

LEE-WISE NATIONAL FARM LOAN ASSOCIATION.

A meeting of the farmers of Lee and Wise Counties was held here on Saturday the 2nd day of December for the purpose of organizing a National Farm Loan Association. Twenty Eight Thousand Dollars of loans and Fourteen Hundred Dollars of stock were subscribed, sufficient to organize, but after full consideration the meeting adjourned until Saturday the 16th day of December for the purpose of giving farmers of both Counties an opportunity to join before proceeding to the election of a Board of Directors, and other officers. It will be greatly to the advantage of members of any Association to organize with as large a membership as can be obtained, for whilst ten men wanting to borrow not less than \$20,000.00 can join and form an Association, its expenses will be nearly as much as one formed with a hundred members wanting to borrow \$250,000.00 or more.

The Secretary-Treasurer is the only officer who can receive a salary, and it is easy to see that if this salary is distributed over one hundred members, the cost of administration will be much less than if it has to be paid by ten members. The larger the Association the more capable will be the man appointed Secretary-Treasurer, and the more certainty of good dividends upon the stock held by members.

Each member is liable for his own individual loan, and not for the individual loans of other members. His personal liability for the transactions of the Association is limited to his own loan and the amount of stock he holds. For instance, if he borrows \$1,000.00, his personal liability, other than for his loan is only \$50.00 and in the same proportion for larger or smaller amounts. All the net earnings of the Association are divided annually among the holders of stock. It is estimated that the Association will be able to borrow from the Land Bank at about four per cent the money it loans its members at not over six per cent.

Suppose the Association is composed of One Hundred members and their loans amount to two hundred and fifty thousand dollars (\$250,000.00). The association will pay to the Land Bank for this money at four per cent (4%) \$10,000.00 it will receive from its members for their loans \$15,000.00 leaving \$5,000.00 it earns. Now say that the expenses of maintaining an office and paying the salary of the Secretary-Treasurer will amount to \$1,500.00 there will remain to divide among the holders of the \$12,500.00 stock the sum of \$3,500.00, which will amount to (28%) twenty eight percent upon the stock of each member.

Now compare these earnings with those of an association with members subscribing for say \$50,000.00 loans and \$2,500.00 stock. The loans from the

Farm Bank at four percent (4%) would cost \$2,000.00 and its interest from its loans at six percent (6%) would amount to \$3,000.00 leaving \$1,000.00 which might probably pay the salary and expenses of the Secretary-Treasurer, but would leave nothing to divide among the stockholders.

I do not see that I could present a more forcible argument in favor of organizing the association with as large a membership and loans as can be obtained.

I am giving my work to this cause without any fee or reward whatever because I am deeply interested in seeing as many farmers benefited by the Farm Loan Act as can be made to realize that it is the greatest piece of constructive legislation in their interest enacted by Congress since the Government was formed.

There is no excuse for farmers with land producing thirty or forty bushels of corn to the acre not improving it to bring one hundred bushels to the acre, when they can borrow the money to do it with upon the liberal terms provided for them by the Farm Loan Act.

I would like to have as large a number of farmers present next Saturday as can conveniently come to hear the provisions of the Act and the benefits to be derived therefrom fully explained.

If there are any who desire to join the association and cannot come, I am appending to this circular letter a form of power of attorney which they can sign and acknowledge before two witnesses, appointing someone to represent them. I will gladly act for anyone desiring me to do so. I desire to say further that after you have signed the articles of the association you join you can retire at any time before you actually execute the mortgage, and take your loan for that, and that only is the final step in making you a member.

No farmer not making a loan can be a member of any association. The purposes for which the money can be used are stated in the Act as follows:

"To provide for the purchase of land for Agricultural uses, to provide for the purchase of equipment, fertilizers and live stock necessary for the proper and reasonable operation of the mortgaged farm; the term 'equipment' to be defined by the Federal Farm Loan Board.

To provide buildings and for the improvement of farm lands; the term 'improvement' to be defined by the Federal Farm Loan Board.

To liquidate indebtedness of the owner of the land mortgaged, existing at the time of the organization of the first National Farm Loan Association established in or for the county in which the land mortgaged is situated, or indebtedness subsequently incurred for purposes mentioned in this section."

Any one member may subscribe for not less than one hundred dollars, and not more than Ten Thousand dollars, and he must subscribe to the stock in the association five percent

of the amount of his loan. If he wants \$10,000.00 he must subscribe for \$500.00 stock and in the same proportion for smaller sums.

