

Put yourself  
in HER place  
Mr. Man



Why not get a good oil stove so that during the hot weather your wife or mother, sister or daughter, can prepare the meals in a cool, comfortable kitchen?

There's no overheating the kitchen with an up-to-date oil cook stove. It's just like cooking with city gas. The burners concentrate the heat at the different cooking points.

## NEW PERFECTION OIL COOK-STOVE



For Best Results Use Pearl Oil

No wood or coal or ashes to lug. No waiting for fires to catch up. The long blue chimneys do away with all smoke and smell. In 1, 2, 3, and 4-burner sizes, with or without ovens. Also cabinet models with fireless cooking oven.

STANDARD OIL COMPANY  
(California)

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CASE FURNITURE CO.  
GILLIAM & BISBEE.

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# Gilliam & Bisbee

FOR YOUR

HARVEST SUPPLIES

Of

Oils, Greases, Belting, Lace Leather, etc.

WE will give you the quality and price that will command your patronage; otherwise we do not ask for it.

We Have It, Will Get It, Or It Is Not Made.

Gilliam & Bisbee

MAKE

## Thomson Brothers YOUR HEADQUARTERS FOR Harvest Supplies

We have everything you want in the line of overalls, work shirts, harvest hats, kahki pants and shirts, underwear, shoes, etc.

Our Grocery Department Is Complete  
Thomson Brothers

## FULL PARTICULARS OF FARM LOAN ACT

Low Interest and Long Time Loans Are Features of Rural Credit System.

The Federal farm loan act, popularly called the "Rural credits law," was signed by the President and became a law on July 17, 1916.

The primary purpose of this act is to promote agricultural prosperity by enabling farmers to borrow money on farm-mortgage security at a reasonable rate of interest and for relatively long periods of time. To attain this object, two farm-mortgage systems are provided: (1) A system operating through regional land banks, and (2) a system operating through joint-stock land banks. To attract money to the farm-loan field the act provides a method whereby those who have money to lend can find safe investment in the form of debentures or bonds in small and large denominations, issued by the banks and based on the security of mortgages on farm lands.

These two systems are to be under the general supervision of a Federal Farm Loan Board in the Treasury Department, composed of the Secretary of the Treasury, as chairman ex officio, and four members appointed by the President. This board has authority to appoint appraisers, examiners and registrars, who will be public officials.

### Federal Land-Bank System.

Under the Federal land-bank system the act provides for Federal land banks which make loans, for the first 12 months, exclusively through local national farm-loan associations composed of borrowers. These associations shall be shareholders in the banks, and in that way the members who are the borrowers will share in the profits of the bank. The money for the loans is to come partly from the capital of the banks and partly from the sale by the banks of bonds secured by first mortgages on farm loans. The act defines strictly the purposes for and the conditions under which loans are to be made, and requires that the rate of interest charged on farm loans shall not exceed 6 per cent per annum.

### Twelve Federal Land Banks.

The United States shall be divided into 12 farm-loan districts, and a Federal land bank with a subscribed capital stock of not less than \$750,000, each share \$5, shall be established in each district. Each Federal land bank may establish branches in its district. Within 30 days after the capital stock is offered for sale it may be purchased in part by anyone. Thereafter, the stock remaining unsold shall be bought by the Secretary of the Treasury for the United States. It is provided, however, that the Government shall not receive any dividends on its stock. Ultimately, it is intended that all the stock in the banks shall be owned by the associations of borrowers, and provision therefore is made in the law for transferring the original stock at par to these associations.

### Farm-Loan Associations.

The act provides for the creation of local national farm-loan associations through which it is contemplated that the Federal land banks shall make their loans. In the event that a local loan association is not formed in any locality within a year, the Federal Farm Loan Board may authorize a Federal land bank to make loans on farm land through approved agents. Ten or more persons who own and cultivate farm land qualified as security for a mortgage loan under the act, or who are about to own and cultivate such land, may form such an association, provided the aggregation of the loans desired by the members is not less than \$20,000. Each member must take stock in his association to an amount equivalent to 5 per cent of the amount he wishes to borrow. This stock the association holds in trust as security for the member's individual loan. The association, in turn, when applying for money from the bank, must subscribe for stock in the bank to an amount equivalent to 5 per cent of the sum it wants to obtain for its members. This stock is held in trust by the bank as security for the loans it makes through the association. If a prospective borrower has no money with which to pay for his association stock, he may borrow the price of that stock as a part of the loan on his farm land.

Under this plan, then, every borrower must be a stockholder in his local association, and every association a stockholder in its district bank. Each stockholder in an association is liable for the acts of that association up to twice the amount of its stock.

### How Loans Are Obtained.

A member of a national farm loan association before obtaining a loan, must first fill out an application blank supplied to the loan association by the Federal Farm Loan Board. This application blank and other necessary papers will then be referred to a loan committee of the association which must appraise the property offered as security. Such application as is approved by the loan committee is then forwarded

to the Federal land bank and must be investigated and reported on by a salaried appraiser of the bank before the loan is granted. This appraiser is required to investigate the solvency and character of the prospective borrower as well as the value of his land. When a loan is granted the amount is forwarded to the borrower through the loan association.

