

(ADVERTISING.)

**HON. IREDELL MEARES,****Progressive Party and Roosevelt Candidate for Governor.****ADVOCATES TORRENS SYSTEM, FARMERS' BANKS, GOOD ROADS.**

**European Farmers Pay 4 to 5 Per Cent Interest.—American Farmers Pay 8-12 Per Cent.—American Farmers Pay for Money Borrowed, Over What Business Men Would Pay \$210,000,000 Annually.—Mr. Meares Suggests Remedy for North Carolina Farmers.—Invokes State Aid for Farmer's Banks to Procure Loans on Easy Terms.**

**Progressive Party State Platform—Torrens System.**

There are three declarations in the State Progressive platform which contain in themselves a program of legislation which deserves the farmer's attention, consideration, and support.

(1) For the Torrens System of registration to supercede the present antiquated system of recording land titles.

(2) That State banks be especially created to loan money on farm lands at the legal rate to enable the farmer to obtain money to purchase his supplies or to improve his property, if desired; thus relieving him of the present expensive methods of obtaining credit by the crop lien.

(3) For the building by the State of a system of State roads, circumventing the State, inter-connecting so as to relieve the isolation of farm life, bring into closer communication the farm with the city and to reduce the cost of hauling crops to adjacent markets.

I cannot explain better the Torrens System than by quoting the platform at length. It is as follows:

**"Registration Laws—Torrens System.**

"(6) Our registration system is antiquated. We favor the adoption of the Torrens System. The State should undertake a State survey of its territory on lines by which all titles may be ultimately conveyed. The Torrens System means that the owner of the land, at his option, submits his title to examination; the State corrects all defects, if any, guarantees the title and possession, and issues to the owner a certificate which certifies his title. A duplicate of the certificate is retained at the register's office, and on the transfer of the property the certificate is surrendered to the register, cancelled, and a new certificate issued to the purchaser. The land cannot be conveyed afterwards except by a surrender of the certificate. Temporary loans can be made by attaching this certificate to a note, since, without the possession of the certificate, the owner could not part with the property, in the same manner as stock certificates of corporations are used as collateral. The State in the first instance collects a small percentage on the tax valuation, which is paid in a fund to protect its guaranty. This system would bring land into an active market as collateral, facilitate transfers, add to land values, and enable small loans to be made, without the expense of legal examination and the drawing of deeds. If necessary, we favor a constitutional amendment to make this system permanent and effective in this State."

This system of registration is not an experiment. It originated with Judge Torrens, of Australia, the author of the Australian ballot, and has been in effect for years in that country. It has been adopted in several of the States of this Union in a more or less modified form. If the State were to put it into effect in North

