Lipstick on a pig: Hockey must not throw Graincorp into ADM's trough

You can put lipstick on a pig, but it is still a pig. Archer Daniels Midland has undergone a corporate makeover in recent years, but it is only the giant global food conglomerate that it is today, and in a position to gobble up one of Australia's most important agricultural companies, because of decades of corruption, political buy-offs and price-fixing.

Australian Treasurer Joe Hockey must not allow this predator cartel to take over Graincorp, the largest grain handler on Australia's east coast.

ADM is one of the big four "ABCD" food conglomerates—ADM, Bunge, Cargill, Louis Dreyfus—which dominate the global food supply, and dictate prices to both producers and consumers. Australia's agricultural strength was built on cooperatives and "single desk" statutory marketing authorities which were formed so that Australia's family farmers would not be at the mercy of such operations. Since the Hawke-Keating era, those structures have been systematically ripped apart, and the less than 40,000 family farmers remaining—down from 200,000 in the 1970s—have been left on their knees.

There is no economic argument for Joe Hockey approving ADM's takeover of Graincorp. He either defends Australia's food security and family farms, or he will be betraying the national interest.

ADM's history of corruption

[Source: *Executive Intelligence Review* magazine, 8 January 1999.]

1945-52: Dwayne Andreas works for Cargill [another of the notorious big four ABCD global food cartels], starting as general plant manager, ending as VP in charge of soybean and linseed oil. His assistant James R. Randall (hired at Cargill in 1948), later becomes president of ADM.

1945: Andreas meets Hubert Humphrey, then mayor of Minneapolis, and elected to the U.S. Senate in 1948. Their collaboration involves some 85 world trips; Humphrey is Michael Andreas's godfather.

1954: The Food for Peace law, PL-480, is enacted. Humphrey and Andreas travel to Poland and to the Vatican, as a showcase bi-partisan move with Eisenhower administration, to pave the way for paying Cargill and other cartel firms to ship food to the East bloc.

1965: Archer Daniels Midland formed, merging assets of the Archer, Daniels, and Andreas families.

1966: Dwayne Andreas becomes president of ADM.

1968: Andreas "loans" $100,000 to Humphrey's Democratic Presidential campaign, and is charged with illegally transferring corporate funds for election purposes. A Minnesota Federal judge, a friend of Humphrey's, dismisses the case. Andreas, via a Minneapolis business partner, Kenneth Dahlberg—chairman of Minnesota branch of Richard Nixon's Committee to Re-Elect the President, or CREEP—funnels $25,000, which ends up in the account of Watergate burglar Bernard Barker. Rep. Wright Patman (D-Tex.), whose Banking and Currency Committee was investigating the case, expressed concern that Andreas was one of the investors granted a Federal bank charter in a Minneapolis suburb. Dahlberg was among the five applicants for the charter. After Nixon's resignation in 1974, $100,000 in cash, provided by Andreas, was found in the White House safe. Andreas got his money back in full, and reportedly, was able to successfully dodge subpoenas from Sen. Sam Ervin's impeachment hearings.

1971: Michael Andreas joins ADM at age 23. Trained in speculation by Cargill's Julius Hendel.

1974: ADM enters into price-fixing scheme, overcharging U.S. government by $19 million in sales of soy-fortified food to the Food for Peace program. ADM is convicted in both criminal and civil suits, but evades repaying the government its share of $19 million.

1976: ADM pleads no contest to Federal charges of systematically short-weighting and misgrading Federally subsidized grain shipped abroad. ADM loses no contracts, and continues shipments. ADM/Cargill start up ethanol production, for non-food use of crops, lobbying for Federal subsidy, because Andreas needs a way to dispose of huge corn syrup excess.

1977: The newly enacted Federal sugar price support nets ADM millions of dollars by preventing sweetener prices from dropping. The staff author of the law, David Gartner, is a top aide to Humphrey; ADM bribed Gartner with a contribution of $72,000 worth of ADM stock to a trust fund established for Gartner and his family.

1978: Gartner is appointed to Commodity Futures Trading Commission. The story of ADM's bribe to him breaks, but Gartner refuses to resign or to pay ADM back.

1984: President Reagan appoints Andreas to chair a task force on private initiative; Andreas recommends creating an Economic Security Council, which becomes the Economic Policy Council. The joke around Washington is: "Ask not what you can do for your country; ask what your government can do for ADM."

1990: *The Clean Air Act* is a boon for ethanol output, with Cargill and ADM owning over 70% of the capacity.

1990s: Under the U.S.-Canada Free Trade Accord, ADM and Cargill extend their control and reposition their operations in North America. Dwayne Andreas joins the board of British intelligence publishing empire, Hollinger Corp., run by [future convicted criminal] Canadian Conrad Black.

1994: Federal grand juries take anti-trust evidence on Cargill, ADM, Tate&Lyle (U.K.), and CPC International on price and supply fixing of lysine, citric acid, corn sweeteners, and starch. These four companies control 74% of U.S. wet corn milling.

1995: On June 27, the FBI raids ADM executive offices and homes in Decatur, Illinois.

