

PRESIDENT OLSON ONLY FIGURE HEAD ASSERTS MR. JACK HASTINGS

The following is a clipping from the Bismarck Tribune of February 25:

Buying the majority stock of the American National bank of Valley City at \$162,000, and unloading it on farmer-league stockholders of the American Exchange State bank at a profit of \$15,000, as a part of the \$230,000 capital and surplus of this new institution;

Buying in the banking building of the American National at \$42,000 and passing it on to league friends at \$69,000;

Using as they might see fit the \$1,500,000 worth of assets represented by the certificates paid for by Consumers' United Store Co. patrons, who have no interest in this great jackpot which they have built up and no voice in directing its expenditure;

Putting in as cashiers of league banks unbonded league employes who promptly make off with \$3,300 of the bank's deposits;

Accepting another league employe's note for \$6,000 worth of the organization's assets which he appropriated to himself, and

Then calmly informing the governor of North Dakota and the secretary of state and the attorney general, as members of the state banking board, that any personal profits resulting from these transactions are "none of the damn business" of the farmers who put up all of this money.

These are some sidelights on the recent investigation of the purchase of the American National bank of Valley City, the organization of the American Exchange State bank, and the consolidation of the two by John J. Hastings, working, he informed the banking board, under the direction of Arthur C. Townley, president of the National Nonpartisan league, and at all times with the full cognizance and approval of Townley and others of those "who would principally benefit from the transaction."

John J. Hastings, financial aide to A. C. Townley, president of the nonpartisan league, does not consider that the amount of his commission on the Valley City bank deal was "any of the business" of the farmers who put up the \$200,000 capital and \$30,000 surplus with which to purchase the American National bank stock which Hastings bid in at \$102,000.

This is said to have been Hastings' reply to a question from a member of the state banking board who desired to know whether the nonpartisan league farmers who financed Hastings' Valley City operations were "hep" to the deal.

Hastings admitted that it was rather difficult to explain to the banking board all of the involved details of the Valley City transaction. He referred to the assets which could not be revealed and to private accounts and the resources which could be recovered only through judgments.

He spoke in detail of the banking practice which enabled him to charge the American Exchange bank, the state institution financed by Barnes county farmers, \$69,000 for a bank building which the American National bank had carried on an asset of but \$42,000. The fact that President Grady also succeeded in unloading his home during the transaction was also something else again, Mr. Hastings is reported to have informed the banking board.

Consumers' Store Co. In
The Consumers' United Stores Co. was in the deal to the extent of 100 shares. The Consumers' Co., for which Hastings claims to be acting as fiscal agent without remuneration, also invested in some of the stock of a bank at Hatten, which Hastings bought or founded for the league. The Kimball-Hastings Co. was mentioned, but it did not appear to have cut much figure in the Valley City deal.

Indignant when the ability of the Consumers' United Store Co. to meet its obligations as a shareholder, which would make it liable for twice the amount of its stock, Hastings is said to have informed the board that the Consumers' Co. had a million and a half in assets, and that it would be considered good anywhere for at least \$1,250,000. These resources, Hastings is said to have stated, are entirely at the disposal of the directors of the Consumers' Co. The stockholders, apparently have no claim on them. Hastings explained that not over \$10,000 was invested in any consumers' store, and that these stores were restricted to an earning of not to exceed 10 per cent. Any single store company might, however, he stated, have 500 certificate-holders, each paying \$100, and the difference would go into the general jackpot, which the directors were authorized to use for the good of the cause, for the purchase of banks, the financing of other league enterprises, or for "education and propaganda."

Townley Knew of Plan
The reorganization or purchase of the American National of Valley City, Hastings is said to claim, was directed by President A. C. Townley of the National Nonpartisan league last June. None of the banks which Hastings organized, he contends, were considered without the full knowledge and approval of those who would principally profit from the enterprise. The banking operations, he stated, were conducted with a view of increasing the league's financial resources and to give it added prestige in various communities.

Originally the organization of banks was undertaken without charge to the stockholders. This plan resulted in a loss. Then the scheme of charging a promotion fee was adopted, and Hastings claims that none of the stockholders of the various institutions

trusted lieutenant, who didn't chance to have a bond, or who discovered some other loop-hole for escape, got away with something like \$6,000. Jack caught the fellow and was going to sue him, but he found the state's attorney and the judge and the jury all stacked against him, and he dismissed the action and accepted the culprit's note.

And besides, there was that \$15,000 which he had been compelled that very morning to turn back into the American Exchange bank coffers to make up that hateful impairment of capital and surplus. And, to add to his humiliation, no one would give him credit for having done it until the cashier of the Valley City bank wired that the money had actually arrived and had been deposited to the bank's account.

