

THE PRODUCERS NEWS

A PAPER

OF THE PEOPLE, BY THE PEOPLE, FOR THE PEOPLE

Continuing the OUTLOOK PROMOTER Vol. VII Number 8

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NUMBER 26

FARGO BANK CLOSED IN PLOT ON LEAGUE

HAS JOE DOLIN HAD CHANGE OF HEART

Is He Thinking of Joining the Nonpartisan and Working for the Interest of the Taxpayer?

Our esteemed contemporary seems to be suffering from a case of hysterics regarding the accountant who is going over the records at the court house.

WHY? How long since has Joe been solicitous for the preservation of the funds of the taxpayer?

Well let us analyze the matter a little.

Just after the accountant arrived here, the matter of printing the ballots for the special election came up at the office of the Clerk and Recorder, and Joe was pressing him for the order. In fact we understand he had the forms ready to put on the press, but the Clerk and Recorder took him in to consult with the accountant regarding it, in view of the protests being filed against the election being held. The accountant advised against the order, and advised the Clerk and Recorder to wire the Secretary of State, as he did not think the election would be held. Joe argued that the time was short, and the order should be placed at once; but the wiser counsel of the accountant prevailed and a wire was sent to the Secretary of State, and on receipt of his answer, the County Clerk refused to order any ballots. So poor Joe was prevented from gyping the taxpayers out of about \$2,000.00 for useless ballots, and the poor accountant came under the ban of Joe's paper, because he had saved \$2,000 for the taxpayers.

This was bad enough, but when the Auditor asked the accountant about some of Joe's claims, on one of which he had charged from 40 to 70 cents apiece for cards that are usually given gratuitously, and which totaled \$104.50, she was advised to cut the price down to 5 cents each, which would be a good price. This she did and saved the county \$34.25, and on his (the accountant's) advice, she held up some of Joe's claims for publications for which he had furnished no proofs, as is done by all newspapers, and Joe was instructed to send

in the proofs so that the Auditor could measure them. Joe tried to argue her out of it, but to no avail, and it may have prevented Joe from collecting for 8 point leaded matter, instead of 6 point solid, as the law states.

How much did that cost you, Joe? We might state he has not furnished any proofs of these publications yet.

The evidence of violations of the law, we understand, is piling up at an alarming rate, as Joe and some of the other malefactors well know, and the accountant is working to complete his contract, which the County Attorney admits he made with him, at the instruction of the County Commissioners.

What bothers Joe and others is not the spending the money of the county for the accountant, but that the spending of the money will be the means of making them come across to the county for the moneys obtained by them unlawfully.

Joe does not say anything about the money spent by the Commissioners in hiring outside lawyers to do the work of the County Attorney at an expense of thousands of dollars, nor does he criticize their paying Dr. Steele \$1,400 for service, etc., attending to the man Wallette who was shot while trying to escape from the jail, and while Dr. Steele was drawing \$250.00 a month from the county as health officer as well as extra for mileage, etc.

Why was not the county physician called, whose duty it is to attend the poor and other county charges, and who, we understand would have done the job for something like \$250.00?

These are only a few out of hundreds that will be shown up when the accountant gets through, and he seems to be quite busy yet.

All honest citizens want him to go ahead, but there are some citizens who would like to stop him and prevent the graft being shown up.

Don't be yellow, Joe. Take your medicine.

PRESIDENT'S HEALTH IS IMPROVING

The bulletin issued by Dr. Grayson at 10 o'clock tonight said: "The president had a fairly comfortable day with a slight improvement."

Washington, Oct. 9.—President Wilson continued his progress toward recovery today, his physician reporting that cumulative effects of several comfortable days and nights slowly was making itself felt in a gain of strength. He was kept in bed, however, and it was emphasized that he still was far from being a well man.

There was no indication that the president would be permitted to resume the duties of his office at any time soon, although it was said he might be able to give attention to some official matters some time later.

Jens Hanson and son of Dagmar were in Plentywood Wednesday and made this office a pleasant call. Mr. Hanson but recently has returned from the Twin Cities where he underwent an operation. He held a very successful sale at his farm a few days ago and will spend the winter in California, recuperating his health.