1996: In October, top ADM executives Michael Andreas and Terrence Wilson leave the company. On Oct. 14, ADM pleads guilty and agrees to pay fines of $100 million for criminal price-fixing of lysine and citric acid.

1998: Michael Andreas and Terrence Wilson are convicted of criminal price fixing. Dwayne Andreas steps aside as chairman, and is succeeded by his nephew, G. Allen Andreas. ADM commands world's largest processing capacity for corn, soybeans, and wheat, with 165 processing plants, 300 grain elevators, 10,000 rail cars, 15,000 trucks, and 2,000 river barges.

Post Script

1999: Michael Andreas sentenced to three years in prison.

2007: G. Allen Andreas hands over control of ADM to its current chairman, Patricia Woertz, ending 41 years of direct Andreas family executive control. However, Andreas picked former Chevron executive Woertz to take over, as part of ADM's corporate makeover to whitewash its notorious history.

Citizens Electoral Council of Australia

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Independent Political Party

4th of September 2013

Add your voice to the public opposition to 'bail-in'

The Citizens Electoral Council has issued the following statement for official endorsement, to be published in full-page advertisements in one or more major newspapers, along with the names of hundreds of Australian community leaders who endorse this statement.

To the Australian Parliament:

Don't seize our bank accounts —pass Glass-Steagall!

We, the undersigned, are unalterably opposed to the legislation now being drafted to enable the "bail-in" (seizure) of Australian bank deposits as happened in Cyprus in March of this year. The stated purpose of such legislation, in Australia and internationally, is to save the "Too Big To Fail" megabanks whose unbridled speculation has caused the present financial crisis in the first place. But, as in Cyprus, such legislation will plunge this country into mass misery and even worse.

There is overwhelming evidence that such legislation is indeed being planned for Australia, as in a 15 April report of the Financial Stability Board (FSB) of the Swiss-based Bank for International Settlements which is overseeing the global bail-in process; that report states flatly on page 5 that such legislation is "in-train" for Australia.[1] The FSB and the IMF have classified Australia's "Big Four" banks as "Systemically Important Financial Institutions", which must be saved at all costs.

The Solution

Instead of "bail-in", the Australian Parliament must pass legislation modelled upon the U.S. Glass-Steagall law which functioned so successfully from its passage in 1933 until its repeal in 1999, which separated commercial banking from investment banking. Without such a separation, banks are free to speculate with customers' deposits, which, for instance, is why Australian banks now hold some $21.5 trillion in highly risky derivatives. Numerous prominent individuals—even from the City of London and Wall Street—have spoken out to urge the reinstatement of Glass-Steagall, and legislation to do so has been introduced into both the U.S. House of Representatives and Senate, as well as in numerous other countries.

Urgent though it be, Glass-Steagall legislation is not sufficient by itself to ensure a recovery of Australia's actual physical economy. Therefore, we also demand the establishment of a National Bank modelled upon that of King O'Malley's original Commonwealth Bank, to finance the construction of great infrastructure projects as the cornerstone to rebuild Australia's once-proud manufacturing industries and its family farms.

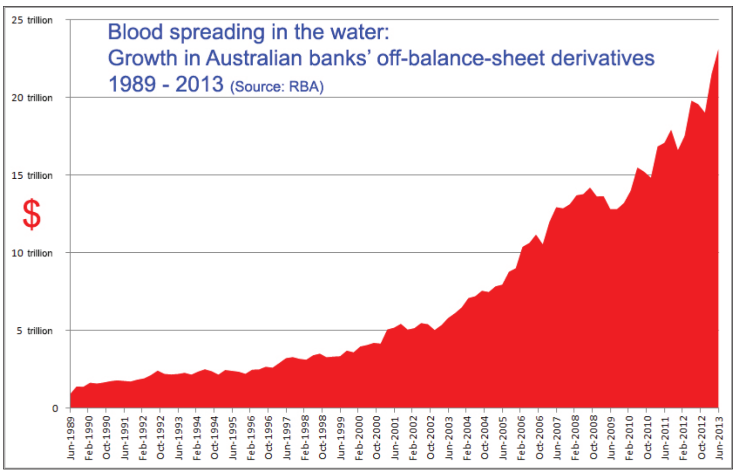
We say: *No* to speculation and the seizing of bank accounts; *Yes*, to rebuilding Australia's physical economy, with well-paying jobs for any Australian who wants one.

Finally, we vow to help to drive from office any Australian Member of Parliament who signs his or her name to legislation for bail-in, but to likewise do all within our power to support any MP who sponsors or votes for an Australian Glass-Steagall bill, and for a National Bank.

* End of Statement *

Please go online to add your name and position to the list of endorsers to be published with the statement in major newspaper ads. The CEC urges all current and former community leaders—including elected MPs, local councillors, leaders of business and trade groups, farming organisations, chambers of commerce, service groups, trade unions, charities, churches, synagogues, mosques and temples, educators, activists, legal experts, media professionals, et al.—who oppose the planned bail-in law to endorse this statement.

http://cecaust.com.au/main.asp?id=bail-in-ad.html



Footnote

1) Implementing the FSB Key Attributes of Effective Resolution Regimes—how far have we come? p.5, 3.1 (1). http://www.financialstabilityboard.org/publications/r_130419b.pdf