Aandah Escaped

S. J. Aandah, chairman of the North Dakota railway commission, and a citizen of Barnes county, was one of those who escaped. The promoters of the Valley City consolidation had him down for \$10,000 worth of stock. Chairman Sam could have bought \$10,000 worth just like that. All last week he and his son hauled \$2.06 wheat to market at the rate of \$200 per each piece, and they have a week or two of hauling ahead of them yet. But Mr. Aandah couldn't see the wisdom of paying a promoter 10 per cent commission when the farmers were all filthy with money and simply rarin' to go. So he bucked on the \$10,000 proposition but "owed" he might take 10 shares. And then he began wondering why he should pay Jack Hastings \$100 commission for selling him \$1,000 worth of stock that he, Mr. Aandah knew perfectly well he wanted and why he wanted it, and finally he just sat down in the railway commission offices here and wrote 'em to count him out on the deal.

How He Would Feel

"I don't know how the farmers who bought the stock in this proposition feel about it," said Mr. Aandah yesterday. "I know how I would feel if I had gone in on it. I don't pretend to know much about the transaction, but as far as I can learn there seems to have been clear clean-up of \$20,000 for the promotion, \$15,000 margin on the purchase of majority stock in the old national bank, and around \$18,000 on the trade on the bank building. That doesn't look good to me. I can't see where it is going to do our organization a bit of good."

Mr. Aandah is a pioneer leaguer. He is a quite wealthy Barnes county farmer. He was elected railway commissioner in 1916 and re-elected in 1918, the only one of the three members of the board who survived the two years' ordeal.

WORKS IN FINE MODERN BUILDING

(Normal Budget)
Modern school architecture is receiving more and more attention from educators and all others who are given the responsibility involved in the erection of new school buildings. The Budget gives considerable space this week to some excerpts from the "Daily Chronicle" of Bozeman, Montana, in its issue of February 7. Prof. J. W. Wynn who was instructor in manual training at V. C. N. from 1912 to 1918 is at the head of manual training work in the Bozeman public school system and his department is housed in this fine, new building. The extracts are as follows:

"The building was erected after several years of thought and months of travel and observation of the latest and most modern structures in the country. It was finally decided that the Mark Twain school at Kansas City which is conceded by educators as being the model of all institutions of its kind in the United States should be followed closely. Within the past month the school has been visited by 32 educators and school men from all parts of the country and the consensus of their opinions is that it surpasses the Kansas City school and is the finest and most complete institution of its kind to be found in the entire United States."

Manual Training Department
"To the right of the auditorium is the manual training department, which educators are profuse in their statements that it cannot be surpassed anywhere. In this department will be all the machinery, tools and belongings necessary to turn out any kind of work handled by the young pupils. Here will be given instruction to boys and girls in any line of mechanical effort they desire and through the watchful observations of the instructor many youngsters will be set on the right road to future work."

"Incidentally, it is with much pride that Superintendent R. J. Cunningham points to much of the furniture in the various class rooms and mentions the fact that it was made in the manual training department by the instructor during the period of the epidemic, and when the schools were closed."

All Furniture of Movable Type
"All of the furniture of the building is of the movable type with the exception of the tables in the drawing department and in the cooking department. As in several of the other rooms the tables and other furniture in the art department were made by the manual training instructor during the influenza epidemic."

"In 1916, when Supt. R. J. Cunningham attended the National Teachers' Association convention in Atlantic City, he met some prominent educators who advised him to look at the Mark Twain school at Kansas City. Mr. Barnes, one of the men, told Mr. Cunningham that this school had the reputation of being the best in the United States for junior high school purposes. Mr. Barnes passed through Bozeman a couple of weeks ago and visited the Emerson school, and he said: 'I have always considered the Mark Twain school to be the best of its kind in the country, but after seeing this building I will have to say that Bozeman has the finest; it surpasses the Kansas City school.'"

From Saturday's Daily

Envoy Jeffries will commence his two days services at the Salvation Army at 8 p. m. tonight. A special musical program will be rendered.

Bert Lippold who is instructor in the auto department at the Agricultural College will come up from Fargo this evening to spend Sunday.

Mrs. O. F. Embertson will entertain a number of her friends this evening complimentary to Mrs. Nordstrum, who is soon to leave the city.

I. P. Neuns, the butcher at the Luessen market left Wednesday for Minnesota, and was called away owing to the serious illness of his father.