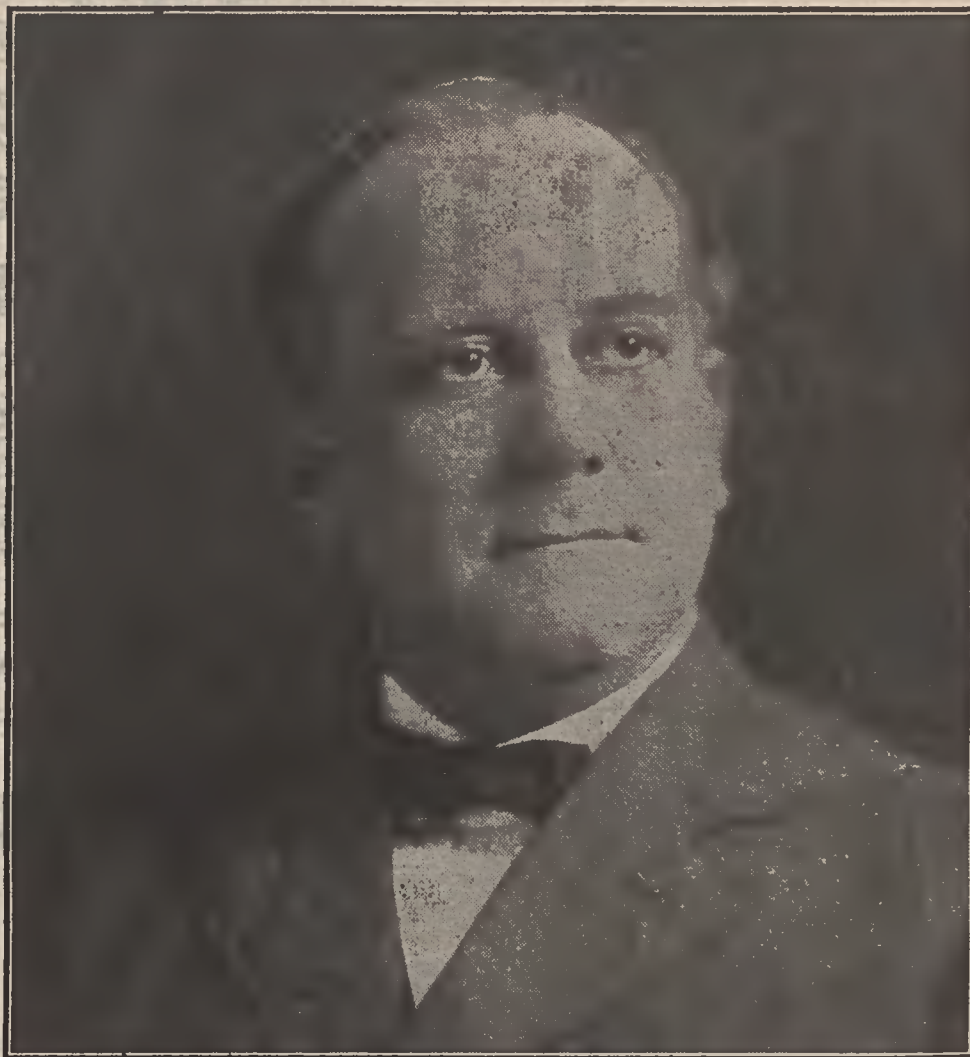
Carolina, aside from the simplification in the transfer of property, it would contribute immensely to the settlement and perfection of land titles. To-day, the owner of a share of stock in railroads or corporations can attach it to his note and borrow. The lender knows that he cannot transfer the stock without the surrender and cancellation of the certificate. The merchants go to their banks, offer security, whether in bonds or stocks, or perhaps crop liens, attach them to their note, which is passed to their credit, and then check against the deposit. The farmer has no such advantage, unless he may be the owner of stocks or bonds. He cannot use his land in this manner. The National banks are not permitted to loan on real estate. If a person owning either home or farm borrows thereon, he must have his attorney draw a mortgage and pay all registration fees, often a commission, and generally on small loans, after paying the charges, he is borrowing at a very excessive rate of interest. Under this proposed system, he would deposit his certificate of title as security to his note, which the lender would know he could not convey without surrendering the certificate at the register's office, and, therefore, as the lender holds the certificates, he would feel secure.

I believe that no one law could be passed that in effect would be of more paramount benefit to the owners of real estate in North Carolina than the adoption of this system of land transfers. The Progressive party stands for it. It is one of the several measures that it is seeking to engraft upon the legislation of the State.

**Farmers' Banks.**

We have in this State platform introduced to the consideration of the people the proposition to create "State loan and land banks, to be operated under State supervision and control; loans to be made on real estate only within a given radius of the location of each bank; such banks not to be allowed to engage in commercial banking. Object: to utilize the capital of each community in facilitating loans, bringing land into the market as collateral, and employ through the medium of the bank the savings of the people to the advance of their own community."

