SPOKANE SELECTED FOR FARM LOAN BANK

Spokane, in district No. 12, is the selection of the federal farm loan board for the northwestern land bank for the territory comprising Washington, Oregon, Montana and Idaho. Billings, Helena and Portland were the other contestants for the bank. The selection of Spokane establishes that city as the agricultural and farm loan center of the North Pacific states.

Other Districts.

Other cities selected and the districts to be served, as announced by thef arm loan bank board, are:

District No. 1, Springfield, Mass.—Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York and New Jersey.

District No. 2, Baltimore, Md.—Pennsylvania, Delaware, Maryland, Virginia, West Virginia, and the District of Columbia.

District No. 3, Columbia, S. C.—North Carolina, South Carolina, Georgia and Florida.

District No. 4, Louisville, Ky.—Ohio, Indiana, Kentucky and Tennessee.

District No. 5, New Orleans.—Alabama, Mississippi and Louisiana.

District No. 6, St. Louis, Mo.—Illinois, Missouri and Arkansas.

District No. 7, St. Paul, Minn.—Michigan, Wisconsin, Minnesota and North Dakota.

District No. 8, Omaha, Neb.—Iowa, Nebraska, South Dakota and Wyoming.

District No. 9, Wichita, Kan.—Oklohoma, Kansas, Colorado and New Mexico.

District No. 10, Houston, Texas.—Texas.

District No. 11, Berkeley, Cal.—California, Nevada, Utah and Arizona.

Open Subscription Books.

The new bank in Spokane will have a capital of $750,000 and a loaning capacity of $15,000,000. It will be put in operation just as soon as the federal farm loan board names the registrar and directors. Stock subscription books will be opened, it is expected soon after January 2, and they will remain open for public subscription 30 days. All stock outstanding at that time will be taken up by the government.

In the meantime national farm loan associations can be organized among the farmers to take advantage of the loaning facilities of the new bank. Ten farmers can organize such an association to borrow a minimum of $20,000 at 6 per cent on the long time, amortization plan.

The district bank is not a large institution in point of employes as the bulk of them achiny is centered in the farm loan association. According to the federal reserve act, the Spokane bank will have a registrar, who will be the governor. He must be an attorney to examine titles. Another salaried person is that of the secretary-treasurer, who will virtually be general manager. Then there will be a federal inspector appraiser and at first organizers to assist the farmers in forming the local associations. The board of directors at the outset will comprise five men and all the officials will be named primarily by the federal farm loan board.

Deals With Associations.

The board elects a president and other officers but the members do not draw regular salaries, receiving a per diem remuneration with expenses while in session. Stenographic and clerical help will not be extensive and it is expected that the bank will secure quarters above the street level in a downtown location.

The district bank does not deal directly with the farmer who wishes to make a loan. He must act through his association. Only farmers or those actually intending to purchase farm land can take advantage of the farm loan bank facilities. The federal farm loan board of five men named by the president, the federal farm loan bank and the natonal farm loan association are the three units in the new system.

The board at present comprises George W. Norris, Herbert Quick, Charles E. Lobdell, and W. S. A. Smith, who sat at the Spokane hearing, September 4, W. W. Flannagan secretary, and William Gibbs Mc Adoo, secretary of the treasury, ex officio member.

Farmers Must Organize.

The inital terms of office are eight six, four and two years, but when the first term expires the uniform length of eight years will prevail. The federal farm loan board will name five directors for the Spokane bank to serve temporarily. When the subscriptions of the associations to bank stock reach $100,000 the board will be increased to nine, six elected by the associations and three by the farm loan board, and their terms will be for three years each.

It is indifinite just when the bank will be open for business, but there will be nothing for it to do until the farmers have organized associations. No stockholders will have a vote outside of the government and the association stockholders. The bank may pay dividends providing it earns them. The government stock will gradually be paid off as the subscriptions increase.

Each borrower must subscribe to $5 of stock in the bank to every $100 he borrows. He can dispose of this at par when his loan is paid out or use it as the last payment on his loan.

Loan Limit Set.

Before any farmer can borrow, at least 10 must organize a national farm loan association to borrow a minimum of $20,000. The maximum loan to one farmer will be $10,000 and and the minimum $100. Loans will be made on first mortgages to the amount of 50 per cent of the land value plus 20 per cent of the value of permanent insured improvements. Each association will have a farm loan committee to pass on all loans.

