

Credit Situation Is Improved All Over The Nation

Country Banks Have Ample Supply Of Loanable Funds—Short Term Credit Needed.

Continued improvement in the farm credit situation during the coming year is in prospect, says the bureau of agricultural economics in its annual outlook report.

The need for short-term credit will probably be somewhat larger than in 1935. Unless there is a rapid turn-over in farm land the need for new long-term credits will be substantially smaller than in 1935. The supply of both short and long-term credit available for farmers will be larger relative to the needs than for several years.

In most areas farmers are in an easier financial position. Increased income in 1935 has enabled more farmers to pay off their current debts and to make some reduction of old obligations. More farmers, it is stated, have been able to accumulate a little surplus to take care of expenses of the following season than has been possible in recent years.

No Large Losses

No large areas have suffered complete loss of crops and, although crops have been small in some states, higher prices and payments by the Agricultural Adjustment Administration have offset these losses to some extent. Thus the amount of distress borrowing should be less than in recent years.

The bureau points out, however, that farmers may have greater need for working capital funds. Higher wages for farm labor and possible increases in the price of some of the things farmers buy may necessitate a greater outlay for expenses.

Less credit will be needed for feed, however, since supplies are more plentiful and prices lower. Prices of feeder cattle are higher now than a year ago, and more cattle will be fed in the winter of 1935-36, thus requiring more credit for feeding operations. In some sections seriously affected by the drought in 1934, restocking of breeding herds will require investment of new funds.

Country Bank Loans

Country banks have an ample supply of loanable funds, and prospects indicate an increase in the volume of their agricultural loans during 1936. The ability of farmers to qualify for bank loans has been appreciably enhanced by the higher level of farm commodity prices, which has increased the value of the security they can offer as collateral.

Plentiful supplies of short-term credit for farmers are available through institutions discounting at the Federal intermediate credit banks. The market for debentures of these banks continues highly favorable. At the present time the maximum interest rate for farmers for loans discounted with the Federal intermediate credit banks is 5 per cent.

Loans on cotton from the Commodity Credit Corporation will be available until April 1, 1936. Loans on corn, properly stored and sealed on the farm, will be available on the basis of 45 cents per bushel. Such loans will be made only on corn which, if shelled, would grade No. 3 or better.

Delinquencies Decrease

The percentage of delinquent farm mortgage loans has decreased during the last year as a result of a substantial improvement in the level of farm income. A part of the reduction in delinquent loans, however, is accounted for by the transfer of delinquent loans into acquired real estate and, in part, through the refinancing of loans by the Federal land banks and land bank commissions.

Preliminary estimates based upon the judgments of State tax officials and tax experts in more than one-half of the States suggests that for the country as a whole the 1935 farm property taxes per acre probably will not differ greatly from those of 1934. The 1934 figure stands 36 per cent below the 1929 peak but still is 54 per cent above the 1913 level.

The usual credit facilities available to farmers will be supplemented in 1936 by the new types of financial aid available through the Settlements Administration. The financial assistance will be given chiefly to destitute and low-income farm families, principally in the form of supervised credit. It is expected that the loans to be made in the coming year will range from \$300 to \$600 each, the sum to be loaned depending on the individual farmer's needs. Interest rates on non-real estate loans are uniformly made at 5 per cent. The terms for repayment vary from one to five years, according to the purpose of the advance.

Increasing Demand For Farm Products Forecast By B. A. E.

Increased demand for American farm products in 1936 is forecast by the bureau of agricultural economics of the United States Department of Agriculture.

"Consumer buying power within the United States is likely to be increased about 10 per cent next year," the bureau's outlook report for 1935-36 says. Buying power in many foreign countries is also regarded as likely to show increases, but with the various restrictions upon international trade, the foreign demand for American farm products, possibly excepting cotton, will not keep pace with the increased buying power of these nations.

The Long-Time View

Taking a longer-time view, it appears that the trend of industrial activity and consumer buying power, which has been generally upward, will probably continue for the next two or three years. The general price level in the United States and in many foreign countries may continue to advance during the same period, though possibly not at so rapid a rate as in 1935. Industrial production unless monetary or other inflation becomes a factor in raising the general price level, the bureau says. Progressive improvement in farm income

Between The Rows

By ROY H. PARK

Thumbing through my scrapbook the other day I came across this little item which appeared in the Sanford (N. C.) Herald during the dark depression days as a re-print from some paper out West:

"It is reported that one of the fastidious newly married ladies of this town kneads bread with her gloves on. This incident may be somewhat peculiar, but there are others. The editor of this paper needs bread with his shoes on, he needs bread with his pants on, and unless some of the delinquent subscribers to this 'Old Rag of Freedom' pony up before long he will need bread without a dern thing on, and Wisconsin is no Garden of Eden in the winter time."

