

# FARMERS ABROAD GREW PROSPEROUS WITH LAND BANKS

Data Gathered by Col. Fred D. Gardner in Europe Just Before the War Demonstrates That Missouri Would Not Be Experimenting—Success Has Been Proven—Facts to Show What Rural Credits Have Accomplished.

[This is the fourth of a series of four articles for which we have arranged, in which the Gardner Land Bank Bill will be discussed from every possible angle. As the Land Bank Bill will be the subject of wide discussion, our readers would do well to clip and preserve the series if they want to be in a position to meet any objection that may be raised, or to correctly answer any question that may be asked regarding the bill.]

(Note: In the earlier lessons of the Land Bank Primer various features of the Gardner measure have been explained. The present lesson is to show the basis of the bill—what similar laws have done for farmers abroad. The Gardner bill was passed by the last Legislature, signed by the Governor and will be voted on in November. It becomes effective December 1, 1916.)

## LESSON IV.

Q.—On what data and experience is the Gardner Land Bank Bill based?

A.—Principally on the successful operation of land banks abroad. IT WILL NOT BE AN EXPERIMENT IN MISSOURI. Col. Fred D. Gardner, who designed the bill, was born on a farm and is a successful business man. He knows from experience, as well as observation, what our farmers have suffered through having to pay excessive rates for money necessary to operate a farm. And he spent a year in Europe just before the present war, studying the subject. In designing his bill he has had the advice of the best financiers and lawyers, as well as farmers, in the first-class nations and states—including Missouri—FOR THE PROTECTION OF THE STATE AS WELL AS MEETING THE NEEDS OF OUR FARMERS.

Q.—And he thinks the chief need of the farmer is money at reasonable rates of interest?

A.—Unquestionably. The land bank, by lending money at 4 1/2 per cent on long terms, permitting the borrower to pay off the principal in easy yearly installments, not only will aid the agricultural classes by increasing production, but help everyone. Figuring in commissions, the American farmer pays an average of 8 1/2 per cent on ruinous short-term loans.

Q.—What is the system in other countries?

A.—The longest time limit for farm loans is 75 years in France, 63 years in Hungary, 60 years in Denmark, 65 years in Ireland, 30 years even in Finland, and so on. AND THE AVERAGE INTEREST RATE PAID BY FARMERS ABROAD, OUR COMPETITORS IN THE MARKETS OF THE WORLD, IS BETWEEN 3 AND 4 PER CENT.

Q.—What has this done for the foreign countries?

A.—Farmers in these countries have been using \$25,000,000,000—think of it!—in long-time loans. The result was that their exports of foodstuffs INCREASED (before the war), while AMERICA BOUGHT MORE AND MORE ABROAD. Government figures show that in 1830 about 55 per cent of our exports were food supplies. In 1912 (latest figures at hand) they had decreased to 20.72 per cent.

Q.—Cite special articles, for instance.

A.—In comparison with Germany (before the war), American cattle decreased 8.7 per cent and swine 7.4 per cent, while poultry increased 17 per cent. On the other hand, Germany's exports of cattle increased 4 per cent, swine 7.4 per cent and poultry 20 per cent. Also, Germany's INCREASE OF CROPS PER ACRE WERE MORE THAN AMERICA'S—80 per cent more rye, 120 per cent more wheat, 30 per cent more barley, 100 per cent more oats than the American farmer raised per acre.

Q.—And what is the answer?

A.—IT IS BECAUSE THE FARMER ABROAD COULD GET MONEY AT LOW RATES TO CULTIVATE HIS

## Democratic Prospects.

Interviewed by a reporter of the Hannibal Journal, Col. Fred D. Gardner said, in part:

"What is the political outlook?" "If you mean Democratic outlook," he replied, "it couldn't be better. Woodrow Wilson will be renominated by acclamation at the St. Louis convention and re-elected by an overwhelming majority."

"But the governorship?"

"I am leaving that entirely, so far as I am concerned, with the Democratic voters of Missouri. I am more concerned about Democratic success in November than I am about personal political preference. If the people believe I am the man to lead the party to victory I will be nominated. I am in no sense a politician—know

## Banks Favor Land Bank.

We have been told by some that the banks over the state would oppose Gardner's Land Bank bill. But we have interviewed several bankers of this county, and they tell us that this is not true; that national banks don't loan money on real estate, and that the banks wish to see the farmer obtain money as cheap as possible and that the farmer need not fear the banks opposing the Gardner Land Bank bill. Farmers are not asleep these days every time they have their eyes shut. They understand that much

## GROUND PROPERLY. THIS THE MISSOURI FARMER COULD DO UNDER THE LAND BANK BILL.

Q.—Take Ireland. That country was very poor, whereas the farmers now are more prosperous than ever before. What of Ireland?

