed up oil prices.

Crude oil for delivery in April rose 24 cents, to $20.48 a barrel; gasoline for March added 0.13 cent, to 54.56 cents a gallon, and heating oil rose 0.78 cent, to 57.27 cents a gallon. March natural gas declined 1.4 cents, to $1.835 for a million B.T.U.'s.

April platinum advanced $8.60, to $346.80 an ounce, on the New York Mercantile Exchange, making up part of Monday's $19.20 drop. The metal had fallen on concerns that Japanese car makers may build fewer cars and buy less platinum for their catalytic converters.

Pessimism about chances for a new coffee pact between producers and consumers weighed on coffee prices at the New York Coffee, Sugar and Cocoa Exchange. A Brazilian official at the National Coffee Association's annual meeting in Boca Raton, Fla., indicated that differences over a new agreement remained wide.

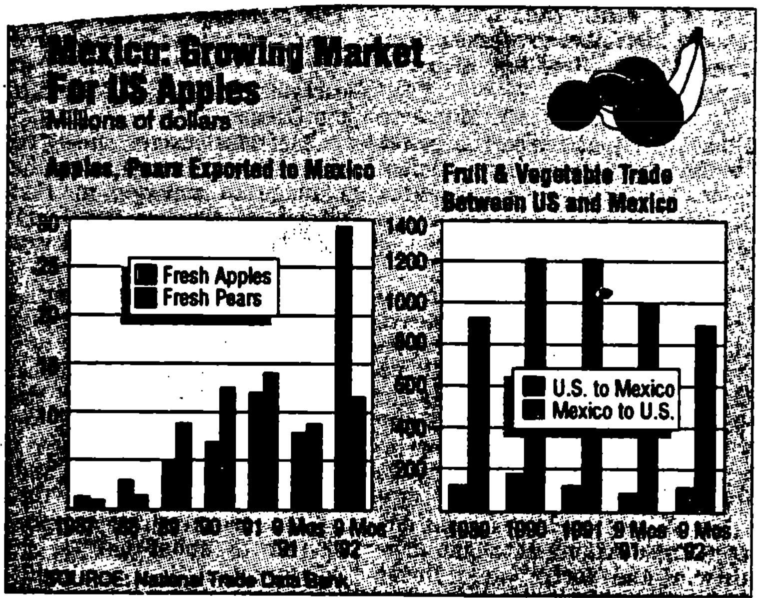
March coffee dropped 3.2 cents, to 63.90 cents a pound.

Lumber prices fell for the first time in 20 trading sessions, as spruce cash prices leveled. March lumber declined $4.30, to $436.40 for a thousand board feet at the Chicago Mercantile Exchange.

3

pg. 1A

2-24-93



IAN THORNELL/Journal of Commerce

Rails Join to Haul US Fruit to Mexico

By KEVIN G. HALL
Journal of Commerce Staff

SAN DIEGO, Calif. — Taking advantage of a rare opportunity to balance inbound and outbound traffic with Mexico, the Southern Pacific Transportation Co. has joined with the Burlington Northern Railroad and Mexico's national carrier to provide through train shipments of apples and pears from the Pacific Northwest.

Beginning next month, the SP and BN will team up with Ferrocarriles Nacionales de Mexico (FNM) to get the fruits from the Northwest to Mexico's large industrial city of Monterrey, according to SP officials.

For the backhaul, the refrigerated cars will haul frozen broccoli and orange juice from Mexico, said Noel Guajardo, director of distribution services for the SP in Houston.

The southbound fruit will move for Sun Country Transportation Inc., a major fruit and vegetable shipper, to a refrigerated warehouse leased from the FNM in Monterrey.

The two-way traffic is the direct result of Sun Country's successful efforts to persuade the Mexican government to allow the imported fruit to enter the country without stopping at the border for agriculture or customs inspections.

As reported Dec. 8 in The Journal of Commerce, U.S. inspectors will not halt frozen vegetables and juices coming from Mexico as long as they are kept at 20 degrees Fahrenheit.

Addressing the strong backhaul opportunities, Mr. Guajardo noted that in the past, "The problem we have had, as do most of the other carriers that have refrigerated products, is that it's usually a one-way move."

Through trains are rare in Mexico, although the SP does offer through service for grain hoppers, connecting the United States to the northwestern Mexican city of Torreon.

The railroads and Sun Country estimate the annual Mexican demand for apples at 8 million cartons, which translates into about 4,000 railcars. The SP and its partners do not expect to capture

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all of that, much of which is carried by truck, but Mr. Guajardo said the railroad anticipates capturing a "significant amount" of the refrigerated apple trade.

Under the service that starts next month, BN will carry apples and pears to Fort Worth, Texas, from Seattle, Wash. The SP will handle a shorter haul from Fort Worth to the Texas border post of Eagle Pass, where the FNM takes the refrigerated boxcars straight through to Monterrey, where it will be inspected and stored.

The SP is tracking private investment in the infrastructure required for refrigerated transportation. The carrier may in the future seek to compete against truckers hauling refrigerated goods by offering speedy double-stack container service, Mr. Guajardo said. The secret, he said, is in imitating the service provided to just-in-time manufacturers in Mexico.

"If we can parallel the transit times with those J-I-T products, we can compete with truckers," he said.

During a panel discussion on refrigerated trade opportunities in Mexico, Mr. Guajardo and fellow panel members agreed that while there are numerous possibilities, there are also several areas where there is room for improvement.

Too often, U.S. shippers sending fruits to Mexico for consumption send poor quality or second-quality grapes, meats and vegetables, said Francisco Obregon, a refrigerated transport consultant from Ciudadobregon, in the agriculturally rich northwestern Mexican state of Sonora.

"The Mexican consumers are becoming more and more quality conscious in their eating habits," he said, noting some U.S. exporters "send other grades or quality." Mr. Obregon added, "The grapes that they send don't have the same quality standards."

U.S. carriers complain about the lack of backhaul opportunities after they've taken Mexican fruits to U.S. markets, ignoring a great demand for packaging products, said Mr. Obregon.

Another untapped niche opportunity for refrigerated trade with Mexico is all-water service, said William H. Vogel, director of Tavilla Sales Co. in Los Angeles, a firm that brokers, imports, repacks and ships a variety of frozen fruits and vegetables.

". . . Border crossings have been somewhat tedious to say the least," he told conference participants, citing delays in crossing that create quality problems and often force repackaging.

A party looking to start a ship service between Mazatlan on Mexico's west coast and the Port of Long Beach, Calif., recently approached Tavilla Sales, providing Mr. Vogel a possible option to move mangoes by sea in summertime. "I haven't heard from them since," he said, noting Tavilla Sales had agreed to dedicate five containers to what could have been a burgeoning service.

pg. 3A

2-24-93

Administration May Raise Trade Promotion Profile

By RICHARD LAWRENCE
Journal of Commerce Staff

WASHINGTON — The Clinton administration — including perhaps the president himself — may take a more active role in promoting U.S. products abroad, Commerce Secretary Ron Brown hinted Tuesday.

"We'll work alongside you to promote increased exports," he told a U.S. Chamber of Commerce meeting. "President Mitterrand travels abroad regularly to promote French products and French companies," he noted. "We ought to be doing the same for you in the United States."

Overall, Mr. Brown promised an aggressive administration approach to trade policy. "A new day has dawned in America's public government-business partnership," he said in prepared remarks. "There will be no more 'hang-dog' trade missions to beg for market access, no more last-minute missions as travel perks. This administration will fight with you to open (foreign) markets."

He vowed to secure international "fair trade rules," to "aggressively enforce existing trade agreements and U.S. laws" and to "vigorously" respond to unfair foreign trade practices.

Addressing the chamber, President Clinton disclosed that he plans to announce further measures to make his new domestic economic plan more attractive to business. He said he will propose further cuts in government spending and will announce regulatory changes designed to induce banks to lend more freely to small business.

He predicted that the regulatory changes "will really make a dent in the credit-crunch problem."

The president, trying to rally business support for his economic proposals, argued that the tax increases he proposes would for many companies be more than offset by lower long-term interest rates.

Since his proposals were unveiled last week, long-term rates have fallen to a 16-year low, he noted. Businesses will save more on interest than they would pay in additional taxes under his program, he contended.

The Chamber of Commerce, meanwhile, released its 1993-94 "national business agenda," which includes a number of policy proposals — ranging across education, worker training, technology, infrastructure and health care — similar to Mr. Clinton's program.

The chamber's tax proposals, however, differ significantly from the president's. Among other things, the chamber called for a bigger investment tax credit, a broader capital gains tax cut and other tax "incentives" beyond Mr. Clinton's package.

The chamber is expected to announce a detailed response today to the Clinton package.

pg. 5A The Journal of Commerce 2-24-93

'Colo. Agriculture Expects Overall Gains From Nafta

By JANET DAY
The Denver Post

DENVER — Colorado's cut-flower and onion growers will suffer under the pending North American free-trade agreement, but most other agricultural industries stand to profit, the Colorado Department of Agriculture has concluded.

A six-month study of the current agreement that would lift, phase out or alter tariffs and trade barriers among Canada, the United States and Mexico found a generally positive effect on Colorado's agricultural industries.

But factions within those industries hold different opinions about the agreement's benefits or damages. The agreement, negotiated by the Bush administration, requires congressional approval and may face renegotiation under the new Clinton administration.

State officials outlined their findings Monday at the Governor's Agricultural Outlook Forum held at the Colorado Convention Center.

According to the report, "Colorado is fortunate that most of the agricultural products we produce will be exported in greater amounts and with less interference as a result of Nafta."

Like those in other states, industries benefiting the most include corn, wheat, potatoes and barley, as well as dry beans, livestock and meat — as demand for those products increases in Mexico, according to Jim Rubingh, marketing director for the Colorado Department of Agriculture.

Most severely affected likely will be the cut-flower industry, particularly rose growers, and onion growers and the sugar beet industry, as cheaper Mexican flowers, onions and cane sugar enter the U.S. market.

Colorado's seasonal produce such as lettuce and melons likely won't be affected at all because of the difference in growing seasons between Colorado and Mexico, the report concluded.

"Fortunately for Colorado, most of the things we produce that Mexico buys, we produce more efficiently and can compete, and with no overlap in the vegetable seasons, there's no competition there," Mr. Rubingh said.

But vegetable growers could be affected by an expected reduction in the size of the migrant labor force that comes to Colorado each year to harvest fruits and vegetables.

The agricultural industry does not speak with one voice when it comes to Nafta. The Colorado Farm Bureau supports the agreement while the Rocky Mountain Farmers Union has many concerns. Wheat growers and dairy farmers worry about cheap Canadian competition because of that country's subsidy programs, while the domestic floral industry expects to be put out of business by Mexican competition within 10 years.

"Flowers, sugar, dairy and wool total $1 billion in Colorado, and they could be wiped out by Nafta," said Bill Thompson of the Farmer's Union.

US-Brazil Dispute Sparks Coffee Price Dip

NEW YORK — Coffee prices declined in response to continued differences between the United States and Brazil over the prospects for a new International Coffee Agreement.

Negative comments by the U.S. and Brazilian delegates to the National Coffee Association convention in Boca Raton, Fla., produced declines of more than 230 points in the active May futures delivery in New York.

The May contract was down 235 points to 66.75 cents a pound Tuesday afternoon, after trading as high as 69.45 cents. Spot March coffee was down 230 points at 64.80 cents.

"If these speeches (at the Florida meetings) are any indication, these seemingly endless differences between the U.S. and Brazil has not been materially altered," one analyst said. "If the speeches are an indication for the prospects of an agreement, prospects may be even worse than last year."

From Wire and Staff Reports

COMMODITY/ CHEMICAL BRIEFS

Espy: US May Separate Russian, Ex-Soviet Debt

WASHINGTON — The Clinton administration is considering separating Russia's debt from the debt of other former Soviet republics to try to resolve the impasse over export credits, U.S. Agriculture Secretary Mike Espy said Tuesday.

Speaking to reporters after testifying before a House subcommittee, Mr. Espy said separating the debt is "part of the problem and part of the solution." He said he had made some recommendations along these lines to the administration.

Separately, Mr. Espy repeated that USDA had selected one option regarding the resolution of the Russian debt problem, but declined to identify that solution.

Russia has defaulted on more than $350 million in payments on loans backed by USDA for the purchase of U.S. agricultural commodities, and has been suspended from the credit program since Nov. 30.

7

Forging a Trade Pact With Chile

By DON E. NEWQUIST

As President Clinton begins to grapple with his trade policies, he is confronted with the same two long-standing issues that proved so vexing for his predecessor — the faltering Uruguay Round of world trade talks and the successful conclusion and implementation of the North American free-trade agreement with Canada and Mexico.

While both the Uruguay Round and the free-trade pact are immensely important and should be completed as quickly as possible, neither appears any more amenable to a quick resolution now than they were in 1992.

At the same time, however, President Clinton has an opportunity to strike on another front: He should swiftly negotiate a free-trade agreement with Chile, which would advance his campaign pledge to help develop open-market economies and democratic principles throughout the Americas.

As a leading newspaper reported recently, "Chile is quietly completing what is perhaps one of the world's most profound economic transformations."

Emerging as a democracy in 1989 after almost 17 years of repressive military dictatorship, Chile can now justifiably boast an open political and economic system that is a role model for the rest of Latin America.

Entering into a free-trade agreement with Chile would send a strong and vital signal to our Latin American trading partners that Washington is committed to democracy and economic reform throughout the hemisphere.

A visit to Chile only reinforces the importance of moving ahead with a Chilean free-trade agreement quickly. Chile's political stability under the freely elected government of Patricio Aylwin stands in sharp contrast to the recent political upheavals elsewhere in Latin America, especially in Peru and Venezuela.

From an economic perspective, Chile's open trade and investment policies are achieving notable results. The Chilean economy grew by almost 10% last year, its best performance in 30 years. In addition, a flat 11% tariff rate on virtually all products and an extensive privatization program have helped bring about steady, balanced growth in trade with the United States, Chile's second largest trading partner after Japan. The United States is also the largest foreign investor in Chile, with over 40% of Chile's total foreign investment since 1982.

Last year, the U.S. International Trade Commission examined U.S. market access in Latin America at the request of the Senate Finance Committee. The committee also asked for a special case study of Chilean trade and investment policies. The commission's report confirmed that Chile is fully integrated into the world economy with sustainable economic growth, generally transparent and non-discriminatory trade and investment regimes and relatively few barriers to outside companies and investors. A U.S.-Chile free-trade agreement can only serve to lock in these valuable market opportunities for U.S. firms and products.

Nonetheless, the report found several areas where Chile still maintains barriers to U.S. goods, services and investment. For example, market access in certain agricultural sectors and in motor vehicles is limited. Moreover, Chile's protection of trademarks, patents and copyrights falls short. A free-trade agreement would address these shortcomings.

A Chilean free-trade pact would present none of the environmental and labor standards problems that will have to be addressed through side agreements in the North American treaty. The Aylwin government has taken significant steps to improve workers' rights and to bring Chile's environmental standards into conformity with international norms. In fact the successful conclusion of a Chilean free-trade deal actually may help spur the completion of the North American side agreements, whose status remains uncertain.

The proposal here is not to slow down the Uruguay Round or the North American negotiations, both of which are important U.S. trade priorities. Rather, a free-trade agreement with Chile provides the Clinton administration with the opportunity for an early and notable trade success without unduly hampering progress in the other, more protracted negotiations.

Finally, and at its most basic level, the enactment of U.S.-Chile free-trade agreement will help ensure that Chile remains on the path of reform. As a result, U.S. workers and businesses, still on the rebound from the recession and in search of new export markets, can be sure that Chile will provide an increasingly open and predictable market for their products.

More important, the prompt and successful conclusion of a U.S.-Chile agreement will strengthen Chile's status as a role model for other Latin American countries in areas ranging from liberal foreign investment rules to the improvement of workers' rights and labor standards. Beginning negotiations for a free-trade pact now will set in motion a program of Latin American trade exports — and help preserve U.S. jobs — at a time when our economy so desperately needs both.

Don E. Newquist, who visited Chile last year, is chairman of the U.S. International Trade Commission. The views expressed here are his own.

pg. 8A 2-24-93
The Journal of Commerce

Pg. 10A

2-24-93

Firms Urged to Offer Farm Insurance In Little-Tapped Developing World

By JOHN ZAROCOSTAS
Special to The Journal of Commerce

GENEVA — Agricultural insurance in developing nations is a risky but untapped niche that offers opportunities for expansion by carriers in the industrialized world, according to a report by a United Nations agency.

The United Nations Conference on Trade and Development report, "Agricultural Insurance in Developing Nations," notes that insurance markets in these nations "are largely confined to urban areas."

But with the prospect of barriers to foreign insurers coming down, insurance business in the urban sector "is likely to become increasingly competitive," the report says.

At the same time, it says opportunities for new business are waiting to be realized in the agricultural and rural sector, even though there are "formidable" difficulties to overcome.

The most inhibiting factors are lack of technical know-how of operational processes, inadequate infrastructure and support services, and difficulties in product development and improvement.

Some insurance markets in developing nations also are closed to foreign companies either because industry there is nationalized or because no new licenses are issued. Whether this situation will change hinges on the outcome of the services negotiations in the Uruguay Round of world trade talks under the General Agreement on Tariffs and Trade, the international body that governs most world trade.

For a large number of developing nations, agriculture still accounts for a large share of gross domestic product and remains the key source of employment, the report says.

In 1988, the agricultural sector accounted for 40.2% of GDP in the world's poorest countries, 20.8% in developing African nations, 17.8% in developing Asian nations and 9.2% in developing Latin American nations.

Moreover, workers employed in agriculture constituted 43.7% of the total labor force in developing Africa, 56.3% in developing Asia and 27.2% in developing Latin America, compared with only 8.3% in industrialized economies.

But gross direct premiums have shown sharp increases as a percentage of GDP in these nations in the last two decades, although these increases are coming off a small base.

In Brazil, it increased from 0.71% in 1970 to 1.01% in 1989; in Argentina, from 1.73% to 2.06%; in Mexico, from 0.88% to 1.26%; in Indonesia, from 0.24% to 0.80%; in Malaysia, from 1.57% to 2.88%; and in Thailand, from 0.65% to 1.59.%.

Besides the traditional area of crop insurance, opportunities for new business are expected in horticulture, plantations, livestock, aquaculture, and capital assets such as dwellings, machinery and equipment, and processing plants.

The report, which draws on a survey of agricultural insurance in 44 developing nations, classifies these in terms of their agricultural development, as follows:

- Traditional or subsistence-level, where food is grown for survival.
- Semi-commercial and emerging, reflecting movement toward sales.
- Commercial.
- Specialized production systems.

With little prospect for profits in the subsistence sector, most private insurance companies are not eager to place priority in this line.

To entice companies into entering the sector, the UNCTAD report recommends that states provide foreign firms with fair treatment and the necessary fiscal incentives.

The report calls for state-controlled bodies engaged in agricultural crop insurance to take a more commercial approach, with tighter financial discipline and accountability and a move away from a subsidy-dominated regime.

More than 20 developing nations — including the Philippines, Venezuela, Brazil, Jamaica, Zambia and India — offer insurance for crops which is mainly state-managed.

9

pg. A4 2-24-93

Clinton Assembles A Panel to Develop His Domestic Plans

By MICHAEL K. FRISBY
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—President Clinton has appointed a task force of senior officials and cabinet secretaries to develop several of his major domestic proposals, such as enterprise zones and community banks.

Gene Sperling, a deputy at the National Economic Council, and Bruce Reed, the deputy domestic policy adviser, are co-chairmen of the working group that will decide how to use the $350 million that the administration wants to spend on community banks over the next four years and the $2.4 billion for enterprise zones.

Establishing this think tank of talent from various departments is the latest example of the president's exerting White House control over policy initiatives that had been formed by the various agencies in previous administrations.

Mr. Sperling said the arrangement not only tears down the traditional walls between domestic and economic advisers by including both in the policy-development stage, but also moves to end rivalries that often arise when more than one agency has an interest in a particular policy.

A senior White House aide said the group also will be monitoring the government's response to the riots in Los Angeles and the hurricane victims in Florida. It will look not only at urban issues, but also rural ones, and will focus on long-range plans as well as proposals for the fiscal year beginning in October.

The group, which held its first meeting last week, includes Paul Diamond and Sheryll Cashin of the economic council; Housing Secretary Henry Cisneros and his assistants Andrew Cuomo and Bruce Katz; Treasury Undersecretary Frank Newman; Agriculture Secretary Michael Espy; and Commerce Secretary Ron Brown.

In putting Messrs. Reed and Sperling in charge, the president has appointed two close aides who are familiar with the promises made during the presidential campaign. One adviser said the theme for the group is "community development and individual empowerment," which sounds similar to the policies promoted by the Democratic Leadership Council, the moderate group that Mr. Clinton headed before starting his campaign last year.

Robert Rubin, chairman of the economic council, has a strong interest in urban policy and will be involved with the group, as will Carol Rasco, the president's domestic policy adviser. Mr. Rubin participated in the group established by New York Gov. Mario Cuomo to address the nation's domestic woes, and wrote a report on the inner city for that group.

In the campaign, Mr. Clinton proposed enterprise zones that offer "wage credits" as tax breaks to industries that operate businesses in inner-city and rural communities that have had difficulty attracting businesses.

10

pg. A15 The Wall Street Journal 2-24-93

Raise Exports, Increase Prosperity

I am writing in response to your Jan. 22 article "Can an Old State Department Learn New Trade Tricks From Clinton's Man?" Like you, I too welcome Secretary Warren Christopher's recent comments regarding his intent to make the State Department and its overseas offices more attentive to this nation's competitive needs. I also agree with your contention that the U.S. does less to support American business overseas than our G-7 counterparts.

Where I take exception with your article is your remark that "in the Carter years, the [State] department surrendered its foreign commercial service to the Commerce Department, which has never been quite sure how to run it." Had you made this comment as little as four years ago, I would have seconded your opinion and supported this conclusion with testimony from several of my subcommittee's oversight hearings on the problems with this export promotion institution. It is not a fair description of today's Commerce Department, however.

In 1989, the U.S. and Foreign Commercial Service (US&FCS) completed an internal strategic review of its mission, its programs and its ability to assist exporters. Since then that agency has changed dramatically. For example, one key recommendation from the strategic review was that Commerce should place more emphasis on infrequent exporters, companies that are export-capable, new-to-export and new-to-market firms. This new focus has brought impressive results, including a 26% increase in assisted export sales in 1992 over 1991 levels. The agency's other focus—on advocacy on behalf of U.S. firms bidding for major overseas contracts — has also resulted in several billion in new U.S. export sales. Finally, the morale and management of all foreign and domestic outreach offices have been greatly improved, resulting in far less turnover of Commerce's most capable employees.

The missing ingredients for the US&FCS are resources and clout. Under the Reagan/Bush administrations, the export promotion programs of the Commerce Department were grossly underfunded. The Agriculture Department, in contrast, with only 10% of the country's exports, receives more than 74% of U.S. export promotion dollars. Obviously, a more rational export promotion policy is in order.

In October 1992, President Bush signed the Export Enhancement Act into law. That bill included language placing in statute the Trade Promotion Coordinating Committee (TPCC) to provide a unifying framework to coordinate the export promotion and export financing activities of the U.S. government. It is assigned with providing a governmentwide strategic plan for carrying out federal export promotion and export financing programs. Membership includes all government agencies that play a role in export promotion—including State. Appropriately, Commerce was named the lead agency. Given Secretary Ron Brown's leadership capabilities and his commitment to export promotion, the TPCC could very well bring an end to the gridlock in our export promotion policies.

This legislation provides our new president with an opportunity to redefine our nation's export promotion policies and to provide a rational distribution of resources for all export promotion offices. He would be wise to look at the US&FCS strategic review as a model for effective reorganization and implementation.

REP. SAM GEJDENSON (D., Conn.)
Chairman
House Foreign Affairs Subcommittee
on Economic Policy, Trade
and Environment

Washington

11

pg. C 14 The Wall Street Journal 2-24-93

LIVESTOCK AND MEATS: Pork belly futures prices soared after the U.S. Agriculture Department released a report showing lower-than-expected stocks of bellies, which are uncured bacon. The department's monthly cold-storage report, which was released after trading on Monday, showed warehouse stocks of about 64.9 million pounds of frozen pork bellies. Most analysts had been expecting a far higher quantity of meat in storage; 67.5 million pounds was the average industry estimate. The number indicates stronger demand for bacon than was expected in January and February, which are traditionally periods of healthy demand for the meat. The price of the pork-belly contract for May delivery climbed the daily limit of two cents to 40.70 cents a pound.

LUMBER: The 22-day streak of consecutive limit-up price moves in lumber futures trading came to an abrupt end. Analysts said the apparent availability of stocks of lumber in warehouses and a perception that lumber is now overpriced caused a break in what has been a raging bull market. At the Chicago Mercantile Exchange, the price of lumber for March delivery declined \$4.30 to \$436.40 per thousand board feet. Before this year, the price of lumber had never topped \$300. At \$436.40, lumber prices seem too high to many traders, but analysts still caution against selling aggressively. The market is still quite volatile, and further increases are possible, they say.

12

FUTURES OPTIONS PRICES

Tuesday, February 23, 1993.

AGRICULTURAL

CORN (CBT)
5,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
200	19¾	26¾	33	⅛	⅜	1
210	10¾	18¼	25½	⅞	1⅝	2⅞
220	4	11½	18¾	4⅛	4⅝	6⅝
230	1¼	7	14½	11⅜	10¼	11¼
240	⅜	4⅜	10⅞	20¾	17¼	18
250	¼	2⅞	8¼	30¼	26	25

Est. vol. 4,000;
Mon vol. 3,982 calls; 1,542 puts
Op. Int. Mon 67,006 calls; 32,475 puts

SOYBEANS (CBT)
5,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Aug	Puts–Settle May	Jly	Aug
525	49¼	53¼	56½	⅜	1	2⅜
550	25⅝	32¼	37½	1⅝	4⅝	8
575	9¼	19	25¾	10	16	21
600	3	12	19	28½	34	39
625	1⅛	8	14½	52	55	59¼
650	⅝	6¼	11¾	....	77½	....