PLENTYWOOD TEACHER IS MARRIED

The wedding of Archie B. Thomas, commercial teacher in the Plentywood schools and Miss C. Grace Voyes was solemnized at the home of Rev. E. W. Savage last Monday evening. Those present were W. A. Colby, room mate of the groom, Henry Goodman, Mrs. Tom Kelly and Nurse Patterson. Mr. Colby and Mrs. Kelly were witnesses, Rev. Savage officiating. The young people had planned a big charivari for the newlyweds, but in some unaccountable manner they evaded the charivari and couldn't be found, though every tactic was used to force Mr. Colby to tell where the couple had gone. Even a half mile sprint behind a high powered car failed to bring forth the much wished for information. It is reported that the couple had escaped by devious routes to the Grand View hotel, where they spent the night.

Mr. Thomas is a Plentywood resident since the opening of the school year, and Mrs. Thomas arrived here on the noon train Sunday. Both young people are from Salem, Indiana. We join with the community in welcoming the bride in her new home, and wish them every success in their journey through life.

LANGER AND HALL DIRECT FINANCIAL BLOW AT FARMER MOVEMENT

In a supreme effort to wreck the Nonpartisan League and its allied organizations, William Langer and Thomas Hall, comprising the majority of the State Banking Board, ordered the Scandinavian-American bank in Fargo closed Thursday and placed Deputy Bank Examiner P. E. Halderson in charge as receiver. This action was taken over the protests of Governor Frazier, third member of the board, who demanded a discussion of the question before action, and who vetoed the proposal.

Hall and Langer ordered the bank closed for two alleged reasons: First, that it is insolvent; second, that it has violated state banking laws in making certain excessive loans. Officers of the bank declare that the bank is not insolvent, but is in the most prosperous condition in its history. They point out that if excessive loans have been made, the directors should have been given the opportunity to reduce them. This procedure, they say, has always been followed before. If all the banks were closed which have excessive loans on their books, they say half the banks in the state would not be allowed to open their doors today.

Masked Assault on League

The reasons alleged by Langer and Hall for closing the bank are clearly a blind. Following the closing of the bank, Langer and Hall took it upon themselves to order all banks in the state to eliminate post-dated checks from among their security holdings. Such action was in direct contrast to the attitude of the depositors' guarantee fund commission, which has gone on record that post-dated checks are acceptable security. The following day these men issued a public statement to the farmer-owned banks throughout the state that have accepted such security, warning them to take "all precautions" to prevent fraud and ordering the banking examiner to make an investigation of these banks. The effect of these acts, so far as they were able to break down public confidence, would be to destroy the value of farmers' paper as collateral and start a run on the farmer banks. Such a result would constitute a powerful financial blow against the Nonpartisan League and the farmers' movement even if it did so at the cost of a financial crash in North Dakota.

Political Plot Revealed

That these actions were the culmination of a well laid political plot is indicated by the following facts: At a meeting of the banking board a week ago, Langer and Hall persuaded State Bank Examiner Lofthus to send Mr. Halderson to check up a trust company in Fargo against which a stockholder had made a complaint. Assistant Attorney General Albert Sheets was sent with him. Instead of checking up the trust company Halderson and Sheets made a special examination of the Scandinavian-American Bank.

In the meantime, State Bank Examiner Lofthus was gotten out of the way on a subterfuge, Langer and Hall having sent him to Florida to investigate a corporation desiring to sell Bank Examiner Simmings' interest of what was going on, Halderson made a report which was used at the Thursday meeting as an excuse to close the bank and appoint Halderson temporary receiver.

The attorney general refused to give out the report of Halderson and Sheets, although the report was printed in apparent verbatim form in the I. V. A. organ.

Law Over-ridden

Although the law specifies that the bank guarantee fund commission shall be called in by the state bank examiner when he shall suspect that conditions are not as they should be, Langer and Hall over-rode the demand of Gilbert Sommingson, acting bank examiner, that the members of the commission be called in as provided by law, and ordered the bank closed.

In the report given to the I. V. A. organs are the following list of loans alleged to be the cause for the action of the banking board:

Loans on Which Closing is Based

Loans of \$170,000 to the Consumers' United Stores Company.

Loans of \$148,524.26 to the National Nonpartisan League.

Loans of \$66,182.28 to the League Exchange.

Loans of \$47,950.06 to the Publishers' National Service Bureau.

