

BANK OF NORTH DAKOTA CAN'T PAY BILLS; STATE BOND DEPARTMENT LAYS DOWN RULE; TOWNLEY COMES BACK FOR CONFERENCES

GOLDEN VALLEY STARTS ACTION AGAINST STATE BANK; TREASURER SAYS STATE BALANCE IS AMPLE

Head of Bank of North Dakota Says Situation Due to Inability to Get Redeposits; Townley Believed to Be Starting Conferences Looking to New Policy Hunting "a Way Out" out of Difficulties; Condition May Be Short-Lived, or May Continue for Indefinite Period; New Legislation not Improbable

The Bank of North Dakota is unable to pay current bills. Whether this condition will obtain long depends upon subsequent developments.

As it is now there are probably \$200,000 of drafts held by Minneapolis banks for collection from the Bank of North Dakota for which there are no funds to pay.

The situation which has obtained for several days came officially to light today in the hearing before the house investigating committee, and was amplified by F. W. Cathro, in conversation.

Coincident with this development came a dispatch to The Tribune from Beach, North Dakota, that Golden Valley county had garnished all deposits of the Bank of North Dakota, and that the state bonding department had served notice on the county auditor and treasurer that unless deposits are renewed in the Bank of North Dakota their bonds will be cancelled.

Seeking "A Way Out"

A. C. Townley, head of the National Nonpartisan League, came back to Bismarck on a noon train. His coming was preceded by reports that a prominent banker in the state had been called to Bismarck to confer on the situation. The efforts of several members of the legislature to find "a way out" of the financial situation are expected to become the subject of conferences.

What Bank Faces

The situation with regard to the Bank of North Dakota, as viewed by Mr. Cathro himself, is that if the country banks transfer money to the Bank of North Dakota as ordered, the bills of the state and political subdivisions will be paid; if not, the bank is "up against it". Calls have been made on these country banks and they have not responded.

The situation, in the eyes of critics of the bank, is the natural result of planting state funds in state industries, etc., where they are now.

The State Treasurer says that there are ample funds in the treasury, if they can be gotten out of the Bank of North Dakota.

Mr. Cathro's Explanation

There were only brief questions asked of Mr. Cathro in the house hearing today as to the Bank of North Dakota being unable to pay its bills. In conversation with a reporter Mr. Cathro said that this situation existed. Withdrawals from county banks were ordered last night and early today, he said. They are ordered to transfer money into Minneapolis reserve banks and have not done so. The practice is for an official to give a state check or warrant, he sends it to a bank and this bank sends it to the Bank of North Dakota. The Bank of North Dakota sends the warrant to its Minneapolis reserve banks. The reserves there have not been built up by redemptions from the country banks. It is said that over \$120,000 of drafts issued by the Bank of North Dakota have been unpaid in Minneapolis since last Friday.

If the country banks meet the withdrawals, he said, the Bank of North Dakota will pay. If they do not, the bank will still be unable to pay, unless money obtained through a loan or sale of bonds.

Explains Bond Rule

Harold Hopson, manager of the state bonding department, confirmed the Beach report that his department had laid down a rule to all public treasurers that unless they deposit money in the Bank of North Dakota the bond department will cancel their bonds. This action, he said, was taken because the bond department's investigation of the law has led it to the conclusion that there now is no law under which public officials who are custodians of funds have any right to appoint a public depository. Thus, he said, if the treasurers do not deposit money in the Bank of North Dakota they are depositing it on their own responsibility, and the bond department will not accept the responsibility of being liable on their bonds.

He said the initiated law that repealed the compulsory requirement of depositing in the Bank of North Dakota did not provide for the naming of depositories by treasurers. There are some who look upon the bond department's action as a natural compliment of the Industrial Commission's effort to cause treasurers to continue depositing public money in the Bank of North Dakota.

Would Compare Elements

The reappearance of Townley on the scene here today led to the belief that he would make an effort to compose the views of members of his own organization. Some of them, including Governor Frazier and Attorney-General Lemke, and at least two leading senators, are outspoken in their stands against any liquidation of the Bank of North Dakota, any acceptance of the bankers' compromise plan under which they would undertake the sale of bonds or any compromise whatever, as Mr. Townley has advised.

However, there are some league members of the legislature, as well as Independents, who believe that

HOUSE HEARS CHARGE BY ATTY.

