

"BAD PAPER" ORDERED OUT OF PRIVATE BANK FOUND IN BANK OF NORTH DAKOTA, TESTIMONY

DRASTIC MEASURES ARE TAKEN TO PUT MONEY IN STATE BANK; CRISIS IN AFFAIRS REACHED

Agents to Be Sent to Country Banks to Demand Payments of Redeposits to Bank of North Dakota—Checks to Be Registered at Six Per Cent—New Restrictions Placed Upon Withdrawals by Treasurers—Country Banks Must Pay or Close—Talk of Recall Election Rife

Conference and debate among state administration leaders over the policy of the Bank of North Dakota apparently ended today—the policy is that the Bank of North Dakota must be saved. A drastic resolution was promulgated by the Industrial Commission. Suggestions of liquidation of the bank have been definitely rejected. The ultimatum has been given that country banks must put money in the Bank of North Dakota. If they do not do so it is up to the state examiner to take what action he sees fit—this, it is predicted, means the closing of a large number of country banks. Bankers who heard of the action of the commission declared that it was a choice between the Bank of North Dakota and the country banks, and the Bank of North Dakota is slated to survive if possible. The decision follows conferences which have continued over several days. The resolution was framed after A. C. Townley returned to the city. Townley's attitude was not made known. He was, however, in conference with many of the league leaders. Many political leaders freely predicted that the results of the crisis will be a recall election in the spring.

The decision of the Industrial Commission substantially is as follows: 1. The management of the bank is authorized to send agents out to compel depository banks to meet their obligations to the Bank of North Dakota.

2. Until the Bank of North Dakota gets funds from collection, checks will be registered as follows: a. Checks of state treasurers for hall warrants.

b. Checks of state treasurer issued to counties, townships and cities.

c. All other state treasurers checks, except for penal, charitable and educational institutions.

d. Township treasurers checks.

e. All county treasurers checks except those of counties which are depositing all their incoming funds with the Bank of North Dakota, it being understood that the bank shall continue to honor checks of school treasurers, checks of state penal, charitable and educational institutions and checks of those county treasurers who are depositing all of their incoming funds with the Bank of North Dakota.

Can Call Checks. 3. The bank is authorized to call such checks so registered for payment in the order of their registry as fast as they can be met, and to pay 6 percent interest on them.

4. The board of administration is asked to request the management of the state penal, charitable and educational institutions to keep checks issued to the lowest possible point.

The resolution, it was stated, was in tentative form as to phraseology, and will not be made public in its entirety until the phraseology is definitely determined.

The minutes of the meeting cited by Mr. Lemke moved, seconded by Mr. Hagan, that the management of the Bank of North Dakota be directed to send agents to compel depository banks to meet their obligations to the Bank of North Dakota and that such action be rapidly forced.

Hagan Introduces. Mr. Hagan introduced the resolution. It said that the vast majority of deposits made with the Bank of North Dakota by public treasurers were remitted in the shape of checks drawn upon private banks throughout the state and such banks were unable to pay the checks and the Bank of North Dakota, to relieve distress, deposited the money with these banks.

Since that time many of those banks never have been able to pay the Bank of North Dakota, the resolution says, and continues to say that the Bank of North Dakota has endeavored to be as lenient as possible. Private banking institutions have charged that the Bank of North Dakota was embarrassed and in financial stringencies when, as a matter of fact, the resolution says, the only difficulty is the inability of the banks to pay to the Bank of North Dakota. It says the press is trying to conceal the fact that the financial stringency is due to the failure of private banks to pay the state bank.

"Decision Necessary." The final decision of the Industrial Commission was held inevitable by administration leaders. It was decried by some who had hoped that there would be a compromise to permit a readjustment of laws governing the finances in the state, to permit outside money to be brought in the state. By others it was declared to mean a culmination of all discussions regarding the fiscal policy of the state, and that it is intolerable, will bring great and unnecessary hardship on country banks and patrons and can mean only a recall election to decide the issue.

One banker declared that no sound bank would close—that the banks that would have to close would be ones which ought to have been closed two years ago by the state examiner.

