

WHY THE BANKERS HOWL ABOUT THE SERIAL BONDS

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less \$47,500 interest at the rate of 2 1/2 per cent paid by the bank for the sinking fund money as it accumulates year by year, or a total cost of \$152,500.

The difference between a serial bond and a 20 year bond is this: the money raised for sinking funds, to pay the bonds at the end of 20 years in the case of a straight 20 year bond, instead of being deposited in the local banks at 2 1/2 per cent interest, in sums of \$10,000 per year and laying in the local bank from one year to 19 years, is paid cash each year, in case of the serial bond, to the bond holders, thus reducing the indebtedness each year just that amount, and at the same time stopping the interest which accounts for the saving from year to year.

Now the cost of the serial 6% bond, over which there has been such a controversy, is \$152,000; or to be more to the point, the life of the serial bond will only average, 12 2-3 years instead of 20 years as in the 20 year straight bond. Therefore 12 2-3 times \$12,000, or the interest on \$200,000 at 6% for one year equals \$152,000. \$152,500 the cost of the 20 year straight 5 per cent bond, less the 2 1/2 per cent interest paid by the local banks on the sinking fund, less \$152,000—the cost of the serial 6% bond, indicates in figures that don't lie, that the 6 per cent serial bond is \$500 cheaper than the best figures for the 5 per cent, 20-year straight; besides the 20-year serial bond is paid off with an average yearly levy of \$18,000 as against an average yearly levy of \$20,000.00 on a twenty-year straight bond. Any taxpayer can see for himself that the position taken on the bond issue from the beginning is the correct position, in spite of the lying propaganda carried on by the Pioneer Press and its friends.

A Table of Bond Bids

There is printed below an approximate table of costs to the taxpayers of the different bond propositions offered.

First National Bank bid 5.45 per cent on \$200,000 of 20 years' straight bond. \$200,000 times .0545 or \$10,900 per year interest. 20 times \$10,900 or \$218,000 for 20 years. \$218,000 less \$47,500 paid by bonds for sinking fund deposits, leaves \$170,500 total cost to taxpayers for J. W. McKee's offer, or \$17,500, less \$152,000, or \$18,500 more than the 6 per cent serial bond.

The First National Bank had two bids; the second one was for a 5 1/2 per cent 20 year straight bond which would have cost the taxpayers as follows: \$200,000 times 5 1/2% or \$11,000 per year interest. 20 (years) times \$11,000 or \$220,000; which amount less \$47,500, paid by local banks as interest on sinking funds at 2 1/2 per cent, equals \$172,500 total cost, or \$172,500 less \$152,000 cost of 6% serial, or \$20,500 more than the second proposition of the First National Bank.

N. L. Nelson of the State Bank of Plentywood offered a proposition to take half of the money at 5 1/2 per cent 20-year bond and the other half at 5 1/2 per cent 20-year bond with a \$1,000 bonus, etc. This proposition would have cost the taxpayers just \$218,000, less \$1,000 bonus, or \$215,000 gross, less the \$47,500 sinking or a total cost to taxpayers of \$167,500. Which cost \$167,500 less \$152,000, or \$15,500 more than the 6% serial proposition offered to the county.

Now then why did the other banks bring a restraining order to stop the issue of the serial 6% bonds? They knew which bonds were the cheaper.

It was because they wanted, just as the Producers News has shown, the sinking fund money to stay in the bank at 2 1/2 per cent, so they could loan it back to the taxpayers at 10 per cent and discount it three or four times, making a huge sum of money out of the proposition.

Each bank having sinking fund money will discount the same with the discount banks at least three times each year or to be more plain, they will take the notes received for the sinking fund money, send them to the big city banks, get face value for them, paying 5 per cent interest, and reloan the money again for 10 per cent, repeating this 3 times, makes 350 per cent interest, less 5 per cent, two times and 2 1/2 per cent paid to the county once, or netting 17 1/2 per cent interest, on this money from 1 to 19 years.

You can figure out what a banking game this is and why the banks employed expensive attorneys to fight the 6 per cent Serial bonds which put a kibosh on this, and why they resorted to the tactics they did, in order to try to discredit the Producers News and its editor.

The following table indicates the cause of the squeal and what a loss the serial bond means to the bankers. Read it and study it carefully.