The A. & A. boys will give another of their social dances next Tuesday evening at the K. P. hall. Ratlje's four piece orchestra will play for the dancing.

The many friends of Mrs. Lydia Pray will be glad to learn that she is doing very nicely at the Riverside hospital, and she expects to be able to return to her home very soon.

Casper Winkler returned home this morning from the Twin Cities where he has been spending the past couple of weeks, and while there took in the auto show.

Mr. and Mrs. Chas. Whitehead arrived in the city yesterday morning from St. Paul, where they went last week to attend the golden wedding celebration of Mr. Whitehead's parents.

The Ladies of the Episcopal Guild have a 5 o'clock supper at 5 o'clock Friday evening at the Guild hall in honor of Rev. Moultrie, who left last night on No. 8 for Ft. Snelling.

Mrs. C. S. Brown returned to her home at Rogers last evening after spending the day in the city. Mrs. Brown was a Fargo visitor this week, and he returned last night on No. 8.

J. H. Sampson left Thursday evening for LeSear, Minn., where he went to ship eight carloads of cattle down to the South St. Paul market. He expects to return home the first of next week.

Professor E. J. Whalian, who is the principal of the Fingal schools, has been spending today in the city attending to matters of business and taking in the poultry meeting at the city hall.

F. J. Kencke, of Fingal, was a caller on the Times-Record yesterday and booked his subscription to the daily another year. Mr. Kencke is an old printer and naturally likes to drop into a print shop when in town. Come again.

The Times-Record wishes to correct an error which occurred in this paper last night in regard to the arrival home of Co. G and Headquarters Co. The boys will reach Camp Dodge about March 6 and arrive home about March 15.

Dr. Van Houten and Chas. G. Lund returned home Friday from Minneapolis. Mr. Lund has been spending several days in the Twin Cities and Dr. Van Houten has been away during the past week.

E. J. Pegg reached home this morning from a short trip to the Twin Cities. Mr. Pegg was accompanied by Mrs. Pegg and the little girl who remained over at points in Minnesota for a visit with friends.

There will be a Red Cross meeting every Friday afternoon in the Commercial club room at the city hall. The ladies will sew at some of the meetings, and some lecture programs will be given at the meetings.

Mrs. A. P. Hanson of Litchville, and Mrs. S. W. J. Prydz of Casselton, had been guests at the home of Mrs. C. E. Spicer during the past week. Mrs. Hanson was here a week and Mrs. Prydz arrived on Tuesday. The ladies both returned home Friday.

The many friends of Charley Luessen, who had been ill for so long with pneumonia, will be glad to know that he is so far recovered from his recent illness that he is able to be up every day now and walk about some.

Mr. and Mrs. J. B. Wharton, of Parshall, who have been visiting in the city for the past week or two, as guests of Ed Meldahl, returned to their home at Parshall today.

Miss Maria Murphy went to Sanborn yesterday to spend a few days and visited over Sunday with relatives and friends, expecting to return home again Sunday evening.

Corporal Russell Calhoun was an arrival in the city Friday morning from Camp Lewis, Wash., where he has been stationed for the past six months, and has recently been discharged from the service. Russell's many friends are all glad to see him home again.

Mr. and Mrs. W. E. Bush were in receipt of a telegram Tuesday from Curtis Solvieg stating that he had landed safely in the United States from over seas service. Mr. Solvieg was formerly employed at the Sam Mikkelsen garage in this city.

Editor Trubshaw of the Times-Record left Friday evening on No. 8 for Ashland, Wis., where he will spend several days visiting with his daughter and little granddaughter. Mrs. Trubshaw has been visiting at Ashland for the past month, and on Mr. Trubshaw's return home he will be accompanied by Mrs. Trubshaw.

The Right Price Mercantile Company are altering their ready-to-wear and shoe department. When finished they will have one of the finest in the city, and they will carry a much larger stock in each department than formerly.

Miss Fannie Amundson, of the music department at the State Normal school was in Fargo Thursday, to be present at the marriage of Miss Beulah Amundson and Lieut. Ratliff. Miss Amundson will remain in Fargo over the week end, as a guest at the home of her brother, Judge Amundson.

Mrs. George A. Fridt was an arrival in the city Wednesday evening from Minneapolis, where she is making her home with her daughter, Mrs. Pat Hyland. Mrs. Fridt came up to attend to matters of business and she is a guest of Mrs. Willard Crosby 1501 1/2 Ave. here. Mrs. Fridt expects to be in the city for some time.

