

EDUCATION, COÖPERATION, LEGISLATION

(1) Education to Develop Power, (2) Coöperation to Multiply It, and (3) Legislation and Good Government to Promote Equal Rights and Human Progress—Plain Talk About Men, Measures and Movements Involved

By CLARENCE POE

A Variety of Comment

THE reader whose inquiry about the rural credits act appears on this page adds: "Maybe I ought to say that I am a stranger in this section and I don't know whether I can organize a national farm loan association in the neighborhood or not, but I hope I can." So far as we have noted there has been no attempt to limit the territory covered by a national farm loan association, and if there is not one in your immediate neighborhood, there will nevertheless doubtless be one near enough to serve you. And after one year's time if no farm loan association has been organized near you, some bank or trust company will be named to make loans under the terms of the new rural credits law.

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No, we are not going to stop hammering away at the idea of "remembering the community in your will." Because we cannot give \$5,000 for a town library is no reason why we should not give \$100 or \$500 for a public library at the local school. Because we cannot give \$10,000 for a city hall is no reason why we should not give \$1,000 for a community hall, a general public meeting place, as part of the local school. Because we cannot leave enough money to buy stained glass windows for the church is no reason why we should not leave enough to buy worthy pictures for the schoolhouse. Because we cannot erect a church or school building is no reason why we should not leave money for a school farm, park, or playground; or to provide prizes for school children, or prizes to be awarded at an annual community fair.

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A country school a few miles from our office has adopted the plan of having some prominent man in the county deliver an address at the schoolhouse once a month. It is a plan many another school could adopt to good advantage. Last Friday night, for example, one of the most successful and public-spirited men we know gave the boys of this school a notable talk on "Success." And nothing helps or inspires boys more than contact with men who have succeeded both in their life-work and as character builders.

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In getting better orchards there is a big field for coöperation. Farmers should join together in ordering nursery stock, and it goes without saying, of course, that there should be united effort in marketing fruit. Spraying opens up another opportunity for effecting economies not to be despised. The average farmer needs a spraying outfit for only a few days each season, and if his neighbors are not too far away the spraying outfit may well be owned coöperatively and spraying materials ordered in the same way.

Is the Homestead Law a Blessing or a Curse?

"I AM thoroughly convinced," one of the most thoughtful men we know remarked the other day, "that the homestead law is one of the greatest enemies the poor man in the South has ever had. Tens of thousands of men of industry who, if it were not for the homestead law, could get whatever small amounts of money they needed at the legal rate of interest, are now forced to pay several times as much interest to loan sharks or 'time-prices' supply men. They are forced to do this simply because of the fact that the homestead law now makes a genuine risk of every loan made to a man worth less than the homestead exemption."

In Texas an agitation for the repeal of the homestead exemption is being pressed by many thoughtful leaders. The excuse given for passing the homestead law at the time of its adoption was that it would discourage the credit system and make cash business the rule; but as the Dallas News rightly declares:

"There is probably not a state in the Union where the credit system is growing into such a constrictor as it is in Texas, so that undeniably the law has failed woefully to realize one of the chief purposes of those who made it. It has not precluded the growth of a credit system, nor even dwarfed its growth, but has

modified it in ways that make it peculiarly oppressive. And it has done more than this. It has forced men to sell what little they have, and thus part forever with what many of them would have saved if they had been allowed to get a day of grace. Doubtless a good many homesteads have been saved to the women and children by the restriction placed on the right to mortgage, but, for one such, ten have been lost for precisely the same reason."

Graduated Land Tax Idea Growing

IT IS gratifying at last to find that from one end of the South to the other men are grappling with various forms of this tenancy problem. We noticed last week the report of State Land Commissioner Robison of Texas and his discussion of the fact that the percentage of tenancy has increased from 37 to 56 per cent in twenty years, adding: "Should nothing be done to check this, how soon will we have a commonwealth of absentee landlords?"

But it is not Mr. Robison's purpose to let "nothing be done" about this matter. He proposes these two notable remedies:

1. Tax unimproved land at the same rate as improved land of the same natural fertility and advantages. "Thus, raw land of the same class by nature as is an adjacent farm should be taxed at the same rate as is the farm land. A barbed-wire fence which separates them would not then divide their value for taxation purposes as is now the case."

2. "Place a specific tax per acre on land owned by one above a certain acreage, and graduated according to acreage after the plan of the Federal income tax law. In this regard should be had whether the land be adapted to grazing, stock farming or purely agricultural when the acreage limit is fixed."

No one who keeps his eyes open can fail to see how rapidly public sentiment is moving toward the graduated land tax idea. At the recent Nat-

ional Farmers' Congress, that body, composed of the wealthiest class of farmers, generally speaking, adopted the following resolution:

"Resolved, that this congress views with alarm the increase in farm tenantry, recommends that the several states adopt a graduated land tax adapted to their peculiar conditions, in order to promote more and better farm homes, farm citizenship and country life in general.

