

## Whom can you trust at Anti-Trust?

At a U.S. Senate Agriculture Committee Hearing on concentration in agriculture on July 27, Assistant Attorney General Joel Klein defended agricultural cartels' commodity control as "efficient." This hearing was one of a series of Congressional hearings and forums held to investigate the crisis in agriculture caused by collapsing prices. The crisis can only be attributed to the ongoing collapse of the world financial bubble, and the cartelization of the markets which accompanies free trade and speculative binges.

The Senate was responding to the growing demand by farmers for anti-trust action. The first anti-trust laws, the Sherman and Clayton Acts, which prohibit the monopolization of markets, were put into effect in 1903. But it was not until Franklin Roosevelt's New Deal in 1933, that a separate, Anti-Trust division was established in the Justice Department. Klein has been the head of the division since 1996.

Klein was questioned in particular about the Justice Department's approval of the recent merger of grain giants Continental and Cargill. Witnesses besides Klein included Michael Dunn, Undersecretary for Compliance with the Grain Inspection and Packers and Stockyard Act division (GIPSA), and Jim Baker, Administrator for GIPSA at the U.S. Department of Agriculture. Sens. Tom Harkin (D-Iowa), Robert Kerrey (D-Neb.), Patrick Leahy (D-Vt.), and Kent Conrad (D-N.D.) demanded enforcement of anti-trust laws in agriculture, citing intensifying consolidation in grain handling and food buying and processing, which is leading to record profits for agri-business, while producer prices collapse. Harkin said that hog producers in his area only have one buyer. Conrad said that four meatpackers now control 80% of slaughter.

In response to demands for more vigorous enforcement, Klein placed himself squarely on the side of the cartels, arguing that concentration was not the only criterion for applying the law, but that whether a merger created more "efficiency" in the marketplace was also relevant.

This novel interpretation of the law was challenged by Harkin. "Do anti-trust laws mandate you have to take efficiency into account?" he asked.

"There are business-driven concerns that may lead to mergers to make us more efficient and competitive," replied Klein. If we lose farmers in the process, he said, that is not a concern related to the enforcement of anti-trust laws, but a "quality of life issue." "Quality of life" is sociobabble that the cartel interests use to dismiss concerns about loss of producers who produce food to feed people.

Conrad presented charts depicting the dramatic producer price collapse since the implementation of the 1996 "Freedom to Farm" bill, which eliminated government price support payments, only to leave farmers at the mercy of the cartels. "We will lose 30% of the farmers in North Dakota in the next 12-24 months," he said. "The corn prices have dropped below the cost of production, so questions of concentration are more urgent." Conrad cited an editorial in the *Bismarck Tribune*, "Justice Department Plays Games with the Grain Trust," which says that anti-trust officials have failed to aggressively deal with concentration, especially in the case of the Continental-Cargill merger.

Klein's reply would have made Goebbels blush. He said that Conrad was wrong, that the price decline in agriculture had nothing to do with concentration. His evidence was a nominalist interpretation of one of the Senator's graphs which showed a producer price peak in 1996, and rapid descent in the ensuing five years. You see, Klein said, the price has gone down, but there has been no increase in mergers since 1996. What Klein ignored, is that the Conservative Revolution's Freedom to Farm bill was enacted in 1996, removing government price supports to farmers, leaving prices at the mercy of the cartel-controlled markets. — *Suzanne Rose*

supplies, ranging from fruits and vegetables, to cotton to other staples. Extend low-interest credit to farmers. Restore traditional governmental agricultural extension services to further high-tech farming, not peddle low-tech hokum.

5. Launch large-scale infrastructure improvements — repairs and maintenance, and expansion of rail, water, power generation, and other utilities. Use advanced technologies, including nuclear-powered desalination of water, and magnetically levitated trains, and so on. Upgrade and expand the water-borne bulk hauling systems.

6. Break up the commodities cartels, with anti-trust action. Action, not more studies is what is needed.

### Strategic foreign policy overall

1. The United States should confer and collaborate with a number of strategic nations — China, Japan, Russia, and other European, South American, Asian, and African nations — on nation-serving measures, including stable, pegged currencies, mutual-interest trade (not free trade), mutual-interest capital flows, not speculation, and so on.