Washington, Feb. 10.—The department of justice knew as early as last October that Grover Cleveland Bergdoll, wealthy draft evader, had escaped to Germany, the house investigation committee was told today by the district attorney of Philadelphia.

"MOTHER" OF 11 WON'T TELL HOW SHE WORKED HOAX



Mr. and Mrs. F. A. South, the Triplets that resulted in South learning that his wife had deceived him into believing that 11 children were their own, and three other children of the South family.

(N. E. A. Staff Special.)
Atlanta, Ga., Feb. 10.—How did you manage to deceive your husband?
That's the question everybody would like to have Mrs. F. E. A. South answer.
She fooled her husband, a grocery employe, into believing that 11 children whom she had taken into their home in 14 years were her own. The truth that she had adopted them came out only after she announced at 52 that she had given birth to New Year triplets.

"That's my business," said Mrs. South, when the question was put pointblank to her, "but I managed it all right."
"I don't yet see how she put it over on me," says the mystified South, who has ordered his wife to give up the triplets, although he has agreed to keep six other children. Two adopted babies died.

"I rather marvel at Mrs. South's success in deceiving her husband," says Mrs. M. T. Mitchell, superintendent of the maternity hospital from which Mrs. South adopted the youngsters. The triplets were not related, but were born about the same time.

Other instances.
But Mrs. South is not the only instance of this kind, according to Mrs. Mitchell. Says she:
"I am pretty sure there are other cases in which a woman has taken a baby from this hospital and passed it off as her own, keeping the secret even from her husband."
"In many other cases only the husband and wife know that the baby is adopted. Their friends are never told of the circumstances of the baby's birth."

Mrs. Mitchell explains that women come to Atlanta from distant cities. They tell neighbors that they will be gone several months.
Husband goes after the wife and when they return with a new baby, the community accepts the baby as the couple's own.
"Mrs. South made a mistake," says Mrs. Mitchell, "when she gave so much publicity to the 'birth' of the triplets."
"I would have kept her secret forever."
"However, I must keep my hospital records straight and I am obliged to tell the truth when an investigation is started."

Differences Past.
Mrs. South and her husband have made up their differences following the discovery of her deception.
"Having to work for the children made my husband a better man," says Mrs. South.
"She's always been a good wife—and mother, too," says South.
"And we love our daddy and our mamma; they're always good to us," chorus the children.

BELGIANS AND GERMANS MIX
London, Feb. 10.—Serious fighting between the German population and the Belgium troops at Aix la Chapelle is reported in an Exchange telegram from Amsterdam today.

REFUSES TO FURNISH FACTS
Washington, Feb. 10.—Secretary Colby refused today to transmit to the senate foreign affairs committee negotiations being made with Japan to meet the situation developed from the adoption by California of the anti-alien land act.

SENATE WANTS LARGE NAVY
Washington, Feb. 10.—The senate naval committee reported to the senate in favor of an American navy at least equal to that of any other power and voted down the Borah naval holiday resolution.

DENY BREAKING WITH TOWNLEY
Frazier and Lemke Say That They Are Working Together
Governor Frazier and William Lemke declare that they have not come to a parting of the ways with A. C. Townley.

Rebate of 1.8 Mills Being Paid as Result of Court Decision
Refunds on taxes are being mailed to Bismarck taxpayers from the office of T. E. Flaherty, county auditor.

WHEAT GROWERS ORGANIZE LOCALS GOLDEN VALLEY
Wilson Announces Meetings in County on Montana Border
A membership campaign is being put on in Golden Valley county this week by the National Wheat Growers association. J. M. Wilson, organizer, is in charge.

NORTONVILLE BANK OPENS
The Nortonville State bank, one of the banks closed in North Dakota sometime ago, has reopened, according to information received at the office of State Examiner Lofthus.

OYSTER BEDS CLOSED.
New York, Feb. 10.—Oysters from Jamaica Bay, which furnishes New York with 300,000 bushels of them annually, have been banned. Health officials say sewage has polluted the waters of the bay.

MAKING REFUND IN TAXES FOR CITY TAX LEVY
Chicago, Feb. 10.—The federal railroad labor board today denied the requests of the American Association of Railway Executives for the immediate abrogation of the wage agreement with the Brotherhood and for the establishment of a new rate predicted on local conditions.

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IRISH TROOPS START MARCH
London, Feb. 10.—An Irish republican army several hundred strong is marching toward Siberian, county of Cork, according to report, says a General News Dispatch.