A.—The Secretary of Agriculture for Ireland told Col. Gardner that a billion dollars had been loaned to Irish farmers at 2 1/2 per cent, against which the government has sold bonds as Missouri expects to do. More than half a million people purchased these bonds.

Q.—Were there any losses to the government?

A.—NO. In Ireland the records show there has not been a single default in payments by farmers. AND THE PLAN HAS BEEN WORKING FOR MORE THAN THREE YEARS.

Q.—What has been accomplished?

A.—This billion dollars which has been poured into the agricultural districts of Ireland, which has a population not very much larger than Missouri, has brought a revival of the whole country.

Q.—Has the effect been far-reaching?

A.—Yes. Instead of a declining population in the country districts as we have in Missouri, the effect has been to increase it. It has stimulated a demand for fertilizers, building supplies, machinery, electricity and all sorts of improvements. It has brought greater prosperity to all classes.

Q.—What about our farmers competing with those abroad?

A.—Farm products and prices largely are regulated by international competition. For instance, Missouri wheat in Liverpool competes with wheat from Russia, France and Argentina. The same with meats and other things. So you see if farmers in other countries are able to get money at about half what our farmer has to pay, and considering the fact that OUR LANDS ARE PRODUCING LESS AND LESS FROM THE LACK OF FERTILIZERS, RELIEF IS VITALLY NECESSARY.

Q.—What of South America?

A.—Today in the United States we are buying \$117,000,000 worth of hides a year because Argentina and Chile furnish their farmers money at low rates of interest.

Q.—What have we Americans done toward establishing land banks?

A.—Well, the FIRST EFFORT IN AMERICA IS THE PRESENT ONE IN MISSOURI, though a land bank was established several years ago in the Philippine Islands. The Filipino farmers had been paying usurious interest rates. Our government first tried to induce private capital to find a way to stop it. BUT PRIVATE CAPITAL WOULD NOT START A LAND BANK. THEN THE U. S. GOVERNMENT DID SO WITH A CAPITAL OF HALF A MILLION DOLLARS, LENDING THE MONEY AT 4 PER CENT. SO GREAT WAS THE BUSINESS THAT THE BANK HAD TO DOUBLE ITS CAPITAL. IN THREE YEARS THERE WERE BUT FIVE FORECLOSURES AND THE BANK HAS LOST NOTHING.

Q.—If we can help the Filipino farmers, why can't we help our own?

A.—We can and will, under the Gardner Land Bank Bill, and at the same time, through the sale of debenture bonds and the maintaining of a reserve fund to refund to the state the \$1,000,000 appropriated as the original working capital as a loan to the bank. TAKE NOTHING FROM THE TAXPAYERS AND AT THE SAME TIME PROTECT THE STATE.

nothing about the game. I have been content to vote the ticket regularly, put up my part of the campaign fund and use whatever influence I have for party success without considering personal reward. I am a business man and have devoted my life to business pursuits. If I am nominated I will devote all of my time absolutely to looking after the state's business for four years."

It is highly pleasing to the Gardner for governor supporters to note how many Gardner for governor clubs are being formed all over Missouri. It is a poor political vision that does not recognize Col. Gardner as the overwhelming choice of the people for the nomination and election.—Rolla Herald.

of the noise they hear about banks being against their interests is simply political clap-trap.—Fayette Democratic Leader.

Farmers in many sections of the state are organizing Gardner for governor clubs. Down in Randolph county Gardner clubs are said to be very numerous and according to newspapers, influential farmer Democrats are pushing the candidacy of Mr. Gardner. "Thus the sentiment for Gardner grows," says the Clark Chronicle. "The farmers are strong for him."

# LAND BANK WOULD HELP TO KEEP BOYS ON MISSOURI FARMS

Under the Gardner Bill Loans Would be Available at Low Rates of Interest to Encourage Farmers' Sons to Subdivide the Land and Till the Soil—Increased Production Would Reduce High Cost of Living for Everyone.

