

PATHEFINDER

DIGEST OF WORLD AFFAIRS

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Permanent FCA

When farm income was dropping rapidly and land values were sinking early in 1933, thousands of harassed farmers lost their homes and farms in mortgage foreclosures. Normal sources of credit had vanished. Helpless and embittered, many farmers rebelled and sought to retain their lands by force. Mortgage sales were broken up with shotguns. Serious rioting flared.

To meet the emergency, President Roosevelt established the Farm Credit Administration, offering easy credit to the nation's farmers. In four years the FCA loaned more than \$4,000,000,000 to agricultural workers and cut the number of foreclosures in half. Last week in Washington, steps were under way to make the FCA a permanent government agency.

Under the direction of dapper, 44-year-old William I. Myers, the FCA by last week had scaled down farm debts \$200,000,000 and saved farmers about \$40,000,000 through its low interest rates. Chief emphasis of the agency was on decentralization. Myers, himself a large-scale chicken farmer in New York, kept his organization in close touch with actual farming conditions. Each farmer requesting a loan applied through a local cooperative credit association. The "co-op" investigated the applicant's financial position and reported to Washington. If the report was favorable, the needed funds were advanced through regional banks. In 1936 for the first time repayments of FCA loans exceeded the money paid out.

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