Year	Raised for Sinking fund Levy	Raised for deposits Interest at 2 1/2%
1919	\$10,000	
1920	10,000	1,750
1921	10,000	3,500
1922	10,000	5,250
1923	10,000	7,000
1924	10,000	8,750
1925	10,000	10,500
1926	10,000	12,250
1927	10,000	14,000
1928	10,000	15,750
1929	10,000	17,500
1930	10,000	19,250
1931	10,000	21,000
1932	10,000	22,750
1933	10,000	24,500
1934	10,000	26,250
1935	10,000	28,000

1936	10,000	10,000	21,000
1937	10,000	10,000	28,750
1938	10,000	10,000	30,500
1939	10,000	10,000	32,250

20 yrs \$200,000 \$200,000 \$323,500
Now it will be seen that on a 20 year straight bond, with its attendant sinking fund, means a neat profit of \$23,500 to the local banks.

Doesn't this explain why such an effort has been made to discredit the Producers News and its editor? It does!

FARM BUREAU PLANS TO AID THE DROUGHT STRICKEN FARMERS

(Continued from Page One)

the bankers, the Retail Merchants' Association, the association representing the chambers of commerce, and such other business organizations as may be vitally affected, and we recommend that the Farm Bureau presidents name three of their number to represent them at such a conference.

6. Resolved, that in view of the fact that the question has been raised whether under the constitution of the state, the legislative assembly has the power to make an appropriation for the purpose of giving financial aid to farmers in a drought stricken district, that the chairman of this meeting be directed to secure from the attorney general of the state and opinion on that point, said opinion to be presented at the conference herein requested to be called by the governor.

7. Resolved, that the Farm Bureau endorse the action of the Montana Stockgrowers' association in regard to obtaining a reduction of freight rates on stock and feed; that the Farm Bureaus cooperate in every way possible to secure this reduction; that we endorse the appointment of the farm bureau president selected at Billings to work with the Stockgrowers' association in securing this reduction, and that the Stockgrowers' association be notified of our desire to act with it.

8. Resolved, that the State Highway commission be requested if such action can be legally taken, to insert in all contracts for public road building under its jurisdiction, a clause to the effect that said contracts shall give preference in the employment of labor to Montana citizens, and especially farmers; also that this principle of employment be applied so far as possible to all public work by those who have it in charge.

9. Resolved, that in view of the fact that public employment is one of the best methods of assisting the needy, the United States Railroad administration is urged to prosecute the building of the proposed railroad from Whitetail, well known as the Soo extension; also that the United States reclamation service be urged to prosecute with vigor its work in this state.

10. Resolved that every effort be made to secure and hold an adequate supply of home-grown seed for the use of the farmers in the counties where it is grown, to be sold to them at the actual market price.

Real Estate Transfers

Jules Delattre to School Dist. No. 1, warranty deed, lot 6, block 3, Oie's Add., Scooby.

Marie Knutson to R. R. Ueland, warranty deed, lot 10, block 5, Antelope.

R. R. Ueland to Ist. Nat., Antelope, warranty deed, lot 10, block 5, Antelope.

Elizabeth J. Ankerman to Lina C. Ankerman, warranty deed, lot 6, block 14, Plentywood.

Jas. F. Redmond to Claus R. Tang, warranty deed, lot 8, block 2, Rue's Add., Plentywood.

L. E. Rue to Mary Bernau, warranty deed, part NW 1-4 NW 1-4, 20-35-55.

U. S. A. to Elizabeth M. Crassen, patent, W 1-2, 27-34-51.

U. S. A. to John A. Ethier, patent, N 1-2 SW 1-4, 34-33-47.

U. S. A. to Alette Knudson, patent, NE 1-4, 33, NW 1-4, 32-4-46.

Jas. C. Mullen to J. W. Wheeler, warranty deed, lots 1-2, S 1-2 NE 1-4, N 1-2 SE 1-4, 6, SW 1-4 NW 1-4, NW 1-4 SW 1-4, 5-36-51.

FARM BUREAU HOLDING ROUSING MEETINGS

The Sheridan County Farm Bureau has been holding rousing meetings throughout the county under the management of County Agent Anderson.

Uncle Sam Hampton has been the chief speaker and has been well received everywhere he has appeared. This series of meetings have had to do especially with the drought conditions and a drought survey is being made.