ARMISTICE DAY HOLIDAY BILL GETS SETBACK

Senate Majority Opposes Measure as Suggested by American Legion

GOES TO CONFERENCE

Bonus Bill Advanced—House Passes Measure Aimed at The I. W. W.

The question of making Armistice Day, Nov. 11, a legal holiday in North Dakota still is before the legislature today.

The senate late yesterday refused to accede to the proposal made in house bill No. 23, introduced by American Legion members. Instead, the senate passed the bill with an amendment providing that the Memorial Day, May 30, be recognized also as an occasion in memory of veterans of the World War.

The vote was 35 to 14, and several of the 14 who opposed the bill said they did so because they objected to the amendment, and wanted the bill passed as it passed the house. Senator Fraser said he intended to move to reconsider the vote, but would instead let the bill go to a conference committee, and make an effort to have the senate amendment stricken out. An effort by Senator McNair to put on the "clincher" failed.

Many senators expressed themselves on the measure. Senator Porter, opening the discussion, said "let me favor the bill as the American Legion desired it, making Nov. 11 a legal holiday." (Continued on Page Seven)

NEWSPAPER MAN CALLED BEFORE BAR OF HOUSE

Solons Ask Explanation of Articles Appearing in Paper

The majority of the house of representatives want it understood they can't be bought.

This was given as the reason why the majority voted to summon C. K. Gummerson, correspondent for the Fargo Courier-News, to the bar of the house to explain just what was meant when the article sent emissaries of bankers try to "buy" farmer legislators.

The resolution to bring Mr. Gummerson before the bar of the house was offered by Representative Johnson of Ward. It carried by a vote of 18 to 4.

After two hours of word duelling between Independents and Nonpartisans, the matter was deferred until 3 o'clock this afternoon and Mr. Gummerson was to be present at that time.

Mr. Gummerson, who was reporting a senate hearing when he was by the sergeant-at-arms, asked that he be permitted to consult with counsel. This permission was granted, but the attorney he wished in the house with him was engaged in a senate hearing, and it was after this that the proposal was to lay the matter over one day.

League members indicated they might ask that other correspondents be brought before the house to explain articles.

BOY OF 11 IS FACING GALLOWS; CAN HE HAVE FAIR TRIAL?



CECIL BURKETT ACCUSED OF MURDER

Law Says "Yes," But Science Says "No" In Case of Indiana Youngster; What Do You Think?

(N. E. A. Staff Special.) Ora, Ind., Feb. 11.—An eleven-year-old boy goes from Ora to trial for first degree murder next month.

If convicted he faces death by hanging. The case is without a parallel in Indiana history.

The question agitating the state is: "Can Cecil Burkett be given a fair trial?"

For the law gives a prisoner the right of trial by a jury of his peers. Strictly interpreted, that would mean trial by boys of his own age.

But the same law requires that jurors be adults.

Dr. Harold N. Moyer, former commissioner of health for Chicago and a leading alienist of the middle west, has examined Cecil for the Bismarck Tribune.

Dr. Moyer is 62, a kindly, shrewd old man with the experience of many years spent in jails and prisons, courts and madhouses, studying the deficient, the insane—all the twists and turns of human brains, young and old.

He spent four hours examining Cecil, weighing not legal evidence, but the brain of the boy, the soul of the boy—all his life from the cradle and the lives of his parents and grandparents.

He put him through the Stanford revision of the Binet-Simon test, by which his mental development could be ascertained. He found him to be normal, without inborn traits of meanness, cruelty or criminality.

Law and Science Clash in Whether Youngster Can Be Accused Fair Trial. Could this boy conceive a murder plot?

SPECIAL TRAIN TO MANDAN FOR GAME TONIGHT

Alfson, Bismarck Center, Is Out of Game

Bismarck and Mandan high schools meet at basketball at Mandan tonight in their second game of the season. Bismarck, defeated in the first game, is out for a big victory in this game.

There will be a special train leaving Bismarck at 6:45 p. m. and returning, leaving Mandan about 11 o'clock Bismarck time. Four hundred high school students and enthusiastic Bismarckians of all ages are expected to go over the river on the train to root for the local team.

Preparations are made in Mandan for the biggest crowd of the year at a basketball game. The officials selected for the game are Morgan and Murphy, both of whom have officiated before and given utmost satisfaction.