Is there need for such a system of banks? Will it advantage the farmer? The farmer finds it difficult in this State to borrow money, either to put in his crop or to improve his farm; and, in a great measure, he has to resort to the crop lien by which to obtain his supplies. He pays thereby excess prices and interest on the aggregate amount. This is quite generally estimated at twenty-five to thirty per cent above what he could buy his supplies at, if buying for cash. If he mortgages his farm, in order to make permanent improvements, he pays in addition to direct interest, lawyer's fees for drawing papers, often a commission to obtain the loan, registration fees, and, after all is paid, particularly if the loan is



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small, it will be found he has paid from ten to fifteen per cent interest. But the small farmer would find it practically impossible to make a small loan of one or two hundred dollars, unless some friend accommodates him, and even then he will have paid in charges and interest an abnormally high price to obtain the loan. Now, farming, like every other business, requires capital to conduct it; and, if this capital were available to farmers at reasonable rates of interest, there would be more improved, well equipped farms, and young men encouraged to engage in the occupation. I have known young men, some of them with small land holdings, who preferred the farm to business, but, without capital or means to obtain it, so as to get a start, abandoned their preference and engaged in clerkships.

It is estimated by Mr. B. F. Yoakum, a prominent Western railroad manager, who has made a study of the subject, and writes in the World's Work, that the American farmer pays annually an undue interest tax of two hundred and ten million dollars—that is, in excess of what merchants and manufacturers on loans for business purposes would have to pay. It costs in interest, he points out, to borrow \$1,000, the United States Government, \$20, or two per cent on New York call loans, \$24.60, or 2-46 100 per cent; on commercial paper, \$41.10, or 4-11 100 per cent; on French farms, \$43, or 4-3 10 per cent; on German farms, \$44, or 4-1 10 per cent; on railroad bonds, \$46, or 4-6 10 per cent; on public utility securities and New York mortgages, \$50, or 5 per cent; on industrial securities, \$55 to \$65, or from 5 1/2 to 6 1/2 per cent; on Arab farms in Egypt, \$80, or 8 per cent; but, on American farms, \$85, or 8 1/2 per cent. Thus it will be seen that the American farm is paying higher rates of interest on the average than here or in foreign countries. Of course, it will be understood that the figures given above are the average rate paid on the aggregate sums borrowed. It may differ in localities, but I venture the assertion that the North Carolina farmer will find, after paying all expenses incident to his loan, including lawyer's fees, probate and registration, that he has paid the equivalent of from ten to twelve per cent interest. The facts given by Mr. Yoakum were drawn from the Government census reports and from opinions collected by him from the well informed. He declares in his

article that: "Cheaper money for the farmer is the first of our agricultural problems. When I make that statement I am not thinking of the bonanza farmer, or of the owner of a few thousand acres of highly developed and carefully cultivated land. He borrows on a business basis. Often the large planter borrows to meet his current needs from a couple of nearby banks in which he owns large interests. His business has nothing to do with the agricultural prosperity, or the reverse, of the average American farmer. He estimates the farmer's debts on farm mortgages, tenant farms and on current loans at six billion, forty-six million dollars. He then says:

"This estimate shows that the farmer's debt is about half on account of fixed capital—mostly mortgage loans—and half on account of current loans. The total number of farms in the country is about 6,000,000. Therefore, the average farm has a mortgage debt of \$500 and a current debt of about the same amount outstanding against it. . . .

"The annual interest bill, therefore, paid by the farmers, is about 510 million dollars. The total value of the wheat crop of the United States as of December 1, 1911, farm value, was 543 million dollars. Practically, the interest account of the farmers ate up the total wheat crop of the entire country. . . .

"The manufacturer borrows against his piles of textile goods, of copper ingots, of steel bars, of lumber stored at the saw-mills, and almost any sort of manufactured products, at a rate not much more than half the rate charged against the farmer, with his best of collateral in the shape of wheat, corn, cotton, and other products.

"No thinking man, looking the facts clearly in the face, believes that the rate to the farmers is a just and reasonable interest rate. He pays too much, both for the money he gets on mortgage and for the money he borrows to make his crop. He has the finest security for current loans there is in the world, namely, products that go into immediate consumption and that sell, in all the markets of the world, every hour of the day; yet he pays a rate double the rate paid by the manufacturers of industrial products that have to be marketed with great skill, often on a treacherous and delicate market. No one contends that a thousand dollars worth of women's dress goods is as good collateral, from a standpoint