

THE BANK'S PART IN THE FARM PROBLEM

By H. LANE YOUNG

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ONE of the most discussed and least understood questions regarding the farmer's problems is the part the bank has played, or is to play, in financing the farmer. The basis of co-operation between the two, however, is a very simple one.



H. Lane Young

Both sides are subject to criticism for the condition that exists today. The major share of the blame rests on those banks that have failed through disregarding fundamental principles in loaning other people's money, that have encouraged the farmer to expect bank loans without first putting his business on the earning basis which would justify a bank to lend him money.

One of the underlying reasons for the failure of so many country banks has been the existence of too many banks. With the limited business of the community divided among too many banks it was impossible for them to make enough money to justify the employment of officers with the proper ability to manage the bank successfully. Then the scramble for business was so hard that good judgment and foresight were forgotten in granting loans, with the resultant failure of the weaker institutions.

In the future, banks are not going to loan the money of their depositors without the kind of security that can be immediately realized upon in case the loan is not paid, or unless the applicant presents a sound and successful record of business operation—whether that business be manufacturing, merchandising, or farming.

Farming-Banking Interdependent
This is a perfectly obvious attitude, because country banking cannot be successfully and profitably carried on unless farming is successfully and profitably operated—the two businesses are dependent upon each other. There is no longer any question that the time has arrived for these interdependent businesses to reach a common ground of understanding of the requirements that both must meet for their mutual welfare.

There is no doubt but what the future prosperity of the farmer and the basis of cooperation between banker and farmer is the intelligent diversification of crops. It is necessary, however, to have the right conception of diversification.

The mistake that many farmers have made in attempting to diversify has been to invest too much money, time and land in a new and untried crop—sometimes a hazardous crop, or one for which no immediate market has been developed, resulting in a loss of the initial effort and discouragement of future efforts on a more conservative basis.

Disregarding the primary and essential principle of farming—namely, increasing earnings by decreasing the cost of production through the practice of building up soil by crop rotation and intensive cultivation, is responsible for a large share of the farmers' trouble today.

As An Agriculturalist Sees Farm Board's Job

The new Agricultural Marketing Act approaches farm relief from a materially different point of view from that of former bills before Congress in recent years, says Dean H. L. Russell of Wisconsin University College of Agriculture in the American Bankers Association Journal.

"It contains a new idea, fraught with the greatest possibilities—the organization of a Federal Farm Board," he says. "It has been possible for farm cooperatives to borrow from Federal-aided institutions before, and at a materially lower rate than city business men had to pay for working capital, but this is the first set-up made by the government in which a commission has been carefully chosen to give undivided attention to an effort to solve the problems of a farm group."

"It is hard to conceive of a higher degree of responsibility than must be assumed by this commission. No board ever created by congressional action has been clothed with as wide plenary powers. It is authorized not only to advise but to execute, to plan and put its plans into effective action, to buy and hold, to dump, to dip into the Federal treasury to accomplish its ends with what would be almost unlimited resources to any private commercial concern. The board's only job is to succeed, and no governmental agency even during the war time emergency had a wider latitude."

"Many will think the farm relief program will be universally applicable to the individual land owner or operator. Such procedure is far from the case. Aid is to be extended through cooperative organizations by making it possible for such groups to obtain cash advances to hold crops as to permit of more orderly marketing."

"While the primary relation is with cooperatives, the individual or unorganized farmer will also profit by the activities of his organized fellows. If a stabilized program of merchandising is able to eliminate the surpluses that

exert such depressing influence on prices the general price relation should be improved. If this occurs the individual farmer should also benefit.

"It is here the government is proposing a novel attempt in economics. Through stabilization corporations for each commodity it is proposed to make possible the handling of the surplus so as to lessen its disturbing influence on prices. With non-perishable products such a program is, of course, conceivably possible, but one wonders what would happen if a stabilization corporation had to handle a perishable crop in great quantities."

"Is it going to be possible for a stabilization corporation to stabilize? It would be one thing if it had merely to stabilize the American situation, but often that situation is complicated with world conditions. Perhaps the very fact that such a stabilization corporation is in position to function may have a steadying effect on the market."

"Markets respond to psychological stimuli as do individuals. The very fact that the government has now definitely stepped into the breach with all of its resources available to make the new plan work will exert undoubtedly a strong stabilizing effect."

"It would be presumptuous to forecast what the ultimate effect of the new act will be. It can, however, be definitely stated that in the present plan much of the philosophy that had been so drastically criticized as economically unsound has been eliminated. The existing plan is worth trying. It will undoubtedly cost the Federal treasury no inconsiderable amounts of money, but if it produces the hoped-for result it will have been well worth while."

Take American Ideas and "Coin" to France

It is curious that both in the southeast and southwest of France there have long been what the French neighbors call American villa towns. But those who live in them are not our Americans at all.

One of these towns—Barcelonnette, on the motor road from Nice to the French Alps and Lake Geneva—has been given all the privileges of a tourist station by government decree. It has some 3,000 inhabitants, with streets laid out regularly and the outskirts built up in what are known as American houses—square and white and with green blinds.

Those who live in them are purely French—emigrants of a full century ago, or their children, who have come back from Mexico and our Mexican frontier after making a fortune. It is said that the least successful returned with \$10,000, and some with \$100,000 and even more. They built up their little neighborhoods to resemble what they had for themselves in the New world. One—from Texas—built a veritable chateau, but society must have been too strong for him in France, and he took his family back to free America. Perhaps his grandchildren are among our own Americans who now own 1,500 villas on the Riviera.—Exchange.