Est. vol. 4,800;
Mon vol. 2,803 calls; 1,281 puts
Op. Int. Mon 63,007 calls; 30,740 puts

SOYBEAN MEAL (CBT)
100 tons; $ per ton

Strike Price	Calls–Settle May	Jly	Aug	Puts–Settle May	Jly	Aug
170	....	....	....	....	1.00	1.35
175	4.50	7.10	....	1.20	2.15	3.05
180	2.10	4.75	6.75	3.90	4.65	5.60
185	.90	3.30	4.90	7.75	8.10	8.75
190	.45	2.15	3.75	12.25	12.10	12.65
195	.25	1.65	2.85	....	....	....

Est. vol. 500;
Mon vol. 636 calls; 302 puts
Op. Int. Mon 9,233 calls; 7,673 puts

SOYBEAN OIL (CBT)
60,000 lbs.; cents per lb.

Strike Price	Calls–Settle May	Jly	Aug	Puts–Settle May	Jly	Aug
2000	1.100	....	....	.100	.250	.320
2050	.700	1.100	....	.220	.420	....
2100	.500	.870	....	.500	.620	.900
2150	.320	.720	....	.830	1.050	....
2200	.220	.630	.900	....	1.450	1.650
2250	.150	.520	....	1.650	....	....

Est. vol. 700;
Mon vol. 89 calls; 196 puts
Op. Int. Mon 5,758 calls; 6,885 puts

WHEAT (CBT)
5,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
320	22¾	12	17	2¾	13¾	15½
330	18¾	8½	12¾	5½	20¼	21½
340	9¾	6	9¼	9¾	27¾	....
350	6	4	7	16½	35¾	....
360	3¾	2¾	4½	24	44¼	....
370	2½	2	....	32	53¼	....

Est. vol. 3,750;
Mon vol. 1,439 calls; 592 puts
Op. Int. Mon 13,669 calls; 9,346 puts

WHEAT (KC)
5,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
310	18	....	....	4	11¾	13
320	11¾	10	17½	6¼	16½	20
330	7⅜	6¼	....	12¾	22½	23½
340	4⅜	4¾	....	18¼	30	30
350	2	3	7¾	27½	38¼	....
360	1⅜	2	....	....	....	....

Est. vol. 39;
Mon vol. 64 calls; 5 puts
Op. Int. Mon 2,198 calls; 2,002 puts

COTTON (CTN)
50,000 lbs.; cents per lb.

Strike Price	Calls–Settle May	Jly	Oct	Puts–Settle May	Jly	Oct
61	3.25	4.65	5.15	.68	1.35	....
62	2.55	4.05	....	1.01	1.70	....
63	1.95	3.47	....	1.42	2.12	....
64	1.44	3.00	....	....	2.60	....
65	1.03	2.50	....	2.53	....	....
66	.73	2.10	....	....	....	....

Est. vol. 1,000;
Mon vol. 292 calls; 144 puts
Op. Int. Mon 14,914 calls; 15,311 puts

ORANGE JUICE (CTN)
15,000 lbs.; cents per lb.

Strike Price	Calls–Settle Apr	May	Jly	Puts–Settle Apr	May	Jly
65	8.40	9.45	13.50	.50	1.25	....
70	4.05	5.90	9.75	.95	2.10	3.20
75	1.50	3.40	7.00	....	5.00	4.50
80	.65	2.00	4.60	....	8.40	7.50
85	.35	1.30	3.00	11.95	12.70	11.25
90	.20	.55	2.20	16.85	16.95	15.50

Est. vol. 220;
Mon vol. 142 calls; 164 puts
Op. Int. Mon 6,485 calls; 2,848 puts

LIVESTOCK

CATTLE-FEEDER (CME)
44,000 lbs.; cents per lb.

Strike Price	Calls–Settle Mar	Apr	May	Puts–Settle Mar	Apr	May
80	4.55	3.92	3.35	0.07	0.40	0.70
82	2.70	2.27	1.87	0.17	0.75	1.30
84	1.10	1.10	0.95	0.65	1.57	2.25
86	0.35	0.45	0.45	1.85	2.90	3.82
88	0.07	0.12	0.10	3.65	4.60	....
90	0.02	0.05	0.07	5.60	....	....

Est. vol. 260;
Mon vol. 110 calls; 256 puts
Op. Int. Mon 2,993 calls; 9,424 puts

CATTLE-LIVE (CME)
40,000 lbs.; cents per lb.

Strike Price	Calls–Settle Mar	Apr	Jun	Puts–Settle Mar	Apr	Jun
76	....	4.22	0.70	0.05	0.27	2.87
78	2.15	2.60	0.27	0.17	0.62	4.42
80	0.82	1.32	0.10	0.85	1.35	....
82	0.07	0.52	....	....	2.55	....
84	....	0.12	....	....	4.12	....
86	....	....	....	....	6.05	....

Est. vol. 1,693;
Mon vol. 587 calls; 1,205 puts
Op. Int. Mon 16,271 calls; 26,552 puts

HOGS-LIVE (CME)
40,000 lbs.; cents per lb.

Strike Price	Calls–Settle Apr	Jun	Jly	Puts–Settle Apr	Jun	Jly
42	3.15	....	....	0.12	0.07	0.10
44	1.52	7.05	....	0.50	0.12	0.35
46	0.55	5.15	3.92	1.52	0.22	0.60
48	0.07	3.52	2.67	....	0.60	1.35
50	....	2.25	1.55	....	1.32	2.22
52	....	1.30	0.85	....	2.37	3.52

Est. vol. 502;
Mon vol. 87 calls; 87 puts
Op. Int. Mon 3,013 calls; 3,680 puts

COFFEE (CSCE)
37,500 lbs.; cents per lb.

Strike Price	Calls–Settle May	Jly	Sept	Puts–Settle May	Jly	Sept
60.00	7.43	9.90	11.68	1.58	2.38	2.58
62.50	5.50	8.50	9.80	2.35	3.40	3.20
65.00	4.00	6.75	8.45	3.37	4.20	4.35
67.50	3.10	5.65	6.90	4.70	5.45	5.30
70.00	2.29	4.40	5.80	6.44	6.80	6.70
72.50	1.69	3.65	5.00	8.30	8.55	8.40

Est. vol. 4,224;
Mon vol. 3,318 calls; 928 puts
Op. Int. Mon 43,520 calls; 20,561 puts

SUGAR-WORLD (CSCE)
112,000 lbs.; cents per lb.

Strike Price	Calls–Settle Apr	May	Jly	Puts–Settle Apr	May	Jly
9.00	0.76	0.89	1.16	0.04	0.17	0.27
9.50	0.34	0.58	0.85	0.12	0.38	0.46
10.00	0.16	0.37	0.62	0.44	0.69	0.73
10.50	0.07	0.25	0.43	0.85	1.03	1.04
11.00	0.03	0.14	0.30	1.31	1.42	1.41
11.50	0.02	0.11	0.21	1.80	1.89	1.82

Est. vol. 5,633;
Mon vol. 2,600 calls; 1,169 puts
Op. Int. Mon 22,693 calls; 16,796 puts

COCOA (CSCE)
10 metric tons; $ per ton

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
850	122	156	....	6	15	....
900	80	120	152	16	29	37
950	48	89	....	33	48	....
1000	30	61	86	63	70	73
1050	18	49	....	101	108	....
1100	11	30	56	144	139	141

Est. vol. 646;
Mon vol. 2,468 calls; 579 puts
Op. Int. Mon 10,856 calls; 7,188 puts

OTHER OPTIONS

Final or settlement prices of selected contracts. Volume and open interest are totals in all contract months.

CORN (MCE)
1,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
220	4	11½	18¾	4⅛	4⅝	6⅝

Est. vol. 10; Mon 6 calls, 0 puts
Op. Int. Mon 2,225 calls, 32 puts

EUROTOP 100 INDEX (CMX)
$100 times index

Strike Price	Calls–Settle Mar	Apr	May	Puts–Settle Mar	Apr	May
920	9.75	17.15	27.90	13.75	21.15	21.95

Est. vol. 0; Mon 0 calls, 0 puts
Op. Int. Mon 40 calls, 40 puts

GSCI (CME) $250 X PREMIUM

Strike Price	Calls–Settle Mar	Apr	June	Puts–Settle Mar	Apr	June
163	....	....	....	....	....	....

Est. vol. 1,020; Mon 0 calls, 0 puts
Op. Int. Mon 1,447 calls, 1,457 puts

LUMBER (CME)
160,000 bd .ft., $ per 1,000 bd.ft.

Strike Price	Calls–Settle Mar	May	Jly	Puts–Settle Mar	May	Jly
435	....	....	....	....	....	....

Est. vol. 59; Mon 102 calls, 61 puts
Op. Int. Mon 773 calls, 1,750 puts

NYSE COMPOSITE INDEX (NYFE)
$500 times premium

Strike Price	Calls–Settle Mar	Apr	May	Puts–Settle Mar	Apr	May
240	2.70	4.20	5.45	3.15	4.65	5.95

Est. vol. 307; Mon 283 calls, 78 puts
Op. Int. Mon 1,455 calls, 1,162 puts

NIKKEI 225 STOCK AVG. (CME)
$5 times Prem.

Strike Price	Calls–Settle Mar	Apr	May	Puts–Settle Mar	Apr	May
17000	230	....	....	355	....	....

Est. vol. 2; Mon 0 calls, 1 puts
Op. Int. Mon 590 calls, 349 puts

OATS (CBT)
5,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
140	3¾	....	....	7½	....	....

Est. vol. 25; Mon 68 calls, 1 puts
Op. Int. Mon 468 calls, 496 puts

PLATINUM (NYM)
50 troy oz.; $ per troy oz.

Strike Price	Calls–Settle Apr	May	Jun	Puts–Settle Apr	May	Jun
350	5.00	....	....	.14	....	....

Est. vol. 564; Mon 971 calls, 41 puts
Op. Int. Mon 4,634 calls, 1,155 puts

PORK BELLIES (CME)
40,000 lbs.; cents per lb.

Strike Price	Calls–Settle May	Jly	Aug	Puts–Settle May	Jly	Aug
40	2.70	3.40	3.40	1.85	2.45	....

Est. vol. 182; Mon 19 calls, 7 puts
Op. Int. Mon 1,008 calls, 622 puts

RICE-ROUGH (MCE)
2,000 cwt.; $ per cwt.

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
5800	....	....	....	....	....	....

Est. vol. 0; Mon 0 calls, 0 puts
Op. Int. Mon 81 calls, 85 puts

SILVER (CBT)
1,000 troy oz.; cents per troy oz.

Strike Price	Calls–Settle Apr	Jun	Aug	Puts–Settle Apr	Jun	Aug
350	10.0	16.0	....	4.5	....	....

Est. vol. 5; Mon 0 calls, 0 puts
Op. Int. Mon 2,502 calls, 2,400 puts

SOYBEANS (MCE)
1,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Aug	Puts–Settle May	Jly	Aug
575	9¼	19	25¾	10	16	21

Est. vol. 65; Mon 33 calls, 0 puts
Op. Int. Mon 3,383 calls, 110 puts

2 YR. TREAS. NOTES (CBT)
$200,000; pts. 32nds of 100%

Strike Price	Calls–Settle Apr	Jun	....	Puts–Settle Apr	Jun	....
10625	....	....	....	....	....	....

Est. vol. 0; Tue 0 calls, 0 puts
Op. Int. Tue 0 calls, 0 puts

WHEAT (MCE)
1,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
340	9¾	6	9¼	9¾	27¾	....

Est. vol. 5; Mon 4 calls, 1 puts
Op. Int. Mon 79 calls, 72 puts

WHEAT (MPLS)
5,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
330	....	....	....	....	....	....

Est. vol. 14; Mon 1 calls, 0 puts
Op. Int. Mon 426 calls, 641 puts

pg. C15 The Wall Street Journal 2-24-93

CASH PRICES

Tuesday, February, 23, 1993.
(Closing Market Quotations)

	Tues	Mon	Yr.Ago
GRAINS AND FEEDS			
Barley, top-quality Mpls., bu	n2.25-.35	2.35	2.60
Bran, wheat middlings, KC ton	60.-63.0	60.-63.0	73.00
Corn, No. 2 yel. Cent-Ill. bu	bp2.08½	2.07	2.58
Corn Gluten Feed, Midwest, ton	85.-104.	c85.-104.	101.00
Cottonseed Meal, Clksdle,Miss. ton	145.-147½	145.-147½	133.75
Hominy Feed,Cent-Ill. ton	52.00	52.00	87.00
Meat-Bonemeal, 50% pro. Ill. ton.	215.00	215.00	210.00
Oats, No. 2 milling, Mpls., bu	n158¼-60¼	158-60	1.59
Sorghum, (Milo) No. 2 Gulf cwt	4.32	4.32	5.30
Soybean Meal, Centr. Ill., 44% protein - ton	165.-167.	164½-166½	174.75
Soybean Meal, Centr. Ill., 48% protein - ton	177.-180.	176½-179½	185.75
Soybeans, No. 1 yel Cent.-Ill. bu	bp5.64	5.59½	5.73
Wheat, Spring 14%-pro Mpls. bu	4.10	4.06¾	4.39
Wheat, No. 2 sft red, St.Lou. bu	bp3.88½	3.83½	3.72½
Wheat, No. 2 hard KC, bu	3.69¼	3.69¼	4.29½
Wheat, No. 1 sft wht, del Port Ore	4.07	c4.10	4.70
FOODS			
Beef, Carcass, Equiv.Index Value, choice 1-3,550-700lbs.	118.80	119.50	114.30
Beef, Carcass, Equiv.Index Value, select 1-3,550-700lbs.	116.75	116.45	110.40
Broilers, Dressed "A" NY lb	x.5170	.5215	.5135
Broilers, 12-Cty Comp Wtd Av	.5345	.5345	.5117
Comparable, but not exact.			
Butter, AA, Chgo., lb.	.75¼	.75¼	.86¼
Cocoa, Ivory Coast, $metric ton	g1,195	1,202	1,281
Coffee, Brazilian, NY lb.	n.57	.58	.50
Coffee, Colombian, NY lb.	n.73	.77	.69
Eggs, Lge white, Chgo doz.	.58-.63	.58-.63	.52
Flour, hard winter KC cwt	9.90	9.90	10.75
Hams, 17-20 lbs, Mid-US lb fob	.67-.68	.67-.68	.65
Hogs, Iowa-S.Minn. avg. cwt	46.25	45.75	40.75
Hogs, Omaha avg cwt	45.50	44.50	40.00
Pork Bellies, 12-14 lbs Mid-US lb	.33-.35	.33-.34	.25½
Pork Loins, 14-18 lbs. Mid-US lb	1.00-.09	.97-1.06	.99
Steers, Tex.-Okla. ch avg cwt	81.50	z	76.25
Steers, Feeder, Okl Cty, av cwt	93.88	93.88	88.25
Sugar, cane, raw, world, lb. fob	.0946	.0906	.0803
FATS AND OILS			
Coconut Oil, crd, N. Orleans lb.	xxn.21	.21	.32
Corn Oil, crd wet mill, Chgo. lb.	n.20¾	.20¾	.28¼
Corn Oil, crd dry mill, Chgo. lb.	n.21¾	.21¾	.29¾
Grease, choice white, Chgo lb.	.13¼	.13¼	.11⅜
Lard, Chgo lb.	n.15	.15	.12½
Palm Oil, ref. bl. deod. N.Orl. lb.	n.23	.23	.20¾
Soybean Oil, crd, Decatur, lb.	.2075	.2056	.1923
Tallow, bleachable, Chgo lb.	.14½	.14½	.12
Tallow, edible, Chgo lb.	n.15½	.15½	.14
FIBERS AND TEXTILES			
Burlap, 10 oz 40-in NY yd	n.2450	.2450	.2710
Cotton 1 1/16 str lw-md Mphs lb	.5803	.5746	.5140
Wool, 64s, Staple, Terr. del. lb.	1.48	1.48	2.08
MISCELLANEOUS			
Rubber, smoked sheets, NY lb.	n.47¾	.47⅞	.44¼
Hides, hvy native steers lb., fob	.81	.83	.68

FUTURES PRICES

Tuesday, February 23, 1993

Open Interest Reflects Previous Trading Day.

GRAINS AND OILSEEDS

CORN (CBT) 5,000 bu.; cents per bu.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	211½	212½	211½	211¾	....	281¼	211	55,472
May	219¾	220¼	219½	219¾	....	284¾	219	69,599
July	226¾	227½	226½	226¾	....	286	226	85,443
Sept	232¼	233	232¼	232½	....	271½	230½	15,401
Dec	238½	239½	238¼	238½	....	268½	233¾	29,414
Mr94	244¾	245¾	244¾	245¼	....	254¾	240½	1,822
May	249½	249½	249	249	....	257½	249	404
July	252¼	253	252¼	253	....	327	252¼	295

Est vol 33,000; vol Mon 35,097; open int 257,897, −5,123.

OATS (CBT) 5,000 bu.; cents per bu.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	135¾	137	134¼	136¼	+ ¼	195¼	122	2,236
May	135	136½	134	136¼	+ 1¼	177¼	126	5,020
July	134½	136	133½	136	+ 1½	163½	129½	826
Sept	135	136	133¾	136	+ 1¼	156	133¾	116
Dec	138½	139	138½	139	+ 1¼	159	138½	597

Est vol 1,250; vol Mon 1,794; open int 7,809, −61.

SOYBEANS (CBT) 5,000 bu.; cents per bu.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	572	576	571	575	+ 4¼	664	538¾	27,181
May	571½	575½	570	574¼	+ 4¾	668½	546	36,438
July	575	579	573½	577½	+ 4¼	671	551	36,738
Aug	576½	580¾	576	579¾	+ 4½	655	551	6,995
Sept	576½	580½	576½	580¼	+ 4¼	630	554	2,807
Nov	582	586½	581	585¼	+ 3¾	620	555½	14,764
Ja94	589	594	589	593	+ 4¼	608½	576½	1,208
Nov	592½	592½	592	592	+ 3	607	588	216

Est vol 37,000; vol Mon 43,493; open int 124,485, −1,984.

SOYBEAN MEAL (CBT) 100 tons; $ per ton.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	176.50	177.70	176.50	176.90	+ .40	210.00	175.60	18,029
May	177.60	178.80	177.60	178.10	+ .30	210.00	177.00	23,961
July	179.50	180.60	179.30	180.00	+ .70	208.00	179.00	20,687
Aug	180.40	181.40	180.30	181.10	+ .80	193.50	180.10	3,825
Sept	181.50	182.60	181.30	182.00	+ .90	193.50	181.00	2,375
Oct	182.50	183.20	182.20	183.00	+ 1.00	194.50	181.70	1,216
Dec	184.20	185.50	184.20	185.00	+ 1.00	194.00	183.40	2,343
Ja94	186.00	186.00	185.50	185.50	+ 1.30	189.50	184.80	222

Est vol 15,000; vol Mon 15,996; open int 72,658, +123.

SOYBEAN OIL (CBT) 60,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	20.58	20.82	20.53	20.74	+ .18	23.20	18.55	17,926
May	20.85	21.09	20.78	20.99	+ .16	23.50	18.85	26,529
July	21.04	21.30	21.00	21.20	+ .16	23.20	19.15	16,273
Aug	21.08	21.30	21.08	21.26	+ .18	23.25	19.29	3,082
Sept	21.11	21.33	21.11	21.28	+ .19	23.25	19.40	2,247
Oct		....	....	21.27	+ .18	22.35	19.55	1,261
Dec	21.15	21.32	21.15	21.32	+ .12	23.45	19.76	4,574
Ja94		....	....	21.32	+ .10	22.20	21.11	207

Est vol 14,000; vol Mon 13,152; open int 72,154, +454.

WHEAT (CBT) 5,000 bu.; cents per bu.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	370	375½	370¼	374¼	+ 5¼	440	319½	13,302
May	339½	341½	338½	340	+ 2	375	318	10,842
July	317	320½	317	318	+ 1¼	373	302¼	17,771
Sept	321½	324½	321¼	321½	+ ¼	353	307½	2,762
Dec	329½	331½	328½	328½	....	360	317½	1,472

Est vol 12,500; vol Mon 8,167; open int 46,194, −2,940.

WHEAT (KC) 5,000 bu.; cents per bu.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	354½	354	349½	351¼	+ 2¼	410	309¾	12,618
May	324½	327¼	324½	3225	+ ¾	350	310¾	5,288
July	314	315¾	313	314	+ ¾	359	300½	8,943
Sept	316¾	318½	316½	316½	− ¼	339	309¾	1,434
Dec	324½	325¾	323	323	− 1½	342½	323	308

Est vol 9,515; vol Mon 4,740; open int 28,591, −2,453.

WHEAT (MPLS) 5,000 bu.; cents per bu.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	337	340¾	337	340	+ 3¼	384	306	6,633
May	327¼	329¼	327	327½	+ 1	372½	310	6,023
July	322½	324	322	323¼	+ 1	350½	306½	1,369
Sept	318	318½	318	318½	+ 2½	336	314	574

Est vol 4,662; vol Mon 3,279; open int 14,675, −991.

BARLEY (WPG) 20 metric tons; Can. $ per ton

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	85.60	85.60	85.00	85.20	− .60	101.10	85.00	1,953
May	88.90	88.90	88.10	88.20	− .90	100.50	88.10	1,555
Jly	91.20	91.20	91.00	91.00	− .70	100.70	91.00	608
Oct	94.10	94.10	93.90	93.90	− .60	102.40	92.40	1,457
Dec		....	....	96.00	− .20	96.20	95.30	1,467

Est vol 702; vol Mon 776; open int 7,049, −103.

FLAXSEED (WPG) 20 metric tons; Can. $ per ton

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	257.70	258.20	257.30	257.50	+ .60	295.50	227.80	2,085
May	262.70	264.00	262.70	263.30	+ .60	299.00	251.10	2,557
July	268.30	268.50	267.80	267.80	+ .50	298.90	255.00	818
Oct	274.20	274.20	273.00	273.30	+ 1.00	301.80	260.00	1,614
Dec	277.00	277.00	277.00	277.00	+ .90	300.50	265.40	768

Est vol 440; vol Mon 518; open int 7,842, +70.

CANOLA (WPG) 20 metric tons; Can. $ per ton

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	328.50	330.80	328.20	330.50	+ 2.40	348.70	273.10	3,940
June	332.50	334.80	332.00	334.40	+ 2.60	352.20	278.50	17,960
Sept	308.00	309.50	308.00	309.20	+ 2.40	323.40	283.00	3,910
Nov	306.50	307.30	305.00	306.40	+ .40	320.40	281.00	11,218
Ja94	309.50	310.80	309.50	310.60	+ .50	325.50	305.00	2,920
Mar		....	....	313.00	....	323.70	313.00	596

Est vol 1,325; vol Mon 3,224; open int 40,544, +375.

WHEAT (WPG) 20 metric tons; Can. $ per ton

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	90.40	90.40	90.20	90.30	− .30	115.00	90.20	1,750
May	92.40	92.40	92.20	92.40	− .20	115.50	90.50	3,664
July	94.90	94.90	94.90	94.90	....	103.50	92.30	2,279
Oct		...	....	98.80	....	108.00	96.50	2,447
Dec		....	....	100.40	+ .20	100.50	98.50	1,751

Est vol 920; vol Mon 927; open int 11,891, +111.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
July	10.02	10.14	9.88	9.89	+ .07	10.14	8.33	29,410
Oct	9.25	9.32	9.05	9.09	− .03	9.60	8.35	17,430
Mr94	9.10	9.10	8.87	8.87	− .10	9.20	8.50	4,218

Est vol 31,007; vol Mon 23,353; open int 109,192, −1,844.

SUGAR–DOMESTIC (CSCE)–112,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
May	21.23	21.30	21.23	21.25	+ .05	21.88	20.82	3,298
July	21.45	21.50	21.45	21.50	+ .05	21.98	21.06	3,302
Sept	21.55	21.55	21.55	21.57	+ .04	21.99	21.15	2,026
Nov	21.55	21.55	21.55	21.58	− .01	21.95	21.25	1,084
Ja94		....	....	21.61	+ .02	21.92	21.35	193
Mar		....	....	21.60	....	21.70	21.35	945

Est vol 238; vol Mon 238; open int 10,874, +17.

COTTON (CTN)–50,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	63.10	64.40	62.80	63.73	+ .52	67.30	51.32	2,102
May	62.95	64.00	62.76	63.53	+ .57	66.25	52.15	17,204
July	63.60	64.70	63.55	64.33	+ .70	65.80	53.00	10,455
Oct	63.40	63.90	63.40	63.80	+ .44	64.20	54.40	1,440
Dec	62.40	63.10	62.35	62.85	+ .43	64.25	54.60	6,381
Mr94		....	....	63.60	+ .40	63.73	55.62	713

Est vol 4,750; vol Mon 5,889; open int 38,331, −635.

ORANGE JUICE (CTN)–15,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	72.30	72.75	69.80	69.90	− 2.05	145.00	65.45	5,815
May	75.90	76.30	73.25	73.35	− 1.95	122.75	69.25	7,535
July	78.25	79.00	76.60	76.60	− 1.65	130.00	72.50	2,623
Sept	81.50	81.50	79.25	79.25	− 1.05	117.25	75.10	850
Nov	81.40	81.40	81.40	81.40	− 1.60	116.75	78.50	659
Ja94	86.50	86.50	83.90	83.95	− .90	117.00	82.15	558
Mar	89.00	89.00	88.00	86.00	− .05	109.00	84.50	311

Est vol 2,800; vol Mon 3,563; open int 18,172, −300.

LIVESTOCK AND MEAT

CATTLE–FEEDER (CME) 50,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	84.65	84.77	84.42	84.45	− .20	87.17	75.00	3,576
Apr	83.65	83.70	83.47	83.52	− .12	85.80	74.50	2,754
May	82.75	82.85	82.55	82.57	− .12	84.75	74.35	2,540
Aug	82.40	82.40	82.20	82.27	− .17	83.75	76.60	2,888
Sept	81.50	81.60	81.50	81.55	− .05	82.85	75.70	352
Oct	81.25	81.27	81.15	81.15	− .25	82.60	75.90	258
Nov	81.25	81.25	81.00	81.00	− .30	82.70	77.45	129

Est vol 1,219; vol Mon 1,758; open int 12,552, +286.