The money can be borrowed for not less than five years nor more than forty years and may be repaid after the end of five years at any interest period no matter if borrowed for forty years. All payments he has made on account of principal and the par value of his stock will be credited when he pays his loan, and he then ceases to be a member.

Any member of the association may borrow to the extent of fifty per cent, (50%) of the appraised value of his land so that it does not exceed \$10,000.00. The fair market value of land is appraised by a loan committee appointed from the members of the association, and this reported to the Farm Loan Bank and it sends its appraiser to go over the lands with the loan committee and when he approves their appraisal the loans are granted. Every member of the association will be interested in a fair and honest appraisal of the lands to the end that every loan shall be sound and well secured.

The amount of interest and principal necessary to be paid annually to pay and discharge any loan at the end of a given time is set forth in the following table:

The following table shows the payments required annually to wipe out interest and principal on a \$1,000.00 loan in from 10 to 40 years at 6% interest.

10 Years	\$135.87
15 "	102.96
20 "	87.18
25 "	78.23
30 "	72.65
35 "	68.97
40 "	66.43

It seems to me very apparent that it will be to the interest of any farmer making a loan to make it for the longest period allowed by the Act, as he has the privilege of paying it back at any interest period after it has run five years, and so long as he does keep it he has the advantage of small payments of principal given upon long time loans. When he does pay he has the advantage of all payment of principal he has made and interest ceases at once upon his loan, although it may have a great many years to run. Liberal provisions are made for the sale of mortgaged land to another person, as the purchaser can step in and take shares of the stock held by the seller and become a member of the association. Provision is also made that upon the death of the borrower his heirs or personal representative may become members and assume the loan.

The following form may be used by persons who cannot be present in person and want to join.

KNOW ALL MEN BY THESE PRESENTS that I, _____ of _____ County, Virginia, do hereby appoint

_____ my true and lawful attorney in fact for me in my name, place and stead to subscribe my name to the Articles of Association of Lee Wise National Farm Loan Association and subscribe for a loan of \$_____ and shares in the Association to the amount of \$_____, and I hereby authorize my said attorney to acknowledge my signature as fixed as above set forth, hereby ratifying all that my said attorney may lawfully do pursuant to authority hereby conferred.

Given under my hand and seal this _____ day of December, 1916.

(Two witnesses)
Signed and acknowledged in our presence.

I desire to acknowledge the earnest co-operation and assistance of Mr. G. N. Knight, Editor of the Big Stone Gap Post in publishing and disseminating information in regard to the Association. He is sending out several hundred extra copies this week to farmers in Lee and Wise Counties.

Remember the meeting will be held at 10:00 o'clock a. m. Saturday, December 16th.

R. A. AYERS.
Big Stone Gap, Va.,
December 9th, 1916.

There is always one way in which you can achieve popularity among your friends. Lend freely.

Santa
Head



Claus
Quarters

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Christmas Opening
Which Is Now Going On

We have on display a most complete assortment of Toys and Christmas Novelties. Our store is simply bubbling over with pretty, useful gifts for all. See our display. We urge you to purchase early while assortment is complete. Days are flying as they always fly when the Yule-tide season approaches. Christmas will be here before you know it. We suggest a few appropriate gifts, but space will not permit our naming hundreds of items we have to offer you.

For Mother and Sister:

- Shirt Waists
- Bed Room Slippers
- Hosiery
- Handkerchiefs
- Casseroles
- Sewing Sets
- Bags
- Work Baskets
- Fern Dishes
- Camisoles
- Pictures
- Hat Pins
- Cut Glass
- Sofa Pillows
- Puff Boxes
- Stationery
- Hand Embroidered Underwe'r
- Linens, Damask, Napkins
- Towels-Linen and Bath
- Lavallieres
- Derine Cases
- Mesh Begg
- Perfume Balls
- Umbrellas
- Silk Underskirts
- Neckwear
- Crochet and Needlework
- Mirrors
- Toilet Articles
- Kimonos
- Baskets, all kinds
- Gloves
- Scarfs
- Crepedechine Underwear

For Father and Brother

- Ties
- Shirts
- Hosiery
- Umbrellas
- Handkerchiefs
- Pipe Racks
- Tie Holders
- Collar Bags
- Suit Cases
- Traveling Bags
- Ash Trays
- Book Racks
- Boys' Suits
- Boys' Macinaws

For the Little Tots

Dresses, Dolls, Doll Beds, Trunks, Doll Carts, Books, Lawn Mowers, Comb and Brush Sets, Mittens, Gloves, Hoods, Sweaters, Furs and hundreds of other articles. Do not fail to visit our Toy Department.

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