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EXPLORE "LEAGUE PAPER" SAID IN BANK OF NORTH DAKOTA IN PROBING BODY INQUIRY TODAY

Over \$27,000 Worth of Automobile Paper in Bank Through Discounts—Cathro Tells of Inability to Meet Payments—Records on Farm Loans Called for and Method of Paying Interest on Bonds Inquired Into—Accountant Says He was Denied Records on Mill

The house probing committee delved into "league paper" today.

The evident purpose is to show, if possible, that the Bank of North Dakota has financed league enterprises and league supporters through devious ways, with the Bank of North Dakota as the corner-stone.

One case regarded by members of the committee as being significant was that of \$27,800 of automobile notes that found their way into the Bank of North Dakota. The probers also went into the disproportionate deposits in some banks, showing them far beyond capital stock and surplus of the banks. The answer of the Nonpartisans is that the banks are under the state guaranty act.

Read Automobile Notes

They were notes taken from the Michigan City Bank of Michigan, a small bank, from the Conway Storage company, and rediscouted by the Bank of North Dakota, being in the bank as of face value. The security was storage receipts on automobiles signed by B. H. Stary, who is said to be the man who first furnished the Nonpartisan league organizers with automobiles.

They include: Note for \$5,600, dated Jan. 18, 1920 and due Sept. 18, 1920, carried by the Bank of North Dakota as rediscouts, but carried at face value, for which storage receipt covering four Buick automobiles was given. Another was for \$5,600, covered by storage receipts on four Nash automobiles, another at \$4,500 with storage receipts on five Overland automobiles, another \$4,200 with storage receipts on five Chevrolet automobiles; another for \$7,000 secured by storage receipts on five Wallace tractors; another for \$900 covered by storage receipts on seven Ford automobiles valued at \$4,900.

"Did you ever hear of seven Fords valued at \$4,900 in loans?" asked Attorney Murphy of the witness, E. G. Lee, of Bishop, Brissman and company, who read from the company's audit of the Bank of North Dakota.

Mr. Murphy directed the attention of the witness to collateral received from the First State Bank of Klotze into the Bank of North Dakota for a loan. There was a note of \$1,321 signed by R. W. Fraser, S. S. Selvington and Gottfried Jensen. The witness was unable to identify the men.

Another note put up as collateral was for \$2,625 signed by Judge Geo. H. Moelling and H. A. Nelson, and another for \$2,415. Another note from the First Farmers bank of Minnot showed H. R. Wood as collateral. A demand note from the Citizens State bank of Grano for \$1,200 signed by Gilbert Semington was shown.

Asks Identity.
"Do you know that he is the chief deputy bank examiner at this time?" Mr. Murphy asked. The witness did not.

It is expected that the investigation along this line will continue, it being the evident purpose of the committee to endeavor to completely refute the statements that no "league paper" was in the Bank of North Dakota.

During F. W. Cathro's short period on the stand Mr. Murphy asked:

Difficulty in Payments.
"Is it not a fact that the Bank of North Dakota in the last week or ten days has not been able to pay its current items?"

Mr. Cathro said: "The bank hasn't been able to get money in fast enough to take care of them."
"Do you know of one item of \$120,000 in the city of Bismarck?"
"No, I've heard of a \$95,000 draft on Minneapolis."

Call for Court Records.
J. H. Newton, clerk of the supreme court, was called to produce records of the Scandinavian-American bank case, and counsel for the committee announced that they desired to make comparisons with them.

E. G. Lee, the first witness, who is one of the chief accountants of Bishop, Brissman and company, was the first witness on the stand. He showed total liabilities through loans and redemptions of closed banks as of Dec. 3 to the Bank of North Dakota of \$680,711.89 against an offset of \$323,317.30, against which there was an offset of accounts in the Bank of North Dakota of \$323,317.30. Since that time other banks have closed.

Ed. Sinkler, acting as counsel for the administration, in private conversation with attorneys, wanted to show that Minneapolis banks had money in these closed banks. It is the administration's defense that other banks also were "stung" by the closing of banks. The position of committee counsel is that these outside banks were not handling public funds, and that the committee is concerned wholly with the Bank of North Dakota, and that the Bank of North Dakota.

(Continued on Page 3.)

Tame snakes are used in Morocco to clear houses of rats and mice.