

Agriculture by Suzanne Rose

Loan shark bank loots farmers

The Dutch Rabobank is the second largest financier of U.S. agriculture, but its shady dealings serve the cartels.

With respect to the crisis in U.S. agriculture, which has lost its mission to feed the hungry at home or abroad, a Dutch bank deserves special attention. The \$127 billion Dutch giant Rabobank got its start in the United States financing agricultural loans in 1981, after the Federal Reserve's high interest rate policy under Paul Volcker restricted credit for agriculture.

Today the Rabobank is the second largest financier of agriculture in the United States, ranking behind the Farm Credit System, according to a recent investigative report by the *Des Moines Register* in Iowa.

After U.S. banking was deregulated in 1980, Rabo moved in and began offering agriculture banks funds at lower rates than these banks charged their farm customers. First Rabo purchased operating loans from farm banks and later real estate loans, after states like Iowa made appropriate changes in their laws to allow foreign ownership of farmland.

Rabo was also able to purchase from agri-banks loans guaranteed under the federal government's Farmers Home Administration loan guarantee program.

Over the 1980s, Rabo's agricultural investments shifted from producer financing to food processing and distribution. Through purchasing Farm Credit System bonds, among other methods, Rabo has been positioning itself to operate on behalf of the cartels' restructuring of U.S. agriculture. This involves shutting down independent producers and only supporting production as a function of a vertically organized "food industry." The farmer is viewed as a mere low-

cost "input" into this system.

Rabo's practice has been to move in, buy up loans, and cash in when the farmer is foreclosed upon. At least one Midwestern farmer has stated on the public record that the decision to foreclose on his loan was made after his bank sold the loan to Rabobank. Rabo then cashed in on the government guarantee.

Early in the 1980s, Rabo made over \$75 million in loans to farmers through 230 farm banks in 15 states. They were positioned, along with other Wall Street bankers and cartels, to pop the farm credit bubble, liquidating thousands of independent producers between 1985 and 1988. Once again, credit for U.S. agriculture was tight. Rabo then poured money in to agribusinesses, processors, and distributors.

Today, according to the *Des Moines Register*, the bank has a \$6 billion agribusiness loan portfolio in the United States, which includes Cargill, IBP, ADM, among other food cartel companies. Rabo has emerged as a primary lender for U.S. agricultural exports, benefiting from government loan guarantees.

The vice president of Rabo's New York office, Charles Hallock, has even gone before Congress, demanding that the U.S. government guarantee 100% of loans made to export commodities from government stocks to developing countries. Rabo also demands that loan repayments go to build infrastructure for cartel activities in these countries.

Rabo began as a 1972 merger of two Dutch farm cooperative bank groupings. In the Netherlands today

there are 937 Rabobank cooperatives. Rabobank Netherlands is the second largest bank in the Netherlands; 40% of all Dutchmen place their savings there.

However, it is also known for another source of liquidity. According to a European narcotics investigator and state's attorney, Rabo is a launderer of drug money. It has offices in Germany, London, Antwerp, Paris, Singapore, Hong Kong, Jakarta, and São Paulo. In the U.S., it has offices in New York, Des Moines, and Dallas.

Said by some to be the bank of the Dutch government and monarchy, and to represent the feudal interests of the Dutch and English royal families, its chairman for many years was Pierre Lardonais. Lardonais was a minister in the Dutch government and the agriculture commissioner of the European Community before assuming chairmanship of Rabo in 1977, until his death in 1987. He was active in the European Cultural Foundation, which represents these same feudal financial interests, whose goal is to override national sovereignty, by use of supranational entities.

In his capacity as chairman of Rabo, Lardonais authored a 1985 Tri-lateral Commission report, "Agriculture Policy and Trade, Adjusting Domestic Programs in an International Framework." The piece was concerned with how to increase the return on capital employed in agriculture. It served as a blueprint for the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), and for the "market-oriented" 1985 U.S. farm bill. The report called for eliminating government protection of farmers, in the name of "free trade."

Rabo's U.S. advisory board includes representation from the cartel giant Continental Grain, and from such cartel fronts as National Farms and Farmland Industries.