

CORRESPONDENCE FROM THE NATION'S CAPITAL

Red Cross to Rescue

Great Relief Organization Backs League Congressman's Drouth Bill

Washington Bureau, Nonpartisan Leader.

THE long-pressed demand of Congressmen Baer and Sinclair of North Dakota for federal relief for drouth-stricken farmers of the Dakotas and Montana has received official indorsement from the northern division of the American Red Cross, with headquarters at Minneapolis.

Congressman Sinclair's drouth relief bill, for political reasons, was shoved to one side by house leaders in favor of the Riddick bill, dealing primarily with Montana. At a recent meeting of the rules committee Representative Sinclair was given a hearing, however, when he urged amendments to this bill so that it would be of some aid to North and South Dakota as well. The committee, however, cut the hearing short to listen to appeals for aid for starving Armenia, Austria and Poland. Starvation nearer home may be dealt with later.

Representative Sinclair presented the committee the data secured by the Red Cross in a special survey of western North Dakota.

"For four years," says the introductory paragraph, "the farmers of large areas in North Dakota have failed to receive the harvest of their industry because of a combination of continued drouths and plagues of black rust and grasshoppers. The result involves much acute suffering and little hope for early improvement unless effective and speedy aid is given."

A review of state, county and Red Cross aid since 1909 is given, showing that the legislature of North Dakota in 1918 and 1919 took steps to enable the counties to aid these farmers both through loans and through extensions of loan periods, until some of the counties are bonded to the limit permitted in the constitution.

Twenty per cent of the 1,400 farmers operating in Stark county are without seed, feed or credit. Three hundred have moved out on account of drouth. Fifteen per cent of the horses and 10 per cent of the cattle have died of starvation, while over 25 per cent of the livestock have been shipped to market at great loss to the farmers. Of the seed bond loans to farmers in 1918, 45 per cent were not refunded, while of the loans for 1919, 88 per cent were not refunded. Of the total amount loaned in the two years, 53.3 per cent has not been refunded.

STATE AND COUNTIES HAVE DONE THEIR PART

From Slope county 90 of the 900 farmers have moved out while 500 are without seed, feed or credit. Ten per cent of the taxes have been uncollectable for the past two years. From Billings county one township reports 11 out of 31 families driven out by drouth during the fall and winter. Three hundred forty-five of the 450 farmers are without seed, feed or credit. Ten to 12 per cent of the horses and cattle have been starved to death during the winter. Eighty-four families have been assisted by the Red Cross to the amount of \$4,777. Farmers lost 50 cents on the dollar on from 40 to 60 per cent of their cattle, as they were compelled to ship for lack of feed.

"As I drove out into the country in the first days of December," reports Miss Lund, in charge of relief work, "I blinded myself to the sight of the shivering horses and cows that were pawing weakly for a tuft of grass. Even so, farmers were giving stock first choice in the endeavor to secure funds for feed, and the family crept in a close second. Invariably the answer to my question as to the feed on hand would be 'Russian thistles.'"

"One county agent expressed the com-

mon fear that there would not be enough horses left in various counties this spring to till the ground. The Red Cross has in some instances saved families with small children from selling their last milch cow.

"I have talked with men and women in all stations and professions of life—the county officers, business men, the country storekeeper, the district school teacher and the Red Cross workers. I have stayed at the houses of farmers, slept under their rafters and joined in their discussions over the kitchen table; and the one live issue of the day is the question of feed and seed. 'We have struggled along, last year and the year before that, in the hope that a good year was coming, believing that we could not go through with another one. Now we know we have come to the end unless help comes soon.'

"It is remarkable to note the plucky spirit of the stricken farmers. They can put up a good fight, even when weakening. 'We have one whole dollar left for the winter,' wrote one mother to the Red Cross. 'My husband left the farm to work in the mines, but he was not strong enough, and now he is in the hospital. The children cry for food. Their underwear is made of sacks and they are cold.' It was another story of debts beyond the limit. At best, their life is often a heavy and sad one."

The report makes no attempt to argue whether this region should be abandoned as farming country; it points out that there is present suffering that must be relieved and losses minimized.

"Money or credit is needed immediately so that stock can be put in shape for spring work," it declares, "so that seed may be obtained and distributed. Such money or credit should be granted on such liberal basis that those who have exhausted commercial credit may be able to obtain benefit."

Land Banks in Danger

Drive of Mortgage Bankers Threatens Federal Farm Loan System

Washington Bureau, Nonpartisan Leader.

WORD has gone forth from the farm loan board here to the farm loan banks throughout the country that no more farm loans shall be approved until the United States supreme court has decided the suit brought to test the constitutionality of the farm loan act itself and the constitutionality of the clause in the act which relieves from taxation the farm loan bonds and bonds issued by joint stock land banks.

Since this virtually stops the machinery of the farm loan bank system, the enemies of the rural credit legislation have scored a point in their long battle to prevent the federal government from interfering with the high interest rates charged by the investment mortgage bankers.

