

represent the public interest, and six local directors, resident in the district, shall be elected by the farm loan associations who must be stockholders in the bank. The Federal Farm Loan board shall designate one of its appointees to act as chairman. The act requires that at least one of the three district directors shall be experienced in farming and actually engaged at the time of his appointment in farming operations within the district. Any compensation paid to the directors must be approved by the Federal Farm Loan board.

OFFICERS OF LOAN ASSOCIATIONS

Each loan association must have a board of directors and a secretary-treasurer. The directors shall serve without pay. The secretary-treasurer shall receive such compensation as may be determined by the board of directors. The association must appoint an appraisal committee for the purpose of valuing lands offered as security for loans. No member of such committee shall have any interest in the property upon which he passes.

FUNDS FOR CURRENT EXPENSES

To provide funds for current expenses, the loan association may retain as a commission from each interest payment not to exceed one-eighth of 1 per cent semi-annually upon the unpaid principal of the loan. This commission is to be deducted from the dividends payable to such farm loan association by the federal land bank. If the commissions are not adequate, and an association does not wish to assess members for current expenses, it may borrow at 6 per cent from the federal land bank to an amount not to exceed in the aggregate one-fourth of its bank stock.

RESERVES AND DIVIDENDS

The law requires both the land banks and the farm loan associations to make provision for certain reserves before they can pay any dividends.

AGENTS OF LAND BANKS

In sections where local conditions do not make the formation of associations practicable, the Farm Loan Board may authorize the federal land bank to make loans through agents approved by the board. These agents are to be banks, trust companies, mortgage companies or savings institutions, chartered by the state. They may receive as compensation the actual expense involved in transacting the loan and in addition thereto a sum not to exceed one-half of one per cent per annum on the unpaid principal of the loans made through them. When the Farm Loan board decided that a locality is adequately served by farm loan associations, no further loans are to be made through agents.

JOINT-STOCK LAND BANKS

In addition to the system of 12 federal land banks and the national farm loan association of borrowers, the act permits the establishment of joint-stock land banks and authorizes them to carry on the business of lending directly to borrowers on farm mortgage security and issuing farm loan bonds. These banks must have a capital of not less than \$250,000. They are under the supervision of the Federal Farm Loan board, but the government does not lend them any financial assistance.

The joint-stock land bank is free from any of the conditions imposed on the federal land banks. Subject to the 50 and 20 per cent value limitation and the limitation as to territory, the joint-stock land bank may lend more than \$10,000 to a single individual and it is not restricted to making loans for the purposes specified in the case of the federal land bank.

The joint-stock bank, like the federal land banks, can not charge an interest rate on farm mortgages in excess of 6 per cent, nor shall such interest rate exceed by more than 1 per cent the rate of interest paid by the bank upon its last issue of bonds. A joint-stock bank is limited in its bond issue to 15 times its capital and surplus.

Among the restrictions placed on these banks under the act are (1) that their mortgage must provide for an amortization system of repayment such as is prescribed in the case of loans through the federal land banks, and (2) that they shall in no case demand or receive under any form or pretense any commission or charge not specifically authorized by the act and approved by the Farm Loan board.

The bonds of the joint-stock land banks are exempted from taxation. Their capital stock, however, is not exempted.

GENERAL PROVISIONS

The law, through the Farm Loan board, provides the necessary machinery for frequent ex-

THE FEDERAL FARM LOAN ACT

The act provides for the creation of twelve Federal Land banks and permits the establishment of any number of joint-stock land banks for the purpose of making loans at a reasonable rate of interest, for long periods of time, on farm lands.

A Federal Farm Loan Board has complete control over these banks.

A—FEDERAL LAND BANKS

Twelve Federal Land Banks are provided, one in each of 12 districts into which the country will be divided. These banks are empowered to lend on first mortgages on farm lands in amounts of \$100 to \$10,000 for approved purposes. The loans are to be made through farm loan associations and agents. No loan may be made for more than 50 per cent of the value of the permanent insured improvements upon it.

National Farm Loan Associations—local organizations composed exclusively of borrowers—are authorized. These associations must be stockholders in the land banks in proportion to the amount their number wish to borrow. Eventually all stock in the federal land banks will be owned exclusively by these associations.

A reasonable interest rate is established. The act prohibits the federal land banks from charging more than 6 per cent on any mortgage, or requiring fees not approved by the farm loan board.