Browsing around in old cemeteries and collecting epitaphs provide me with an interesting hobby. One of the most interesting I have come from an old cemetery in Williamsport, Penn. It goes like this:

SACRED TO THE MEMORY OF HENRY HARRIS

Died on 4th of May, 1837 by the kick of a colt in his bowels.

"Peaceable and quiet, a friend to his father and mother and respected by all who knew him, he went to the world where horses do not kick, where sorrow and weeping is no more."

Then there's one from up in Burlington, Vermont:

"Beneath this stone our baby lays,
"He neither creeps nor hollers,
"He lived just one and 20 days
"And cost us 40 dollars."

And now that winter has set in, we all might well take warning from this inscription on a tomb in a country cemetery in Massachusetts:

Beneath this stone a lump of clay
Lies Uncle Peter Daniels
Who too early in the month of May
Took off his winter flannels.

This is the prize one of them all, however. It's dated 1796 and is found on a tombstone at Burlington, Mass.:

Here lies the body of Susan Lowder
Who burst while drinking Sedlitz Powder
Called from this World to her Heavenly Rest
She should have waited till it effervesced.

A Mecklenburg County school recently offered a prize for a story of the fewest words in rhyme. A little boy won it with this: A mule in the barnyard, lazy and slick. A boy with a pin on the end of a stick. Slips in behind him as still as a mouse—Crape on the door of the little boy's house.

Alex Newton, up in Henderson, N. C., has just sent me this clipping entitled "Man and Mule" which he thinks would make good reading for "Between the Rows":

"Over the hill trailed a man behind a mule drawing a plow. Said the man to the mule: 'Bill, you are just a mule, the son of a jackass, and I am a man made in the image of God. Yet here we work, hitched up together year after year. I often wonder if you work for me or I work for you. Verily I think it is a partnership between a mule and a fool, for surely I work as hard as you, if not harder. Plowing or cultivating we cover the same distance, but you do it on four legs and I on two. I, therefore, do twice as much work as you do.

"Soon we will be preparing for a corn crop. When the crop is harvested I give one-third to the landlord for being so kind as to let me use a small speck of God's earth. One-third goes to you and the rest is mine. You consume all your portion with the exception of the cobs, while I divide mine among seven children, six hens, two ducks, and a banker. If we both need shoes, you get 'em. Bill you are getting the best of me, and I ask you, is it for a mule, the son of a jackass, to swindle a man—the Lord of Creation—out of his substance?"

"Why, you only help to plow and cultivate the ground, and I alone, must cut, shock and husk the corn, while you look over the pasture fence and see-haw at me. All fall and most of the winter the whole family, from the baby up, picks cotton to help raise money to pay taxes and buy a new set of harness and pay the mortgage on you. And what do you care about the mortgage? Wot a thing, you ornery cuss. I even have to do the worrying about the mortgage on your tough, ungrateful hide."

"And about the only time I am your better, is on election day, for I can vote and you can't. After the election though, I realize that I was fully as big a jackass as your papa."

FORM OF THE MONTH

To take things as they be—
That's my philosophy.
No use to holler, mope or cuss—
If they was changed they might be wuss.

If rain is pourin' down,
And lightning's buzzin' round,
I ain't a-fearin' we'll be hit,
But grin that I ain't out in it.

If I get deep in debt—
It hasn't happened yet—
And owed a man two dollars, Gee!
Why I'd be glad it wasn't three.

If someone come along
And tried to do me wrong,
Why I should sort of take a whim
To thank the Lord I wasn't him.

I never seen a night
So dark these wasn't light
Somewhere about, if I took care
To strike a match and find out where.
—John Kendrick Bangs.

Since 1932 and the increasing need of replacements have resulted in greatly expanded sales of farm equipment. The prospective increase of ten per cent for 1936 should therefore contribute to a further increase in demand for iron and steel for farm machinery.

Some Processing Taxes Are Real; Some Imaginary

Secretary Wallace Points To Many Glaring Misconceptions Of Adjustment Program.

By HENRY A. WALLACE
(Secretary of Agriculture)

One of the amazing things about the public attitude toward the farm program in general and the processing taxes in particular is the extent to which that attitude is not based on facts. I mean simple facts, not complex ones; facts which must be admitted whether you favor, oppose, or are indifferent to the program. I mean facts as unmistakable as the height of the Washington Monument, or the number of acres in a quarter-section of land.

By way of illustration, let me tell you about an experiment an acquaintance of mine has lately been trying. Wherever he finds a group of people complaining about high food prices, and attributing the high price to the processing tax, he asks these people to do a little estimating. Since they usually mention meat prices, he asks them to estimate how much the processing tax amounts to in a dollar's worth of beefsteak.