[This is the third of a series of four articles for which we have arranged, in which the Gardner Land Bank Bill will be discussed from every possible angle. As the Land Bank Bill will be the subject of wide discussion, our readers would do well to clip and preserve the series if they want to be in a position to meet any objection that may be raised, or to correctly answer any question that may be asked regarding the bill.]

(Note: In the first and second lessons of this Primer the general provisions and effect of the Gardner State Land Bank Bill were explained. In the present lesson the relations of such a bank to the farmers' sons and the high cost of living are set forth. The bill was passed by the last Legislature of Missouri, signed by the Governor and will be voted on by the people in November under the initiative and referendum. It is to become effective December 1, 1916.)

## LESSON III.

Q.—Why does the farmer's son leave home?

A.—Because, as a rule, the father could not make the business of farming—and FARMING IS THE REAL BIG BUSINESS—attractive to the boy. He had the land, but he was LAND POOR. He hadn't the means to start the son out on his own SUBDIVISION of the farm, provide him with stock, machinery, etc.

Q.—Couldn't he raise the capital?

A.—Probably, but at exorbitant rates of interest on short time loans—with mortgages that eat into the capital.

Q.—How would the Gardner land bank help the son?

A.—By providing him with capital. The bank would lend him money at 4 1/2-10 per cent interest for a long term—up to 25 years. In this interest charge would be included 1 1/2 per cent for the sinking fund, this reserve fund being for the protection of the state and eventually to pay back the \$1,000,000 which the state is to lend the bank as working capital. On this original capital and through the sale of debenture bonds, secured by notes and deeds of trust based on one-half the cash value of the land, the bank, it is expected, will lend \$40,000,000 to Missouri farmers, and in time bring at least a hundred million dollars of new money into the state, for the same purpose.

Q.—Then the bank is entirely for the farmers' benefit?

A.—Exactly. No loans for speculation are possible. The Gardner bill specifies that the money borrowed shall be used for paying off liens and encumbrances, one-fourth of the loan being allowed for the purchase of stock and machinery.

Q.—How would the farmer go about getting the loan?

A.—By making application to the bank which is to be located at the state capital, and the officers of which are to be the governor, secretary of state, attorney general, state auditor and state treasurer, with the state bank examiner as director. You see, the fact that these officers will receive no extra pay is one of the reasons why a low rate of interest can be charged. And there will be no dividends because there will be no stock shares. After the application for the loan is made the state bank examiner would send an appraiser to pass on the value of the land.

Q.—How would he appraise the value?

A.—By consulting authorities in the community, including the COUNTY OFFICERS, who would receive no fee.

Q.—For how much and how long would the loan be made?

A.—For 5, 10, 15, 20 and 25 years, in amounts not less than \$250, and not more than \$10,000, on half of the cash value of the property.

Q.—Please repeat: How would that figure out?

A.—Well, for instance, on a 25-year loan, the annual payments would be \$6.50 on each \$100 borrowed. This

\$6.50 would include interest, reserve fund fee and THE PRINCIPAL, thus paying off the entire amount by the time the term of the loan shall have expired. In giving preference to the smaller loans the idea will be to encourage subdivision of farms, thus being of SPECIAL BENEFIT TO FARMERS' SONS.

Q.—What papers would the borrower sign?

A.—Notes of unlimited liability for the protection of the state, and the deed of trust or mortgage. If a lien or mortgage already exists this must be paid off first out of the loan, thereby SAVING INTEREST CHARGES ON THE OLD MORTGAGE. The remainder of the loan, as stated, is to be expended for improvements.

Q.—So you say this would give the farmer's son (and his father) greater opportunity to be prosperous?

A.—Emphatically YES. As Col. Gardner says, we have failed to impress upon the country boy the fact that he is engaged in the oldest and most important business in the world. He must realize the dignity of his position. ALL HE NEEDS IS FACILITIES FOR MAKING IT PROFITABLE AND ENJOYABLE. HE NEEDS OPPORTUNITY.

Q.—What has been the result of the lack of opportunity—a chance?

A.—Hardship, and a loss of population in the country. Outside of St. Louis and Kansas City, Missouri has lost 2 per cent in population in the last 10 years. Such splendid agricultural counties as the following have shown losses, these being picked out because they were represented on the Missouri bankers' commission, to-wit: Callaway, 8.2 per cent loss; Saline, 12.6; Platte, 11; Lewis, 7.2; Cooper, 10, and Atchison, 17.6 per cent loss in population in the last 10 years.

