

### Loans Refinance Farmers' Debts In Franklin County

A total of \$149,200 of Federal land bank and Land Bank Commissioner's farm mortgage loans was made in Franklin County, North Carolina, from June 1, 1933, to May 1, 1934, according to the Farm Credit Administration.

Of this total, farmers in Franklin County used approximately \$144,000, or 96.5 per cent to refinance their indebtedness. By refinancing, farmers obtained new mortgage loans which they used to repay their old debts. They generally reduced their annual interest charges in doing so. In a number of cases, scale-downs of indebtedness occurred in connection with the new loans. These and other advantages benefited farmers primarily. Secondly, creditors benefited from the receipt of cash or bonds in exchange for obligations they held.

Of the loan money used by farmers in Franklin County for refinancing their debts, about \$72,200, it was estimated, repaid their debts to banks; \$1,900, their debts to insurance companies; \$14,000, their taxes; \$1,400, their debts to merchants; \$54,500, their debts to "others," or creditors not separately classified, including private mortgage lenders, mortgage loan companies, retired farmers and many others to whom farmers were in debt.

A total of about \$ 2,200 of loans in the county was used for purposes other than the refinancing of borrowers' debts. Of this sum, \$19,600 was used for the purchase of land and equipment, the construction or improvement of buildings, and for general agricultural uses, including the provision of capital, while \$3,400, the balance, was used for the purchase of stock in national farm loan associations, for loan fees, etc.

Throughout the United States approximately \$675,000,000 of land bank and Commissioner's loans were made from June 1, 1933, to May 1, 1934. Most of these loans were made to refinance debts resulting from the long period of low farm income.

Generally farmers pay considerably less interest each year on the new than on the old loans. Land bank loans made through national farm loan associations carry an interest rate of 5 per cent, but there is a reduction to 4 1/2 per cent until July, 1935. Loans made direct by banks carry a rate of 5 1/2 per cent, but there is a reduction to 5 per cent until 1935. The rate on Commissioner's loans is 5 per cent. Against these rates farmers in most cases had been paying from 5 per cent to 8 per cent, but on numerous loans they had been paying 9 per cent, 10 per cent, and even above 10 per cent.

Until March 26 the land bank and Commissioner's loans were made in cash. Commencing on that date they were made mainly in the government-guaranteed bonds of the Federal Farm Mortgage Corporation. These bonds are exempt from all Federal, state, municipal and local taxation, except gift taxes, estate, inheritance and gift taxes. They are guaranteed fully as to principal and interest by the United States government. In a relatively short period after they were issued, they sold above par and had met a favorable reception from farmers and their creditors all over the United States. With the use of these bonds, the refinancing program is going forward rapidly.

### Adjust Farm Debts

Raleigh, N. C., June 18.—Under the direction of the North Carolina Farm Debt Adjustment Commission a corps of five workers will be organized in each county at once to effect agreements between farmers and their creditors thereby clearing the way for refinancing farm debts through the Federal Land Bank of Columbia and relieving a situation that heavily oppresses many farmers of this state.

The commission named by Governor J. C. B. Ehringhaus to head up the work in this state is familiar with the plight of the mortgage-burdened farmer and his creditor. Lionel Weil, of Greensboro, elected chairman at its initial meeting, is a farmer and a merchant. Former Lieutenant Governor R. A. Doughton, of Sparta, vice chairman, is a lawyer and farmer. Other members of the commission are J. L. Skinner, of Littleton, president of the County Commissioners Association; Millard F. Jones, of Rocky Mount, president of the State Bankers Association; H. A. Mills, of High Point, manufacturer; Julian Price, of Greensboro, insurance company executive; M. O. Blount, of Method, and J. Allen Taylor of Wilmington.

Dr. G. W. Forster, State College agricultural economist, has been named as secretary of the commission. He will begin at once to assemble the corps of workers needed for each county to carry on the work. These workers will be asked to serve without pay in bringing together debtors and creditors.

Since Federal land bank loans are made for only 50 per cent of the appraised value of farms and loans of the land bank commissioner for only 75 per cent, there are many instances where



MRS. MERLINE H. SHUMWAY

Who is one of the first to announce her candidacy for State President of the American Legion Auxiliary, has served on the State Board for the past three years and is a member of the Jim Leonard Unit of Lexington, N. C. She is known among the Auxiliary members having visited the district meeting, and State Board meeting held here several years ago.

these loans cannot be large enough to retire all outstanding mortgages. The workers will seek to secure agreements between debtors and creditors that will enable farmers to retire mortgages with the amount of the loan.