The hopes of the local high school students were dimmed somewhat when Alfson, star center, suffered illness this week. He had a high fever all day yesterday and was better today but will not be able to play in the game tonight.

COMMISSION IN AN ADVERTISING EFFORT IN STATE

Full page advertisements are being carried in many newspapers in the state today by the Industrial Commission, placed through a St. Paul advertising agency.

These advertisements were sent to many independent papers as well as Nonpartisan papers, according to members of the commission, and according to word received by The Tribune, the advertisement will be printed in many independent papers.

The advertisement came as a surprise, no previous announcement of the Industrial Commission's intention having been made until the St. Paul advertising agencies sent out "copy" to North Dakota newspapers.

The advertisement came as a surprise, no previous announcement of the Industrial Commission's intention having been made until the St. Paul advertising agencies sent out "copy" to North Dakota newspapers.

DAD AND SON BANQUET SPUR FOR PARENTS

Opens Up Great Field of Service in Promoting Boy Welfare

ROTARY CLUB GUESTS

Inspiring Address Given by E. C. Walcott of Y. M. C. A.

More than two hundred fathers and sons were brought closer together and the seeds were sown of a better understanding at the fathers and sons banquet given last evening at the Masonic Temple under the auspices of the Bismarck Rotary club.

There were grins of comradeship, song contests, inspiring addresses, a "big feed" and all around good time.

All Sizes There. Little boys, big boys, old boys and young boys accompanied by their fathers or adopted for the evening by the poor "duffer" whose boys were either all girls or fate had denied him the pride of parentage, began early in the evening to pour into the Masonic Temple. There was a get acquainted period so that when the call for dinner was sounded, everyone knew the other fellow and a most congenial spirit inaugurated Bismarck's first father and son get-together banquet which promised to be frequent affairs.

S. E. O. Sign. The capacity of the Masonic Temple dining hall was taxed to the limit and the only regret was that it was impossible to have every father and son in Bismarck there to get the important message and catch the spirit of the affair.

E. C. Walcott, Y. M. C. A. official and boy expert, gave the address of the evening and he touched the hearts and consciences of every father, opening before them the vision of greater service to the "pal" who sat by his side.

A Challenge to Bismarck. "Where will we play?" is the challenge to Bismarck sounded by Mr. Walcott in his plea for wholesome, pure environment where father and son can play together and combat evil companionship and direct the moral and physical well being of his boy.

The absence of directed play in Bismarck and the total lack of parks or general gymnasium or recreation center of any kind came home with emphasis as Mr. Walcott outlined the duty of fathers to their boys.

About Runaways. "Remember boys," he said, "ninety-nine out of a hundred runaways never return to enter in the full riches of success. Don't let anything (Continued on page 2)

BLANK NOTES SIGNED BY N. P. OFFICIALS FOUND IN ENVELOPE WITH STATE BANK RECEIPT BOOK

Sensation Sprung in Investigation Through Find of Bismarck Boy in Dance Hall—Scandinavian-American Bank Paper Finds Way Into State Bank as Collateral for Loans to Fargo Bank—Lofthus Admits \$11,000 Brinton Check

An envelope with ten blank notes signed by Nonpartisan league officials and a receipt book used by appraisers for the state bank in it, was found by Max O'Connell, a Bismarck high school boy, in the Patterson dance hall.

Notes rated as "bad paper" by P. E. Halderson, deputy state examiner, when he made the examination of the Scandinavian-American bank at Fargo when that institution was closed by the state banking board, was found in the Bank of North Dakota by Bishop, Brissman and company accountants, when the firm made the audit December 3.

These were the two outstanding developments today in the investigation being conducted by the house committee into the management of the state industries, in the eyes of the probing committee.

Following the testimony of E. G. Lee, of Bishop, Brissman and company this morning regarding the loans and redemptions made by the state bank to certain banks, F. W. Cathro, director-general of the state bank was called. He was handed one of the receipt books by Attorney Murphy and asked if that was the one used by the appraisers of the bank in getting receipts for their expenditures. He said that it was.

How He Found Blanks. Max O'Connell, a sixteen-year-old Bismarck high school boy, was then called and questioned by Mr. Sullivan. The envelope found by O'Connell was offered in evidence. He testified that he found it in the men's dressing room in the Patterson dance hall on Monday evening.