Everybody owes it to himself to attend these meetings, head the speakers and lend a helping hand. The Farm Bureau should have every farmer in the county enrolled in its membership. It is doing a great work among the farmers and should be supported and encouraged. The farmers should miss no opportunity to organize and to learn to work in an organized effort and the farm bureau is doing work that no other body can do.

It is recognized as the mouthpiece of the farmers by the National Government and every farmer should be a part of it.

Don't delay, but send in your dollar and do it now.

No farmer is so poor that he cannot spare up a dollar for the farm bureau. Do it now.

PROMINENT PIONEER PASSES AWAY

(Continued from Page One)

wife left for Fertile, Minnesota, trailing horses through North Dakota, selling them when possible and working with threshing crews when possible to pay traveling expenses.

He then farmed at Fertile for two years and then again returned to what is now Archer in 1907 as a rancher. He lost his harvest and part of his cattle in a terrible early snow storm and blizzard, but he was undaunted and still had faith in Montana, and borrowed more money from Minnesota to buy more cattle.

When the country was surveyed he filed on a homestead and proved up, and both he and his wife proved up on desert claims. He continued farming and ranching with great profit until 1912 when he moved to Plentywood and built the largest home in the city and he had ever since made Plentywood his home.

Mr. Fadness was one of the founders of the State Bank of Plentywood, Redstone, Flaxville and Madoc and the First National Bank of Scooby. From time to time he invested in tracts of land and also town property, and when he died he was heavily interested in six banks, besides having large interests in several other corporations. He was the founder of the Lutheran churches at Plentywood and Archer and was a contributor to several other churches.

Mr. and Mrs. Fadness had no children of their own, but satisfied their love for children by adopting four children in infancy, two girls and two boys. He started his son Andrew in as a rancher at Archer. His daughter, Miss Sophia, recently graduated from Concordia College at Morehead, Minnesota, and the two younger children are still in school at Plentywood.

Mr. Fadness always took an active part in the fight against the liquor interest and contributed in no small way to the destruction of that traffic. He expired last Friday morning, July 11, after an illness of about two weeks.

The pall bearers at the funeral were John Foxy, Mr. Sandvig, Mr. Shippey and Mr. Dooley, all pioneers of this section and old friends of Mr. Fadness, together with Andrew Fadness, his son, and Mr. Andrews, a nephew.

Andrew Fadness was a quiet, unassuming man, and a remarkable character. Starting without any means, undergoing all of the hardships in a new country, he succeeded financially and accumulated a considerable fortune. He was a man of splendid personal habits and lived an exemplary life, and but for misfortune, was good for many years more of useful life.

CROP REPORT FOR MONTANA

Conditions Over State Very Gloomy; Cattle Being Shipped East to Pasture—Farmers Leaving in Places.

Helena, July 17.—Montana will harvest a good deal of wheat, hay, corn, fruit and peas, in spite of the drought conditions according to crop reports from seventeen counties covering all parts of the state, sent to Chas. D. Greenfield, commissioner of agriculture and publicity, for the week ending July 12. Estimates in a number of districts of the state place the yield for winter wheat at from three to ten bushels to the acre, with a possibility of a higher yield in spots.

On the many irrigated tracts the hay is reported to be turning out well. Corn has suffered very little as yet and with a good rain a fairly good crop will be harvested. The western counties report fruit in good condition and a good yield of alfalfa and grain on the irrigated tracts.

In the dry land sections where the drought has been most severe, the stock is being shipped out for pasture, and the farmers are seeking work in the Dakotas, Minnesota and Nebraska. The Farm Bureau organizations are marking surveys of the drought conditions in the various counties.

Reports from the counties are as follows:

Richland—Weather has been comparatively cool, with local showers in part of the county. Late grain has improved so that some farmers are expecting yields of seven to ten bushels on certain fields. General crop conditions have improved fifteen per cent. Much millet has been seeded on ground where the other crops have failed. Second cutting of alfalfa nearly ready but will be much lighter than the first cutting. Conditions generally better.

Dawson—No late rains have fallen. A few of the farmers are beginning to move out and many of them are seeking work in the Dakotas and Minnesota. About ten per cent of the spring grain will be harvested. Yields will range from three bushels to ten bushels. Feed conditions still look very serious.