The borrowers will share in the net profits of the bank because they are stockholders. It is contemplated that ultimately the borrowers will be the only stockholders.

Long term loans are provided by authorizing mortgages for periods of from 5 up to 40 years.

Small annual or semi-annual payments on the principal are made a required feature of all mortgages.

B—JOINT STOCK LAND BANKS

Joint-stock land banks are authorized. They are corporations for carrying on the business of lending on farm mortgage security and issuing farm loan bonds. They are to be under the supervision of the farm loan board, but the government will not invest in them. Subject to geographical limitations and subject to the 50 per cent and 20 per cent limitation, these banks can lend to an individual any amount they wish, and for any purpose. They can not charge an interest rate exceeding six per cent and such rate must not exceed by more than 1 per cent the interest they have paid on their last issue of bonds. Their mortgages, however, must provide for amortization payments. These banks are prohibited from charging, under any pretext, fees or commissions other than those authorized by the act.

aminations of the banks and the associations, for the proper cancellation of mortgages, and for the safe custody of mortgages offered as security for bonds. When any mortgage offered as security for bonds is withdrawn, the bank is required to replace the security with other mortgages or with other satisfactory collateral.

Heavy penalties of fine or imprisonment, or both, are imposed for violations of the act, malfeasance in office, fraud, embezzlement, defalcation, or other illegal practices.

Iowa women came within a few votes of winning suffrage last primary election. By the next time Iowa comes to vote on the proposition, it is safe to predict that a majority of the men will be willing to concede that the women of that state are as intelligent as those of Wyoming, Colorado, Utah, Idaho, Washington, California, Arizona, Kansas, Oregon, Alaska, Montana and Nevada, where they have the full right to vote.

High tariff organs are poking fun at the democrats because the administration has given its sanction to a protective tariff on dye stuffs to enable American chemists to get capital to work out the formulas necessary to establish the industry in this country. But the high tariff organs neglect to say that the only tariff they favor is one that continues forever, without regard to the actual needs of the business.

Every high tariff beneficiary and advocate in the country was a strong backer of the giant army and navy plan that congress was so strongly urged to adopt. It is not difficult to trace the connection. The more money the nation spends on armament the greater its need for revenues, and there isn't any easier way to get the higher taxes from the people than by taking it from them at the custom house.

The people who have the money resulting from the great prosperity of the country are not likely to be greatly worried over the fact that the republican crators insist upon so much, that because there is a democratic national administration they really should be mortgaging their homes.

The republicans insist that the prosperity the country is at present enjoying is but temporary. Which is only another way of saying that they think democratic prosperity can not last any longer than republican prosperity did.

PRESENT PEACE PROBLEMS AND THE PREPAREDNESS PROGRAM

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stood about the cross mocked and jeered, and said: "He is dead." They thought that was the end of the story, but it was the beginning. From that day on the power of Caesar waned and the power of Christ increased; throughout the ages He has grown until He is today the commanding figure of the world, aye, the growing figure of all times. This great nation, with an ocean rolling on either side, with a mountain range along either coast that all the armies of all the world could never cross, is in better position than any other nation that ever lived or lives today to set the world an example. Nineteen hundred years ago wise men came from the East, following the Star of Bethlehem and seeking Him who was to be born the Prince of Peace. If they could do this, inspired only by prophecy unfulfilled, this great Christian nation, after nineteen centuries of demonstration, should be able to go as a wise nation from the west carrying gifts to relieve the distress on both sides, and appeal to these people to come with us and lift the world out of the bloody mire and up to a plane upon which a permanent peace can be built. Some talk about going into this war, if honor requires. Oh, my countrymen, there is no honor that we can secure or defend by going into this war that is comparable with the honor that we can win if we can persuade the warring nations to turn, like prodigal sons, from the husks on which they have fed and make the future of the world bright by establishing co-operation instead of combat, and friendship instead of the hatreds out of which these wars have grown.

It is fundamental to the policy of this government that if business will let politics alone government will let business alone. Any conflict that appears in Washington can invariably be traced to the fact that business won't let politics alone. As long as that happens business won't be let alone because letting it alone means that it will control politics and therefore government. This is an issue every serious-minded voter should study carefully before he votes the republican ticket and thereby puts business again in the saddle.

Colonel Roosevelt and Mr. Taft have not yet spanned the bloody chasm. We trust that this will not be considered as reflecting upon the engineering abilities of Candidate Hughes.