There will be no cost for the examination of titles, although the borrower will pay for his abstract of title. The association can employ a man to do this for all of them. Loans wil run 5 to 40 years at the option of the borrower and he can pay out any time after five years. The amortization plan will be used whereby the borrower pays off his interest and a portion of his principal annually in such a way that both will be fully paid up when the loan matures.

Determine Interest by Bonds.

The interest rate will be determined by the rate the bonds of the farm loan bank pay, the former always being at least 1 per cent higher than the bond rate. For instance, if the bonds can be sold at 5 per cent, the interest rate charged borrowers will be 6 per cent.

In an emergency, which is regarded as a remote possibility, the farmer who borrows will be held liable for an extra 5 per cent stock assessment, making this total liability 10 per cent of his loan. A farmer is given a vote for every $5 of stock he holds, but none will be allowed more than 20 votes.

The secretary-treasurer of the association will collect the payments from the members. This association will pay his salary. The association has two sources of revenue, dividends on the stock its members hold in the farm loan bank, and it may collect one-eighth of 1 per cent from the interest payments on the unpaid balances of its members' loans in anticipation of dividends.

Old States Need No Loans.

Spokane bankers called attention to some unusual circumstances surrounding the selection of the cities for the federal farm loan bank. St. Louis has a federal farm bank and also secures a federal farm loan bank. It is the only city so honored.

The great agricultural states Iowa, Wisconsin, Indiana, Michigan, Illinois and Ohio, do not get a farm loan bank. This is believed to be due to the fact that they are older states and do not need the aid of the bank as the newer districts do.

On the edges of a crescent, the points on which rest on Springfield, Mass., and St. Paul, Minn., are located 10 of the new farm loan banks cities. Spokane and Berkeley are by themselves in the northwest and southwest respectively. On the upper edge of the crescent referred to are Springfield, Louisville, St. Louis, and St. Paul. On the lower edge are Omaha, Wichita, Houston, New Orleans, Columbia, S. C. and Baltimore.

Asked For Wyoming.

Spokane originally asked that Wyoming be included in its territory, although the inclusion of that state was declared to be satisfactorily although not essential. Wyoming has been attached to the Omaha district. The farm loan committee of the Spokane Chamber of Commerce, which conducted the winning fight for Spokane, included N. W. Durham, chairman; C. B. Kegley, E. E. Faville, Conner Malott and R. Insinger.

Spokane bankers welcome the news of the selection of Spokane, although the farm loan bank comes in direct competion with the trust companies and the mortgage companies. National banks are not effected, as they do not loan on farm property.

Readjustment of Postal Rates.

The ways are now being greased for the launching of the movement for the readjustment of postal rates. This problem was to have been taken up the last session, but had to be deferred on account of the consideration required by railway mail pay. Since this has been disposed of the committees are preparing to take up the matter of placing the various postal rats on a more equitable basis.

A zone system of rates for second class matter is being prominently urged to take the place of the present flat rate which was adopted nearly forty years ago. The present rate has for some time been regarded as a discrimination against the newspapers in favor of the great national magazines. Like the parcel post the proposed zone rates would be based on the length of the haul.

The postal committees have been besieged by petitions bearing millions of names and several hundred housand letters from individuals urging a readjustment of postal rates with a view of making possible one-cent letter postage. A survey of the situation indicates that the various rates to permit the granting of a one cent rate on local delivery letters in the next Congress.

Choice cuts of fresh meats. See he Old Reliable Dutchman at The People's Cash Market. tf.

For Sale—Nice Winter apples at $1.00 per sack at the C. P. Bowman ranch on Butter creek.

GAZETTE-TIMES Advertising Pays. For this there is a reason: Circulation which includes practically ALL the people in Morrow and Northern Grant Counties.

Chas Stanton, who recently rented his Eight Mile farm to Tom Arnold has located for the winter at Walla Walla.

Harlan McCurdy and Walter Cochran, prominent young business men of Ione, attended the New Year's ball in this city Tuesday evening.

Your friends can buy any thing you can give them—except your photograph. Sigsbee Studio.

Mr. and Mrs. Tom Arnold of Eight Mile were visitors in Heppner Tuesday.