

THE FEDERAL LAND BANK

(By President D. G. O'Shea)

"The land bank was designed to give service to the farmers, and believing it is honestly striving to give that service at a minimum of cost, one may be pardoned for asking why anyone has featured a recital of the things it is said to have left undone without ascertaining the things it has done, and truthfully publishing those. For the information of the farmer it may be no harm to consider some of those things.

"In the first place, it should be understood that the Federal Land Bank is designed to make business loans involving the taking of security and the collection of payments. It is not distributing gifts or bounties. It has nothing to give away but its service. It was organized with a capital provided by law, without surplus and without appropriations, to conduct a loaning business and be self-sustaining, earning its expenses out of its operations and selling its bonds to the public, who will buy only if the security be shown to be adequate, the interest paid thereon and the principal returned. The Twelfth Land Bank District comprises the four large states of Idaho, Montana, Oregon and Washington, an immense territory, with every variety of soil and product; a territory that has been exploited by promoters and speculators; much of it newly settled by persons struggling to secure homes, with land values fluctuating and variable, and affected by seasonal and changing conditions.

"Interest rates in these Northwestern states were high, the persons engaged in making farm loans were numerous, active and organized. They have fought the Federal Land Bank with every means at their disposal to misrepresent and discredit it; we expect and look for their opposition and fear it not, but we want to serve any of those who profess to represent the farmers.

"If there were nothing to the business but the distribution of money to all who asked for it, the operation would be simple. To make loans, however, involves the taking of security, the collection of interest and the ultimate return of the principal. It involves also the collection of information, the gathering of reports and reasonable conformity to useful and proper business regulations. If every applicant got from the land bank what he asked for, the doom of the system would be sealed ere this, and the farmers of the Northwest would be permanently committed to the good old 10 and 12 per cent interest rates, plus commissions, fees and renewal costs. That some have been disallowed and others got less than they sought naturally causes disappointment. If the 'kicks' of those disappointed persons be registered, and no reference made to the thousands who have been beneficially served, the record is assuredly incomplete and misleading.

"The Federal Land Bank began business without precedent to guide it, and without a form to follow. It has organized and chartered 408 National Farm Loan associations in a widely extended territory. It has endeavored to conduct a technical business through persons, the great majority of whom were untrained in the work. It has had not only to organize, but to do business as well, in competition with men highly trained and spurred by personal gain; and it has had to consider many problems too numerous to mention in a brief letter, which problems were aggravated by serious crop failures in much of its territory.

"It has conceived it to be its first mission to establish itself on a secure, lasting and firm foundation, regardless of individual disappointments, and to demonstrate it has done so, we ask brief consideration of some of the things we have done as well as the things that were left undone.

"We have had examined and appraised to date 20,600 farms, and paid railroad fare, traveling expenses and salaries of the appraisers. All such applications were not approved, and many others were approved in less amounts than asked for. We have had our legal department examine over 10,000 abstracts of title, draw mortgage papers, cure defects and correct titles that were imperfect. We have paid out in actual cash to this date \$21,200,000 to the farmers of the Northwest in sums averaging from \$100 to \$10,000 at interest rates—some at five per cent where we sold bonds at 4 1/2 per cent; the others at 5 1/2 per cent, and we are daily adding to the amount in large volume.

"The farm loan act allows the land bank to charge six per cent, and allows it to charge the borrower the cost of appraisal and the cost of examining his title. We have never charged the man who completed his loan one dollar for any service rendered him, believing we can operate on the small margin of interest we

charge over and above the interest we pay on our bonds; and we are doing so. We pay for large supplies of stationery and legal forms, pay for postage the same as any other business concern, pay office rentals and for legal and clerical help, and it may be no harm to say that we know nothing, and care less, of the political affiliations of our employees. They are expected to work hard and full time, and results only count. For all we furnish and for all the work we do as aforesaid, we get not a dollar until after the loan has been out six months, and then, if the borrower pays, we get one-half of one per cent per annum profits. That on a loan of \$1000 would be \$2.50. Operating under those conditions and on those terms, and with no other source of revenue, we have met all the organization expenses, all the cost of examining and considering thousands of applications from which no results were had, and have been on a paying basis since early in this year, and gradually accumulating a surplus, which, by the way, will make dividends for no one but the farmer borrower.