Likewise the National Farmers' Union in session at Palatka, Fla., unanimously urged upon all state Unions "that determined efforts be made to establish a graduated system of land taxation, imposing the lowest rate on the small land holdings" and increasing the rate in proportion to the excess acreage, "thus making it unprofitable for capitalists to buy land and hold it for speculation."

Borrowing From a National Farm Loan Association

A READER asks: "I have bought a farm but haven't paid for all of it, and my plan is to borrow the necessary amount from a national farm loan association. I have \$1,000 now that I can use either in making a payment on the purchase price, or in erecting buildings. Which plan will entitle me to borrow most under the new rural credits act?"

This good friend, like everybody else interested in the new rural credits law, should drop a postal to "Federal Farm Loan Board, Washington, D. C." and ask for a copy of the "Farm Loan Primer" and other free literature. Not that we mind answering inquiries; we are glad to get them. But this "Farm Loan Primer" written as a catechism in the simplest cornfield language, makes everything about the whole rural credits law so much plainer than we have space to make it. On page 5, for example, are two statements bearing on our friend's inquiry:

"Question: What percentage of the value of the security may be borrowed?"

"Answer: Up to 50 per cent of the value of the land and 20 per cent of the permanent improvements."

"Question: Who passes on the value of the security?"

"Answer: The local national farm loan association has a loan committee of three members, who must agree unanimously upon the valuations. Then after they have made their written report it must be confirmed by the appraiser of the Federal land bank."

It will be seen therefore that if our friend has bought land at a fair value, and so recognized by the appraisers, he can borrow one-half the price of the land, whereas he can borrow only one fifth of the insured value of any buildings he puts up.

The "Limited Liability" Feature in the Rural Credits Act

SOME critics of the new rural credits act have insisted that the farmers ought to be able to borrow 60 per cent of the value of their land and 50 per cent of the value of buildings. It can easily be seen, however, that if this were done, the risk of possible loss on some loans would be greater. With the limitations now fixed by the Government—no loan ever being greater than one-half a conservative appraisal of the value of the land, and one-fifth the insured value of buildings, both secured by first mortgage—with these restrictions, we say, there's about as much danger of John D. Rockefeller going broke as there is of any farmer-borrower suffering material loss on account of the limited-liability feature of a rural credit loan.

If everybody else in your national farm loan association should have every building burned and every acre washed away, the utmost amount you could be called on to pay on their account would be 10 per cent of the amount of your loan—little more than one year's interest. And with the stringent regulations just suggested, we believe, as we remarked on page 1 week before last, that there is not one chance in a thousand of your losing a penny on account of this "limited liability" feature. No thoughtful farmer should let this feature prevent him from taking advantage of the law.

ARTICLES EVERY FARMER SHOULD READ

IN LAST week's Progressive Farmer Mr. J. Z. Green began a series of articles, "Twelve Things Your Local Union Ought to Do." These articles will appear two a month during the next six months, and every farmer ought to read them. If you are a member of a Local Union, of course you ought to read them; and if you are a member of some farmers' club, not allied with the Union, they will be equally suggestive and helpful to you. And if, on the other hand, you are what Mr. Green calls "a joke," an unorganized farmer; if you are not doing any team-work at all with your fellow-toilers, then is there the greatest need of all for you to read Mr. Green's articles, so you will wake up to the possibilities of organized effort. And having waked up, you should not rest until your neighborhood organizes and resolves to keep forever organized its working farmers. Here are the subjects Mr. Green will discuss:

1. The Local Should Educate Its Members—Through Lectures, Debates, Discussions, Books and Papers (Jan. 20.)
2. It Should Promote Coöperative Purchase and Use of Better Farm Machinery. (Feb. 3, "Implement and Machinery Special.")
3. It Should Promote Coöperation in Buying Fertilizers, Seeds, Feedstuffs and Supplies. (Feb. 24.)
4. The Local Should Discourage the Credit and Mortgage System. (March 10.)
5. It Should Promote Coöperation in Grading, Warehousing and Selling Cotton, Corn, Tobacco, Hay and Cottonseed. (March 24.)
6. It Should Promote Coöperative Cotton Gins, Grain Mills and Creameries, etc., when Conditions Justify It. (April 7.)
7. It Should Promote Coöperative Purchase of Purebred Sires, and Coöperative Sale of Dairy Products (April 21, "Dairy and Beef Cattle Special.")
8. It Should Provide for Coöperative Marketing of Poultry, Eggs, Meats, Vegetables, and Fruit. (May 5.)
9. It Should Promote Mutual Fire Insurance Companies and Coöperative Telephone Companies. (May 19.)
10. It Should Promote Better Neighborhood Schools. (June 2.) Encourage Special Tax, Consolidation, Practical Studies, etc.)
11. The Local Should Promote Good Fellowship, Brotherhood, and the Community Spirit. (June 14.)
12. The Local Union Should Aid Its Members in Sickness or Other Misfortune. (June 30.)