### Conditions Under Which Loans May Be Obtained.

The act specifically defines the purposes for which loans may be obtained. These are:

- 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 one of the purposes mentioned in this section.

Loans may be made only on first mortgages on farm land.

Only those who own and cultivate farm land or are about to own and cultivate such land are entitled to borrow.

No one can borrow save for the purposes stated in the act, and those who after borrowing do not use the money for the purposes specified in the mortgage are liable to have their loans reduced or recalled. The secretary treasurer of each association is required to report any diversion of borrowed money from the purposes stated in the mortgages.

No loan may be made for more than \$10,000 or less than \$100, land mortgaged and 20 per cent of the value of the permanent insured improvements upon it.

The loan must run for not less than 5 and not more than 10 years.

Every mortgage must provide for the repayment of the loan under an amortization plan by means of a fixed number of annual or semiannual installments sufficient to meet all interest and pay off the debt by the end of the term of the loan. The installments required will be those published in amortization tables to be prepared by the Farm Loan Board.

The bank is given power to protect itself in case of default by recalling the loan in whole or in part, or taking other necessary action.

### The Interest Rate Paid by the Borrower.

No Federal land bank is permitted to charge more than 6 per cent per annum on its farm-mortgage loans, and in no case shall the interest charged on farm mortgages exceed by more than 1 per cent the rate paid on the last issue of bonds.

For example, if the bank pays only 4 percent on an issue of bonds, it can not charge more than 5 per cent for the next farm loans it makes.

Out of this margin of not to exceed 1 per cent, together with such amounts as it can earn on its paid-in cash capital, the bank must set aside certain reserves and meet all its expenses. Any balance or net profits can be distributed as dividends to the loan associations or other stockholders. The loan associations, from their bank dividends, after setting aside the required reserves and meeting expenses, can declare association dividends to their members. In this way the profits, if any, will be distributed among the borrowers and will, to that extent, reduce the amount of interest actually paid by them.

### Restrictions on Fees and Commissions

The Federal land banks are specifically prohibited from charging, in connection with making a loan, any fees or commissions which are not authorized by the Farm Loan Board. The authorized fees need not be paid in advance, but may be made part of the loan.

### Amortization Plan of Repaying Loans

It has been said that all loans are to be repaid on the amortization plan. This plan calls for a number of fixed annual or semiannual payments, which include not only all interest and charges due the bank, but the principal as well. These payments are so calculated as to extinguish the debt in a given number of years. After five years the borrower has the right on any interest date to make additional payments on the principal in sums of \$25 of any multiple thereof, thus discharging the debt more quickly.

After a Federal loan bank has loaned on first mortgage \$50,000, it can obtain permission from the Farm Loan Board to issue \$50,000 in farm loan bonds based on these mortgages, sell such bonds in the open market, and use the money thus obtained to lend on other mortgages.

This process of lending on mortgages and selling bonds in issues of \$50,000 may be repeated until bonds to the amount of twenty times the bank's paid-up capital are outstanding. If each bank should have only its required minimum paid up capital of \$750,000, this plan will provide eventually, if all the authorized bonds of the 12 banks are sold, over \$180,000,000 to lend on first mort-

(Continued on Page Eight)

## L. MONTERESTELLI

### MARBLE AND GRANITE WORKS

PENDLETON, OREGON

Fine Monument and Cemetery Work.

All parties interested in getting work in my line should get my prices and estimates before placing their orders.

ALL WORK GUARANTEED

## CITY MEAT MARKET

UNDER NEW MANAGEMENT

All kinds of Fresh and Cured Meats and Lard

This is the place to buy

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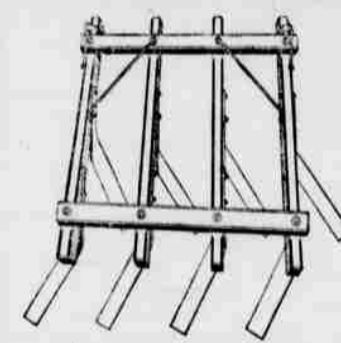
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Choice Flour, Feeds, Wood, Coal and Posts, for Sale by

### HEPPNER FARMERS' UNION WAREHOUSE CO.

Handle Wheat and Wool. Highest Price Paid for Hides and Pelts.

## Don't Raise Weeds on Your Summerfallow



USE A

### JONES WEEDER

PATENTED DECEMBER 16, 1913

"Made In Morrow County"

We have had lots of moisture and weeds will grow and ruin your Summerfallow—unless they are destroyed while small.

THE JONES WEEDER is the best implement for this purpose. We advise all who are needing a weeder to buy now while the price is low.

Steel has gone up 140% and the weeders will be considerably higher next season.

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## Mr. Businessman

ARE you contemplating the execution of a special advertising campaign? Do you need some new stationery? In either of these instances you need the services of an up-to-date printery.

The Gazette-Times Printery will be glad to help you plan your printed matter regardless of its nature, and they may be able to make some suggestions which would be of value.

Bring Your "Printing Troubles" to Us

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