CATTLE–LIVE (CME) 40,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Apr	79.95	80.17	79.77	79.97	....	80.25	68.25	39,848
June	74.00	74.22	73.80	73.82	− .15	74.60	66.80	17,228
Aug	71.12	71.12	70.80	70.85	− .32	72.65	66.10	9,043
Oct	72.50	72.55	72.25	72.27	− .30	73.35	67.55	5,836
Dec	73.30	73.30	72.97	73.07	− .27	73.85	68.10	4,133
Fb94	72.50	72.50	72.20	72.25	− .25	73.50	70.90	1,746

Est vol 13,155; vol Mon 12,650; open int 77,846, +1,675.

HOGS (CME) 40,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Apr	45.10	45.55	44.97	45.02	+ .17	45.55	38.32	13,168
June	50.85	51.30	50.70	50.92	+ .47	51.30	44.00	7,807
July	46.70	49.65	49.25	49.32	+ .37	49.65	43.95	2,556
Aug	46.70	47.20	46.65	46.87	+ .32	47.20	42.70	1,690
Oct	41.90	42.27	41.90	42.05	+ .17	43.00	39.70	676
Dec	43.20	43.45	43.00	43.10	+ .17	43.80	41.70	274

Est vol 5,627; vol Mon 2,354; open int 26,220, +75.

PORK BELLIES (CME) 40,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	38.25	39.52	38.10	39.42	+ 1.90	49.00	35.02	2,702
May	39.70	40.70	39.40	40.70	+ 2.00	50.50	36.05	3,844
July	39.75	41.00	39.70	40.95	+ 1.92	46.70	36.50	1,544
Aug	38.25	39.45	38.10	39.45	+ 2.00	45.90	35.50	741

Est vol 4,423; vol Mon 1,984; open int 8,837, +142.

FOOD AND FIBER

COCOA (CSCE)–10 metric tons; $ per ton.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	928	942	928	934	+ 10	1,495	866	572
May	965	974	963	967	+ 8	1,518	896	23,181
July	992	998	988	991	+ 7	1,530	925	11,539
Sept	1,015	1,020	1,010	1,015	+ 8	1,536	953	5,124
Dec	1,046	1,048	1,040	1,043	+ 8	1,506	985	4,616
Mr94	1,073	1,075	1,068	1,069	+ 4	1,345	1,020	9,448
May	1,098	1,098	1,095	1,092	+ 4	1,368	1,040	2,722
July	1,120	1,120	1,120	1,112	+ 4	1,270	1,065	2,110
Sept	1,140	1,140	1,140	1,144	+ 13	1,280	1,087	2,987
Dec		....	....	1,181	+ 13	1,185	1,118	4,026

Est vol 7,835; vol Mon 6,389; open int 66,325, +46.

COFFEE (CSCE)–37,500 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	67.25	67.75	63.75	63.90	− 3.20	94.75	51.65	2,746
May	69.30	69.45	65.80	65.85	− 3.25	96.50	55.75	28,281
July	70.90	71.00	67.50	67.60	− 3.20	88.30	57.75	10,046
Sept	72.50	72.50	69.00	69.10	− 3.20	89.75	59.70	5,730
Dec	72.75	72.75	71.70	71.70	− 2.95	91.00	63.00	2,592
Mr94		....	....	74.25	− 3.00	90.75	68.75	506
May		....	....	76.50	− 2.75	90.50	73.50	312

Est vol 8,274; vol Mon 5,011; open int 50,213, −644.

SUGAR–WORLD (CSCE)–112,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	9.55	9.65	9.35	9.38	+ .04	9.98	7.96	11,077
May	9.85	9.95	9.70	9.72	+ .10	9.95	8.25	46,975

OTHER FUTURES

Settlement prices of selected contracts. Actual volume (from previous session) and open interest of all contract months.

ANHYDROUS AMMONIA (CBT) 100 tons; $ per ton

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	123	108.50	107.50	108.00	+ .90	116.50	93.00	863

BRITISH POUND (MCE) 12,500 pounds; $ per pound

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	154	1.4578	1.4488	1.4530	− .0026	1.9360	1.4086	1,707

CATTLE-LIVE (MCE) 20,000 lb.; ¢ per lb.

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Apr	70	80.17	79.77	79.97	....	80.00	69.25	332

CORN (MCE) 1,000 bu.; cents per bu.

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	555	212½	211½	219¾	....	281¼	211	11,828

COTTON-WORLD (CTN) 50,000 lbs.; cents per lbs.

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	56	....	....	62.45	+ .40	61.70	50.85	1,369

CRB INDEX (NYFE)–500 times index

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	250	205.30	203.90	204.25	+ 1.25	215.00	198.45	1,847

The index: High 204.88; Low 203.29; Close 203.84 +.57

DEUTSCHEMARK (MCE) 62,500 marks; $ per mark

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	247	.6186	.6118	.6156	+ .0008	.7000	.5960	489

DEUTSCHEMARK (PBOT) 125,000 marks; ¢ per mark

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	32	.6163	.6163	.6157	+ .0010	.6333	.5983	1,103

DIAMMONIUM PHOSPHATE (CBT 100 tons; $ per ton

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	173	102.30	101.40	101.40	− .60	138.00	101.40	2,085

EURODOLLAR (MCE) $500,000; pts. of 100%

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	7	96.80	96.80	96.80	+ .03	96.98	90.29	108

EUROTOP 100 INDEX (CMX)–$100 times index

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	439	925.70	917.00	916.00	− .85	926.80	847.70	134

The index: High 924.70; Low 914.21; Close 915.07 −8.27

GSCI (CME) $250 X GSCI nearby index;

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Apr	347	187.10	186.20	186.30	+ .70	189.90	176.00	1,447

The index: High 186.70; Low 185.18; Close 186.02 +.85

GOLD-KILO (CBT) 32.15 troy oz.; $ per troy oz.

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Apr	25	331.00	328.50	330.60	+ 3.60	371.00	326.50	276

HOGS (MCE) 20,000 lb.; ¢ per lb.

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Apr	31	45.55	44.97	45.02	+ .17	45.55	38.32	635

JAPANESE YEN (MCE) 6.25 million yen; $ per yen (.00)

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	248	.8583	.8539	.8543	− .0054	.8365	.7917	823

KC MINI VALUE LINE (KC)–100 times index

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	140	394.80	391.40	394.60	+ .50	408.20	331.10	361

KC VALUE LINE INDEX (KC)–500 times index

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	148	394.80	391.40	394.60	+ .60	408.15	342.00	1,608

The index: High 395.07; Low 393.10; Close 394.26 −.34

LUMBER (CME) 160,000 bd .ft., $ per 1,000 bd.ft.

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	1,415	447.70	432.70	436.40	− 4.30	447.70	213.00	1,415

PROPANE (NYM) 42,000 gal.; ¢ per gal.

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	319	35.00	33.50	33.67	+ .77	34.00	28.70	1,476

RICE-ROUGH (MCE) 2000 cwt; $ per cwt

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	93	5.520	5.430	5.440	− .095	7.410	5.430	1,618

SILVER (MCE) 1,000 troy oz.; cents per troy oz.

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	7	358.5	355.0	358.2	+ 5.7	518.3	351.0	1,585

SOYBEANS (MCE) 1,000 bu.; cents per bu.

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	3,139	576	571	575	+ 4¼	664	538¾	10,536

SWISS FRANC (MCE) 62,500 francs; $ per franc

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	289	.6733	.6661	.6687	− .0035	.8110	.6455	344

WHEAT (MCE) 1,000 bu.; cents per bu.

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	387	375½	370¼	374¼	+ 5¼	440	319½	2,971

WHITE WHEAT (MPLS) 5,000 bu.; cents per bu.

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
Mar	5	416	413	412	− 4	447	407	468

pg. C15 2-24-93
The Wall Street Journal

pg. F1

2-24-93

High on the hog

Butchering saves slice of tradition

By Gene Mueller
THE WASHINGTON TIMES

THURMONT

Long before the sun peeks over the Catoctin Mountains, the brothers Carroll and Charles Wachter arrive at Levi Lenhart's dairy farm to build fires under a half-dozen cast-iron cauldrons outside a large storage shed.

Each of the heavy pots rests atop the bottom halves of steel drums that, with the help of a cutting torch, have been turned into efficient cooking stoves.

As the wind sweeps down the hillsides, the patriarch of the Lenhart family, Levi, and the Wachters prepare for an annual hog butchering that is as much a tradition among these Frederick County farmers as it is among their distant cousins of rural, central Europe who remained behind when untold numbers of Wachters, Lenharts, Schmidts and Schneiders left to come to the promised land more than 200 years ago.

But this is not a story about hardy immigrants. This is about their American great-grandsons and granddaughters who still wrest a living from soil or livestock and intend to continue doing so despite considerable pressure not to.

The latest settlers — most of them city-bred newcomers who long for the country life — arrive from the suburbs of Washington, buy available acreage for their custom homes, then promptly call the police because they smell "odors" coming from the farms. Apparently, they'd like to see hogs and cows walk about in diapers and get doused with Chanel No. 5. They hate farms and want them to go away.

Fortunately, most of America is still well. It won't object when it learns that the Lenhart family has just finished killing 10 pigs that will supply them and several close friends with hams, bacon, chops, roasts, sausage, scrapple and a taste delight known as "pudding" for most of the year.

Ah, what a delight a Frederick County butchering can be.

Hog butchering is a grand happening all over that county — and hundreds of other farming areas in the United States — right now when temperatures are low enough to keep meat from spoiling even if some of it has to be kept in a barn overnight until it can be processed.

"I've done this for most of 58 years," says Mr. Lenhart, who tends to his expensive Holstein dairy cattle on a fine 800-acre farm not far from Route 15, the road to Gettysburg, Pa.

"Trouble is, we may be the last generation to do the yearly butchering."

As daylight brightens, a caravan of cars and pickup trucks arrives. Friendly greetings and hugs are exchanged as couples mingle briefly after parking their vehicles. The women soon disappear into Ruth Lenhart's house, while the men's attention turns to the already cleaned, scraped pig carcasses. The guys' ages range from 40 to 70. All of them bring butcher knives and fine-handled sharpening steels that look like small, round swords. Some even carry meat saws, and there are two electric meat jigsaws that make short work of thick pork bones.

The day begins at 7:30 as the women carry a coffee urn and huge platters of home-baked sweet rolls into the "butchering barn," a place that contains sawhorses and long, scrubbed oak planks onto which the first two hogs are put.

Twelve men have volunteered to help turn Mr. Lenhart's hogs into finely packaged and processed pork products. (A few days later, Mr. Lenhart shows up at somebody else's butchering to offer his services free, because that's the way it has always been done.)

While Mr. Lenhart is the man in charge, Johnny Burrier and Cliff "Mutt" Shelton are the professional butchers in the group. Using the power saws, they separate the hams and shoulders from the carcasses and push them aside. The other men trim off excess fat and place them on a special table reserved for meat that will be cured and smoked. The Lenharts take these cuts to a commercial butcher in the county who charges a small amount to sugar- and salt-cure the meat and also smoke it.

Mr. Burrier, meanwhile, frequently checks the cauldrons outside the barn, which now bubble with boiling water. The Wachters keep the fire under the pots going with pieces of dry oak and locust wood. From time to time they stir the

Cont. on the next pg.

hot water that now covers lean head meat, ears and snouts from the hogs. Other containers hold strips of skin, livers, tongues and kidneys. When the meat is tender, it will be removed with large strainer scoops, then ground, chopped, mixed and seasoned into batches of scrapple and what farm people affectionately call puddin'.

"How's it coming along?" Mr. Burrier shouts through the barn door, and the Wachters answer, "It won't be long now."

The rest of the men inside the high building continue to trim ribs from the hogs and cut pieces of lean meat from any of the pork that will not be converted into chops or roasts and hams.

Without any prior arrangement, it seems everybody knows his job. One collects the cleanest, whitest strips of pork fat and hands them to the man who does all the grinding with a powerful machine. When the big aluminum tub at the end of the table is filled with ground fat, it's carried outside where it will be rendered into lard.

The cooked-out remnants (cracklings) are removed with strainers and promptly taken to an outbuilding where yet another volunteer waits with a contraption that looks much like a fruit press. The cracklings are squeezed mightily, all the still-remaining liquid fat is saved in cheesecloth-covered containers, and the now-dry block of pork cracklings is put on a clean shelf to cool.

Cracklings are sometimes salted and eaten as a snack, or added to cornbread batter and baked into a taste treat known as crackling bread. Despite the awareness of solid fats and what they might do to human arteries, it is surprising how easily the lard and cracklings find a home among the country people.

The men steadily fill other tubs with pieces of marbled meat that will soon be ground into sausage. The meat is spread over a table, and Mr. Burrier begins throwing handfuls of pepper, salt and small amounts of brown sugar over the meat.

"There ain't no recipe," says a laughing Mr. Burrier. "You do it by feel and taste, and you always remember that Levi doesn't like sage, so I don't use it here." On occasion, he or one of the volunteer workers, Rick Yinger, picks up a small amount of the ground, seasoned, uncooked pork and tastes it.

As each hog half is carried into the barn, Mr. Lenhart shouts, "What do we want this one for?" and from somewhere in the back or the side a voice answers, "Turn it all into sausage" or "Save me the shoulders and hams, the rest is good for sausage and puddin'." General agreement is the order of the day.

By noon, all 10 pigs have been cut, ground, wrapped and otherwise disposed of. Nothing is wasted. The only chores remaining now are the cooking of the scrapple or the filling of some of the sausage mixture into natural casings. Mr. Lenhart's brother Sterling serves as the sausage-stuffing chief. But none of that happens until after the devouring of a sumptuous lunch that is more like a state dinner.

The ladies have cooked a turkey and a ham, made gravy, stuffing, creamy whipped potatoes, pickled eggs, a huge salad, seasoned home-grown beans, baked bread and rolls, pies and cakes; put pickles on the table; and prepared a vat of ice tea. The amount of food that awaits the men is simply astonishing.

After the men have eaten, they return to the butchering barn and prepare to cook the scrapple mixture and the puddin' that later is poured into poundcake tins. The mixture, containing some of the juices from the cooked head meat, of course, will jell and harden. Later, it can be fried and served with eggs and home-fried potatoes.

To blazes with cholesterol levels! It is too good to pass up.

"But what will happen when we're gone?" asks "Mutt" Shelton, a septuagenarian who laments the possible passing of an era. As he slips a sharp knife between the fat and lean meat of a big ham that only minutes before was attached to a 300-pound pig, he says, "The kids nowadays don't want anything to do with this kind of work. Heck, in the cities, they think a hog gives birth to cellophane-wrapped pork chops. Ain't that a shame?"

It is.

The Washington Times

pg. F4
2-24-93

Research favors wooden boards

By Carol Guensburg
THE MILWAUKEE JOURNAL

Plastic cutting boards are more sanitary than wooden ones, right?

Not so fast. New research from the University of Wisconsin challenges that notion, which has been advanced by food safety experts for at least two decades.

Microbiologist Dean Cliver, working in the Food Research Institute of the College of Agricultural and Life Sciences, has discovered bacteria that thrive on the surfaces of plastic die on wooden cutting boards.

"This is not at all what we expected to find," Mr. Cliver says.

He, too, had believed that plastic and acrylic boards were less likely to harbor harmful food-borne bacteria, such as salmonella, listeria and Escherichia coli — or E. coli for short. That bacteria is the culprit in at least two deaths and several hundred other food-poisoning cases linked to hamburgers served in Jack in the Box restaurants in Washington state and Idaho.

Mr. Cliver began the research in January 1991 "to find some safe and practical way people could disinfect wood" to make it almost as safe as plastic. "But it's very hard to run a disinfection test when the bacteria you put on never come back alive."

A graduate student did the testing, contaminating various boards — plastic ones, hardwoods and virtually anything donated to the research — with bacteria.

"Most of our experiments were done with a laboratory broth solution, essentially a meat extract," Mr. Cliver says. "But to be realistic, we used real chicken juice as our surface contaminant for some of the experiments.

"We've found that on any kind of board, air drying tends to kill a lot of bacteria," he says. "We've put [boards] in a humidified chamber at room temperature and kept adding more bacterial soup. By the end of three days, the plastic boards were pretty disgusting. The levels of bacteria that we were able to recover from the wood were down 99.9 percent from what we had added."

In other words, they were almost completely eliminated.

Mr. Cliver hopes to continue the work.

"Eventually, somebody has to follow those critters down into the wood pores and find out what happened to them," he said. "We don't know that [the bacteria are] dead, but we know that they don't come back to the surface. The fact that they disappeared, never to return, is not a satisfying conclusion to the study."

The U.S. Department of Agriculture won't revise its recommendation of plastic boards just yet. "We're waiting for this to be studied and peer reviewed," says Susan Conley, manager of the the department's Meat and Poultry Hotline.

The department does not permit wooden cutting boards in commercial slaughtering plants, though hardwood boards are allowed in some meat and poultry processing plants.

Mr. Cliver uses wooden boards in his home, washing them with dish detergent and hot water. "And if I were using a plastic cutting board with nice scars in it, I would run it through the dishwasher, because in our research it doesn't look as if regular washing gets it entirely clean," he says.

That advice is consistent with guidelines from the Agriculture Department, which also recommends replacing any board with deep scars.

The research also showed that on wooden boards treated with food-grade mineral oil, the bacteria's disappearance was delayed. "Even so, oiled wood is not as impervious as plastic," Mr. Cliver says. "Having a board that I'm fond of, I would oil it occasionally just to protect the glue joints. It's best to do that after the board is cleaned and dried, and [the oil] has time to penetrate the wood before use. This time of year, when the humidity is very low, you could do it overnight. . . . If I were bound to do it in summer, I might borrow my kid's hair dryer."

Ms. Conley of the Agriculture Department also suggests sanitizing boards — wooden or plastic — with a mild bleach solution.

"And after working with a raw food, never use it with another food that is not meant to be cooked," she says.

Wash the board in hot, soapy water to prevent cross-contamination.

SCRIPPS HOWARD NEWS SERVICE

pg. A 1 2-24-93

Tobacco Prevails in Richmond

Smoking Restrictions Gutted; Rights Bill Enacted by House

By John F. Harris and Peter Baker
Washington Post Staff Writers

RICHMOND, Feb. 23—In a vivid display of the power of Virginia's tobacco lobby, the General Assembly today gutted a bill to restrict public smoking while it easily enacted a bill to protect the job rights of smokers.

"It shows that tobacco is still a very green crop," said Del. Bernard S. Cohen (D-Alexandria), alluding to the tobacco industry's campaign contributions to lawmakers, which he believes weighed heavily in both votes.

A bill sponsored by Cohen started out as a far-reaching proposal to sharply limit workplace smoking and ban it entirely in virtually all public buildings, including stores and shopping centers. By the time the measure reached the Senate floor this morning, it had been greatly weakened, but still outlawed smoking in larger grocery stores and public restrooms.

But on the Senate floor it was trimmed further, leaving little more than a proposal to restrict smoking in private day-care centers. Cohen called that "window dressing," and said he may ask that his bill be withdrawn rather than push for a measure he considers too limited.

"The bill doesn't do anything now," Cohen said. "I'm pretty disappointed."

Smokers' advocates, by contrast, were elated with their success on the House floor with a bill to prohibit employers from firing or refusing to hire workers because they smoke away from the job. The Senate already had approved the bill.

Twenty-eight states have enacted smokers' rights laws, according to Walker Merryman, of the industry-financed Tobacco Institute. Last year, the District enacted a smokers' rights law, but in Maryland such a proposal was defeated, Merryman said.

Supporters said the bill was intended to protect smokers' privacy. They also noted that tobacco accounts for 26 percent of the value of all exports from Virginia.

"All it does is tell employers not to intrude in the private lives of their employees after they leave the workplace," said Del. Whittington W. Clement (D-Danville), whose district lies in the heart of Southside Virginia tobacco country.

But Cohen told fellow delegates that employers should have the power to determine who they hire and fire so long as they do not violate

cont. on the next pg.

civil rights laws. He gave as an example a friend who makes chocolate and refuses to hire smokers because she fears their tobacco-stained hands will ruin the taste of the candy. "That employer has a right to say, 'Yes, I want to control your conduct off the job because of factors that are important to me,' " he said.

The effect of the smokers' rights measure, which passed the House on a 64 to 32 vote, is largely symbolic. The measure includes no penalties against employers and does not allow aggrieved workers to sue.

But advocates of smoking restrictions said that gutting Cohen's bill while protecting smokers' rights sends a bad message. "What you really saw today is Virginia looking backward instead of forward," said Linda McMinimy, a lobbyist for health groups.

Also today, the Senate and House passed similar versions of a bill that would lead to tougher car emission inspections in Northern Virginia beginning in 1995, as part of an effort to improve the region's polluted air.

The federal Environmental Protection Agency has warned that unless Virginia passes a tougher inspection program this year, it risks violating the federal Clean Air Act, which could lead to a cutoff of federal highway aid.

But critics said the program would be inconvenient because motorists would no longer be able to get cars inspected and repaired at one place. Opponents said they wanted final passage of the program delayed until next year, but EPA officials said that would put the state in violation of a November deadline for enacting a clean-air program.

In an attempt at compromise, Sen. Warren E. Barry (R-Fairfax), proposed today that the tougher inspections be approved this year, but that the state not issue any contracts for the new inspection stations until next February. Barry said that would allow Virginia to meet the November deadline, but still give the state time to modify the inspection program during next year's General Assembly session.

Both the House and the Senate agreed to the compromise. But aides to Gov. L. Douglas Wilder (D) said Barry's measure may not satisfy the EPA. "We're just not sure," said Bernard J. Caton, deputy secretary of natural resources, who complained that waiting until February to issue contracts "does not give enough time to get the program up and running" by 1995.

In other action today, the House killed a bill to reduce the penalty for so-called backtrackers who use the Dulles Access Road during rush hours to avoid tolls and traffic on the Dulles Toll Road. The proposal by Sen. Charles L. Waddell (D-Loudoun), which was rejected 73 to 23, would have removed the three demerit points assigned to the licenses of violators.

The Senate voted 35 to 4 to classify carjacking as a crime separate from car theft and specify a minimum 15-year jail sentence upon conviction. The bill, sponsored by Del. Robert D. Hull (D-Fairfax), already has passed the House. Minor changes require House approval before the measure is sent to the governor for his signature.

The full Senate gave new life today to a bill, rejected by a House committee Monday, aimed at getting drunk drivers off the road. By a vote of 38 to 0, it acted to lower from 0.10 percent to 0.08 percent the blood alcohol level at which a driver is presumed to be drunk. The amendment was tacked on a House-passed bill that would increase the penalty for driving drunk with a juvenile passenger.

A proposed constitutional amendment that would have given taxing authority to elected school boards was killed by the House today on a parliamentary maneuver by Del. David G. Brickley (D-Woodbridge).

Proponents noted that 77 percent of the 14,600 elected school boards in the nation have taxing authority. Brickley called for the measure to be studied by the House Finance Committee, which will not meet again until next year. Voters in most Northern Virginia jurisdictions will decide this fall whether to switch to elected school boards.

pg. A16
2-24-93

U.S. Is Urged to Deal With Famine in Sudan

Homeless Being Attacked in Refugee Camps

By Don Oberdorfer
Washington Post Staff Writer

U.S. humanitarian relief organizations and members of Congress asked the Clinton administration yesterday to take a leading role in dealing with the increasingly serious famine in Sudan before it becomes a disaster as serious as Somalia was last year.

Specialists on the region warned that inaction by the United States now could lead to urgent and large-scale American involvement later. "We knew way in advance [in Somalia] what was going to happen if certain things didn't change, 15, 16 or 17 months before our troops had to intervene," said Roger Winter, executive director of the U.S. Committee on Refugees at a meeting of the House Select Committee on Hunger.

The key to preventing similar deterioration in Sudan, said Winter and other aid officials, is to broaden the focus of concern to political as well as humanitarian issues. He called on the Clinton administration to act through the United Nations Security Council to press the Sudanese government and anti-government rebels in southern Sudan to desist from further attacks on refugee camps where thousands of homeless people have gathered.

Unlike Somalia, where rival gangs prevented food distribution to the needy after the collapse of governmental authority, Sudan's problem is the clash of a militarily strong Muslim fundamentalist government in the north with well-organized groups of predominantly Christian and animist rebels in the south. The denial of food and medical supplies to southern Sudan is a deliberate tactic of the Sudanese government, U.S. experts said.

Jim Kunder, director of the Agency for International Development's Office of Foreign Disaster Assistance, said the Clinton administration is reviewing a variety of U.S. options for more active nonmilitary intervention in Sudan. A senior State Department official said the Sudan policy review is not likely to be completed before spring. Another senior official said administration discussions are still at "the hand-wringing stage."

Kunder, describing the situation as "a mixture of horror and hope," said a reconciliation of the warring groups is the only long-term possibility for avoiding greater devastation and loss of life. Kunder and humanitarian aid officials said there is enough food to alleviate the growing famine, but it is not getting to the hungry because trsansportation is being impeded by warring factions and because aid workers are being denied access to refugees.

Rep. Frank R. Wolf (R-Va.), who visited Sudan earlier this month, called the situation "an untold tragedy of oppression, of cruelty and of hopelessness," and urged the Clinton administration to increase pressure on the Sudan government and gain international attention by naming a prominent person such as retired Gen. Norman Schwarzkopf or retired Gen. John W. Vessey Jr. as special envoy.

Wolf also urged the administration to work through the United Nations to force the government of Sudan to stop indiscriminate bombing of villages and towns in the south, and to halt the flow of sophisticated military equipment to Sudan from Libya, Iran and China.

Responding to increasingly prominent press reports and expressions of public and political interest in Sudan, the U.S. representatives to the U.N. Human Rights Commission in Geneva have begun circulating a demand for appointment of a special U.N. investigator. The U.S. draft resolution charges that "grave human rights violations," including summary executions, detentions without trial, forced displacement of persons and torture are being reported, and that denial of access to humanitarian assistance poses a major threat to human life.

Several representatives of U.S. humanitarian relief organizations said they believe a congressional resolution and a U.N. General Assembly resolution last year condemning human rights abuses in Sudan got the attention of the Khartoum government and stimulated at least a temporary willingness to agree to curb oppressive practices. However, these representatives said they were skeptical about whether the government will keep its promises when international attention subsides.

Yesterday's meeting was characterized as a round-table discussion rather than a formal hearing because the hunger panel—like select committees on children and families, narcotics and aging—has not been reauthorized by the new House as it seeks ways to save money.