Benefits expected to accrue from the adjustment of farm debts are: (1) The retention of their land by the present owners; (2) the maintenance of good family life; (3) putting of money into circulation in the State and (4) creation of a better spirit between creditor and debtor classes.

A state-wide campaign will be conducted to acquaint the farmers and their creditors with the purposes and benefits of the debt adjustment plan.

According to W. Kerr Scott, former master of the State Grange and now a representative of the Farm Credit Administration, who is developing the work of the debt adjustment commissions, around 20 or 30 per cent of the total outstanding mortgage indebtedness in North Carolina is subject to the work of the Farm Debt Adjustment commission.

### Reduction In Ford Prices

Detroit, Mich., June 18.—Reductions of \$10. to \$15. in list prices of 1934 Ford V-8 passenger cars and \$10. to \$20. in list prices of Ford V-8 commercial cars and trucks were announced last week by the Ford Motor Company effective Friday, June 15.

Ford prices had remained unchanged since the introduction of the 1934 Ford V-8 last December, the Ford Motor Company not having participated in the recent general automotive price increase. The reductions announced are, therefore, a decrease in the original prices.

The price reduction on the standard and de luxe Tudor Sedans, most popular individual models in point of sales, is \$15. Prices of other standard and de luxe body types were reduced \$10. except prices of the Roadster, Phaeton and Cabriolet, de luxe types, which remain unchanged. Both standard and de luxe passenger cars have the same V-8 engine and 112 inch wheelbase chassis. Body types for both are identical except for the de luxe equipment.

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### School Teachers Poorly Paid

Raleigh, June 18.—Mrs. Franklin D. Roosevelt, wife of the social-minded President of the United States, is disturbed and distressed that the teachers of North Carolina are paid such low salaries and fully expressed her feelings in that respect on the occasion of her recent visit to Raleigh.

"We should see what the government does with the money we pay in taxes. We should see that this money is spent as we want it spent. Much of our difficulties come from not being interested in how the tax money is spent.

"If we watch these expenditures," she said, "we will pay better salaries to our teachers, and we should pay them better. I do not understand why we pay such meagre salaries to those we entrust with the responsibility of teaching our children. Many people don't seem to know that the most important thing in the school is the teacher."

Mrs. Roosevelt said that she had witnessed young teachers, just out of school themselves, without proper training, attempting to instruct the children.

"That is not the way to run the schools," she said. "The result is poor educational advantages for our children. We should spend our tax money on things that will ultimately bring the best results."

Mrs. Roosevelt told of visiting a community in which was located a fine school building, but she found that it was closed, and there was no money to run it, because the people of the commun-

### President's Son Drives Ford V-8



Like many another man who loves the open air, James Roosevelt, Boston business man and son of the President, favors motor cars of the sport type. Mr. Roosevelt is pictured above with his Ford V-8 de luxe phaeton. The top is down and the car is ready for a run through the New England countryside, now beautiful in the first warm days of spring. Mr. Roosevelt not only drives his Ford V-8 de luxe phaeton, but also owns a Ford V-8 cabriolet, which can be closed in when the weather is inclement.

ity had not paid proper attention themselves and know what they to government. The officials had want. Don't criticize government spent too much for building and unless you know what you want spend our tax money on things had nothing left to operate the done and elect the proper people to do it."

"If you don't pay attention, more of this kind of thing will happen. You won't have good public officials unless you are good citizens. If you go to sleep, then you will get what is coming hit the high spots eventually has to you. Women should think for to go into low gear.

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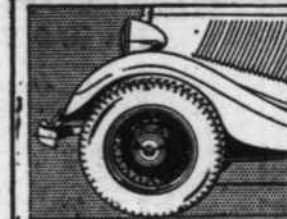
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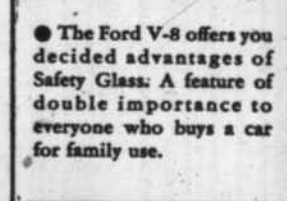
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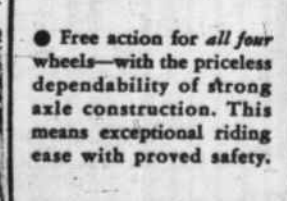
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