Pray With Child, Is Advice Given Mothers

Of course, the real way is not to teach children to pray at all, but whether privately or in the family group, to pray with them. Here is a mother who still is trying to get an adolescent boy to bow at her knees each evening and say his prayers. She suspects that something is the matter. She can see that his dutiful desire to please her is under increasing strain.

Strangely enough, it never has occurred to her that both physically and mentally her method is wrong and that if she wants her boy to pray, from the beginning she should have been on her knees beside him praying with him.

She should see also that very soon she must take her hands off that intimate matter altogether and let him pray as he will, trusting not so much to anything she has told him as to the fact that he knows by observation the value of prayer to persons whom he himself has loved and admired.

Religion is something that only secondarily can be taught. It must primarily be absorbed, and then the teaching can persuasively set forth the meaning of the life that the child finds himself both observing and catching in the home.—Harry Emerson in the World's Work.

"Days of Real Sport" in Rural Community

To many who have never lived in the country the life of the farmer seems to be an endless round of labor, with little, if any, pleasure to break the monotony. However, like many opinions formed by one-half of the world in regard to how the other half lives, this point of view is erroneous.

True, the farmer's toil is incessant throughout the year. It has ever been thus. On the other hand, there always has been much to relieve it of which the city-bred people know little or nothing.

It also contained in the older days certain picturesque elements lacking in the country life of today. There was a color and sparkle which the more or less sophisticated rural life of the present time knows not.

Think of the sleighing parties, the husking bees, the apple-paring bees, the quilting parties and the singing school, to say nothing of the "raisings." Some of these involved labor, of course, but the social element overshadowed the work element; and a "raising" was an eagerly anticipated event.—Boston Globe.

Water Connoisseurs

Managers of archeological expeditions into the Orient find that the water boy is one of the most important personages about the diggings and one who must be taken care of. Without this institution the laborers would refuse to work, says a member of a recent expedition into Turkey. The Turk and the Greek and all other peoples of the Levant drink four or five times the amount of water that we occidentals drink. And, what is more, they insist on its being pure. They have a fine taste in water vintages. Turks have been known who could distinguish between water from a stream which had flowed through an oak forest and that which had flowed through a forest of firs. They also drink from one spring and refuse another.

Distance of Horizon

The actual distance of the horizon depends upon the height above sea level of the eyes of the observer. The horizon is always as far away as one can see. The higher one goes up from a given point the greater the distance of the horizon. The observer looking out over the land or sea from a high place can see more of the earth's round surface before the curve of the surface takes things beyond the range of vision. If one stands on a cliff 100 feet high at the seashore and looks toward a point where a ship is coming toward the shore, the ship can be seen much sooner than if standing at sea level. In exact words, one sees actually more of the earth's surface the higher up one is because, with the increase of elevation, one's position in relation to the curvature of the earth's surface changes.

Rather Different

No one in the village showed much concern at the news that Rooker was dead, for he had earned a reputation as one who could not be trusted. But a few months after his funeral Rooker was responsible for a big sensation.

"Have you heard about the defacement of Rooker's tombstone?" asked one villager of another as the two met in the main street. It appeared to be the one topic of conversation in the place. But the second villager, had not heard about it.

"What's happened?" he inquired. "Some one has added the word 'friends' to his epitaph." "What was his epitaph?" "The first villager grinned. "He did his best," he said.

In Bridal Attire

The rectory of an unusual number of weddings due perhaps to the popularity of the rector and the beautiful service he reads, which impresses the couple being married with the solemnity of the vows being taken.

On a recent occasion the minister saw an amused look on the face of the bridesmaid, one almost bordering on a titter. He did not know the cause of it until the service ended when, on looking around, he saw his baby granddaughter Ann arrayed in a hat and other requisites of the bridal party.—Indianapolis News.

Marie Antoinette Made Blue Flower Popular

One of the most popular patterns for china during the last years of the Eighteenth century was a little individual sprig of blue cornflower, sometimes used in combination with a green leaf and sometimes without. This pattern was so much used at the Chantilly potteries that when copied by the English potteries it was known as the "Chantilly Sprig." Later the name was shortened to "Sprigged China." However, the design was first made at Sevres and owed its origin to Marie Antoinette.

This young queen of France took a great interest in the porcelain works at Sevres and frequently visited the Sevres factory, where a great deal of porcelain was made at her order for her rustic farm of Trianon.

Marie Antoinette's favorite color was blue; and one day while visiting the Sevres works she mentioned that Sevres had produced nothing but roses, tulips, and jonquils and no blue flowers.

Hoping to please the royal lady Hettiger gave orders to have painted on the dishes the little blue cornflower that she loved so much. Instantly on its appearance the tiny blue sprig became the rage. Chantilly took it up and all the large potteries in England followed suit.—Kansas City Times.

Oxen Play Important Part in Korean Life

The Korean people are most industrious workers of the soil, and from time immemorial oxen have borne the brunt of the battle. Methods of cultivation preclude the use of mechanical devices and, as the native horse is too small for farm labor, the farmer's main beast of burden is his ox or cow. These animals plow his fields, haul his heavy loads and turn his mill.

The last service which Korean cattle render their masters is to be slaughtered for food or for hides. Since the expulsion of Buddhism by the Yi dynasty in the Fourteenth and Fifteenth centuries, the people have been accustomed to the use of meat as an article of diet, particularly on all ceremonial occasions. As most of the farmers live in small isolated communities, the cattle market becomes his "social center," combining his club, newspaper and debating society.

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