21

New Interior Team Mixes 'Greenness' With Pragmatism

pg. A17 2-24-93

By Tom Kenworthy
Washington Post Staff Writer

The team being assembled to run the Interior Department is as green and southwestern as a jalapeño pepper.

In naming seven senior officials to serve under Secretary Bruce Babbitt yesterday, the White House put an unmistakably conservationist and regional stamp on the department that oversees the nation's public lands. But the group also includes several people who, like Babbitt, have learned through state government experience to be both green and pragmatic.

Among those named to posts were: George T. Frampton Jr., the president of the Wilderness Society, to be assistant secretary for fish and wildlife and parks; Bob Armstrong, a former Texas state land commissioner and now an energy aide to Texas Gov. Ann Richards (D), to be assistant secretary for land and minerals management; Elizabeth Ann Rieke, director of Arizona's department of water resources, to be assistant secretary for water and science; Leslie M. Turner, a Washington, D.C. attorney, to be assistant secretary for territorial and international affairs; Bonnie Cohen, a senior vice president with the National Trust for Historic Preservation, to be assistant secretary for policy, management and budget; Jim Baca, New Mexico's land commissioner, to head the Bureau of Land Management; and John Leshy, a former Arizona State University law professor now working for the House Natural Resources Committee, to be department solicitor.

"No one can say the administration isn't coming through with their commitment on the environment," said Rob Smith, the southwestern director of the Sierra Club. "They are not only environmentalists, but they are also very competent in their fields."

Babbitt, during a lunch yesterday with editors and reporters at The Washington Post, stressed that Armstrong and Baca would bring a balanced approach to land management issues. The two men, said Babbitt, have been elected officials in conservative states, and "that is a statement to the West."

Conservationists praised Armstrong and Baca for pursuing environmentally sensitive land use without alienating economic interests. Baca, for example, raised grazing fees on state lands, and Armstrong pushed a coastal management plan and expanded Texas parks.

Rieke, who will oversee the Bureau of Reclamation and its vast western water projects, is a former water and utility lawyer. Smith said she was neither "a flaming environmentalist" nor "your usual buzz-cut water engineer."

During Babbitt's tenure as Arizona governor, Leshy served on a task force on recreation on federal lands that concluded federal expenditures "for land management in Arizona are inappropriately biased towards traditional commodity uses of the federal lands, such as timber, mining and grazing."

As head of one of the most influential national environmental groups, Frampton—who will oversee both the National Park Service and U.S. Fish and Wildlife Service—could face the most opposition on Capitol Hill from conservative western Republicans.

pg. 3A The SUN 2-24-93

Babbitt picks Everglades for new approach to protect environment

Entire ecosystems to be supervised

Associated Press

TALLAHASSEE, Fla. — The Everglades is "the ultimate test case" for a shift in national policy aimed at environmental protection by managing ecosystems as a whole, Interior Secretary Bruce E. Babbitt says.

Mr. Babbitt used his first speech to an environmental group since his appointment to pledge strong support for the ambitious Everglades preservation effort. He said Monday that he wanted a Washington-level Everglades task force to unite federal efforts.

"I think we have to recognize that if we're going to solve the problems of the Everglades, we must treat the symptoms of the entire ecosystem," said the former Arizona governor.

Mr. Babbitt received a standing ovation after speaking to the eighth annual Everglades Coalition conference, an umbrella group of national and state conservation groups.

"As I begin around the United States talking about this process of ecosystem-based biology . . . we're all going to be coming back to the Everglades as the test case, for all federal agencies, for all park systems, for all states, for the entire country," he said.

By considering the links of individual species and systems in long-term, "preventive" policies, Mr. Babbitt said, the government can head off last-minute conflicts between protection of endangered species and economic interests.

Although the 1.4-million-acre Everglades National Park was established in 1947, biologists and officials have only in recent years realized that it is part of a much larger, complex ecosystem that affects the supply and quality of water for South Florida's population.

Development, flood control projects and agriculture around the park have disrupted natural flows through "the river of grass," damaged habitat and led to threat or endangerment of 16 animal species in the system.

The park's ecosystem stretches north through Lake Okeechobee and into the Kissimmee River and south into the Florida Keys, biologists say, and the loss of any part of the system threatens the whole.

Mr. Babbitt met privately with Gov. Lawton Chiles, who said that Mr. Babbitt assured him of active help for the state's ambitious environmental efforts.

Mr. Babbitt promised federal leadership in coordinating the agencies — at least six and as many as 13 — that have responsibilities in the Everglades region.

He pledged a "buck stops here" commitment to making sure there is "less . . . tripping over each other."

Mr. Babbitt also backed funding for an Army Corps of Engineers study of Everglades system waterways and for augmenting Florida's land-buying plan.

Pg. 12A The Sun 2-24-93

Tainted meat traced to California company

WASHINGTON — Inspectors believe they have traced the source of tainted meat that caused a deadly food poisoning outbreak in the northwest to a meat de-boning plant in California, the Agricultural Department said yesterday.

"We have found that there is a very high probability that the suspect lot" of meat eventually sold as hamburgers by the Jack-in-the-Box fast food chain came from Service Packing Co., a meat de-boning plant in Los Angeles, department official Jim Greene said.

24

pg. B5 The SUN 2-24-93

Builder can't build while deer smooch

By Patrick Gilbert
Staff Writer

Guy Shaneybrook doesn't know the first thing about the breeding habits of the red-tailed hawk or the white-tailed deer.

But he'll have to learn fast if he wants to build a five-house subdivision on the lower Bowleys Quarters peninsula in eastern Baltimore County.

Mr. Shaneybrook's project, known as Goose Landing, is one of three that the county's Planning Board approved under its Chesapeake Bay Critical Areas Program growth-allocation process.

The land is subject to strict development standards.

For instance, Mr. Shaneybrook can't undertake construction work during the mating period of any wildlife found on his property.

"This development-review process is the toughest I've ever had to go through," said Mr. Shaneybrook, who has built small subdivisions elsewhere in the county.

"I mean, what do I know about the breeding habits of the hawks or deer on my property."

The board rejected two development proposals, one for 680 housing units on 41 acres in Edgemere, the other for a six-unit development at the end of Back River Neck peninsula.

However, the board did approve a 32-acre, six-lot subdivision called Gall Property on the Bowleys Quarters peninsula and agreed to let the owners of a four-acre parcel on Back River Neck change the zoning on their land.

The owners are not planning to develop the site.

Mr. Shaneybrook's 15.5-acre tract of pristine wooded wetlands near Goose Harbor is part of nearly 10,000 acres of county shore line in the Chesapeake Bay Critical Areas Program.

The program, enacted in 1987, restricted development for areas within 1,000 feet of the shore.

In 1988, the county extended the critical areas farther inland to include parts of the various peninsulas that jut into the bay.

Of the 10,000 acres placed in the Critical Areas Program, 372 acres were set aside by the county for development.

"Because of the history of large development proposals sought in the bay shore areas, we were expecting to be deluged with requests once some land was opened up for development," said Donald G. Outen, chief of the water resources division of the county Department of Environmental Protection and Resource Management. The department administers Baltimore County's Critical Areas Program.

Mr. Outen said the long review process and the recent economic recession apparently have discouraged many developers from considering proposals in the critical areas.

Five proposals were submitted during the 1990 growth-allocation period and one, an eight-acre site, was approved.

Six requests were filed during the second allocation period, which ended in July.

"We want to use our critical area allocations for well-designed projects which minimize stress on water quality and habitat and enhance community character beyond what normal county regulations call for," said Mr. Outen.

Mr. Shaneybrook plans to build on five of his 15 acres.

At the board's insistence, he agreed not to develop the rest of his land so the wetlands around Goose Harbor wouldn't be disturbed.

Even with the board's approval, Mr. Shaneybrook still faces a long approval process.

Because his project requires a zoning change, as do the other projects approved, he must get further approval from the County Council.

From there, the proposals must be approved by the state Chesapeake Bay Critical Area Commission before going through the county's regular development review process.

Farmers worry energy tax would hit hard

'Everything I touch has a fuel cost'

By Jim Greenhill
USA TODAY

MILO, Iowa — Craig Hill stands beside three tanks containing 1,100 gallons of diesel and gas on his 160-acre farm.

A heat exchanger in the wall of one of Hill's rusty-red hog sheds thrums steadily in the 30-degree southern Iowa cold.

"Everything I touch has . . . a fuel cost in it," says Hill, 37.

A white-painted propane tank beside Hill's huge metal grain elevator is one of seven using more than 7,000 gallons each year to dry corn and provide heat.

Above, an auger carries grain from a nearby barn into the elevator — pushing Hill's electric bill over $4,000 a year.

Which is precisely why Hill and others who have survived oil embargoes, high interest rates, inflation and poor crop prices have a new worry: President Clinton's proposed energy tax.

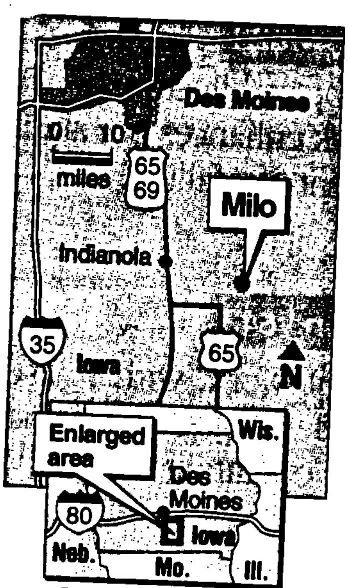
Clinton proposed the energy tax to raise $71.4 billion over five years as part of his $473 billion deficit-reduction plan.

The tax would add an estimated 6 cents to a gallon of gasoline or diesel fuel; 22 cents to a cubic foot of natural gas or propane and 30 cents to a kilowatt hour of electricity.

"It's not an insignificant number if you are already operating on a pretty lean basis," says Tom Van Arsdall, vice-president of the National Council of Farmer Cooperatives.

"Agriculture is a huge user of energy," says Bill Greiner, executive director of the Iowa Agricultural Development Authority. "We need it for putting in the crop, taking out the crop, drying the crop — all down the line. There's no way around it."

Agriculture Secretary Mike Espy admits the energy tax — along with proposed cuts will mean "some pain" for farmers. But, he says: "The pain suffered by farmers will be relatively small."



By Nick Galifianakis, USA TODAY

But farmers say they are stuck because they have little control over the price they are paid for crops, so they can't automatically pass increases along to the consumer.

Farmers also worry about higher costs for fertilizers, chemicals and equipment.

"That's all going to be passed on and passed on and passed on — and ultimately it ends up with me," says Hill.

In Adel, Iowa, farmer Tom Stine, 25, says the energy tax threatens an already slim profit margin.

According to Stine's calculations, it costs $282 to grow an acre of corn that sells for $317 — a net profit of just $35.

"Three dollars in energy taxes could be 10% of his net profit," says Dan Frieberg, Iowa Fertilizer and Chemical Association's chief executive.

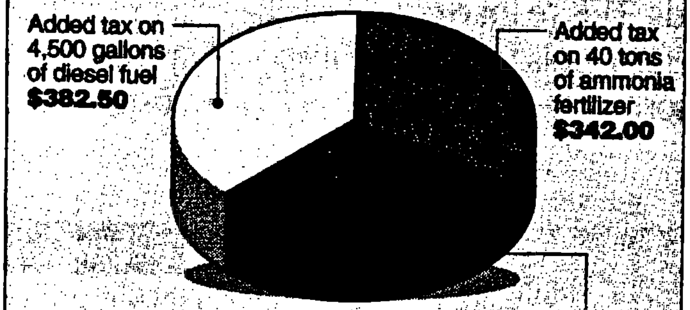
In Illinois, the Farm Bureau estimates the tax would add $1,012 to the cost of raising 500 acres of corn.

"If you were a farmer who had a bad year, that extra $1,000 in taxes could mean the difference between a profit and a loss," says the bureau's

cont. on the next pg.

Energy tax would raise farm costs

The Illinois Farm Bureau estimates the proposed federal energy tax would add $1,012 to the expenses of an average farmer raising 500 acres of corn. The breakdown:



By Marty Baumann, USA TODAY

John Hawkins.

"They've got to cut before they can tax," argues Bill Bruere, 38, who grows corn, beans and hay on 900 acres near Prole, Iowa. "Most of these government officials have never been in business on their own."

For Hill, increased productivity means raising more hogs and growing more corn more efficiently, which takes more land, which means more families moving off the land.

Despite the prospect of higher taxes, Hill says he plans to continue farming.

"It's just one more thing — it's not in the right direction of preserving the rural way of life. It's not in the direction of increasing my income."

Iowa farmer Craig Fleishman says the new taxes may force growers into higher levels of efficiency.

"There's a lot less inefficient farmers than there were 10 years ago," he says. "It might force everybody to become *more* efficient."

But Iowa corn growers aren't the only worried farmers. In Loudoun County, Va., John Rocca, 51, raises cattle, hogs and grain to feed them. He also owns Brothers Signal Co., an engineering firm.

The impact of Clinton's proposals will go far beyond the energy tax, he says. Because he earns more than $100,000 per year, he says he'll pay more income tax. He also faces higher corporate tax and loss of some business entertainment deductions as well.

The U.S. Department of Agriculture says less than 2% of farmers like Rocca have more than $100,000 off-farm income.

"I'm sure Americans want to know wealthy farmers will pay their share," says Espy.

Rocca disagrees: "They come in and they take the people that have survived the recession, the people that have worked two jobs, 17-hour days, six or seven days a week to get in a position where they could have an income. . . . There's no incentive left. It's discouraging as hell."

Contributing: Lori Sharn

27

pg. 6A The USA Today 2-24-93

Proposed changes in farm programs

In an effort to cut costs and raise revenue, the Clinton administration has proposed changes in farm programs. Some of the changes over five years:

▶ Eliminate subsidies to farmers — or farm corporations — who earn more than $100,000 annually in off-farm income. Savings: $610 million.

▶ Eliminate subsidies to honey producers. Savings: $35 million.

▶ Reduce the number of direct loans to farmers by 25%. Savings: $42 million.

▶ Streamline functions of various departments and agencies. Savings: $466 million.

▶ Boost fees charged to slaughterhouses and meat-processing plants to cover inspectors' overtime. Revenues: $520 million.

▶ Increase annual fees charged for permits to graze livestock on federal lands. Revenues: $47 million.

— James Harney

USDA ASCS CLIPPINGS

The Journal of Commerce 2-23-93 pg 3A

Clinton Nears Decision On Deadline for Trade Talks

By JOHN MAGGS
Journal of Commerce Staff

WASHINGTON — The Clinton administration is nearing a decision this week on how much time it will need to complete negotiations in the Uruguay Round of world trade talks.

The announcement could come after a meeting Wednesday between President Clinton and British Prime Minister John Major, perhaps the greatest supporter of the talks among Europe's leaders. The same day, Deputy U.S. Trade Representative Rufus Yerxa is expected to meet with members of the Senate Finance Committee, in preparation for a public hearing Thursday by U.S. Trade Representative Mickey Kantor.

The Clinton-Major meeting offers the president an opportunity to refute claims that he is not strongly in favor of the round, while at the same time showing that he bears no ill will for Mr. Major.

After Election Day, Mr. Clinton turned down an offer from Mr. Major to meet, reportedly because the president was angry that operatives from the prime minister's Conservative Party had offered advice to the Bush campaign.

> The announcement could come after a meeting Wednesday with British Prime Minister John Major.

Mr. Kantor announced Feb. 11 that the new administration would ask Congress for some extension of "fast track" negotiating authority, which makes complicated trade pacts possible by limiting Congress' power to amend them. Although current authority does not expire until June 1, negotiations would probably halt without the president asking for more time.

It is likely that Mr. Clinton will ask for broad authority to negotiate bilateral trade pacts but limited authority to complete the Uruguay Round, which is already seven years old and is taxing the patience of Congress.

Lawmakers unhappy with the talks so far are expected to try to lay down conditions to extending authority for them. To head this off, Mr. Clinton is expected to fashion a new deadline for the round at the end of 1993 or the middle of 1994, according to congressional aides.

To complete future free-trade talks with Chile and other countries, Mr. Clinton likely will ask for a longer grant of authority, perhaps four years. In 1989, a four-year extension was structured so that Congress could withdraw the authority after two years, and this could be used as a model for the new grant of fast track, say congressional aides.

The Journal of Commerce 2-23-93 pg 1A

Canadians Wage Wheat War Within Trade Accord

By JUAN MIGUEL PEDRAZA
Agweek Magazine

WINNIPEG, Canada — The commanders sit in a series of mahogany-paneled soft-carpeted offices on the 7th floor of Canadian Wheat Board headquarters, a gray granite building just off Portage and Main.

Their main weapons are a well-staffed and optimally equipped intelligence service, a battery of telephones and fax machines, eager sales personnel, a top quality product and secret price guides.

This is Canadian Wheat Board Battle Center 1, command post for a war waged across a largely undefended frontier with semi-truckloads and unit trains full of grain. The Canadians, operating through a single wheat-export agency, move more than 15 million bushels of durum annually into the U.S. market for a 20% market share. Before the Free Trade Agreement linking the United States and Canada went into effect in January 1989, American millers bought little or no Canadian durum.

"The Free Trade Agreement outlines the rules," said Robert Klassen, one of five commissioners who run the Canadian Wheat Board. "We're happy to work within those rules."

Once the rules are duly noted, the Canadian Wheat Board's job is to go after the best selling price it can for the grain it must pay its producers for.

"Our job is to access the highest market," Mr. Klassen said. "That market at the present time is the United States, which is isolated from the (much lower) world market price."

Mr. Klassen said the board's policy of selling into the United States is simply good business — for the time being.

The reason for U.S. farmers' anger, according to Canadian Wheat Board, is that the newly open border to grain trade reveals two largely separate and distinct food policy systems.

"For years," notes wheat board economist Robert Roehle, "the border was closed, so our food policies evolved separately."

Canadian wheat is shipped across the border without much fuss. All it takes is a brief stop at the border, where the grain truck driver pays a visit to a customs broker. The broker handles all the paperwork, which in this amounts to a manifest, an invoice and a document certifying that the Canadian Wheat Board has authorized the export.

There is a duty of 8.18 cents a bushel for feed or processing grain, amounting to roughly 3.1% of the total value for seed grain.

"American farmers can export grain to Canada, but we don't want that grain mixing into the Canadian supplies for export," said Commissioner Klassen of the Canadian Wheat Board. "We require end-use certificate because the different wheat varieties have different inherent milling characteristics."

That protection, included in the Free Trade Agreement to prevent unrestricted foreign access to Canada's grain market, is to help Canada maintain its "disciplined grading system and strict variety controls," explained Mr. Klassen.

"Our farmers have given up a lot of freedom of choice (of what variety to plant, and how much to plant) in order to be part of this system", noted Mr. Roehle, the veteran economist who heads Canadian Wheat Board's information branch.

The Canadian Wheat Board also asserts that it is entitled to secrecy about its selling prices because any exporter has trade secrets.

"We won't publish our definitive export prices until the U.S. trade houses publish theirs," Mr. Klassen said. "We're an export company. We all know that the whole world grain pricing is based on the U.S. futures market, but that doesn't mean that we know specific prices on a specific deals. The futures price of the day may not be the price at which a deal is closed, but a least we know a range of prices.

"It's untrue what the Wheat Associates (representing U.S. producers) claim, that we undercut your prices. We know that we have a superior product to sell."

In assessing the debate, it's tough to escape one fundamental truth: Supplies of milling-quality wheat are tight. That's pushed prices at the top end of the scale well above current futures-contract prices in Minneapolis, Chicago and Kansas City.

Wheat will be in relatively tight supply until the new crop of winter wheat is harvested, beginning in late April or early May.

And it gives a shrewd trader such as the Canadian Wheat Board — with good single-variety stocks of carefully sorted, graded wheat — ample incentive to cash in.

The Journal of Commerce 2-23-93 pg 3A

German Banana Traders Say Quotas Have Price

By MIRIAM WIDMAN
Special to The Journal of Commerce

BERLIN — Germany's banana importers Monday strongly challenged statements made by the European Community Commission downplaying the impact of the EC's banana import quota system on German consumers.

The Federal Association of German Fruit Trading Companies said a recent statement by the new EC agricultural commissioner, Rene Steichen, that Germans would not have to pay more for bananas as a result of the EC's new ordinance is untrue.

The Hamburg-based group said in a prepared statement that the EC's community-wide banana quota program, approved last week, would lead to shortages and higher prices in Germany, where the fruit is heavily consumed.

Bananas are a sensitive issue here, as Germans, with an average consumption of some 40 pounds per person annually, are the EC's biggest banana eaters. The EC's ordinance got front-page press in most newspapers last week. This week's cover story in Focus, a major weekly news magazine, was devoted to the tropical fruit.

Over the protest of Germany, the Netherlands and Belgium, the commission agreed to reduce the number of bananas imported from Latin American countries and place a 20% import tariff on the remaining volumes. For Germany, which has imported Latin American bananas duty-free, this means a 50% reduction in the roughly 1.5 million metric tons (1.65 million tons) of bananas imported annually. The measure is designed to protect banana growers in the former colonies of Great Britain, France, Spain and Portugal.

The trade group noted that bananas in France and Spain, which come from their former colonies, cost 4 to 5 deutsche marks per kilo ($6 to $7 per pound) — twice the price of the bananas imported into Germany. Beginning July 1, when the ordinance is to take effect, German banana prices will rise to at least the French and Spanish levels, the group said.

US Considers Plan For Bosnian Food Drops

WASHINGTON — The United States is considering a plan to parachute food and other humanitarian aid into war-torn Bosnia under protection of Navy warplanes, U.S. officials said Monday.

President Clinton, who was in California Monday campaigning for his economic reform program, told reporters over the weekend that he might order military cargo planes to drop food and medicine into eastern Bosnia, where more than 100,000 Moslems are believed to be at risk from hunger and disease.

Administration officials, who asked not to be identified,told reporters Monday that President Clinton was studying options given to him by defense leaders Saturday, including airdrops by military cargo planes from a variety of altitudes.

Tainted Wine Kills 10 in Argentina

BUENOS AIRES, Argentina — Ten people have died in Argentina from drinking wine laced with methanol, a poisonous alcohol, a health official said Monday.

All were Buenos Aires slum dwellers who drank the tainted wine made in the western province of San Juan but bottled in Buenos Aires, provincial Health Minister Horacio Pacheco said.

Seventeen other people were hospitalized after drinking the wine.

From Wire and Staff Reports

2

The Journal of Commerce
2-23-93
pg 3A

EC to Press Japan Aides Over Surging Trade Gap

Journal of Commerce Staff

BRUSSELS, Belgium — Trade experts from the European Community and Japan meet today in Tokyo in an attempt to ease the growing friction over Japan's surging trade surplus with the EC.

The experts will investigate sectors where EC exporters are not doing as well in Japan as in other industrialized markets.

They will try to pinpoint sectoral difficulties in the Japanese market or cases where EC business executives are failing to tap export opportunities.

After a second meeting, the experts will present a report to Japan-EC sub-cabinet-level talks scheduled for April.

The talks are taking place amid growing EC concern over a deteriorating trade balance with Japan that has plunged bilateral relations to a new low.

Japan's trade surplus with the 12 nations of the EC rose 14% to $32 billion in 1992 from $28 billion in 1991. The surplus was just $19 billion in 1990.

The trend continued into 1993 as EC exports declined. Japan's surplus with the EC surged by a greater-than-expected 27.1% to $27.4 billion in January. A slight dip in its exports was more than offset by a 20.5% plunge in imports from the community.

The EC commissioner for external economic relations, Sir Leon Brittan, wants Japan to make a greater effort to remove structural barriers to trade and to create conditions for European firms to compete on equal terms with their Japanese rivals.

Japan claims its efforts to stimulate imports, such as a two-year extension of a special tax break for firms that increase foreign purchases, will gradually correct the trade imbalance.

EC officials have called for Japan to take specific import-boosting measures before the G7 summit of major industrialized countries slated for Tokyo in July.

EC officials have expressed doubt that measures taken so far by the Japanese government will be sufficient to achieve its target of 3.5% to 4% economic growth in fiscal 1993-94.

— Bruce Barnard

QUOTA WATCH

Textile Quotas to Watch as of Feb. 20, 1993*

Country	Category	Description	% Filled
Brazil	300/301	Yarns, carded or combed	91.9
Sri Lanka	340/640	Shirts, MB, non-knit	87.4
Qatar	340/640	Shirts, MB, non-knit	95.4

Fully Utilized Textile Quotas as of Feb. 20, 1993

Country	Category	Description
Brazil	225	Denim, cotton or MMF
Oman	341/641	Shirts and blouses
Oman	340/640	Shirts, MB, non-knit
United Arab Emirates	313	Sheeting

*Indicates categories that may embargo within four weeks at current rate of use.

Note: Above list was compiled using U.S. Customs import statistics and reflects current quota and charge status.

MMF = Man-made fiber; MB = Men's and boys'; WG = Women's and girls'; WGI = Women's, girls' and infants'.

Source: American Association of Exporters and Importers Textile Quota Alert Services, New York.

3

The Journal of Commerce 2-23-93 pg 4A

Japanese Resisting Pact On Importing US Apples

By JOHN DAVIES
Journal of Commerce Staff

SEATTLE — Negotiators for Japan's Ministry of Agriculture have yet to reach agreement with Japanese apple growers about opening Japan to U.S. apple imports, Japanese government sources said.

Without such an agreement, it's unlikely Japan will acknowledge that a proposed U.S. system for fumigating and chilling apples is effective at killing insect pests and plant disease, the sources said.

U.S. apple growers said last week that they had hoped a new alliance with cherry growers, who have rights to sell in Japan, would open the Japanese market to imports from Washington state as early as next year.

But Japanese government officials said they expect no action on the U.S. system for killing pests until key issues can be worked out with Japanese growers.

The U.S. and Japanese governments officially maintain that fresh U.S. apples can't be exported to Japan because of the risk they might carry coddling moth, lesser apple worm or fire blight.

That argument has blocked exports for 18 years.

But both sides also privately acknowledge that the major problem is the political strength of Japanese growers, who contend the availability of lower-quality apples from overseas would hurt their sales.

The Japanese government specifically denied a report in a Japanese newspaper that a definitive decision has been made to open Japan's markets to imports.