Lieut. M. H. Spicer, a nephew of Dr. and Mrs. C. E. Spicer, was an arrival in the city Tuesday for a visit here of several days this week leaving Friday afternoon on No. 4 for the east. Lieut. Spicer has just returned from France where he has been for the past two years, and he came here to spend part of a furlough at the Spicer home.

Vernon E. Grant, a prominent Barnes county farmer from Cuba, was an arrival in the city this morning and is spending the day here on business. Mr. Grant was accompanied by Mrs. Grant and baby, who leave tonight on No. 8 for Tamarack, Minn., where Mrs. Grant has been called owing to the death of a brother. Mr. Grant leaves this evening over the Soo for his home at Cuba.

Miss Delia Linwell, of Northwood, has arrived in London, Eng., and has been chosen to have charge of entertainment work for the army Y. M. C. A. Miss Linwell, who with Miss Hazel Nielson of this city, was chosen to represent North Dakota in the General Federation of Womens Club unit of war workers, and she was one of 50 workers selected for this particular work.

Word was received here of the death on Wednesday of S. J. Yaeger, the N. P. agent at Tower City. Mr. Yaeger's death resulted from influenza, and he had been ill only during the past week. He is survived by a wife and two children, and at the time of his death the other members of his family also were ill. Mr. Yaeger was well known in this city.

Mrs. N. N. Hermann and four children, who were recent arrivals in the city from Beloit, Wis., left Wednesday night for Marion, after visiting in Valley City for the past week as guests of Mrs. Hermann's sister, Mrs. Mary Bordwell, who has apartments in the Young Block. Mr. and Mrs. Hermann and family left Marion last fall for Wisconsin to make their home, but they decided to again return to Marion, Mr. Hermann having returned some time ago.

Lieut. and Mrs. George Peake and little daughter left Wednesday night on No. 1 for the west. They first will go to Medford, Oregon, and Mrs. Peake and the baby will remain there visiting with relatives for some time, and Lieut. Peake will go from Medford to Belle view, Ariz., to resume his former position with the Gibson Consolidated Copper Company.

Announcements were received in the city a few days ago of the marriage of Miss Bea Spencer and Mr. Henry Sarsten of Litchville. The wedding occurred on February 19. The couple will make their future home at Litchville. Miss Spencer was formerly bookkeeper at the Times-Record office, and she has recently held a position at the depot at Litchville.

Yesterday evening Mrs. G. W. Hanna entertained all the Red Cross supervisors at her home on Normal avenue. It was an "old fashioned party," and all who attended were asked to wear old fashioned costumes. The evening was passed in a delightful social way, and delicious refreshments were served. Mrs. Hanna was presented with a dozen silver spoons in appreciation of her work in the Red Cross.

Mr. and Mrs. Ray Bassett entertained at a stag dinner Thursday evening at their home on North Fourth avenue in honor of Rev. Lawrence G. Moultrie, rector of All Saints church, who has resigned as rector, and left yesterday evening for Minnesota. Covers for the dinner were placed for eight guests, and those who were present were associates in business and close friends of Rev. Moultrie. After the dinner the remainder of the evening was spent in the form of a smoker.

Mrs. David Junod and baby and Mrs. N. J. Hesch returned to the city yesterday evening from Jamestown where they spent the day visiting with their brother, Jack Moran, going to Jamestown yesterday morning on No. 7. Mrs. Junod and the little boy leave this evening for Minneapolis, where they will join Mr. Junod and where the family will make their future home. Mr. Junod recently accepted a position as chief dispatcher, with the Northwestern Telephone Company, and he has been in Minneapolis for about a month. Valley City friends of Mr. and Mrs. Junod wish them success in their new location.

Mrs. J. V. Johnson was a pleasing hostess Wednesday evening at her home on Sunnyside avenue to a number of friends at an elaborate dinner party. The affair was given complimentary to Mrs. Nordstrum, who is soon to leave the city for Fargo to make her home. Covers for the dinner were placed for 12 guests, and red carnations formed a pretty center piece for the dining table. Following the dinner the remainder of the evening was passed at playing whist, and those receiving the prizes for the high and low scores were: Mrs. Haaland and Mrs. Nordstrum, and the hostess also presented a gift to the guest of honor. A most enjoyable time was reported.

C. E. Boyden, secretary of the North Dakota Press Association and a former newspaper man, is in the city today looking after business matters. We understand that he is now in the circulation department of the Fargo-Courier-News. Mr. Boyden was formerly editor of the Lisbon Free Press and is one of the old time newspaper men of the state—and one of the finest men in the world, to boot!

James S. Burchill is down from Pillsbury looking after matters of business.

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