Q.—What has been the chief effect?

A.—REDUCTION IN PRODUCTION AND A CONSEQUENT INCREASE IN THE COST OF LIVING.

Q.—What are the figures in point?

A.—Twelve of the principal articles of food have advanced more than 50 per cent in prices in the last 10 years. For instance, bacon, 123 per cent; round steak, 107; fowls, 74, and so on. It's no wonder the cost of living has increased when production has decreased and OUR POPULATION HAS GROWN AND IS GROWING—IN THE CITIES. And if the farmer boys keep on coming into town, conditions, unless relief is given, will be harder for everybody.

Q.—What will come to pass if the farmer is not aided?

A.—Further losses in country population, still higher cost of living, and even worse times for the farmer because he is "hog-tied" financially. AND THE NEXT GENERATION WOULD HAVE TO CULTIVATE GREATLY IMPOVERISHED LAND.

Q.—And what is the other side—the relief by the land bank—the probable cure for being LAND POOR?

A.—Farm improvement, a chance for the country boy, a building up of rural communities, better social conditions through growth of closer neighborhoods. WITH THE PROSPERITY OF THE FARMER THERE IS BOUND TO FOLLOW BETTER ROADS, BETTER SCHOOLS, BETTER CHURCHES. And directly will come benefits to the merchant, the banker, the laborer. For all of us depend on the farmer, and his welfare spells a greater measure of success in life's main pursuit—CONTENTMENT AND HAPPINESS.

(End of Lesson III. Lesson IV. will appear in next issue.)

# INDEPENDENCE FOR FARMER UNDER LAND BANK BILL

What It Will Mean to the Agricultural Classes to Get 25-Year Loans at 4.3 Per Cent—Gardner Measure Expected to Bring a Hundred Million Dollars of New Money Into the State of Missouri.

[This is the second of a series of four articles for which we have arranged, in which the Gardner Land Bank Bill will be discussed from every possible angle. As the Land Bank Bill will be the subject of wide discussion, our readers would do well to clip and preserve the series if they want to be in a position to meet any objection that may be raised, or to correctly answer any question that may be asked regarding the bill.]

(In the first lesson of this Primer, the main features of the Gardner State Land Bank Bill were set forth. In the present lesson is shown the fuller effect of the measure which was passed by the last Legislature, signed by the Governor and will be voted on at the November election. The law is to become effective Dec. 1, 1916.)

## LESSON II.

Q.—What does it mean to be LAND POOR?

A.—Ask Missouri farmers. THEY KNOW. It is having land which they would like to cultivate but haven't the means—unless they "grow" a mortgage, which, under the old conditions of high interest and big commissions might eat up the land.

Q.—Why have the interest charges been high?

A.—Because farm mortgages have not been easy to convert into cash. The loans have been for comparatively short periods—not long enough to permit the farmer to pay out.

Q.—How does the Gardner Land Bank project differ?

A.—By loaning the farmer money at four and three-tenths per cent for as long as twenty-five years. And he can pay back the principal in yearly installments with the interest, or pay it up at any interest period. On a twenty-five year loan the farmer would pay only \$6.50 a year on each \$100, and this includes interest, reserve fee and the PRINCIPAL.

Q.—Why does the farmer need state aid?

A.—If you leave it to private capital to start land banks, dividends and increased expenses would leave the farmer borrower no better off than he now is. The state land bank would have no salaried officers, except a few appraisers and additional clerks, because state officers and employees already on the payroll would look after its affairs. And there would be no shares of stock on which to pay dividends. THE FARMER BORROWERS WOULD GET THE DIVIDENDS.

Q.—What about the existing state banks?

A.—In the agricultural districts of Missouri—communities of less than 5,000 people—there are only about 60 banks with a combined capital of some \$5,000,000. They can place 25 per cent in farm loans (\$1,250,000), which is certainly insufficient. And the country banks do not care to tie up their loans even for five years, which in itself is too short a time for the average farmer.

Q.—What about the federal reserve?

A.—The federal reserve act does not permit the central bank to discount farm mortgages as it does commercial paper.

Q.—Then the state land bank becomes a necessity?

A.—Yes. The American farmer is producing ten billions of dollars annually, and is borrowing six and a half billions every year, and, as former President Taft has figured, is paying 8 1/2 per cent interest. He is at the foot of the ladder of financial consideration—and at the top of interest rates. AND THE FARM IS THE BASIS OF ALL PROSPERITY.

