



Department of Justice

FOR IMMEDIATE RELEASE
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The Department of Justice filed a civil antitrust suit today to prohibit the nation's largest commodity exchange, the Chicago Board of Trade, from fixing the commission rates and brokerage fees charged by brokers trading commodity futures contracts.

Attorney General John N. Mitchell said the suit was filed in U.S. District Court in Chicago.

The suit charged that the Board of Trade of the City of Chicago, Inc. and its approximately 1400 members are violating Section 1 of the Sherman Act by jointly fixing and maintaining minimum rates of commission, floor brokerage and other fees for the purchase and sale of commodity futures contracts through the exchange.

Assistant Attorney General Richard W. McLaren, in charge of the Antitrust Division, said the suit alleged that the activities of the Board and its members have deprived the public of the right to trade commodity futures contracts on the exchange at competitively determined commission rates and brokerage fees.

He said the suit also charged that price competition has been eliminated in the sale of services among member brokers of the Board of Trade.

The minimum commission rates range from \$12.50 to \$33 on each contract.

The suit asked that the Board of Trade and its members be permanently enjoined from fixing commission rates or other fees for brokerage services and from engaging in any other practice having a similar purpose or effect.

A commodity futures contract is a binding agreement for the delivery of a specified quantity of a commodity at a future date and price determined at the time the agreement is executed.

Futures contracts in the following commodities were purchased or sold through the Board of Trade in 1970: wheat, corn, oats, rye, soybeans, soybean oil, soybean meal, steers, broilers, silver and plywood. More than 8 million futures contracts having an estimated value of more than \$73.3 billion, were traded on the exchange last year.

Mr. McLaren said the Justice Department is filing a motion asking the Court to request a report from the Administrator of the Commodity Exchange Authority, Department of Agriculture, on certain issues involved in the case.

He said the Department believes that the report of the Administrator, who is responsible for the day-to-day regulation of the Chicago Board of Trade under the Commodity Exchange Act, would materially aid in the disposition of the case.