One Japanese agriculture official said it would be highly unlikely such a step would be taken without some understanding with Japan's apple growers. Such an agreement might involve an arrangement to permit sale of fresh imported apples, but only on a gradual basis or through Japanese distributors.

U.S. producers have said they hope to avoid the limited import seasons that were used when U.S. cherries first were imported to Japan. They agreed, however, that early imports may be far below the 1 million cartons a year analysts believe could be sold there.

Argentina Boosts Commodity Exports To Asian Market

The Journal of Commerce 2-23-93 pg 5A

By RICHARD KESSLER
Knight-Ridder Financial

BUENOS AIRES, Argentina — Argentina's decision several years ago to strengthen political and economic ties with Asia has begun to pay off with sales of grain and other farm commodities, said traders and government officials.

While Argentina is not yet ready to challenge Australia and the United States for dominance of grain sales to the region, it has made impressive strides in obtaining a commercial presence there this decade.

Argentine President Carlos Menem and Economy Minister Domingo Cavallo have been the driving force behind Argentina's reappraisal of Asia as a farm export market.

Asia has been a tough market to enter, given that Argentina has no historical or cultural connection there, traders said. Business ties were also minimal.

Mr. Menem and Mr. Cavallo have personally cultivated links with Asian leaders, bypassing the cumbersome and slow-moving Argentine Foreign Ministry bureaucracy. Indonesia, Malaysia, Taiwan, Philippines and South Korea — nations ignored here for decades — are importing grain and oilseeds from Argentina. Indonesia bought 350,806 metric tons of Argentine wheat last year, compared with none just 5 years ago, while Taiwan imported 255,000 of corn last year also against none.

Argentine officials are also working to increase trade with China and Japan, with varying success. China is an irregular buyer of Argentine wheat because of preference for subsidized U.S. wheat, and will probably remain so, traders said.

Japan is the main market for Argentine sorghum, but buys most other grain from the United States and Australia. Even so, Japanese officials said they want to increase corn imports from Argentina, which totaled 340,000 tons in 1992.

Historically, Argentina's principal trading partner was Europe. This was logical, since most Argentines immigrated from there, or were related to someone who did. France's Louis-Dreyfus and Switzerland's Andre were among the first overseas companies to set up export businesses here.

While the United States, since 1960, has equaled Europe as an export market for Argentina, it never has been a buyer of fine or coarse grain.

Meanwhile, since the mid-1970s, Europe itself has sharply expanded grain production, becoming a major exporter. Whereas Europe formerly bought most surplus Argentine wheat, it didn't import any in 1992. Argentina exported 6.047 million tons of wheat last year.

Corn exports to Europe totaled 675,223 tons in 1992, compared with at least several million 15 years ago, according to official data.

Traders said most Argentine corn delivered to Europe went to Spain and the United Kingdom, which are buying from Argentina for political reasons. Spain, because it wants to boost trade with Spanish-speaking Latin America. The United Kingdom and Argentina are improving trade links to ease tension over the disputed Falkland Islands.

"Demand for Argentine grain in mainland Europe is almost nonexistent, with the exception of Spain," said a trader here.

With little or no prospect this situation will change soon, Messrs. Menem and Cavallo targeted South America and Asia as the best possible growth markets for Argentine grain. The Middle East — except for Egypt and Iran — did not appear too promising because of its relatively low population, and strong political ties with the United States and the European Community.

While Argentina has not exported much sorghum to South America this decade, wheat and corn sales are up about 40% from 1985. Virtually every nation in the region buys Argentine corn and wheat.

Indian Agencies Fight Over Cotton Exports

NEW DELHI, India — India's Agriculture Ministry is pressing the government to export another 500,000 bales of cotton in the current 1992-93 (September-August) cotton season because it expects a good crop, said a newspaper report at the weekend.

The demand, however, is opposed by the Textile Ministry. It says any further exports would create a shortage in the domestic market and make cotton expensive.

This season, the Indian government has allowed 1.5 million bales (170 kilograms equal one bale) of cotton to be exported. Exporters, including the state-run Cotton Corporation of India and various state cooperative federations already have made final export contracts. Most of 1.5 million bales would be exported by the end of March.

From Wire and Staff Reports

Drugs From Plant, Fish Oils Promising as Cancer Treatments

LONDON — Drugs derived from plant and fish oils are showing early promise in treating a range of cancers, researchers said.

Their applications could range from reducing the side effects of radiotherapy to use in so-called photodynamic therapy, to "magic bullets" that would seek out and destroy cancer cells without harming normal tissues.

Clinical trials on the drugs, developed by Anglo-Canadian Scotia Pharmaceutical, are now under way after promising tests in tissue culture and on animals.

The results of some of these trials by various medical centers and research groups were presented at a Scotia-sponsored symposium attended by over 150 cancer specialists.

The drugs Scotia is developing — which are code-named EF27, EF9 and EF13 — are thought to kill cancer cells by releasing simple, highly reactive chemical units called free radicals when they come into contact with them. They are also toxic only to these cells, for reasons that are not clearly understood.

David Horrobin, Scotia chief executive, said the drug likely to first come into widespread use is EF27, which is aimed at reducing the side effects of radiotherapy. Radiotherapy is beneficial for about half of all cancer patients but also damages normal tissue. Final clinical trials on the drug have just started, involving 100 patients in Britain and South Africa.

Scotia's EF9 drug for photodynamic therapy, which uses drugs activated by lasers to destroy tumors, is in preliminary trials in the United States and Switzerland involving some 25 patients.

The drugs available to date have not been very effective in damaging cancers and harm normal tissues.

Scotia's third compound, EF13, is under trials as a selective tumor killing agent, or "magic bullet," that may be able to seek out and destroy cancer cells. This is because EF13 sharply raises the levels of toxic substances in cancer cells but not normal cells. (Reuter)

The Journal of Commerce

2-23-93

pg 5A

Cuba and Iran Plan to Increase Reciprocal Trade in Sugar and Oil

HAVANA — Cuba and Iran plan to increase economic cooperation, including reciprocal trade in sugar and oil, the foreign ministers of both countries said Sunday.

"There is no ceiling for us to purchase sugar and sell oil," Iranian Foreign Minister Ali Akbar Velayati told reporters at the end of a 24-hour visit to the Communist-ruled Caribbean island.

Cuban Foreign Minister Ricardo Alarcon said detailed proposals for expanding trade and economic cooperation would be drawn up by both sides by April, when a joint cooperation commission was due to meet in Havana.

Before that, in March, a Cuban delegation would travel to Iran to discuss cooperation in the sugar industry and in health.

Cuba imported oil from Iran in 1992 and also signed a contract to deliver 200,000 tons of sugar to the Gulf State.

Mr. Velayati said when he arrived in Cuba on Saturday Iran's purchases of sugar from Cuba could double in the future.

Cuba is urgently seeking secure suppliers of oil to make up for a sharp fall-off in imports following the collapse of trade and aid links with Eastern Europe and the former Soviet Union.

Mr. Alarcon said farming and medical research were other possible areas of cooperation being examined.

During his brief stay in Cuba, Mr. Velayati held talks at the Cuban Foreign Ministry and was received by President Fidel Castro. He delivered a good will message from Iranian President Akbar Hashemi Rafsanjani.

Before arriving in Cuba, Mr. Velayati visited Brazil and Mexico.

The Journal of Commerce 2-23-93 pg 6A

EPA and the Pesticide Problem

By JONATHAN H. ADLER

The appointment of Carol Browner to head the Environmental Protection Agency was not well received by free market advocates and a large segment of the business community. A onetime employee of the Naderite Citizen Action and then-Sen. Al Gore, Ms. Browner was seen as Mr. Gore's hand-picked choice to implement his environmental agenda. But with one of her first policy pronouncements, Ms. Browner allayed many fears that she would blindly follow the lead of the environmental establishment.

On Feb. 2, the EPA issued a list of pesticides whose use will be restricted to comply with the Delaney Clause of the Food Drug and Cosmetic Act. This law, passed in 1958, prohibits residues of any pesticide or food additive in processed food that causes cancer in rodent lab tests.

Last fall, U.S. Court of Appeals for the Ninth Circuit ruled that the EPA's use of a de minimis or negligible risk standard for residues in foods violated the Delaney Clause. The court ruling, which will limit the use of these pesticides in the future, will have a "substantial" impact, according to EPA representatives, even though "we do not believe that there are serious health concerns about these pesticides."

Primarily affected will be the production of apples, grapes and spices, which are expected to suffer lower yields, poorer quality and higher pest control costs.

During the policy announcement earlier this month, Ms. Browner said she believed there was no evidence the listed pesticides posed "an unreasonable risk to public health." In effect, she said the standard contained in the Delaney Clause is unreasonable and should be re-examined.

In so doing, Ms. Browner reaffirmed that the EPA's policy should be based on the scientific consensus that pesticide residues pose no significant health risk to consumers. This was the conclusion of a 1987 National Academy of Sciences report on pesticides and public health, and the National Cancer Institute has declared that there is no evidence to suggest that pesticide residues on food are responsible for cancer.

In the 35 years since the Delaney law was passed, scientific understanding of cancer threats has increased dramatically. In 1958, it was believed that any chemical that caused cancer in lab animals in large doses could pose a cancer threat in humans at low doses. Today, the scientific community no longer supports such a position.

Not only is it widely accepted that many carcinogens have thresholds below which exposure poses no health threat, but the reliance on animal testing has itself come into question. There are those substances that will cause cancer in rats but not in mice, and vice-versa. The dose always determines whether a substance is poisonous, and it is very difficult to establish a dose-response relationship in humans based solely on animal testing.

As with scientific knowledge generally, the technical ability to detect trace amounts of chemicals has increased dramatically in the past few decades. While the EPA is being forced to limit the use of more than 30 pesticides today, this list could grow over the next few years as the ability to find residues is enhanced.

"Apparently they're using chemical weapons."

Absent a change in the current law, more pesticides would be regulated, even though risks are not increasing. For that reason, many in the scientific community have urged that the Delaney clause's "no-risk" standard be repealed and replaced with the de minimis standard that the EPA had attempted to implement prior to the court's opinion.

Unfortunately, many in the environmental establishment already have attacked this attempt at rational reform, and their actions have had an impact on Ms. Browner's position. Representatives of the Natural Resources Defense Council, for example, have charged that "the Delaney Clause must be enforced and that pesticide use needs to be reduced."

The council's position directly contradicts accepted scientific consensus. Nonetheless, in the wake of this criticism, Ms. Browner's office released a statement disavowing any intention to "relax" the Delaney Clause. An official statement pronounced that "it is the administration's position that food safety laws need to be improved in order to give the public more protection, not less."

Ms. Browner cannot have it both ways. Either she stands behind the negligible risk standard endorsed by the scientific community or she supports Delaney and its outdated insistence on eliminating any detectable traces of pesticide residues. Choosing the latter course will result in the reduced availability of various foods while providing no offsetting health benefits to consumers.

Ms. Browner should stand by her initial position and endorse a risk standard in line with today's scientific knowledge. She should set the precedent that EPA risk policies will be based on scientific evidence and not undocumented fears.

Jonathan A. Adler is an environmental policy analyst at the Competitive Enterprise Institute in Washington.

The Journal of Commerce 2-23-93 pg 6A

Paying for Clean Water

REBUILDING INFRASTRUCTURE is the centerpiece of the Clinton economic plan, but states and cities with water pollution problems have reason to wonder: A 20-year program that has provided $60 billion for building sewage treatment plants will end under the Clinton proposal. After a current-year payout of $845 million from Washington, states and towns will have to figure out for themselves how to comply with clean water standards.

It's easy to see why Mr. Clinton aimed his budget ax at federal loan subsidies for building treatment plants. In addition to imposing huge costs on the Treasury, the program produced costly and inefficient plants. But it's less clear why Mr. Clinton proposed to end the subsidies without creating conditions for private capital to take up the slack. Complying with federal clean water requirements is expected to cost another $110 billion by 2008; it will be difficult to reach those goals without drawing private developers into the wastewater treatment business.

The Environmental Protection Agency estimates that roughly two-thirds of the nation's sewage treatment plants have problems with water quality and public health. Stephen Moore of the Cato Institute notes these plants have an average of one accident a year, dumping raw sewage into a river or lake. Other communities delay needed construction while they wait for federal approval of loan subsidies.

To address these problems, the EPA is experimenting with public-private ownership arrangements in a few towns. The agency found that construction and operating costs for private plants are 15% to 40% lower than the costs of publicly owned and operated facilities. Moreover, while it takes about two years to build the average private plant, it takes considerably longer — up to five years — to build the average government-funded facility.

Still, a few EPA demonstration projects will not persuade private developers to invest in wastewater treatment plants: The regulatory and tax barriers are just too formidable. One major hurdle is a federal regulation that requires communities to repay the money they received under the federal grant program if they sell all or part of their plants to private parties.

Other rules also discourage partnerships between private developers and local communities. As Roger Feldman, president of the National Council for Public-Private Partnerships, has noted on this page, federally subsidized loans are not available to partnerships that include private developers. That keeps private capital and expertise — both sorely needed — on the sidelines.

The federal roadblocks to private participation don't end there. Public-private partnerships have limited ability to float tax-exempt bonds, even if the money raised is for a public-purpose facility. And the elimination of the investment tax credit in 1986 further reduced incentives. Moreover, investors in much-needed environmental facilities do not have the benefit of accelerated depreciation schedules, which would reduce their cost of capital.

Admittedly, many of these incentives would reduce federal tax revenues. But those costs likely would be lower than the cost of direct loan subsidies, and the reward would be an infusion of private capital and expertise. Cheaper, more efficient plants would boost local economic development and reduce charges to local taxpayers.

A few communities, weary of waiting for federal loan subsidies and unwilling to deal with red tape, have gone ahead with privatization on their own. The results are encouraging: Auburn, Ala., for example, signed a 25-year deal with a private owner that is saving the city $25 million over previous costs. And Chandler, Ariz., will save $1 million over the life of its new privately owned treatment plant.

Those communities are proving that private ownership can work. It's up to Congress to provide incentives so others can follow their example.

Brazil Green-Coffee Sales Expected to Stay Weak

By TOM MURPHY
Knight-Ridder Financial

SAO PAULO, Brazil — Tight supplies and consequent high domestic prices will make February the second month in a row of unusually weak Brazilian green-coffee exports, traders here said.

"There is very little export-quality coffee available in the interior for immediate delivery, with interior prices remaining high," said trader Sergio Carvalhaes.

Mr. Carvalhaes forecast February green-coffee shipments no higher than 750,000 60-kilogram bags.

According to the Brazilian Coffee Exporters Federation, total green-coffee shipments for February through last Wednesday were 529,272 bags. Most shipments were suspended Saturday through today for the annual Carnival holiday, making February an extremely short month, traders said.

Although February seems bound to outpace January shipments of only 577,990 bags, both months show unusually low performances by historical standards.

In January 1992, shipments of green coffee reached 2.008 million bags. In February 1992, shipments were 1.799 million bags. Shipments in 1992 totaled 16.367 million bags, or an average of 1.364 million a month, according to export federation.

January's shipments were hurt by a week-long nationwide stevedores strike, while February has been slowed by Carnival. Nevertheless, traders said market considerations were the main reason for the sluggish shipments.

Traders said interior prices for top quality export types this week were the equivalent of about $73 a bag, down only $1 from a few weeks ago and $2 from a month ago. New York nearby prices, on the other hand, have come tumbling down, with the March contract hovering around 65 cents a pound last week, after trading at over 70 cents in early January and over 80 cents in mid-December.

'There is very little export-quality coffee available in the interior for immediate delivery, with interior prices remaining high.'

— Sergio Carvalhaes, Trader

"Brazilian interior prices have held so far in 1993 basically because of short supplies," said one trader.

Mr. Carvalhaes said: "Exporters know that if Brazil were shipping the traditional million or more bags a month, interior prices would shoot through the roof. So they are playing a go-slow, hand-to-mouth game."

Traders said March shipments could pass the 1-million-bag mark. However, they said it was unlikely March will show more than the 1.315 million bags shipped for that month in 1992.

A small 1992-93 (May-April) crop is a major reason for short supplies this year. Most traders have put the crop in a range of 20 to 21 million bags, down from 27 million a year ago. They said the 1993-94 harvest could also prove a disappointment at about 24 million bags.

Mainly because of lower production, the federation has forecast calendar 1993 green-coffee exports at only 14.5 million bags, down about 12% from a year ago. Expected extension of government loans to coffee growers totaling $230 million could encourage formation of farm stocks, traders said, giving further buoyancy to interior prices. However, traders said the market was beginning to show some interest in deferred-month operations.

"We've seen some interest by German and Italian buyers for June-July delivery, at offers which work out to something like $96 a bag," said one trader.

The trader said Brazil's 1993-94 coffee harvest very likely will begin in May, meaning new-crop coffee should be available to meet June-July export commitments.

The Journal of Commerce 2-23-93 pg 7A

9

The Journal of Commerce 2-23-93 pg 7A

COMMODITY/ CHEMICAL BRIEFS

Supreme Court Refuses To Stop Pesticide Ban

WASHINGTON — The Supreme Court refused on Monday to free the U.S. government from enforcing a ban on many cancer-causing pesticides in processed foods.

The court, without comment, rejected the National Agricultural Chemicals Association's argument that exceptions should be allowed for pesticides that carry only a negligible risk. A 34-year-old U.S. law known as the Delaney Clause bans from processed foods — such as ketchup and flour — a number of pesticides that cause cancer in humans or animals.

Among the pesticides involved in the case, benomyl is used on grapes and tomatoes that are used to make raisins and ketchup. Mancozeb is used on wheat, barley, oats and rye that make flour and bran.

The U.S. Environmental Protection Agency announced in 1988 that it interpreted the law to allow an exception when the risk to human health was negligible.

Under that standard, the EPA in 1991 refused to revoke its approval of four pesticides found to cause cancer in laboratory animals. A U.S. appeals court in July ruled that the EPA must enforce the 1959 law without exceptions.

Builders Fear Lumber Prices Could Curb Housing Rebound

By MARK KOLLAR
Knight-Ridder Financial

LAS VEGAS — Housing market experts are expecting the recession-weakened construction market to rebound, but they are cautioning that high prices for lumber could restrict growth.

The National Association of Home Builders said it expects housing starts to rise 10% this year from 1992 levels to about 1.32 million units.

Some estimates call for sales of new and existing homes to increase by the same amount, and interest rates are seen holding relatively steady at current low levels.

"The factors are in favor of a very strong housing market," said James Johnson, chairman and chief executive officer of the Federal National Mortgage Association. But housing experts also are signaling caution here at the association's annual convention, saying solid improvement depends on whether lumber prices will decline and the timber supply becomes less restrictive.

"The housing recovery could come to an abrupt halt if lumber prices continue to rise," said Kent Colton, the association's executive vice president. Prices for framing lumber have risen about 85% since last October, "exacerbating the nation's housing affordability problems," he said.

The Clinton administration must address this issue "if the housing market is to perform up to expectations this year," Mr. Colton said. So the association has called on the White House to hold a "timber summit" to discuss escalating lumber prices and the limited supply made available from public land because of environmental-protection regulations, he said.

The issue is a "serious problem," adding about $4,000 to the price of a 2,000-square-foot home costing $120,000 , Mr. Colton said.

Even so, many in the industry said they anticipate a healthy year, aided in part by President Clinton's economic stimulus and federal budget deficit reduction package.

The association said it supports Mr. Clinton's plans, claiming they will help to boost jobs and eliminate the credit crunch. In his State of the Union address to Congress last week, Mr. Clinton said he would rely on federal bank regulators to "break the credit crunch," a statement the industry here sees as a sign of hope that more funds will be made available for building and development.

"The credit crunch is still a big piece of the housing story," said Robert Buchert, the association's outgoing president. A survey showed that 80% of those polled at the convention said the availability and cost of credit for land acquisition, development and construction was the same as last year or worse.

The industry also has welcomed Mr. Clinton's decision not to limit or cut mortgage rate deductions. That "has been an essential element of America's home ownership equation for many years, and it must remain," Mr. Colton said. Even the prospect of higher taxes has not dampened the enthusiasm for housing. The move to reduce the budget deficit has resulted in record-low yields for 30-year bonds, which is more important to housing than higher taxes, said Mr. Johnson of Fannie Mae.

Not all here, however, were in favor of the Clinton proposals.

Stephen Roach, chief economist of Morgan Stanley and Co. in New York, criticized the plan to raise taxes. "The Clinton plan is fixing something that ain't broke. . . and risks undermining the recovery," he said.

Higher taxes will "hit consumers," Mr. Roach said. The increase in corporate taxes and other costs will "undo the benefits from intense restructuring," he added.

The Journal of Commerce 2-23-93 pg 1C

Coffee Association Preparing Full Slate of Events for Meeting

Journal of Commerce Staff

Whether regular or decaffeinated, freshly ground or canned, the U.S. coffee industry is brewing up a full program of events at the 82nd annual convention of the National Coffee Association of U.S.A. Inc.

The industry's largest importer and roaster group convenes three days of meetings, discussions and guest speakers beginning today at the Boca Raton Hotel in Boca Raton, Fla.

Industry leaders say the coffee market in the United States remains robust, but opinions vary on the future of global supply and demand.

International commodity pacts and the most recent producer and consumer talks aimed at hammering out a new International Coffee Agreement are likely to generate lively discussion. Among the speakers at the opening session on Tuesday are George Boecklin, president of the National Coffee Association; Ambassador Myles Frechette, President Clinton's newly appointed assistant U.S. trade representative; Jose Eduardo De Andrade Vieira, Brazil's minister of industry; and James F. Hoge Jr., editor of Foreign Affairs magazine.

Stanley L. Greanias, chairman of the NCA, will preside over the session.

On Wednesday, Rodolfo Espinosa, a Colombian coffee grower and exporter, and Roberto Gambini, president and chief executive of Silocafe of New Orleans Inc., a warehouser, will speak on bulk shipping and warehousing of coffee.

11

The Journal of Commerce 2-23-93 pg 1C

Can Coffee, Cocoa Traders Still Cook Up an Agreement?

By HOWARD SIMON
Journal of Commerce Staff

After years of wide swinging prices and hopeless attempts at negotiating new international agreements, the world's coffee and cocoa importers and exporters still have a "real shot" at stabilizing their markets, analysts said.

Equally sanguine are economists who expect agreements for the coffee and cocoa trades this year. There are compelling reasons for new agreements in coffee and cocoa, and "they are price, price, price," said Arthur Stevenson, a tropical commodity analyst at Prudential Securities Inc. "There is a critical link between new global commodity agreements and more harmony in the market."

In recent years, the relatively stable sugar trade has operated under the umbrella of an international organization, but merely as a clearing house for sugar statistics. A new agreement was reached early this year.

Analysts said the trade clearly saw no overwhelming need for a policy-making body.

This has not always been the case in the nearly 50-year history of the International Sugar Organization. The group has used price-controlling quotas to stabilize the market.

Pinning their hopes on international agreements, coffee producing countries — generally from the Third World — strongly believe a new marketing agreement will shore up inequities that have cost them dearly in lost foreign exchange earnings over the past four years.

"Sculpturing new accords for coffee and cocoa have been difficult, but not impossible," Mr. Stevenson said. "A new global pact will definitely boost prices.

The coffee world has been waiting patiently for more than a year for the breakthrough in efforts to secure a strong agreement, analysts agree. But no such development appears imminent. Even consensus on the need to stabilize prices has not translated into the basis for an agreement, analysts said.

A cocoa pact is less probable, they said.

Experts believed a coffee agreement with economic clauses — primarily as export quotas — can boost coffee revenues by as much as a third. Some analysts even suggest that the handful of producers from Central America and Africa may not survive without an agreement.

Most producers are faced with lower prices again this year because of oversupply, analysts said.

Prices for coffee have fallen by more than 30% to little more than 60 cents a pound in the four years since the dissolution of the last world coffee agreement.

"The linchpin for revitalizing coffee and cocoa markets rests in stabilizing prices through international agreement," said Bernard Savaiko, a vice president of commodity research at PaineWebber Inc.

"A new global pact will definitely boost prices," Mr. Stevenson said. "Without agreement, the outlook is questionable."

In Latin America, a shift away from coffee growing to soybeans and other higher-value commodities has begun, although economic realities still dictate coffee as a primary foreign exchange provider. Brazil, the world's largest producer, has turned prices around because of government price supports. To that extent, many Brazilian growers withheld coffee to exporters, favoring the higher-priced internal market, analysts said.

The changes for a new coffee pact improved only slightly last month as producers and consumers narrowed their differences on the principal clauses to a multitiered system of quotas. At the core of a new arrangement is the separate and distinct division of the world's exportable coffees (about 90 million 60-kilogram bags). In previous agreements, quotas for all grades of coffee, whether arabicas or robustas, were divided among producers, without regard to demand.

A failed cocoa agreement also is at the center of depressed cocoa prices, analysts said. As cocoa producers and consumers plod through negotiations toward a new agreement (meetings are scheduled for late March), the consensus is that major producing countries like Cote d'Ivoire, Ghana and Brazil will be pressured by less affluent cocoa producers to support a new agreement.

"The ignominious disdain for the agreement was the single-most important reason for its demise," said Mr. Savaiko. For years, some of the wealthiest among the world's cocoa producers did not support the nearly bankrupt ICCO. "Without dues owed the organization, the mechanism to stabilize prices was gone," said Steven W. Platt, assistant vice president of futures for Dean Witter Reynolds Inc.

Previous agreements have relied on a "buffer stock" to control supplies. Through a buffer stock manager, the International Cocoa Organization bought and sold cocoa on the open market — a practice occasionally compared with the U.S. Federal Reserve's tuning of the nation's money supply — and thus affected prices for the commodity.

However, "We may very well see a greater willingness on the part of producers to rein in widely fluctuating prices and support prices through a new cocoa agreement."

After all, independent action to boost prices have failed in the past. "Did the Cote d'Ivoire's tight control on supplies over the past few years have any meaningful impact on world market prices?" Mr. Savaiko asked.

"Hardly," the PaineWebber analyst said, swiftly answering his own question. "Today, the West African country is shipping more cocoa than ever before."

New Coffee Handling Technologies Brewing at Port of New Orleans

By GARY TAYLOR
Special to The Journal of Commerce

NEW ORLEANS — This Gulf port may boast a long history as a coffee center, but that doesn't mean it's incapable of brewing up some new technologies for moving that cargo.