Loans of \$12,000 to the United States Sisal Trust, on the notes of J. R. Waters, former bank examiner, and manager of the Bank of North Dakota.

Loans of \$47,088 to H. D. Haggerty, former associate of John Hastings

and Thomas Allan Box, Nonpartisan League financiers, and of J. R. Waters.

Loan of \$23,000 to H. E. Knaack, associate of H. D. Haggerty, who died a year ago without assets of any kind.

Those in a position to point out that the facts regarding these loans are as follows:

Store's Note is Only \$10,000

There is no loan of \$170,000 to the Consumers United Stores company. That company's loan is for \$10,000. There are notes of \$7,500 and \$5,000 of individual farmers, all of which, as well as the company's note, are backed by farmers' notes in the proportion of one and half dollars in notes to one dollar loaned. The majority of these notes do not fall due until October 15, and the notes to the bank not until December 1. The notes, however, are already being collected, some \$23,000 in cash being already in hand, in advance of the date due.

League Notes Well Secured

The loans to the National Nonpartisan League are not to the League, but to individuals, connected with the League, and not in larger amounts than \$7,000 or \$3,000 to each individual. The loans are all secured for the most part by farmers' post-dated checks, for \$16 each, to the Nonpartisan League, for membership, though there are some farmers' notes. Loans have been made on such checks every year, without the loss of a single penny to any of the many banks which have handled them. The checks fall due in the autumn, and the notes are paid off. Year by year, 90 per cent of the face value of these checks has been collected. The amount owing the bank on such loans is secured by farmers' collateral in the proportion of two to one.

The largest loan in connection with the League Exchange is \$9,000. These various loans are made on the notes of farmers, and are secured not only by the farmers' credits, but also by bank stock in various farmers' banks as collateral. The various individual notes are also indorsed by the League Exchange.

Collateral Equals Two to One

The loans to the Publishers' National Service Bureau are the notes of farmers, ranging usually between \$20 and \$100 in amount, given by the most prosperous farmers in the various counties, as a rule, for subscription to the farmers' weeklies in the various counties.

This collateral also is given in proportion of two to one.

While technically Langer contends that these loans violate the rules of the banking board as in excessive amounts, it is pointed out that so far from being bad loans, they are the best loans that any bank can make.

Only three loans are cited as "bad." One is the sisal trust note, which is said to be amply secured.

Another is the Haggerty loan. This is secured by a first trust mortgage on 5,000 acres of hardwood timber land in northern Michigan. Appraisals of the land differ. Some place it is worth at least three times the amount of the mortgage. The loan is in the process of collection, and the bank expects to realize the face value of the obligation.

The H. E. Knaack loan was made to a man, now deceased, who was vice president of the Hartley, Iowa, Savings bank, with a purchase agreement with the bank. The estate is in probate, but a decision is expected October 13, and in this case also the bank expects to collect every cent.

Bank Declared to Be Solvent

But it is pointed out that even if all of these three loans were altogether bad, still the bank would not be insolvent. The loss might reduce dividends to stockholders, but it would not in the least involve the bank's credit.

"There was a regular examination of the bank only ten days ago," said Acting Bank Examiner Simmings, Thursday. "This examination showed some paper that ought to be taken up at once and the bank was requested to attend to the matter. This was not an unusual situation. All banks are given a reasonable time to take up paper the department deems not entirely sound, and such paper is frequently found."

"So I thought of course the Scandinavian-American was taking care of this and was giving them a reasonable time to clean up. The action of the board, over the head of the examiner's office, and in the examiner's absence was unexpected and came like a bolt out of the sky this morning."

Receive Exceeds Requirement

(Continued on Page Eight)

CLASSIFICATION HEARING SET OVER TILL MONDAY

County Attorney Files Demurrer on Behalf of County Commissioners and Howard M. Lewis on Behalf of Blakeslee & Lockwood.

FARMERS SENDING IN MONEY TO ANTI-LOOT FUND

The injunction suit filed by Clark Stoner in behalf of the taxpayers last week through their attorneys, Onstad & Greer, against the County Commissioners and Blakeslee & Lockwood, classification contractors, to prevent the County Commissioners from carrying out this grafting contract which was let without bids, and which case was set for hearing Wednesday afternoon at 2:00 o'clock, was continued by Judge Comer until next Monday, October 13th, if it can be taken up that day, which will be doubtful.

