

THE AGRICULTURAL CREDITS ACT, 1923

Statement by the Secretary of Agriculture, Henry C. Wallace, Concerning Legislation Passed by Congress on Last Day of Session.

On the last day it was in session Congress enacted the Agricultural Credits Act. This act is designed to give the farmer the sort of credit he needs to produce efficiently and market in an orderly way the products of the farm. It is an effort by Congress to meet a need which has been felt for at least fifty years. The act may not be perfect. Quite possibly experience will show the need of amendments from time to time. But it furnishes the basis for a system of intermediate credit adapted to farm conditions and farm needs. Also it should bring about a reduction in the interest which farmers must pay for money borrowed.

The act is divided into two parts. In the first, it provides government agencies for handling agricultural loans. In the second it authorizes the organization of private agencies under government supervision for making loans on livestock security and on farm commodities on the way to market.

The government loan activities will be carried on in connection with the Federal land banks. At the present time the country is divided into twelve districts, and in each of these districts there is a Federal land bank, which makes land mortgage loans, these two banks being directed by a central Federal Farm Loan Bureau in Washington. In connection with each of these land banks there is to be established an intermediate credit bank, located in the same city with the land bank and under the supervision of the officers and directors of the land bank. The Federal government supplies each of these intermediate credit banks with a capital of not to exceed \$5,000,000. These intermediate credit banks are authorized to discount farmers' notes which have been taken by banks and other financial institutions, and then carry such notes for a term of from six months to three years. The banks may also loan direct to farmers' co-operative associations under conditions set forth in the act.

These intermediate credit banks may issue debentures which will have back of them the farmers' notes which the banks have taken. The idea is that these debentures may be sold to people who wish a safe investment. They are exempt from taxation, just as the bonds issued by the Federal land banks are exempt. The interest charged by the intermediate credit banks may not exceed by more than one per cent the interest paid on the debentures issued, and the farmer who borrows must not be charged an interest rate of more than one and one-half per cent above the rate charged by the intermediate credit bank.

No doubt some time will be required to get this machinery in smooth working order. It will be just like building up a new business. It should not be very long, however, until the benefits will be apparent and the farmer will find that he can borrow needed capital for a period up to three years without having to pay an unduly high interest rate, without having to renew his notes every ninety days or six months, and without being in danger of having to sacrifice his crops or livestock because of a sudden financial flurry.

The second division of the act authorizes the organization, under a Federal charter, of national agricultural credit corporations, these to be organized by private capital. They will be under the supervision of the Comptroller of the Currency, just as are other national banking institutions. They must have a capital of at least \$250,000. They may issue collateral trust debentures up to ten times their capital and surplus. Such corporations will probably be organized in the Western states where the livestock industry is important and where now cattle loan companies are in operation.

In addition to the provisions of the act designed to furnish the farmer much needed intermediate credit, certain changes have been made in the law under which the Federal land banks operate and in the Federal Reserve Act. Provision for the establishment of the so-called permanent organization of the twelve Federal land banks is made by providing that three out of the seven directors for each bank are to be elected by the borrowers from the bank and three are to be appointed by the Federal Farm Loan Bureau. The seventh director, who will be the president of the board, will be chosen from three persons who have received the highest nomination vote for this position by the borrowers or stockholders of the bank.

Heretofore the maximum amount which might be loaned to any individual by the Federal land banks has been \$10,000. This has been increased to \$25,000. Also the purpose for which mortgage loans may be made has been broadened to include the repayment of any existing indebtedness.

The Federal Reserve Act is amended by broadening the definition of which is called agricultural paper, making it include the grading and processing of agricultural products by co-operative marketing associations. Heretofore the Federal Reserve Banks have not been permitted to discount agricultural paper for a longer period than six months. This period has been increased to nine months.

A large number of state banks are not now members of the Federal Reserve System, some of them because their capital is not large enough to meet the requirements of the law. An amendment to the Federal Reserve Act is carried in this bill designed to encourage small banks to join the system. A bank which has capital equal only to sixty per cent of the capital required of national banks may now be admitted, if within a reasonable time the capital will be increased to correspond with the capital required of national banks.

CECIL NEWS ITEMS

Peter Bauernfeind arrived in Cecil on Monday looking younger and better than ever. Pete has been taking treatments for three months at Paso Robles Springs, California, and feels greatly benefited, and declares he will spend his winters in the future in Paso Robles. Pete speaks well of the doctors and nurses who are in attendance on all patients who take treatments at the springs. The climate is fine but still Pete is glad to be back among his many friends in Morrow county who are all ready to welcome him back again and are glad to see him restored to health once more.

Mac, our weather man, has retired from the weather business after assuring us of wind, snow and sunshine, moonshine and starlight, rain, etc. for the coming year, and has actually begun to be a real down-and-out farmer and is following a plow and horses and singing at the top of his voice "we are all jolly fellows who follow the plow," and scaring everything within a hundred miles of him.

Miss Violet Hynd arrived at Butteville on Thursday evening from Heppner and joined the following young people, Messrs. Herb Hynd, F. C. Kelsay, Elmer Schaefer, Misses A. C. Hynd, Violet Bedford and Mildred Henriksen, who took in the carnival and fair in Lone that evening. They report a good time.