And bulk coffee handling via containers is the latest trend to percolate here, as one new $17 million facility prepares to start operations and another established coffee handler adds bulk storage to its list of capabilities.

But some smaller roasters and traders here view the move to bulk with some caution and wonder if it's not more of a passing fad than a fixture. Meanwhile, the port believes there is plenty of coffee traffic to go around — bags or bulk — and predicts that the move to bulk will only add to the city's historic prominence as a coffee import destination.

"The market is big enough to support all these activities," said Steve Yaeger, director of marketing at the Port of New Orleans. "I'll be disappointed if it does not increase our overall business here."

In the last fiscal year, coffee imports here registered a 6.2% increase, to 317,989 short tons from 299,431 short tons in fiscal 1991, according to the port. Measured in bags, last year's imports rose, to 5,160,951 from 5,037,362 in 1991, according to the Green Coffee Association of New Orleans (GCA), the oldest such trade group in the United States.

Although none of those statistics measures bulk shipments — it's too new to the port — officials believe a shift to bulk handling of green coffee is well under way in New Orleans and that next year's figures will recognize that change. They cite the construction of what will be the world's largest bulk coffee processing facility, Silocaf of New Orleans Inc., as the reason.

"It should act as a magnet for attracting more coffee," said Mr. Yaeger. "Coffee business that has traditionally come here overland by way of South Atlantic ports will come here directly. I expect Silocaf will increase the proportion of New Orleans' total coffee business in terms of ship calls."

Added Joseph Cocchiara, the port's director of business development: "We are bringing a new operator to the port that will increase coffee imports and, with its business connections, play along well with the niche cargoes that New Orleans already handles."

Silocaf is one of two businesses now vying for bulk coffee shipments into New Orleans. Dupuy Storage & Forwarding Corp. opened its bulk coffee facility last summer. Although Dupuy will be a smaller bulk operation, according to Mr. Yaeger, the port points to Dupuy's decision to explore the bulk technology as another indication of a shift taking place.

The 56-year-old green coffee warehouser beat Silocaf to the pot by investing nearly $3 million to convert a sand silo into its new bulk facility. Dupuy purchased the silo and its neighboring warehouse in 1988 and finished its conversion early last year.

"Coffee has arrived at the Port of New Orleans for more than 100 years by traditional packaging in jute and burlap bags," said Allan Colley, Dupuy president. "And it's also shipped from our warehouses on the riverfront in those same bags.

"Through all these years there's been no change in the way green coffee is handled. But now there's an emerging trend in the industry to handle the commodity more efficiently. We wanted to respond to that desire of the trade, so we built a bulk handling facility."

The Dupuy facility is designed to convert bagged coffee shipments to bulk form or bulk into bags. Blending and storing can occur in the silo, and Dupuy sees cleaning of coffee beans as an emerging business to grow from the bulk trend.

The new Dupuy silo has a 25,000-bag capacity and offers blending, cleaning and bulk delivery services. Shortly after it opened, the plant was blending 40 tons of coffee per hour. The computer-controlled facility can handle coffee in traditional bags, 2,000-pound super sacks or in bulk. Dupuy's warehouse often stores more than 1 million bags of coffee from countries all over the world.

Although Dupuy got its bulk operation launched first, most eyes are focused today on Silocaf, which will have the capacity to hold 42,000 tons of beans — the equivalent of 649,300 bags. Eventually it will have an annual capacity of 4 million bags. Silocaf is the U.S. version of a similar facility in Trieste, Italy, where the parent company, Pacorini Finanziaria SPA, is based.

Silocaf has a 20-year lease for the 3.2-acre Annex 2 silo complex of the former public grain elevator. The lease includes an office building, which will not only provide space for the company administration, but also room for a laboratory and coffee brokers and traders. The grain elevator, except for the Annex 2 silo, was razed in 1989. When fully operational in 1995, the facility here will have three-times the throughput capacity of its sister in Trieste.

The Italian conglomerate selected New Orleans for its investment because of the port's historic reputation as a coffee import center. The city is home to roasting facilities for industry heavyweights like Folger Coffee Co. and Nestle Beverage Co. (formerly Hills Brothers Coffee Inc.), plus other small roasters that have developed distribution networks into the U.S. New Orleans routinely vies with the Port of New York and New Jersey for honors as the nation's top coffee handling port and easily dominates the trade in the Gulf of Mexico. New Orleans is also one of three ports in the U.S. authorized to receive coffee bought for trading on the Coffee, Sugar & Cocoa Exchange Inc.

Folger imports more than half of the green coffee that moves through New Orleans, and it plans to be a significant customer for Silocaf. It is investing $70 million in refurbishing its eastern New Orleans operations, including plans to facilitate more coffee shipments by containerized truckloads.

"Bulk is new to the States, but we expect others will follow," said Roberto Gambini, Pacorini's foreign operations manager and president of Silocaf. "Most of the big roasters are working from silos. To do certain jobs, you have to have the coffee in bulk."

While just 10% of world coffee shipments move in bulk by container, port officials and Silocaf predict the figure will zoom rapidly to 50% worldwide.

"There is no reason coffee must travel in bags," said Mr. Gambini. "The trend would be a change from bag to bulk. And we expect to start seeing a lot of Mexican coffee. I know there's been a lot of talk in the industry and we are touching some nerves. I love it."

Mark Lemoinier, a coffee trader and president of the city's Green Coffee Association, said the shift to bulk remains a "question mark" in his mind. He said that, right now, it would be attractive only to select groups set up to receive bulk shipments.

The Journal of Commerce 2-23-93 pg 2C

The Journal of Commerce 2-23-93 @ 2C

Russia Is Wild Card in '93 Cocoa Market

By ERICH E. TOLL
Special to The Journal of Commerce

In many commodity businesses, the greatest uncertainty is the wind and the rain, the sun and the snow: in other words, the weather and how it affects crops.

But in the cocoa world this year, perhaps the greatest wild card is the stormy economic weather in Russia and the former Soviet Union. The region's economic turmoil has cut cocoa imports by almost two-thirds in three years, and prompted an unusual plea: to buy world cocoa stockpiles at a discount.

While the International Cocoa Organization has not reached a decision, it is expected to rule in the coming months whether to sell some of its buffer stocks to Russia on favorable terms. And such a sale could have a major impact — good and bad — on the international cocoa trade.

Some observers doubt a deal will be reached with the Russians, and the issue is clouded by uncertainty. But, if a sale is made, it could reduce deteriorating stockpiles and retain business that otherwise might cease, but it could also undermine the markets for cocoa and cocoa products.

The Russians asked the ICCO, a group of governments from cocoa producing and consuming nations, last year to sell up to 190,000 metric tons of its buffer stock — cocoa that is set aside to firm prices.

The area's economic hardship, and lack of foreign currency, prompted the request. The manufacturing of chocolate and other cocoa-based products might otherwise grind to a halt.

The London-based ICCO referred the matter to the United Nations for an opinion on the proposed deal's legality.

"It hasn't been possible to find anything to serve as a good legal basis, so we have to wait for the U.N.'s opinion," said Nicola Clayson, ICCO conference and press officer.

Some industry analysts said they doubt a deal will be made. It is believed the proposed deal would violate the International Cocoa Agreement, and it is likely the United Nations will rule against it, said Arthur Stevenson, an analyst with **Prudential Securities Inc.** in New York.

Other observers added that, even if the United Nations rules in favor of a sale to the Russians, it is likely that infighting among ICCO members will prevent it. Consumer nations, in particular, might oppose a discount sale.

"The odds are against it," said Stephen Platt, vice president and senior analyst in Chicago for the securities firm Dean Witter. The negotiations are likely to fall victim to "petty bickering," Mr. Platt said, adding that "it's harder to change the status quo than to maintain it."

In the meantime, the wait continues for a U.N. judgment. If the United Nations decrees the sale legal, the ICCO will look further into the matter, Ms. Clayson said. The ICCO would seek to complete a sale to Russia before September, when the current cocoa agreement expires.

If the United Nations rules against the proposal, the deal will be dropped. The situation will be discussed next at the next ICCO council meeting March 15-19 in London, said J. Plambeck, ICCO buffer stock manager.

Analysts said a sale to Russia could benefit the cocoa trade. "Moving cocoa out and consuming it would be a good thing for the market," Mr. Platt said.

Much of the buffer stock cocoa is old, dating back to the mid-1980s, and is no longer good quality, Mr. Platt said. The cocoa probably would never be sold otherwise, and reducing the stockpile would lower the high cost of storage, he added.

Futhermore, Russian cocoa imports are down dramatically, and the nation might not buy cocoa otherwise.

Russian officials could not be reached for comment, and precise statistics could not be obtained. But Mr. Platt estimated Russian cocoa imports will total about 60,000 metric tons during the current crop year, down from about 150,000 tons three years ago.

However, a deal also could undermine international cocoa prices.

"You run into the question of how far below the market price would the Russian price be," Mr. Stevenson said.

A sale to the Russians is not likely to have much impact on the world market unless the cocoa, or products made with the cocoa, are resold outside Russia, Mr. Platt said.

The situation is shrouded in uncertainty, with few parties voicing strong opinions. For example, officials at major cocoa buyers, including **Hershy Foods Corp.** and **Mars Inc.**, declined to comment on the situation.

The Journal of Commerce 2-23-93 pg 3C

Drop in Coffee Prices Leaves Brazil Holding the Bag

By DOUG HARPER
Special to The Journal of Commerce

As a popular song from the '40s put it: "They've got an awful lot of coffee in Brazil."

In fact, coffee has traditionally been one of debt-ridden Brazil's major sources of foreign currency.

But Brazil today is receiving less per kilogram for its coffee than it was getting in 1989. Equally devastating is the fact that Brazil's share of the world export coffee market is rapidly shrinking as a result of poor crops and stiffening competition.

Before the International Coffee Agreement was suspended in 1989, Brazilian coffee growers were guaranteed $1.20 for every 454 grams — approximately one pound — of coffee they sold. But by 1991, competing in an open, unregulated market, the average price of the same 454 grams of Brazilian coffee had dropped to 79 cents, a decline of 65.8%.

In fact, it is estimated that the collapse of coffee prices has cost Brazil $1.2 billion in lost export revenue just in the last two-and-a-half years.

Compounding the injury to its economy is the fact that Brazil saw its share of the world coffee market drop from 51% to 25% between 1951 and 1990.

While Brazilian coffee exports in 1990 totaled about 35 million 132-pound sacks — the standard unit of measure for green coffee — coffee exports had declined to 21.1 million sacks by the end of 1991.

And Brazilian sources say they expect coffee exports in 1993 to stay well below the 25 million sack mark.

Last September, the Brazilian Coffee Exporters Federation (Febec) reported that coffee export volume for the first eight months of 1992 totaled 11.5 million 132-pound sacks, generating revenue of more than $700 million.

Compared with the first eight months of 1991, this represented a barely perceptible increase in volume of 0.06% and reduced earnings of 23.12%.

The most recent data available shows that, in the month of August 1992 alone, Brazil's coffee export volume was down by 57.13% and revenue declined by 235.54% compared with August 1991.

Coffee-producing nations would be in even greater difficulty were it not for the fact that worldwide coffee consumption is growing each year.

Coffee experts predict that, by 2000, worldwide consumption will total approximately 96 million sacks (132 pounds each), nearly 140% more than 1988's total sales of 69 million sacks.

Meanwhile, the coffee-producing nations continue to wrestle for the fourth year with the thorny issue of quotas, which constitutes the major stumbling block in promulgating a new agreement under the auspices of the International Coffee Organization.

Much in the manner of the Organization of Petroleum Exporting Countries, the ICO allotted a production quota under the previous agreement to each participating country based upon its previous production levels. The agreement was designed to regulate prices in the world market.

Although most Asian and African coffee-producing countries are in favor of such quotas, Brazil, until recently, has been unwilling to sign a new agreement.

The previous pact was scuttled in July 1989, when signatories could not agree on how to share export quotas.

As a result, coffee prices have been in a state of decline ever since and are at their lowest levels in 20 years.

Brazil, of course, is not the only country to feel the devastating effects of the termination of the ICA.

Worldwide, it is estimated that earnings from coffee exports — which were at a high of $10 billion — have declined to slightly more than $5 billion.

Colombia, the world's second-largest coffee producer, has seen

Con't Next page

market prices of its coffee drop by 58% since the 1989 collapse of the export quota system.

Despite a 30% increase in production, Colombia has seen its annual coffee export earnings drop from $1.5 billion to $1.2 billion since 1989.

In the face of its ruinous losses, there are signs that Brazil is, at last, prepared to sign a new ICA.

Last February, Oswaldo Aranha Neto, the president of Febec, announced that Brazilian producers had decided to drop their opposition to an international coffee agreement.

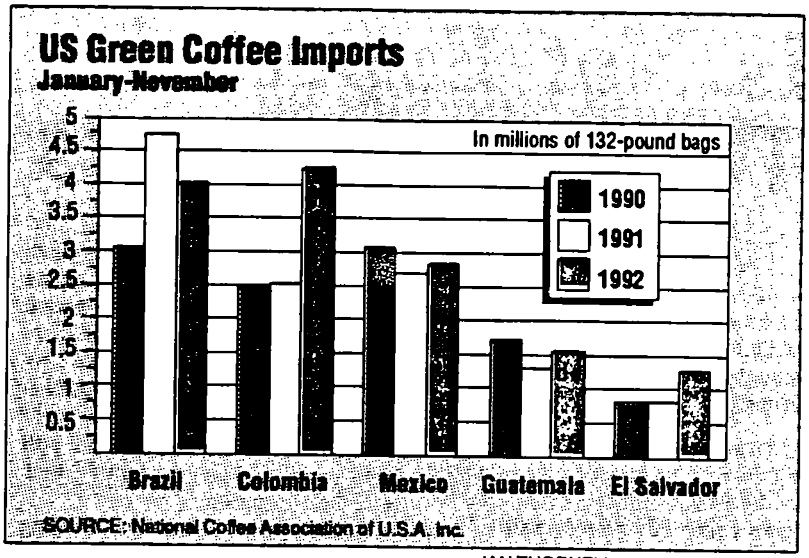
At the time, Mr. Neto said that "Febec's priority today is better prices and we will try all types of formula to achieve this."

Asked if this would include quotas, he replied, "If necessary and if it benefits Brazil, yes."

Brazil's reluctant move came in the wake of reportedly strenuous pressures from other Latin American coffee producers.

According to Hercilio Amaral, secretary-general of Brazil's National Coffee Council (CNC), "the Brazilian position is no longer as radical as it used to be."

The new ICA, however, is not a done deal. A meeting in July 1992 to negotiate a new international coffee pact was adjourned when participants — which included consumer nations — could not agree on the



IAN THORNELL/Journal of Commerce

role the importing nations should play in the enforcement of quotas.

Meeting again in London last September, the United States and other consumers, while insisting that tracking quotas should ultimately be the responsibility of the exporting countries, acquiesced in allowing their customs services to play a role in enforcement.

Another round of talks to determine initial quotas, as well as quotas for subsequent years, were discussed at another series of meetings held in London that concluded on Feb. 5.

According to George E. Boecklin, president of the New York-based National Coffee Association of the U.S.A. Inc., participants in the talks expect to have framed the draft of a new agreement by the end of March.

"But it's anybody's guess whether they will be successful in doing that. Progress is indeed slow."

He added that the issue of controls has been a major point of contention during the talks.

16

The Journal of Commerce 2-23-93 pg 3C

/Coffee Farmers in Latin Nations Are Facing Tough Times \

By LARRY LUXNER
Special to The Journal of Commerce

ESCUITLAN, Guatemala — Carlos Enrique Arevalo couldn't ask for more beautiful surroundings in which to grow coffee. His 35-acre coffee finca lies at the foot of the towering Volcan de Agua, about 25 miles from Guatemala City.

Yet the spectacular scenery gives Mr. Arevalo little comfort; he's barely making ends meet.

"With current prices and production, I can survive for three or four years," the farmer said. "But if prices don't recover after four years, I'll be totally bankrupt. I won't be able to plant new trees."

Mr. Arevalo, 36, has been in coffee for 16 years. He's one of 40,000 coffee farmers in Guatemala, and like most of them, is discovering the effects of low world prices.

So are coffee growers in the rest of Central America and the Caribbean, particularly on the island of Hispaniola, which is shared by Haiti and the Dominican Republic.

The coffee industry is "in very bad shape," said Jose Francisco Pena-Gomez, a leading presidential candidate in the Dominican Republic, which normally exports $84 million worth of coffee to the United States and Western Europe. Last year, it exported only $40 million.

"Prices are preventing even the collection of crops. Many producers are abandoning the industry," he lamented. "It is said that the dessert economy — coffee, sugar and cocoa — is crumbling."

In fact, the Dominican Republic's traditional agricultural exports came to $265 million in 1991, according to the U.S. Embassy in Santo Domingo. This constituted 40% of [non]-free-zone exports.

[O]smar Benitez, executive [director] of the Dominican Agribusiness [Cou]ncil, said the coffee business [he]re suffers from two major prob[le]ms.

"First, we do not dictate prices, so we are subject to what goes on in the international market," he said. "The second problem is a lack of technology. Most of the plantations are over 30 years old; the same techniques have been used for years. There are a few exceptions. Normally, we get 35 to 40 pounds of coffee beans per tarea (15.9 tareas equals one hectare). In the new system, which involves planting trees w[ith]out shadow, we're seeing getting 25[0] pounds per tarea. However, that doesn't help us much because of the low prices."

The Dominican Agribusiness Council is an umbrella organization representing 1,200 corporate members and 29 small growers associations producing everything from fruits and vegetables to coffee and sugar.

"We recently pressured the government (of President Joaquin Balaguer) to eliminate Law 199, which put taxes on traditional export crops," Mr. Benitez said. "In the last 20 years, the government has received around 10 billion pesos from taxes on traditional crops, not only from coffee but from sugar and tobacco, too.

"Secondly, they established a direct subsidy for the growers of 100 pesos ($9) per 60-kilogram bag exported. Now the government pays this 100 pesos to the exporters only upon proof that the exporter has paid this amount to the grower."

This is similar to measures being taken in Central America. Honduras, for instance, has eliminated the 15% export tax as long as prices remain under 70 cents a pound. The government also is paying a subsidy of $10 per hundredweight of coffee beans and helps the grower with $4 per hundredweight of fertilizer bought for coffee farms, up to a maximum $800.

For Costa Rica, the problem is compounded by high production costs associated with fertilizer. It is already one of the most productive coffee-growing nations in the world, with a yield of 1,575 kg of coffee beans per hectare, compared to 867 kg/ha in El Salvador, 809 kg/ha in Honduras, 758 kg/ha in Guatemala and only 367 kg/ha in Nicaragua.

Like Honduras, the Costa Rican government, through its Instituto de Cafe, is paying the equivalent of $3.22 per hectoliter of coffee beans when the price drops below 62 cents a pound. It also has reduced the coffee export tax from 1% to 0.5%, according to Icafe's sub-director, Xinia Chaves Quires.

"This is our worst crisis in 30 years," she said. "It's begun to produce grave effects on the national economy and direct consequences for the farmer."

Nevertheless, Mr. Benitez of the Dominican Republic said he remains optimistic about the industry's future.

"We think the coffee business could recover, and will recover, because international prices will increase," he said. "Second, we think new technology will come into the industry, and third, we're working on reforestation" to prevent the Dominican Republic from becoming a desert like its impoverished neighbor, Haiti.

Indeed, if Dominican coffee growers are nervous, their Haitian counterparts across the border are in absolute desperation. But there, low world prices are only part of the problem.

On Sept. 30, 1991, democratically elected President Jean-Bertrand Aristide was overthrown in a military coup. A month later, the Organization of American States slapped a

Con't Next page

trade embargo against Haiti. That embargo has destroyed Haiti's already shaky economy.

Total exports have dropped from $343 million in 1990 to under $285 million in 1991. One of the hardest-hit sectors has been coffee. As recently as 1980, coffee represented nearly $100 million in Haitian exports.

But the collapse of the International Coffee Organization in 1989, plus the aging of Haiti's coffee trees and the failure of small growers to replace those trees, has depressed Haitian coffee exports enormously, so that the 1991 total was only about $18 million.

According to the OAS, coffee traditionally has provided direct and indirect employment to 2.4 million Haitians; a total of 135,000 hectares are planted by 250,000 small and middle-scale growers, and the annual harvest is about 35,000 metric tons, or about 250 to 300 kilos per hectare.

The Washington Times 2-23-93 pg F2

Buried in the proposal, a few real cuts

Although many of the so-called spending cuts in President Clinton's budget proposal are chimerical, and many are not really cuts at all but new or increased fees being extracted from the private sector, there are a few worthwhile and genuine cost-cutting proposals. One may be forgiven for wondering exactly what the affected individuals did to incur the administration's budget-cutting wrath, since so few people have incurred that wrath. But in this time of "sacrifice" and "contribution," it's nice to see that at least a few people will have to get off the federal dole.

Some of the most sensible cuts would take place in that monument to anti-market folly, the Agriculture Department. Interestingly, Mr. Clinton seems to have acquired advisers in this area who actually know something about markets and admire how they work. The administration proposes, among other things, to:

■ Eliminate Commodity Credit Corporation subsidies to honey producers. There are currently 3,500 beekeepers on the federal dole, and 10 percent of them account for more than half of the government payments, which the Clinton administration estimates would be $4 million in 1997. In all, though, the 3,500 represent little more than 1 percent of all honey producers. "Due to the large numbers of pollination servicers whose bees are not in the program," the administration's budget document earnestly declares, "pollination of the Nation's crops would not be significantly affected by this proposal." At last, government recognition that U.S. national security does not depend on keeping beekeepers on the dole.

■ Eliminate Commodity Credit Corporation payments to "farmers" who have more than $100,000 in off-farm income. It's one thing to foolishly subsidize farmers out of some kind of sentimental attachment to those who till the soil, form the backbone of America, feed the nation, etc. It's something else again to subsidize people's hobbies. Short of cutting everybody off, which would be better — have you ever noticed a crippling onion shortage as a result of the free market that exists for that particular agricultural product? — this is a sensible step. The administration estimates it will save $140 million in 1997.

■ Increase the acreage on which farmers are ineligible to collect subsidies. Since 1990, 15 percent of a farmer's "acreage base" in subsidized crops (wheat, feed grains, cotton, rice) has been ineligible for collection of "deficiency payments," i.e., the difference between the market price for the crops and what the infinitely wise Agriculture Department considers a fair price. That means that on 15 percent of their acreage, farmers plant what they think will make them the most money in the marketplace rather than what they think will make them the most money from the government. (And guess what? Farm incomes have been at record levels since the 15 percent requirement took effect.) The administration's proposal is to expand the ineligible acreage base to 25 percent. "It gives farmers more flexibility to plant as the market indicates, and to rotate crops as sound environmental practice indicates, rather than as the goal of maximum Federal subsidies dictates." Milton Friedman, call your office. The administration proposes to have the increase take effect in 1996. Sooner would be better, of course, and more excluded acreage would also be better (with "now" and "all of it" as ideal), but this is a good move. Savings are estimated at $450 million in 1997.

■ Quit paying farmers not to plant. This could be quite popular politically. Currently, if you are a wheat or feed grain farmer, you can elect to plant 0 percent of your acreage but collect 92 percent of the aforementioned deficiency payment that would be due to you if you had planted. Rice and cotton farmers are relatively disadvantaged here, in that they actually have to plant 50 percent of their acreage with their crop, but they can still collect their deficiency payment on the rest. Enough of this madness. The savings will amount to $664 million in 1997.

■ Limit payments to wool and mohair producers to $50,000. The report notes, "Wool can no longer be considered a 'strategic' material. Mohair never was." As of now, the payment limitation is $150,000 for each, for a total maximum of $300,000 per producer. Payments under the program are highly concentrated, with fewer than 1 percent of participants collecting 54 percent of the cash. For those whose minds are still reeling at the revelation that there *is* a federal wool and mohair program, this cut has the virtue of making it cost $66 million less in 1997.

There is also what looks like an excellent proposal for consolidating three separate Agriculture Department agencies, the Agriculture Stabilization and Conservation Service, the Soil Conservation Service and the Farmers Home Administration, which currently occupy 12,000 (!) separate offices throughout the country. This revolutionary proposal would result in a maximum of one office per county, saving $370 million in 1997.

This is good work, and whoever in the Clinton administration is responsible for it should be given more responsibilities. Then we might really have some deficit reduction.

The Washington Times 2-23-93 pg F3

Price tags for hidden taxes

Ignore the furor over President Clinton's economic revolution of the month. While markets tumble and taxpayers fume, a fascinating fight has erupted on the sidelines. The battle to "hide" further new taxes.

The president has made clear his intention to soak the rich — and spritz the middle class — but his economic package also teems with such "hidden" levies as the energy tax or parental leave. The problem with hidden taxes is that they can provoke very public disasters. Just ask anyone in the timber industry, where the Endangered Species Act threatens to transform the lumberjack from a folk hero into a museum curio.

The Fish and Wildlife Service, in conjunction with state conservation agencies, has ordered businesses to give moonstruck owls more personal space than Greta Garbo. When someone sights a tree in which two spotted owls have established a love nest, for example, lumber companies must get out — giving the birds a ring of privacy ranging from 70 to 1,500 acres.

Regulators have done much the same for the marbled murrilet, a seagoing bird that comes ashore to lay eggs. They have decreed that the fowl shall have dominion over all timberlands within 25 miles of the Washington, Oregon and Northern California shores.

These and similar restrictions have forced more than 110 Northwestern lumber mills to close in the past 18 months, and have thrown 20,000 people out of work. As court cases and state regulations mount, the closures and unemployment rates rise.

Ironically, the mills should be enjoying boom times. Industry experts predict that Americans will buy 1.32 million new homes this year, up 10 percent from last year's 1.2 million. But the nations' mills may not keep pace. Last year, as demand for timber increased 15 percent, production in the Northwest fell by 2.5 percent. The gap could grow this year. Why? Because regulators in Washington failed to understand that legal actions have real world consequences.

Soon, everybody will know. Timber prices have zoomed up almost 100 percent since Oct. 21, raising the average price of a new home by nearly $4,500. Home price inflation, in turn, has pushed up by more than $1,000 the earnings necessary to qualify for a mortgage.