LOSS OF \$200,000,000 ANNUALLY.

Q.—To what tune is the American farmer bled by high interest commissions?

Mrs. W. P. Ford went to Wellington Sunday morning for a visit.

A.—He pays out about \$200,000,000 a year more than he should pay. AND MONEY SAVED IS MONEY MADE.

Q.—And why has he been overcharged?

A.—Chiefly because of the old system of from one to five year loans. Renewals became necessary, with high commissions, or else the farmer would have to sell part of his investment, thus reducing his capital or earning power. AND A FARMER HAS TO HAVE CAPITAL THE SAME AS A COMMERCIAL MAN.

Q.—What would Missouri farmers save in interest under the Gardner plan?

A.—With farms in our state mortgaged for \$113,000,000, the mortgages running from one to five years, about \$40,000,000 worth mature annually. Renewal commissions of 2 per cent total \$800,000 annually. Under the Gardner bill the interest reduction (at least 2 per cent under old rates) would be about \$2,500,000 MORE SAVED every year.

Q.—Would the new law bring about farm expansion, more capital and independence?

A.—Yes. With an appropriation of \$1,000,000 as a loan from the state, to be paid back by the bank from the reserve fund, the fee for which is included in the 4 3/10 per cent interest paid by the farmer, the state land bank could loan as much as \$40,000,000 on this original working capital. The bank's sale of debenture bonds by notes and deeds of trust or mortgages, the land being appraised at half its cash value, should bring a hundred million dollars into Missouri in a short time.

Q.—Why would investors favor it?

A.—Instead investing in a SINGLE farm mortgage, they would turn to Missouri, the first state having a land bank. They would put money in bonds on THE GENERAL FARM PROPERTY, KNOWING THAT THE MONEY WOULD BE EXPENDED, AS REQUIRED BY THE LAW, FOR IMPROVEMENTS. It is the safest investment on earth.

Q.—What would be the general result?

A.—Hon. Noah W. Simpson of Lewis county, lawyer and member of the Forty-eighth general assembly of Missouri, who introduced the bill designed by Col. Fred D. Gardner, says: "By a system of mobilizing (or consolidating) these farm loans can amortize themselves (pay off in easy stages) in a long term of years, and in the end the borrower has not only had his money at a reasonable rate, but at the end of the term of years for which the money was borrowed his mortgage loan is fully paid."

Yes. And crops will have grown in what now are waste places; there would be more subdivisions of farm lands; the farmers' son will have been kept at home because of the greater opportunities; production will have increased and thus reduced the high cost of living for everybody; there would be fewer mere tenants in Missouri. AND YOU WOULD HEAR MUCH LESS ABOUT MISSOURI FARMERS BEING LAND POOR.

(End of Lesson II. Lesson III. will appear in next issue.)

Miss Mary Vaughan left Saturday for a visit in St. Louis

## IS EVERY INCH A DEMOCRAT

Col. Gardner's Party Loyalty Cannot Be Questioned—He Has Always Been True to the Faith.

Mr. Mal. Quinn thinks Gardner is being wronged by the circulation of a story appearing in the press of the state to the effect that the gubernatorial candidate is independent in politics. The published statement was copied from a book of St. Louis publication and of course found wide publication. Mr. Quinn calls attention to a contributed letter in yesterday's Republic from John I. Martin, in which the writer fills a wide half column with proofs of Gardner's loyalty to the old faith.

## Missouri Pacific Time Table.

WEST BOUND	
627	8:05 A. M.
621	5:50 P. M.
EAST BOUND	
622	9:05 A. M.
624	6:43 P. M.
RIVER ROUTE	
631	8:45 A. M.
632	6:10 P. M.

The Times is not committed to any candidate in the pre-primary canvass. This paper believes in a fair chance for everybody and plenty of publicity for each man's claims. It will not knowingly publish anything that is untrue or unfair. Any one of the many candidates asking for the votes of Missouri Democrats would make an acceptable Governor.

Statements will be made all the way down the preliminary battle line that some folks won't like. The man will have to rise above insinuations. The victor will come to his own through a vale of fears. No remarks that any one man can make will be able to hold back from nomination the man Missouri Democrats yearn to have over them.—Columbia Daily Times.

Mr. and Mrs. J. T. Cauthen went to Buckner Sunday morning for a visit. From there Mrs. Cauthen will go to Swain, Kansas, for a visit.

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