"We ask only of all friends of the system that they be fair and constructive in their criticism, not destructive; not joining those who attack us, for the very good reason that their profits have been affected. Tell us of the things that will enable us to give better services, and we will endeavor to measure up to the expectations if they are reasonable and right.

"Many wise persons sagely shook their heads in derision at the idea that the 'Farmers' Bank' would operate at any reasonable cost; they said politics would get into it and 'chair warmers' would get jobs; that common persons without fees or big profits could not deal with financial matters through farmers' organizations; that farmers would not pay and politicians would not make them pay; that the placing of mortgage loans is an abstruse and wonderful mystery to be approached only by a select and chosen class.

"Bless them, there is an institution now being developed that even on the small margin it charges, if permitted to work out its own destinies, will within a few years accumulate a surplus that will be surprising; that will pay dividends to the farm loan associations; that will afford safety and economies to the farmers of the Northwest to the end that they can become financially independent; an institution the securities of which are already so well established that its bonds, even in these times, are already selling in the open market at a substantial premium.

"The Federal Land Bank has no demand obligations; it will have no unsecured loans; properly conducted, its financial position will become unassailable. The first year is its time of trial and stress, and those who are not with it are naturally opposed.

"Its mission is to afford economies. Were it to employ sufficient persons to reach every farmer who called on it during the first season at one time, it would have accumulated an expense account before it had made any earnings that would have exhausted its resources, and then it would stop.

"It has endeavored to render impartial service, as it properly should, to each of the states of its district, and in so doing it has organized more farm loan associations in Montana and completed more loans there than in any other state of the district. It loans money to the farmers of the Northwest, who in the past paid higher interest rates than would any other business, at lower rates than can now be secured even by the most favored businesses.

"It has loaned and is today making loans to farmers at lower interest rates than your counties can secure on the sale of their bonds. It asks from the farmer only security and the payment of the amortization installments provided by law.

"It has materially benefited even those whom it has not directly served by bringing about more favorable conditions for those persons to secure loans elsewhere. One may be pardoned for asking what rate of interest and what commission the farmers may be forced to pay during 1918 were it not for the leveling influence of the Federal Land Bank.

"Is it worth while to the farmer to perpetuate the system? If it is, what are you doing to assist? The land bank can continue and can secure funds to loan only by selling farm loan bonds. How many bonds have you helped to sell?

"While there are a few notes of discord, there are thousands who have been beneficially served who have been silent. The disappointed ones receive the same consideration as those served.

"Should it not be considered that there have been reasons for rejections? There was recently printed a communication from a farmer who was aggrieved because he had waited

so long. He did not consider whether or not the securities from any particular territory would find a market. He knew only by his own disappointment. Those who failed to get what they wanted at the first hearing can always secure another hearing at another time, and if found entitled to more than was originally allowed will assuredly receive the same. If one receives more than he is entitled to, the thing is done, and it will be featured and advertised by those who would be interested in destroying the system.

"The land bank has done some little business near this farmer's home, and it has on its desk this morning a statement received regarding the affairs of a farmer for whom it was considering an application for a loan.

"The statement reads as follows:
Principal of loan \$1500
Interest, 1917 150
Interest on that interest 18
Interest, 1918 150
Six months' interest in advance 75
4% for two years left 120

Total \$2013

"This brought the cost to this farmer for the use of \$1500 for one year and nine months \$613. This is one of the burdens that Federal Land Bank is daily lifting from the shoulders of the farmers. Do you want to help in the work? We can recite hundreds of like cases.

"For the helpless man in the condition mentioned, and for the farmer everywhere in the far-flung homesteads, who endeavored to carve a home in the wilderness with little to begin with, even though some be loosely tied to their farms, we have infinite sympathy and a desire to help, but we can loan money only on the basis of acceptable security, and on the assumption that the amortization payments will be met.

