

LaRouche-Bevel helped win stay on farm foreclosures

by Marcia Merry

On March 5, Agriculture Secretary Michael Espy announced long-overdue action to stay certain Farmers Home Administration farm loan foreclosures, and to make provision for review of FmHA lending practices. The Agriculture Department runs the FmHA, the loan agency that has become notorious—along with the Farm Credit Association and various private lenders—for fraud and abuse resulting in dispossession of farm families, and loan-guarantee payoffs to a select gang of farm loan holders ranging from such organized crime-related figures as Carl Polhad of Minneapolis, to the giant Rabobank of Holland.

Espy's actions come after a mobilization of farmers and others in the High Plains states of North and South Dakota, led by the initiatives of the LaRouche-Bevel presidential campaign in the fall of 1992, and by the Schiller Institute's Food for Peace effort, active since September 1988.

Espy made his announcements at a speech in Sioux Falls, South Dakota, at the annual convention of the multi-state National Farmers Union (NFU), headquartered in Denver, which backed the Clinton presidential bid.

'Tough times'

Specifically, the agriculture secretary has suspended FmHA foreclosure actions not yet referred to a court, pending review by an independent panel that he plans to form soon. Said Espy at Sioux Falls, "One of my priorities as secretary of agriculture is to ensure that FmHA is friend in need. A lot of farmers going through foreclosures feel that they're not always being treated by the book."

The borrowers facing foreclosure, but not involved in the courts, are to receive a certified letter informing them that they have 30 days to ask that their case be reviewed by the new independent panel. According to the U.S. Department

of Agriculture press release of March 5, the review panel "will then assess whether all FmHA procedures were followed, and where necessary, determine whether cases should be referred back to FmHA for corrective action." The USDA said that panel members will be named "shortly."

Espy said to the NFU convention: "I'm optimistic about the prospects for agriculture under this administration. But I know that many American farmers have been facing tough times. Every farmer struggles against the prospect of foreclosure, or knows someone who couldn't stay afloat. When that time comes, farmers turn to the FmHA.

"Let no one be mistaken as to the large message. This administration, and this secretary of agriculture, is going to keep a close eye on the FmHA process to make sure that every American farmer facing foreclosure will be treated fairly and equally under the law."

The number of FmHA farm borrowers immediately in line to receive potential relief and redress from Espy's action is estimated at 2,500-2,600, out of the total of 3,600 FmHA farm loans in the process of foreclosure. Overall there are about 155,000 borrowers from the FmHA. Last fall, letters went out to 30,000 borrowers in arrears, notifying them that arrangements would have to be made, or foreclosure would be initiated. This latest round of notification follows several others over the past few years, the result of which has been hardship on farm families ranging from forced dispossessions, "voluntary" exodus from farming, the necessity of taking off-farm jobs to meet debt service, and many other burdens.

In the early 1970s, national agriculture debt was under \$50 billion. By the mid-1980s, it had topped \$200 billion. By 1991, it had fallen down to around \$160 billion. This growth, then plunge of the debt reflects the liquidation and elimination of many individual family farms, rather than



A rally of the Food for Peace organization at the courthouse in Meadville, Pennsylvania in 1989, where a hearing was to be held on the foreclosure of a local farm. Years of work by the LaRouche movement to stop the foreclosures created a climate where the new agriculture secretary felt he had to respond to the pressure of his constituents.

increased solvency of the farm sector. Over this time period, the major lending agencies have been the Farm Credit Association (both Production Credit Associations, and Federal Land Banks,) commercial banks, the FmHA, and other private entities, including insurance companies.

The impetus for the debt growth has been the systematic underpayment of farmers for their output. For example, the farmer is getting only about \$2 for a bushel of corn today, when it costs \$5 to produce it. A dairy farmer is getting about \$11 per hundred pounds of milk, when a parity price, giving a fair return, would be \$25. Therefore, farmers have been forced into debt.

This underpayment has been enforced by cartel food companies monopolizing the market, and also setting USDA policy. The major companies include Cargill, Continental, Bunge, Central Soya/Ferruzzi, Louis Dreyfus, ConAgra, and Archer Daniels Midland.

Federal loan guarantee swindle

In the mid-1980s, changes in federal farm law were made in the name of providing additional credit to strapped farmers, but in reality, the changes made facilitated rampant pay-offs to private farm debt holders. The new mechanism was the provision of federal-loan guarantees for farm loans.

For example, a farmer would borrow from a local bank or other entity, and the bank would receive a federal loan guarantee. Typically, the local bank might then sell the loan—complete with guarantee—to a swindler combing the

countryside to collect such guarantees. Soon, the farmer would find himself foreclosed, and the federal loan guarantee money would be paid out to the noteholder.

In Iowa, the Production Credit Association was caught in the act, and had to repay \$4 million in compensation for fraudulent loan practices.

In the Dakotas and Minnesota, one such recipient of federal loan guarantee largesse has been Carl Polhad, a Minneapolis-based mob banker, who is part of the successor generation to mobsters Meyer Lansky and Kid Cann. Polhad, a one-time owner of the Las Vegas Tropicana Casino Hotel, has systematically bought up regional farm loans, and received the federal payoff when the farmer is liquidated. Locals call him "Carl the Liquidator."

