

## Agriculture by Marcia Merry

### Why the Chicago Mercantile probe?

*The international food cartel no longer needs the pretense of an auction market.*

Late in the day on Jan. 25, the Senate Agriculture Committee announced that the Jan. 26 confirmation hearings of Clayton Yeutter for Agriculture Secretary were postponed for at least a week, pending the outcome of the current FBI investigation of wrongdoing by traders on the Chicago Mercantile Exchange and Board of Trade.

On Jan. 25, Sen. Tom Harkin (D-Iowa) asked for an investigation of the role of Yeutter in the operations of the Chicago markets. Yeutter's seven years as president of the Merc overlaps the stated FBI probe from 1983 to 1985. Whatever was committed during that time—either by the FBI, by traders, or Merc member companies—happened during Yeutter's watch, while he was in service to the famous-name food cartel companies (Archer Daniels Midland, Cargill, Continental, Bunge, Louis Dreyfus, Garnac/André).

As surely as scum rises to the top, the dirty connections of Yeutter and the questions surfacing about the Chicago Mercantile Exchange and Board of Trade are now out in the open, at an inconvenient time for the Bush administration. The hearings' postponement is a glitch in the Bush team's hopes to have a smooth administration start-up.

The Senate Agriculture Committee had planned to have no outside testimony at the hearings; they were going to rubber-stamp the nominee. The news media hushed up the postponement for days. Such is the power of the cartel companies on Capitol Hill.

There is something more fundamental involved here. First, look at

the nature of the Chicago exchange probe itself—"Operation Hedgeclipper" in the yen futures pit, and "Operation Sourmash" in farm commodities futures. The FBI does not conduct spectacular investigations like this in order to uncover fraud, right wrongs, or do good. The FBI wouldn't be caught dead righting wrongs. The FBI is a political dirty tricks outfit.

Over 250 subpoenas have been issued as of the third week in January to individual traders and clerks, and to clearing member firms. Several FBI agents posed as employees of the Archer Daniels Midland cartel company. A grand jury is under way. There are threats of prosecution, and uncertainty in all directions. The price of a seat on the futures exchanges has plunged. The Mercantile Exchange has begun an advertising campaign to keep up its image: "The meats move faster. . . . For the active trader, livestock futures at the Chicago Mercantile Exchange are particularly interesting right now."

The government is presumed to be pursuing charges of widespread racketeering, individual profit-skimming, bilking of clients, etc. Speaking politely, a Wall Street futures lawyer said, "If there has been a lot of skimming going on, the general public has been paying a bit more when they bought, and selling lower than they should have."

However, for the entire history of the Chicago exchanges, this has been the "legal" purpose the markets served for the international cartel trading companies—to "justify" the low prices

they pay to farmers, and the high profits they make off their domination of international food flows. The Chicago Board of Trade is a hated institution.

But now, it may be viewed by the cartel as redundant.

In recent years, the cartel companies have moved beyond domination of world food trade, into almost total control. After leaving the Mercantile Exchange in 1985, and becoming U.S. Special Trade Representative, Clayton Yeutter advanced the cartel cause by launching an international free trade campaign. He demands the elimination of all "trade-distorting" agriculture programs and national "barriers" to trade—by these, he means any sovereign decision a nation makes (import quota, farm support, food subsidy) which the food cartel wants to eliminate.

Yeutter wants to create a world trade police force, out of the International Monetary Fund, World Bank, and General Agreement on Tariffs and Trade (GATT). At the Dec. 5-9, 1988 Montreal GATT talks, Yeutter's delegation included two top Cargill executives in his "private sector" group.

There is a scramble for the futures gang to "clean up its act," on their own, but no one is paying much attention to that. There is a nine-member special panel at the Merc, considering changes in trading to protect customers. There is the standing oversight group, the Commodities Futures Trading Commission—since its inception in the 1970s, a front for cartel interests. The FBI operation will make this latter group look silly.

The real question posed, by both the Yeutter nomination itself, and the FBI actions against the Chicago futures exchanges, is: Are the world food cartel companies moving to wreck the functioning of Chicago and other markets, because they plan to exercise direct, total control over food supplies?