"The real friends of the farmers at this time should earnestly represent to them that the ultimate success of this system rests largely on the manner in which they will use it; that they can secure a continuance of low interest rates and easy payments only by meeting the payments provided for as they come due, and that confidence and credit are based on promptness, accuracy, fair dealing and reasonable business attention to necessary duties.

"It is a matter of pride and satisfaction to realize that even in these lean years of short crops in places and no crops at all in other places, the farmers generally have appreciated their responsibility and have invariably, with few exceptions, taken pride and satisfaction in meeting their amortization payments to the Federal Land Bank. Those who will not do so and can will be forced to do so. The Federal Land Bank, used rightly, will afford the farmers of the Northwest means to become financially independent so that those men who in the past gave all their profits to meet interest and taxes may be enabled to secure for themselves and for their families a substantial portion of the fruits of their own labor."

NOTICE TO CREDITORS

In the Superior Court of the State of Washington, in and for the County of Whitman.

In the Matter of the Estate of Mary E. Packingham, Deceased.

Notice to the world is hereby given that I, the undersigned, have been appointed and confirmed by the above named court as the executor of the last will and testament of Mary E. Packingham, deceased, and that I have qualified as such executor; that the creditors of the deceased and all persons having claims against the deceased are required to serve their said claims, supported by affidavit as required by law, on the undersigned executor, or on D. C. Dow, his attorney of record, at his law office in Pullman, Whitman county, Washington, and file the same with the clerk of the above named court, together with proof of such service, within six months after the date of the first publication of this notice, to-wit: within six months from and after the 22nd day of November, 1918, and that all claims not served and filed within the time aforesaid shall be barred.

Dated November 19th, 1918.
LOGAN G. KIMZEY,
Executor of the Last Will of
Mary E. Packingham, Deceased.
D. C. Dow,
Attorney for the Estate,
Pullman, Wash.
Nov22Dec13

ALFALFA HAY FOR SALE
Buy direct and save dealer's profits. Satisfaction guaranteed. J. F. Jacobson, Kennewick, Wash.
Nov22Dec13

That mince meat "with a stick in it" is fine—we have tried it. Phone 39—Sanders' Grocery. Dec13
Good alfalfa hay. Phone 51. Nye & Emert. Nov22tf



Greenawalt-Folger Co.

SHOWING

"Style Shoes of Quality"

From the Workshops of
Htz & Dunn Co.

With the present increased cost of all shoes we consider it particularly important to offer our patrons only such merchandise as has a nationwide reputation for quality and workmanship as well as for originality and style.



The Colors Now in Vogue

Black
White
Brown
Grey



Exquisite Styles in Dancing Pumps

Dull Kid
White
Silver
Patent



The Styles--

we are showing are the newest, the same as are being shown by the most exclusive stores in the cities.

Let us serve you with that next pair

Greenawalt-Folger Company

Potash From Puget Sound Kelp

Foreign supplies of potash are no longer available and the government is urging the production of the essential soil food from the cheapest sources available. One of them is the giant seaweed (kelp) of the Pacific Coast. You can buy potash produced right on Puget Sound, saving the cost of freight from far distant points. Write for prices and particulars.

PUGET SOUND POTASH & KELP FERTILIZER CO.

Head Office
CENTRAL BLDG, SEATTLE
Factory, Port Stanley, Wash.

INSURE WITH McCLASKEY.

BRING this ad to me and say, McClaskey I'm from Missouri, show me that you know the insurance game and have the best Companies and I will insure with you.

Insure with McClaskey

You'd hardly know Pete was chewing



Yet he says he gets more satisfaction out of his small chew of Gravely than he ever got out of a big chew of ordinary tobacco. "Real Gravely has a pure, rich taste," says Pete. "It's sweetened just enough, and one small

chew holds its good taste so long. I figure that this class of tobacco costs me nothing extra—maybe less than I'd have to spend for ordinary plug."

It goes further—that's why you can get the good taste of this class of tobacco without extra cost.

PEYTON BRAND Real Gravely Chewing Plug each piece packed in a pouch

P. B. GRAVELY TOBACCO CO., DANVILLE, VA.