In the 1980s, the Dutch-based giant Rabobank, the largest agriculture lender in Europe, systematically placed itself in a position to cash in on the U.S. federal loan guarantees.

Mr. Secretary, what next?

When he made his announcements, Secretary Espy made no reference to any of these specific personalities or violations in the farmbelt. But the truth is pouring forth in local courts and state legislatures, and Espy, who served on the House Agriculture Committee, had pledged to befriend the farmer. Espy's father was a career officer in the Department of Agriculture Extension Service in Arkansas.

Espy received a rousing ovation when he told the NFU

crowd, "If you can make it, we want to help you make it. For the past 12 years, we haven't been in that posture. But baby, it's a new day now."

In addition to his announcement of the selective farm foreclosure suspension, Espy has said that there will be a USDA investigation of the FmHA in regard to government guaranteed loans. He also said that he has appointed a committee to "look across the entire farm law to see what we can do for farm income."

The heat is on the administration to take action on the farm and food emergency. About half of the USDA annual budget, depending on the accounting methods used, goes for food stamps and other food relief. In February, a record number of 26.5 million Americans were officially reported to be receiving food stamps—and this number does not count those eligible who are not signed up.

Under the banner of "farmers and eaters united," all these issues of fraud, organized crime, and the right to grow and eat food, were taken up last fall in a campaign initiated by Rev. James L. Bevel, vice-presidential running-mate of Lyndon LaRouche, who was on organizing tours in the Dakotas in August, October, and December 1992, and March 1993.

In December, Judge William Goodloe, a former Washington State Superior Court judge, held four days of hearings in the Dakotas, to take evidence of wrongdoing. He was joined on the presiding panel by Rev. Wade Watts of Oklahoma, a former member of the U.S. Commission on Civil Rights, and Philip Valenti, leader of the Schiller Institute Food for Peace effort. Preliminary findings of the Goodloe commission were circulated to the new 103rd Congress, when farm, Native American, and other activists from the Dakotas went to Washington, D.C. in early 1993.

Representatives Fred Grandy (R-Iowa) and Tim Johnson (D-S.D.) issued a call for a moratorium on foreclosures, pending a congressional investigation of fraud and abuse in farm credit lending policies, which they have requested of the House Agriculture Subcommittee on Credit. On Feb. 3, this author raised the issue of federal loan guarantee swindles at the first full hearing by the House Agriculture Committee, chaired by Kika de la Garza (D-Texas).

On the state level, resolutions calling on Congress to investigate fraud and stay farm foreclosures, were introduced and debated in January and February in both North and South Dakota. In Pierre, S.D., a crowd of 150 people showed up for the March 3 legislative committee hearing on the matter—despite efforts to harass and deter backers of the resolution. Longtime South Dakota political leaders Ron Wieczorek (state representative of the LaRouche-Bevel campaign) and Charles Bellmon (former head of the state Democratic Party) are conducting citizen's hearings in Nebraska March 10 and 12 to assemble more evidence for redress in the farm belt. Already calls are coming in volunteering new evidence on the Kansas City Federal Reserve's involvement in farm dispossessions.

Library of Congress Exhibit

Vatican exhibit in D.C. shatters myths

by Warren A.J. Hamerman

In early January a myth-shattering exhibit of more than 200 items chosen from the collections of the first modern research library—the Biblioteca Apostolica Vaticana—opened at the Library of Congress in Washington, D.C. The exhibit entitled "Rome Reborn—the Vatican Library and Renaissance Culture," continues until April 30, and demonstrates that the Vatican was at the center of the explosion of learning and culture associated with the Renaissance rediscovery of ancient Classical learning in the aftermath of the Council of Ferrara-Florence (1437-45). The manuscripts, books, maps, and other items are selected to show an aspect of Vatican policy that is not well known: the decision of the Renaissance popes, starting with Nicholas V in 1451, to vigorously promote the revival of antique learning, especially Greek science and art.

The Washington exhibit, by laying evidence before the public in the form of the library's original manuscripts and books which launched modern science, Renaissance perspective, and polyphonic music—some spectacularly illustrated by great Renaissance artists such as Ghirlandaio—puts to rest the fundamental myth of the Enlightenment that Renaissance learning and creativity in the arts and science were somehow "secular" accomplishments in opposition to a "reactionary" and "repressive" church.

Many of the manuscripts give unique insights into the history of knowledge, as the viewer sees the actual works which were in the hands of the Renaissance humanists—their comments written in the margins in some cases.

Mathematics, astronomy, geography

The items in the show, selected and catalogued by non-Vatican-linked American scholars, include the first translation from Greek into Latin of certain works by Archimedes, which was sponsored by Pope Nicholas V (the pope who publicly announced that Nicolaus of Cusa had been made a cardinal). In 1453 Cusa dedicated his *On Mathematical Complements*, a critique of Archimedes, to this pope in gratitude for the translation project. The works of Archimedes survive at all only by virtue of three manuscripts, two of which are now lost, but were translated into Latin in the papal court and preserved later in the Vatican Library. There is also an elegant series of manuscripts of mathematical and optical