

BIG MAJORITY OF FARMS CARRY MORTGAGES —WHY?—GRAVES TELLS HIS STORY

For years the banks have been fattening on the farms. With the aid of attorneys, deeds and mortgages have been drawn with such success that now in each state the best farm lands are owned or at least controlled by the banks.

Other countries have put a stop to this state of affairs by establishing rural credit systems under which the farmer can obtain loans from the government. The banks, in order to compete, have reduced their exorbitant interest and are conducting their business in a much cleaner fashion. Now, when a farmer leaves the office of a banker in those countries he knows just what has happened. The American banks do very little explaining, hence their enormous control over the farm lands.

In this country there has been a great deal of talk and but little action on the proposed system of rural credits. In some states farmers have taken matters into their own hands and have formed co-operative loan companies to loan money to themselves at low rates of interest. In others they have not done this—the bankers already have gained control.

Ten years ago T. B. Graves acquired possession of 15,020 acres of land in Harper county, Oklahoma. Four years ago he decided he would develop his property. He came to Chicago to ask a loan. This is the story he tells about his experience:

M. B. Cottrell, president of the Drexel State bank, went back to Oklahoma with him and looked over the land. Then he advanced him a loan of \$13,300 for one year in return for a first mortgage and deed to the property. He told Graves that the first mortgage would be placed on record and the deed kept for security.

Graves went back to Oklahoma, and, paying off the incumbrances on his farm, started to break the land. A few months before the mortgage

came due he began to look for another loan with which to pay off the first. He claims Cottrell had recorded the deed instead of the mortgage and that he was unable to borrow any money. When the year was up the bank kindly offered to extend the mortgage a year. The deed had been written out in the name of the bank. It was transferred over into the name of F. H. Wickett, director and attorney for the bank, and \$3,000 was added to the original amount for this transaction. By deeding it back and forth among themselves the directors of the bank increased the original note to \$24,500. When it reached this total they thought they had about enough fun with Graves and started foreclosure proceedings in Buffalo, Okla. Graves filed an answer to their petition and announced his intention to fight the proceedings. The attorneys representing the Drexel State bank then offered to halt the proceedings for a settlement of \$15,000—"giving me \$9,500 out of their own pockets, as they expressed it," said Graves.

"This farm has gone up in value until it is worth \$50,000. I know that I am in the right and I intend to fight for it. Early last May I negotiated another loan to pay the present one, I am now in Chicago with papers in my pocket from the F. B. Collins Investment Co., which can be transferred to officers of the Drexel State bank whenever they want them. There is only one thing which prevents me from completing the deal and that is the attitude of the Drexel State bank.

"There still remains \$3,000 of the note due to the bank and a \$2,000 commission due to the investment company. Both want a second mortgage and neither will take the third. I think that the bank is stalling on the hopes of winning that foreclosure proceeding.