

**RURAL CREDITS
SYSTEM FOR THE
UNITED STATES**

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Rural Credits System for the United States by Herbert Myrick

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HERBERT MYRICK

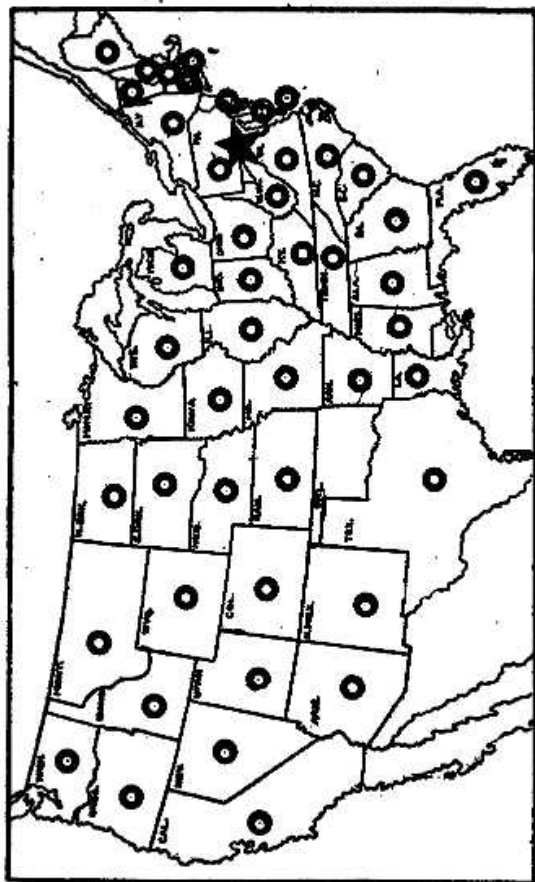
**RURAL CREDITS
SYSTEM FOR THE
UNITED STATES**

TO THE
ASSOCIATION



Herbert Myrick

UNIV. OF
CALIFORNIA



One Federal Reserve Bank in each State is supplemented by the Federal Rural Credits Company at Washington, and is under the supervision of Federal Rural Credits Board.

THE MIND
AND THE
MORALITY

*“Co-operation, not strife,
Is the divine law of life.”*

THE PLAN

Of the bill is epitomized as follows:

- 1. FEDERAL RURAL CREDITS BOARD**
a bureau in the Treasury Department, consists of Secretary of the Treasury and four appointees. These men also constitute
- 2. FEDERAL RURAL CREDITS COMPANY**
It takes over War Finance Corporation, \$500,000,000 capital, to be reduced to \$250,000,000. This Company subscribes the initial capital for
- 3. ONE FEDERAL DEBENTURE BANK IN EACH STATE**
at the rate of \$1,000 for each \$1,000,000 of value of farm property. The state invests a like sum in the debentures this bank issues secured by agricultural, live stock, commodity and real estate paper, which it
- 4. DISCOUNTS FOR NATIONAL OR STATE BANKS, CO-OPERATIVE AGRICULTURAL ASSOCIATIONS, FEDERAL CO-OPERATIVE BANKS OR CATTLE LOAN COMPANIES**
that become its members. Such paper and the debentures secured thereby, may run for six months to three years, or five years if secured on real estate.
- 5. ALL DEBENTURES ARE GUARANTEED**
principal and interest by Federal Rural Credits Company, but each debenture bank is free of any joint and several liability.
- 6. FEDERAL RESERVE SYSTEM'S**
powers for rediscounting farm paper are

somewhat broadened under safe restrictions. Export credits are provided for emergencies. Veterans receive preference.

- 7. THUS THE NEW RURAL CREDITS PLAN** transforms the temporary War Finance Corporation into a permanent institution, with a branch in each state, through which all existing banks and co-operative associations, with others that may be organized, will safely mobilize part of their assets, credits and machinery for the service of agricultural production and orderly marketing, to the mutual welfare of all concerned and for the benefit equally of food producers and food consumers.
- 8. WITHOUT INTERFERING WITH OR MIXING INTO** the Federal Reserve for current credits or the Federal Farm Loan System for long term mortgages, this plan for rural credits is sound, simple, inexpensive, adequate, in harmony with American customs, and in the interest of all the people all the time. It does not require any new appropriation by Congress, and provides that the debenture bank in each state may repay its federal advance and come into the sole ownership of its own members.
- 9. LARGE REVENUES TO THE UNITED STATES** from the new rural credits system, as profits above 6 or 8%, go to the government as franchise tax.

UNIVERSITY OF
CALIFORNIA

RURAL CREDITS SYSTEM ²⁰

For the United States

Prepared at the request of the Rural Credits Committee
of the Farm Bloc of the United States Senate

By HERBERT MYRICK

Author of *The Federal Farm Loan System, 1916*; *Co-operative Finance, 1912*;
The author's Standard Bill for Farm Finance under State Law, 1908, or some of its features
have been embodied in the statutes of 22 states
How to Co-operate, 1891

Books on practical farming, stories from real life, poems, philosophy, addresses

Director Federal Land Bank of Springfield

Also, president Dakota Farmer of Aberdeen, S. D., Northwest Farmstead of
Minneapolis, Current Events of Columbus; president and editor-
in-chief Farm and Home of Chicago and Springfield,
editor-in-chief New England Homestead

INCLUDING FULL TEXT FOR PROPOSED FEDERAL
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