Mr. Sullivan took the notes from the envelope and read them. The first note was for \$1,000, drawing 10 per cent interest. The line for the payee was blank. It was signed by the Nonpartisan league, J. A. Johnson, manager. The second one was for \$1,000 also, with the due date and the payee blank. It was signed by the Farmers Nonpartisan league, J. A. Johnson, treasurer. The third was for \$2,500 and otherwise the same as the second. The fourth was the same. The fifth was for \$500 and otherwise the same. The sixth was blank except the signature and the per cent of interest. It "carried" 8 per cent interest and was signed by J. A. Johnson, treasurer, and G. A. Totten, Jr., acting state executive secretary.

Craig's Name on One. The sixth was for \$2,500, carried 10 per cent and was blank except the signature which was the same as the fifth.

The seventh was for \$1,000 and signed by the National Nonpartisan League of North Dakota by Ray Craig, state manager.

The eighth was for \$2,500, carried 8 per cent interest and was signed by Johnson and Totten. The ninth was all blank except the interest at 8 per cent and the signature, which was "A. C. Townley."

Mr. Sullivan then offered the receipt book found with them in evidence.

Not an Appraiser. Mr. Murphy then asked Mr. Cathro if Mr. Totten was one of his appraisers. He replied no.

The bank head then was requested to read a list of the appraisers, which he did.

"How many appraisers of the state bank carried league notes," Mr. Murphy asked.

Mr. Cathro replied that he didn't know any did.

Mr. Murphy next questioned Mr. Cathro about a brokerage fee of \$4,160 charged by the state bank in connection with the purchase by that institution of the Dunn county feed and seed bonds.

Mr. Cathro replied that he didn't know but that the bonds were sold to an outside concern and his impression was that the fee was that demanded by the loan firm buying them. He was asked to make a statement regarding the Ancker, a statement regarding the Stark county feed and seed bonds in which Mr. Murphy said, he understood the same deal had been made.

Mr. Cathro denied that he had turned over to the state bank examiner a list of banks which had not paid their drafts.

The farm loans for Bottineau and Beville counties were next considered. Mr. Cathro produced a list and Mr. Murphy reading off some of the names wanted to know if they were customers of his bank. In reply to some, he answered that they were.

The total loans for Bottineau county were \$234,000 and for Beville, \$177,200. Mr. Cathro was excused and later he was asked to make a statement regarding the Bottineau county loans.

He said that less than 15 per cent of the borrowers did business with his bank. Of the first \$219,000 loaned in the county, \$150,000, he said, were made to customers of the First National Bank of Mobal.

Mr. Lofthus was called and questioned by Mr. Murphy in regard to the examination of the Scandinavian-American bank made by P. E. Halderson, deputy state examiner.

Mr. Murphy asked Mr. Lofthus if Mr. Halderson had not reported on Sept. 18, 1919, on the bank and called attention to the excess loans and if on Oct. 27, 1919, he had not made another examination and if the bank had not been closed and Mr. Halderson appointed as receiver.

Yes. Mr. Lofthus replied to the first question that he didn't know and answered (Continued on Page 3.)

APPROVE DISASTER BILL. Washington, Feb. 11.—A drastic immigration bill was approved by the senate committee to take effect April 1, for 15 months.

WEATHER REPORT

For twenty-four hours ending at noon Feb. 11. Temperature at 7 A. M. 36. Highest yesterday 41. Lowest yesterday 17. Lowest last night 16. Precipitation Trace. Hilkhest wind velocity 38-NW.

Forecast. For North Dakota: Fair tonight and Saturday; somewhat colder tonight.

FARM BUREAU MEETINGS HELD IN EMMONS CO.

Linton, Feb. 11.—The result of seven of the eighteen meetings held so far in Emmons county in the interest of the Farm Bureau Federation indicates that this county will also enroll a large membership.

Ed DeLaney of Valley City, and County Agent H. O. Sauer are conducting three meetings a day. They are having large audiences and deep interest is being taken in the discussions.

Following the speaking campaign a drive will be put on in each of the townships for members. The solicitors will be county men.