This mini-panic will affect tens of thousands of Americans. Industry experts estimate that this series of calamities has jeopardized the jobs of 50,000 people in home construction and related industries. It has depressed residential mortgage activity, costing the economy as much as $5 billion through the loss of 30,000 new home sales and sales of 90,000 existing homes. It also will effect other sectors, from rental housing to office construction. In short, the special treatment for owls and murrilets has inflicted more damage upon the economy than Hurricane Andrew.

"This is what I call Chapter Two of the spotted owl story, " says Mark Rey, vice president of the American Forest and Paper Association. "What started as a regional problem now has become a national problem." Marla Romash, communications director for Vice President Al Gore agrees. "It may be news here in Washington," she says, "but everybody west of the Mississippi knows about it."

President Clinton and Vice President Al Gore did not create this mess, but they must deal with it. As a first step, they plan to convene a forestry summit in which environmental and industry advocates air their grievances.

That could prove as fruitful as a coffee klatch involving Bosnians and Serbs. Radical environmentalists in the Pacific Northwest have enraged the public by mounting a bizarre reign of terror. The practice of "spiking" trees — burying metal in tree trunks to destroy chainsaws — has maimed several loggers, and shrapnel has decapitated a few. Industry advocates want the right to harvest trees without micromanagement from the government or interference from the environmental lobby.

During the campaign, Mr. Clinton promised "a market-based environmental protection strategy" that would promote "environmental protection and economic growth." Unfortunately, his accounts don't balance in this case. He either must break his promise to activists, or to capitalists.

Right now, activists seem to have a slight edge. The president has created an official advocacy arm for environmentalists, but he pointedly has not created a new version of the Bush administration's Council on Competitiveness.

That may not matter. The hidden tax of overregulation can hide no more. Hundreds of thousands of Americans stand to lose their jobs because government insists on giving owls and murrilets love retreats the size of Aspen Mountain.

The president can save the day by demanding first that we save our endangered fowl and second that we get rid of the weird ukase that owls and murrilets receive 1,500-acre honeymoon suits. This way, he can save birds. He also can restore some personal credibility by putting people first not just for taxes, but for jobs.

Tony Snow, former editorial page editor of The Washington Times who later served as a speechwriter in the Bush White House, is now a columnist for the Detroit News.

The Washington Post 2-23-93 pg A12

U.S. Urged To Act on Trade Pact

Mexican Leader Warns of Delay

By Tod Robberson and Jackson Diehl
Washington Post Foreign Service

MEXICO CITY, Feb. 22—President Carlos Salinas de Gortari, signaling growing concern over U.S.-Mexican relations, urged the U.S. Congress today to engage in an "informed debate" over the proposed North American Free Trade Agreement and warned that prejudiced attacks on Mexico could "wreck" bilateral ties.

In an interview, Salinas prodded the Clinton administration to step up the pace on getting the free-trade accord approved by Congress, warning that the longer the process is delayed, "the better for our competitors."

The president's remarks came at a time when Mexican government officials and business leaders have begun to express concern that the new U.S. administration may not be sufficiently committed to pushing the free-trade pact through Congress, in part because of its preoccupation with domestic affairs.

He said the accord, known as NAFTA, has become a matter of extreme importance throughout Latin America and represents a "historic window of opportunity" for the United States to improve the often uneven relations it has had with its neighbors to the south.

Salinas referred to the accord as "a test of the true willingness of the U.S. to have a positive relationship" with Mexico and the rest of Latin America. "The region as a whole would feel rejected" if NAFTA is turned down by the U.S. Congress, he said.

Salinas, who met with Clinton in December in Austin, Tex., said he believes Clinton shares his view that the pact should be ratified by the end of this year. But he grew stern when asked about the current tenor of congressional opposition to the free-trade accord.

The president appeared irritated by a controversy that developed in Washington last week over reports that the Mexican government had helped establish a fund to encourage U.S. manufacturing companies to relocate to Mexico. House Speaker Richard Gephardt (D-Mo.) joined a chorus of NAFTA opponents in accusing Mexican officials of participating in "stealing American jobs."

Another Mexican official, referring to U.S. news reports about the fund, which surfaced as Mexican Commerce Minister Jaime Serra Puche arrived in Washington for talks on NAFTA-related issues with U.S. Trade Representative Mickey Kantor, said today that "we don't believe in coincidences" and suggested that leaks about the fund were deliberately timed for Serra Puche's visit.

Critics of the trade pact in Congress and U.S. labor unions have from the beginning warned that U.S. workers would lose jobs under the new rules as U.S. businesses found it easier to move factories south of the border in search of lower-paid Mexican employees and less stringent enforcement of labor laws.

Salinas referred to the fund controversy as "a minor issue" and denied that his country sought to steal U.S. jobs. He said he believed opponents of NAFTA would use various political ploys to derail the accord, but added that such actions amounted to internal U.S. politics.

However, he said, "The only thing I hope is that any debate . . . is an informed debate. That is, that it comes from facts and not from prejudice. I hope that good faith will prevail, and that the aim is to improve relations between Mexico and the United States and not to wreck them."

Salinas also sought to minimize the importance of side accords demanded by the Clinton administration to deal with bilateral problems over labor and the environment. He said Mexico already has taken adequate steps to address U.S. concerns on both issues but said he would proceed nonetheless with the side accords in order to help gain NAFTA's approval by Congress.

However, Salinas warned against attempts to use NAFTA as a lever to force changes in Mexican domestic issues, saying he would limit all negotiations to issues that "make economic sense and do not infringe on our national sovereignty."

One domestic target that Mexico critics have used in arguments against NAFTA is Mexico's lengthy record of electoral fraud and a virtual one-party electoral system in which Salinas's Institutional Revolutionary Party has controlled the presidency for the past six decades.

Salinas said his government was open to "dialogue" on political issues and is "committed to improving our democratic system." He said his government is taking several measures to help ensure fair elections, including a nearly $1 billion program to provide photo identification cards for registered voters. He added that Mexico will reverse its long-standing opposition to foreign-sponsored exit polls, which can help election observers pinpoint where potential vote fraud has occurred.

21

OREN L. JUSTICE
Seed Researcher

Oren L. Justice, 85, a government research botanist who was an international authority on rules for testing seeds, died of pneumonia Feb. 13 at a nursing home in Sarasota, Fla. He had Alzheimer's disease.

A resident of the Washington area and a seed researcher with the Agriculture Department for three decades, Dr. Justice moved to Sarasota from Silver Spring 18 years ago.

For most of his career, as chief of the federal seed testing and seed quality laboratories, he formulated rules for uniform testing of seeds, work that helps guarantee seed quality. He was president of the International Seed Testing Association.

He retired in 1974 as assistant branch chief of the Agriculture Department's field crops and animal products branch.

Dr. Justice, a native of Pikesville, Ky., was a graduate of Ohio University in Athens, Ohio, where he also received a master's degree in botany. He received a doctorate in economic botany from Cornell University.

He worked at a government seed laboratory in Montgomery, Ala., before moving to Washington.

Dr. Justice received awards from the Agriculture Department and the Official Seed Analysts of North America.

Survivors include his wife of 58 years, Helvia K. Justice of Sarasota; two sons, Roger L. Justice of Doylestown, Pa., and Keith O. Justice of Strongsville, Ohio; a sister, Amanda V. Lewis of Proctorville, Ohio; four brothers, William Justice and Curtis Justice, both of Willow Wood, Ohio, and Kenneth Justice and Everett Justice, both of Kitts Hill, Ohio; and seven grandchildren.

The Washington Post
2-23-93
pg B7

The New York Times 2-23-93 pg A20

Government Mired in Muck

The Port Authority of New York and New Jersey is caught in a squeeze play between the Environmental Protection Agency and the Army Corps of Engineers. Two years and ten months is long enough for those Federal agencies to resolve their differences and let the Port Authority proceed with essential dredging.

The issue is whether to allow dredging of dioxin-contaminated silt in Newark Bay. The accumulating muck threatens to clog berths for ships that carry everything from scrap metal to canned foods. The problem is that cancer-causing dioxins in the sediment can, at high enough levels, contaminate fish when deposited at an ocean dump site off Sandy Hook, N.J.

The Port Authority, which conducted extensive tests, says it can safely deposit and cover the sediment. But after the Corps finally issued a dredging permit to the Port Authority in January, the E.P.A. suspended it, concerned about the mounting volume of sediment.

Earlier this month the E.P.A. said dredging could begin in 12 ship berths and ordered more testing in 20 others. But last Thursday, the Army Corps barred dredging even in those 12 berths pending additional tests to determine the dioxin level of sediments that have accumulated since the last tests. This is no way to do business.

Assessing the dangers of dioxin is a relatively new problem; the agencies are responding to concerns of their own and to pressure from environmental groups that see Newark Bay as a test case. Some concerns are legitimate, some exaggerated, all ultimately resolvable — but not through delays that mask political cowardice.

In the long run the Government needs to develop a safe way to dispose of dioxin, a common industrial byproduct. In the short run the Federal agencies need to speed up their decision-making so the Port Authority can begin dredging the 12 berths. The port is in jeopardy and the public needs responsible leadership.

No Farm Talk, France Insists

PARIS, Feb. 22 (Reuters) — France has asked the European Community to drop discussion of a draft agreement with the United States on oilseed trade from the agenda of a March 8 Council of Ministers meeting, Government officials said today.

The European Community Farm Commissioner, Rene Steichen, said on Friday that he would seek an accord on the draft deal when community foreign ministers meet on March 8. ◊But the draft deal is deeply unpopular in France, where the Socialist Government is trying to divert attention to other issues as national elections approach in mid-March.

"Taking into account the major interests at stake in France, I have informed the community's presidency that my Government will oppose approval of such an agreement by all means agreed between member states," Prime Minister Pierre Bérégovoy said in a letter to the European Community president, Jacques Delors.

France says the community's negotiators exceeded their mandate to reach the agreement on farm trade struck last November to avoid a damaging trade war.

pg D9

Pesticides and Cancer

Separately, the justices let stand a lower-court ruling that said federal law prohibits pesticides that may cause cancer, regardless of how small the risk.

The U.S. Court of Appeals for the Ninth Circuit in San Francisco reversed a Bush administration regulation allowing certain pesticide residues in processed food that were found to cause only a "negligible" risk of cancer. The Ninth Circuit said the language and purpose of the relevant federal provision, known as the Delaney Clause, "reflect that Congress intended the [Environmental Protection Agency] to prohibit all additives that are carcinogenic, regardless of the degree of risk involved."

The justices declined to hear an appeal of that decision filed by an agricultural chemical trade group. Industry officials and environmentalists had expected the high court decision, which will increase pressure on the Clinton administration and Congress to fashion an alternative to the Delaney Clause. If there isn't a prompt legislative solution, the EPA will be forced to withdraw dozens of widely used pesticides. The EPA has identified 35 chemicals that could be banned.

In the next few weeks, EPA Administrator Carol Browner plans to meet with congressional leaders and various interest groups in an effort to forge a consensus on how to move. While industry groups are pushing for congressional action, the high court's refusal to get involved strengthens the hand of environmentalists who want even tougher restrictions on pesticide use. *(National Agricultural Chemicals Association vs. Les)*

The Wall Street Journal
2-23-93
pg A3

The Wall Street Journal 2-23-93 pg A20

The Pork in the President's Plan

By Scott A. Hodge

Most Americans assume their government does at least one thing well: waste their money. And they are right. Despite repeated claims of "cutting spending to the bone," Washington's governing class has created one deficit after another with wasteful government programs.

Last week, however, President Clinton told the nation that the party is over. Even his beloved Arkansas, he said, would be affected by the 150 "specific" deficit-reduction measures he was proposing to Congress.

The reality, however, is different. Much of the so-called deficit reduction is to come from refinancing government debt, "streamlining" operations, increasing user's fees, and (above all) raising taxes. For all his talk of austerity, Mr. Clinton managed to identify just 11 programs out of a $1.5 trillion budget "that don't work or are no longer needed."

Mr. Clinton would terminate, among other programs, the Russia/Eurasia research at the State Department, saving $29 million; the Tennessee Valley Authority's National Fertilizer Development Center, saving $188 million; and nuclear reactor research and development, saving $820 million.

But he missed the ripest targets. The useless $100 million Appalachian Regional Commission, a pet program of Sen. Robert Byrd (D., W.Va.), is merely frozen at 1993 levels. The $120 million-a-year National Helium Reserves—started in 1929 to provide helium for blimps—is left intact. So is the $400 million dairy subsidy program. (During the early 1980s, this program forced dairy farmers to slaughter 1.6 million cows to lower milk production.) Also untouched are the Agriculture Department's 11,000 field offices, located in 94% of the counties in America even though only 13% of them are considered agricultural. And the Interstate Commerce Commission lives on, although it is now virtually obsolete with the deregulation of trucking.

The administration's aim was better when it went after a few wasteful agricultural subsidies. Mr. Clinton followed up on his pledge to eliminate the 40-year-old honey subsidy program, saving $32 million over four years. He also proposed eliminating the Agricultural Research Service's earmarked grants, saving $54 million. This program has funded such projects as the Rice Research Center in Stuttgart, Ark., and the Center for Advanced Water Technology in Savannah, Ga.

But anyone who watches waste in government will find many programs still thriving that ought to be cut. At the low end of the scale, there is the $33 million Essential Air Service subsidy program that pays commercial airlines to fly to resorts, such as the Homestead, in Hot Springs, Va. (a vacation spot for members of Congress). At the high end, there is the Conservation Reserve Program that pays farmers some $2.6 billion a year not to plant crops.

Moreover, Mr. Clinton has added pork of his own, producing $1.34 of new spending for every dollar "cut." Under the headings "Stimulus Options" and "Investment Proposals," Mr. Clinton offers the following:

- $187 million in additional funding for Amtrak. Though England will soon privatize British Rail, the belief in this country seems to be that subsidizing Washington to New York commuters will stimulate the economy.
- $64 million in funding for "Information Highways." Apparently, AT&T and MCI are not laying fiber-optic cable fast enough.
- $148 million to accelerate the Tax System Modernization program. The efficiency of the Internal Revenue Service is somehow being correlated with higher economic growth.
- $165 million in additional funding for the Small Business Administration. As long ago as 1963, Life magazine described the SBA as a "device for soaking up money and getting rid of it." This is still true. The Office of Management and Budget estimates that $4 billion of its current loans will end in default.
- $23 million for environmental projects. Vice President Gore will have to explain what these are—the budget package merely refers to them as unspecified "green" programs. He will also have to explain how these environmental "investments" will boost the economy.

Mr. Clinton's long-term proposals are little better:

- $345 million in spending for "smart cars/smart highways" research. The Bush administration foolishly went along with this one, too, calling it "Intelligent Vehicle/Highway Systems" research. The idea is to line highways with computer-sensitive devices that keep you from wandering off the road, and to monitor traffic so you can pick a better route. Not exactly essential "stimulus" or "investment."
- $646 million in additional funding for high-speed rail and the magnetic levitation train. The floundering airline industry will certainly appreciate the government-subsidized competition.
- $246 million for the Tree Planting Initiative. The Bush administration's goal of planting a billion trees a year was apparently inadequate.
- $1.15 billion for the Agriculture Department's rural business and community initiative. The department wrote off some $8.5 billion in loan losses from the Farmers Home Administration in the past three years. What's $1.15 billion more among friends?
- $69 million for yet more long-term "green" programs.

Taxpayers who are inclined to heed Mr. Clinton's call to "sacrifice" may want to remember that sacrifice is the last thing the government in Washington intends to do when it comes to its favorite projects and programs.

Mr. Hodge is a fellow in federal budgetary affairs at the Heritage Foundation in Washington.

The Wall Street Journal 2-23-93 pg C14

FUTURES PRICES

Monday, February 22, 1993

Open Interest Reflects Previous Trading Day.

GRAINS AND OILSEEDS

CORN (CBT) 5,000 bu.; cents per bu.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	212½	213	211½	211¾	– 1	281¼	211	63,583
May	220¼	220½	219½	219¾	– ½	284¾	219	68,130
July	227	227¾	226½	226¾	– ½	286	226	84,424
Sept	233	233½	232¼	232½	– ½	271½	230½	14,975
Dec	239	239½	238¼	238½	– ½	268½	233¾	29,376
Mr94	245¾	246	245	245¼	– ¾	254¾	240½	1,803
May	249¾	249¾	249	249	– ¾	257½	249	385
July	253½	253½	252¾	253	– ¾	327	252¾	296

Est vol 33,000; vol Fri 26,764; open int 263,020, –832.

OATS (CBT) 5,000 bu.; cents per bu.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	138½	138½	135½	136	– 2¼	195¼	122	2,467
May	137¼	137½	135	135	– 2¼	177¼	126	3,861
July	137	137½	134½	134½	– 2½	163½	129½	813
Sept	136	136	135	134¾	– 2¼	156	135	112
Dec	139½	139½	139	137¾	– 2	159	139	604

Est vol 1,000; vol Fri 1,822; open int 7,870, +231.

SOYBEANS (CBT) 5,000 bu.; cents per bu.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	572½	573¼	570¼	570¾	– 2½	664	538¾	33,532
May	573	573¼	569	569½	– 4¼	668½	546	33,728
July	576¾	576¾	573	573¼	– 4	671	551	35,622
Aug	577½	578	575	575¼	– 4	655	551	4,901
Sept	578½	578½	576	576	– 3¼	630	554	2,712
Nov	583½	583½	581¼	581½	– 3	620	555½	14,459
Ja94	591	591	588½	588¾	-2¾	608½	576½	1,160
Nov	590	591	589	589	– 3	607	588	213

Est vol 39,000; vol Fri 29,931; open int 126,269, –3,767.

SOYBEAN MEAL (CBT) 100 tons; $ per ton.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	176.50	176.70	175.60	176.50	– .40	210.00	175.60	19,970
May	178.20	178.20	177.00	177.80	– .60	210.00	177.00	23,057
July	180.10	180.10	179.00	179.30	– .90	208.00	179.00	19,910
Aug	180.80	180.80	180.10	180.30	– .90	193.50	180.10	3,633
Sept	182.00	182.00	181.00	181.10	– .90	193.50	181.00	2,228
Oct	181.70	182.50	181.70	182.00	– .90	194.50	181.70	1,223
Dec	184.00	184.40	183.40	184.00	– .50	194.00	183.40	2,292
Ja94	....	....		184.20	– .40	189.50	184.80	222

Est vol 13,000; vol Fri 10,541; open int 72,535, +839.

SOYBEAN OIL (CBT) 60,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	20.73	20.81	20.55	20.56	– .24	23.20	18.55	18,764
May	21.06	21.09	20.82	20.83	– .28	23.50	18.85	25,804
July	21.27	21.29	21.04	21.04	– .29	23.20	19.15	15,933
Aug	21.27	21.31	21.10	21.08	– .27	23.25	19.29	3,016
Sept	21.30	21.30	21.10	21.09	– .25	23.25	19.40	2,227
Oct	21.30	21.30	21.10	21.09	– .26	22.35	19.55	1,265
Dec	21.35	21.37	21.20	21.20	– .23	23.45	19.76	4,484
Ja94	21.45	21.45	21.26	21.22	– .24	22.20	21.11	167

Est vol 17,000; vol Fri 10,996; open int 71,700, +919.

WHEAT (CBT) 5,000 bu.; cents per bu.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	366¾	369¾	366¾	369	+ 2¼	440	319½	16,716
May	336½	339¼	336¼	338	+ 1¼	375	318	10,776
July	317½	319	316¼	316¾	– 1	373	302¼	17,402
Sept	322	323	320¾	321¼	– ¾	353	307½	2,776
Dec	330	332	328½	328½	– 2½	360	317½	1,415

Est vol 12,000; vol Fri 10,125; open int 49,134, +2,536.

WHEAT (KC) 5,000 bu.; cents per bu.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	348¼	350¼	348	349	+ ¾	410	309¾	15,337
May	324	325½	323½	324¼	– ¼	350	310¾	5,109
July	313½	314¾	313	313¼	– ¾	359	300½	8,876
Sept	317¼	317¼	316½	316¾	– ¾	339	309¾	1,414
Dec	326	326	324½	324½	– 1	342½	324	308

Est vol 4,740; vol Fri 8,377; open int 31,044, +892.

WHEAT (MPLS) 5,000 bu.; cents per bu.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	335¼	337	335	336¾	+ 1	384	306	7,500
May	325	327	325	326½	+ 1¼	372½	310	6,188
July	321	322¼	320¾	322¼	+ 1¾	350½	306½	1,328
Sept	....	....	....	316	+ ½	336	314	574

Est vol 3,209; vol Fri 3,419; open int 15,666, +133.

BARLEY (WPG) 20 metric tons; Can. $ per ton

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	87.00	87.00	85.80	85.80	– 1.40	101.10	85.80	2,093
May	89.00	89.20	89.00	89.10	– .70	100.50	89.00	1,521
Jly	92.00	92.00	91.70	91.70	– .60	100.70	91.70	595
Oct	94.20	94.50	94.20	94.50	– 1.20	102.40	92.40	1,462
Dec	96.20	96.20	95.80	96.20	....	96.20	95.30	1,481

Est vol 225; vol Fri 555; open int 7,152, +165.

FLAXSEED (WPG) 20 metric tons; Can. $ per ton

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	258.50	258.50	256.70	256.90	– .90	295.50	227.80	2,021
May	263.40	264.00	262.30	262.70	– .90	299.00	251.10	2,559
July	268.20	268.20	267.00	267.30	– .90	298.90	255.00	833
Oct	273.00	274.50	272.30	272.30	– 1.10	301.80	260.00	1,614
Dec	277.10	277.10	275.70	276.10	– 1.00	300.50	265.40	745

Est vol 550; vol Fri 604; open int 7,772, –225.

CANOLA (WPG) 20 metric tons; Can. $ per ton

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	330.50	330.70	328.00	328.10	– 2.80	348.70	273.10	3,943
June	333.50	333.80	331.50	331.80	– 2.60	352.20	278.50	17,721
Sept	310.00	310.00	306.40	306.80	– 3.60	323.40	283.00	3,896
Nov	307.50	308.20	305.50	306.00	– 2.70	320.40	281.00	11,067
Ja94	312.50	312.50	309.50	310.10	– 3.50	325.50	305.00	2,946
Mar	315.10	315.40	313.00	313.00	– 2.10	323.70	313.00	596

Est vol 1,980; vol Fri 3,732; open int 40,169, +746.

WHEAT (WPG) 20 metric tons; Can. $ per ton

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	90.30	90.60	90.30	90.60	+ .10	115.00	90.30	2,000
May	92.20	92.60	92.20	92.60	+ .40	115.50	90.50	3,327
July	94.80	94.90	94.80	94.90	....	103.50	92.30	2,230
Oct	98.80	98.80	98.80	98.80	– .20	108.00	96.50	2,472
Dec	....	..		100.20	....	100.50	98.50	1,751

Est vol 950; vol Fri 683; open int 11,780, –187.

LIVESTOCK AND MEAT

CATTLE–FEEDER (CME) 50,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	83.95	84.70	83.75	84.65	+ .50	87.17	75.00	3,638
Apr	82.85	83.70	82.70	83.65	+ .70	85.80	74.50	2,776
May	81.85	82.80	81.80	82.70	+ .65	84.75	74.35	2,369
Aug	81.80	82.50	81.60	82.45	+ .55	83.75	76.60	2,711
Sept	81.10	81.60	80.90	81.60	+ .47	82.85	75.70	331
Oct	80.80	81.40	80.70	81.40	+ .40	82.60	75.90	257
Nov	80.50	81.30	80.50	81.30	+ .65	82.70	77.45	129

Est vol 1,917; vol Fri 1,172; open int 12,266, +200.

CATTLE–LIVE (CME) 40,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Apr	79.25	80.00	78.95	79.97	+ .82	80.25	68.25	39,475
June	73.30	74.10	73.02	73.97	+ .72	74.60	66.80	16,754
Aug	70.55	71.25	70.55	71.17	+ .40	72.65	66.10	9,031
Oct	71.90	72.65	71.90	72.57	+ .47	73.35	67.55	5,711
Dec	72.75	73.40	72.65	73.35	+ .55	73.85	68.10	3,738
Fb94	72.15	72.95	72.15	72.50	+ .65	73.50	70.90	1,454

Est vol 15,992; vol Fri 9,751; open int 76,171, –1,252.

HOGS (CME) 40,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Apr	44.82	45.00	44.75	44.85	+ .10	45.50	38.32	13,306
June	50.30	50.50	50.22	50.45	+ .22	50.57	44.00	7,646
July	48.90	49.05	48.85	48.95	+ .05	49.30	43.95	2,529
Aug	46.42	46.65	46.42	46.55	+ .05	46.90	42.70	1,686
Oct	41.90	41.90	41.70	41.87	+ .02	43.00	39.70	663
Dec	43.00	43.00	42.90	42.92	+ .02	43.80	41.70	268

Est vol 2,595; vol Fri 3,209; open int 26,145, +84.

PORK BELLIES (CME) 40,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	37.30	37.77	37.25	37.52	+ .02	49.00	35.02	2,999
May	38.60	39.00	38.55	38.70	– .10	50.50	36.05	3,667
July	39.00	39.35	38.95	39.02	– .12	46.70	36.50	1,513
Aug	38.00	38.00	37.45	37.45	– .22	45.90	35.50	706

Est vol 2,261; vol Fri 2,075; open int 8,695, –62.

FOOD AND FIBER

COCOA (CSCE)–10 metric tons; $ per ton.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	902	925	902	924	+ 27	1,495	866	670
May	934	960	934	959	+ 30	1,518	896	23,115
July	960	985	960	984	+ 29	1,530	925	11,520
Sept	988	1,007	988	1,007	+ 25	1,536	953	5,084
Dec	1,018	1,024	1,024	1,035	+ 25	1,506	985	4,610
Mr94	1,050	1,063	1,050	1,065	+ 25	1,345	1,020	9,453
May		....	....	1,088	+ 25	1,368	1,040	2,722
July		....	....	1,108	+ 25	1,270	1,065	2,110
Sept		....	....	1,131	+ 25	1,280	1,087	2,987
Dec	1,163	1,163	1,156	1,168	+ 25	1,185	1,118	4,008

Est vol 6,375; vol Fri 3,195; open int 66,279, –263.