Judge Comer was called away to try cases in another district as reported last week and was unable to get back in time to try the case Wednesday.

There were a crowd of representative farmers from different parts of the county in Plentywood to hear the case Wednesday who were very disappointed because of the delay. These farmers will attend the trial Monday or when the case is called providing they can find out when the case will be tried. This action is attracting a lot of attention all over the state and we understand that Attorney Hurd of the law firm of Norris & Hurd of Helena will be here to assist Atty. Howard M. Lewis for Blakeslee & Lockwood and it is understood that other engineers in the state are employing Mr. Hurd because if the injunction is sustained in Sheridan county and the decision is affirmed in the Supreme Court as it is very likely to be, it will mean that this graft will be nipped in the bud all over the state and millions of dollars saved thereby to the taxpayers.

Attorneys Onstad & Greer say that they are not worried because of the heavy artillery the contractors are bringing up in this case because of the fact that they have the law on their side and that any court will have a difficult time in overruling the specific mandate of the state constitution which reads as follows:

Section 5 of Article 13 in part provides:

"No County shall incur any indebtedness or liability for a single purpose, to an amount exceeding ten thousand dollars, without the approval of the majority of the electors thereof voting at an election as provided by law."

And in State ex rel. Evans vs. Stewart 661 Pac. 309, the Court says on page 314:

Classification Fight or Anti-Loot Fund Care Producers News, Mont., 1919

Gentlemen:

Enclosed find \$....., my donation to the Classification Fight or Anti-Loot Fund, to be used to prevent the robbery of the taxpayers of Sheridan county out of another \$25,000.

WE'LL STICK; WE'LL WIN

Signed.....

Reds Win Ball Series

SUPREME COURT OUSTS RECEIVER FOR FARGO BANK

N. D. Attorney General Is Cited to Appear and Defend Actions.

Bismarck, N. D., Oct. 8.—The State Supreme Court today issued an injunction removing P. E. Halderson as temporary receiver of the closed Scandinavian-American bank of Fargo and citing Attorney General William Langer to appear before the supreme court October 13 and show cause why the injunction should not be made permanent and another receiver appointed.

Halderson, an assistant to State Auditor Carl Kohntzky, was placed in charge of the Fargo bank's affairs when it was ordered closed last Thursday by the state banking board.

The injunction was issued on application of State Bank Examiner O. E. Lofthus, who alleged his powers had been abrogated by Langer and Kohntzky, acting as a majority of the state banking board. The law, according to the application, provides that the bank examiner only shall have the power to nominate a receiver.

At the same time, State Auditor Kohntzky obtained a court decree directing Auditor General Cathro to show cause why the state bank examiners should not be permitted to investigate the Bank of North Dakota.

Cathro this morning refused to allow the examiners to continue with the examination which was started Monday. The examination was ordered by Attorney General Langer.

Ronald Higgins, well known politician from Missoula was in town today, looking over the political prospects.

With the Betting in Favor of the White Sox on Opening Day of World Series, Cincinnati Reds Show Class and Come Out in the Lead.

With the betting against them on the opening day of the big world series played at Chicago and Cincinnati, the Reds battled bravely to the front and won five of the eight games, much to the sorrow of those betting on Chicago, and the Red supporters are carrying a jubilant smile, which means I told you so. If any one takes exception to this statement, it can be verified by Mr. Gavin at the court house.

Much excitement and round table conversation has been caused by these series in Plentywood as well as all other parts of the U. S. When Cincinnati won the first two games it looked as though the Reds were going to make a clean sweep but the White Sox came back and brightened the hearts of their supporters by winning one game. Cincinnati then won another. The fifth game was won by the White Sox. Cincinnati took the sixth. The White Sox came back and grabbed the seventh. The series now stood Cincinnati Reds 4 games, Chicago White Sox 3 games. Thursday the suspense was over, when Cincinnati took the 8th game of the series, and won the championship.

The winning players share for the series was over \$6,000 apiece and the losing players share was about \$4,000 each.

CONGREGATIONAL CHURCH SUPPER OCTOBER 16

The Ladies' Aid of the Congregational church will entertain at a supper in the church Thursday evening, October 16, from 5 to 7:30. Mrs. J. A. Ford, Mrs. A. A. Major and Mrs. E. W. Savage will serve. Every one welcome.