So far he has collected several scores of answers, mostly from city people, and the answers range from 3 cents to 65 cents. And yet there is not now, and never has been, any processing tax whatsoever on beef! Not more than one out of every 20 people this man has talked to know that simple fact.

No Tax On Beef

This situation was brought home to Washington office of the AFA rather strikingly only a few weeks ago. George Farrell, in charge of the wheat section, walked into a butcher shop near his home here to buy a steak. The butcher picked one out for him, and then spoiled for the price. "Sorry it's so high," the butcher said, "but it's because of the processing tax." When Mr. Farrell replied that there was no processing tax on beef, the butcher wasn't shaken a bit. "But," said Mr. Farrell, "I'm in the AAA myself. Don't you think I ought to know?" The butcher then asked what he did in the AAA. When Mr. Farrell said he was in the wheat section, the butcher replied: "Oh, well, you may know something about wheat, but meat is my department, and that's why I know about the tax on beef." So far as I know the man still believes there is a processing tax on beef.

From a woman in eastern Ohio has come a protest against "high prices of foodstuffs, notably, at present, two staples, meat and potatoes." Then she asks, "How are we to pay the increased and increasing prices of these two named commodities, production of which is so decidedly curtailed when our purchasing power is yet at such low ebb?"

Increased Pork Supply

Now what are the facts? First the facts as to curtailment programs. There is no curtailment program for beef, or veal, or lamb, or chicken. The only curtailment program she could possibly be talking about is that involving pork, and that program, as now shaping up, calls for material increases in production.

And as for the curtailment program on potatoes, not one pound of potatoes or one solitary acre of potato land has yet been af-

ected by any such program, for the simple reason that the much-talked-of potato acreage did not go into effect until December 1.

The complaint about the price of potatoes is difficult to understand. With potato growers getting around 80 cents a bushel, and they have for two years now, the price to the farmer is the lowest in many years. Compare it, for instance, with \$1.31 a bushel in 1929, or \$1.68 in 1925. It seems grotesquely inaccurate to talk about the high price of potatoes when consumers are paying about a cent and one-half a pound, and farmers are getting less than a cent a pound. In 1930, for example, consumers paid 3.8 cents a pound. I just don't believe that consumers want to see gain foodstuffs when they know the farmer's shirt goes along with the bargain.

It is so easy to forget what prices were a few years ago. It seems to surprise many people to learn that food prices today are considerably below the 1929 level.

"Burning" Of Wheat

If facts about prices, and about processing taxes, are frequently overlooked, facts about the conduct of the various adjustment programs are even more commonly misconstrued. One favorite story is that the farmers at the direction of the AAA, plow under corn and burn their wheat. Farmers know that this simply isn't true, but those city people who don't know farmers and farm practices may often be fooled.

Not long ago certain metropolitan newspapers showed a picture of a wheat stack burning on a Missouri farm, and attributed the burning to the AAA. The facts in the case were as follows: This farmer, under contract with the AAA, had more acres in wheat than his contract called for.

The local farmers' committee urged him to dispose of the excess wheat by pasturing it, or later by cutting it for use as hay. The local committee thoroughly understood that the AAA has never ordered any wheat burned, disapproves of it, and invariably offers farmers producing in excess of contract quotas the privilege of cancelling their agreements with the government without any penalty except the loss of benefit payments. When this farmer allowed his excess wheat acreage to ripen, the committee notified him he might donate it to charity. Instead, he burned it, and a sensational picture and newspaper story resulted.

Misunderstanding Universal

The tragedy of episodes like this is that they make it all but impossible for millions of people to form their opinions on the basis of plain facts. And yet a willingness to form conclusions upon the basis of facts is absolutely vital if our democracy is to survive. Plenty of facts in this complicated world are difficult to grasp, but the facts which are so easy to prove or disprove—facts as clear-cut as those I have mentioned—ought to be the property of every individual who ventures an opinion on our agricultural program.

In talking with city people I find misunderstandings as here illustrated almost universal. Meat prices, largely as a result of last year's extraordinary drought, have gone up rapidly. Nevertheless, several years of ordinary weather can easily result, even with the maximum of help from AAA, in exceedingly low farm prices in a few years. It behooves both consumers and farmers to cooperate to keep unusually wide fluctuations in weather from causing undue harm to either one. Right now the farmers are doing their best to increase the hog supply. The effect of this will be felt during the next year or two. By 1937 or 1938, however, with ordinary weather, hog farmers can be in much worse position than city pork consumers think they are today.

Protect them

"These are my jewels," said Cornelia, presenting her two sons, the Grachii. Through the ages her proud boast has been the symbol of parental love. Today one of the duties of that love is to protect children from their arch foe, tuberculosis—the greatest cause of death between the ages of fifteen and forty-five. Christmas Seals help you protect your "jewels" from this disease.

BUY CHRISTMAS SEALS