SCOBEY GETS WATERWORKS SYSTEM

At the municipal election held at Scooby recently on the matter of a bond issue for a water works system, the results showed 43 for, 17 against. The same proposition was turned down by the electors of the big town two years ago and it was therefore a matter of gratification that it carried at this election by such a substantial majority.

A Want Ad in the Producers News brings results.

HERE AUGUST 22 to 27

PUNCH, PEP AND PURPOSE

Herbman's Lecture Will Be Big Feature of Chautauqua Week.

J. C. Herbman, who comes to Chautauqua as one of the principal lecturers of the week, will probably arouse more comment and stir more people to action than any man you have heard in many a day. His lecture will deal



with a subject of tremendous importance in these reconstruction days; the duty of the individual and of the community to the country and to humanity at this critical time.

Herbman combines the fire and energy of a dozen men. He turns loose a machine gun fire on his audiences and every shot goes home. The earnestness of the man, the powerful control of his subject, the remarkable force of his expression, all combine to make his lecture on the fifth night one of the events of the week that no thinking citizen can afford to miss.

PROMINENT WRITER AND POET AT CHAUTAUQUA

Marshall Louis Mertins Comes on the Sixth Day.

Author, lecturer, humorist and staff poet of the Kansas City Star, Marshall Louis Mertins, who comes to Chautauqua on the last afternoon, has made a decided impression in the lecture and literary fields of today. He discusses



his subjects with the eagerness and optimism of youth, yet he is a deep student and a consistent thinker, and his addresses bear the stamp of the man who has mastered his subject.

Into his lecture, "Bricks Without Straw," he weaves a world of humor and brightens his splendid inspirational subject with poems from his latest book, "The Wishing Gate and Other Poems."

Judge Alden of Massachusetts



A direct descendant of Priscilla and John Alden, Judge George D. Alden, who comes to Chautauqua on the third night, has inherited just the traits we would expect to find in him. He is a clean cut, high minded man with deep convictions. He was formerly Judge of the Supreme Court of Massachusetts until he left the bench to enter the lecture field, and in the few years he has been upon the platform he has attained a position of the highest prominence among American lecturers. He has a keen mind, a heart to feel the world's needs and the spirit of a Crusader to pound home his convictions.

CELEBRATED ENTERTAINER AT CHAUTAUQUA

Bess Gearhart Morrison Comes on the Fourth Day.

Bess Gearhart Morrison, one of the country's greatest readers and entertainers, is to be at Chautauqua this year. She comes on Band Day, with two of the most thoroughly enjoyable



programs of the week. Ellas Day, an eminent Chicago critic, says: "Her work excels absolutely on the American platform."

From her "Little Things Out of McGuffey's," the classics of childhood, through a wide repertoire to the thrilling lines of Henry Van Dyke's "Home Coming" song, her readings bear three decisive characteristics: Fitness, charm and exaltation.

DOCTOR SUTCLIFFE POPULAR LECTURER

Writer and Educator Well Known in the West.

Dr. Robert Sutcliffe, writer, educator and lecturer, brings to Chautauqua on the fifth day a splendid, constructive lecture, "Some By-Products of Armageddon." It deals with present day



problems in a sane, sensible manner. You will like Dr. Sutcliffe—he is one of the best known and most popular lecturers in the West. And his lecture will be good for you and your community to hear.

FARMERS START PAPERS

War Industries Board's Ban Against Organizing Newspapers Is Lifted.

From Oregon to Minnesota, Demand Is Strong for Establishment of Co-operative Publications, Where Existing Papers Refuse to Tell Truth.

Bans upon starting new weekly newspapers or upon removing existing newspapers from one place to another, which were placed by the war industries board during the period of the war have been lifted. G. J. Palmer makes this announcement in a letter to O. T. Rishoff of the Northwest Service Bureau, which is located at St. Paul, to help farmers get newspapers

they want to own, established farmers to express a desire to own weekly newspapers in their own hands, for the purpose of distributing truth. Rishoff has been asked to help them get papers started. Two farmer newspaper companies have just been started in Montana, one in Montana, one in Minnesota. Times has been taken over a farmer company, Fay Craven has retained as editor. Another newspaper has just been taken over in Valley City, N. D.

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