Thousands of farmers in the drouth-stricken area of western North Dakota and eastern Montana, whose hope of planting a crop this spring rested in their ability to get money from the farm loan associations, will be left helpless. County and state funds available for loans have been generously dealt out in North Dakota, but there is a limit even to these. The American Red Cross has announced that it has appropriated \$50,000 to relieve immediate suffering among the members of families in the drouth area, but that federal and state aid must be had to meet "what amounts to a national catastrophe." In this emergency the suit brought against the farm loan bonds, which now prevents their sale and the making of new loans, is a deadly blow at the farmers.

Inquiry at the office of the farm loan board brought forth this statement of the case from J. B. Morman, assistant secretary in charge of bond matters:

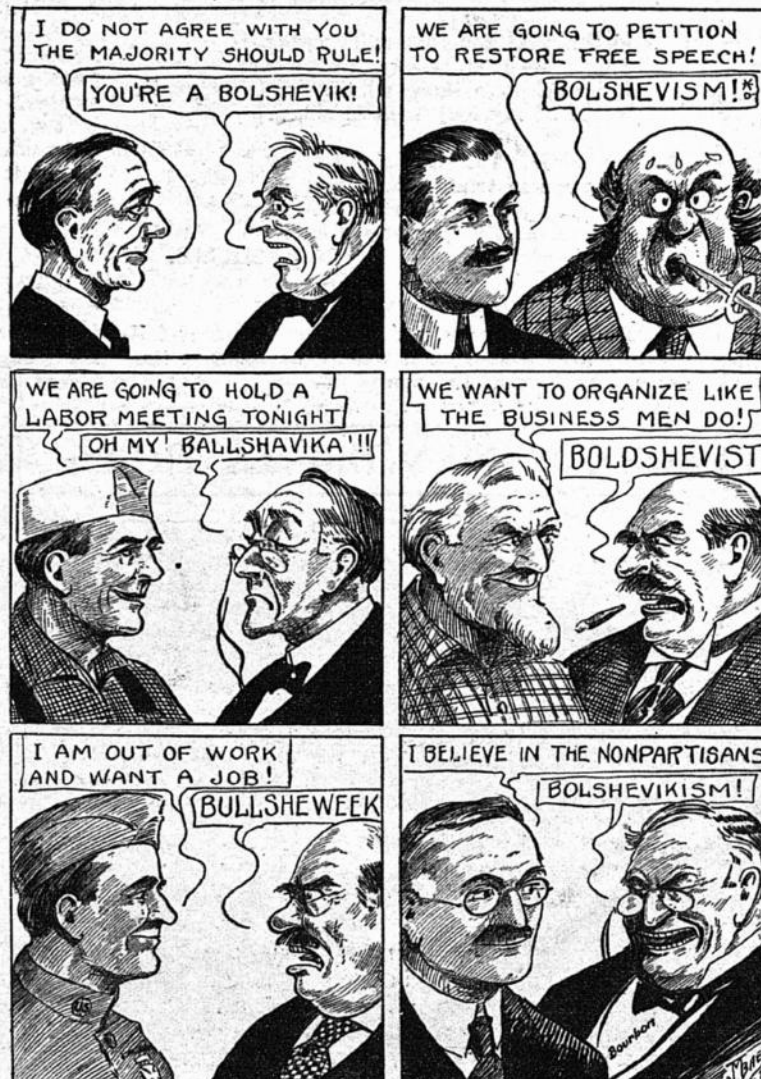
WHOLE FARM LOAN SYSTEM ENDANGERED

"If the supreme court holds the act unconstitutional, the whole system is destroyed. If it holds only the tax-free clause void, then it leaves the bonds, bearing only 4½ per cent and which can not be sold below par, waiting in vain for purchasers in a market where industrial bonds pay 6 and 7 per cent. As these 4½ per cent bonds can not be sold, no more money can be furnished for new loans. While the government has no direct knowledge that the attack on the law is brought by the organized investment mortgage bankers who have for many years lobbied and fought against every step toward helpful rural credits, it is the opinion of farm loan board officials that the Smith suit was instigated by the Farm Mortgage Bankers' association at Chicago, and that they are behind it now, with the motive of restoring their own former control of the farm loan business throughout the country."

A statement of the farm loan bureau shows that since the law went into operation there have been approved for North Dakota 9,916 loans, for a total of \$29,104,600, of which 6,387 loans for a total of \$20,688,600 were actually closed to February 28, 1920. Minnesota had 4,092 loans closed for \$13,648,300. In the case of North Dakota there were withdrawn or cancelled 3,435 applications covering \$7,934,100, and in the case of Minnesota 2,010 applications covering \$3,870,650. This left \$481,900 of approved loans still to be met by cash for North Dakota, and \$1,608,200 for Minnesota.

If the supreme court fails to uphold the farm loan act in its entirety there will be no more money until congress shall have passed a new law—which may be delayed for a year. The case has already been submitted to the supreme court and has been under consideration several weeks.

CALLING NAMES ISN'T ARGUING



—Drawn expressly for the Leader by Congressman John M. Baer.

The mortgage bankers, after reading this page, probably will call Red Cross workers Bolsheviki.