COFFEE (CSCE)–37,500 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	66.50	67.70	66.15	67.10	+ 1.35	94.75	51.65	2,836
May	69.00	69.60	68.50	69.10	+ 1.10	96.50	55.75	28,842
July	70.70	71.40	70.30	70.80	+ 1.15	88.30	57.75	10,072
Sept	72.00	72.70	72.00	72.30	+ 1.25	89.75	59.70	5,694
Dec	74.50	75.00	74.50	74.65	+ .95	91.00	63.00	2,574
Mr94	77.25	77.25	77.25	77.25	+ 1.00	90.75	68.75	577
May		....	....	79.25	+ .100	90.50	73.50	312

Est vol 4,936; vol Fri 8,529; open int 50,857, +45.

SUGAR–WORLD (CSCE)–112,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	9.05	9.42	9.05	9.34	+ .34	9.98	7.96	13,722
May	9.48	9.67	9.48	9.62	+ .19	9.88	8.25	46,398
July	9.65	9.87	9.65	9.82	+ .27	9.87	8.33	29,019
Oct	9.09	9.19	9.09	9.12	+ .13	9.60	8.35	17,571
Mr94	8.99	9.00	8.94	8.97	+ .12	9.20	8.50	4,244

Est vol 22,939; vol Fri 15,216; open int 111,036, +1,181.

SUGAR–DOMESTIC (CSCE)–112,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
May	21.18	21.25	21.18	21.19	+ .01	21.88	20.82	3,267
July	21.38	21.45	21.38	21.45	+ .09	21.98	21.06	3,313
Sept	21.43	21.45	21.43	21.53	+ .10	21.99	21.15	2,026
Nov		....	....	21.59	+ .02	21.95	21.25	1,085
Ja94	21.59	21.59	21.59	21.59	– .02	21.92	21.35	193
Mar	21.60	21.60	21.60	21.60	– .03	21.70	21.35	944

Est vol 204; vol Fri 72; open int 10,857, –35.

COTTON (CTN)–50,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	64.05	64.15	62.80	63.21	– .59	67.30	51.32	2,877
May	63.66	63.75	62.70	62.96	– .74	66.25	52.15	17,098
July	64.40	64.45	63.60	63.63	– .87	65.80	53.00	10,505
Oct	63.65	63.70	63.30	63.36	– .47	64.20	54.40	1,444
Dec	62.65	62.75	62.31	62.42	– .38	64.25	54.60	6,293
Mr94		....	....	63.20	– .45	63.73	55.62	713

Est vol 4,500; vol Fri 7,682; open int 38,966, –1,013.

ORANGE JUICE (CTN)–15,000 lbs.; cents per lb.

	Open	High	Low	Settle	Change	Lifetime High	Lifetime Low	Open Interest
Mar	69.25	72.00	69.25	71.95	+ 2.00	145.00	65.45	6,427
May	73.20	75.40	72.75	75.30	+ 1.65	122.75	69.25	7,059
July	76.00	78.25	75.80	78.25	+ 1.60	130.00	72.50	2,542
Sept	80.00	80.50	80.00	80.30	+ 1.05	117.25	75.10	895
Nov	83.00	83.25	83.00	83.00	+ 1.00	116.75	78.50	663
Ja94	83.50	85.25	83.50	84.85	+ .35	117.00	82.15	552
Mar	86.10	86.10	86.10	86.05	– .95	109.00	84.50	311

Est vol 3,000; vol Fri 3,144; open int 18,472, +301.

OTHER FUTURES

Settlement prices of selected contracts. Actual volume (from previous session) and open interest of all contract months.

	Vol.	High	Low	Close	Net Change	Lifetime High	Lifetime Low	Open Interest
ANHYDROUS AMMONIA (CBT) 100 tons; $ per ton								
Mar	120	107.20	106.50	107.10	+ .30	116.50	93.00	865
BRITISH POUND (MCE) 12,500 pounds; $ per pound								
Mar	330	1.4562	1.4500	1.4556	+ .0050	1.9360	1.4086	1,726
CATTLE-LIVE (MCE) 20,000 lb.; ¢ per lb.								
Apr	52	80.00	78.95	79.97	+ .82	80.00	69.25	317
CORN (MCE) 1,000 bu.; cents per bu.								
Mar	730	213	211½	211¾	– 1	281¼	211	11,802
COTTON-WORLD (CTN) 50,000 lbs.; cents per lbs.								
Mar	7	....	....	62.30	....	61.70	50.85	1,405
CRB INDEX (NYFE)–500 times Index								
Mar	201	203.80	202.90	203.00	– .10	215.00	198.45	1,921
The index: High 203.47; Low 202.29; Close 203.27 +.54								
DEUTSCHEMARK (MCE) 62,500 marks; $ per mark								
Mar	284	.6151	.6102	.6148	+ .0071	.7000	.5960	508
DEUTSCHEMARK (PBOT) 125,000 marks; ¢ per mark								
Mar	343	.6109	.6101	.6147	+ .0068	.6333	.5983	806
DIAMMONIUM PHOSPHATE (CBT 100 tons; $ per ton								
Mar	222	102.50	102.00	102.00	– .70	138.00	101.50	2,045
EURODOLLAR (MCE) $500,000; pts. of 100%								
Mar	22	96.78	96.77	96.77	....	96.98	90.29	112
EUROTOP 100 INDEX (CMX)–$100 times Index								
Mar	346	926.80	923.80	924.50	+ 1.00	926.80	847.70	129
The Index: High 925.85; Low 921.25; Close 923.34 +1.06								
GSCI (CME) $250 X GSCI nearby Index;								
Apr	214	185.70	184.70	185.60	+ 1.90	189.90	176.00	1,431
The Index: High 185.41; Low 183.12; Close 185.17 +2.03								
GOLD-KILO (CBT) 32.15 troy oz.; $ per troy oz.								
Apr	13	329.00	327.50	327.00	– 2.50	371.00	326.50	293
HOGS (MCE) 20,000 lb.; ¢ per lb.								
Apr	89	45.00	44.75	44.85	+ .10	45.15	38.32	617
JAPANESE YEN (MCE) 6.25 million yen; $ per yen (.00)								
Mar	166	.8630	.8551	.8597	+ .0157	.8365	.7917	845
KC MINI VALUE LINE (KC)–100 times index								
Mar	121	396.10	392.20	394.10	– 1.30	408.20	331.10	405
KC VALUE LINE INDEX (KC)–500 times Index								
Mar	150	396.00	392.60	394.00	– 1.40	408.15	342.00	1,833
The Index: High 396.07; Low 393.83; Close 394.60 –1.26								
LUMBER (CME) 160,000 bd .ft., $ per 1,000 bd.ft.								
Mar	1,342	440.70	430.00	440.70	+ 15.00	440.70	213.00	2,431
PROPANE (NYM) 42,000 gal.; ¢ per gal.								
Mar	29	32.60	32.25	32.90	+ .75	34.00	28.70	1,488
RICE-ROUGH (MCE) 2000 cwt; $ per cwt								
Mar	59	5.580	5.540	5.535	– .040	7.410	5.540	1,639
SILVER (MCE) 1,000 troy oz.; cents per troy oz.								
Mar	34	356.5	351.0	352.5	– 4/–	518.3	351.0	1,585
SOYBEANS (MCE) 1,000 bu.; cents per bu.								
Mar	3,473	573¼	570¼	570¾	– 2½	664	538¾	11,112
SWISS FRANC (MCE) 62,500 francs; $ per franc								
Mar	238	.6729	.6674	.6722	+ .0102	.8110	.6455	379
WHEAT (MCE) 1,000 bu.; cents per bu.								
Mar	664	369¾	366¾	369	+ 2¼	440	319½	3,058
WHITE WHEAT (MPLS) 5,000 bu.; cents per bu.								
Mar	44	420	416	416	– 4½	447	407	613

GRAINS AND SOYBEANS: Soybean futures prices declined as soybean growing-regions of Brazil got timely rain, increasing the prospect for a record yield. Throughout Brazil's growing season, farmers in the South American nation have enjoyed ideal growing weather. Many analysts are now calling for a record yield of Brazilian soybeans, the prospect of which is tugging down on soybean futures prices. At the Chicago Board of Trade, the soybean contract for March delivery was down 2.5 cents to $5.7075 a bushel.

The Wall Street Journal 2-23-93 pg C15

FUTURES OPTIONS PRICES

Monday, February 22, 1993.

AGRICULTURAL

CORN (CBT)
5,000 bu.; cents per bu.

Strike	Calls – Settle			Puts – Settle		
Price	May	Jly	Sep	May	Jly	Sep
200	19¾	26¾	33	⅛	⅜	1
210	10¾	18¼	25½	1	1⅜	3
220	4	11⅝	18¾	4¼	5	6⅝
230	1¼	7	14¼	11½	10½	11¾
240	⅜	4⅝	10¾	20¾	17¾	18
250	¼	3	8	30¼	26	25

Est. vol. 4,500;
Fri vol. 2,188 calls; 1,345 puts
Op. int. Fri 64,668 calls; 31,851 puts

SOYBEANS (CBT)
5,000 bu.; cents per bu.

Strike	Calls – Settle			Puts – Settle		
Price	May	Jly	Aug	May	Jly	Aug
525	44½	49½	52¾	⅜	1½	2¾
550	22	29	34	2¼	5¾	9
575	7½	16½	23½	12⅝	18¼	23
600	2⅜	10⅝	17½	33	36¾	42
625	1	7¼	13¾	56¼	58½	62
650	½	5¼	11½	....	81¼	....

Est. vol. 4,000;
Fri vol. 4,171 calls; 1,421 puts
Op. int. Fri 61,599 calls; 30,187 puts

SOYBEAN MEAL (CBT)
100 tons; $ per ton

Strike	Calls – Settle			Puts – Settle		
Price	May	Jly	Aug	May	Jly	Aug
165	....	....	....	....	....	....
170	....	....	....	....	1.00	1.50
175	4.20	6.60	....	1.45	2.40	3.25
180	1.70	4.40	6.15	4.15	4.80	5.75
185	.75	2.80	4.55	8.00	8.45	9.20
190	.45	2.20	3.50	12.50	12.70	13.00

Est. vol. 1,000;
Fri vol. 80 calls; 207 puts
Op. int. Fri 8,646 calls; 7,443 puts

SOYBEAN OIL (CBT)
60,000 lbs.; cents per lb.

Strike	Calls – Settle			Puts – Settle		
Price	May	Jly	Aug	May	Jly	Aug
2000	.950	....	....	.100	.280	.420
2050	.600	1.000	....	.270	.500	....
2100	.450	.800	....	.550	.780	1.000
2150	.300	.700	....	.930	1.180	....
2200	.220	.600	.850	....	1.550	1.750
2250	.150	.500	....	1.750	....	....

Est. vol. 150;
Fri vol. 183 calls; 318 puts
Op. int. Fri 5,714 calls; 6,820 puts

WHEAT (CBT)
5,000 bu.; cents per bu.

Strike	Calls – Settle			Puts – Settle		
Price	May	Jly	Sep	May	Jly	Sep
220	21¼	11½	17	3½	14¾	15¾
330	14¾	8	13½	6½	21	21¾
340	9¼	5¾	10	11⅛	28¾	....
350	5¾	4	....	17¾	36½	....
360	3¾	2¾	....	25½	45¼	....
370	2½	1⅞	....	33¾	54¼	....

Est. vol. 3,000;
Fri vol. 2,259 calls; 904 puts
Op. int. Fri 13,574 calls; 9,314 puts

WHEAT (KC)
5,000 bu.; cents per bu.

Strike	Calls – Settle			Puts – Settle		
Price	May	Jly	Sep	May	Jly	Sep
330	7⅜	7¼	....	13¼	22½	23½
340	4⅜	4¾	....	19	30	30
350	2	3	7¾	28¼	38¼	....
360	1⅜	2	....	....	....	....
370	¾	1¼	....	....	....	....
380	⅜	¾	....	....	....	....

Est. vol. 69;
Fri vol. 700 calls; 132 puts
Op. int. Fri 6,689 calls; 4,450 puts

LIVESTOCK

CATTLE-FEEDER (CME)
44,000 lbs.; cents per lb.

Strike	Calls – Settle			Puts – Settle		
Price	Mar	Apr	May	Mar	Apr	May
80	4.80	4.05	3.42	0.07	0.40	0.75
82	2.90	2.40	2.00	0.20	0.75	1.30
84	1.25	1.20	0.95	0.62	1.55	2.22
86	0.42	0.50	0.45	1.70	2.85	3.72
88	0.10	0.15	0.10	3.50	4.50	....
90	0.02	0.07	0.07	5.40	....	....

Est. vol. 390;
Fri vol. 226 calls; 347 puts
Op. int. Fri 2,945 calls; 9,393 puts

CATTLE-LIVE (CME)
40,000 lbs.; cents per lb.

Strike	Calls – Settle			Puts – Settle		
Price	Mar	Apr	Jun	Mar	Apr	Jun
76	....	4.22	0.75	0.05	0.30	2.77
78	2.20	2.62	0.30	0.22	0.65	4.30
80	0.92	1.37	0.10	0.95	1.40	....
82	0.07	0.57	....	....	2.40	....
84	....	0.17	....	....	4.17	....
86	....	....	....	....	6.05	....

Est. vol. 1,870;
Fri vol. 539 calls; 719 puts
Op. int. Fri 16,056 calls; 26,478 puts

HOGS – LIVE (CME)
40,000 lbs.; cents per lb.

Strike	Calls – Settle			Puts – Settle		
Price	Apr	Jun	Jly	Apr	Jun	Jly
40	4.87	....	....	0.02	0.02	0.07
42	3.00	....	....	0.15	0.07	0.10
44	1.45	6.60	....	0.62	0.15	0.35
46	0.47	4.75	3.60	1.42	0.30	0.65
48	0.07	3.20	2.35	....	0.75	1.40
50	....	1.90	1.40	....	1.45	2.45

Est. vol. 179;
Fri vol. 132 calls; 147 puts
Op. int. Fri 2,945 calls; 3,584 puts

COTTON (CTN)
50,000 lbs.; cents per lb.

Strike	Calls – Settle			Puts – Settle		
Price	May	Jly	Oct	May	Jly	Oct
61	2.80	4.20	4.90	.86	1.60	....
62	2.20	3.65	....	1.22	2.00	....
63	1.65	3.10	....	1.70	2.40	....
64	1.20	2.65	....	....	2.90	....
65	.85	2.20	....	2.90	....	....
66	.60	1.85	....	....	....	....

Est. vol. 500;
Fri vol. 1,298 calls; 419 puts
Op. int. Fri 15,006 calls; 15,385 puts

ORANGE JUICE (CTN)
15,000 lbs.; cents per lb.

Strike	Calls – Settle			Puts – Settle		
Price	Apr	May	Jly	Apr	May	Jly
65	10.35	11.15	14.70	.35	1.00	....
70	5.95	7.50	10.95	.65	2.00	2.50
75	2.75	4.10	7.00	....	3.85	3.60
80	1.00	2.50	4.40	....	7.00	7.00
85	.45	1.50	3.05	10.15	10.70	10.10
90	.35	.90	2.40	15.20	15.40	13.75

Est. vol. 190;
Fri vol. 326 calls; 43 puts
Op. int. Fri 6,429 calls; 2,810 puts

COFFEE (CSCE)
37,500 lbs.; cents per lb.

Strike	Calls – Settle			Puts – Settle		
Price	May	Jly	Sept	May	Jly	Sept
65.00	6.15	9.05	10.68	2.15	3.25	3.38
67.50	4.80	7.30	9.15	3.20	4.00	4.35
70.00	3.70	6.00	7.75	4.40	5.20	5.45
72.50	2.65	5.05	6.45	6.05	6.75	6.65
75.00	1.90	4.20	5.65	7.55	8.40	8.35
77.50	1.43	3.40	4.80	9.83	10.10	10.00

Est. vol. 4,227;
Fri vol. 1,327 calls; 1,476 puts
Op. int. Fri 43,304 calls; 20,477 puts

SUGAR – WORLD (CSCE)
112,000 lbs.; cents per lb.

Strike	Calls – Settle			Puts – Settle		
Price	Apr	May	Jly	Apr	May	Jly
8.50	1.14	1.22	1.90	0.02	0.10	0.16
9.00	0.69	0.83	1.48	0.07	0.19	0.30
9.50	0.31	0.54	1.11	0.19	0.42	0.49
10.00	0.15	0.34	0.81	0.53	0.72	0.74
10.50	0.07	0.21	0.56	0.95	1.09	1.10
11.00	0.04	0.13	0.42	1.42	1.51	1.49

Est. vol. 3,733;
Fri vol. 2,393 calls; 1,386 puts
Op. int. Fri 21,571 calls; 15,810 puts

COCOA (CSCE)
10 metric tons; $ per ton

Strike	Calls – Settle			Puts – Settle		
Price	May	Jly	Sep	May	Jly	Sep
850	115	150	....	6	16	....
900	77	116	147	18	32	40
950	44	82	....	35	51	....
1000	26	58	85	67	74	73
1050	16	44	....	107	110	....
1100	10	29	51	151	145	144

Est. vol. 3,038;
Fri vol. 110 calls; 118 puts
Op. int. Fri 9,772 calls; 6,933 puts

Con't Next page

OTHER OPTIONS

Final or settlement prices of selected contracts. Volume and open interest are totals in all contract months.

CORN (MCE)
1,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
220	4	11⅝	18¾	4¼	5	6⅝

Est. vol. 25; Fri 15 calls, 0 puts
Op. int. Fri 2,225 calls, 32 puts

EUROTOP 100 INDEX (CMX)
$100 times index

Strike Price	Calls–Settle Mar	Apr	May	Puts–Settle Mar	Apr	May

NOT AVAILABLE

GSCI (CME) $250 X PREMIUM

Strike Price	Calls–Settle Mar	Apr	June	Puts–Settle Mar	Apr	June
186	....	....	....	....	....	....

Est. vol. 0; Fri 10 calls, 40 puts
Op. int. Fri 1,447 calls, 1,457 puts

LUMBER (CME)
160,000 bd.ft., $ per 1,000 bd.ft.

Strike Price	Calls–Settle Mar	May	Jly	Puts–Settle Mar	May	Jly
440	....	....	....	....	....	....

Est. vol. 134; Fri 85 calls, 33 puts
Op. int. Fri 763 calls, 1,713 puts

NYSE COMPOSITE INDEX (NYFE)
$500 times premium

Strike Price	Calls–Settle Mar	Apr	May	Puts–Settle Mar	Apr	May
240	2.90	4.35	5.60	3.15	4.55	5.80

Est. vol. 378; Fri 160 calls, 79 puts
Op. int. Fri n.a. calls, n.a. puts

NIKKEI 225 STOCK AVG. (CME)
$5 times Prem.

Strike Price	Calls–Settle Mar	Apr	May	Puts–Settle Mar	Apr	May
17000	210	....	....	370	....	....

Est. vol. 1; Fri 114 calls, 0 puts
Op. int. Fri 735 calls, 348 puts

OATS (CBT)
5,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
140	3	....	....	8	....	....

Est. vol. 30; Fri 51 calls, 0 puts
Op. int. Fri 425 calls, 495 puts

PLATINUM (NYM)
50 troy oz.; $ per troy oz.

Strike Price	Calls–Settle Apr	May	Jly	Puts–Settle Apr	May	Jly
340	4.70	....	11.00	6.50	....	14.50

Est. vol. 1,012; Fri 907 calls, 186 puts
Op. int. Fri 4,231 calls, 1,134 puts

PORK BELLIES (CME)
40,000 lbs.; cents per lb.

Strike Price	Calls–Settle May	Jly	Aug	Puts–Settle May	Jly	Aug
38	2.60	3.40	3.10	1.85	2.46	....

Est. vol. 25; Fri 21 calls, 8 puts
Op. int. Fri 1,031 calls, 665 puts

RICE-ROUGH (MCE)
2,000 cwt.; $ per cwt.

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
5800	....	....	....	....	....	....

Est. vol. 9; Fri 0 calls, 0 puts
Op. int. Fri 81 calls, 85 puts

SILVER (CBT)
1,000 troy oz.; cents per troy oz.

Strike Price	Calls–Settle Apr	Jun	Aug	Puts–Settle Apr	Jun	Aug
350	6.0	13.0	....	6.0	....	....

Est. vol. 10; Fri 0 calls, 0 puts
Op. int. Fri 2,502 calls, 2,400 puts

SOYBEANS (MCE)
1,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Aug	Puts–Settle May	Jly	Aug
575	7½	16½	23½	12⅝	18¼	23

Est. vol. 50; Fri 51 calls, 3 puts
Op. int. Fri 3,556 calls, 110 puts

2 YR. TREAS. NOTES (CBT)
$200,000; pts. 32nds of 100%

Strike Price	Calls–Settle Apr	Jun	....	Puts–Settle Apr	Jun	....
10625	....	....	....	....	....	....

Est. vol. 0; Fri 0 calls, 0 puts
Op. int. Fri 0 calls, 0 puts

WHEAT (MCE)
1,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
370	2½	1⅞	...	33¾	54¼	....

Est. vol. 20; Fri 58 calls, 3 puts
Op. int. Fri 77 calls, 71 puts

WHEAT (MPLS)
5,000 bu.; cents per bu.

Strike Price	Calls–Settle May	Jly	Sep	Puts–Settle May	Jly	Sep
340	4½	9	10	16	....	....

Est. vol. 1; Fri 48 calls, 0 puts
Op. int. Fri 1,082 calls, 937 puts

CASH PRICES

Monday, February 22, 1993.
(Closing Market Quotations)

	Mon	Fri	Yr.Ago
GRAINS AND FEEDS			
Barley, top-quality Mpls., bu	2.35	2.25-.35	2.60
Bran, wheat middlings, KC ton	60.-63.0	60.-62.0	73.50
Corn, No. 2 yel. Cent-Ill. bu	bp2.07	2.09	2.58½
Corn Gluten Feed, Midwest, ton	86.-104.	85.-104.	101.00
Cottonseed Meal, Clksdle, Miss. ton	145.-147½	147.50	133.75
Hominy Feed, Cent-Ill. ton	52.00	52.00	87.00
Meat-Bonemeal, 50% pro. Ill. ton.	215.00	215.00	210.00
Oats, No. 2 milling, Mpls., bu	n1.58-.60	1.60¼-62¼	z
Sorghum, (Milo) No. 2 Gulf cwt	4.32	4.30	5.32
Soybean Meal, Centr. Ill., 44% protein - ton	164½-166½	165.-167.	175.50
Soybean Meal, Centr. Ill., 48% protein - ton	176½-179½	177.-180.	186.50
Soybeans, No. 1 yel Cent.-Ill. bu	bp5.59½	5.62	5.75½
Wheat, Spring 14%-pro Mpls. bu	4.06¾	4.00¾	4.42
Wheat, No. 2 sft red, St.Lou. bu	b3.83½	3.82½	3.72½
Wheat, No. 2 hard KC, bu	3.69¼	3.68½	4.33½
Wheat, No. 1 sft wht, del Port Ore	n.a.	4.12	4.74
FOODS			
Beef, Carcass, Equiv. Index Value, choice 1-3,550-700lbs.	119.50	119.85	115.06
Beef, Carcass, Equiv. Index Value, select 1-3,550-700lbs.	116.45	116.70	110.75
Broilers, Dressed "A" NY lb	x.5215	.5110	.5336
Broilers, 12-Cty Comp Wtd Av	.5345	.5340	.5117
Comparable, but not exact.			
Butter, AA, Chgo., lb.	.75¼	.75¼	.86¼
Cocoa, Ivory Coast, $metric ton	g1,202	1,157	1,269
Coffee, Brazilian, NY lb.	n.58	.57	.49
Coffee, Colombian, NY lb.	n.77	.76	.68
Eggs, Lge white, Chgo doz.	.58-.63	.58-.63	.52
Flour, hard winter KC cwt	9.90	9.85	10.85
Hams, 17-20 lbs, Mid-US lb fob	.67-.68	.66	.65
Hogs, Iowa-S.Minn. avg. cwt	45.75	45.25	41.50
Hogs, Omaha avg cwt	44.50	44.50	41.00
Pork Bellies, 12-14 lbs Mid-US lb	.33-.34	.31-.35	.25½
Pork Loins, 14-18 lbs. Mid-US lb	.97-1.06	.98-1.05	.98½
Steers, Tex.-Okla. ch avg cwt	z	82.50	76.75
Steers, Feeder, Okl Cty, av cwt	93.88	93.00	88.25
Sugar, cane, raw, world, lb. fob	.0906	.0887	.0805
FATS AND OILS			
Coconut Oil, crd, N. Orleans lb.	xxn.21	.21	.32¾
Corn Oil, crd wet mill, Chgo. lb.	n.20¾	.20¾	.28¼
Corn Oil, crd dry mill, Chgo. lb.	n.21¾	.21¾	.29¾
Grease, choice white, Chgo lb.	n.13¼	.13¼	.11⅝
Lard, Chgo lb.	n.15	.15	.12½
Palm Oil, ref. bl. deod. N.Orl. lb.	n.23	.23	.20¾
Soybean Oil, crd, Decatur, lb.	.2056	.2078	.1948
Tallow, bleachable, Chgo lb.	n.14½	.14½	.12
Tallow, edible, Chgo lb.	n.15½	.15½	.14
FIBERS AND TEXTILES			
Burlap, 10 oz 40-in NY yd	n.2450	.2450	.2700
Cotton 1 1/16 str lw-md Mphs lb	.5746	.5820	.4873
Wool, 64s, Staple, Terr. del. lb.	1.48	1.48	2.88
MISCELLANEOUS			
Rubber, smoked sheets, NY lb.	n.47½	.47½	.44
Hides, hvy native steers lb., fob	.83	.83	.68

Prickly in Paradise

My wife and I felt your Jan. 26 page-one article "Thorny Question: Will the Prickly Pear Be Kiwi of the '90s?" had one barb too many. We think we have a lovely home in Tucson, as do many others, and lo and behold, part of our custom landscaping consists of prickly pear cactus. Yet the article states that the prickly pear "grows about as far from paradise as possible." How can this be? Where is this paradise you refer to that we are so far away from? Will our friends in Paradise Valley, Ariz., who also have prickly pear cactus, need to petition City Hall to change the name of their city to Paradise Valley Not?

W.J. MANN
Tucson, Ariz.

p A21