Lon Merrill left the Shepherd's Rest on Wednesday with the first band of ewes and lambs belonging to Minor & Thompson for their ranches above Heppner. Lon declares he has not had a moment's rest since leaving the Shepherd's Rest so he has returned once more to Sunny Cecil in search of rest.

Our sympathies are extended to R. E. Duncan of Busy Bee ranch on the death of his father who passed away at the ranch on Sunday morning, March 4, at six a. m. Mr. Duncan was buried in Arlington cemetery on Monday in the presence of a very large number of friends.

Mrs. Jack Hynd and son Jackie returned from Heppner on Friday and will reside at Butteville while Jackie is laid off school with a bad ankle. We hope Jackie will soon be able to return to his studies. We heard him declare he liked farm life better than any school.

Homer Nash and sister, Miss Ada, suited to Cecil from their home in

The Dalles on Tuesday. Miss Ada will spend some time visiting friends around Cecil and Homer will work for McEntire Bros. at Killarney.

Herbert Hynd, Misses A. C. Hynd and Mildred Henriksen and Elmer Schaefer, chaperoned by Mr. and Mrs. Alf. Shaw, paid the county seat a visit on Saturday night and took in the sights of the town.

John Shoefield of Rhea has purchased a fine new Ford car from F. C. Malloy of Morgan, so we suppose he will be keeping the highway busy in the future.

Mr. and Mrs. Schull of Boardman, who have been staying at Busy Bee ranch during the recent illness of their father, left for their home Tuesday.

Minor and Hynd were busy men loading wheat on Tuesday and Wednesday. Several car loads were shipped to Portland during the week.

Misses A. C. Lowe and Margaret Krebs autoed on Sunday to Morgan

and attended Sunday School. About sixty were present at the service.

C. Barnett of Four Mile has been busy during the week unloading a car of implements, household goods, etc. at the Cecil warehouse.

Mrs. Jesse Wallace who has been visiting with Mrs. Geo. Krebs at the Last Camp left on Saturday for her home in Condon.

Mr. and Mrs. Zenneth Logan of Boardman spent Monday with J. W. Osborn and Mrs. Weltha Combest at Cecil.

Fred Buchanan and W. E. Ahalt, Jr. were calling on their friends in Cecil Sunday from their farm near Lone.

Mrs. Emmett Cochran of Heppner was a passenger on the local from Cecil to Heppner Tuesday.

W. G. Palmater of Windybrook is a busy man hauling hay from Butteville to his stock.

Al Troedson, from his ranch near Morgan, was looking up his friends in Cecil on Sunday.

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A sales corporation functioning for one of America's oldest and best known manufacturers, offers a legitimate, safe, and exceptionally profitable opportunity to a few small investors (\$100 to \$500) in this district.

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Public Sale

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WEDNESDAY, MARCH 21st

10 A. M.

- | | |
|-----------------------------|--------------------------------|
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| 6 Head of Good Horses. | 1 3-horsepower Gas Engine. |
| 4 Yearling Mule Colts. | 1 Chatham Fanning Mill. |
| 2 3-inch John Deere Wagons. | 5 Sets of Harness. 10 Collars. |
| 2 14-foot Wheat Racks. | 1 Jones Weder. 1 Bar Weeder. |
| 1 14-foot Acme Header. | 1 Walla Walla Weeder. |
| 1 16-disc New Peoria Drill. | 5 Sets of Lead Bars. |
| 2 16-inch John Deere Plows. | Chains and other articles. |

FREE LUNCH AT NOON

TERMS:—Sums of \$10.00 and under, cash; sums over \$10.00 approved notes due October 21, 1923; Five per cent discount for cash on sums over \$10.00.

E. P. BERRY, Owner

E. J. KELLER, Auctioneer

Echo Man Makes Big Wool Deal.

Thomas Ross, local agent for Ryder & Brown Co., Boston wool dealer, made the largest deal of the season in the State of Washington recently when he purchased half a million pounds of the 1923 wools of Cofin Brothers, of Yakima, for the Boston firm. This is the first wool deal of any magnitude authentically reported so far this spring in the northwest. The purchase included approximately 45,000 fleeces. No announcement is made of the price paid for these wools.—Echo News.

T. W. Cutsforth was in from Lexington yesterday, taking time to in-

terview the sheriff concerning taxes. He states that his section could use a lot of good growing weather just now, and this condition would be conducive to much better crop conditions. It has been necessary to do some reseedling in portions of the Lexington section.

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Everything In Men's Work and Dress Clothes

Cash & Carry Store

SUGAR, per sack	\$11.00
HAMS	.30
CHEESE	.35
MANCHURIA WALNUTS	.20
UTAHNA PEAS, 12 cans	1.95
MT. VERNON CORN, 12 cans	1.50
Silverdale TOMATOES, 12 cans	1.85

—SALT—

Leave your order for Leslie half ground Stock Salt. Car due in 10 days. \$19.50 per ton off car or \$20.00 per ton from store.

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Heppner's Leading Jewelry Store

Our large stock of Diamonds are the best. And nothing would be more pleasing these bright days than a nice diamond.

Now is the time to have your watch repaired as everyone will soon be busy.

We do not advertise closing-out sales. We are here to stay. That's why our guarantee is good.

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Concentration provides the guiding rails—the direction; enthusiasm is the steam—the motive power. Together they are irresistible.
This applies to the matter of saving. You need to concentrate your efforts to save money. Having an object in view—getting an education, establishing a home, providing for old age, will give you enthusiasm.
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